

State of the global leasing industry – continued innovation and strength

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 45th edition of the *World Leasing Yearbook*, the global leasing industry reported a rise of 0.5% in new business volumes in 2022 and the outlook for the industry is optimistic.

The top 50 countries recorded new business volume of US\$1,470bn in 2022 which is up from US\$1,463bn in 2021. The Report shows that the global leasing industry has grown 70% in the past decade (see Table 3).

Three regions, North America, Europe and Asia, account for 96% of world leasing volume. North America experienced an increase in new business of 7%, Europe was down 1.1%. Business in Asia was down 5% making it the third largest region after North America.

Elsewhere, South America was down 5%. Australia/New Zealand was down 0.8%, and Africa was unchanged.

When analysing this data, it is important to stress that the Global Leasing Report employs the US dollar as the common currency baseline for country comparisons, using exchange rates



David Hamilton, author of this article.

prevailing at the end of the year, (for this Report the date of conversion is December 31, 2022).

The US dollar at year end 2022 was at its highest level since 2002 when the currency conversions were made for this Report. It had appreciated 22% against the yen, 13% against the Euro and 6% against emerging market currencies since the start of 2021. This sharp strengthening of the dollar has significant implications for most countries' business levels reported in US dollars in this year's Report.

Thus, care should be taken when making comparisons year on year for individual countries and regions in this Report as currency fluctuations inevitably impact the US dollar figures in the data.

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 these give a true picture of domestic performance year on year.

North America. The North American region consists of the US, Canada, and Mexico. The sector maintains its position as the world's biggest leasing market, with new business volume of

Table 1: Volume and growth by region (2021–22)

Rank by volume	Region	Annual volume (US\$bn)	Growth 2021–22 (%)	Percentage of world market volume 2021	Percentage of world market volume 2022	Change in market share 2021–22
1	N. America	546.06	7.0	34.88	37.15	2.3
2	Europe	441.73	-1.1	30.52	30.05	-0.5
3	Asia	425.44	-5.0	30.62	28.94	-1.7
4	Aus/NZ	26.50	-0.8	1.83	1.80	0.0
5	S. America	25.33	-5.0	1.82	1.72	-0.1
6	Africa	4.94	0.2	0.34	0.34	0.0
	Total	1,470.00				

Source: Solifi Global Leasing Report

US\$546.1bn, representing 37% of the total global market share in equipment leased.

The US is the dominant player of the region, and the largest single leasing global market. New US business volume for the equipment finance industry increased by 6.3% in 2022 according to the ELFA Annual Survey of Equipment Finance (SEFA).

New business in Canada was up 7.2% in 2022. Data supplied by the Alta Group suggests that in 2022, Mexico experienced an impressive 86% increase in new business in local currency.

Europe. Europe reported a decrease in new business of 1.1% in 2022 when expressed in US dollars bringing total new business to US\$441.7bn. Europe accounts for 31% of total world volume, as the second largest region in the world. Most of the national European leasing markets enjoyed positive growth.

The leading five European countries (UK, Germany, France, Italy, and Sweden) feature in the world's top 10 countries for new business, contributing 67% of the total European volume.

The United Kingdom and Germany are positioned as the third and fourth largest leasing markets in the world and remain the dominant players in Europe. They accounted for 40% of the European market and 12% of the world market in 2022.

In 2022, the UK leasing industry captured US\$96.9bn of new business registering an increase in business volumes of 9.5% (in local currency) as compared with previous year and placing it third in the global rankings after the US and China.

The second largest European leasing market is Germany. New business was up 1.64% in 2022 to US\$78.9bn, ranking it fourth.

France remains in 6th place in the top 50 rankings, with new business volume of US\$62.4bn and reporting an increase of 4.8%. Italy ranks as the 4th largest European market with new business volume up 9.7% to US\$35.6bn.

Because data from Russia was excluded in Leaseurope's 2022 statistical report, as was Ukraine, we have made an estimate of Russia's new business leasing figure. We have excluded Ukraine and Belarus from the report due to a lack of data.

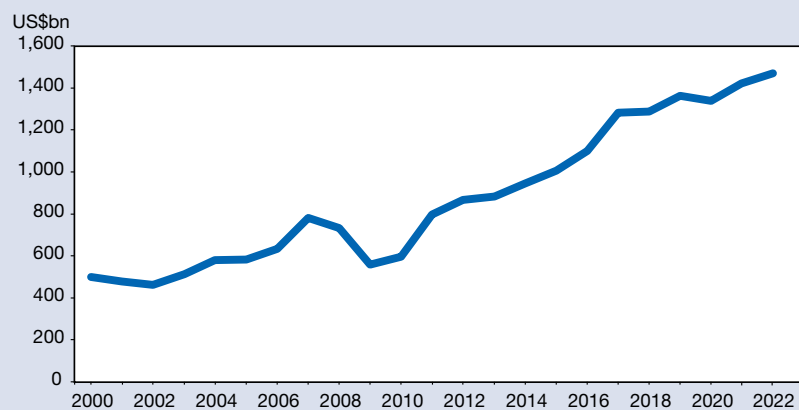
Overall, the members of Leaseurope (the European federation

of leasing and finance companies) recorded a consolidated increase in new business of 5.9%. It is estimated that Leaseurope represented approximately 90% of the European leasing market in 2022. (See Leaseurope report elsewhere in this edition for an in-depth breakdown of the European data).

Note that Leaseurope excludes Ireland from its survey. We are unable to obtain reliable data on the size of the Irish leasing market and Ireland is excluded from the GLR. However, given the large aircraft leasing sector based in the country the leasing market is significant.

The 5.9% increase in business reported by Leaseurope differs to the GLR Europe figure of -1.1% because The Global Leasing

Figure 1: World leasing volume (2000–2022)



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 2024. 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 5795912 or email michelle@worldleasing.co.uk. Alternatively, you can purchase a copy directly on this website.