Increasing demand for electric and diesel railcars worldwide – Markets in Asia gain in importance

[11th February 2016] The global electric and diesel multiple unit market shows a solid growth by 3.5% per year up to 2020. In its latest MultiClient Study "Multiple Units – Global Market Trends" SCI Verkehr GmbH shows that until 2020, China will grow strongly and ranks within the Top 5 markets worldwide. After years of investments in high-speed infrastructure, the focus has shifted towards the development of commuter rail infrastructure in urban regions. Therefore, the market for new EMUs will grow significantly. Chinese manufacturer CRRC is benefiting from this development and should be able to strengthen its position among the Top 5 manufacturers.

The worldwide market volume for electric and diesel multiple units amounts to just short of EUR 17.5 billion. With a share of more than 85%, electric multiple units present the most important business segment. The market volume for Original Equipment Manufacturers (OEM) is slightly above the volume of the after-sales market. Growth is mainly driven by the increasing demand for mobility, particularly in the conurbations in Asia and South America. Suburban railway systems will be further upgraded due to ongoing urbanisation. The demand for double-deck electric multiple units will also continue to increase. Necessary procurements to replace old fleets mainly provide momentum for new procurements in Africa, Eastern Europe, the CIS and South America. The smaller market for diesel multiple units will not grow quite as dynamically as the market for electric multiple units.

There are more than 33,000 electric multiple units and 14,000 diesel multiple units in operation worldwide. The largest fleets are operated in Japan, Germany, France and UK. For the first time, SCI Verkehr sees larger fleet withdrawals. Russian Railways (RZD) scrapped around 1,000 electric multiple unit cars between 2013 and 2015, another 4,000 are planned to follow from 2016 to 2020. In the UK, the diesel multiple unit fleet will strongly decrease due to planned electrifications. Up to 2019, a decrease of the DMU fleet by 14% is expected, while the EMU fleet will strongly grow by more than 30%. Diesel traction is under pressure in general. Most recently, SCI Verkehr has been observing an increasing trend towards hybrid/battery multiple units to replace aged, inefficient diesel multiple units.

Western Europe is the most important target for multiple units with a share of 45% in the worldwide market. Especially the market for new electric multiple units in the UK shows strong momentum. The main driver for the high volume up to 2020 is the fact that the Thameslink and Crossrail projects all represent major investments with long gestation periods that are due to come to fruition. Further electrifications, increasing passenger demand and replacement of old trains will drive the market in the longer term. Germany, as the largest market worldwide, shows further growth, driven by a high volume of tenders for regional contracts with the start of operations in 2018/2019, resulting in orders for new multiple units.
The most important manufacturers are Alstom, Stadler and Bombardier. The Chinese manufacturer CRRC – separated into CNR and CSR until 2015 – was able to increase its share and is placed number five in the world. Due to the increasing importance of its domestic market and ambitious export plans, SCI Verkehr expects CRRC to strengthen its position in the coming years.

The market study "Multiple Units – Global Market Trends" is now available in English at SCI Verkehr GmbH (www.sci.de).

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