

SCI GLOBAL RAIL INDEX 4/2018

Current business situation yields record figures for the rail industry in the last quarter of 2018

The leading companies of the global railway industry have evaluated the current business situation even more positively in the last quarter of 2018 as shown by the latest SCI RAIL BUSINESS INDEX, a regular survey of top managers in the global rail industry, conducted by consulting company SCI Verkehr. The continuous growth of the SCI Rail Business Index in 2018 reflects the good business situation of the industry as the year draws to a close. Due to the past development, the index is at the level of the previous all-time high of 2007. With regard to the assessment of the future development of the industry, however, the top managers surveyed are rather cautious and expect above-average growth to end soon.

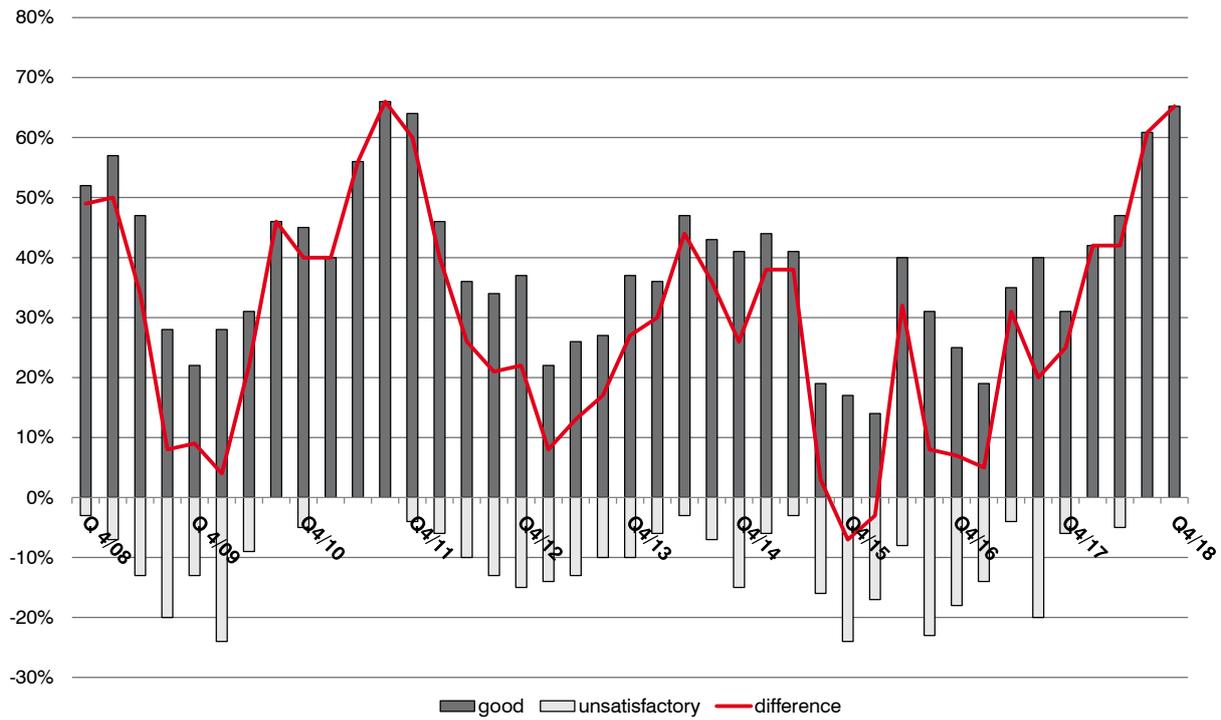
SCI Rail Business Index



Source: SCI Verkehr GmbH

Up to Q 4/2009, only companies with headquarters in Germany surveyed.

Development of current business situation

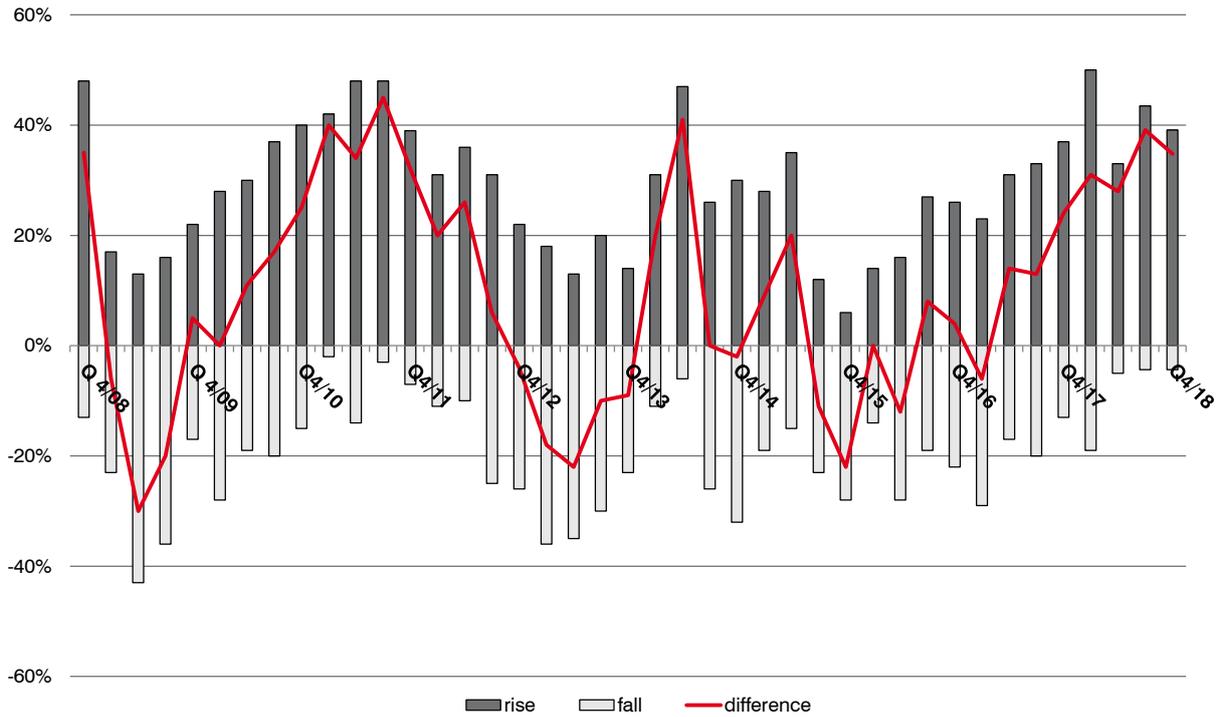


Source: SCI Verkehr GmbH

Up to Q 4/2009, only companies with headquarters in Germany surveyed.

In the latest survey, the share of positive responses related to the assessment of current business development continued to rise, leading the index to rise to its highest level in more than seven years. Furthermore, none of the respondents rated the current situation as "unsatisfactory", and a larger share of the questioned top managers registered a further improvement of the business situation compared to the previous quarter (Q3/2018).

Demand for products and services

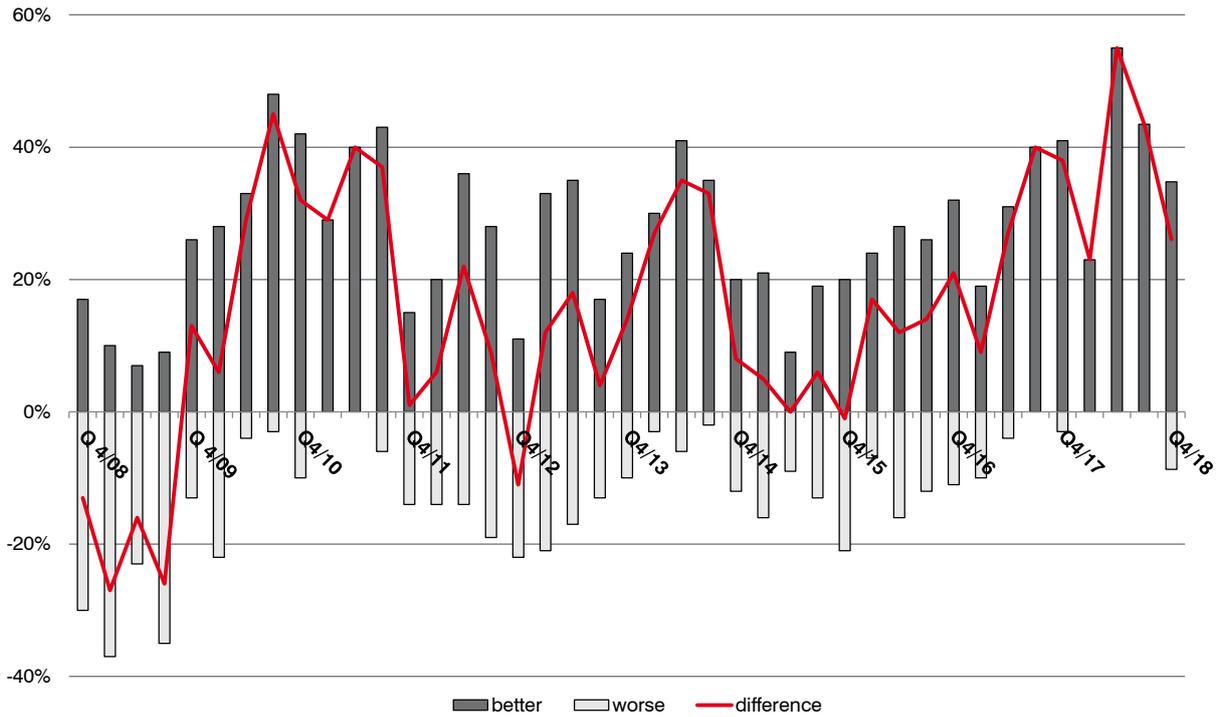


Source: SCI Verkehr GmbH

Up to Q 4/2009, only companies with headquarters in Germany surveyed.

The demand for services and products has remained at a very high level this quarter. The trend, derived from the difference between positive and negative answers, has registered a slight decline compared to the previous quarter. However, 39% of the respondents reported the demand for products and services has risen in the past three months, despite an already high order backlog, which is responsible for the overall high level of the curve.

Expected business development in coming 6 months

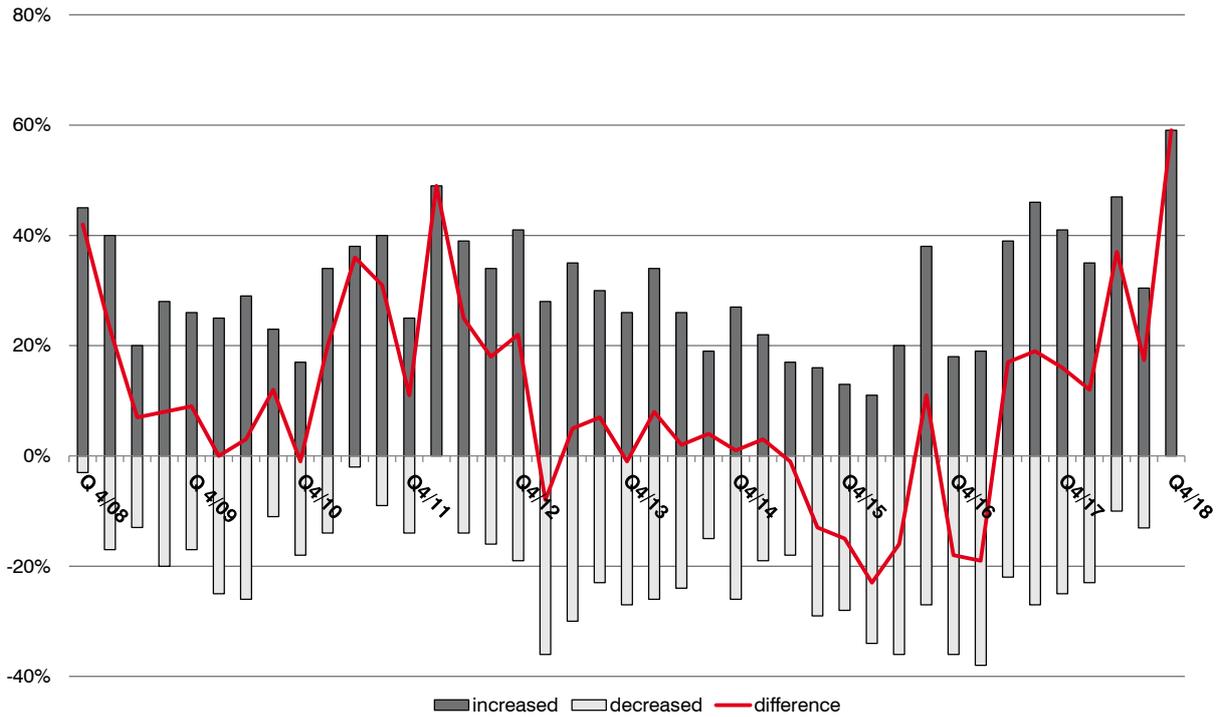


Source: SCI Verkehr GmbH

Up to Q 4/2009, only companies with headquarters in Germany surveyed.

The decline in expectations for the future business development, which was already discernible in the previous quarter, continued in the last quarter of 2018. After three quarters without any negative expectations related to the future business development, 10% of the top managers expect an end of the above average growth or even a decline in the coming six months. The differential value derived from the responses of the participants has more than halved in the previous two quarters.

Number of employees in the last six months



Source: SCI Verkehr GmbH

Up to Q 4/2009, only companies with headquarters in Germany surveyed.

SCI Verkehr has also asked the top managers for an evaluation of the current job market. About 60% of the participants reported an increase in the number of employees with none of the participants having reported a decline in the number of employees. The indicator for the number of employees has thus risen to an all-time high. In addition, the majority of participants reported an increase in the number of employees in the last seven quarters. As the survey showed, the increase in personnel over the past two years has resulted in a shortage of personnel on the labour market. According to the responses of the questioned top managers in the railway industry, the effects of the shortages have clearly been felt. They also expect a continued increase in the number of employees in the future. The current shortage of personnel on the labour market is also having an impact on other factors, such as the development of personnel costs.

Key: The SCI GLOBAL RAIL INDEX is based on c. 100 responses from representative companies from the global rail industry. The companies are regularly asked to evaluate their current business situation and share their expectations for the coming six months. They can describe their situation as “good”, “satisfactory” or “poor” and their business expectations for the coming six months as “more favourable”, “staying the same” or “less favourable”. The balance of the current business situation is the difference in percentages between the answers “good” and “poor”, the balance of expectations is the difference in percentages between the answers “more favourable” and “less favourable”. The business climate is a transformed mean produced from the values for current business climate and future expectations.