

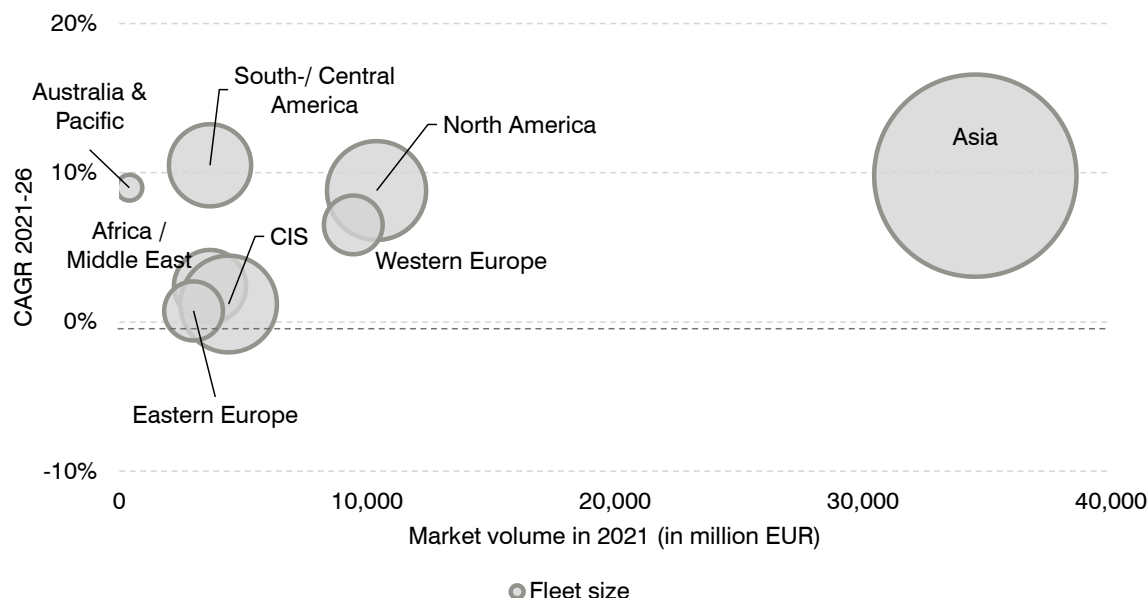


The global bus industry and bus transport markets were severely hit by the Covid-19 pandemic – the recovery of revenues driven by a growing electrification of buses

Sharply declining transport performance volumes – plants suspending production – operators losing considerable ticketing revenues and therefore postponing their procurements – the global market volume in EUR for buses has reduced by 28% in 2020 – already in 2023, a recovery with previous market volumes is expected by the new study about the global bus market from SCI Verkehr.

The Covid-19 pandemic, with imposed curfews and lockdown measures has resulted in a sharp decline of vehicle sales, production, and transport performance. The global market volume in EUR declined by around 28% in 2020. As of 2021, the global bus market has diminished to the size of 2013. The partial suspension of bus services has led to a global fleet reduction of around 1.3% in the first year of the pandemic 2020.

Market Development of the world regions (in EUR)



Note. The forecast for CIS has not incorporated the consequences of the ongoing war in Ukraine.

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While the global bus market in units will only reach pre-pandemic levels in the second half of the 2020s, the market volume in EUR will experience strong growth and reach former market volumes in 2022/2023 already.

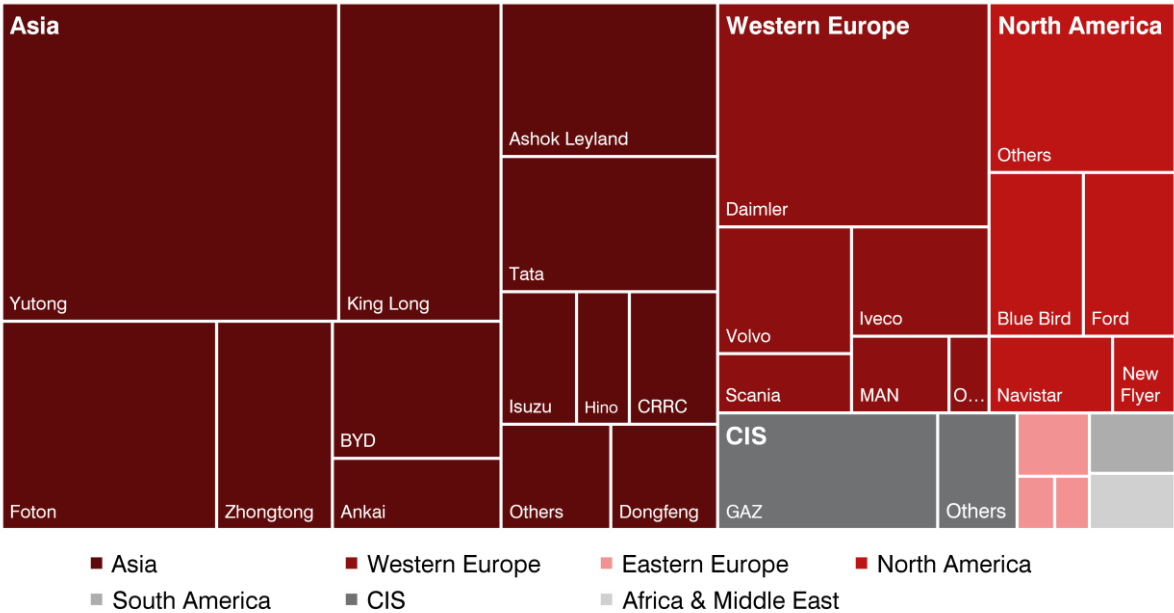
The global bus market in units will recover in the upcoming years. Manufacturers will once more increase their output levels, however, previous peaks of market volume as in the past years and decades will not be reached within the next five years. The reduced market volume in units will prevail as transport performance levels are only recovering slowly, particularly in industrialised markets where remote working is common, as financial budgets of governments are stressed by financial recovery measures and reduced tax inflows impede procurements of operators. Also, intermodal competition from other means of transportation increases as the construction of metro systems, (high speed) rail lines, further liberalisation of (domestic) aviation markets, regionally individual car mobility and electric bicycles gains in importance. In addition, arising armed and political conflicts and growing impediments in global value chains reduce output levels.

In contrast, the market volume in EUR is expected to grow strongly and reach its pre-pandemic levels by 2022/2023. The strong growth of market volume in EUR can be attributed to the growing electrification of bus fleets. Also, the recently higher inflation rates throughout the world have an impact on the market volume in EUR. Whereas China's bus industry, particularly for transit buses, is practically rearranged to electric propulsion, increasingly other markets, such as South America and Europe develop dynamically.

Asian bus manufacturers already serve more than 60% of the global bus market, Western European manufacturer account for another 20% of the market

The largest bus manufacturers in the world are Chinese companies: led by Yutong and King Long, which also owns Golden Dragon and Higer. Daimler, including its Mercedes-Benz bus, EvoBus and Setra brand, is the third largest manufacturer and has a worldwide presence with its production sites. Other major manufacturers are Indian Tata Motors and Ashok Leyland and Russian GAZ Group with its several brands. Further world leading positions are occupied by additional Chinese companies as Foton or Zhongtong. European manufacturers such as German MAN and Italian Iveco Bus follow behind.

Market shares per manufacturer in the world (in units and manufacturer's origin, 2019-2021)



Source: National Statistical Offices, Industry Associations; SCI estimation

Chinese manufacturers dominance in the global bus market will likely further increase with electrification of bus fleets

Chinese manufacturers have increased their international activities, challenging the European manufactures in the global market, and were responsible for nearly 40% of the global bus sales. The low cost of Chinese buses is an advantage in some markets, especially in developing economies. Moreover, Chinese manufacturers have invested heavily in the development of buses with electric propulsion and are pursuing an expansion of bus production sites. BYD, for instance, has started producing electric buses in the US, Canada, Brazil, and Hungary with further countries targeted. The large-scale roll-out of electrical buses has the potential to further re-shuffle the global market shares in favour of Chinese brands.

The MultiClient Study „Buses - Global Market Trends 2022“is available at SCI Verkehr GmbH (www.sci.de) as of now.

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