

Off-Highway Research

For immediate release

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Global construction equipment market to improve in 2016

Global sales of construction equipment (see 'Notes to editors') are forecast to grow 3.9 per cent in unit terms in 2016, to 760,508 machines, according to specialist economic forecasting and market research consultant, Off-Highway Research.

The expected improvement follows a weak performance in 2015, when global unit sales fell more than 10 per cent from the total of nearly 818,000 machines sold in 2014. In 2016, growth is expected in the European, North American and Indian equipment markets. Off-Highway Research also forecasts a stabilisation in China, where sales of construction equipment have fallen from a peak of 435,070 units in 2011 to a projected 131,345 machines in 2015 – a decline of 70 per cent in the space of four years.

“There can be no doubt that 2015 was a tough year for the global equipment industry, due to slowing world economic growth and weak commodity prices,” said Off-Highway Research managing director David Phillips. “Unit sales fell to their lowest since the crisis years and the drop in the Chinese market was particularly brutal. However, there were improvements in several developed countries which helped offset some of these losses.”

The gradual improvement in Europe which began in 2014 is expected to continue this year, with unit sales rising from a provisional 125,705 units in 2015 to 130,503 machines. Similarly, the buoyant North American market should rise a further four per cent to 186,025 machines. Continued steady improvements are expected in the Indian construction equipment market, with unit sales expected to rise to 46,414 machines, compared to 38,554 in 2015. Meanwhile in China, the market is expected to show an uptick of around four per cent, with sales stabilising at 137,820 units.

In Japan, construction equipment sales are expected to fall from 79,998 units in 2015 to 73,825 machines in 2016. The key drivers of this are a tailing-off of reconstruction work following the 2011 earthquake and Tsunami and the winding down of the government's economic stimulus programmes.

Mr Phillips said, “Off-Highway Research's forecast is for the start of a gradual return to health in the global construction equipment market in 2016. However, as has been the case since the crisis years of 2008 and 2009, business confidence remains fragile, and the uncertain geopolitical outlook around the world could have a negative impact on the sector.”

Off-Highway Research will exhibit at Bauma in hall B5, stand 227/B. The show will see it present updated forecasts for the global industry across its Chinese, European and Indian subscription services, its Chinese, Indian and International databases and the global Volume & Value service.



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Global Unit Sales of Construction Equipment by Region (2010 – 2019)

	Europe	North America	Japan	China	India	Rest of the World	Total
2010	100,993	90,600	37,060	401,480	42,811	99,175	772,119
2011	123,706	124,215	47,085	435,070	54,053	240,810	1,024,939
2012	118,899	146,830	64,860	290,205	50,795	247,745	919,334
2013	111,856	158,096	90,830	273,720	42,708	192,292	869,502
2014	124,783	171,310	84,225	209,757	36,808	191,034	817,917
2015*	125,705	177,935	79,998	131,345	38,554	177,973	731,510
2016*	130,503	186,025	73,825	137,820	46,414	185,921	760,508
2017*	132,668	175,690	71,620	147,430	54,175	189,365	770,948
2018*	131,247	160,610	71,650	156,985	59,280	190,497	770,269
2019*	133,353	167,900	74,305	169,375	63,060	200,948	808,941

* Forecast

SOURCE: Off-Highway Research

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Notes to editors:

Off-Highway Research is a management consultancy specialising in the research and analysis of international construction, and agricultural equipment markets, and is the largest of its kind in the world. The consultancy was formed in 1981 as part of The Economist Intelligence Unit (EIU) and is now part of KHL Group, the world's largest and most respected provider of international construction information. Off-Highway Research offers a unique level of international research expertise to the construction, earthmoving, mining, industrial and agricultural equipment industries.

Data for 2015 quoted in this press release are provisional figures. Final figures will be published to Off-Highway Research's subscribers in March, and will form part of the updated set of forecasts presented at Bauma.

The types of equipment covered by Off-Highway Research are: articulated dump trucks, asphalt finishers, backhoe loaders, crawler dozers, crawler excavators, crawler loaders, mini excavators, motor graders, rigid dump trucks, rough terrain lift trucks (masted and telescopic handlers), skid-steer loaders, wheeled excavators and wheeled loaders. In some markets, ride-on compaction equipment and mobile cranes are also included.



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