

The Worldwide Market for Light Rail Vehicles on a Path for Growth

(13.11.2008) In its latest Multi Client Study, SCI Verkehr GmbH estimates a market volume of more than EUR 3.5 billion for the worldwide market for light rail vehicles. Half of the volume is accounted for by after sales service. The market will continue to see dynamic development in future. SCI Verkehr expects an average growth of almost 4.5% per year in the next five years, including price increases.

In its market analysis, SCI Verkehr observed the following developments and trends:

- The global demand for urban rail transport services has risen substantially, especially in Europe and North America, driven mainly by rising petrol prices.
- Increasing public awareness for climate change and general efforts to reduce traffic volumes in inner-cities.
- The implementation of new development and upgrade projects results in demand for new vehicles. Around 300 cities around the world have published plans to develop or upgrade light rail transit systems. Around 100 LRT systems are currently under development or being upgraded.
- There is also growth momentum for LRT in established traditional markets. This growth is concentrated mainly on developing suburban regions by procuring “tram trains”.
- Vehicles have to be replaced every 30 to 45 years for age reasons. Pending large-scale replacement procurements provide momentum for growth up to 2013, especially in Europe.
- The previous trend towards low-floor vehicles is continuing. Quick passenger changing and handicapped-accessible public transport are becoming more and more important. Western Europe in particular has mostly procured vehicles with a low-floor portion of 70 to 100% in recent years. The worldwide share of low-floor vehicles in the entire fleet is currently 15%.
- The demand structure for LRVs is much more specific than for standard-gauge railways. Not only the track gauge, platform height, signalling technology and electrification are different, but also frequently the equipment and design requirements of the respective operator. Utilising economies of scale through modularisation and homogenisation of vehicles is in the very early stages, despite intensive efforts.

At present there are more than 44 000 LRVs in operation worldwide. More than 85% of the total fleet are in operation in the CIS and Europe. The average age of all LRVs is a little over 20 years.

The market is dominated by established systems houses Bombardier, Alstom and Siemens. These three companies supplied more than 50% of all LRVs in the past five years. Growing competition is noticeable due to the regional expansion of some niche providers such as Kinki Sharyo, Skoda Transportation and Stadler.

The study “The Worldwide Market for Light Rail Vehicles 2008 to 2013” includes an analysis of the worldwide market differentiated by region with a detailed examination of the most important national markets, a comprehensive analysis of the current fleets with regard to operation purposes, quantities and age structures, as well as future procurement potential. In addition, the study includes the current market shares of important manufacturers and customers for LRVs as well as a forecast of future vehicle requirements in the individual regions. There is also an overview of manufacturers with a brief analysis of their current product and service range including contact details. The annex to the study includes, among other things, a list of operators’ total vehicle fleets and current procurements of LRVs, as well as LRT infrastructure projects.