



Expected growth in global and Italian demand for construction equipment sets the scene

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Sales of earthmoving machinery in Italy grew by 16% in 2017, with recovery in the construction sector driven over the next three years by the replacement of vehicle fleets and new investment. These factors are set to make the next Samoter in March 2020 a highly exciting show.

InfraCity, Stockholm

It is believed that globally 1M construction equipment vehicles will be purchased in 2020, with North America and China heading the race for the largest share. 2017 saw the setting of a record of 825,000 vehicles sold (an increase of 23% compared to the previous year), with the next three years seeing the sector consolidate recovery through steady growth ranging from +5.3% in 2018, to +7.6% in 2020.

These forecasts come from the latest Samoter outlook report developed by the Verona trade show dedicated to construction equipment, which is next scheduled to be held from the 21-25 March 2020. The data in the study came through collaboration between the research company Prometeia and Unacee, the Italian association of construction equipment companies. In mature economies, North America is seen as the premier market with a predicted rise of 9% in orders placed in 2020, backed up by investment in construction projects increasing by 2.5% per year on average.

Due to an average growth in demand for construction equipment of 5% between 2018 and 2020, Europe will return to 2007 (pre-crisis) levels, with a total of 205,000 units. Japan is expected to slow down somewhat, posting only a +1% increase in sales between 2019 and 2020. The outlook for emerging markets sees construction accelerate once again in Latin America, with relative demand for construction machinery estimated at +17% between 2019 and 2020.

China is currently the second largest world market with a 21% market share. This is expected to stabilise at around 180,000 units sold, with an average growth rate predicted of 2-3%, effectively bringing the Asian giant on a par with North America. Central and Eastern Europe will post a record total of 44,000 machines in 2020 (+11%), half of which will be bought by Russia. Sound growth is also assumed for India with 50,000 units in 2020 (+12%). All round recovery will be boosted as the construction sector becomes even stronger with global investment in 2017 reaching €6,912 billion, up 3.1% from 2016. This period of expansive will continue until 2020, at an average of even more than 3%.

Italy: double digit growth through to 2020

With 13,700 earthmoving machinery units sold, up by 16% over 2016, 2017 for Italy was the fourth year of consecutive growth following the collapse of the market between 2008 and 2013. Double digit growth is expected to continue, with 15,600 machines expected to be sold in 2018 (+14.3%), and then 19,800 in 2020 (+12.6%). Favourable growth in 2017 will not only be driven by replacements of vehicle fleets, but also by investment trends in the construction sector, especially in the residential field (+1.9%). A distinct recovery in public works is foreseen, driven by a growth in tenders (+33.1% in value), following uncertainties associated with the 2016 procurement code.

Between 2018 and 2020, Italy should see a recovery in the construction sector that will consolidate at an average annual growth rate of around 1.5%. During this period, the main impetus will take the shape of €14.4 billion of public sector investment (infrastructure, transport, school and health sector buildings, hydrogeological instability projects); €6billion as part of the stability law for the reconstruction of areas hit by earthquakes, and €2billion for securing buildings of historical interest.

The expected investment will go hand in hand with the extension of tax incentives. Additional major public works will include Italian railways spending €13.3billion between 2017 and 2021, and a further €21billion allocated for expenditure on public roads up to 2020.

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