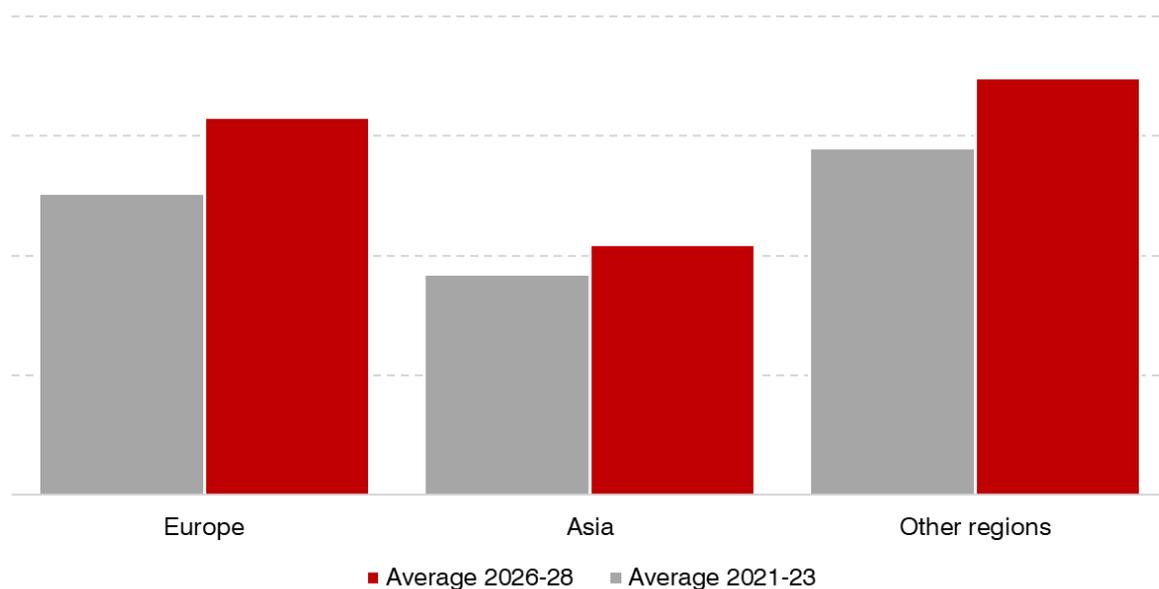


## Europe's rail infrastructure on track for growth: investments drive the global track market

Europe is at the centre of the global market for rail infrastructure as the investments in the modernisation and the development of the rail network are increasing. Necessary investments in new lines, capacity expansions, increased speeds and improved cross-border connections are driving the market to meet the growing demand for efficient passenger and freight transport. In parallel, the urgency of climate change has prompted European governments to invest more in decarbonising the transport sector, with rail seen as a key solution. Within this context, SCI Verkehr's latest market study "Railway Track Systems - Global Market Trends 2023" forecasts an annual growth rate of around 5% for the market for railway track systems and rail-based urban transport in Europe. The market in Asia, on the other hand, will grow much more slowly - despite strongly increasing investments, especially in India. China, the most important country for rail infrastructure, is shifting the investment focus from new track construction to efficiency improvements in the rail industry.

Worldwide market size track systems [EUR million]



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### Railway track systems - growth forecast

The average annual market volume worldwide in 2021-2023 is approximately EUR 36 billion. Track maintenance and renewal account for 65% of the total market volume and new construction and expansion of rail networks for approx. 35%. Both segments will grow at approx. 4% p.a. until 2027. SCI Verkehr expects a price increase rate of 2%, starting from a very high current level triggered by the energy crisis and strong inflation rates in Europe and North America.

The main driver for the railway track market is the political will to invest in railway infrastructure and the availability of public funds. In Europe, many countries have announced that they will increase investments in upgrading existing networks to improve safety and punctuality of rail transport, as investments have been insufficient in recent years. SCI Verkehr expects market volumes to increase in Germany and France in particular.

Growing political awareness of climate change and more support for rail are also expected in emerging countries in Africa and the Middle East. From a comparatively low current level for this region, SCI Verkehr expects annual growth of more than 5%. The Chinese market for railways is expected to grow only slightly, also from a low current level, while the Indian market is expected to grow strongly in the medium term. However, SCI Verkehr anticipates a slower pace than the official Indian announcements proclaim.

Manufacturers of track components are developing environmentally friendly products as this is increasingly being procured by network operators. For example, Saarlöhneisenwerk has signed a EUR 200 million contract with Belgian rail network operator Infrabel to supply rails made from recycled scrap in an electric furnace in 2023.

*The new market study "Railway Track Systems - Global Market Trends 2023" is now available in English at the [SCI Shop](#).*