

## The Russian Rail Market: Worth Another Look

[26.05.2009] In its new study, "[The Rail Market in Russia 2009–2014](#)", SCI Verkehr GmbH formulates three forward-looking messages: even in the global economic crisis, the Russian market is currently still turning over approx. EUR 10.5 billion annually. The market's players are holding their ground against the severe drops in rail freight transport and the freight wagon market, and they have recognised the signs of the time: for a generation change and technological upgrading of vehicles and infrastructure, innovative international partners are being sought now more than ever before.

In the 1990s, the Russian rail market was considered large, non-transparent, turbulent and closed-off. The structural reform, which got underway in 2001, moved OAO RZD (successor company to the Russian state railway) as a haulier and ZAO Transmashholding as a vehicle manufacturer to the top of an increasingly consolidating sector.

Since then, most vehicles have reached the end of their technical service lives and the demand for transport capacities and efficient lines has increased constantly. The investment programme commenced in 2008 and set to run until 2030 can only be fulfilled if Russian rail technology catches up with Western Europe. Cooperations between Transmashholding and Siemens, Bombardier and, most recently, Alstom Transport show the way forward. Which other players would the market also be open to?

In order to answer this question, SCI Verkehr has updated its 2006 market study about Russia and extended it substantially. "The action is taking place against a new backdrop, and those who are familiar with it will be able to keep up with what's happening", explains Maria Leenen, CEO. The starting point for the new study is therefore an in-depth analysis of the market structures. SCI Verkehr has compiled clearly arranged fact sheets including company and business figures and strategic information for all relevant vehicle and infrastructure producers and transport companies.

As expected, the economic crisis is impacting upon the freight transport sector most of all. SCI Verkehr does, however, expect this to pick up quickly because a functioning rail freight transport system is vital for many parts of the country. This is also evident in the reactions of potential freight wagon buyers: the majority of procurements are being postponed rather than cancelled, and repairs are intensifying instead. Renewals and maintenance make up almost 60% of the current market volume; in the coming years, however, some of the markets for new procurements will increase significantly. One major challenge, on the other hand, will be the urban transport systems, most of which are underfunded.

Further information: [The Russian Railway Market 2009-2014](#)