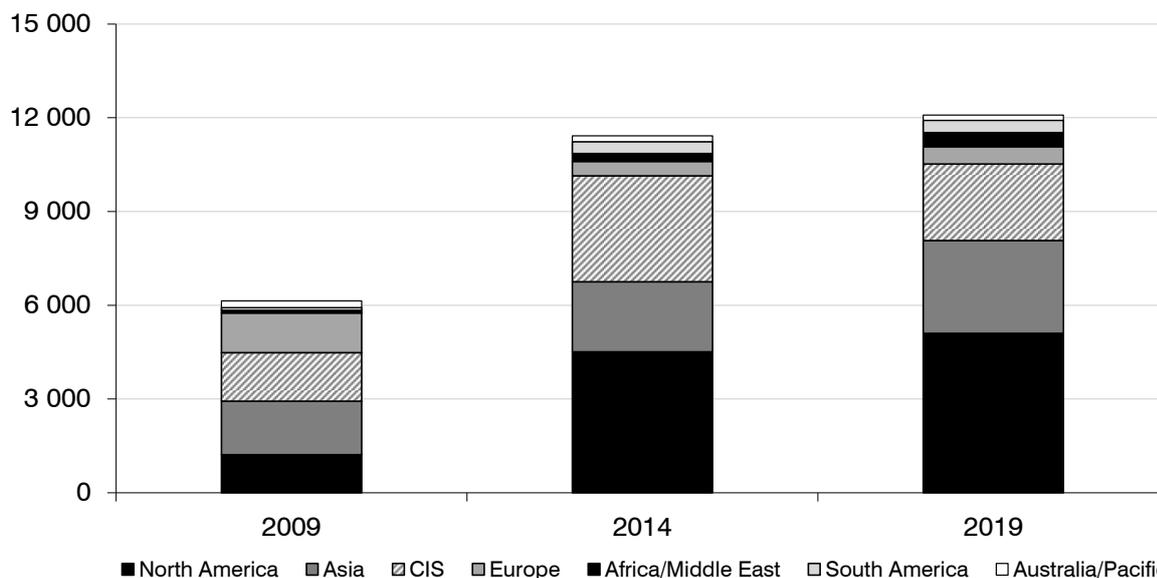




Worldwide freight wagon procurements: demand driven by North America and Asia

[02.07.2015] The worldwide demand for freight wagons is very inconsistent: while North America and Asia are reporting strong or moderate growth in demand, the freight wagon market in the CIS is falling substantially, driven by Russia and Ukraine. Overall, the world market for freight wagons is therefore stagnating, as losses in the CIS cannot be compensated for by growth in North America and Asia. In its current study “Freight Wagons – Global Market Trends”, SCI Verkehr has analysed the respective developments within the various market regions. While the market for new vehicles in Africa and the Middle East is growing at a rate of 9% p.a. starting from a low level, growth rates in Asia have slowed down but procurements nonetheless remain at a high level. Demand in Europe has substantially declined and remains at a low level, which is leading to massive overcapacities among the manufacturers.

Market volume [EUR million]
World Market



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The worldwide market for new freight wagons has a volume of around EUR 11.5 billion, with North America, the CIS and Asia the largest markets. The after-sales market has reached a volume of almost EUR 10 billion. Growth here will continue at a rate of c. 2.4%, whereas SCI Verkehr expects only moderate growth of 1% for the OEM market.

The CIS market – until 2012 still the largest market for new vehicles worldwide – has halved in size, and will continue to shrink up to 2019. In the future, the CIS market will be ranked in third place behind North America and China. This development is due on the one hand to the political conflict between Russia and Ukraine, and on the other hand to a saturation effect after large procurements in previous years.

The North American market is experiencing an upswing, with growth of 4% p.a., primarily driven by strong demand in the USA for tank and open wagons. Due to a shortage of components in the market, this demand cannot always be fully satisfied, and high delivery volumes are therefore also expected for the coming years.

The hopes for an expansion of the freight wagon market in Brazil and India remain largely unfulfilled.

Freight wagon manufacturers have built up massive overcapacities in the last few years, especially in the CIS, Europe and Asia. Manufacturers in the CIS were not able to achieve any notable export successes outside of their region. The ongoing high demand for freight wagons in North America is being served by manufacturers from the region; in the case of an economic downturn, overcapacities could also arise here. Chinese manufacturers are pushing aggressively into the African continent, and are also delivering substantial volumes to Australia. In Europe the market is being restructured: companies are adjusting to ever smaller order sizes of specialised freight wagon types. However, they are also seeking new ways to increase profitability.

The market study “**Freight Wagons – Global Market Trends**” is available from 2th July 2015 in English from SCI Verkehr GmbH.

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