

Growing need for delivering commodities in a cost-effective manner in various industries is projected to fuel demand for railcars globally. In addition, surge in the number of construction projects is projected to impact growth of the global market positively. A recently compiled report by Fact.MR reveals that the global market of railcar leasing is projected to reflect a healthy CAGR of 5.6% over the forecast period, 2017-2022.

### **Factors Fuelling Growth of the Global Market**

Growth of the global [railcar leasing market](#) is bound to increasing number of construction projects and production process in several industries. Demand for construction related commodities is likely to remain high during the implementation process of the construction project. Without the available construction commodities, progress of the construction project is likely to remain at halt. Delay due to unavailability of the construction commodities will add to the expenses of the construction project. Several industries are increasingly leasing railcars attributed to increasing demand for shipping commodities in a comparatively fast and cost-effective manner. Demand for railcars is mainly concentrated in the petroleum & gas industry, food and beverages industry, shipping industry, and agricultural industry.

In addition to significant demand for railcars such as tank cars in the petroleum & gas industry, increasing demand for fast delivery of commodities in the shipping industry will continue to impact global market growth of railcar leasing. With growing need for shipment of commodities and freights, leasing of railcars is projected to rev up during the implementation of construction projects. As several commodities need to be shipped in a protective and cost-effective manner, industries prefer leasing commodity specific railcars. Further, increasing demand for containerization is likely to contribute towards growth of the global market of railcar leasing significantly.

Although the outlook on growth of the railcars looks moderate, integration of enhanced technology will continue to fuel demand for leasing railcars attributed to cost-effective features. Demand for the railcars remain concentrated for diverse applications including transport of oil, coal, and lumber products. As rail cars are a lucrative mode of shipping commodities, several oil companies prefer leasing tank cars for delivering commodities for construction projects.

### **Box Cars to Represent a Leading Segment**

With surge in demand for cost-effective mode of shipping, various industries will continue to lease box cars for delivering commodities. Box cars will remain the most selling railcar type as compared to hopper boxes globally. Currently, the box car railcar type segment is projected to represent more than US\$ 900 Mn in the global market of railcar leasing by 2022-end. However, gondolas as compared to other railcars is projected to reflect a relatively high CAGR in the global market through 2022.

Railcars are likely to witness significant demand for shipping commodities in the petroleum & gas industry. Petroleum & gas industry will continue to represent significant revenue contribution as compared to agri-produce, forestry, and F&B products. The petroleum & gas product end use type segment is projected to represent more than US\$ 800 Mn in the global market of railcar leasing by 2017-end.

### **Market Players**

Major players in the global market of railcar leasing are GATX Corp, Beacon Rail Leasing, VTG, Touax Rail, American Railcar Industries, CIT, Progress Rail Services, Infinity Rail, Chicago Freight Car Leasing, and GLNX Corporation.