

WORLD CONSTRUCTION MARKET: INDIA OVERTOOK CHINA IN 2016

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Earth moving machinery: for Italy, the first quarter 2016 posted growth with exports worth 612.39 million euros (+5.9%) and imports totalling 155 million euros (+21.3%).



Verona, 16 June 2016 – India is the new landmark for world construction industry market. In 2015 saw leadership in Asia change hands, with China falling back in terms of global investments in this sector. India posted growth of 5.3% over the year, while China achieved only +4%.

This change at the top was confirmed the presentation of the **SaMoTer-Verona Outlook**, the construction sector observatory set up in partnership with **Prometeia**, the international economic consulting and research company, with the support of **Unacea**, the Italian Association of construction machinery and equipment manufacturers. The results were presented today during the second **SaMoTer Day**, the training and guidance event focusing on opportunities and trends in the building and construction machinery market in Italy and world-wide (www.samoter.it).

The **overall results for 2015** highlight a slight upturn on the North American (+2.5%), Western European (+1.1%) and Japanese (+0.6%) markets as well as the continuing recession in Latin America (-2.6%) and Eastern Europe (-0.7%). The centre of gravity for the construction market over the last 15 years has gradually shifted eastwards, with the proportion of global investments covered by advanced countries down from 70% to 43% in favour of India and China.

However, the picture changes if investments are analysed in relation to the specific housing area where North America improved with a +7.9% compared to 2014, while India posted +5%.

The favourable period for the United States also continued in the **first quarter of 2016**: the USA is also expanding commercial construction (+10.8%) and especially roadworks (+14.9%). Europe in the first quarter of 2016 saw a strong recovery in investments in Germany (+2.3%), a slow resumption of the construction cycle in France (+0.4%) and continued decline in the United Kingdom (-0.5%) and Spain (-0.2%).

As regards the construction scenario in **Italy** – a market worth more than 135 billion euros – the slight downturn (-0.5%) posted in the first quarter of this year should not affect the overall recovery that began in 2015, according to estimates by Prometeia, whereby 2016 will close with an increase of 1.6% and 2017 of 1.9%. The driving force behind the recovery in Italy is linked, in particular, with the redevelopment and renovation market (57.6 billion euros in 2015, +2% over 2014) and the resumption of public works, where investments will continue to rise in the two-year period: +2.7% in 2016 and +4.2% in 2017.

These are important signals with a view to the appointment with the **30th SaMoTer** (22-25 February 2017), Veronafi's triennial event dedicated to the construction machinery sector co-located with **Asphaltica**, the exhibition focusing on technologies and solutions for road paving, safety and road infrastructures organised together with **Siteb** (Italian Bitumen, Asphalt and Roads Association), and **Transpotec Logitec**, the event dealing with transport and logistics organized by Fiera Milano.

*"The second edition of SaMoTer Day emphasises Veronafi's efforts in support of recovery in the sector," explained **Mario Rossini, Deputy CEO of Veronafi**. "Our objective is to build a trade fair that is increasingly tailored to the real business and training needs of companies. Consequently, we are continuing to invest in the run-up to SaMoTer 2017 through a series of initiatives involving the main exponents in this sector: work groups with the main constructors, discussions with institutions, effective tools for professional development and meetings such as SaMoTer Day, the SaMoTer Outlook and the Road Shows due to set off in September."*

The focus of the 2017 edition will be on management and prevention of environmental emergencies, with thematic focus meetings dealing with on land consolidation sites and the Italian Government plan which envisages investments of over 7 billion euros and 3,500 different projects.

EARTH MOVING MACHINERY: FINAL SALES FOR 2015 AND FIRST QUARTER 2016

As part of the construction sector, the world market for **earth moving machines** closed 2015 with 628,000 units sold, down by 14% compared to 2014. This negative result was especially the outcome of the sharp 24% drop posted in the last quarter of last year. The SaMoTer-Veronafi Outlook shows that the types of machinery in demand on construction sites are also changing: in five years, track-laying excavators have fallen back from 33% to 24% of total sales, while mini-excavators have improved from 15% to 24%.

The geographical balance between market shares also changed between 2010 and 2015: North America doubled its share (from 14% to 28%), China saw a downturn from 35% to 12%, while Western Europe managed to improve from 15% to 20% of total.

The climate of uncertainty also persisted in the **first quarter of 2016**, with 168,000 earth moving machines sold on a global scale, 4,000 less (-2.5%) than in the same period in 2014.

From January to March, of all types of machinery only mini-excavators (+8%) and skid-steer loaders (+5%) went against the general downward trend in demand.

In terms of geographical macro-areas, excellent sales results were seen in India (+28%), Western Europe (+11%) and Turkey (+37%) that thereby became the leading central-eastern European market. China resumed growth again (+5%), while the first quarter closed on a negative note in North America (-3%), Russia (-21%) and Latin America (-40%).

Looking at the "Old Continent" in more detail, the beginning of the year was characterised by growth in terms of units sold for all major markets, especially France (+78%), Italy (+24%), Spain (+22%) and Germany (+6%), as opposed to the United Kingdom where the decline continued (-19%).

FOCUS ON ITALY: EARTH MOVING MACHINERY IMPORTS/EXPORTS – 1st QUARTER 2016

Italy in the period January-March 2016 exported earthmoving, road building and concrete machinery, Crushing plant for aggregate production, drilling systems and tower cranes worth 612.39 million euros, up by 5.9% over the same period last year. The key markets especially include North America (+30.9%) and North Africa (+127%). Imports also performed well, coming to 155 million euros over the three-month period (+21.3%).

This was the 9th consecutive quarter of growth for Italian market: after bottoming out in 2013, between 2014 and 2015 there was an improvement of 46%; unfortunately, this is still way below pre-crisis volumes.

For more information <http://www.samoter.it/en/samoter-outlook-monthly-reports-international-trade>