

## Light-rail vehicles on a consistent course for growth – Europe seeing world’s strongest demand

[10.03.2011] Environmental problems, traffic jams and scarcity of parking spaces in cities are hindering their future development. Growing and liveable metropolitan areas need comprehensive and efficient public transport systems more than ever before. In addition to the efficient but expensive underground metro systems, so-called light-rail systems have become established as a less expensive alternative. [SCI Verkehr](#) provides a detailed analysis of this segment of the railway industry in the new study “[Light-rail Vehicles – Global Market Trends](#)”. One particularly remarkable result found in this study was that the dynamic growth of 5% in the light-rail segment will not be driven by the booming countries China, India and Brazil in the next five years, but by Europe and North America.

In contrast to other product segments in the railway industry, growth in the light-rail market will not be driven by the booming countries China, India or Brazil, but by steady replacement procurements in Western and Eastern Europe. Around 380 light-rail systems are in operation around the world, more than 50% of which are in the European countries. The top ten national markets that are currently generating the largest market volumes regarding the procurement of new vehicles are all in the USA and Europe. Germany is the most important country for new vehicles followed by the USA and France. A total of around 200 cities/municipalities worldwide have published plans to develop or upgrade LRT systems. Almost 100 systems are currently under development or being upgraded.

The market is dominated by established systems houses Bombardier, Alstom and Siemens. These three companies supplied more than 50% of all light-rail vehicles (LRVs) in the past five years. Growing competition is evident, due to the regional expansion of some niche providers, such as Kinki Sharyo, Skoda, CAF and Stadler.

Energy efficiency, catenary-free operation and robust low-floor vehicles are playing an ever more important role when it comes to procurements:

- In the last few years, vehicle manufacturers have invested increasing amounts in the development of energy-efficient rail vehicles or their components.
- The demand for solutions that enable catenary-free operation in sections is increasing: this applies for road crossings, city gates, tunnels and heritage areas, traffic under bridges and over line sections where catenary lines would disturb or cannot be installed
- The trend towards the procurement of passenger-friendly low-floor vehicles is continuing, despite higher costs compared to high-floor vehicles.

The current market volume for new procurements worldwide amounts to around EUR 1.9 billion and will grow by 5% per year. The importance of after-sales services will also grow rapidly in line with increasing installed bases.



In this MultiClient Study "[Light-rail Vehicles – Global Market Trends](#)", SCI Verkehr analyses the worldwide market for procurements and after-sales services for light-rail vehicles. The basis for the results is an examination of the current fleets with regard to operational purposes, age structures and procurement projects and plans of urban operators, as well as infrastructure new development and upgrade projects. The study includes a forecast of the market volume for new vehicles, after-sales services and the development of light-rail networks. It also provides information on the market shares of the most important manufacturers and their products. The annex to the study includes detailed information about global installed bases, fleet structures and vehicle manufacturer factsheets.