

## **Rail – The new old growth market**

Press Release

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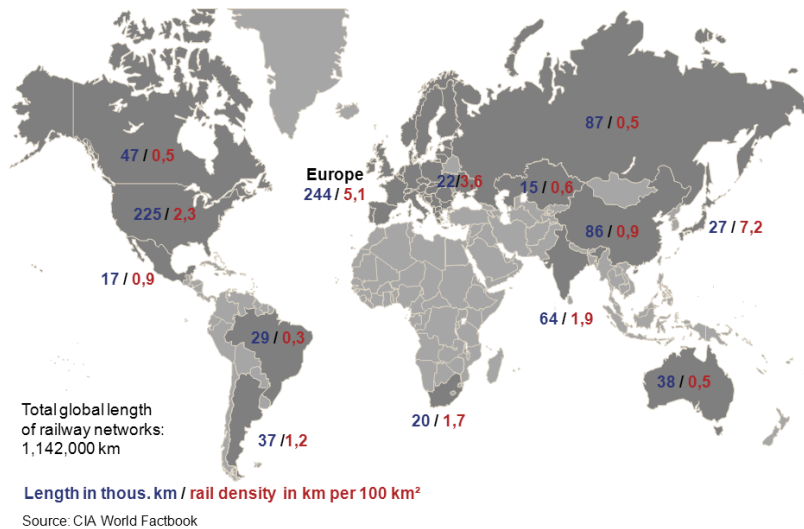
**There are few industries for which the term "old economy" is as fitting as it is for the rail and rail vehicle industry. But much as in Europe in the 19th century, the industry is playing a crucial role in the industrialization process in today's emerging markets.**

Urbanization and new mobility concepts are imparting additional momentum to the growth of the rail industry. Given the high quality demands of the market, it is an interesting niche for providers of premium components who have sufficient patience and resources to face long-winded approval processes.

In many industrialized countries, the market for rail and rail vehicles is largely saturated. Modernization, maintenance and replacement of the rail vehicle fleet constitute the bulk of the business. New projects are more likely in emerging economies that can only achieve their growth targets with a sufficiently modern infrastructure.

Stringent demands are placed on the technologies used, on the one hand to avoid endangering human life and on the other to meet increasing comfort and environmental needs. Long-established manufacturers based in Europe, North America and Japan are still the technology leaders. However, China in particular has been catching up at impressive speed during the past few years and is not only active in its domestic market but is increasingly positioning itself as a rail equipment supplier for other emerging markets.

Countries and regions with longest rail network 2012



Important topics for railway network operators that offer new market opportunities for component suppliers are increasing comfort requirements, less noise emissions and the further development of high-speed technologies. Innovative products that contribute to these points can disproportionately profit from the robust market growth in this industry.

Entering the market for rails and rail vehicles is not easy for industry newcomers. The industry is very conservative and access to the market is often hampered by long approval processes, which in some cases may necessitate substantial lobbying. Before entering the market, in-depth market analyses provide an early indication of whether it might be worthwhile to pursue this course.

If you have any questions please do not hesitate to contact:

Ms. Ursula Hosselmann, +49 6201 9915 42,  
ursula.hosselmann@schlegelundpartner.de

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