Earth Moving Machinery, Boom in Sales Worldwide (+23%): More Than One Million Units in 2018

Sales of earth moving machinery in 2018 on a global scale accelerated sharply, achieving growth of 23%, thereby equalling the splendid performance already posted in 2017. In total, 825,000 machines were sold in 2017, while 2018 saw sales leap to more than one million units. A positive scenario that crowns a three-year period (2016-2018) that was even better (+18%) than the cyclic expansion phase that characterised the period 2003-2007.

Combination of several factors

The record result in 2018 was driven by a combination of several factors, starting from investments in construction on a global scale in excess of 7,150 billion euros (11.6% of planetary GDP). This is highlighted by data analysed by Prometeia for SaMoTer Outlook 2019, the sector observatory presented today at Veronafiere during the 5th edition of SaMoTer Day. The event is one of the stages in the run up to the 31st edition of SaMoTer, the international construction equipment trade fair scheduled at Veronafiere 21-25 March 2020 (www.samoter.it).

Favourable context

2018 for the most saw interesting conditions in this market, which have constantly improved the investment intensity index for earth moving machinery since 2016.
North America and China - Market leaders

In most parts of the world, the market posted two-figure growth, attaining new historical peaks in the United States (+36% on a trend basis), India (+48%), China (+35%) and the rest of the world (+20%).

North America and China were the driving forces behind almost two-thirds of overall growth, with a combined market share of 50%, followed by Western Europe (18% of market share) and India (7% of the world market).

Western Europe

The tailender of this positive trend is Western Europe, with a growth rate of just 3% and 182,000 machines sold. This slowdown was in any case expected and saw a reduction of more than three percentage points on the global market ranking compared to 2017.

The market leader for sales is Germany (23%), closely followed by the United Kingdom (22%).
Italy ranks fourth, with a market share of 9%.

On the other hand, taking a closer look at changes in trends, Spain performed well in 2018 (+48% compared to the previous year), as well as Italy (+16%) and the United Kingdom (+9%). More modest growth, however, saw seen for France (4%), Belgium (2%) and the Netherlands (1%). There was a somewhat surprising setback of -8% in Germany, partly because of a shift on the market towards larger machines. On closer analysis, Germany’s market share in Western European decreased by 3% compared to 2017.

Central and Eastern Europe: Russia leads the way

In Central & Eastern Europe, the market giants are Russia and Poland, respectively representing 42% and 18% of the global market share. These two countries were the driving force in 2018 for increased sales, with particularly significant growth rates: +59% for Poland and +32% for Russia.

The third player in this part of the world is Turkey (16% market share), having been overtaken by Poland in just two years, posting a downturn in 2018 of 32% on a trend basis.

Earthmoving machinery: good performance for all product types

As regards product dynamics, the earth moving machinery market in 2018 was characterised by sustained and widespread growth for all types of plant: track-laying excavators (+25%), mini-excavators (+15%), wheel loaders (+19%) and compact mini loaders (+41%).
Good performance by light equipment on mature markets

A significant trend is especially emerging on mature markets highlighting a shift towards “light equipment”.

Light equipment, according to data processed by Promotela, is also progressively become more significant weight on the Chinese market, so much so that in 2018 demand for mini-excavators came to represent almost 20% of total, up from 10% in 2010.

Recovery for real estate

With reference to the real estate market, the positive trend in transactions continues, with sales posting an increase of 6.6% in 2018, thereby consolidating the expansive trend seen since 2014. However, the fall in prices has not yet fully stabilised.

The recovery in construction investments may strengthen as of 2020-2021, driven by civil engineering, while so far in 2019 there are signs of a slowdown spread across all sectors, caused by the deterioration of the overall economic situation and the persistent weakness of public works.
Scenario for 2019-2021: prospects for the main world earth moving machinery markets

Prospects for the three-year period 2019-2021 are positive for the world earth moving machinery market. Growth for 2020 and 2021, in particular, should be 7% for both years, thereby passing the limit of 1.1 million machines at the end of the forecast period.

2019: a year of adjustment

According to the Outlook presented by Prometeia, 2019 will be a year of adjustment for the global earthmoving machinery market. Against a global macroeconomic scenario that is slowing down and punctuated by numerous risks of reversal, confirmation of the expansion phase in the building cycle should see high levels of demand, albeit without the acceleration seen in 2018 - a particularly dynamic year. In the face of increasing uncertainty, the propensity to invest will, overall, record a moderate decline.