

The Asian Rail Market is Driving Forward the Economy: The Boom is Far From Over

[25.06.2009] In its latest study, "[The Asian Railway Market 2009–2014](#)", SCI Verkehr analyses facts and trends from this growth region. The Asian rail technology market has been witnessing dynamic growth for years. This dynamism is continuing, in spite of the economic crisis. Almost all government economic stimulus packages in this region include investments for rail technology. China in particular is investing massive amounts in rail transport. The Chinese economic stimulus package provides for a doubling of the investment budget originally planned for new developments and upgrades of rail infrastructure to EUR 70 billion and for new vehicle procurements to EUR 10 billion in 2009.

The market for rail technology in Asia currently has a volume of approximately EUR 30 billion. Despite the economic crisis, SCI Verkehr expects to see growth of almost 5% per year to around EUR 38 billion in 2014. The main drivers for this are:

- **The construction of new railway infrastructure:** Large-volume projects are driving forward the market, e.g. high-speed lines in China and freight transport corridors in India.
- **New development and upgrading of metro systems:** The transport situation has worsened dramatically in the past few years, especially in the Chinese and Indian conurbations. The unregulated influx of segments of the population from rural regions and growing household incomes are leading to a rise in the demand for urban transport facilities. The new development and upgrading of metro systems as means of mass transport will also result in growth in the rail technology market up to 2014.
- **Extensive high-speed train procurements:** The market has grown constantly in recent years with the opening of new lines and the development of new fleets in Taiwan, South Korea and China. Japan is the world leading country and also owns the largest fleet of high-speed trains in the region.
- **Replacement procurements in Japan:** In mature markets, such as Japan, procurements to replace older vehicles play an important role. Japan is, for example, the world's largest individual market for EMUs. Constant replacement procurements ensure a market volume at a high level.
- **Enlargement of the after sales market:** Fleet enlargements and network extensions in China and India are leading to long-term growth in the after sales market.
- **Increasing freight wagon procurement:** The economic crisis has so far had less of an impact on freight wagon procurements in Asia than in other regions because, on the one hand, the economy is continuing to grow and, on the other, procurement decisions are strategically based on long-term growth, particularly in China and India.

Further information: [The Asian Railway Market 2009–2014](#)