

Reading
Sample

RAILWAY TRACK SYSTEMS – GLOBAL MARKET TRENDS

Installed Base, Projects, Forecasts, Suppliers

2023

Railway Track Systems – Global Market Trends 2023

Installed Base, Projects, Forecasts, Suppliers

Available in English from July 2023

Now you can also purchase the **data annex in Excel format**.

SCI Verkehr GmbH is an independent consultancy in the field of transport technology and economics. Based on close connections to the rail industry, our consultants' expertise in a wide range of specialist fields, an extensive network of international experts, and powerful homemade tools for data logging, analysis and evaluation, we specialise in market and strategy aspects for the rail and logistics sectors.

Europe is at the centre of the global market for rail infrastructure as the investments in the modernisation and the development of the rail network are increasing. Necessary investments in new lines, capacity expansions, increased speeds and improved cross-border connections are driving the market to meet the growing demand for efficient passenger and freight transport. In parallel, the urgency of climate change has prompted European governments to invest more in decarbonising the transport sector, with rail seen as a key solution. Within this context, SCI Verkehr's latest market study "Railway Track Systems - Global Market Trends 2023" forecasts an annual growth rate of around 5% for the market for railway track systems and rail-based urban transport in Europe. The market in Asia, on the other hand, will grow much more slowly - despite strongly increasing investments, especially in India. China, the most important country for rail infrastructure, is shifting the investment focus from new track construction to efficiency improvements in the rail industry.

The average annual market volume worldwide in 2021-2023 is approximately EUR 36 billion. Track maintenance and renewal account for 65% of the total market volume and new construction and expansion of rail networks for approx. 35%. Both segments will grow at approx. 4% p.a. until 2027. SCI Verkehr expects a price increase rate of 2%, starting from a very high current level triggered by the energy crisis and strong inflation rates in Europe and North America.

The main driver for the railway track market is the political will to invest in railway infrastructure and the availability of public funds. In Europe, many countries have announced that they will increase investments in upgrading existing networks to improve safety and punctuality of rail transport, as investments have been insufficient in recent years. SCI Verkehr expects market volumes to increase in Germany and France in particular.

Growing political awareness of climate change and more support for rail are also expected in emerging countries in Africa and the Middle East. From a comparatively low current level for this region, SCI Verkehr expects annual growth of more than 5%. The Chinese market for railways is expected to grow only slightly, also from a low current level, while the Indian market is expected to grow strongly in the medium term. However, SCI Verkehr anticipates a slower pace than the official Indian announcements proclaim.

Manufacturers of track components are developing environmentally friendly products as this is increasingly being procured by network operators. For example, Saarstahl Rail has signed a EUR 200 million contract with Belgian rail network operator Infrabel to supply rails made from recycled scrap in an electric furnace in 2023.

In concrete terms, this MultiClient Study includes:

- Drivers of the market, their relevance and 5-year-trends, and market volumes in 7 market regions as well as, more precisely, in 24 important countries
- Breakdown of the current market volumes and market development by OEM business (new development, upgrade) and after sales business (renewal, maintenance), by high-speed rail, conventional railway, metro and light rail transit, and by products (rails, switches/turnouts and crossings, sleepers/crossties, rail fastenings, other products and services (installation and planning)
- Important current and future infrastructure (new development and upgrade) projects
- Important players in 24 important countries

The results are based on SCI Verkehr's proven and continuously refined business intelligence infrastructure, including the comprehensive SCI DATABASE as well as a sophisticated methodology of information processing combining external and internal expertise, experience, and technical skills. Their compilation forms a cohesive and meaningful overview of the market for railway track systems today and in the next five years.

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CONTENT

1	Executive Summary	7
2	Europe	23
2.1	Market Environment and Market Drivers	23
2.2	Market volume and market development	25
2.3	Core Markets	27
3	Asia	74
3.1	Market Environment and Market Drivers	74
3.2	Market Volume and Market Development	76
3.3	Core Markets	78
4	Commonwealth of Independent States (CIS)	106
4.1	Market Environment and Market Drivers	106
4.2	Market Volume and Market Development	108
4.3	Core Markets	110
5	North America	124
5.1	Market Environment and Market Drivers	124
5.2	Market Volume and Market Development	126
5.3	Core Markets	128
6	South and Central America	143
6.1	Market Environment and Market Drivers	143
6.2	Market Volume and Market Development	145
6.3	Core Markets	147
7	Africa and the Middle East	160
7.1	Market Environment and Market Drivers	160
7.2	Market Volume and Market Development	162
7.3	Core Markets	164
8	Australia and Pacific Region	183
8.1	Market Environment and market drivers	183
8.2	Market Volume and Market Development	184
8.3	Core Market Australia.....	186
9	Annex	193
9.1	Market delimitation and methodology of the study	193
9.2	Market Analysis Methodology.....	195
9.3	Definitions and sources.....	200

The study includes **208 pages**, **95 figures** and **63 tables**.

Extract of Selected Contents

1 Executive Summary

Key drivers for the growth until 2027

- (.....)
- Price increases for track system components through technology upgrades: not only inflation and raw material price are driving (.....).
- Increasing political support and investments in renewal and upgrade of the railway infrastructure in Europe: (.....).
- The Chinese market for track systems is expected to slightly increase due comparable low current level caused by Covid-19. (.....).

2 Europe

2.1 Market Environment and Market Drivers

(.....)

Key drivers for the investment in track systems are the political willingness to invest in rail infrastructure and the availability of public budgets.

The war in Ukraine started and continues. This strains supply chains and causes refugee movements especially to Eastern Europe due to the geographic proximity. Additionally, the war and related sanctions are a threat for the energy supply of nearly all of Europe. (.....)

Europe has the highest network density in the world. Recent development of rail infrastructure has been rather heterogeneous, depending on economic capacities and political priorities. A clear focus is on modernising the existing networks including the TEN-T network. (.....)

(.....)

EU funds come from a variety of sources, such as the new Connecting Europe Facility (CEF) supporting the completion of the Trans-European Transport Network (TEN-T); the traditional Structural Funds which support the EU Cohesion Policy, as well as the new InvestEU programme. These are often supplemented by private investors and/or national governments. On top of these programmes, EU Member States have a historic opportunity to recover from the Covid-19 crisis and to modernise their economies by making use of the EU Recovery and Resilience Facility as part of the EU Next Generation Recovery Package. (.....)

Driver		Brief description	Relevance	Trend
xx	xx	(.....)	●	↗
	xx	(.....)	◐	↗
xx		(.....)	●	↗

Relevance for procurements: ● = very high, ◐ = high, ◑ = medium, ◒ = low, ○ = none

5-year trend: ↑ = strongly increasing, ↗ = increasing, → = constant, ↘ = decreasing, ↓ = strongly decreasing

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Table 1: Key drivers for the track system market in Europe

(.....)

Europe – Average Market Volume by Transport Mode 2022 and 2027 [EUR million]

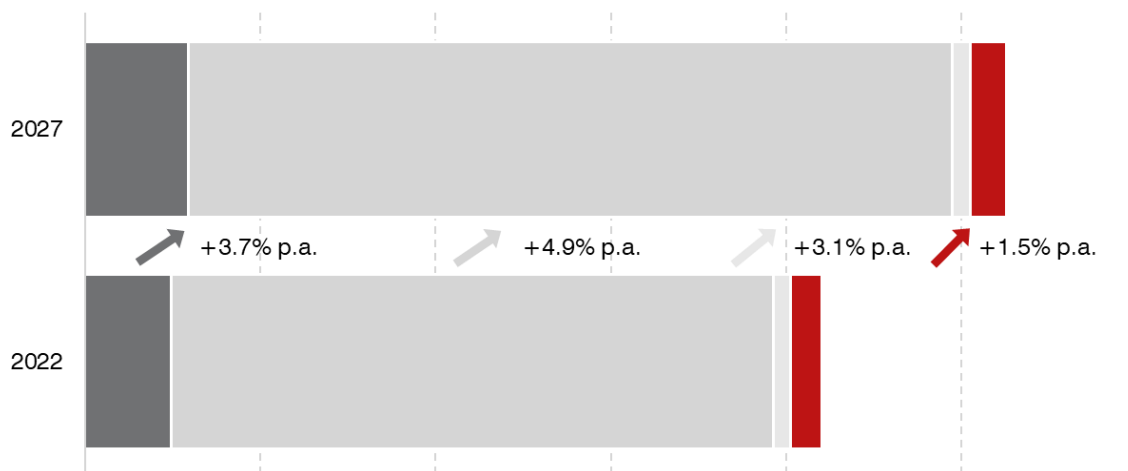


Figure 1: Market volume in Europe by transport mode

Growth rates of the new development and upgrade market (OEM, CAGR 2022-27 xx% p.a.) is slightly above the maintenance and renewal market (after-sales, CAGR 2022-27 xx% p.a.). Maintenance and renewal make up almost xx% of the total market size. Because of the often high operational demands on the lines and their high-capacity utilisation, wear is generally higher than in other world market regions. Some countries did not invest enough in the after-sales market and have to increase their investments in short and mid-term to keep the railway operation efficient. Key new development and upgrade projects are expected in the core markets UK, Germany, France, Italy, Spain Poland and Turkey which are described in the next chapter.

Conventional railway (CR) is the largest market and makes up more than xx% of the total market. Urban railway has a share in the market of around xx%. The transport mode with the highest growth rate is conventional rail in the mid-term, driven by maintenance and renewal as well as upgrade projects especially in Germany, UK and France.

(.....)

2.2 Core Markets

2.2.1 Germany

Rail Network						
Network Data	HSR	CR	Metro	LRT	Total	Track Gauge for HSR and CR [mm]
Length 2022 [route-km]	x	x	X	x	X	x
CAGR 2022–2027 [%]	x	X	x	X	x	X
Market Volume and Market Development			Average Market Volume 2022 [EUR million p.a.]		CAGR 2022–27 [% p.a.]	
by Product/Service Group						
Rails				X		X
Switches/Turnouts and Crossings				X		X
Sleepers/Crossties				X		X
Rail Fastenings				X		X
Other products				X		X
Installation and planning				X		X
by Transport Mode						
High-Speed Rail (HSR)				X		X
Conventional Railway (CR)				X		X
Light Rail Transit (LRT)				X		x
Metro (M)				X		
by Investment Target						
New Development and Upgrade (OEM)				X		X
Renewal and Maintenance (after-sales)				X		X
Total				x		x

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Market Environment, Market Conditions, Investments

(.....)

In March 2023, German state railway DB infrastructure chair Berthold Huber has announced that DB will allocate EUR 3 billion of its own funds for investments in rail infrastructure. And there is a programme for small and medium-sized measures jointly launched by the German government, DB and the railway infrastructure companies to strengthen the railway network. A total of around EUR 1.2 billion is available within this programme for small and medium-sized measures up to 2030.

(.....)

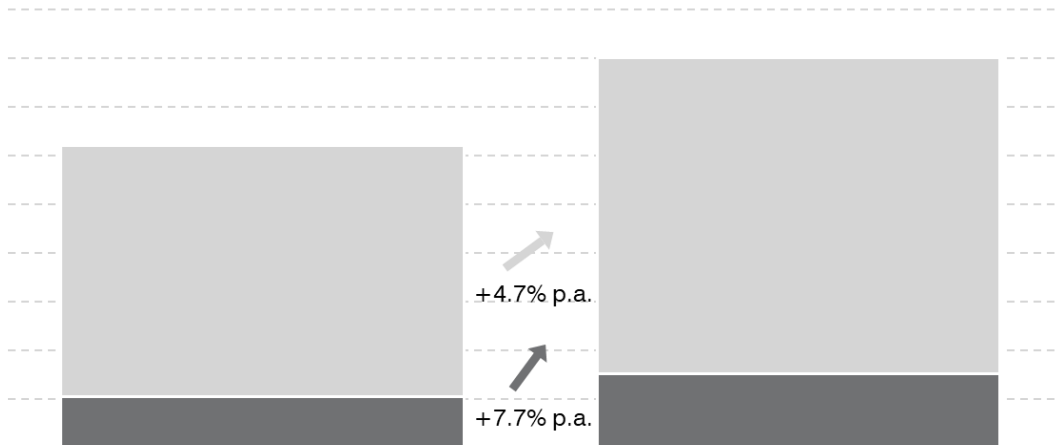


Figure 2: Germany – Average Market Volume by Investment Target 2022 and 2027

Important Infrastructure Projects:

Major Track Systems Projects (Conventional Rail, High Speed Rail, Light Rail Transit, Metro)							
Project title	Transport mode	Status	New Route [km]	Upgrade [km]	Project Investment [EUR mn]	Start of Construction	Completion
3rd Track (DE): Oberhausen - Emmerich - border DE/NL	CR	Construction	0	73	1,500	2017	2024