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Global Construction Equipment Markets

Chris Sleight

Off-Highway Research

ORGANISED BY



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SUPPORTING ASSOCIATIONS



Who we are

- Specialists in the research and analysis of international construction equipment markets
- The largest consultancy of its kind in the world
- Formed in 1981 as part of the Economist Intelligence Unit
- Now privately owned by KHL Group
- Offices in China, India, Japan, UK & USA

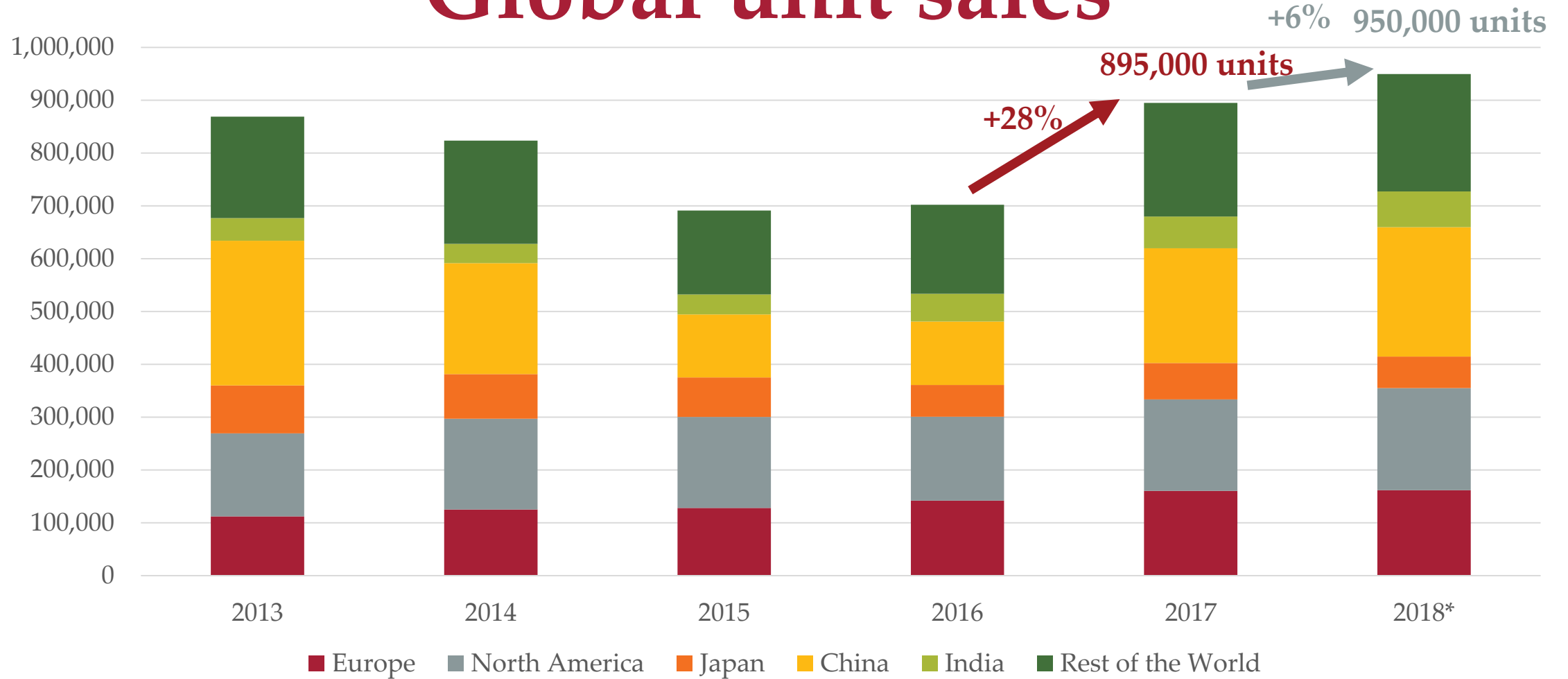


Products Included in This Presentation

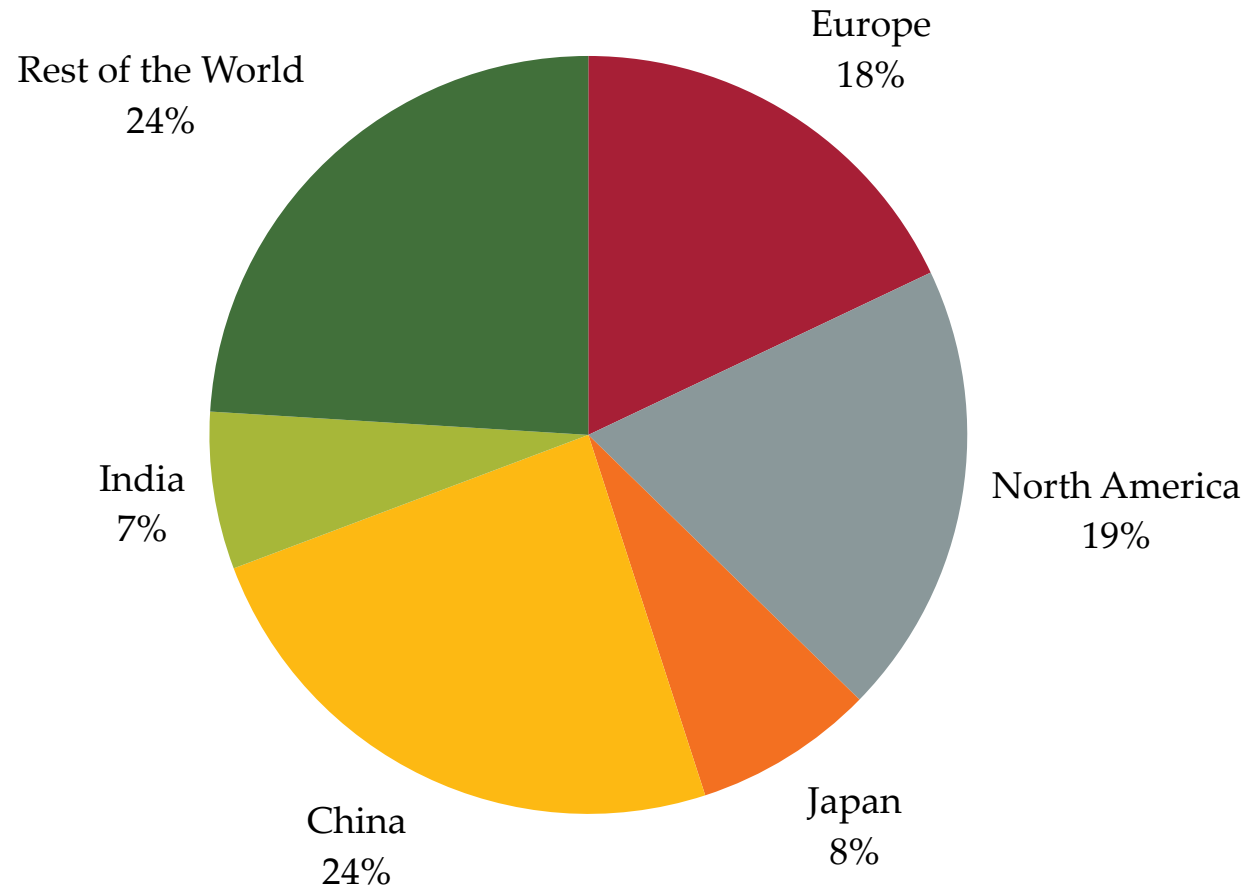
- Articulated Dump Trucks
- Asphalt Finishers
- Backhoe Loaders
- Crawler Dozers
- Crawler Excavators
- Crawler Loaders
- Mini Excavators
- Motor Graders
- Rigid Dump Trucks
- RTLTs – Masted
- RTLTs Telescopic
- Skid – Steer Loaders
- Wheeled Excavators
- Wheeled Loaders



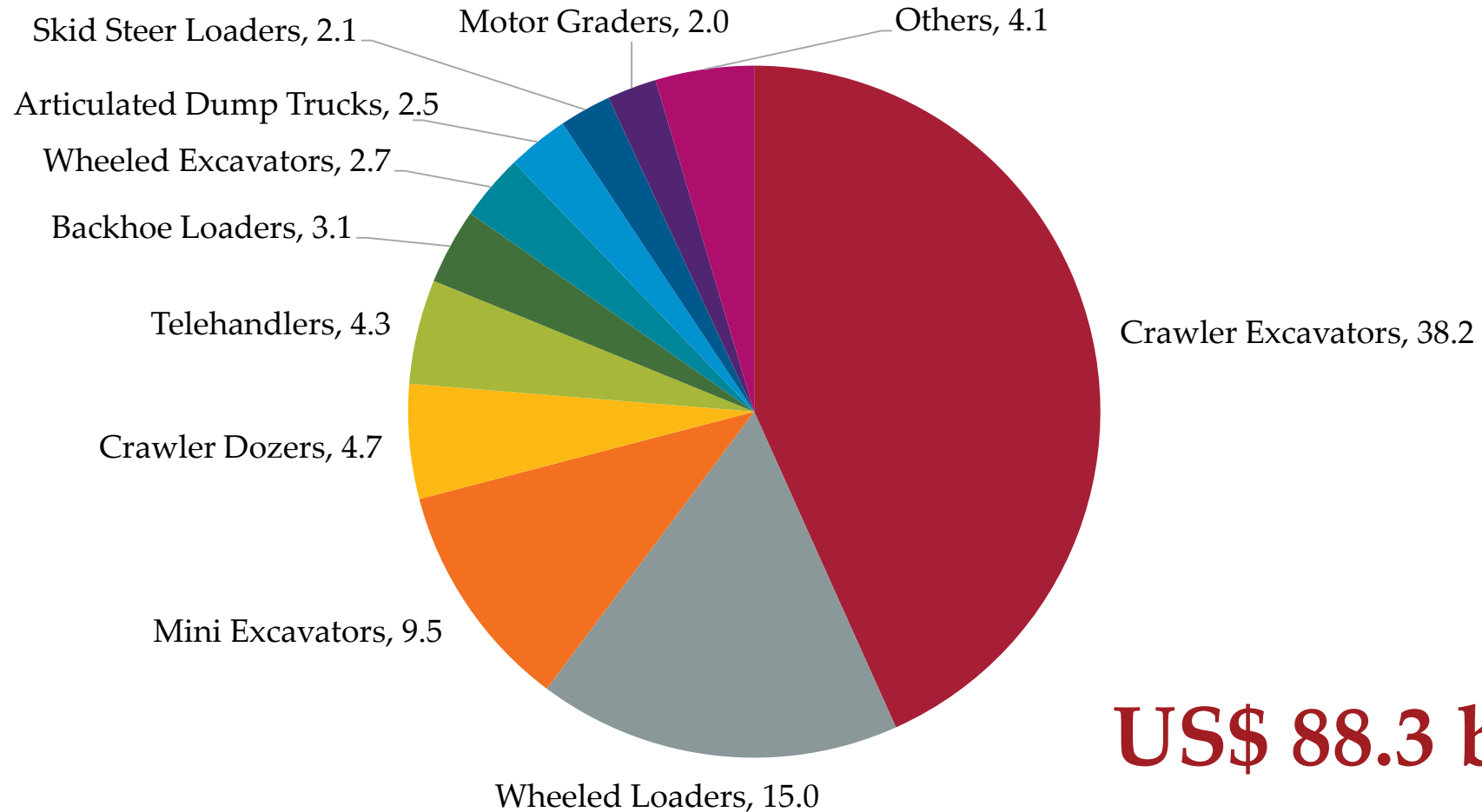
Global unit sales



Relative market sizes in 2017



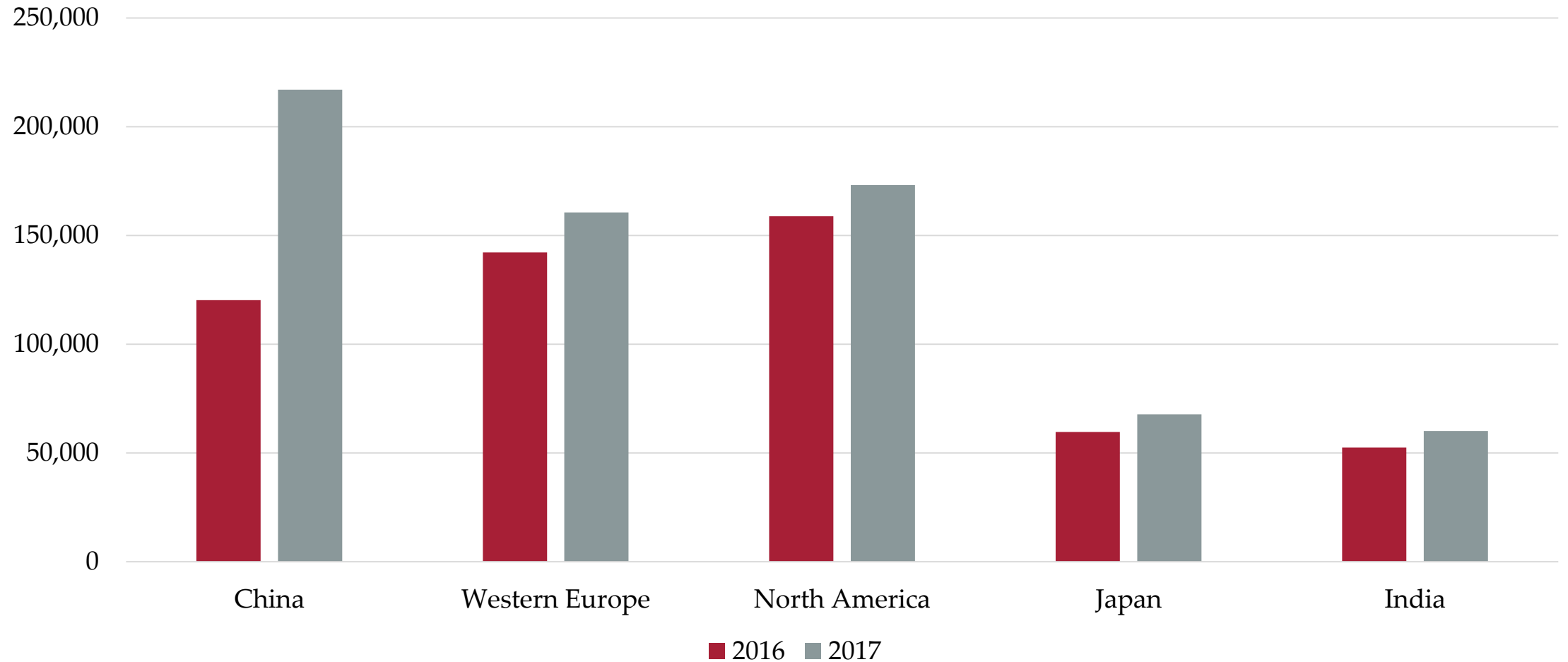
Global market value 2017 (US\$ billion)



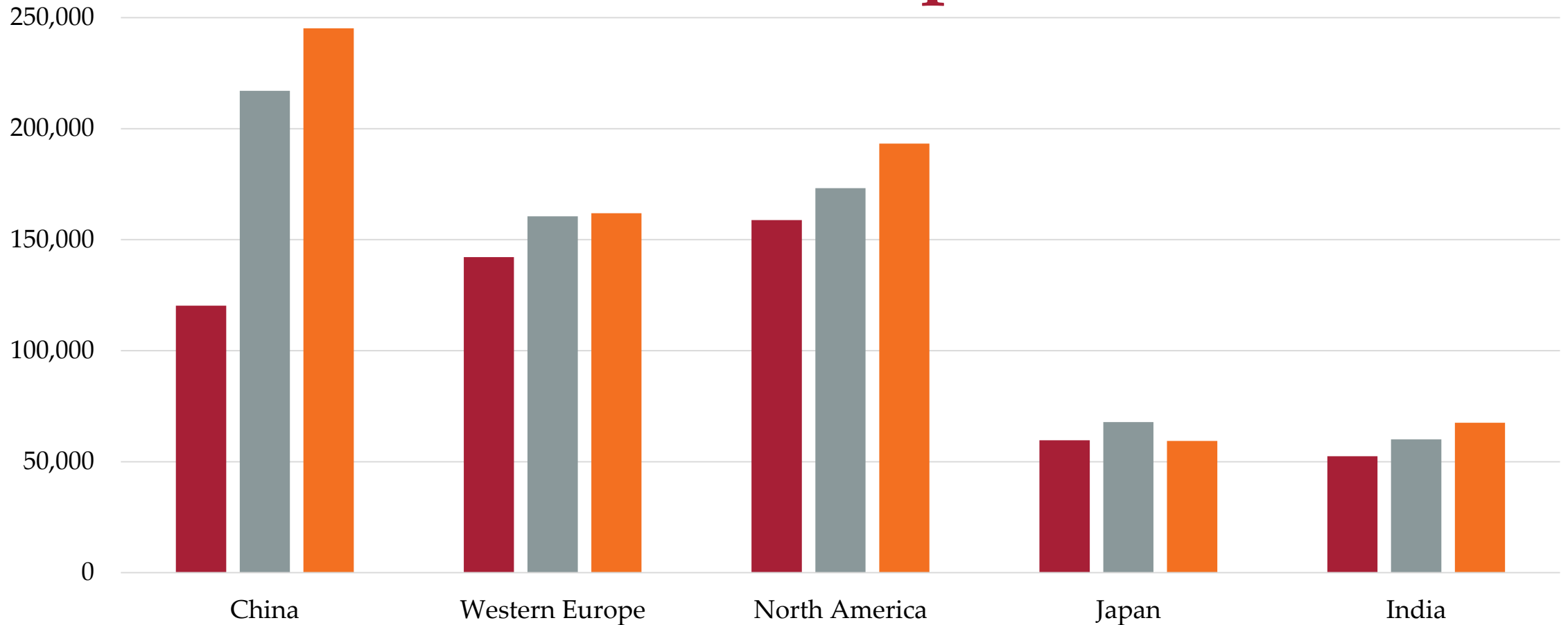
**Total:
US\$ 88.3 billion**



Unit sales - worldwide recovery in 2017



Unit sales - continued improvement in 2018



■ 2016 ■ 2017 ■ 2018*

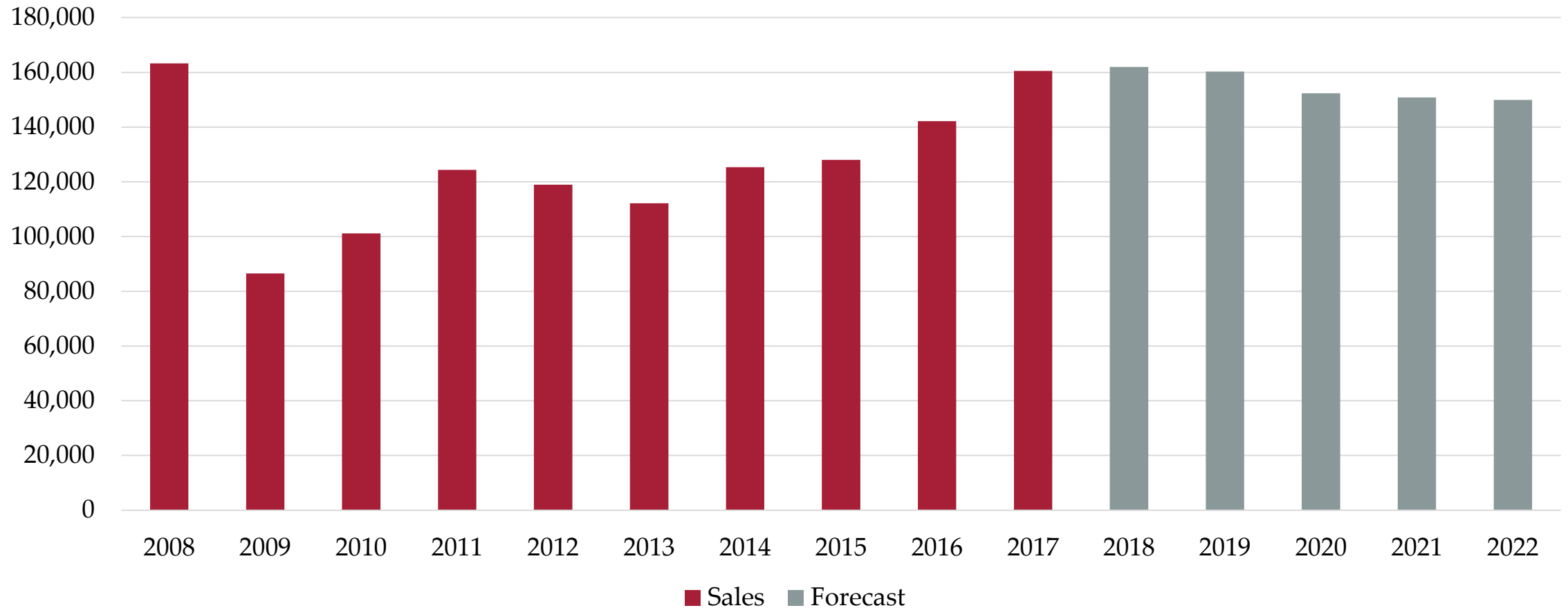


Europe





Unit sales - strongest market for a decade





Europe - highlights

- Every individual country grew last year
- Nordic region at record levels
- Germany highest since 1992
- France recovering well from low in 2015
- UK strong, despite Brexit
 - Is it all UK demand?
- Good growth in Southern Europe, but volumes still low
- **Market will be stable at a high level for 2-3 years**



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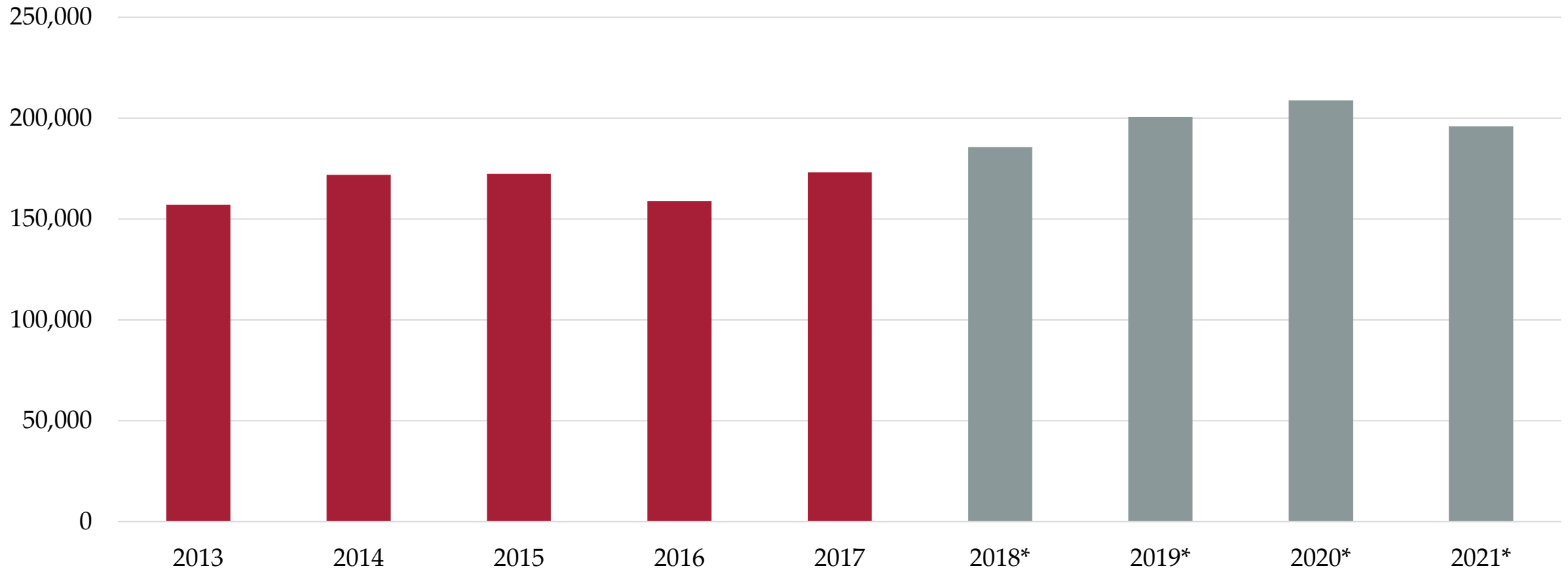
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North America





Unit sales – recovery back on track



■ Sales ■ Forecast





North America- highlights

- Sales fell in 2016 due to election uncertainty
- Economic growth improving
- President Trump seen as pro-business
- Can he deliver on infrastructure investment?
- **Further growth expected for 2-3 years**



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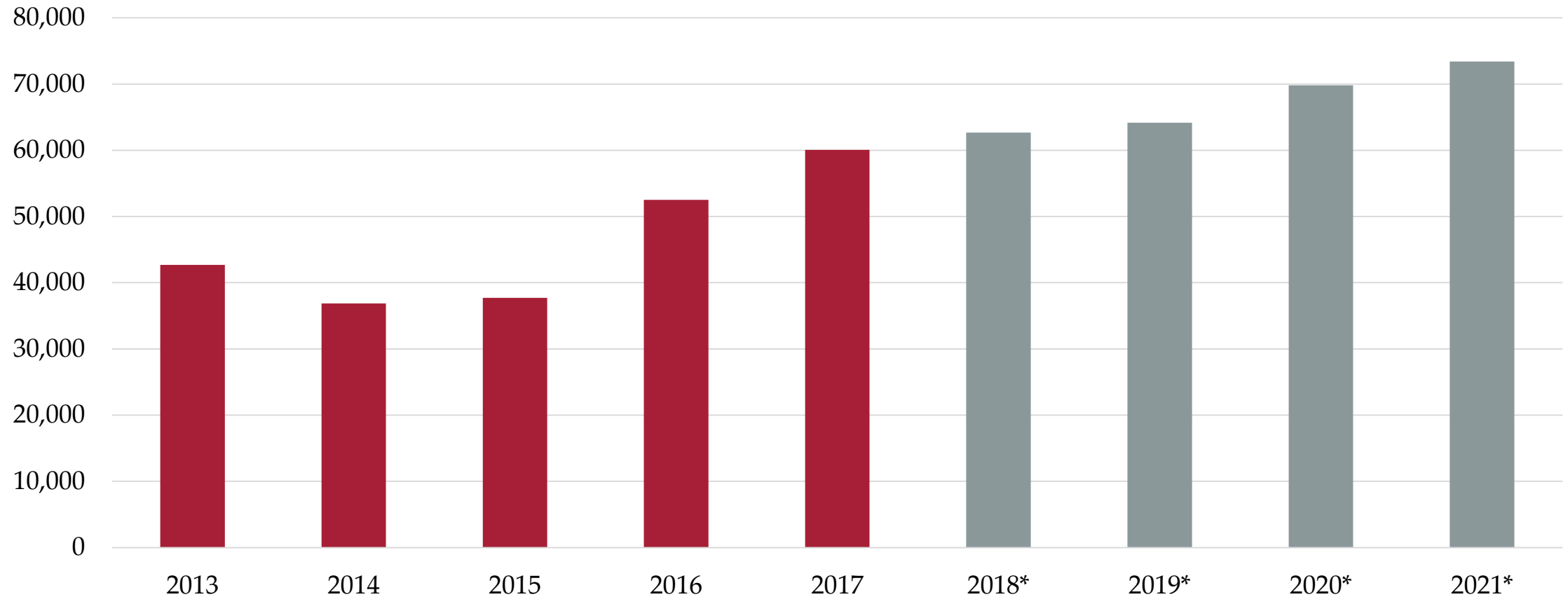
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India





Unit sales – going from strength to strength



■ Sales ■ Forecast





India - highlights

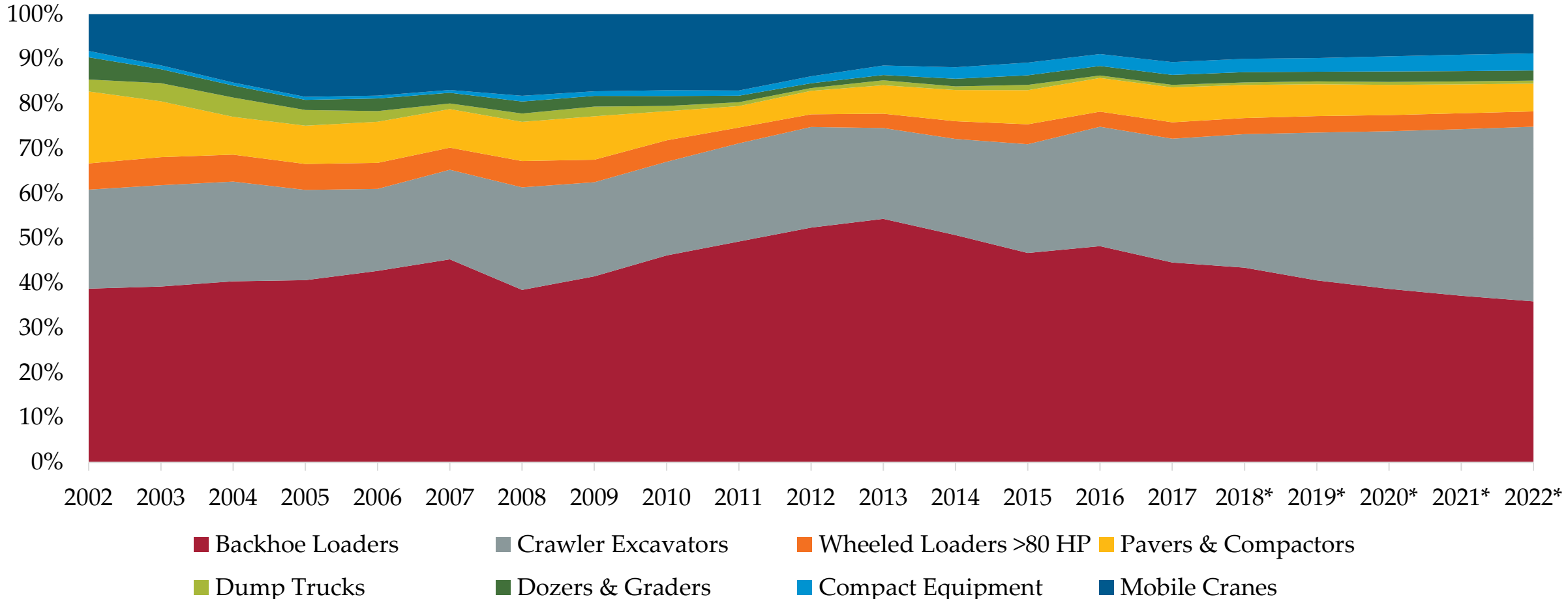
- Market stagnated due to corruption scandals in the final years of the Singh government
- Modi government has revitalised infrastructure spending
- Robust growth from 2016 onwards
- Market now at unprecedented highs

- **Strong growth to continue**
 - **(Although interrupted in 2019 by general election)**





India – demand is changing



China

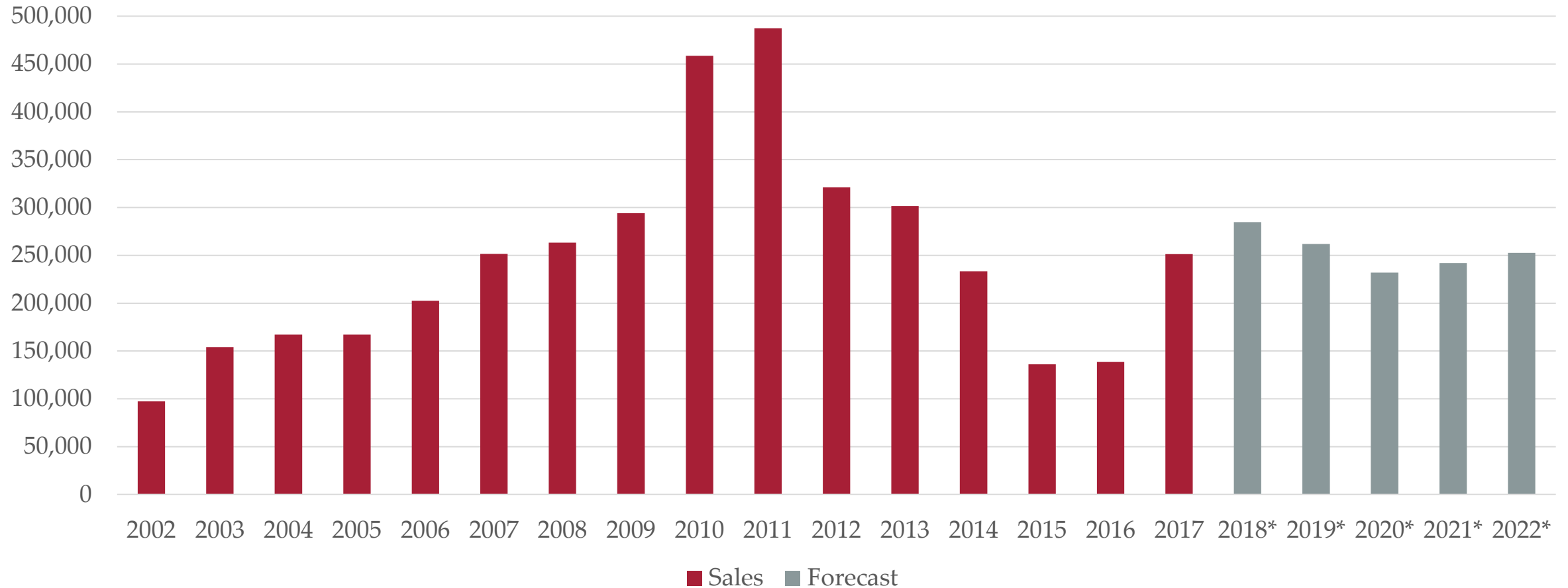




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Unit sales – back to health





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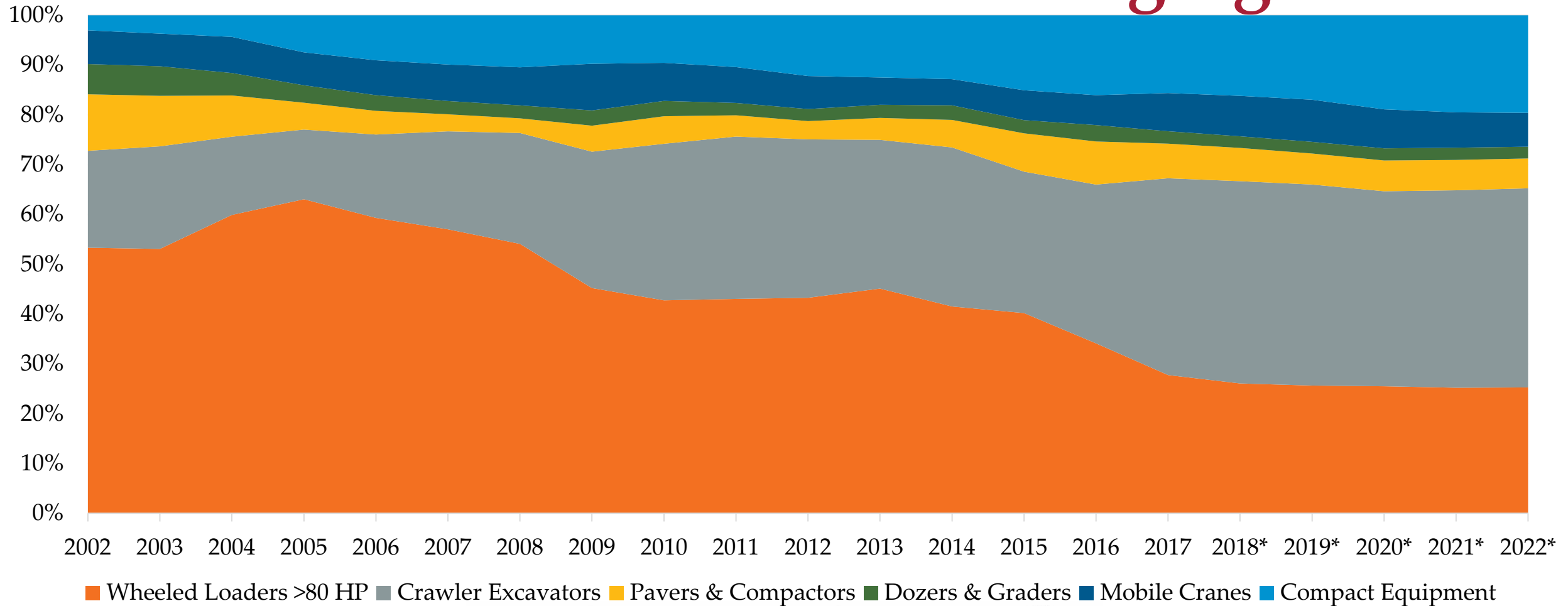
China - highlights

- Growth returned in 2017 after a long & painful recession
- Rebound driven by 'One Belt, One Road' projects
- Market likely to stabilise around current level
- **Chinese government has a huge influence on equipment demand**
 - **Can switch on & off very quickly**





China – demand is changing



■ Wheeled Loaders >80 HP ■ Crawler Excavators ■ Pavers & Compactors ■ Dozers & Graders ■ Mobile Cranes ■ Compact Equipment



Global summary

- Market is in good health
 - Most markets are growing
 - Volumes are good
- Moderate growth to continue
 - Developing Asia & North America to drive improvements



What are the challenges?

- Recent sudden growth & high volumes
 - Long lead times/supply constraints
 - Price increases
- Worldwide move to lower emission engines
 - Costs to pass on
 - Issues around fuel quality & machine complexity >> reliability
- Geopolitical uncertainty is still an issue around the world
 - Business confidence could be better
 - Risk of sudden shocks



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Thank you

Chris Sleight

Managing Director

Off-Highway Research

chris.sleight@offhighway.co.uk

+44 (0)1892 786205

Any questions?

