

Railway markets in the Middle East: A sober view on substantial growth

[18.10.2011] The railway market in the Middle East has a current average volume of EUR 1.6 billion and will grow 13% on average annually to EUR 3.0 billion in 2015. After a short period of consolidation in the middle of the decade, massive further growth is expected by 2020. These are the main results of the new MultiClient Study “[The Railway Market in the Middle East](#)”, presented by SCI Verkehr GmbH.

Compared to the huge investment figures circulated in the popular and trade press, the identified volume may seem astonishingly low. The simple reason for this is that all civil engineering and building construction has been omitted in SCI Verkehr’s study, keeping its traditional focus on railway technology, i.e. infrastructure, systems technology and rolling stock. However, both investment volumes and growth are still substantial.

SCI Verkehr has divided the region into five market areas representing Iran, Israel, Saudi Arabia, the Levant (Jordan, Lebanon, Palestine, and Syria) and the remaining countries (Bahrain, Kuwait, Oman, Qatar, the United Arab Emirates and Yemen). Notably the two latter conglomerates feature wealthy and poor, central and remote, active and inactive market players in close proximity to one another. Traditional conflicts and agreements, recent political unrest and the global economic downturn contribute to a veritable kaleidoscope of developments widely diverging in speed, orientation and motivation. Iran, the leading railway market in the region, is growing at a moderate rate of 3%. Saudi Arabia and its neighbours on the southern Gulf shore are striving to catch up. Finally, Jordan and Syria are trying to take their chances in a future Arabia–Europe network with links to India and China.

Unlike in most other parts of the world, new infrastructure and rolling stock are clearly dominating not only growth in the Middle East, but also the size of the markets here. SCI Verkehr has identified two waves of investment. The first is now phasing out, but will still cause the present already elevated market volume to almost double by 2014. The second wave is expected to begin in 2016 (close to the planned completion of the GCC Railway in 2017-19) and produce substantial volumes by 2022, when the networks in Qatar and Bahrain will be largely completed for the FIFA World Cup.

In the region and beyond, the political and socio-economic background of this development has been carefully analyzed, and conclusions have been drawn in order to provide reliable statements on the markets. Once more, SCI Verkehr has provided a systematic approach to market forecasts by presenting all the particular findings in such a way that the reader has a consistent and plausible basis from which to conduct their own independent research and aid decision making.

The “[The Railway Market in the Middle East](#)” study is available now.

Contact:

SCI Verkehr GmbH
Vanessa Rühmann
Tel: +49 221 9317820

E-Mail: v.ruehmann@sci.de