

Despite multiple crises, the global railway industry market is still growing by 1.6% per year in real terms until 2026

The market volume of the worldwide railway industry is currently around EUR 190 billion. Disrupted supply chains and restraint due to the Covid-19 pandemic have recently slowed down the industry. SCI Verkehr expects a growth of the worldwide railway industry market by 4.3% (including inflation) per year until 2026 to EUR 236 billion – even adjusted for high inflation, the market is still growing by 1.4% per year. The market environment is characterised by the greatest uncertainties in decades – war, inflation and currency fluctuations pose a challenge for global forecasts. The Russian invasion of Ukraine on 24th February 2022 represents a watershed moment. Exiting partnerships were destroyed over night and new alliances are emerging – the world will be reordered in the coming years.

The global rail market will grow at a CAGR of 4.3% until 2026 including inflation



The epochal change is also impacting the railway industry - market uncertainties are particularly high nowadays

The third largest global railway industry market, Russia, was heavily sanctioned by Western nations in the course of the country's invasion of Ukraine. Western companies have mostly left the market and existing projects have been put on hold. Industrialised countries in Europe and North America are struggling with high energy and consumer prices as well as disrupted supply chains. The railway industry is especially affected by the energy dependency for steel and aluminium. In Europe, there is also the threat of an extended energy and economic crisis if even less or no more Russian gas is supplied. The smouldering conflict over Taiwan holds additional potential for global disruption.

Furthermore, the consequences of the Covid-19 pandemic have not yet been overcome. China, by far the most important railway industry market, is fighting against ever new outbreaks of the disease with a zero covid strategy and tough lockdowns. As a result, not only are trains in large cities and national rail freight traffic at a standstill, but production and supply chains for important products are also disrupted - with global repercussions.

High inflation rates impact infrastructure budgets – The digitisation of networks is gaining in importance

The railway infrastructure market is currently approx. EUR 46 billion which corresponds to about a quarter of the global railway industry market. Steel prices in particular, but also prices for concrete have increased significantly due to the Covid-19 crisis and the war in Ukraine - a development which presents challenges for network operators around the world. Planned projects can no longer be realised with the available funds and construction works have to be put on hold or rescaled. This means that the digitalisation of the network to create additional capacities on the railways is becoming even more important for the necessary modal shift.

The market for new vehicles continues to grow noticeably

The current market volume for rolling stock is EUR 123 billion and will grow significantly at a CAGR of 5.1% until 2026 including inflation. In terms of unit sales, SCI Verkehr forecasts a noticeable growth of 2.9% in the OEM market in coming five years.

New rolling stock is especially in demand in rail freight transport. State of the art freight wagons increase productivity; powerful electric locomotives meet the increased operational requirements. Shunting locomotives are increasingly being converted to emission-free solutions. The development of alternatives to powerful diesel mainline locomotives is in full swing, but until the first technologies are ready for the market, diesel locomotives will continue to be purchased in some markets such as the USA. SCI Verkehr forecasts significant growth in the OEM market for rail freight assets with a CAGR of over 8% until 2026.

The market study "[Worldwide Market for Railway Industries 2022](#)" can be ordered in English from SCI Verkehr GmbH from 01.09.2022 (www.sci.de/shop). A data appendix in Excel format is also available for the study, which for the first time also presents figures that go beyond the contents of the study in a transparent and clear format.

Contact:
SCI Verkehr GmbH

Susanne Müller
Tel: +49 (221) 93178-20
E-Mail: s.mueller@sci.de

CRRC was the largest manufacturer in the metro vehicle market from 2017 to 2021. The Chinese company increasingly delivered abroad, for example to the USA, Turkey, India and Iran.

SCI Verkehr GmbH, a consultancy specialising in rail industry, analyses the current size, structure and players of the global markets for metro vehicles and produces forecasts up to 2030.

The complete study "[Metro Vehicles - Global Market Trends 2022](#)" is available now.

Contact:
SCI Verkehr GmbH

Susanne Müller
Tel: +49 (221) 93178-20
E-Mail: s.mueller@sci.de



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