

The global leasing industry adapts and adjusts in the face of economic turbulence

By David Hamilton, CEO, Solifi

THE SOLIFI GLOBAL LEASING REPORT continues a history of tracking the worldwide market for leasing products for more than 30 years.

Overview. For this 43rd edition of the *World Leasing Yearbook*, we can report that the global leasing industry reported a slight decline in new business volumes in 2020 following a decade of continuous growth (see Figure 1).

The small 1.8% decline in new business is less than forecast as the Covid-19 pandemic transformed global economies and put equipment investment on hold. Despite the global turbulence, the equipment leasing business showed remarkable resilience in the light of the challenges it faced through 2020.

Data collected in the first three quarters



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of 2021 suggests that new business activity has recovered, and that volumes will quickly rebound to pre-2020 levels.

The top 50 countries reported new business volume of US\$1,338.19bn in 2020, which is down from US\$1,362.38bn in 2019. The Report shows that the global leasing industry has grown 125% in the past decade (see Table 3).

Three regions, North America, Europe and Asia, account for more than 96.5% of world volume. North America experienced a reduction in new business of 6.7%, Europe was down 7.5%. Business in Asia though was up an impressive 13.0%, mainly due to growth in the China, Taiwan and Korean markets.

Table 4: A comparison of the rate of equipment leasing market penetration (%)

	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
US	31.1	31.1	29.9	26.9	27.7	26.0	16.4	17.1	17.1	21.0	22.0	22.0	22.0	22.0	21.5	21.6	21.5	22.0	22.0
Japan	8.9	8.8	8.8	8.6	8.4	7.5	6.9	6.5	6.0	5.9	6.2	6.2	5.4	5.7	5.7	5.3	5.2	5.7	5.1
Germany	9.8	21.7	15.7	18.6	23.6	15.5	16.2	13.9	14.3	14.7	5.8	16.6	16.4	16.7	17.0	17.2	15.9	18.1	16.2
Korea	3.9	4.4	5.6	7.7	9.4	n/a	10.5	4.4	4.8	8.7	8.5	8.1	9.8	9.4	9.1	8.9	9.6	9.0	9.0
UK	15.3	14.2	9.4	14.5	12.7	11.6	20.6	17.6	18.5	19.8	23.8	31.0	28.6	31.1	33.7	32.4	32.9	34.3	28.4
France	12.9	15.4	9.0	11.7	11.0	12.0	12.2	3.1	10.5	11.1	12.8	12.5	13.1	14.2	15.3	16.1	16.9	17.4	17.5
Italy	8.6	7.6	11.4	15.1	15.2	11.4	16.9	10.0	13.1	12.3	10.0	9.4	11.7	13.0	14.1	15.2	16.1	14.6	13.4
Canada	20.2	22.0	23.3	23.9	22.0	22.0	19.6	14.0	15.1	20.8	20.8	32.0	31.0	32.0	32.0	38.0	39.0	36.0	42.0
Australia	20.0	20.0	20.0	20.0	18.0	14.2	10.0	10.0	12.0	27.5	27.5	40.0	40.0	40.0	40.0	40.0	40.0	39.0	n/a
Sweden	13.0	11.6	12.7	11.8	11.8	14.3	19.4	17.5	19.2	18.2	24.6	24.4	22.7	22.9	26.0	27.1	22.4	22.8	22.3

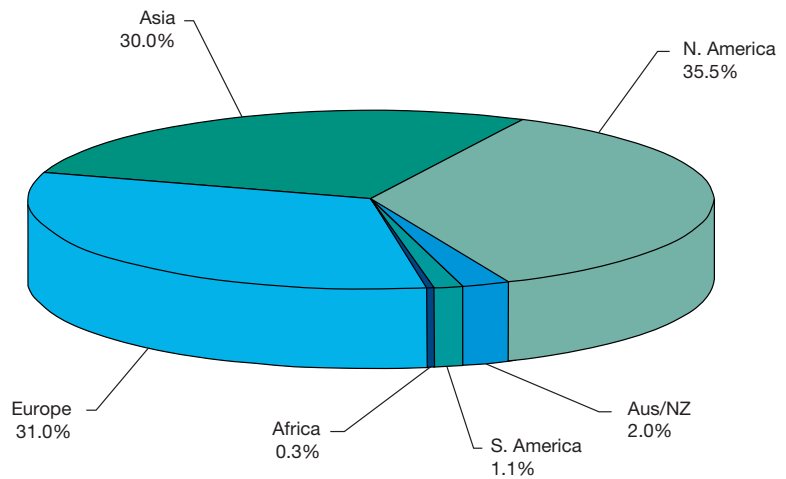
- Sources: (1) Australian Equipment Lessors Association (total leasing as a percentage of private capital investment)
 (2) US Dept. of Commerce, Economics & Statistics Administration, Bureau of Economic Analysis and Equipment Leasing Association of America (equipment leasing as a percentage of business investment in equipment)
 (3) Japan Economic Planning Agency & Japan Leasing Association (equipment leasing as a percentage of private capital investment)
 (4) Leaseurope Annual Reports
 (5) Statistics Canada & Equipment Lessors Association of Canada (lessor purchases as a percentage of total equipment acquisitions in Canada)
 (6) Korea Leasing Association
 (7) London Financial Group
 (8) White Clarke Group Global Leasing Report
 (9) Solifi Global Leasing Report

Elsewhere, South America grew by 10.5%. Australia/New Zealand was down 3.4%. Africa was down 39.9%.

It is important when analysing this data to stress that the Global Leasing Report employs the US dollar as the common currency baseline for country comparisons, using exchange rates prevailing at the end of the year. (For this Report the date of conversion is December 31, 2020).

Care should be taken when making comparisons year-on-year for individual countries and regions in this data as currency fluctuations inevitably impact the US dollar figures in the Report. The growth figures we specify in Table 2 are as actually reported by each country, before conversion into US dollars, so they are unaffected by the vagaries of currency fluctuations and give a true picture of domestic performance year-on-year.

Figure 5: Volume by region (2020)



Source: Solifi Global Leasing Report

READ THE FULL REPORT

This is a short extract from the Solifi Global Leasing Report as published exclusively in the *World Leasing Yearbook 2022*. The full Report includes essential data on the global leasing market including a ranking of the Top 50 leasing markets by size, penetration levels, domestic leasing shares and volume by country and region.

To obtain the full nine-page Report which features 12 tables and graphs and a 4,000-word commentary please contact us on +44 1206 579591 or email lisa@worldleasing.co.uk. Alternatively you can purchase a copy directly on this website.