

Off-Highway Research

INDUSTRY NEWSLETTER

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Global equipment sales surge

Global construction equipment sales rose 28 per cent last year to almost 894,000 units. This was the highest the market has been since 2012, and was a significant turnaround from 2015 and 2016 when worldwide demand bottomed-out at 702,000 units.

The market was worth US\$88 billion last year, a 25 per cent increase on 2016's figure of US\$ 70.6 billion.

China was the key driver of global growth in 2017, with equipment sales rising a remarkable 82 per cent. This took demand back above 200,000 units for the first time since 2014, and re-established China as the largest equipment market in the world in unit terms, ahead of the US.

The new-found buoyancy in China is linked to the 'One Belt One Road' infrastructure projects which were launched by the government towards the end of 2016. This has driven across-the-board rises in construction equipment sales.

Elsewhere in Asia, robust growth continued to be the order of the day in India last year, with a 17 per cent increase in construction equipment sales following on from the 36 per cent surge seen in 2016. This took the market to a new record in excess of 78,000 units.

Meanwhile in Japan equipment sales were also up 14 per cent, thanks to a sharp rise in

the crawler excavator segment in particular.

Sales in Western Europe rose 13 per cent last year to 160,562 units, which took demand to its highest since the global financial crisis. Significantly, all the individual countries in the region enjoyed increased sales last year. Among the highlights were Sweden and Norway, which reached new records, while sales of equipment in Germany were their highest since the reunification boom of the early 1990s.

After a year of uncertainty in the run-up to the November 2016 US presidential election, the North American construction equipment market returned to growth last year. Sales were up 11 per cent to 173,200 units, thanks to accelerating economic growth.

Off-Highway Research expects global equipment sales to grow another 6 per cent this year, with the most significant improvements being seen in North America, India and China. The European market is expected to level-off, while a fall in sales is expected in Japan.

Sales growth will generally be the order of the day in other markets around the world in 2018.

Detailed sales data is available in Off-Highway Research's Global Volume & Value Service, which also includes a five-year forecast by equipment type, by country.



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Compaction sales double in three years

Sales in India of ride-on compaction equipment enjoyed a second successive year of sharp growth in 2017, with demand rising 23 per cent to 4,765 units. This took the market to twice the size it was as recently as 2014.

Off-Highway Research's latest Equipment Analysis on the industry said, "The sector received a boost in 2015 thanks to the new government. This was due to both the clearance of stalled projects along with the award of new projects."

Last year soil compactors accounted for some 57 per cent of compactor demand, with tandem rollers making up 40 per cent. Pneumatic tyred rollers (PTRs) and static rollers accounted for the remainder.

Demand for compaction equipment in India is expected to stabilise at its current high level over the coming years.

India is not only self-sufficient in compactor production, but it is also a significant net exporter of this type of machinery. Although there are a handful of imports – mostly PTRs from Germany – exports from India have run at more than 1,000 units for the last four years. The machines exported are predominantly soil compactors, mainly from international manufacturers with bases in India, rather than indigenous OEMs.

Off-Highway Research's April 2018 Compaction Equipment India Equipment Analysis is available to subscribers to the Indian Service. It can also be bought as a stand-alone report. Contact mail@offhighway.co.uk

Telehandler growth

Sales of rough terrain lift trucks (RTLTLs) in France grew almost 9 per cent last year to take demand to 7,680 machines. The segment is dominated by telescopic handlers, with masted RTLTLs accounting for just 2 per cent of sales. This was close to the highest the market has been in the post-crisis years.

The recent growth is put down to a number of factors. "By 2015, just as sales were slowing to the agricultural market, salvation came in the form of the Macron Law. Rental companies were amongst the first to seize the opportunity to renew their fleets, with big companies such as Loxam and Kiloutou investing heavily in 2016 and 2017. Sales were further boosted in 2017 with the upturn in both the building and public works sectors," said Off-Highway Research's new Equipment

Analysis on the French RTLTL industry

Off-Highway Research's forecast is for growth to continue in the segment this year and the next.

As well as being a significant market for telescopic handlers, France is also a major production hub, with Manitou, Bobcat and Haulotte all manufacturing there.

Off-Highway Research's new report indicates that the surge in the domestic market, along with strong demand elsewhere in Europe, helped push production to a high in 2017.

Off-Highway Research's May 2018 RTLTLs France Equipment Analysis is available to subscribers to the European Service. It can also be bought as a stand-alone report. Contact mail@offhighway.co.uk

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Off-Highway Research honoured by the CEA

Off-Highway Research chairman David Phillips was one of the inaugural inductees to the UK Construction Equipment Association's (CEA's) Hall of Fame, at a celebration dinner following the association's annual general meeting & conference in London on 22nd March.

Speaking at the event, CEA chief executive Rob Oliver said, "David and I first met over 30 years ago in Croydon at the offices of the predecessor organisation of the CEA. Since those days he has been a firm friend and supporter of the CEA – and has helped our work in innumerable ways. It seemed appropriate at our first CEA Celebration Dinner to recognise his personal contribution by way of making him a Hall of Fame inductee.

"Appropriate too in that our 'Innovation is here' conference earlier in the day focused on the use of data in a digital world. At Off-



(L-R) CEA Chief Executive Rob Oliver, Off-Highway Research Chairman David Phillips, CEA Honorary President David Bell, CEA Director of Global Programmes Joanna Oliver, CEA President Rory Keogh.

Highway Research David realised early on the value of data being translated into usable information for our industry – which has added immeasurably to our collective fund of knowledge over the years."

Security upgrade

As part of the migration to Off-Highway Research's improved website, it has been necessary for us to reset some individual clients' usernames and passwords to enhance security.

All individuals' passwords are now the e-mail address we hold on file for them and passwords are encrypted so that only the individual user can access them. This provides much improved security for both Off-Highway Research and its clients.

An unfortunate impact of this is that some clients' previous usernames and/or passwords will no longer be valid. If you have difficulty logging in to access your Off-Highway Research subscriptions, please

contact us at mail@offhighway.co.uk to check we hold the correct e-mail address/username for you.

Due to their encryption, we are no longer able to supply clients with forgotten passwords. If you do not remember your password, please click the 'Forgotten Password' link when you log in and enter your e-mail address in the subsequent page.

With the upgrade of our website and client portal, we have also made some cosmetic changes to our account administration system. The documentation and 'How to' guides relating to account administration have been updated to reflect this, and are available to download at www.offhighway.co.uk

Keep up to date with industry news

Off-Highway Research offers a variety of ways for clients and non-clients alike to keep up to date with developments in global equipment markets

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Off-Highway Research specialises in the research and analysis of international construction and agricultural equipment markets. Since 1981 clients have leveraged our reports, databases and expertise to understand global markets, identify trends & opportunities, analyse the competitive landscape and grow their businesses profitably.

With an emphasis on primary research and with five offices on three continents, we can provide unrivalled insights to clients anywhere in the world.

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