

The German Rail Market and the Influence of Digitisation: Continued Upward Trend for the Rail Industry?

Despite some negative media coverage the average growth rate of the German rail market over the last years showed a very positive development, reaching 7.1% p. a. and the companies active in the market achieved an average profit return (EBIT) of 5.3% between 2010 and 2014. The strong development over this period was especially characterized by a high number of rolling stock deliveries by the big system houses, which, nevertheless, achieved relatively low profit returns. Sub suppliers, on the other hand, achieved relatively high profit returns. ASTRAN forecasts a stable market growth for the German rail market in the future with further increasing profit returns. Although, due to declining orders for manufacturers of the rolling stock segment, the dynamics of the years 2010 to 2014 cannot be maintained. These and the future influence of digitisation on the competition in the German rail business are the results of the recent analysis “Snapshot of the German Rail Market” conducted by ASTRAN Business Consulting located in Kiel. It is one of the methodologically most demanding market structure analysis of the German rail market.

ASTRAN BUSINESS CONSULTING GMBH: MANAGEMENT SERVICES FOR TECHNOLOGY-FOCUSED COMPANIES

The report **Snapshot of the German Rail Market** was prepared by ASTRAN Business Consulting GmbH. ASTRAN is an independent consultancy specializing in strategic core processes which are vital for every company, namely in-depth market analyses, bespoke strategies, systematic business development, and excellent project and process management.

THE GERMAN RAIL INDUSTRY: A LEADING INDUSTRY OF THE WORLD RAIL MARKET

The German rail market was able to increase the domestic market volume over the period of 2010 to 2014 by 7.1% annually to 11.2 billion Euro. Thereby the German rail industry represented about 7% of the worldwide market volume with railway-specific products and services in 2014.

According to the experts of ASTRAN the report identifies long-term growth prospects for the market which will be considerably below the development of the previous years. Declining orders for the big system houses may have a growth-inhibiting impact on the entire industry. First signs of this development can already be seen in the market figures for 2015 and 2016, as forecasted by ASTRAN.

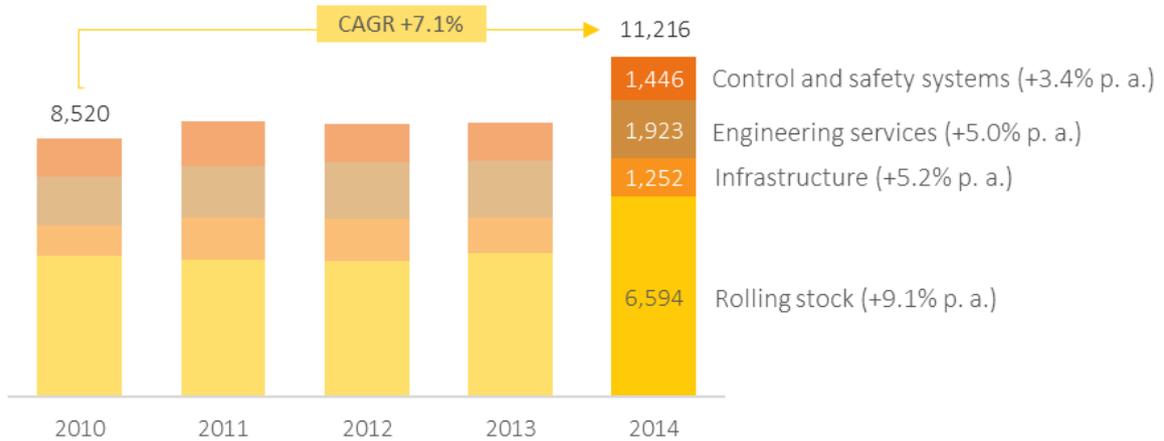
In the future the focus will be on the areas of maintenance and modernisation. This represents a great opportunity, because past experience has shown that these are the most profitable services in the engineering services segment. Moreover, how the industry will cope with digitisation will play an important role for the future and global competitiveness of the German rail market. Accordingly, the report provides a detailed view of the possible impact of digitisation on the competition in the German rail business.

ASTRAN REPORTS: UNDERSTANDING MARKET ATTRACTIVENESS

The report “Snapshot of the German railway market” is aimed at current and potential market players. It offers strategic knowledge about the German rail industry which enables market players to assess market opportunities – now and in the future. Companies interested in this market are provided with guide-lines and support. Companies already active in this market will find useful and additional information enhancing their current market view. The described analyses regarding market size, market growth and profit margins offer to the reader – together with a general, overall description of the market – the opportunity to assess the current and future market attractiveness. This is pivotal in order to evaluate future challenges and to develop appropriate strategies.

National Railway Industry
Market Volume (mil. EUR)

The German railway industry still shows significant growth. Due to a strong growth in the rolling stock segment the total market volume increased by over 24% from 2013 to 2014.



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