

DVB research video – November 2014

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on Megatrends



State of the rail industry – Megatrends (1)

Passenger business is stable

- Healthy level of investments made by
 - Railway companies (except for long distance transport in North America)
 - Manufacturers, incl. smaller ones and from Asia

Freight business is cyclical and trending upward

- Healthy level of investments made by
 - Railway companies
 - Leasing companies: new rolling stock and portfolio purchases
 - Manufacturers in USA (less so in Europe and Australia)
 - Investment firms in rail industry

Equipment values generally increase

- Higher new built costs
- Almost no speculative orders placed

State of the rail industry – Megatrends (2)

New regulations impact on cost structure of rail due to:

Fatal train accidents

- Chatsworth, USA (2008)
- Viareggio, Italy (2009)
- Lac-Mégantic, Canada (2013)

Politics

- Enhancing safety level, although rail already has a very good track record
- Stricter noise and particle emission norms
- Higher infrastructure charges (Europe)
- Harmonisation of technical standards (Europe)