

29 November 2016



Construction machine sales strengthening in Italy

First published on www.WorldHighways.com

Construction machine sales are strengthening around the globe. A report from the **SaMoTer**-Veronafiore Outlook reveals that 7,551 construction machines were sold in Italy over the period from January-September 2016. This represents a gain of 32% from the same period in 2015 and a further increase of 37% is estimated in Italy for the two-year period 2017-2018.

Worldwide the first nine months of 2016 saw sales around the world of 496,500 earth moving machines, a drop of around 5,000 less (1%) compared to the same period in 2015. The setback was particularly noticeable in the first quarter, although there was better overall stability in following months. The period January-September saw performances emerging markets stand out, with China growing 8% and India jumping up by 31%. There was also an 11% gain in Western Europe. However sales fell by 3% in North America and 24% in Japan.

This sales trend in unitary terms was confirmed by the SaMoTer-Veronafiore Outlook, a construction sector observatory developed in partnership with international consultant Prometeia, with the support of Unacea, the Italian Association of construction machinery and equipment builders.

For the period January-August, sales in France climbed 42% and in Italy grew by 32%. Sales in Belgium grew 14% and a similar figure was posted for Germany, while sales in Spain grew by 10%. But machine sales fell by 12% in the UK following the result of the referendum to leave the EU.

In particular, with growth in eleven consecutive quarters, Italy has consolidated its recovery, but nevertheless still has to recoup losses in a sector that, following the economic crisis in 2008, shrank by more than 80%. Sales in Italy especially involved mini excavators and telehandlers.

This trend is also reflected on a global scale, with world-wide sales of mini excavators up by 5% for a 23% share of the market. However crawler excavators accounted for a massive 24% of all construction machine sales.

The forecasts developed by the Prometeia Study Centre for the SaMoTer-Veronafiore Outlook indicate a slight recovery (+2%) in the last quarter, which should settle global sales of earth moving machinery at 625,700 units (-0.4%). At the end of the year, Western Europe will make the most significant contribution to world demand for machinery, climbing back to a 26.6% share of the world market after the rock bottom figure of 18.8% posted in 2010. After five years of setback, even China's share of the market began improving again and should close the year at 13.6%, albeit still far below the 35% peak posted in 2010.

The report suggests that the next two-year period will be positive for world-wide sales of construction equipment. The trend could result in sales of 863,000 units in 2018, an increase of 38% over 2016. In this two-year period, emerging markets should see Latin America climb 61%, Central and Eastern Europe rise by 55%, India climbing 33% and China growing by 27%. Mature markets can also expect some growth, such as Japan climbing 57%, North America by 53% and Western Europe by 12%.

In this context, earth moving machinery in Italy will continue along the path of recovery started in 2014, coming to 15,600 units sold in 2018, up by 37% over 2016 for a market share of 10% on a European scale.