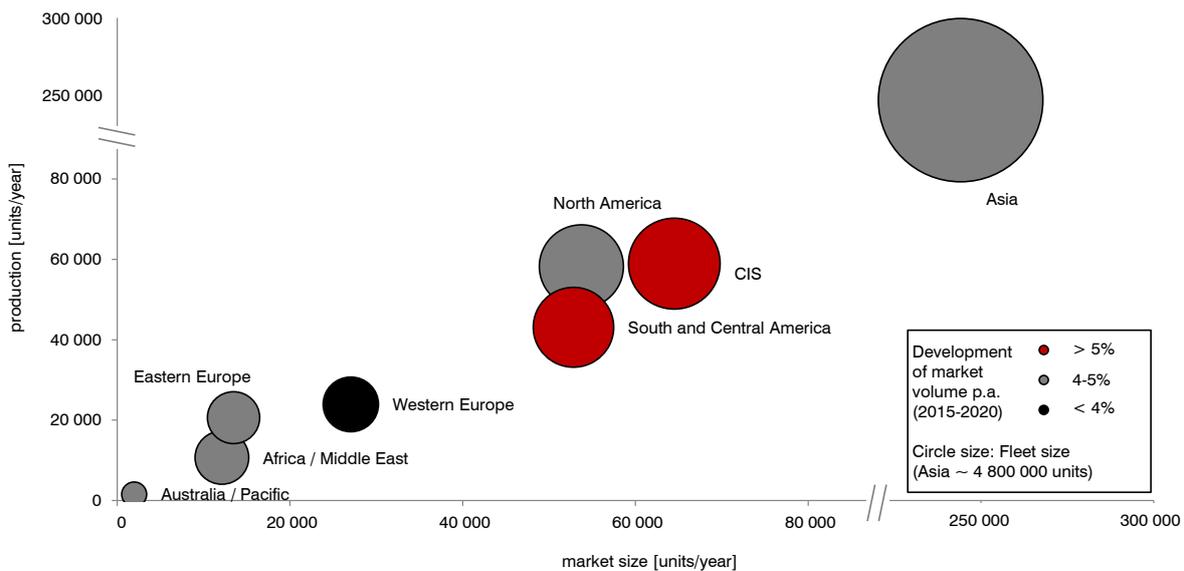




Global Bus market: Alternative energy buses represent 7% of bus sales; total bus sales expected to grow 14% by 2020

[23th July 2015] Sales of buses with alternative energy motors increased above average between 2012 and 2014, and now represent 6.8% of the market. This is the result of the new study "Buses – Global Market Trends" compiled by the consultancy company SCI Verkehr. Hybrid buses have assumed the leadership in this segment, passing the number of orders for natural gas buses. Electric buses appear as the third most preferred technology, pushed by large orders in China. Total bus sales are expected to grow up to 2.1% p.a. between 2015 and 2020, passing the mark of 500,000 units per year in 2019.

Regional bus markets in comparison (2012-2014)



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While electric buses are still being tested around the world, Chinese city bus operators – together with Chinese bus manufacturers – have been investing heavily in this new technology. Over 90% of electric bus orders between 2013 and 2014 came from China. The city of Hangzhou alone has ordered 2,000 electric vehicles that are being produced by BYD, a specialized Chinese manufacturer.

Other alternative energy technologies are more widespread worldwide. Natural gas buses currently play an important role in USA and they have also been important in Western Europe. Currently, the old continent has been switching to hybrid models, with important orders coming from UK and France. On the other hand, bus orders in Germany remain strong at types run by diesel.

In Eastern Europe, demand for buses with alternative energy motors is also relatively low, but the overall market has been growing considerably. Between 2012 and 2014, the region registered a growth of 23%, the largest figure among world regions. Another positive development could be observed in North America in the same period, especially in USA, where the recovery of school buses contributed to a growth of 21% in bus sales.

Less positive news comes, surprisingly, from the BRIC countries. In 2014, bus markets registered a negative growth in Brazil (-16%), Russia (-18%), India (-17%) and even China (-3%). Together, they are responsible for almost 60% of bus deliveries worldwide. In India and China, the market reduction is related to the high volatility of the bus market. Additionally, China had registered record levels of bus deliveries in 2013. In Brazil and Russia, the low level of deliveries is related to their macroeconomic situation. The Brazilian Government has been cutting expenditure, reducing overall domestic demand. In Russia, the conflict against Ukraine and the following economic sanctions have severally impacted the economic environment.

Nevertheless, the CIS region presents high potential for growth in the medium-term. The conflict resolution and the exemption of sanctions could contribute to a fast recuperation of the Russian bus market. Moreover, the economic development of other important countries, like Kazakhstan and Uzbekistan, are likely to contribute to market expansion as well as to increase their relative importance in the region.

SCI Verkehr estimates that the worldwide bus market will grow 2.6% p.a. until 2020 in terms of units and 4.8% in terms of sales volume. This difference points to increasing bus prices, which is not only the result of inflation, but also due to the demand for more elaborate products. Growing size, more comfortable equipment and specially the increasing use of alternative energy motors are the main factors contributing to this trend.

The market study "[Buses – Global Market Trends](#)" is available from 23th July 2015 in English language from SCI Verkehr GmbH (www.sci.de).

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