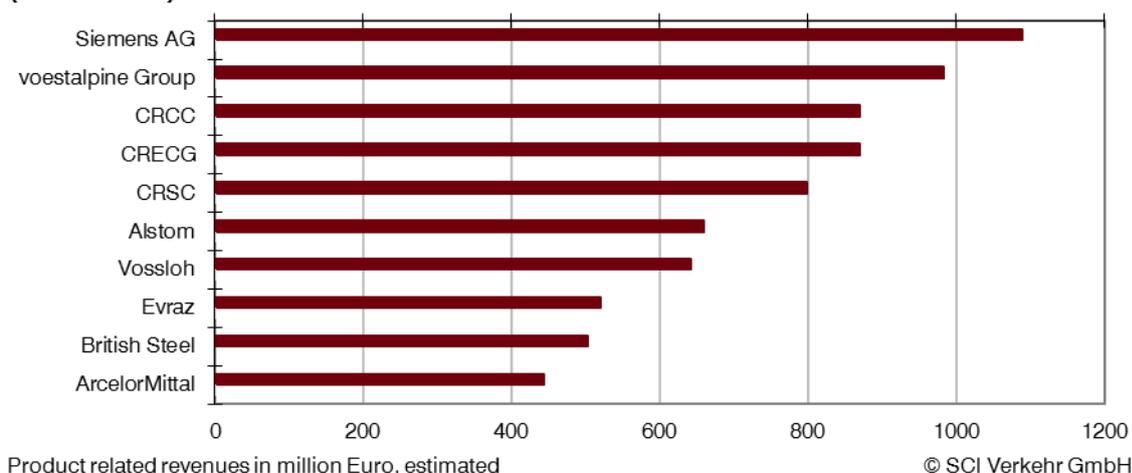


Chinese manufacturers on the rise: Corporations from China with increasingly important role also in the rail infrastructure sector

[17th May 2017] The study *Worldwide Manufacturers of Rail Infrastructure* from SCI Verkehr GmbH shows that while Siemens is still leading the market for rail infrastructure products and Voestalpine can as well maintain its leading position, Chinese manufacturers of rail infrastructure products are clearly catching up. This is associated with deeper changes in the international steel market as well as with the advancing digitalisation that can also be found in the field of railway infrastructure. This study analyses the product-related revenue, company development and profit of the 55 most important manufacturers of rail infrastructure products divided into the sections track system, electrification as well as control command and signalling.

While Siemens as the only manufacturer with a product related revenue of more than EUR 1 billion is number one on the Top-10 list of manufacturers of infrastructure, followed by Voestalpine, three Chinese companies have caught up in the last three years. The China Railway Construction Corporation Ltd. (CRCC) as well as the China Railway Group Ltd. (China Railway, CRECG) are active in the fields of track system and electrification. For large parts of the Chinese railway network, the China Railway Signalling & Communication Corp. (CRSC) is the only supplier for products in the field of CCS. Since those three manufacturers distribute the major share of the Chinese infrastructure market amongst themselves, they were able to profit enormously from the growth of the Chinese railway market in the last three years. In addition they were capable of independently developing new technologies or alternatively integrating companies with such abilities.

TOP 10 manufacturers: Product in rail infrastructure business (in revenues)



After the market for sleepers, the market for rails is the biggest one in the field of railway infrastructure products. This market is determined by the globally active steel corporations. With Evraz and Arcelor, there are two steel manufactures among the Top-10 list of

manufacturers in the study published by SCI Verkehr. However this constellation will change significantly in the next years with the consolidation of the Boashan Group and Wuhan Steel to the Boawu Group. According to their own reports the Boawu Group will be the worldwide second largest steel corporation with a corresponding turnover in the field of track production. But high overcapacities on the Chinese steel market and decreasing sales volume are also forcing the producers to make profound changes. The Boawu Group announced to reduce their capacity by more than 15% in the coming years. How far the rail production will be affected depends on the demand for new and expansion projects in China.

Digitalisation is a driver also on the market for railway infrastructure. Network systems in control command and signalling and mobile systems for communication are already the basis for modern infrastructure. Furthermore systems for monitoring the infrastructure are on the rise. The most important driver of innovation will remain digital systems in order to comply with high demands caused by growing track load, rising safety requirements and further increasing cost pressure. This is for example why operators work on the transmission of digitalisation to the operational functions of the network and to automatise the allocation of train paths based on networked systems.

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