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# Off-Highway Research

## INDUSTRY NEWSLETTER

3<sup>RD</sup> QUARTER 2017

## Global emissions compliance to rise

Global production of non-road mobile machinery (NRMM) is expected to rise from 3 million units in 2016 to more than 3.5 million by 2023, according to a new study by consultant Knibb Gormezano & Partners (KGP). The study, which covers diesel engine-powered construction, agricultural and materials handling equipment, was produced in collaboration with Off-Highway Research.

Among the key findings of the in-depth 60-page report, is the expected swing in compliance standards over the coming years. In 2013 more than 50 per cent of diesel engines fitted in new equipment met an emission standard of Tier 2 or less. By 2023 that proportion is expected to fall to just 4 per cent. Machines fitted with Tier 3 engines will be the largest part of the NRMM market by that point, with significant numbers at Tier 4 Interim or higher. This includes Stage V engines, which will start to be fitted to new machines in Europe from 2019.

As well as offering this overview, the Non-Road Mobile Engine and Aftertreatment



Forecast provides a range of analyses of the market and associated forecasts. This includes global production by region, production by emissions compliance tier, production by emissions solution, production by segment (construction equipment, agricultural equipment and materials handling) and an analysis of

engine sourcing in terms of captive (engine manufactured by the equipment producer) and non-captive suppliers.

Further sections provide information on major producers' engine ranges as well as a summary of emissions legislation around the world, making this both a comprehensive and easily digestible report on one of the key issues for the global off-highway equipment segment.

The report is available on Off-Highway Research's on-line store. For more information, please visit [www.offhighway-store.com](http://www.offhighway-store.com).

For more information on KGP, please visit [www.kgpauto.com](http://www.kgpauto.com)



# Global recovery gathers pace

Global construction equipment sales are expected to increase 16 per cent this year, according to the updated Global Volume & Value Service from Off-Highway Research. Worldwide sales are forecast to exceed 810,000 units in 2017, with a value of more than US\$80 billion.

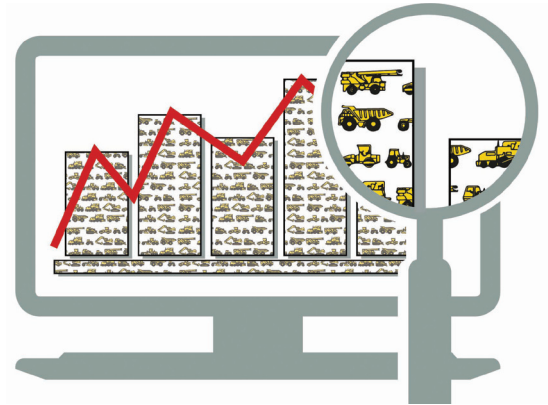
Most major regional equipment markets are expected to see growth this year, but the key driver will be China. Crawler excavator sales have more than doubled in the first half of 2017, compared to the same period last year.

"The sudden recovery in market demand is attributed to the large number of new projects that have been given approval to proceed since 2015, when the government decided to strengthen the economy by increasing infrastructure investment," said Off-Highway Research.

The market previously peaked in 2011 on the back of the Government's stimulus spending programme. However, this boom was followed by a crushing decline in sales which saw market demand fall to a quarter of its peak size at the bottom of the cycle in 2015 and 2016.

Elsewhere in the world, the Indian market remains strong, with 10 per cent sales growth forecast for this year, continuing the momentum of the 36 per cent surge seen in 2016. This will see the market surpass the previous record high of 54,065 machine sales seen in 2011.

In Europe, sales of construction equipment in are expected to grow 2 per cent this year



to almost 145,000 units. This moderate rise follows an 11 per cent surge in 2016, which was driven by booming demand from the German residential construction sector.

The North American market is expected to climb 8 per cent to over 170,000 units. This would take it back to levels seen in 2014 and 2015, before market growth was disrupted by last year's presidential election.

Similarly, in Japan, a 4 per cent increase in equipment sales is expected, following a slump in demand last year. The correction of 2016 was preceded by three years of unusually high sales in response to the Government's stimulus policies – Abenomics – and the demand for equipment needed for reconstruction work following the 2011 earthquake and Tsunami.

Over the longer term, Off-Highway Research expects global construction equipment sales to rise to close to 900,000 units by 2021, with a value of more than US\$90 billion in today's terms.

Off-Highway Research's world forecast is published as part of the Global Volume & Value Service. Regional forecasts are also available in the company's Database Services.



# New studies coming in September

Four new Multi-Client Studies will be published by Off-Highway Research in September, covering the construction equipment industries in Poland and South Korea, the global hydraulic excavator industry and the Chinese powered access sector.

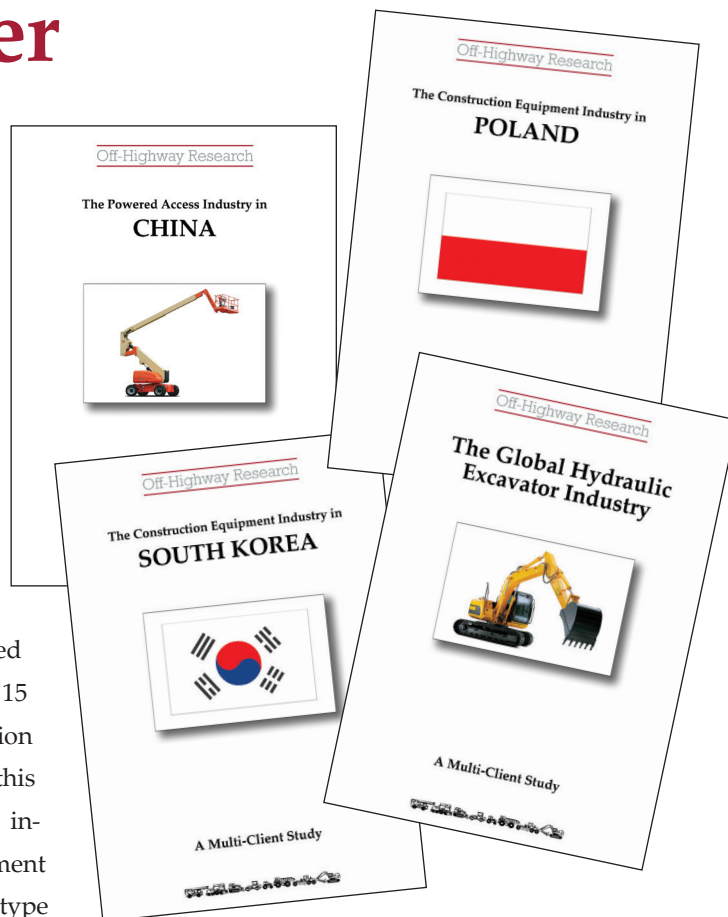
The studies on Poland and South Korea include detailed analysis of the market for some 15 individual types of construction equipment. As well as this sales analysis, they will look in-depth at construction equipment production, data by machine type and manufacturer, along with manufacturer profiles. Further sections will include distributor profiles and pertinent background information on the national economies. Both reports will include a five-year market forecast.

Meanwhile, the report on the global excavator industry – covering crawler, wheeled and mini excavators – provides detailed analysis of this 375,000 machine, US\$36 billion segment for the first time. The report features a global overview and individual chapters on the key markets of China, Europe, Japan, India and North America. Each section looks at excavator sales overall and by type and weight class, production (including component sourcing), imports and exports, the active population of machines, market shares and customer groups, and provide a five-year forecast. Additional sections include

manufacturer profiles, contact details and details of models available.

Off-Highway Research's report on the dynamic and fast-growing powered access industry in China analyses the market size by platform type and size class and looks at historic growth trends, while presenting a five-year forecast. Further sections cover production and identify suppliers of key components, and look at other market dynamics, including profiles of China's leading access platform rental companies.

Off-Highway Research's Multi-Client Studies offer unrivalled insights, helping businesses to expand into growth markets and plan their investments based on the most rigorous and highly respected research and forecasts available in the industry.



## 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

### WEEKLY NEWS

Visit the News section of [www.offhighway.co.uk](http://www.offhighway.co.uk) to read about the latest developments in global markets

### NEWSLETTER

Sign-up for our monthly e-mail news briefing via the Monthly News Briefing section of [www.offhighway.co.uk](http://www.offhighway.co.uk)

### PRESS CUTTINGS

The Press Cuttings section of [www.offhighway.co.uk](http://www.offhighway.co.uk) gives you access to news on our industry from media outlets around the world

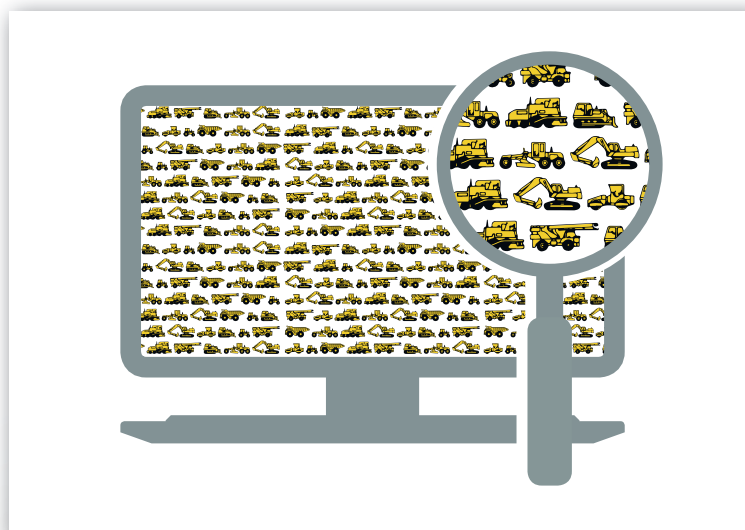
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## Construction Equipment Market Intelligence



### **DATABASE SERVICES**

- Unique and regularly updated databases of major equipment markets
- Sales and production data in three databases: Europe, Japan & North America; China; and India
- Five-year market forecasts
- Equipment sales trends

### **GROW YOUR BUSINESS**

- Help plan your sales and marketing strategy
- Identify potential new markets
- Inform your product development strategy

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