

Conditions for sustainable procurement in publically procured bus services

Analysis of the current situation, causes and consequences of public transport operators' conditions for submitting reasonable and sustainable tenders in regional public transport procurement

ey.com/se

The better the question. The better the answer. The better the world works.

EY

Shape the future
with confidence



A market under strain: the future of publicly procured public transport

Publicly procured public transport is a central part of the Nordic transport system. They enable everyday mobility, support regional cohesion, and play a critical role in delivering on public policy objectives related to accessibility, climate transition, and social inclusion. For many years, the sector has operated under relatively stable conditions, characterized by growing demand and a clear division of roles between public transport authorities and operators. However, during the past couple of years, the operating environment has changed fundamentally.

An analysis commissioned by the Swedish Bus and Coach Federation and carried out by EY teams points to a market under significant strain. The findings are stark: close to half of the assessed operators are operating at a loss, the market overall is in negative territory, and deficits are increasingly being covered through shareholder support. This cannot be dismissed as the result of temporary disruptions or isolated procurement failures. It is indicative of deeper structural shortcomings in the current model. In the wake of the COVID-19 pandemic, publicly procured public transport has entered a different cost and risk environment. Operators are facing rapidly increasing costs driven by inflation, rising energy prices, and the pace of technological change. At the same time, the transition to battery-electric zero-emission fleets – essential to meeting climate targets – has significantly increased capital requirements and financial exposure. Supply chains have become more vulnerable, while obligations related to digitalization, reporting, and regulatory compliance have grown both in scale and complexity.

These developments are exposing fundamental weaknesses in procurement and contract models that were designed for a more predictable environment and are now ill-suited to a rapidly changing operating environment. As the risk profile has evolved,

risk allocation has shifted accordingly – often without being adequately reflected in the contractual design. In many cases, operators are now expected to bear significant risks that are largely beyond their control.

These developments have created an increasingly strained market. Profitability in the publicly procured bus sector has deteriorated significantly in Sweden and across the Nordic region. A growing share of operators are reporting losses despite increasing revenues. This is already reflected in tendering processes, including a wider dispersion of bid prices and, in some cases, a declining number of bidders. When contractual risk is excessive, competition tends to shift away from efficiency and quality toward operators most willing to bear risk. Over time, this can undermine market functioning and weaken incentives for long-term investment in fleets, systems and skills.

The report finds that the current trajectory is not sustainable. For publicly procured bus services to continue delivering on public policy objectives, the underlying conditions must support financial resilience, investment capacity, and well-functioning competition. This, in turn, requires a more balanced allocation of risks and responsibilities, stronger cooperation between public transport authorities and operators, and contract models that are better equipped to deal with changing operating conditions. This report provides an evidence-based perspective to inform the discussion. The question is no longer whether change is needed, but how to implement it in a way that strengthens the role of public transport in society in the long term.

Anna Grönlund
Deputy Managing Director,
The Swedish Bus & Coach Federation

Contents

Summary	4	Analysis of causes – what has led to the current market situation?	15
Introduction and purpose	7	Capital-intensive assets	16
The bus industry has undergone a fundamental change	8	IT, digitalization and data reporting	19
The purpose of this report is to analyze PTOs' conditions for submitting reasonable and sustainable tenders in procurements of bus services	9	Penalty payments, loss of revenue and lack of renegotiation mechanisms	20
Prior research and historical development of public transport	10	Analysis of consequences – what happens if nothing changes?	22
Deregulation changed the rules of public transport and initially lowered costs	11	Reduced stability and broken agreements	23
The market has consolidated by over 50% in 15 years	12	Fewer tenders and focus on survival	23
Cooperation and distribution of responsibilities are in focus for sustainable public transport	12	Poorer quality and reduced travel	23
Analysis of the Nordic market situation	13	Proposal for initiatives for a more sustainable public transport market by bus	24
Profitability in the Swedish procured bus industry is negative	14	Collaboration	25
Other Nordic countries are also experiencing negative profitability	14	Distribution of responsibilities	25
The deficits may have been partly financed by ownership contributions	14	Distribution of risk	25
		Parameters of compensation	25
		List of references	26
		Appendix	28

Acknowledgements

The report is written by the EY organization, funded by BR, the bus industry's own research and development organization, in collaboration with the industry and employers' association The Swedish Bus and Coach Federation, a member organization of The Transport Companies in The Confederation of Swedish Enterprise.

Authors: Per Skallefell, Jacob Nyberg and Filippa Hain

Summary



Over the past decade, significant global trends have reshaped the conditions for tendered public transport in Sweden and contributed to an increasingly strained market environment. For companies operating within tendered bus services, public transport operators (PTOs), this has in many cases meant accepting substantial risks over which they have limited influence. This is done in order to win contracts that typically span 8-10 years, while having only limited scope for renegotiation during the contract period. Taken together, these developments have resulted in declining profitability across large parts of the market, which in the long run risks having

considerable negative consequences for the long-term function of public transport.

To reverse this negative trajectory, it is essential that public transport authorities (PTAs) design frameworks that promote healthy competition and balanced contracts. Against this backdrop, the purpose of this report is to analyze the conditions under which PTOs can submit reasonable and long-term sustainable bids in public tenders for bus services.

The market analysis shows that industry profitability has endured a clear downward trend since 2019. In Sweden, the average operating margin has deteriorated by 5.0 percentage points, from 4.3% to -0.7%. This can be compared with the Nordic region as a whole, where margins have declined by 3.8 percentage points on average, from 2.7% to -1.1%. Looking at the overall numbers, the Nordic market is operating at a loss, which is unsustainable and risks resulting in contract terminations or bankruptcies.

A recurring explanation for the current market situation is that several cost categories have become harder to forecast, while

risks have increasingly shifted from PTAs to PTOs. Contract durations in the industry are long, meaning that costs can fluctuate substantially over time. As a consequence, increases in costs are often not fully compensated or simply passed on to PTOs through the transfer of risks. Altogether, this has resulted in PTOs submitting bids with very high risk exposure to win tenders.



The analysis in the report points out three areas as particularly problematic for PTOs:

1

Capital-intensive assets

Increased investments in electric buses, high risk in residual value, lack of standardization, and age requirements lead to increased tied-up capital and risk exposure, while simultaneously limiting the ability to manage the fleet efficiently.

2

IT, digitalization and data reporting

Difficulties in forecasting IT costs in tenders, insufficient digitalization of IT systems and requirements across regions, and revenue losses caused by IT-related disruptions, increase the financial risk for PTOs and result in more uncertain financial calculations.

3

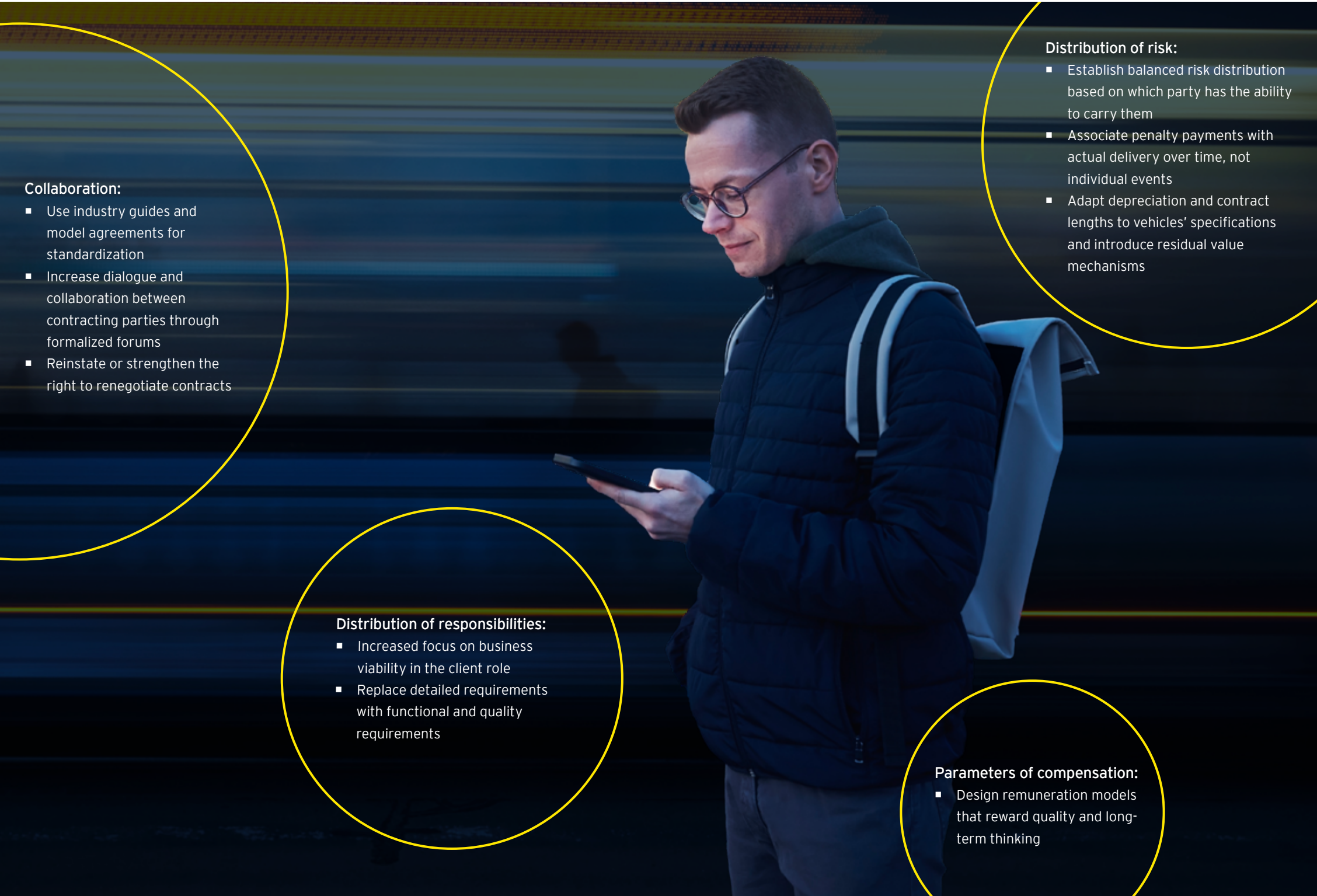
Penalty payments, loss of revenue and lack of renegotiation mechanisms

Periodic penalty payments and loss of revenue due to events beyond the control of the PTOs, combined with a lack of renegotiation mechanisms, expose PTOs to disproportionate risks without the ability to adjust terms or compensation.

The developments can largely be explained by a clear shift in the collaboration culture between PTOs and the PTAs. Whereas cooperation was previously characterized by trust and flexibility, the relationship is today increasingly described as legally and financially driven. This has resulted in more detailed contracts and processes, and a risk allocation that is increasingly placed unilaterally on the PTOs, despite their limited ability to influence many of these risks. In the short run, this contributes to price pressure in tenders, while in the longer run it increases the risk of PTOs being unable to fulfil their commitments, ultimately to the detriment of all parties and society at large.

PTOs have limited ability to manage this situation on their own. A PTO that prices its bid more cautiously to account for rising risks, risks losing tenders and thereby market share. This has contributed to a competitive dynamic where tender outcomes are increasingly determined by which PTO is most willing to assume risk, rather than which is best suited to deliver the service. Based on this, the industry highlights the need for clearer and more balanced conditions from contracting authorities, with the aim of ensuring a more sustainable long-term market with the passengers at the center.

The purpose of this report is to support a constructive dialogue on how the conditions for tendered bus services can be improved. In consultation with The Swedish Bus and Coach Federation and leading market stakeholders, a number of initiatives have been identified, which are summarized on the right.



Collaboration:

- Use industry guides and model agreements for standardization
- Increase dialogue and collaboration between contracting parties through formalized forums
- Reinstate or strengthen the right to renegotiate contracts

Distribution of risk:

- Establish balanced risk distribution based on which party has the ability to carry them
- Associate penalty payments with actual delivery over time, not individual events
- Adapt depreciation and contract lengths to vehicles' specifications and introduce residual value mechanisms

Distribution of responsibilities:

- Increased focus on business viability in the client role
- Replace detailed requirements with functional and quality requirements

Parameters of compensation:

- Design remuneration models that reward quality and long-term thinking

Introduction and purpose



The conditions for public transport are constantly changing, and bus traffic is facing a number of new challenges and opportunities. This chapter opens the discussion about how changing requirements, risks and collaboration can shape the procurement and business models of the future.

The bus operator industry has undergone a fundamental change

In 2024, the Swedish market for publicly procured, regional public transport had a turnover of SEK 64.1 billion, of which SEK 26.5 billion was in regional road traffic¹. Over the past decade, this market has been affected by several macro trends that together have reshaped the conditions for public transport. For example, electrification, driven by climate policy goals and technological development, has led to major investments in electric buses, while digitalization has placed increased demands on governance, data reporting and passenger information. These trends have increased the complexity of the industry, leading to a challenging financial situation for many companies.

A broad comparison of the industry’s operating margin with other procurement-driven markets indicates weak profitability. The average operating margin for the industry for the period 2019–2024 amounts to 3.8%, based on median values, compared with 5.9%–9.0% for other publicly procured industries during the same period².

According to several public transport operators (PTOs) a contributing factor to the challenging profitability is a cultural change between the parties, where collaboration and partnership do not characterize the industry to the same extent as before. This has led to reduced dialogue and room for negotiation, which has resulted in strained margins for the PTOs and made it difficult to balance financial and sustainability goals for the public transport authorities (PTAs). Together with this cultural change, there has been a shift and increase of contractual risks toward the PTOs, resulting in greater difficulties in forecasting costs. Risk in this report refers to financial and operational uncertainties that affect the PTOs’ profitability, such as cost increases, contract terms and investments. Many PTOs believe that the development has gone too far and demand concrete measures to strengthen the understanding between PTAs and PTOs, and thus create a more sustainable and efficient market for public transport.

An example where the industry considered the development to have gone too far is the commuter rail tender in Stockholm, where the risk allocation was deemed to have shifted heavily to the disadvantage of the operating companies. As a result, the tender had to be canceled by PTA Region Stockholm, since only a single bid was submitted. Region Stockholm’s own report, written after dialogue with the market, highlights the reasons behind this and explains why the service is currently operated by SJ under an emergency contract. The report concluded that the contract was perceived as overly unbalanced, including through a unilateral right for the PTA to interpret and apply the contract. Region Stockholm therefore proposed that a more balanced contract structure should be developed.

“The PTA assesses that there needs to be a shift in the perceived and real balance in a future agreement in order to increase attractiveness of a future deal and thus enable improved competition.

This can be achieved by limiting price deductions and penalty payments linked to circumstances beyond the PTO’s control, while simultaneously lowering the threshold for the right to renegotiate³. This phenomenon is not exclusive to the rail industry, it is increasingly visible in the bus industry as well, as illustrated when Connect Bus in PTA Region Kronoberg chose to terminate its contract early due to the operations being deemed unprofitable under the given conditions⁴.

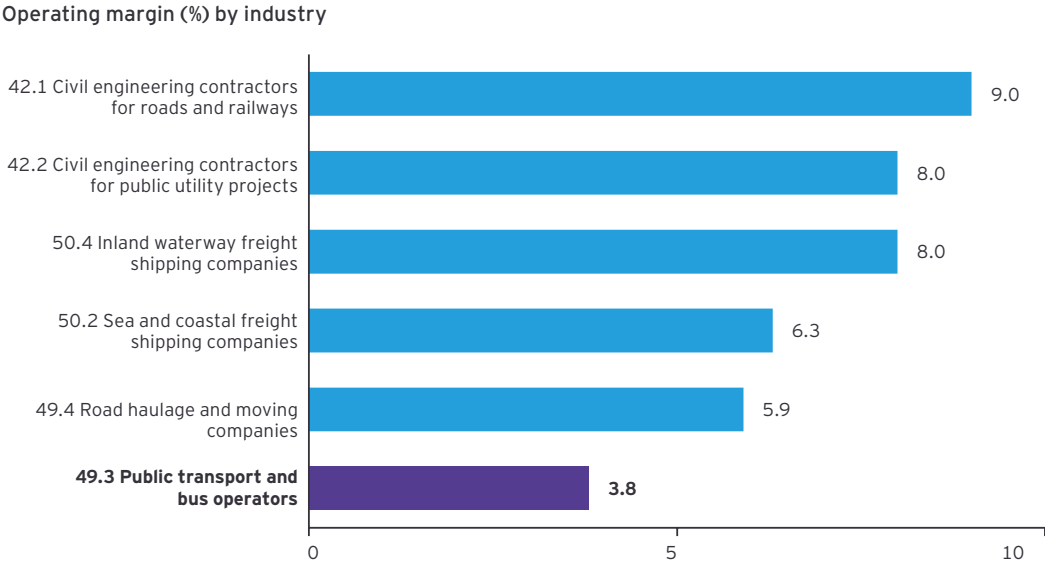


Figure 1. Average operating margin (median) for selected industries at SNI 2007 3-digit level in 2019–2024 (Statistics Sweden, 2024a)

1 Trafikanalys (2024). Regional linjetrafik 2024.
2 Statistics Sweden (2024a). Branschnyckeltal efter näringsgren SNI 2007 och storleksklass och kvartil. År 2008–2024. Statistikdatabasen..

3 Region Stockholm (2025). Beslut om förnyad inriktning för pendeltågsverksamheten. Trafiknämnden, Trafikförvaltningen.
4 Bussmagasinet (2025). Kronoberg och Connect Bus går skilda vägar – bryter avtal i förtid (uppdaterad). Bussmagasinet.



The purpose of this report is to analyze PTOs' conditions for submitting reasonable and sustainable tenders in procurements of bus services

The purpose of this report is to analyze the market situation and the distribution of risk within the procured public transport by bus, and to highlight how these factors affect the PTOs' conditions to conduct long-term sustainable and profitable operations. By clarifying the industry's conditions, this report provides a foundation for a more balanced and robust public transport market, thereby strengthening the functioning and long-term sustainability of the market for both PTOs and society as a whole.

The aim of this report is to provide a factual basis that can support dialogue and future strategic decisions, as well as contribute to a more sustainable and well-functioning public transport system. It is also developed with the aim of building upon the industry's existing recommendations and frameworks, such as those published by "The partnership for improved public transport", including The Public Transport Contract Committee (The partnership for improved public transport) (2025), to contribute with initiatives that enable better conditions for all parties in public transport procurements⁵.

"The partnership for improved public transport", including The Public Transport Contract Committee (The partnership for improved public transport), is an industry-wide initiative that aims to strengthen cooperation between PTAs and PTOs. They produce guidelines, model agreements and recommendations for more sustainable and balanced business models based on principles of increased dialogue, joint follow-up and clear roles. The goal is for PTOs to be able to meet the challenges of the future together

and develop attractive, cost-effective and robust solutions for passengers. The industry guidance published in 2025 by the organization is thus an initiative to strengthen the collaboration between PTAs and PTOs and intends to clarify business model issues that are required for attractive, cost-efficient and sustainable public transport.

Delimitations

To facilitate a focused and in-depth analysis, it is necessary to clearly delimit the scope of this report. The delimitations clarify which issues and perspectives are addressed, which strengthens both the relevance of the analysis and the reliability of the conclusions.

- The analysis period is 2019-2024, which allows for a comparison of developments before and after the COVID-19 pandemic.
- The selection of PTOs has been made in consultation with the industry and The Swedish Bus and Coach Federation. The companies analyzed cover the majority of the market shares for procured public transport by bus.
- The analysis includes bus services in public procurements for local and regional public transport.
- The Swedish market is in focus, while the other Nordic countries are included as a comparison.
- The cost analysis is based on collected and anonymized financial data from PTOs, supplemented with industry indices and prior research.
- The analysis is limited to economic and contractual conditions, rather than, for example, environmental, social or technical aspects outside these frameworks.

⁵ The partnership for improved public transport (2025). *En vägledning för att utveckla hållbara affärsmodeller inom kollektivtrafiken*. Kollektivtrafikens avtalskommitté.

Prior research and historical development of public transport



Public transport in Western Europe has undergone extensive structural changes over the past 40 years. From having long been a mainly public matter with monopolistic structures and strong regulation, the sector is today characterized by competitive procurement of private actors.

Deregulation changed the rules of public transport and initially lowered costs

The wave of liberalization in the 1980s and 90s changed the role of public transport in many European countries. The UK went furthest with a total deregulation of bus traffic outside London. In Sweden, it was instead chosen to open the market for public procurement in competition. In 1989, the new competitive procurement system was introduced, which gradually replaced the previous concessions. Responsibility was then placed on public transport authorities (PTAs), which procured the traffic from private PTOs. The PTA is a part of a Swedish Regional Office and a Region in this context is a self-governing, geographical administrative division in Sweden. In Sweden, the Regions are responsible for local and regional public transport. As such, the terms PTA and Region are used interchangeably in this report. Within a decade, more than 90% of the regular traffic had switched to procured operations. The aim of liberalization was to increase efficiency and reduce costs⁶. Early studies also showed that competitive tendering yielded significant efficiency gains. Hensher and Wallis (2005) estimate that costs decreased by an average of 20%-30% after the first procurement rounds⁷. Furthermore, an EY study (2021)

in PTA Region Örebro showed that costs increased by 7%-10% after the PTA took over bus services from what was previously procured⁸. Additionally, PTA Region Stockholm’s own investigation shows that traffic will be 10%-20% more expensive under its own management⁹.

Recently, however, the costs of procured public transport have also increased significantly. According to Camén and Lidestam (2016), there are nine dominant factors behind this development: the design of traffic, accessibility adaptation of routes, age requirements for buses, environmental requirements, the length of the contract period, special requirements for buses, personnel rules, the procurement and contractual process, and counteracting political governance. The reasons for the impact of the factors include more detailed procurement processes and increased regional differences in requirements. At the same time, the PTAs have become less inclined to accept risk in the agreements, which has led to less flexible agreements. The consequences have been higher costs and increased risk for the industry, as well as a market where long-term efficiency and sustainability have become more difficult to achieve¹⁰.

On the same track, a Norwegian report from 2024 shows that cost increases in the industry have accelerated sharply. Strained contracts have led to historically low margins, and developments show that the industry’s economic crisis is partly due to structural problems in today’s contracting and financing models^{11 12}.

6 Vigren, A. (2016). *Cost efficiency in Swedish public transport*. Research in Transportation Economics, 59, 123-132.
7 Hensher, D. A. och Wallis, I. P. (2005). *Competitive tendering as a contracting mechanism for subsidizing transportation: The bus experience*. Journal of Transport Economics and Policy, 39(3), 295-322.
8 EY (2021). *Kostnadsjämförelse Örebro Stadstrafik*.
9 Bussmagasinet (2024a). *SL: Busstrafik i egen regi dyrare än upphandlad*. Bussmagasinet.
10 Camén, C. och Lidestam, H. (2016). *Dominating factors contributing to the high(er) costs for public bus transports in Sweden*. Research in Transportation Economics, 59, 292-296.
11 Stakeholder (2024). *Status for buss og annen kollektivtransport*. Transport.
12 Aarhaug, J. et. al. (2025). *Kostnadsutvikling i bussmarkedet – Årsaker og sammenhenger*. Transportøkonomisk institutt. Stiftelsen Norsk senter for samferdselsforskning.



The market has consolidated by over 50% in 15 years

The industry has undergone a clear and vigorous consolidation over the years, with fewer and larger players. Acquisitions and mergers have reduced the number of independent PTOs¹³. Also, from 2007 onward, the number of companies has halved, while the number of employees and net sales per company have grown significantly^{14 15}. Today, a few large PTOs dominate the market and account for a growing share of the procured traffic.

An important reason for the strong consolidation, according to industry representatives, is the trend toward ever larger contractual scoping in procurements. Larger contractual scoping has been introduced to create socioeconomic benefits through coordination and economies of scale, but they also require more resources and therefore benefit larger actors. The COVID-19 pandemic reinforced this trend as smaller companies were hit harder and thus found it more difficult to compete, which is reflected in the curve below. This has led to smaller companies finding it difficult to compete, and in many cases exiting the market or being acquired by larger actors.

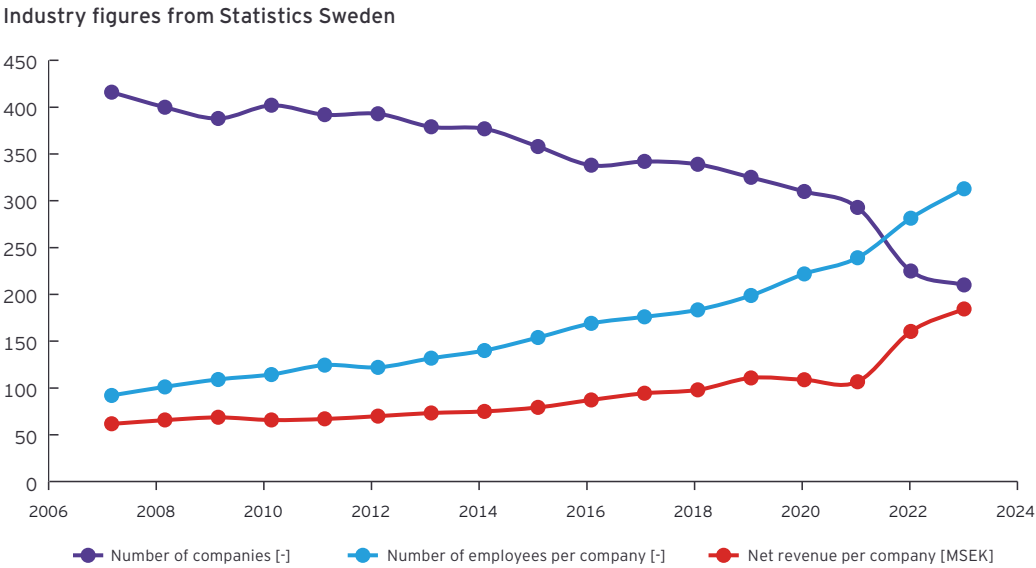


Figure 2. Industry figures from SNI 2007 at 4-digit level: H 49.31 (Statistics Sweden, 2024b; Statistics Sweden, 2025a)

Because of this consolidation, many believe that competition has become so high that it can be likened to hyper-competition. This means that competition in the market is so intense that companies are forced to push prices and margins to the limit, often at the expense of long-term stability. In such an environment, it becomes even more difficult for smaller players to survive. At the same time, larger companies also risk being drawn into a negative spiral where low bids and increased demands lead to a deterioration in the finances and, in the worst case, bankruptcies. Research shows that hyper-competition tends to worsen the conditions for sustainable development by forcing companies to prioritize short-term survival over long-term investments¹⁶.

Several industry representatives therefore believe that the current situation can be described as a vicious cycle: in order to win tenders, PTOs submit tenders with the risk of low margins, which increases the risk of financial problems and can lead to companies leaving the market or going bankrupt¹⁷. To break this negative spiral, industry representatives believe that a conscious strategy is required from both PTOs and PTAs, where the focus is on creating more balanced procurement models and long-term sustainable conditions for all parties.

Cooperation and distribution of responsibilities are in focus for sustainable public transport

The research underlines that the efficiency of public transport is not only determined by the form of contract, but to a large extent by how the governance between actors works. Hrelja et al. (2020) describe the sector as complex with several levels: national authorities, PTAs, municipalities and private suppliers, which makes long-term prioritization more difficult. To meet this complexity, research highlights the importance of integrated planning between traffic, infrastructure and land use. Countries that have successfully established clear institutional frameworks and common incentives tend to achieve higher travel volumes and lower costs over time¹⁸.

The Swedish Competition Authority (sv. Konkurrensverket) and VTI (2024) point out that the PTAs in Sweden have limited knowledge of how contract terms and incentives affect costs, travel volumes and quality over time. As a result, the traffic design and contractual requirements are often determined without sufficient insight into the consequences. Procurements are therefore largely carried out under uncertainty, which increases the risk of inefficient or unbalanced contract solutions¹⁹.

An example of collaboration with a focus on passenger benefit is the national coordination of ticket sales that took place in Norway and creates benefits for passengers through a common app²⁰. The current Swedish system, with separate solutions for each regional transport company, appears in comparison to be fragmented and less user friendly²¹.

13 The Swedish Bus and Coach Federation (2025). *Statistik om bussbranschen 2025*.
14 Statistics Sweden (2024b). *Enterprise unit - Basic data enterprises according to Structural Business Statistics by NACE Rev. 2. Year 2000-2021*. Statistikdatabasen.
15 Statistics Sweden (2025a). *Enterprise unit - Basic data enterprises according to Structural Business Statistics by NACE Rev. 2. Year 2022-2023*. Statistikdatabasen.

16 D’Aveni, R.A. (1994). *Hypercompetition: Managing the Dynamics of Strategic Maneuvering*. Free Press, New York.
17 The Swedish Competition Authority and VTI (2024). *Konkurrens på marknaderna för upphandlad kollektivtrafik*.
18 Hrelja, R., Khan, J. och Pettersson, F. (2020). *How to create efficient public transport systems?* Transport Policy, 98, 186-196.
19 The Swedish Competition Authority and VTI (2024).. *Ibid*.
20 Nygård (2024). *Entur samler det offentlige kollektiv-Norge i en app*. Regjeringen NO.
21 The Swedish Competition Authority (2022). *Ökad nationell tillgång till kollektivtrafikens biljetter*. Dnr 507/2022.

Analysis of the Nordic market situation



An analysis of the profitability of the Nordic market has been carried out to highlight the industry’s future opportunities and challenges. The analysis is based on key financial figures for 32 PTOs in the Nordic region, which together had sales of approximately EUR 5.5 billion in 2024. The selection has been made taking into account the size of the companies and the proportion of procured traffic, as well as in dialogue with the The Swedish Bus and Coach Federation and its Nordic counterparts to establish a representative sample. Some companies also operate other modes of transport than procured bus services, as splitting has not been possible.

Profitability in the Swedish procured bus industry is negative

The analysis shows that the bus industry in Sweden is under severe pressure as a result of declining profitability, which currently is negative. In total, the operating margin for the companies analyzed has decreased, from 4.33% in 2019 to -0.70% in 2024. This is a decrease of 5.03 percentage points. The curve’s noticeable swings can be partly explained by the COVID-19 pandemic, which had a significant impact on the industry.

During the period, the companies’ turnover has increased by an average of 25% but at the same time the Consumer Price Index for passenger transport by bus (07.3.2.1) has reported a price increase of over 34%²². This means that the PTOs’ revenues have grown, but the increase in costs has probably been even more significant. This, together with the declining profitability, confirms a very challenging situation for PTOs. It should be pointed out that not all companies report a loss, but that the overall trend for the Swedish PTOs is negative.

Other Nordic countries are also experiencing negative profitability

The analysis of the Nordic market also shows a clear negative trend where margins have been strained and are now negative. In total, the operating margin in the Nordic region has decreased, from 2.71% in 2019 to -1.08% in 2024, resulting in the industry as a whole making a loss of EUR 59 million in 2024. Profitability has declined in all countries, especially in Sweden, Denmark and Finland. Norway has the highest operating margin of 0.20% while Finland is the lowest at -4.43%. Furthermore, the analysis shows that 14 out of the 32 companies analyzed, corresponding to 44% reported a negative operating margin in 2024, compared to 13% in 2019.

Overall, the analysis shows that the Nordic PTOs are under severe pressure after several years of declining margins. Almost half of the companies analyzed, which together account for a significant share of the procured bus traffic in the Nordic region, today report losses. This is not a long-term sustainable development and risks undermining the companies’ financial stability.

Against this background, it is reasonable to seek explanations at the system level, rather than in individual contracts, quotations or PTO-specific efficiency differences. Although the analysis cannot determine with certainty all the causes, the data indicates that a clear shift has taken place since 2019, with negative effects for PTOs.

For more detailed figures on Nordic developments, see [Appendix A](#).

The deficits may have been partly financed by ownership contributions

The analysis shows that companies’ equity ratio has increased slightly between 2019 and 2024, from 28.3% to 29.2%, which indicates strengthened financial stability. At the same time, the market has experienced a decline in profitability during the same period. This indicates that parts of the deficits may have been financed through group contributions or other capital injections, as profitability has deteriorated at the same time as the equity ratio has improved. Overall, this indicates that the market may be financially supported to some extent. This points to underlying economic challenges that may affect the stability of the market in the long run. Furthermore, smaller companies often have weaker ownership and financing conditions, which benefits larger players and contributes to an increased consolidation of the market.

22 Statistics Sweden (2025b). *Konsumentprisindex (KPI) enligt COICOP (alla nivåer)*, 2020=100. Statistikdatabasen.

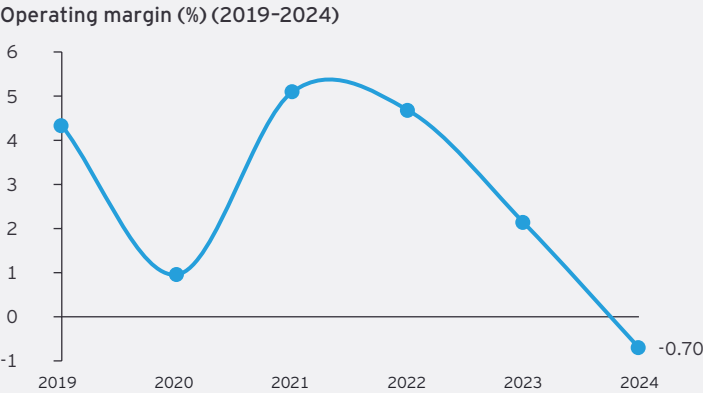


Figure 3. Operating margin for ten Swedish companies in 2019-2024

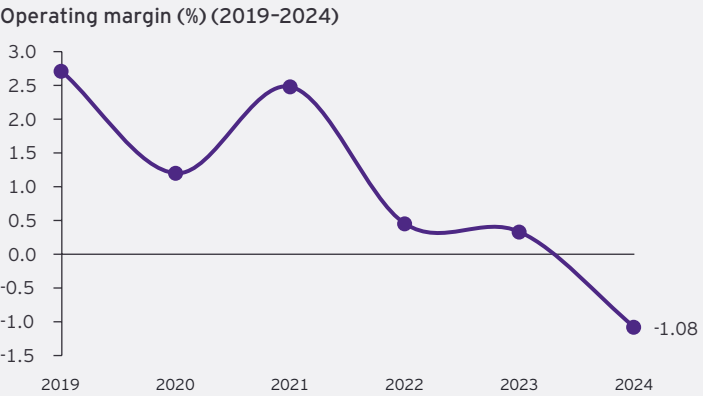


Figure 4. Operating margin for 32 Nordic companies in 2019-2024

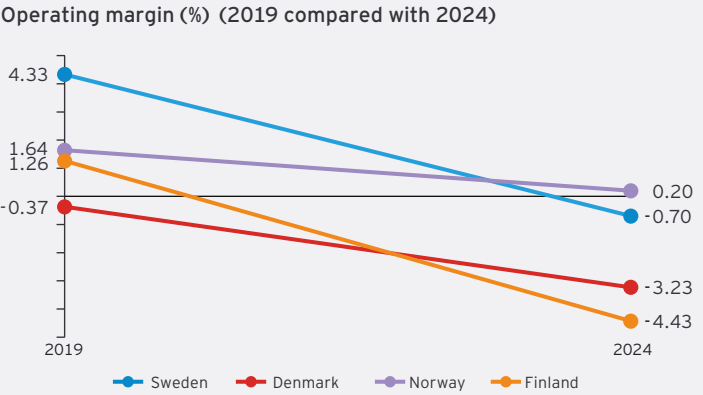


Figure 5. Operating margin per Nordic country in 2019 and 2024 respectively

Analysis of causes – what has led to the current market situation?



To analyze the reasons for the current market situation, eight semi-structured interviews were conducted with actors in the Swedish procured bus industry. The interviews showed that even though many cost components are regulated through indexation clauses, there are several areas where indexation is insufficient or where PTOs are exposed to significant risks. Based on an interview template, an analysis was carried out looking for frequency of the themes that were repeatedly considered to have the greatest financial impact.

For the cost components that are considered to be most important, the interviews point out three areas as particularly prominent:

1. Capital-intensive assets
2. IT, digitalization and data reporting
3. Penalty payments, loss of revenue and lack of renegotiation mechanisms

1 Capital-intensive assets

PTOs have significant capital tied up in assets such as vehicles, depots and infrastructure. Since this is one of the largest cost items, changes in the area have major consequences for the companies' ability to operate traffic in a long-term and financially sustainable manner. In interviews with industry representatives, four negative trends were identified that particularly affect the companies in this area:

- A Significantly increased investments in electric buses and related infrastructure
- B High residual value risk for electric buses
- C Lack of standardization and unclear specific requirements for vehicles
- D Age requirements that prevent fleet optimization

A Significantly increased investments in electric buses and related infrastructure

As society demands an increased focus on sustainability, authorities and Regions have introduced ambitious sustainability goals, which to a large extent has led to requirements for electric buses in public transport. In a relatively short time, the industry has gone from mainly procuring diesel and gas buses to increasingly procuring electric buses. These buses are about 80% more expensive than buses with traditional combustion engines, which means that PTOs take on a significantly higher financial risk. Several industry representatives therefore believe that the outcome of procurements is largely determined by how well a company can finance, manage, or accept this risk in order to be able to submit competitive tenders, instead of their focus on being able to operate attractive and efficient public transport.

Industry statistics show that electric buses are around 80% more expensive than traditional diesel buses. At the same time, prices for both electric and diesel buses have increased sharply in recent years, with an estimated 25% for electric buses and about 52% for diesel buses. In 2025, the average price was about SEK 7.4 million for an electric bus and SEK 4.1 million for a diesel bus.

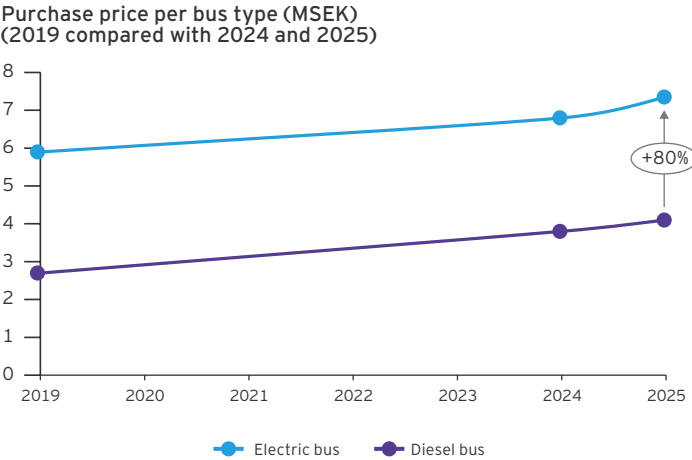


Figure 6. Purchase price per bus for the years 2019, 2024 and 2025 respectively in SEK million

In addition to investments in vehicles, there are also extensive costs for charging infrastructure, switchgear and depot adaptations, which becomes a burden for the PTOs' balance sheets. There are sometimes requirements for 100% electric operation without the PTA always ensuring that electrification is possible in traffic areas. The PTOs then have to deal with uncertainties about depots, lead times, costs, and permits, which becomes another risk to take into account in tenders.

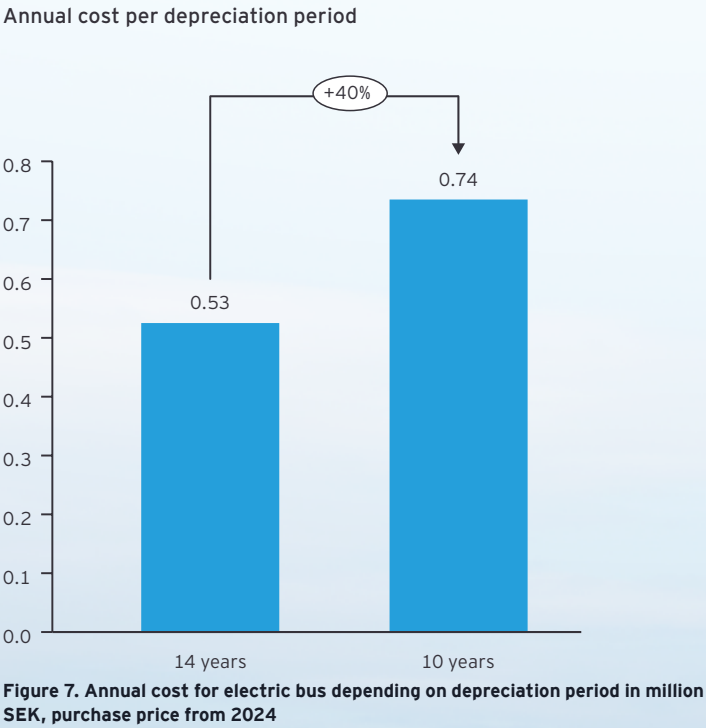
Collectively, this means that an increasing share of capital is tied up in fixed assets, which significantly increases the risk exposure that PTOs assume. Interviews with industry actors show that the increased capital requirements and risks have led to some companies refraining from submitting tenders, especially smaller players with limited financial investment capacity. This is considered to be a contributing factor to the ongoing consolidation in the industry, where financing capacity increasingly outweighs operational capacity. At the same time, other players choose to submit bids with very low margins and thus significant risk-taking in order to maintain their presence in the market.



B High residual value risk for electric buses

Another recurring challenge for PTOs is that the technical lifespan of electric buses often exceeds the contract period that applies in the procurements. The agreements normally run for eight to ten years, while the PTOs estimate that electric buses have a technical lifespan of about fourteen years. This creates a dilemma: either companies price the risk of being left with partially unused vehicles at the end of the contract, which drives up the bid prices. Or they apply longer depreciation periods to be able to submit competitive bids, which in turn increases residual value risks and balance sheet risks.

A cost analysis shows that the difference between depreciating an electric bus over its technical life compared to a 10-year contract period means about 40% higher annual cost per bus, corresponding to about SEK 210,000. For a contract with 100 buses, this means an annual additional cost of approximately SEK 21 million, which in practice can be decisive for the outcome of a procurement. In an example from southern Sweden, where the investment costs amounted to SEK 2.2 billion, the annual difference was SEK 60 million by depreciating over 10 or 14 years. In the current procurement format, when almost all contracts are awarded for lowest price, the depreciation period has a big impact.



The current agreement provides limited scope to deal with uncertainty about the residual value of electric buses, while rapid technological development and the lack of an established second-hand market make assessments of long-term value difficult. Several industry representatives specifically point to batteries as a source of high and regionally varying residual value risk, where the battery requirements' dependence on route and climate means that buses in practice are adapted to local conditions and have limited mobility between agreements and regions. In addition, batteries often need to be replaced after about eight years, and although this cost is usually included in the tender, the new battery life can only be used during the last two years of the contract, leaving a significant cost on the contract without providing full benefit. Especially for PTOs who only run a few contracts and thus already have low portability, which then further increases the incentive to enter into agreements solely for the purpose of acquiring or maintaining market share.

In summary, this means that PTOs are either forced to price in significant risk premiums in their tenders or accept risk levels that in the long run can lead to losses, despite limited control over these conditions.



C Lack of standardization and unclear specific requirements for vehicles

The PTOs point out that a lack of standardization and varying requirements between regions make it difficult to manage the vehicle fleet. PTAs' deviations from common standards often mean that buses need to be specially adjusted, leading to higher costs, reduced flexibility and increased financial risk. In recent years, such special requirements have both become more common and more detailed, with significant implications for the industry's cost structure.

The industry emphasizes that the application of a common standard, such as Bus Nordic, can reduce the need for special adjustments and thus reduce costs per vehicle, without the use of the options that are currently available as add-ons. Customizations limit the possibility of transferring buses between contracts and Regions, and contribute to lower resale values, which not only increases the economic risks but is also negative from an environmental perspective, as vehicles are less reusable during their technical lifetime. In combination with increased capital costs, the risk exposure for PTOs is further increased. An increased use of Bus Nordic and increased consideration of the overall consequences of contractual requirements are therefore considered to be central in strengthening both the industry's long-term sustainability and resource efficiency.

D Age requirements that prevent fleet optimization

When procuring, the PTA states several different requirements that PTOs must comply with in their tenders, many of which relate to the vehicles. In several several Regions, the PTA mainly uses age requirements, such as maximum or average age of the fleet, rather than functional requirements based on the actual quality, condition and performance of the bus. When age requirements dominate, situations arise where fully functional buses need to be taken out of service because they have passed a certain number of years, even though they both technically and operationally meet the needs of traffic. This creates significant difficulties for PTOs to manage their vehicle fleet. Buses that work well cannot be used

further, and the ability to transfer vehicles between agreements or regions is severely limited because age requirements vary and are rarely harmonized. This leads to more expensive traffic and also reduces the possibility of circular and sustainable solutions.

At the same time, the use of age requirements instead of functional requirements counteracts public transport's industry goals in terms of sustainability and economy, as a more function-based requirement specification would have enabled longer life cycles and better resource utilization. The age requirements therefore create a conflict of objectives in that PTAs want to work circularly and achieve ESG and sustainability goals, but at the same time set requirements that reduce the opportunities for circularity. The industry's sustainability and economic goals can thus be more easily achieved by using functional requirements and increasing the technical life of the bus already in the procurement phase.

An example of an alternative model for vehicle management is in the train industry, where the PTAs' joint vehicle company Transitio usually owns the vehicles, which are then leased to individual PTAs. This enables increased flexibility in the design of contracts, where the contract length can be adapted to a higher extent according to the actual lifetime of the vehicles. Although the model has both advantages and disadvantages, ownership means an increased opportunity to manage the vehicle fleet efficiently, as the vehicles can be used over several contract periods without being tied to individual contracts in the same way as in bus traffic. At the same time, the bus industry differs from the train industry in that buses are often used in a broader charter service outside the traffic procured by the PTA. This is especially true in areas outside the urban traffic of big cities, which makes a direct transfer of the model more complex. The fact that PTOs own or lease the vehicles in the procured traffic is a well-established business model throughout the Nordic region that works well foundationally, but which in today's financially strained market entails a higher risk exposure than before.





2 IT, digitalization and data reporting

Interviews with PTOs show that increased IT requirements, such as IT systems, real-time data, cybersecurity, and sustainability and compliance reporting, are driving higher costs and an increased need for advanced skills. At the same time, a lack of technical standardization between regions makes system reuse difficult and makes IT costs difficult to assess in the tendering phase. Three negative trends are identified in this area:

- A Difficulties in calculating IT costs in procurements
- B Lack of standardization of IT systems and requirements across regions
- C Lost revenue due to IT issues

A Difficulties in calculating IT costs in procurements

A recurring challenge is that IT costs are difficult to calculate in procurements and in practice are often higher than what was assumed in the tenders. In recent years, the requirements for digitalization, data reporting and cybersecurity have increased significantly in transport agreements. Several industry actors state that they have been forced to invest in new systems, integrations and competencies without these costs being fully foreseen or priced at the tendering stage. Unclear or open requirements thus create increased financial uncertainty and make it more difficult to submit competitive tenders, which in the long run can affect companies' willingness and ability to participate in procurements.

B Lack of standardization of IT systems and requirements across regions

The lack of standardization between regions further exacerbates this problem. Systems, data models and technical interfaces often differ between different procuring PTAs, which means that PTOs need to build up new capabilities and new technical solutions for each individual contract. This, combined with unclear

requirements, has significant cost consequences. Companies are forced to invest in parallel systems, tailor-made integrations and local ways of working, driving up both initial investments and ongoing operating costs.

A current example of work toward increased standardization is the ITxPT (Integrated Technology for Public Transport) initiative. ITxPT aims to create common standards for technology and data integration between different actors and systems. Although it has not yet been implemented in Swedish public transport, it points to a direction toward more uniform IT solutions. By continuing to work with such standards, the industry can reduce costs, simplify integrations and create better conditions for effective digitalization and data reporting in future procurements.

C Lost revenue due to IT issues

In addition to increased costs, IT-related challenges also affect revenue. In several contracts, the compensation is linked to data delivery rather than actual traffic production, which means that technical errors, lack of system integrations, or deviations in data quality can have direct financial consequences. PTOs describe situations where compensation is withheld even when the service has been carried out according to plan, often as a result of shortcomings in the interface between the companies' and the PTAs' systems, where the burden of proof is also on the PTO.

A particular problem concerns ticket machines, which are periodically out of order and can have long response times. When journeys cannot be validated, there is no compensation in contracts where revenue is based on validated passengers, despite the fact that PTOs often lack control over the equipment. This creates an imbalance between technical control and financial responsibility and increases the risk of systematic loss of revenue.

3 Penalty payments, loss of revenue and lack of renegotiation mechanisms

This area refers to costs linked to penalty payments, i.e, financial penalties in the event of deviations from agreed quality or delivery requirements. It also includes expenses for extraordinary events, such as extreme weather or major traffic disruptions. The interviews show that the application of penalty payments has become stricter and less flexible, which means that sanctions are often imposed even when events are beyond the control of the PTOs, such as extreme weather, infrastructure disruptions, or technical failures. There are also regional differences in the application of periodic penalty payments, where some regions are more understanding of external circumstances, while others are described as strictly rule-based and have less room for dialogue. In interviews with the PTOs, two negative trends emerged that affect the companies in this area:

- A Penalty payments and loss of revenue due to events beyond the control of the PTOs
- B Lack of renegotiation mechanisms

A Penalty payments and loss of revenue due to events beyond the control of the PTOs

Penalty payments and the handling of extraordinary events constitute an increasingly large and difficult to forecast cost item for PTOs, which contributes to increased risk exposure and strained margins. The purpose of the penalty payments is to maintain quality and promote a well-functioning delivery for the passengers; however, the PTOs feel that in recent years there has been a shift where more risks have been placed on the PTOs, even those that are beyond their control. Several actors in particular point out that risks linked to, for example, weather conditions are increasingly covered by penalty regimes.

Data from six regions of varying location and size show that this picture is confirmed by the development in actual outcomes. The total penalty payments increased by approximately 60% between 2019 and 2024 from SEK 140 million to SEK 221 million. During the same period, the customer satisfaction index for Swedish public transport passengers, covering all regions and modes of transport, decreased by about 7% from 60 to 56. It is unlikely that the PTOs’ operational performance would have deteriorated to a corresponding degree during the period. This indicates that a larger part of the risks has shifted to the PTOs, including risks that they have no actual opportunity to influence²³. All penalty figures have been requested from the respective region’s registry and can be found in [Appendix B](#).

This is also confirmed in several interviews, where it appears that PTOs can be fined or lose compensation in the event of accessibility problems or technical faults over which they have no control. Examples of such risks are extreme weather, roadworks and traffic accidents. Industry representatives also point out how external factors affect delivery delays to a large extent, which are also risks that PTOs take on by entering into agreements with the PTA. In one of the agreements studied, it is clear that the risk responsibility in practice lies with the PTO even in the event of external events that cannot be influenced by them. The expectation is therefore that the PTOs will account for all possible outcomes in their tenders.

If a PTO were to fully price all these risks, it is likely that the bid price would not be competitive, which in practice forces the companies to submit bids with lower prices and a high risk-taking in order to have a chance of winning the tender. At the same time, there are good examples where PTAs show understanding of the PTOs’ limited control and refrain from imposing penalty payments

in the event of external circumstances, for example, in the event of storms that block roads and make traffic impossible. In these regions, for such situations, there is also a closer dialogue in order to jointly manage the traffic in the best way for passengers. The Swedish Competition Authority and VTI (2024) highlight that the distribution of risk in the agreements has become

Total penalty payments (MSEK) (2019-2024)

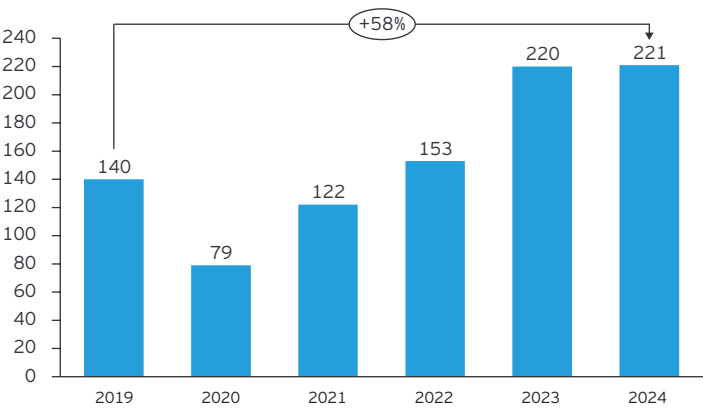


Figure 8. Penalty income for six selected regions, bus modes of transport, in 2019-2024 in SEK million

disproportionate compared to the PTOs’ actual ability to influence the risks²⁴. It is therefore no longer possible to price risk in a way that reflects real-world conditions. Whereupon the purpose of penalty payments has begun to fade away, as penalty payments are often used as a policy instrument in contracts, but without always leading to better quality or punctuality²⁵.

Customer Satisfaction Index for public transport (2019-2024)

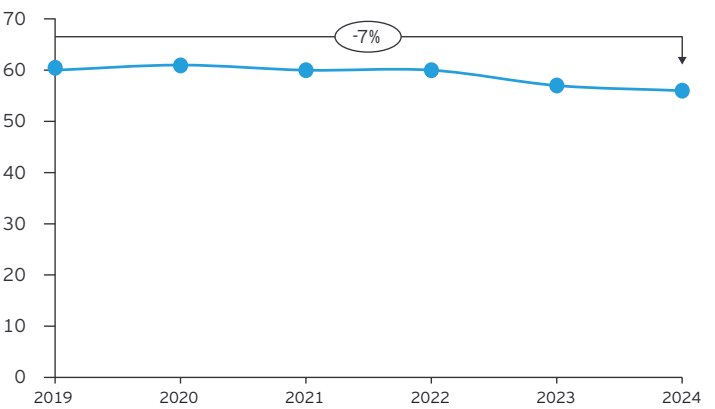


Figure 9. Public transport index for passengers in 2019-2024 from the Public Transport Barometer (Svensk Kollektivtrafik, 2025)

“The activities within the Assignment are in constant development and are affected by, among other things, development work, innovation, political decisions, laws, taxes and external factors. The performance of the Assignment is also dependent on infrastructure, etc., provided by parties other than the Client, and also used by third parties. This may have an impact on the conditions that apply to the Assignment, e.g, in the form of disturbances and infrastructure changes, or result in adaptations or changes to the Assignment.

The fact that the Assignment is complex by its nature, exposed to changes over time and that the PTO’s performance of the Assignment may be affected as stated above are therefore circumstances that the PTO is aware of and has taken into account as prerequisites for the Assignment*.

*Excerpt from an agreement between a PTA and the PTO

23 Svensk Kollektivtrafik (2025). Årsrapport Kollektivtrafikbarometern 2024.

24 The Swedish Competition Authority and VTI (2024). Ibid.

25 Pyddoke, R. (2019). Penalties as incentives for punctuality and regularity in tendered Swedish public transport. K2.

B Lack of renegotiation mechanisms

A recurring problem that the PTOs highlight is the lack of functioning mechanisms for renegotiation in the event of cost shocks or changed traffic conditions. In many agreements, the PTOs are expected to bear the financial consequences of changes over which they have no control, without the possibility of adjusting compensation or terms during the agreement period.

According to industry representatives, this has been reinforced by a gradual change in collaboration between PTAs and PTOs. Today, the relationship is described to a greater extent as legally and economically controlled, with less room for dialogue and pragmatic solutions than before. For example, according to The partnership for improved public transport (2025), the period 2010-2020 was characterized by cooperation and joint initiatives to increase travel, including the ambition to double public transport’s market share²⁶. Several actors believe that the PTAs have gradually reduced the scope for renegotiation by, as expressed in the interviews, “plugging holes in the agreements” through new requirements, stricter application of regulations and more one-sided interpretations. Industry representatives believe that “the dialogue between the parties has become tougher, and collaboration is almost non-existent in some regions, although there are exceptions where cooperation works well.” Overall, this has weakened the ability to manage changes jointly during the agreement period.

The PTOs describe that the development has contributed to a more formalized and less flexible relationship, where the drawn limit between the exercise of public authority and the business relationship is in some cases perceived as unclear. At the same time, several actors point out that the overall commercial perspective in the design and application of public transport contracts can, in some cases, be strengthened among the PTAs, since the understanding of how contract terms and subsequent changes collectively affect delivery over the entire contract period is not always sufficient.

Limited renegotiation opportunities with increased shifting risk might lead to fewer bidders, higher bid prices and increased financial uncertainty in future procurements. At the same time, the PTAs are in a complex position where they act as both a public authority and a business contracting party, which means difficult trade-offs between regulatory governance, equal treatment and the need for flexible collaboration. In the long run, the risk of supply disruptions and contract interruptions increases. A more balanced contractual relationship, with clearer renegotiation mechanisms and strengthened cooperation, therefore appears to be an important prerequisite for a long-term stable and sustainable development of public transport.



26 The partnership for improved public transport (2025). *Ibid.*

Analysis of consequences – what happens if nothing changes?



If the current trend in procured bus industry continues, with strained profitability and an unbalanced distribution of risk, the consequences risk being significant for the functioning of the market, the procuring authorities and ultimately the passengers.

Reduced stability and broken agreements

The development in the market for procured bus services entails significant negative consequences for society and the contracting authorities. Already today, several PTOs have left the market at the same time as consolidation has increased, which means that an increasingly smaller proportion of players have the financial capacity or willingness to bear the risk that current contract models entail. Several PTOs testify to an imminent risk of having to leave agreements early or that the business is not sustainable in the long run. A concrete example is Connect Bus, which chose to leave its traffic agreement in Region Kronoberg prematurely with reference to a lack of profitability²⁷. Similar to the financial problems that Connect Bus was facing, the community-owned, large Norwegian company Unibuss, was in 2024 under threat of bankruptcy, where a majority of bus traffic in Oslo would be affected²⁸. This shows that the risks are not theoretical but are already materializing in the form of canceled contracts, bankruptcies and increased instability.

When PTOs break agreements, direct social costs arise. Traffic needs to be interrupted, replaced through emergency agreements or solved through temporary procurements, often at a significantly higher cost to the regions. At the same time, there is a risk that confidence in the procurement system will be eroded when traffic cannot be delivered according to plan.

27 Bussmagasinet (2025). *Ibid.*
28 Bussmagasinet (2024b). *Krisande bussjätte hoppar av kontrakt*. Bussmagasinet.
29 Region Stockholm (2025). *Ibid.*

Fewer tenders and focus on survival

Strained profitability and a high level of risk lead to a reduced interest in participating in procurements. When contract terms are perceived as unpredictable in relation to the remuneration, actors choose to refrain from submitting tenders. The situation regarding commuter train traffic in Region Stockholm, which was interrupted due to too few tenders, is a clear example. If this trend continues, there is a risk that more and more procurements will attract few bidders, which will weaken competition and greatly reduce the contracting authorities’ room for maneuver²⁹.

Fewer actors on the market means higher entry thresholds for new companies and an increased dependence on a few suppliers, which makes the transport supply more vulnerable in the event of disruptions. At the same time, the focus shifts from development, innovation and efficiency to short-term risk management and financial survival. For the PTOs, the strained profitability means that the investment capacity is weakened, which leads to the postponement of necessary investments in vehicles, depots, infrastructure, IT systems and skills development.

Instead of investing long-term in quality and efficiency, companies are forced to prioritize managing immediate risks and facilitating short-term stability. In line with increased demands for electrification, digitalization and reporting, this risks creating a growing investment debt in the system. In the long run, this affects the quality, reliability and cost efficiency of traffic.

Poorer quality and reduced travel

When the market for procured bus services does not work properly, it is ultimately the passenger who is affected. Public transport by bus is a fundamental function of society, and an unstable market increases the risk of cancellations, reduced traffic supply and poorer quality. For the traveler, this means worse accessibility and reduced punctuality, which directly affects the ability to get to work, studies, healthcare and leisure activities.

For many PTOs, the market for publicly procured bus services is a prerequisite for balancing the activities of tourist and chartered bus services. Without the security that a publicly procured transport contract fundamentally constitutes, it is often difficult for the PTO to deliver bus services to associations, companies and actors in the hospitality industry as this market is characterized by large seasonal variations and a more heterogeneous market. One consequence is that large parts of civil society and the tourism industry risk being left without functioning passenger transport from A to B.

When the reliability of public transport decreases, passengers’ confidence in the system also deteriorates. This leads to more people choosing other means of transport, especially in situations where travel times and punctuality are crucial. Reduced public transport, in turn, makes it more difficult to achieve the goal of four out of ten journeys being made by public transport by 2030³⁰. A deterioration in quality thus risks counteracting both the development of travel and broader societal goals for sustainable transition.

30 Svensk Kollektivtrafik, The Swedish Bus and Coach Federation and Tåg företagen (2024). *4 av 10 - Så når vi kollektivtrafikens branschmål*. Programförklaring Kollektivtrafik.



Proposal for initiatives for a more sustainable public transport market by bus



The future development of public transport requires that the industry's stakeholders jointly address the most central challenges and create robust, sustainable business models. In order to maintain an attractive, cost-efficient and reliable public transport system in the long run, it is necessary that collaboration, responsibility, risk, and compensation are balanced in a way that reflects actual availability and enables long-term action for all parties. In 2025, The partnership for improved public transport launched a report that identifies four fundamental areas that are crucial for the long-term function and development power of public transport:

- **Collaboration:** Refers to how the client and transport companies structure dialogue, joint follow-up and management of changes throughout the contract period, including forms of cooperation before procurement, during operations and in the event of deviations or changes.
- **Distribution of responsibility:** Refers to how responsibility for planning, implementation, follow-up and development of traffic is distributed between the parties based on actual resource availability, competence and the ability to influence the outcome.
- **Distribution of risk:** Refers to how financial and operational risks, for example, linked to cost development, accessibility, technology, travel, and extraordinary events, are distributed between the parties and how these risks are managed in the agreements.
- **Parameters of compensation:** Refers to how compensation models, incentives, penalty payments and indices are designed and linked to how traffic is produced, the quality of it, delivery reliability and passenger benefit, as well as how compensation is adjusted in the event of changed conditions.

These areas provide an overarching framework for how contractual relationships should be designed to create stability, predictability and shared responsibility³¹. This report builds on this framework by concretizing proposals for initiatives in each area, structured in line with the areas dealt within The partnership for improved public transport. The aim is to provide practical guidance on how procurements and contract models can be developed to create a more sustainable public transport market.

31 The partnership for improved public transport (2025). *Ibid.*



List of references

1. Trafikanalys (2024). *Regional linjetrafik 2024*. [regional-linjetrafik-2024.xlsx](#)

2. Statistics Sweden (2024a). *Branschnyckeltal efter näringsgren SNI 2007 och storleksklass och kvartil. Year 2008 - 2024*. Statistical database. [Branschnyckeltal efter näringsgren SNI 2007 och storleksklass och kvartil. År 2008 - 2024. PxWeb](#)

3. Region Stockholm (2025-09-15). *Beslut om förnyad inriktning för pendeltågsverksamheten*. Trafiknämnden, Trafikförvaltningen. [425bd37f92b7fc95225e-a15b-49cb-a481-2ac6482372c5](#)

4. Bussmagasinet (2025-11-17). *Kronoberg och Connect Bus går skilda vägar - bryter avtal i förtid (uppdaterad)*. Bussmagasinet. [Kronoberg och Connect Bus går skilda vägar - bryter avtal i förtid \(uppdaterad\) | Bussmagasinet](#)

5. The partnership for improved public transport (2025-07). *En vägledning för att utveckla hållbara affärsmodeller inom kollektivtrafiken*. Kollektivtrafikens avtalskommitté. [Rapport v4-2.pdf](#)

6. Vigren, A. (2016). *Cost efficiency in Swedish public transport*. Research in Transportation Economics, 59, 123-132. [https://doi.org/10.1016/j.retrec.2016.05.009](#)

7. Hensher, D. A. and Wallis, I. P. (2005). *Competitive tendering as a contracting mechanism for subsidising transportation: The bus experience*. Journal of Transport Economics and Policy, 39(3), 295-322. [\(PDF\) Competitive Tendering as a Contracting Mechanism for Subsidising Transport: The Bus Experience](#)

8. EY (2021). *Kostnadsjämförelse Örebro Stadstrafik*. [https://www.transportforetagen.se/globalassets/rapporter/buss/2021-kostnadsjamforelse-orebro-stadstrafik-rapport-ey.pdf](#)

9. Bussmagasinet (2024a-09-17). *SL: Busstrafik i egen regi dyrare än upphandlad*. Bussmagasinet. [SL: Busstrafik i egen regi dyrare än upphandlad - Bussmagasinet](#)

10. Camén, C. and Lidestam, H. (2016). *Dominating factors contributing to the high(er) costs for public bus transports in Sweden*. Research in Transportation Economics, 59, 292-296. [https://doi.org/10.1016/j.retrec.2016.07.021](#)

11. Stakeholder (2024-10). *Status for buss og annen kollektivtransport*. Transport. [status-for-buss-og-annen-kollektivtransport-rapport-2024.pdf](#)

12. Aarhaug, J., Krehic, L., Kokkvoll Tveit, A. and Wolday, F. (2025). *Kostnadsutvikling i bussmarkedet - Årsaker og sammenhenger*. Transportøkonomisk institutt. Stiftelsen Norsk senter for samferdselsforskning. [\(PDF\) Kostnadsutvikling i bussmarkedet Årsaker og sammenhenger](#)

13. The Swedish Bus and Coach Federation (2025-10). *Statistik om bussbranschen 2025*. [statistik-om-bussbranschen-2025-final.pdf](#)

14. Statistics Sweden (2024b). *Enterprise unit - Basic data enterprises according to Structural Business Statistics by NACE Rev. 2. Year 2000 - 2021*. Statistical database. [Enterprise unit - Basic data enterprises according to Structural Business Statistics by NACE Rev. 2. Year 2000 - 2021. PxWeb](#)

15. Statistics Sweden (2025a). *Enterprise unit - Basic data enterprises according to Structural Business Statistics by NACE Rev. 2. Year 2022 - 2023*. [Enterprise unit - Basic data enterprises according to Structural Business Statistics by NACE Rev. 2. Year 2022 - 2023. PxWeb](#)

16. D'Aveni, R.A. (1994). *Hypercompetition: Managing the Dynamics of Strategic Maneuvering*. Free Press, New York.

17. The Swedish Competition Authority and VTI (2024-02-20). *Konkurrens på marknaderna för upphandlad kollektivtrafik*. [Konkurrens på marknaderna för upphandlad kollektivtrafik](#)

18. Hrelja, R., Khan, J. and Pettersson, F. (2020). *How to create efficient public transport systems?* Transport Policy, 98, 186-196. [https://doi.org/10.1016/j.tranpol.2019.10.012](#)

19. The Swedish Competition Authority and VTI (2024). *Ibid.*

20. Nygård (2024-11-19). *Entur samler det offentlige kollektiv-Norge i en app*. Regjeringen NO. [Entur samler det offentlige kollektiv-Norge i en app - regjeringen.no](#)

21. The Swedish Competition Authority (2022-10-31). *Ökad nationell tillgång till kollektivtrafikens biljetter*. Dnr 507/2022. [Rapporten Ökad nationell tillgång till kollektivtrafikens biljetter](#)

22. Statistics Sweden (2025b). *Consumer Price Index (CPI) according to COICOP (all levels), 2020=100*. Statistical database. [Consumer Price Index \(CPI\) according to COICOP \(all levels\), 2020=100. Month 1980M01 - 2026M02. PxWebhttps://www.statistikdatabasen.scb.se/pxweb/sv/ssd/START_PR_PR0101_PR0101A/KPI2020COICOPM/](#)

23. Svensk Kollektivtrafik (2025). *Årsrapport Kollektivtrafikbarometern 2024*. [Årsrapport Kollektivtrafikbarometern 2024](#)

24. The Swedish Competition Authority and VTI (2024). *Ibid.*

25. Pyddoke, R. (2019). *Penalties as incentives for punctuality and regularity in tendered Swedish public transport*. K2. [Microsoft Word - K2 WP Penalties as incentives RPpet.docx](#)

26. The partnership for improved public transport (2025). *Ibid.*

27. Bussmagasinet (2025). *Ibid.*

28. Bussmagasinet (2024b-06-05). *Krisande bussjätte hoppar av kontrakt*. Bussmagasinet. [Krisande bussjätte hoppar av kontrakt | Bussmagasinet](#)

29. Stockholm Region (2025). *Ibid.*

30. Svensk Kollektivtrafik, The Swedish Bus and Coach Federation and Tågforetagen (2024). *4 av 10 - Så når vi kollektivtrafikens branschmål*. [Programförklaring - Kollektivtrafiken](#)

31. The partnership for improved public transport (2025). *Ibid.*

Conditions for sustainable procurement in publically procured bus services | 27

Appendix



Appendix A: Operating margins in the Nordic bus operator market, 2019-2024

Countries	2019	2024	Difference
Sweden	4.33 %	-0.70 %	-5.03
Norway	1.64 %	0.20 %	-1.44
Denmark	-0.37 %	-3.23 %	-2.86
Finland	1.26 %	-4.43 %	-5.68
The Nordics	2.71 %	-1.08 %	-3.79

← Back to section

Appendix B: Penalties from selected regional public transport authorities, 2019-2024

Public transport authorities	2019	2020	2021	2022	2023	2024	Difference 2019-2024%	Difference 2019-2024 kSEK
Västtrafik	20,928	10,390	16,240	25,059	74,389	53,809	157 %	32,881
SL	64,031	32,581	60,227	59,867	62,035	75,076	17 %	11,044
Skånetrafiken	12,801	1,452	8,039	22,498	36,650	44,264	246 %	31,463
Östgötatrafiken	38,778	31,910	35,267	39,609	36,880	41,242	6 %	2,464
Västerbottentrafiken	3,600	2,600	2,300	6,300	10,200	6,300	75 %	2,700
Hallandstrafiken	819	25	2,824	1,284	1,856	4,578	459 %	3,758

← Back to section

EY | Building a better working world

EY is building a better working world by creating new value for clients, people, society and the planet, while building trust in capital markets.

Enabled by data, AI and advanced technology, EY teams help clients shape the future with confidence and develop answers for the most pressing issues of today and tomorrow.

EY teams work across a full spectrum of services in assurance, consulting, tax, strategy and transactions. Fueled by sector insights, a globally connected, multidisciplinary network and diverse ecosystem partners, EY teams can provide services in more than 150 countries and territories.

All in to shape the future with confidence.

EY refers to the global organization, and may refer to one or more, of the member firms of Ernst & Young Global Limited, each of which is a separate legal entity. Ernst & Young Global Limited, a UK company limited by guarantee, does not provide services to clients. Information about how EY collects and uses personal data and a description of the rights individuals have under data protection legislation are available via ey.com/privacy. EY member firms do not practice law where prohibited by local laws. For more information about our organization, please visit ey.com.

© 2026 EYGM Limited.
All Rights Reserved.

111972-26-GBL
ED None

This material has been prepared for general informational purposes only and is not intended to be relied upon as accounting, tax, legal or other professional advice. Please refer to your advisors for specific advice.

The views of the third parties set out in this publication are not necessarily the views of the global EY organization or its member firms. Moreover, they should be seen in the context of the time they were made.

ey.com/se