

The COVID 19 crisis causes turmoil in the global railway market - climate protection the main driver of future growth

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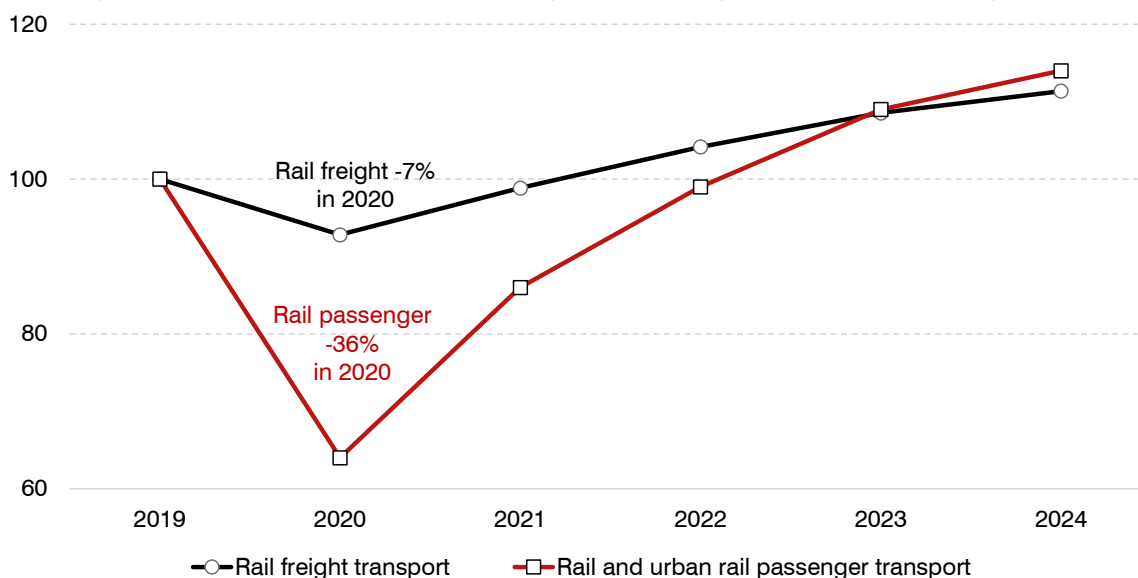
New study by SCI Verkehr GmbH "Worldwide Market for Railway Industries 2020"

The current worldwide market for railway technology in 2019 is EUR 190.9 billion. According to an estimate by SCI Verkehr, the market will grow by 2.2% p.a. to EUR 213.2 billion in 2024. This means that the railway industry will remain a growth market despite the current developments. However, the increase is much smaller than expected before the COVID-19 crisis.

SCI Verkehr expects a significant reduction in passenger numbers for long-distance, regional and urban rail transport of approx. 35% in 2020, caused by contact and travel restrictions as well as distance rules.

Forecast of global rail transport performance development 2019 to 2024

(Rail freight in tone-kilometre and rail passenger in passenger-kilometre; indexed)



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Investments in the infrastructure of urban transport systems are particularly affected

The financial situation of many railways and especially of the municipal transport companies is problematic. Due to a drastic decline in ticket revenues, combined with a high capacity supply necessitated by distance rules, these companies are lacking a considerable amount of money for ongoing operations and even more so for necessary investments. The market

for rail technology products for urban transport is therefore growing only very slowly at 0.4% p.a. until 2024.

Rail freight transport is far less affected by the crisis

In global rail freight transport, SCI Verkehr expects an overall decline in transport performance of 7% in 2020. However, in some markets important for rail freight transport, such as China and Brazil, rising rail freight transport figures were recorded in the first half of 2020.

Climate protection is the main development driver in Europe – alternative drive technologies are gaining momentum

The most important development driver for the railway market in the coming years is climate protection. The prerequisite for lower transport-related CO2 emissions is a significant shift of passenger and freight traffic to rail, which will entail a comprehensive expansion of rail infrastructure and transport capacities, including alternative drive technologies such as battery operation or hydrogen.

The market study "[Worldwide Market for Railway Industries 2020](#)" is available in English from 17.09.2020 from SCI Verkehr GmbH (www.sci.de/shop/). A data annex in Excel format is also available for the study, which presents all the figures contained in the study in a transparent and clear manner.

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