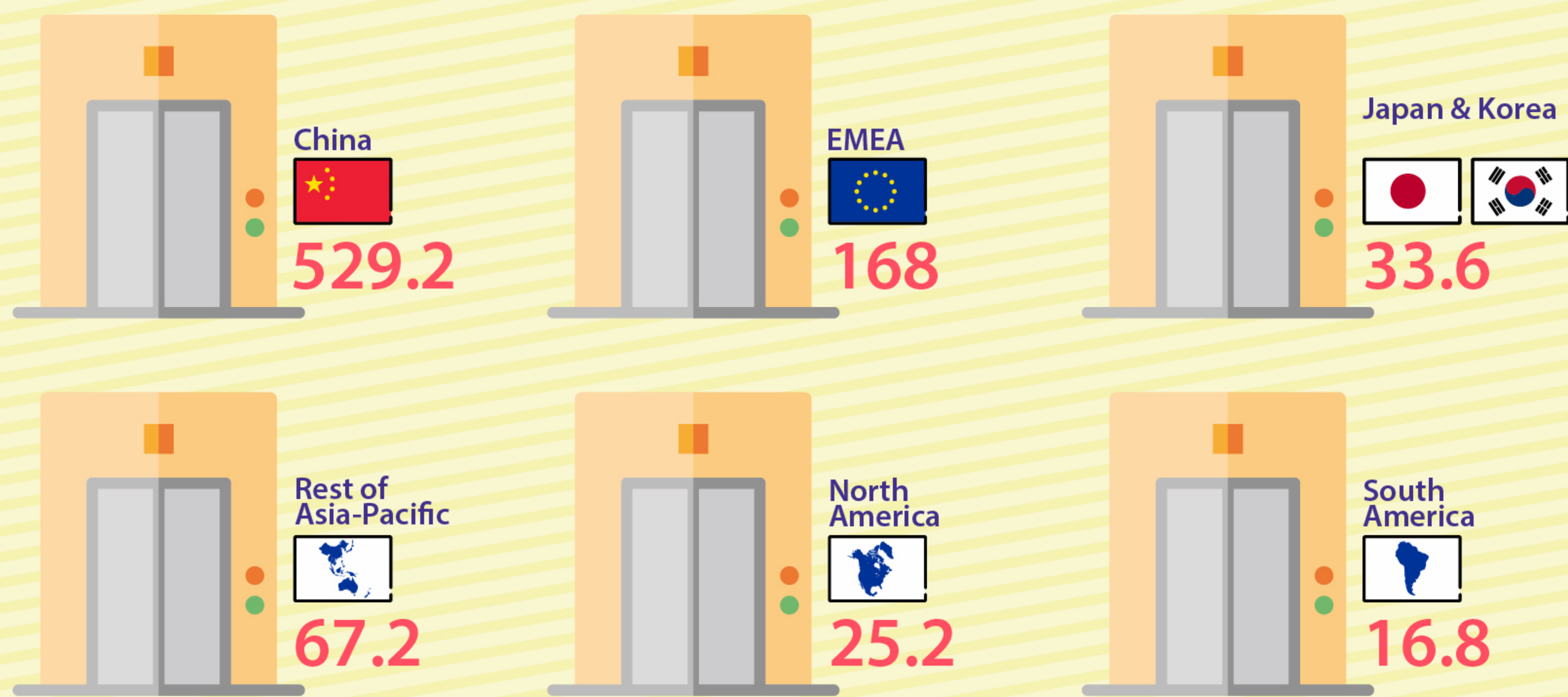


China's Elevator & Escalator Market

China is the largest market for new elevator and escalator equipment and is expected to grow at a CAGR of 14%.

Global New Equipment Base



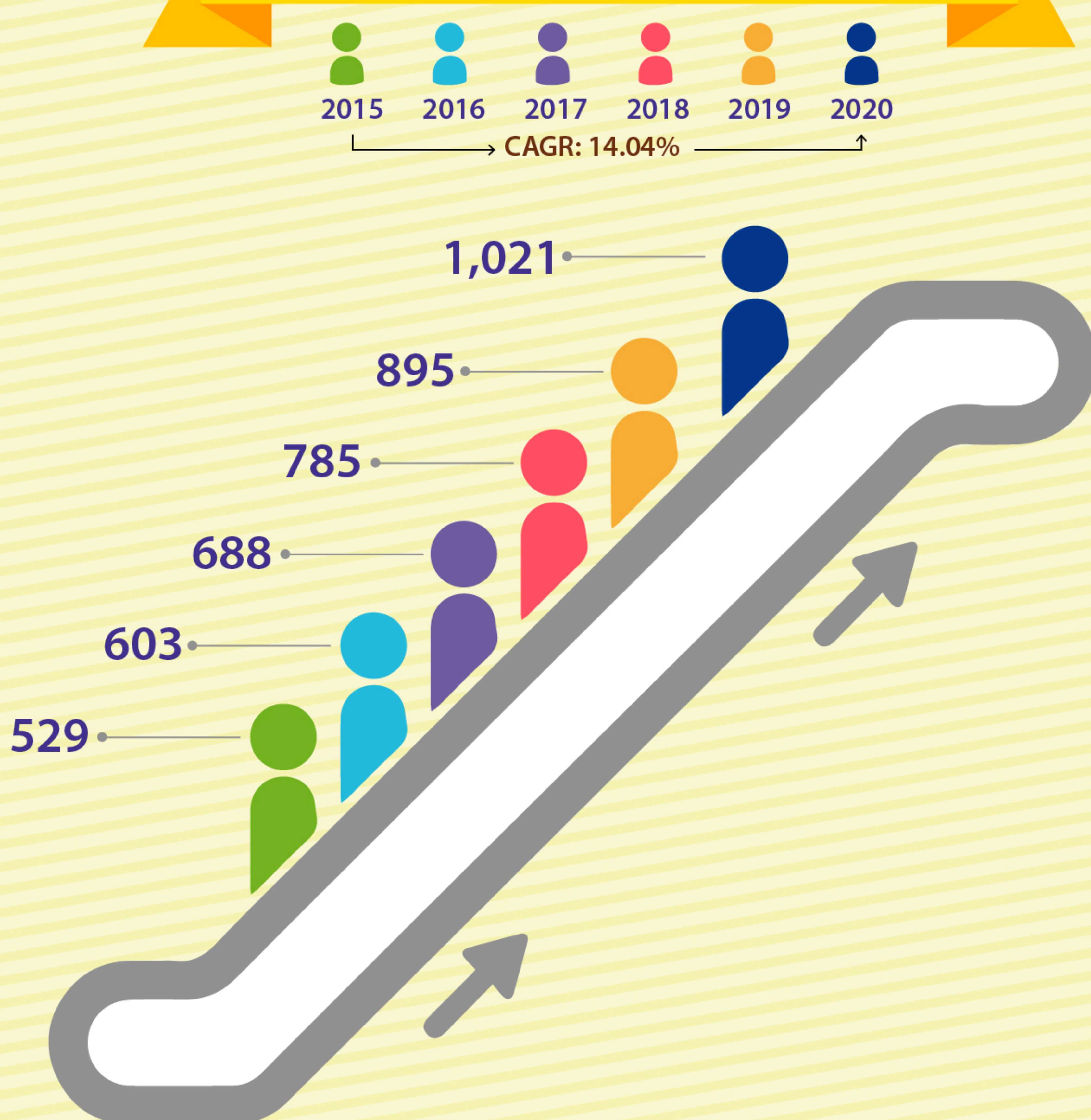
2015 | Figures in Thousand Units

The elevator and escalator market varies across three business segments, including new equipment, maintenance, and modernisation. The new equipment industry is largely consolidated.

In 2015, China accounted for 63% of the total new elevator and escalator market in terms of volume.

Key players in China include Kone, Otis Elevator, Hitachi, Mitsubishi Electric, Schindler and Thyssenkrupp among others.

China's Elevator and Escalator Market Forecast



2015 | Figures in Thousand Units

During 2014–2020, China's elevator and escalator market is expected to expand at a 14.04% CAGR by volume.

Owing to demand growth, many companies are expanding their presence in China. For instance, Thyssenkrupp has doubled its stake in Chinese venture, Kone has built a 236 metre test tower in Shanghai suburbs, and Schindler has added escalator and elevator factories.

China's Elevator and Escalator Maintenance Market



The maintenance market for operational elevators and escalators in China is fragmented.

Due to cheaper price and under-regulation in the Chinese market, only one-fourth of the elevators and escalators are serviced by large OEM's, while the rest is serviced by small- and mid-sized local players.

However, with the introduction of a series of stringent regulations such as "China's Safety Law for Specialised Equipment", demand for maintenance from OEM is expected to grow.

Elevator and escalator market is expected to be driven by smart, intelligent, fast, safe, and eco-friendly technology.

Drivers & Challenges



Growth Drivers

Increasing Urban Population

China's urban population is expected to reach one billion by 2030. The rapid urbanisation and growing GDP would act as catalysts in the growth of the elevator and escalator market.

Growth in Construction Market

Construction output is expected to grow at 3.9% during 2014–20, 4.8% in 2020–25, and 5.2% during 2025–30. The rise in construction output bodes well for the elevator and escalator market.

Growing Demand of Safe and Environment-Friendly Products

Demand for products that meet stringent safety requirement and comply with greener environment standards is growing. This would boost future demand of such equipment.



Key Challenges

Recent slowdown in Chinese economy may pose some challenges.

Cost increase due to technology advancement and rise in raw material price may hamper growth.

ARANCA VIEW

The demand for smarter, intelligent, and faster elevators and escalators that comply with safety and sustainable environment norms would witness increase in demand.

The increasing urban population and rising investment in the infrastructure sector in China would boost growth.

The introduction of new safety regulations is expected to increase OEM's market share in the after-sales market.