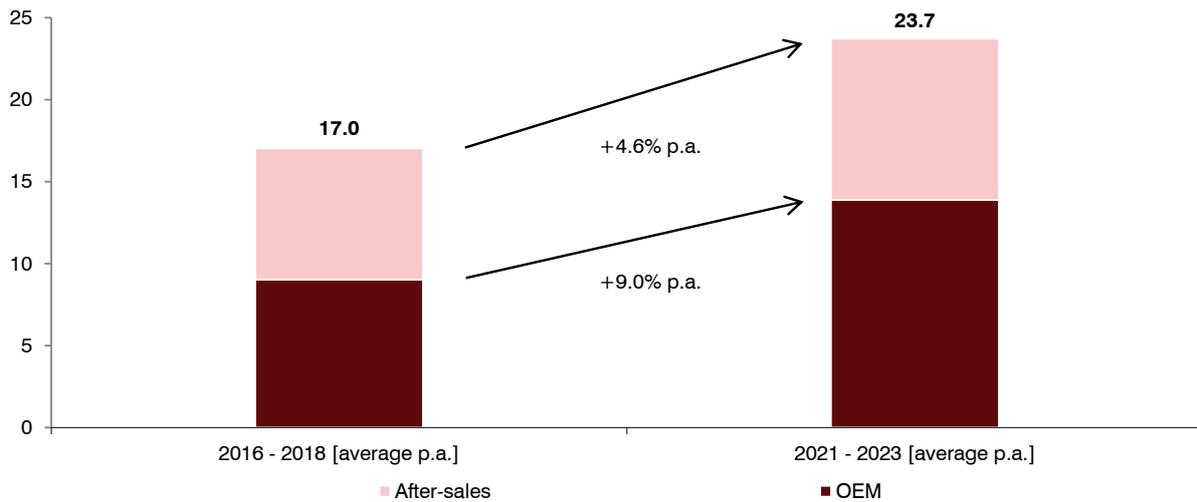


Dynamic growth in the worldwide railway market for multiple units – further high demand expected in Western Europe

[17.05.2018] With a current size of more than EUR 9 billion and an annual growth rate of about 9%, the global OEM market for regional and suburban multiple units is one of the largest and most dynamic product segments in the railway sector. In its latest MultiClient Study "Multiple Units – Global Market Trends", SCI Verkehr GmbH illustrates various drivers behind the consistently high market volume, which has been massively triggered by a recent procurement wave of electric multiple units (EMU) and dual-mode units in the UK. Other major countries include Germany and France, which are part of the most important market region of Western Europe. With an overall positive trend for the next five years based on continuous procurements, a further increase in the market volume for multiple units is expected both for new vehicles and the after-sales market. Furthermore, hybrid multiple units are on the rise and are commonly planned to replace ageing diesel multiple units (DMU).

Multiple units - Market volume worldwide [EUR billion]



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Around EUR 8.3 billion is currently being invested in new electric multiple units (EMU), which is more than 90% of the total volume for multiple units. The most important markets are the UK, Germany, France, Australia and Japan, representing slightly more than half of the worldwide market volume. The OEM market volume for EMUs shows an increase of about 8% p.a. up to 2022. Drivers for this growth rate are high demand in Western Europe due to increasing mobility as well as further upgrades of infrastructure projects, mainly in Asian and South American conurbations as well as further replacements of locomotive-hauled trains with multiple units. As a result of on-going urbanisation, suburban railway systems will be upgraded. In addition, an increasing use of double-deck EMUs is expected on networks with high capacity requirements.

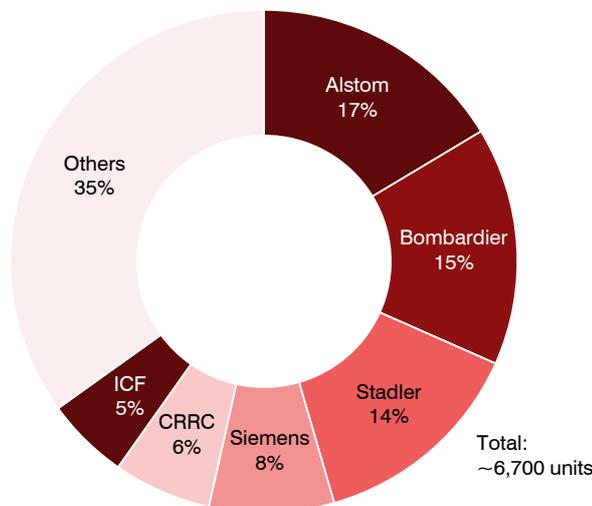
The Western European market region has shown high growth as expected in the recent past and will continue to do so over the next five years. In the UK, which has recently had the largest market in terms of OEM volume, it is likely that figures will remain constant or even increase in the coming years, as demand is high due to electrification projects and fleet enlargements. In addition, strong demand is driven by retendering processes for various franchises up to 2020. The German and

French markets will remain stable at high level, driven by a significant tender volume for regional contracts, resulting in orders for new multiple units.

China is lagging behind due to different procurement policies, but is expected to gain further market shares in the near future. After years of investments in high-speed rail infrastructure, the country's focus has shifted towards the development of commuter rail infrastructure in urban regions. Africa/Middle East is the region with the strongest relative market increase up to 2022. In the coming years, the EMU market will significantly grow because of a major contract awarded to the Gibela consortium by the most important market of South Africa, where deliveries have already started. Further momentum comes from Israel, with a planned order of double-deck EMUs.

In the segment of EMUs, the most important manufacturers are Bombardier, Stadler and Alstom, which together have accounted for about half of the market during the last five years. For DMU, Alstom has held its leading position in the market, followed by ICF, which has recently delivered many DMUs to Indian state railway IR. Through the merger of Chinese manufacturers CNR and CSR, the new company CRRC strongly gained in importance and became the world's fifth largest manufacturer of multiple units with regard to deliveries in 2013-2017. SCI Verkehr expects CRRC to continue growing dynamically and to take an ever stronger position in the multiple unit market in the upcoming years, including in other countries besides its home market in China. The planned merger between Siemens and Alstom will also lead to a further consolidation in the multiple unit segment.

Multiple units - Market shares per manufacturer [2013-2017; units]



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Recently, SCI Verkehr has observed an increasing trend towards alternative traction modes and flexible product platforms. Hybrid units are commonly planned to replace ageing, inefficient DMUs on non- or partly-electrified lines. Increasing tenders and announcements to invest in such new fleets are being tested and introduced in Japan, the UK, Germany and the Netherlands. In these markets, it is expected that the introduction of hybrid-mode vehicles will ensure a gradual replacement of DMUs and significantly shape the future market. Dual-mode multiple units have become common on France's network. Battery and fuel-cell powered multiple units are also about to enter the market. All relevant suppliers of multiple units have at least announced projects to develop these vehicles in the next few years.

The worldwide EMU fleet amounts to almost 35 000 units, operated in 64 countries. As for DMUs, 14 000 units are in operation in more than 80 countries worldwide.



The MultiClient Study “Multiple Units - Global Market Trends 2018“ is available now (in English) from SCI Verkehr GmbH (www.sci.de). Please also find more information about our latest offer of [the data annex in Excel-format](#), which will be available for all upcoming study publications.

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