

EUROFILE NEWS



“ Femern is responsible for building the 18km Fehmarnbelt Fixed Link immersed tunnel between Rødbyhavn in Denmark and Puttgarden in Germany ”

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Construction machine sales strengthening in Italy

Construction machine sales are strengthening around the globe. A report from the SaMoTer-Veronafiere 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 earthmoving 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 in 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-Veronafiere 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 11 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 worldwide 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-Veronafiere Outlook indicate a slight recovery (+2%) in the last quarter, which should settle global sales of earthmoving 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.

CEA urges UK to boost business confidence

Government data compiled by the Britain's Construction Equipment Association (CEA) shows that the UK is a net exporter of construction equipment globally.

But while exports globally have been on a decline since 2013, sales to the European Union have been stable. The result is that the EU is taking an increasingly larger share proportionally of all export sales.

In 2013, UK exports to the EU accounted for 35% of global sales. Because of fewer sales in other markets, EU sales now account for 47%, as of earlier this year.

However, Rob Oliver, chief executive of the CEA, warned that the UK government must understand that pulling out of the EU will have consequences for the manufacturing sector and should be ready to help.

"A lot of EU regulation has been tough but at least we know what is," said Oliver, speaking at a recent one-day conference in London where he warned the government against introducing tougher regulations than the EU has done.

He said the government should also recognise that no matter what happens there will be expenses for business as it adjusts to a new regulatory regime, this one based in London.

The United Kingdom made its first application to join in 1961 but the application was vetoed by the French government in 1963. A second application was vetoed again by the French in 1967. Third time lucky and its 1969 application was accepted. The UK joined the European Economic Community - as it was then called - on 1 January, 1973 along with Denmark

and the Irish republic.

Britain opted to leave the EU in a national referendum in June, ending its often tumultuous membership of the organisation that now covers 28 countries.

It remains uncertain times for UK business, and it will do so for some time to come because the exact date of Britain's leaving is not decided. However, UK Prime Minister Theresa May has said that the government will trigger Article 50 of the EU treaty - the mechanism to start a country's exit negotiations - in March next year.

But negotiations could be protracted, media have speculated. An official exit may well not happen until March 2019, just ahead of the next European Parliament elections.

Oliver said that it is important for the UK government to act now

to ensure business confidence in the economy during this time of uncertainty. The government should start by not delaying any infrastructure decisions until after Britain has left the European Union.

Austria highway widening

STRABAG will handle the contract to widen Austria's A1 highway in Austria between Matzleinsdorf and Pöchlarn. The €22 million contract involves widening to three lanes and has a scheduled completion date of May 2018. The contract also includes widening eight bridges along the 5.1km section. Construction work is now underway on the project.