

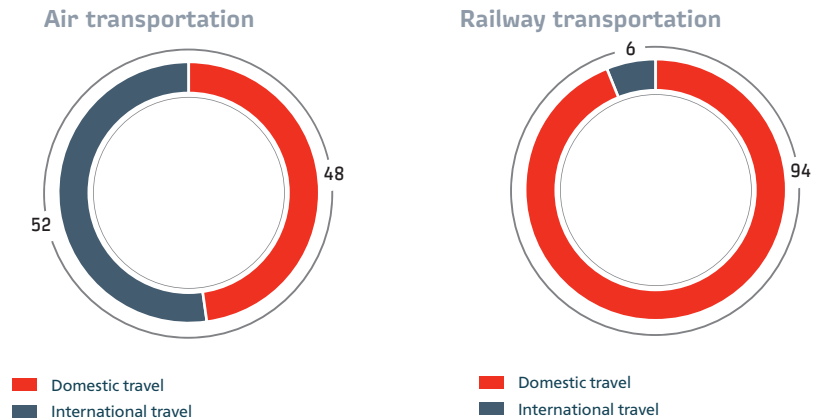
## Inter-industry competition on the passenger transportation market

Railway transportation continued to face competitive pressure from air transportation on domestic routes in the de-regulated segment in 2016. The share of railway transportation is higher on the domestic passenger transportation market.

# 5%

decrease in air transportation passenger turnover in 2016

Structure of passenger turnover for railway and air travel by transportation mode in 2016



Given the competition from air travel seen in 2015, the stable demand for Sapsan and Allegro trains (which offer passengers fast travel time, a high level of comfort, an optimal price level and a convenient schedule), double-decker trains and Strizh trains as well as the use of multimodal transportation and new transport

products as part of the “Daily Express” programme on Lastochka (Desiro RUS) trains demonstrates the positive trend of attracting additional passenger flows from alternative transportation modes and reaffirms the need to continue the development of rapid-transit passenger transportation.

Passenger turnover in the railway industry’s main competitor – air transportation – decreased by 5% in 2016.

For more on the transportation market, see the ‘Market overview’ section.

Passenger turnover for railway and air travel in 2010-2016, bln pass. km

