



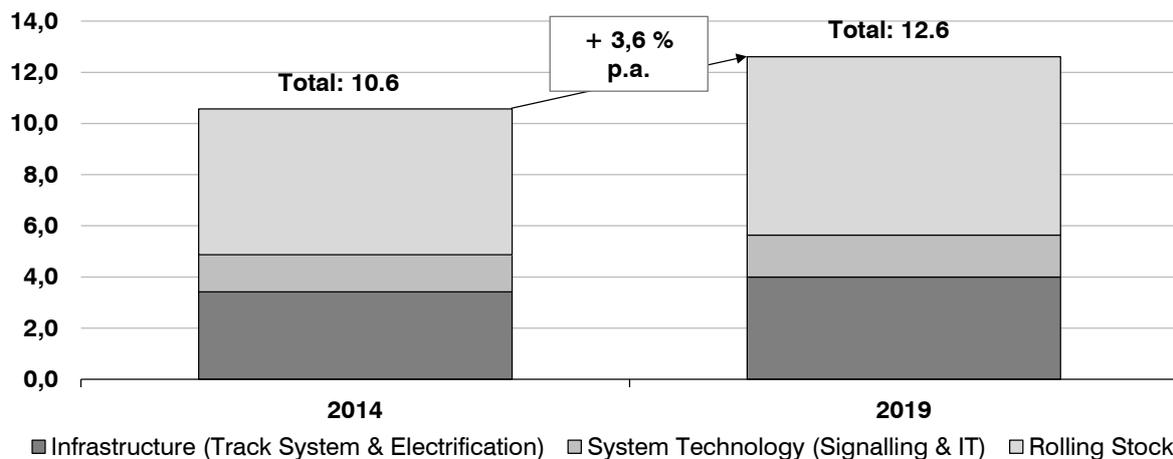
## German railway markets wider open than ever – despite cost pressure, demand for innovation increases

[12<sup>th</sup> May 2015] Competition does not only stimulate business, but also opens new perspectives. This has become noticeable in all sectors of the German railway market – both in tendering procedures for transport services and supply of trains and infrastructure equipment. Operators, manufacturers, service providers and authorities show increasing interest in cost-saving solutions. Ongoing dissatisfaction with existing suppliers and limited financial leeway provide external market entrants with better opportunities than ever. At the same time, clients expect more innovative approaches and raise their expectations towards environment-friendly, energy and noise saving products. Full and continuous digitalization of the entire sector will have an important role over the next few years. These are the principal results of the new market study “The German Railway Market – Facts, Figures, Players, Trends” by SCI Verkehr GmbH.

Traditionally, Germany is among the most liberalized railway markets in Europe. Transport services generate a cumulative turnover of approx. EUR 21.7 billion; the current market volume for products and services of railway technology is just less than EUR 10.6 billion and will increase by 3.6 % p.a. on average in the next five years.

### THE GERMAN RAIL MARKET: PRODUCTS AND SERVICES

Market Volume of Rail Infrastructure, System Technology and Rolling Stock [EUR billion]



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During the last five years, the liberalisation of intercity bus services and the increased importance of competitive tendering in regional and commuter rail have further opened up the market. The following boom with tendering procedures has not yet reached its peak. After an outstanding growth, the intercity bus market is on the verge of a first consolidation.

Tight money and increased requirements of customers and society for reliability, convenience and environmental protection form together a constant challenge. Recently, products and services offered could not always keep up – to the displeasure of the railways, their clients and the final customers. Where trodden paths were left, new solutions already changed the landscape substantially, reaching from completely new developed products (e.g. for trackside noise and vibration mitigation) to unified e-ticketing solutions and the advancing interleaving of long-distance and regional passenger transport.

Following its diesel-operated counterpart, also passenger transport with electric traction is changing over from locomotive-hauled trains to multiple units, which in turn are booming. In freight rail growing container transport and the changeover to composite breaks drive investments. Among the most important fields of innovation is the digitalization of the entire transport chain, joint by supplying comprehensive IT solutions to customers. “Passengers and forwarders require to be informed throughout – this wish does not terminate at platforms or loading ramps”, says Maria Leenen, CEO of SCI Verkehr. “This is an attractive sphere of activity even for suppliers who were not involved in the railway sector up to now.”

However, substantial parts of the market base, such as public funding for passenger rail or an intermodal level playing field in freight transport, remain unsettled so far, generating additional demand for cost savings and innovations. “This climate presently provides extremely good opportunities for new actors to explore segments of the rail market,” Leenen asserts.

The market study “[The German Railway Market – Facts, Figures, Players, Trends](#)” is available from 18<sup>th</sup> May 2015 in German or English language from SCI Verkehr GmbH ([www.sci.de](http://www.sci.de)).

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