

Press release

European Rail Industry study reveals continued strong growth forecast to 2016

Brussels, September 2008: Roland Berger Strategy Consultants conducted a study on the future of the rail industry for UNIFE, the Association of the European Rail Industry.

The European Rail Industry (UNIFE) predicted continued strong growth patterns for the entire rail supply industry to 2016. Commenting on the publication of the new study, UNIFE Director-General Michael Clausecker said “our study shows robust growth will continue globally for the foreseeable future,” adding, “the study’s findings prove that politicians, investors, business leaders and the public are realising the importance and benefits of investing in rail as a sustainable means of transport. Not only that but they see rail investment as a means to facilitate greater mobility, sustainably tackle climate change and as a proven stimulant for increasing economic growth.”

The study’s authors, Martin Streichfuss and Andreas Schwilling of Roland Berger Strategy Consultants say the aim of the study – the second commissioned by UNIFE – was to establish a commonly accepted market view of the rail industry in order to deliver a quantifiable nine-year forecast for the entire sector. Schwilling adds that Roland Berger surveyed market experts in rolling stock, railway infrastructure and services in 50 countries, representing 95% of the global market for railway technologies. “This is the kind of information that operators, suppliers, investors, financial analysts and political decision-makers have long been calling for, and here in this study we have delivered it for them.”

Of the study’s findings, Schwilling adds that from 2006 to 2007, the industry witnessed a nominal growth rate of 9%, the total accessible world market leaping from EUR 71.8 billion in 2005 to EUR 86 billion in 2007. “What’s clear is that from the data we’ve analysed, we’re seeing and will continue to see the rail supply industry performing well in the coming years with 2.5% to 3% growth per annum being added until 2016. By then we expect the market volume to total EUR 111 billion.”

Michael Clausecker states, “globally, we’re going to see high-speed train orders increasing by between 2% and 2.5% year on year until 2016, and at the same time, we’re also going to see services increase by similar figures. We see huge possibilities opening up, and high-speed rollout will be the area to watch, as it offers in many cases, a real alternative to air and road transport.” What’s also worth watching says the UNIFE Director-General is that maintenance and replacement orders will be other important pieces of the jigsaw where the rail supply industry will see healthy orders. 70% of rolling stock orders will be directed at the replacement of old stock while 80% of infrastructure orders will replace same. What’s clear though says Clausecker is

that “the locomotive and rolling stock market will expand significantly in emerging industrial nations and that it will be more pronounced in Eastern Europe. “There will be growth rates of almost 7% yearly in this segment in this market by 2016.” Next up is the Middle East and Africa with a figure of 6% yearly and an increase of 5.5% in the Asia-Pacific region.

The Study offers much detail on key market trends says Martin Streichfuss “Urbanisation, the changing global economy, the demand for greater mobility and of course environmental commitments and concerns are evidenced in the study’s findings. The NAFTA market is currently the second largest accessible market for the Europe’s rail supply industry; however, with the emergence of mega-cities especially in the Far East and Asia-Pacific region, this will see this growing region surpassing the NAFTA market with ease by 2016.”

“If there is one simple key message to be interpreted from the study it is this,” says Michael Clausecker: “Rail is going through not only a global rollout renaissance, but also a fascinating technological revival.”

The full executive summary of the UNIFE Worldwide Rail Market Study is available for download via www.unife.org and the report is also available for purchase on the site.

About us

Roland Berger Strategy Consultants, founded in 1967, is one of the world's leading strategy consultancies. With 35 offices in 24 countries, the company has successful operations in all major international markets. In 2007, it generated approximately EUR 600 million in revenues with 2,000 employees. The strategy consultancy is an independent partnership exclusively owned by about 160 Partners.

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