
Off-Highway Research

INDUSTRY NEWSLETTER

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All-time global high

Global construction equipment sales hit an all-time high of 1.1 million units in 2018, with a retail value of some US\$110 billion. This eclipsed the most recent highs of 2011 – the peak of the Chinese stimulus spending boom – and 2007.

Continuing the trend seen in 2017, there was a widespread improvement in equipment sales around the world last year, with increases in North America, Europe and emerging Asia, including both China and India.

In China sales of construction equipment including mobile cranes grew 37 per cent in 2018. This followed on from the 81 per cent surge seen in 2017, and took the market to 343,817 units. This was the highest Chinese equipment demand has been since 2012, and established the country once again as the largest market in the world.

India also had a remarkable year. Sales of construction equipment including mobile cranes grew 35 per cent, the third successive year of robust growth. This took the market to a record high of 98,204 units – some 44 per cent above the previous high seen in 2011, and more than double the demand seen just three years previously during the cyclical low point of 2014 and 2015.

Meanwhile, sales in Western Europe hit their highest for a decade in 2018, with a 10 per cent rise to 177,694 units. Demand increased in 14 out of the region's 15 largest markets, with sales in Germany and the UK in particular

reaching impressive levels. The only time the German market has been as strong was at the height of the post-reunification building boom in the early 1990s.

North American equipment sales also improved last year, with growth of 13 per cent taking demand to some 195,500 units.

The only disappointment among the world's largest markets last year was Japan, where sales fell 5 per cent to 63,700 machines.

While 2018 is likely to represent the peak in the current cycle, Off-Highway Research forecasts only a moderate decline in global demand this year. Sales are expected to remain above 1 million units, which would be only the fourth year in history this has been achieved.

The outlook for the following years is for demand to stay at good levels. However, this bright outlook could of course be threatened by negative and unexpected political and economic events.

In-depth information on construction equipment markets around the world is available across Off-Highway Research's range of reports and databases. The Chinese, Indian and International Database Services, along with the Global Volume & Value Service, were updated in March to add actual figures from 2018 and extend the forecast to 2023. Further updates will follow in August this year.

Visit www.offhighwayresearch.com for more details.



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In focus: Malaysia and The Philippines



Off-Highway Research will publish two new Special Reports in September 2019, focussing on the construction equipment industries in Malaysia and The Philippines. Ranging in length from 150-350 pages, Off-Highway Research's Special Reports are based on lengthy periods of field research and are regarded as the most comprehensive and wide-ranging studies available.

Last covered by an Off-Highway Research Special report in 2012, Malaysia is a significant market in Southeast Asia with strong demand for crawler excavators in particular. As one of the most developed, stable and consistently expanding economies in the region, it offers a range of opportunities for the industry.

Demand for construction equipment in The Philippines is also significant, driven by a combination of construction and mining activity. The agricultural sector is also a large consumer of machinery, a segment covered in Off-Highway Research's Special Reports through analysis of the agricultural tractor market in particular.

The Philippines was last covered in an Off-Highway Research Special Report in 2014.

Both new Special Reports will be available in September 2019 and can be ordered in advance from our online store, www.offhighway-store.com or by contacting us directly at mail@offhighwayresearch.com. Brochures are available from our website, www.offhighwayresearch.com

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Mini excavators in India

Off-Highway Research has updated its study on the mini excavator industry in India.

In contrast to the more mature construction equipment markets of Western Europe, North America, Japan, and even China, where compact equipment accounts for a large proportion of machinery sales, demand for mini excavators in India has to date remained very small.

However, sales have grown over the last decade from 22 mini excavators in 2007 to 1,322 in 2018, with the 1,000 machine mark being surpassed for this first time in 2017. There are more than ten suppliers of mini excavators in India, three of which also manufacture these machines domestically.

Off-Highway Research expects sales of mini excavators to continue growing in India for the

foreseeable future. At present they only have niche appeal. However, the scope of usage is expanding and new applications are being established. Furthermore, with the increasing shortage of manual labour, dependency on machines will continue to rise which will help grow the mini excavator market in the future. The machines are currently most popular in construction, but they also have applications in agriculture and industry.

Off-Highway Research's study on the Indian mini excavator segment forms part of our Indian Service, and is now available to subscribers via the Internet Access Service. For more information on the Indian Service or to buy the study as a stand-alone report, please contact mail@offhighwayresearch.com



Update on the Chinese powered access industry

Off-Highway Research is to update its popular 2017 study on the Chinese powered access industry. The report is due for publication in the third quarter of 2019 and will look in detail at this high-growth sector, with a focus on scissor lifts, and telescopic and articulating boom lifts.

Recent years have seen huge growth in the sales of access platforms in China as safety practices for working at height have improved and a rental industry has emerged in China to supply platforms to contractors.

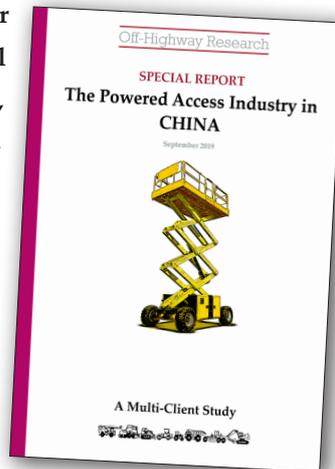
In parallel, major international powered access equipment manufacturers including Genie (Terex), Haulotte and JLG have set up factories in China. These developments have been accompanied by the emergence of several indigenous producers.

Off-Highway Research found that in 2016 the market had reached some 13,820 platforms per year and that annual growth rates had at times come close to 60 per cent.

As well as looking at the current market size, other sections of the 2019 report will cover production volumes by manufacturer and identify suppliers of key components. Further content includes an examination of market dynamics, such as retail pricing levels, marketing and

distribution arrangements, customer groups and end-users, and the size of the current working fleet of platforms in China.

The report will also include profiles on key manufacturers, dealers and rental companies in the powered access industry, and there will be a five-year demand forecast.



Visit us at Bauma 2019

Off-Highway Research will exhibit at Bauma in Munich from 8th-14th April on Stand 426J, Hall B5, as part of the UK Pavilion. It will use the event to present updated forecasts on the global construction equipment industry.

The exhibition is also an opportunity to spend time with Off-Highway Research's consultants to discuss market trends and the outlook for the global industry. Visitors to the stand are welcome to drop in on us as their schedules permit, but those who would like to arrange an appointment with a consultant should e-mail mail@offhighwayresearch.com

or their usual contact at Off-Highway Research.

Products and services available from Off-Highway Research include the Chinese, Indian, International and Global Volume & Value Service Databases and reports from our Chinese, European and Indian Services. Reports in the Chinese Service are available in both English and Chinese. We also offer a range of Special Reports on emerging economies and global equipment segments, and undertakes bespoke research projects for its clients.

Keep up to date with industry news

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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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