



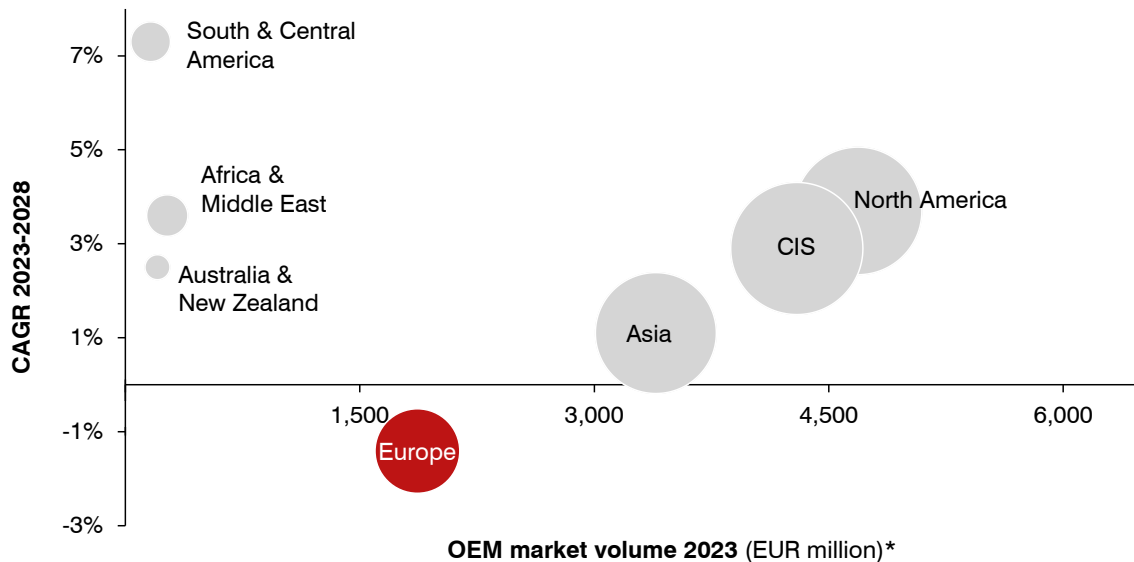
Global freight wagon market set for growth – current market weakness to slow European OEM market in the coming years

[August 2024] The global market for freight wagons is projected to grow at an annual rate of 2.6% through 2028. Despite experiencing subdued momentum compared to the past five years, both the global OEM market and the after-sales sector are expected to see growth. However, there will be significant regional disparities according to the current market study “Freight Wagons – Global Market Trends 2024” by SCI Verkehr, a management consultancy specialising in rail and logistics. While the global market trend remains positive, the European OEM market is facing a decline over the next few years. After reaching a record market volume of EUR 1.9 billion in 2023, the European OEM freight wagon market is now struggling with the effects of a weakened economy. Imbalances between supply and demand must be addressed for the market to sustain its growth trajectory in the medium and long term.

Cross-regional impact of rising purchase prices

Currently, North America, the CIS and Asia are the largest markets for the freight wagon OEM business, with Europe ranked fourth. North America is the only region not to have experienced growth over the past five years (2018-2023), whereas Asia, the CIS and Europe have all shown positive development. India and Russia stand out, with the Russian market developing positively despite war-related challenges, mainly due to price effects. Europe recorded the highest growth rate due to a very high level of deliveries and increasing purchase prices. However, the situation is forecast to change in the forecast period through 2028. Asia and the CIS are expected to continue their positive development, albeit at a slower pace, and North America should return to growth. Conversely, Europe is anticipated to face a downturn in the OEM market.

Freight wagon OEM market development by region
(size of bubbles based on fleet size)



* Average market volume 2022-2024



European intermodal wagon market faces decline due to falling transport volumes

The European OEM freight wagon market is currently feeling the impact of a weakened economy, leading to reduced demand for transport services and, consequently, rolling stock. Deliveries of freight wagons remain at a relatively high level for now due to previous orders, but this only exacerbates the situation. This is partly due to the market entry of financially robust, growth-oriented investors. In addition, none of the players – particularly within the leasing business – want to lose ground to their competitors.

Even though production capacities are well utilised for both 2024 and 2025 thanks to existing contracts, the freight wagon industry in Europe is feeling the effects of challenges within the rail freight market. The intermodal wagon sector is particularly affected. The previously high demand for container and pocket wagons – key contributors to the market's substantial volume in the past two years – has now collapsed due to decreased transport demand. This decline is expected to take full effect in the second half of 2025 and into 2026. Although demand for other wagon types, such as car-carrying wagons, is developing positively, it cannot fully offset the downturn in the intermodal business. Consequently, Europe is projected to be the only region worldwide with a forecast decline in the OEM market in the coming years. Addressing the structural challenges faced by European railways is crucial to restoring the balance between supply and demand and sustaining growth in the medium and long term.

The new “Freight Wagons - Global Market Trends 2024” study by SCI Verkehr provides an in-depth analysis of the freight wagon market and the challenges it currently faces across seven world regions and selected focus countries, including eight in Europe. The market study will be available in English at www.sci.de/shop from August 2024. A detailed data annex in Excel format is also available, presenting all figures from the study in a clear and transparent manner.

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