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White Clarke's report indicates worldwide growth in leasing for 2012



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The White Clarke's report each year gives consolidated view of the leasing industry globally and also a peek on how the countries have been fairing in terms of volumes and new business done. The report 2014 talks about the leasing volumes of 2012 and shows an upward trends globally and also continues to reflect that the countries like USA, China, Japan, Germany etc. continue to do well and small countries like Venezuela that have picked up in this segment of trade.

The White Clarke Group's Global Leasing Report, 2014¹ reflects the performance of the top 50 countries in the world of leasing. The report suggests that the worldwide leasing industry witnessed a growth of 8.95% in the year 2012 compared to 2011. This growth can be justified by the widespread adoption of Hire Purchase in the finance mechanism globally.

While North America, Europe and Asia represented more than 95% of the world-wide leasing trades, on the smaller regions, Africa saw a decline whereas Australia/ New Zealand saw a modest growth.

The region wise volume and growth for 2011-12 has been shown in the table below:

Rank	Region	Annual Volume	Growth 2011-12	% of world market volume	% of world market volume	Change in market share 2011-12
(Amount is US\$ bn)						
1.	North America	336.40	15.0	36.7	38.8	2.0
2.	Europe	314.00	3.7	38.0	36.2	-1.8
3.	Asia	180.20	17.5	19.3	20.8	1.5
4.	Australia / New Zealand	16.10	34.3	1.5	1.9	0.3
5.	South America	13.20	-52.2	3.5	1.5	-1.9
6.	Africa	8.20	-5.1	1.1	0.9	-0.1
	Total	868.00				

The figures for the years 2011 onward represent both leasing and hire purchase.

Data Source: White Clarke Global Leasing Report, 2014

While Europe lost the top spot to North America due to a decline of 1.8% in the market share, none among the others showed substantial growth except Asia with a growth of 1.5% in terms of market share. Africa still remains in its infancy representing only 1% of the world leasing volumes.

¹http://www.assetfinanceinternational.com/media/com_acymailing/upload/wcg_global_leasing_report_2014_final_web.pdf



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Country-wise, the United States of America stays at the number one position with an annual trading volume of US\$bn 294.34 followed by China and Japan at US\$bn 88.66 and US\$bn 69.95 respectively. In terms of growth, China seemed to be the most promising with a growth of 41.65% in 2012 over 2011, it seems that the inexorable industrial expansion and the need for a supporting infrastructure has ignited the demand for lease transactions. Almost 60% of the world volumes were represented by the top 4 countries i.e. USA, China, Germany and Japan. The performance of the top 5 economies has been shown in the following table:

Rank	Country	Annual Volume	% Growth 2011-12	% market penetration
(Amount in US\$bn)				
1.	United States of America	294.34	9.5	22.0
2.	China (People's Republic)	88.66	41.67	3.8
3.	Germany	69.95	6.23	7.2
4.	Japan	66.34	1.12	5.8
5.	United Kingdom	61.66	9.56	23.8
The total volume of lease transactions in 2012 was US\$bn 868				

Data Source: White Clarke Global Leasing Report, 2014

In spite of being a trillion dollar economy, India still could not make it to the list of the top 50 countries in the world of leasing.

Performance of leasing across the world in 2013

In spite of showing a respectable growth in 2012, as per the report, the year 2013 is likely to show mixed performances across different economies. It says that while volumes of the USA, Japan and Germany will be in line with the performance of 2012, volume of lease transactions in China is likely to be reversed due to the changes in the VAT regime for sale and leaseback (which represents 70% of the total volumes) in August 2013. As per the report, ultimately the performance of the top four countries will determine the global performance of leasing in 2013.