COMMITTEE FOR EUROPEAN CONSTRUCTION EQUIPMENT

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QUARTERLY ECONOMIC BULLETIN

Macro Economy

GDP growth is set to continue at a slower pace in the eurozone

Growth in the euro area is forecast to ease from a 10-year high of 2.4% in 2017 to 2.1% in 2018, before moderating further to 1.9% in 2019 and 1.7% in 2020. The same pattern is expected for the EU27, with growth forecast at 2.2% in 2018, 2.0% in 2019 and 1.9% in 2020.

The EU economy is entering its sixth year of uninterrupted growth. However, the slowing rate of momentum since the start of the year, and leading indicators both suggest that economic growth peaked in 2017. The strength of Europe's domestic growth drivers should be sufficient for activity in 2018 to continue growing and for unemployment to continue falling. Private consumption is forecast to remain as a key driver of growth, supported by some solid fundamentals. Labour markets should continue to improve, with wage increases contributing more towards household nominal disposable income growth than rising employment. Low interest rates should also help to sustain asset prices and household wealth. However, the increase in inflation is set to have a dampening effect on household purchasing power this year and into 2019. Overall, private consumption in the euro area is forecast to increase this year by 1.6%, the same pace as last year, and to pick up to 1.8% in 2019.

Investment in the euro area continued to grow significantly faster than GDP in the first half of 2018. Maintenance of favourable financing conditions, high rates of capacity utilisation in manufacturing and a positive outlook for earnings are set to continue to support investment in equipment. However, in the context of strong linkages between exports and business investment, rising trade tensions and uncertainty over trade policy have started to dent business sentiment, which combined with growing supply constraints, are likely to result in reduced levels of investment in the next two years. Residential investment should be supported by the continued dynamism in real house prices and improving income levels. However, with the expected steepening of the yield curve, new mortgages will most likely become more costly and make alternative investments more attractive. Overall, investment in the euro area is projected to lose some momentum over the forecast horizon.

The EU economy is facing a very high level of uncertainty, mainly with respect to economic and trade policies in the USA. The EU economy is facing a very high level of uncertainty, mainly with respect to economic and trade policies in the USA. Trade tensions continue to run high. Uncertainty about the outlook for public finances in Italy has led to higher interest spreads. The risk of a no-deal Brexit would entail abrupt changes in trade relations between the UK and the EU after April 2019. Then, the materialisation of any of these risks could magnify their impact on the EU economy.

EUGATEWAY

EU Gateway is a public source of economic information, that includes studies on construction industry, including equipment. It might be an interesting source to disseminate to your members. www.eu-gateway.eu/about/documentation

	Gross Domestic Product growth in %				Gross Investment in equipment in %			
	2017	2018	2019	2020	2017	2018	2019	2020
Germany	+2.2%	+1.7%	+1.8%	+1.7%	+3.7%	+4.7%	+2.9%	+3.3%
France	+2.2%	+1.7%	+1.6%	+1.6%	+3.4%	+3.0%	+3.2%	+2.7%
UK	+1.7%	+1.3%	+1.2%	+1.2%	-2.6%	-3.2%	+0.4%	+1.0%
Spain	+3.0%	+2.6%	+2.2%	+2.0%	+6.0%	+6.0%	+4.1%	+3.7%
Italy	+1.6%	+1.1%	+1.2%	+1.3%	+8.8%	+9.7%	+2.6%	+2.0%
EU28	+2.4%	+2.1%	+1.9%	+1.8%	+4.2%	+4.9%	+3.3%	+3.1%

GDP and investment growth forecast for European countries; Source: European Commission, European Economic Forecast, Autumn 2018

Executive Summary

CONSTRUCTION INDUSTRY

The construction sector is set to register its fourth consecutive year of recovery in 2018. It continued to expand during the first half of the year, albeit more slowly than investment in equipment. Overall, in the second quarter of 2018, construction investment registered its twelfth consecutive quarter of positive growth.

EQUIPMENT MARKET

The European construction equipment sector delivered another positive surprise in the third quarter of 2018: Contrary to the expectations of a market that is edging closer to saturation, further growth was experienced. Equipment sales in Europe grew by 9.4% in the third quarter, and year-to-date growth is at 9.2% after nine months.

OUTLOOK

The cyclical pattern of the sector still suggests that towards mid-2019 the market peak will be reached, and the industry can expect a slight downturn. By then, recovery of the market will be very advanced, but will still fall short of the peak levels reached in 2007. Based on current economic fundamentals, and the underlying level of demand, a strong recession can be ruled out for 2019.

SNAPSHOT: ECONOMIC FORUM

The international business climate has never been as uncertain as it is today. The pillars on which global free trade and free circulation of goods and services are built on, have never been so fragile, both within the EU and elsewhere.

CONSTRUCTION INDUSTRY

CONSTRUCTION INVESTMENT IS BENEFITTING FROM THE RECOVERY IN HOUSING MARKETS

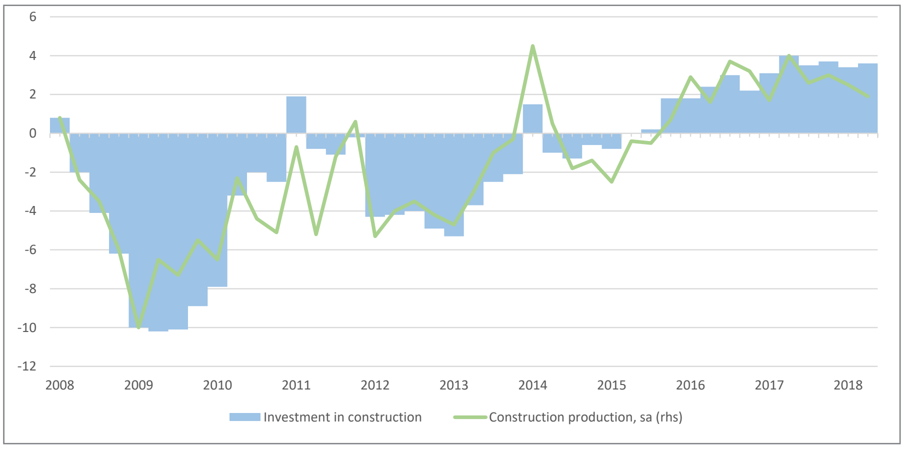
The construction sector is set to register its fourth consecutive year of recovery in 2018. It continued to expand during the first half of the year, albeit more slowly than investment in equipment. The expansion was particularly strong in Spain, the Netherlands and Germany (all growing at 2% or above), but lost some pace in France and Italy. Overall, in the second quarter of 2018, construction investment registered its twelfth consecutive quarter of positive growth.

HOUSE PRICES HAVE BEEN STRONG

House prices have been particularly strong. Eurostat's House Price Index rose at an annual rate of 4.3% year-on-year in the euro area in the second quarter of 2018, after reaching its highest rate in 11 years in the first quarter.

Most measures of market activity are providing positive signals for future construction investment. For example, there is increasing confidence emerging in construction sector surveys, such as the European Commission's Construction Confidence Indicator, which reached its highest historical level in the third quarter of 2018. In addition, the number of building permits in the second quarter increased by 1.1% (q-o-q), after growing by 0.4% for two consecutive quarters, and reached its highest level since early 2011. Furthermore, the annual growth rate for loans for house purchases stood at 3.2% in August, close to its highest since September 2011.

The current level of new loans is estimated to be close to its average level since 2001. This helps to compensate for the fact that net loan flows (new loans adjusted for the repayment of previously granted loans) suggest that mortgage lending remains relatively subdued compared to the pre-boom period. These developments are in line with buoyant house price growth and positive signals from the Bank Lending Survey on both credit standards and loan demand.



Investment and producion in construction; euro area, y-o-y in %
Source: European Commission

Construction investment should continue to enjoy the support of low interest rates, but new mortgages are likely to be more costly in future, making alternative investments more attractive. The continued growth in real house prices, and favourable prospects for incomes should support further residential investment, despite the challenges posed by demographic factors.

In 2018, growth in construction investment is expected to reach 3.3% in the euro area, after peaking at 3.8% in 2017. This means its share of GDP (about 10%) will still be below the peak level reached in 2007. It is projected to lose some momentum towards 2020 as capacity constraints in the construction sector become more binding in some European countries. This is forecast to be 2.8% in 2019, and 3.0% in 2020, with all countries participating in the growth. The relatively steady pattern of growth at the aggregate level masks different trends in some European countries. For example, growth is expected to slow down in the Netherlands and Spain, but to remain broadly unchanged in both Germany and France, and to pick-up in Italy.

INVESTMENT IN SPAIN IS SLOWING DOWN

In Spain, construction investment is expected to gradually slow down, after accelerating this year, but overall, will remain on a growth path.

Investment in construction continues to be driven by the government's focus on the development of transport infrastructure, energy and utilities. The government plans to invest €103.8 billion on 814 major projects in transport infrastructure, drinking water facilities and urban development during the period from 2017 to 2021. In addition, under the National Rural Development Program for 2014–2020, the government plans to spend €435 million to develop efficient irrigation systems and other agricultural infrastructure. In real terms, the industry's output value is forecast to rise at a compound annual growth rate (CAGR) of 2.7% over the forecast period, compared to 1.8% during the period from 2013 to 2017.

IN ITALY PUBLIC CONSTRUCTION PROGRAMS AND PROJECTS CONTINUE

After the setback in the first three months of the year, construction investment has returned to a moderate rate of growth in the second quarter. Estimates for 2018 point towards growth in investment of 1.5%. The housing sector remains positive, due to new housing developments, and non-residential investment remains positive as well. However, the public works sector remains weak, and the new government has launched a cost-benefit analysis on major public works activity.

Growth in construction investment is expected to increase slightly over the next two years to reach a level of 1.7% on average. This will benefit from an increase in both residential and non-residential activity, as well as a recovery in civil engineering. This forecast assumes an effective relaunch of public investments, starting from the resources allocated in previous years that have been halted by various factors, including the new Procurement Code, and the difficulties in implementing local government spending programs.

GROWING DEMAND FOR HOUSING UNITS IN GERMANY

A key driver for the construction market in Germany is the growing demand for housing units.

According to the Federal Office for Building and Regional Planning, Germany requires about 350,000 new housing units per year by 2021. In 2018, the German government announced that it plans to build around 1.5 million housing units by 2021. Underpinning this is demand generated by high population growth in major cities, and the increase in immigration.

FRENCH CONSTRUCTION ACTIVITY INCREASED BY 4% IN 2017

While building activity will increase in 2018, it will be at a more moderate pace. After new housebuilding boomed in 2017, activity is expected to grow at a much slower pace in 2018, at 3.4%, due to the cutting of some support programs.

After years of decline, growth in non-residential construction should continue in 2018 at a level of 8.9%, but still at lower levels compared with the past. Industrial buildings will show the strongest growth at 16.9%, followed by offices at 9.4%, administrative buildings at 7.1%, and finally, retail developments at 1.5%.

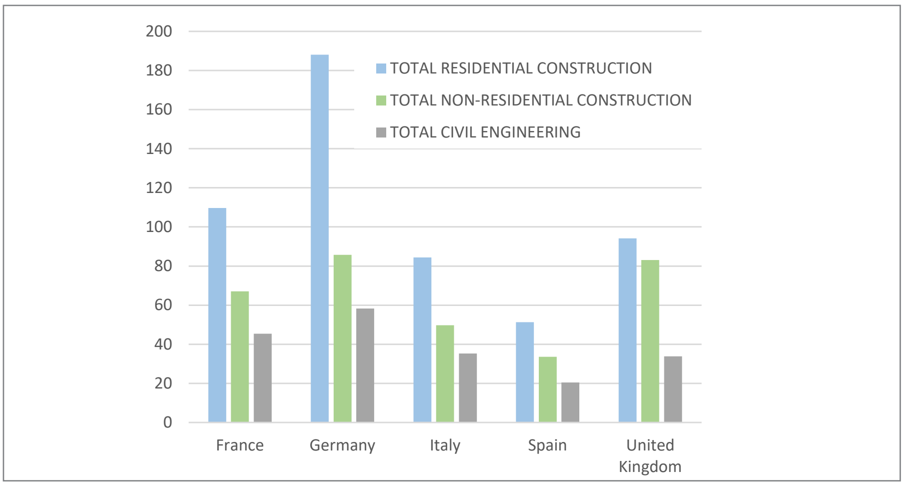
In 2018, civil engineering turnover is expected to continue rising – at 4% in nominal terms. One major infrastructure project, the Greater Paris project, should boost activity and generate additional growth of 1.2%. Excluding this project, the outlook still remains positive, with a rise of 2.8% expected. Activity is likely to be driven by local government investment, private investment and ongoing infrastructure projects, including the French high-speed broadband project, and the French motorway plan, amongst others.

THE UK CONSTRUCTION INDUSTRY FORECAST HAS BEEN DOWNGRADED FOR 2019

According to the Construction Products Association's autumn forecast for the UK construction industry, growth will remain flat in 2018, and rise by only 0.6% in 2019. This is a substantial downgrade from its previous forecast of a 2.3% increase in 2019.

Despite a weaker market overall, private housing continues to be a key sector of growth for the construction industry, with first-time buyer demand being enhanced by the government's Help to Buy scheme. The infrastructure sector also remains a key driver of growth for the industry, with output forecast to hit a historic high of £23bn by 2020, thanks to the HS2 and Hinkley Point C projects. However, the delays and cost overruns seen recently in the Crossrail project, have provided doubts for the economists at the CPA as to whether other major infrastructure projects can be delivered without cost overruns and delays. As a result, they have been cautious in their most recent forecast, and have reduced the forecast for growth in the infrastructure sector to 8.7% for 2019, down from 13%.

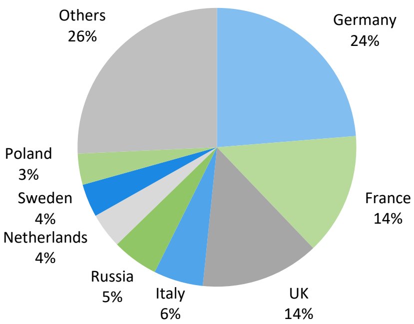
Uncertainty caused by Brexit has triggered a sharp decline in the commercial sector, particularly in the office sub-sector. With investors reluctant to finance new floor space, output is expected to fall by 10% in 2018, and a further 20% in 2019.



Construction output in 2018; in billion euro; source: Euroconstruct

EQUIPMENT MARKET

The European construction equipment sector delivered another positive surprise in the third quarter of 2018: Contrary to the expectations of a market that is edging closer to saturation, further growth was experienced. Equipment sales in Europe grew by 9.4% in the third quarter, and year-to-date growth is at 9.2% after nine months. In Western European markets, many of which are already at, or close to peak levels, sales expectations were surpassed, and they made a significant contribution to growth. In contrast, the Turkish market fell by two thirds in Q3, and continues to be in freefall. Interestingly, both earthmoving and road equipment picked up in the third quarter, while recovery in the building construction equipment sector slowed down. As of today, total growth in sales at between 5% and 10% is the most realistic forecast for the European equipment sector in 2018.



Shares of construction equipment sales in European countries, Q1-Q3 2018

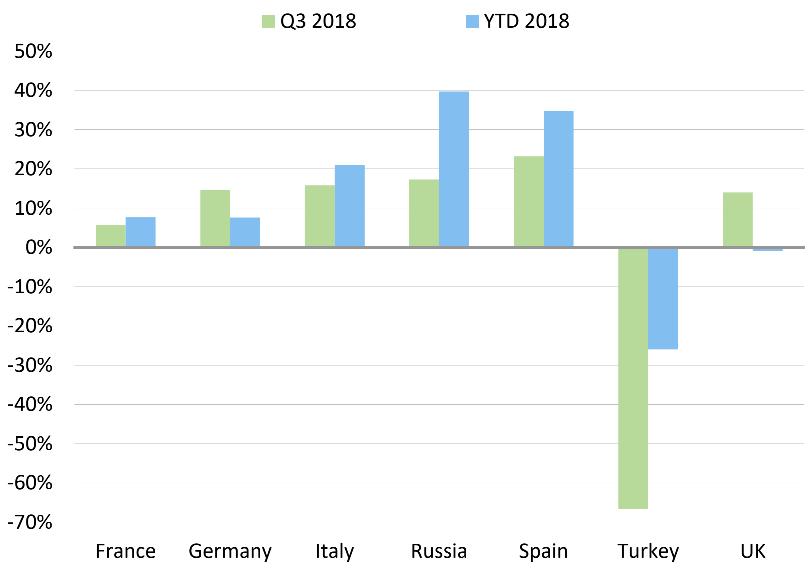
EARTHMOVING EQUIPMENT

Earthmoving equipment sales (excluding telescopic handlers) grew by 10% in the third quarter of 2018, which means that the pattern of on-going growth was confirmed again in Q3. After nine months, year-to-date growth within the earthmoving sub-sector has reached 9%. Rental demand, which had showed signs of a slowdown in the second quarter, was robust in Q3. The total market volume is close to the levels seen in 2008, but is still below the peak levels of 2007.

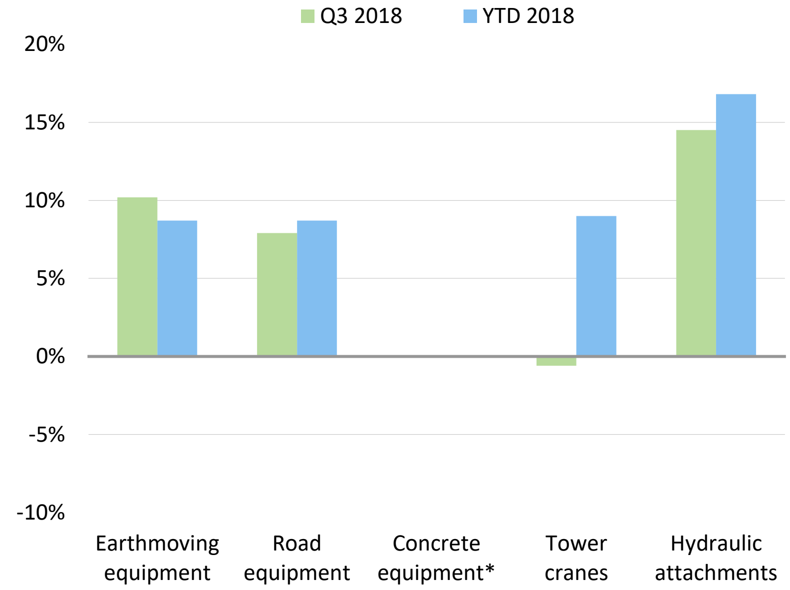
The top three earthmoving equipment markets – which are already at very high levels – saw further growth in the third quarter: The German market grew by 4% (year-to-date: +5%), the UK market by 17% (+4%), and France by 10% (+2%). Between them, these countries make up more than 50% of the European market. Similar to the top three countries, the Nordic market also continued to show moderate growth at a very high absolute level of sales, and grew by another 3% in Q3 (year-to-date: +2%). The same is true for the Benelux market, which showed growth of 14% (year-to-date: +13%). Other Western European markets showed a mixed performance: Sales in Austria went up by 20% (year-to-date: +21%), Ireland continued its recovery and grew by 15% (+10%), whereas the Swiss market showed a small decline of 2% (-14%).

The recovery in Southern Europe is continuing this year, albeit at lower levels than in 2017. In the third quarter of 2018, sales grew by 23% (year-to-date: +24%), driven primarily by 49% growth in Spain. Italy's growth was significantly lower at 15%. As in previous quarters, the region showing the highest growth was Central and Eastern Europe. Across all countries, the CEE market recorded a 51% increase in sales (year-to-date: +50%). Most notably, the Polish market grew by an astonishing 76% (year-to-date: +65%). Other markets saw lower growth in Q3, including the Czech market at 26% (ytd: +19%), Slovakia at 28% growth (ytd: +21%), and Hungary at 7% (ytd: +44%). The Baltic States also showed lower levels of growth at 16% in Q3 (ytd: +43%), and the Balkan markets at 7% (ytd: +24%).

At the Eastern borders of Europe, Russia continued its recovery with growth of 24% in Q3 (ytd: +31%). However, the situation within the Turkish market can only be described as freefall: Q3 sales were 63% lower than the previous year, and the year-to-date decline is at 30% after nine months. The economic crisis and floating inflation seem to be taking their toll on the Turkish earthmoving equipment market.



Construction equipment sales in major European markets compared to previous year in %



*Product groups: construction Equipment sales in Europe compared to previous year in %, *note: no data for concrete equipment available at the time of writing*

Comparing product segments, growth in the third quarter showed differences, after being fairly similar in the first half of the year: Compact equipment sales grew by 12% (year-to-date: +9%), while heavy equipment sales only went up by 6% (+7%). Higher volume sales of compact equipment resulted in the double-digit sales increase within the overall earthmoving equipment sector. Within the compact sector, skid-steer loaders were the best-performing product as sales grew by 20%. Mini excavators recorded a 13% increase, compact wheel loaders sales went up by 6%, and sales of backhoe loaders increased by 4%. In the heavy equipment sub-sector, sales of ADTs (+30%) and motor graders (+17%) showed the strongest growth. Rigid dump trucks (+8%), wheel excavators (+8%), dozers (+7%), wheel loaders (+4%), and crawler excavators (+3%) saw more moderate growth in sales in Q3.

With growth in sales continuing to improve over the year, a double-digit increase is still a possible outcome for earthmoving equipment sales in Europe in 2018. Overall, sentiment remains positive: in the October CECE Business Barometer survey, 50% of the earthmoving equipment manufacturers' surveyed expected to see further increases in sales in the coming six months, with 5% anticipating double-digit growth. Only 5% expected to see declining sales, and all other manufacturers anticipate unchanged business. This confirms that the sector is in a late stage in the cycle, but at the same time, expresses confidence that there won't be a collapse after the peak has been reached.

ROAD EQUIPMENT

The European road equipment sector continued to show growth in the third quarter: Q3 sales were 8% above the previous year's levels, and year-to-date growth is still at 9%. The sector is nearing the peak levels of sales seen in 2007 before the crisis. As investment in road building was a part of many countries' stimulus policies after the economic crisis, it is not surprising that road equipment is one of the segments were recovery is most advanced. However, what is a little surprising, is that there is still no sign of a downturn after the recent period of significant growth.

Similar to earthmoving equipment, the three largest markets saw growth in the third quarter: the German market increased by 18% (ytd: +6%), sales in the UK were up 7% (ytd: -12%), and the French market saw 3% growth (ytd:+16%). Nordic countries were unable to maintain the high levels of sales seen in earlier quarters, and saw a decline of 11% (ytd: -7%). In contrast, the Benelux market saw further positive developments, and sales grew by 36% in Q3, which pushed year-to-date growth in sales to 24%. Austria (-9%) and Switzerland (-38%), both experienced declines.

The recovery in Southern Europe has lost some momentum, as sales in Q3 grew by only 11% (year-to-date: +15%). This was below expectations, and is primarily attributable to the Spanish market which saw a surprising downturn in the third quarter (-11%). The Italian market, in line with expectations, saw sales increase by 33% in the same period. The markets in Central and Eastern Europe were again the fastest growing regions, as sales in Q3 went up by 32% (year-to-date: +32%). The Russian market was unchanged in the third quarter, and Turkey saw a catastrophic decline of 75% in the road equipment segment.

It is noteworthy that the growth in sales in Q3 was attributable to growth in the light compaction segment (+9%), whereas heavy compaction was flat (-0.3%). However, within the light compaction segment there were mixed performances for different products: sales of vibratory plates were up by 14% in Q3, while vibratory tampers sales declined slightly by 1%. At the same time, the low-volume product of pedestrian rollers saw an increase in sales of 30%. In the heavy compaction equipment segment, tandem roller sales were up by 15%, and single-drum rollers by 1%. In contrast, trench roller sales declined by 27%, and combination rollers saw a 13% downturn. Finally, asphalt pavers sales in Q3 were 44% higher than in the previous year, but to put this growth rate into perspective, this is a low volume product.

Road equipment manufacturers continue to be optimistic about prospects in the coming months. In October's CECE Barometer survey, 29% of the manufacturers surveyed expected business to increase further, while 71% anticipated a flat market. None of the manufacturers surveyed expected business to decline. As a result, a high single-digit sales increase is the most realistic forecast for the European road equipment market in 2018.

TOWER CRANES

Over the last two years, building construction equipment has outperformed civil engineering equipment (earthmoving and road equipment). However, this has changed during 2018, as the sector approaches a late stage of the cycle, but similar to the earthmoving and road equipment segments, no significant downturn is expected in the near future. At the time of writing, no sales statistics were available for the concrete equipment sector.

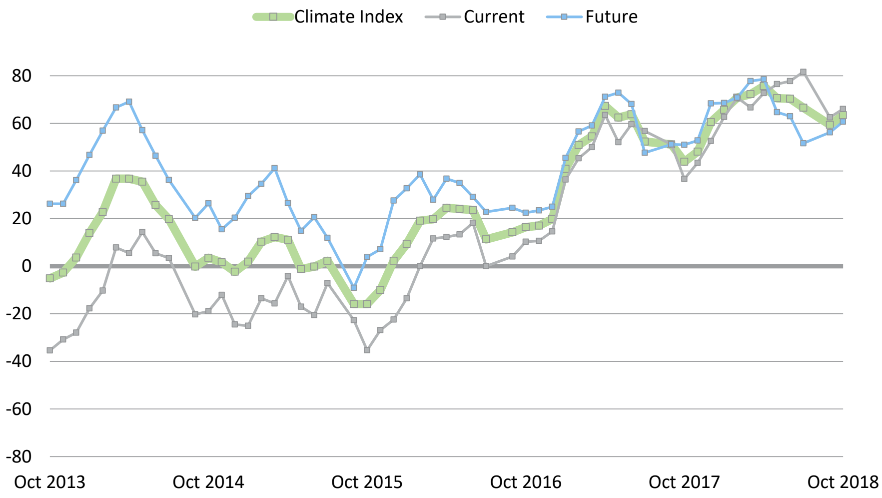
However, the results of the October CECE Barometer survey confirmed a stable trend for this sector: 70% of concrete equipment manufacturers surveyed expected business to remain flat in the next six months, while 30% anticipated some growth.

In the tower cranes segment, a slowing momentum was confirmed in Q3, as sales in Europe recorded a small 1% reduction. The year-to-date balance after nine months is still positive, but fell to 9%, which is a similar level to the other construction equipment sub-sectors. It is still realistic to expect positive sales growth for the whole of 2018, but this is most likely to be a single-digit increase.

In the third quarter, sales in Germany went down by 15% (year-to-date: -9%). There was still good growth in France, as sales increased by 24% (year-to-date: +26%). In the United Kingdom, sales halved in the third quarter, and the year-to-date position shows a reduction of 26%. Austria and Switzerland recorded a 5% sales increase (year-to-date: +21%).

The market in Southern Europe doubled in Q3 compared with the previous year (year-to-date: +59%), but it remains at very low levels in a historical context. There are positive signs of growth in Italy, and the same is true for CEE countries. In this region, the market doubled in Q3 coming from low levels, and achieved a flat level of growth on a year-to-date basis. In the CEE region, the Polish market is the driving force.

The Russian market also saw some momentum and grew by 10% in Q3 (year-to-date: -20%), but sales are still well below the long-term potential that could be reached in this market. Unsurprisingly, the Turkish market also saw some falls in sales as experienced for other products, but up to now the level of reductions has been limited.



European business climate index, CECE Barometer October 2018

SUMMARY AND OUTLOOK

After a better-than-expected third quarter for the European market, achievement of sales growth in 2018 is almost guaranteed. The only question is whether growth can exceed the 10% threshold, or whether it will reach only single-digit levels. Much will depend on whether the bad situation in the Turkish market will continue. However, recent signals do not provide any optimism for this market, as in the CECE October Barometer survey, only 6% of manufacturers expected sales to grow in the coming months, while 45% anticipated further declines.

In contrast, all of the other European markets look positive. The pattern of a stable North and West, and a recovery in the South and East, is less distinctive than it was, as many parts of Western Europe have seen sales outperforming expectations. This has been confirmed in the business climate survey, where for Germany, France, the UK, Scandinavia, Benelux, Italy, Spain, and CEE countries, the majority of manufacturers surveyed anticipate that business will expand in the coming six months. This also suggests that the current business climate is quite resilient to the looming risks from Brexit and the Italian debt crisis. However, it remains to be seen if this positive industry sentiment will hold in the early part of 2019, when Brexit will be just around the corner.

The cyclical pattern of the sector still suggests that towards mid-2019 (after the bauma exhibition) the market peak will be reached, and the industry can expect a slight downturn. By then, recovery of the market will be very advanced, but will still fall short of the peak levels reached in 2007. Based on current economic fundamentals, and the underlying level of demand, a strong recession can be ruled out for 2019.

At a glance: Expected development of regions in Q4 2018	
Northern Countries	→
Western Europe	→
Central and Eastern Europe	↗
Russia	↗
Southern Europe	↗
Turkey	↘

At a glance: Expected development of product groups in Q4 2018	
Earthmoving Equipment	→
Road Equipment	→
Lifting Equipment	↘
Concrete Equipment	→
Crushing & Screening Equipment	↗
Hydraulic Attachments	↗

This chapter is based on different sources, including CECE statistics and information provided by Off-Highway Research (www.offhighway.co.uk)

SNAPSHOT: ECONOMIC FORUM

CONTRUCTION EQUIPMENT OUTLOOK, BUILDING INDUSTRY TRENDS AND A FOCUS ON CHINA

The international business climate has never been as uncertain as it is today. The pillars on which global free trade and free circulation of goods and services are built on, have never been so fragile, both within the EU and elsewhere. Continuous economic turmoil, disputes about international trade, the inflation rate and commodity price trends, are some of the main threats that companies across sectors are facing currently.

However, within the global construction equipment industry, prospects do not look too bad. This is one of the conclusions reached at the CECE Economic Forum, held during the CECE Congress in Rome in October. The Congress was moderated by Sandy Guthrie, Editor of KHL – Construction Europe, a media partner of the Congress. Chris Sleight from Off-Highway Research provided an update on the international construction equipment market at the event. This forecasts that the construction equipment market will continue on a growth trend through to 2022, after turning around in 2017. This may include a slowdown in 2020, but overall the market is expected to remain on an upward trend.

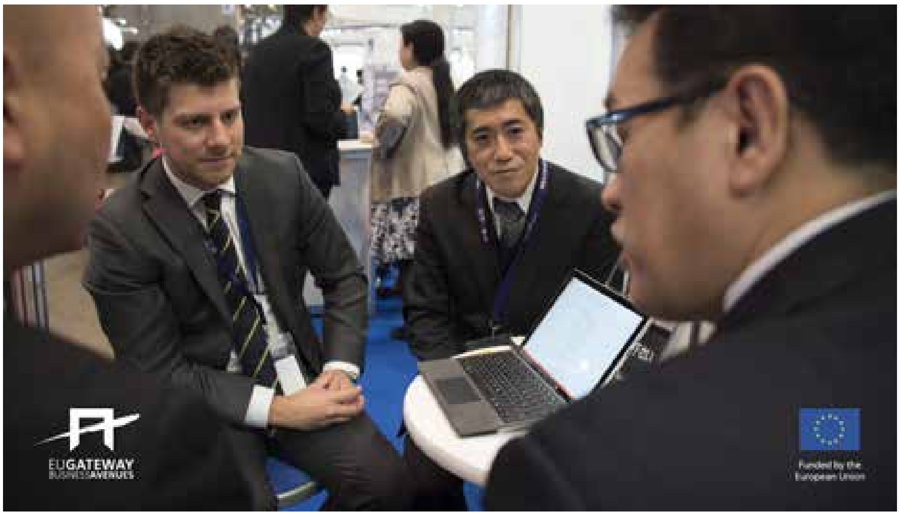
In 2017, 893,000 units of construction equipment were sold globally, generating a total value of $87.9 billion. According to Off-Highway Research, growth forecast for 2018 will result in the market reaching a record level of sales of over 1 million units in 2018. Alongside this, machine production within the major manufacturing countries has been on an upward trend since 2016, with China recording the highest growth rates. The Chinese market reached a peak of 500,000 units in 2011, but crashed after this to less than 150,000 units in 2015. Since then, production has recovered significantly in the last two years, and machine production reached 270,000 machines in 2017.

China was one of the key topics at the Economic Forum of the CECE Congress in 2018, including an interesting panel debate amongst experts, and enthusiastic participation from the audience. Jost Wüebbeke, (PhD) from Synolitics, introduced this session, with a presentation titled "China 2025: a global leadership industrial strategy". Wüebbeke explained the new approach of the Chinese government to industrial production. This is known as the "factory of the world", and involves the Made in China 2025 project, which plans to lead the country to become an industrial superpower by 2049, by taking a smart approach to manufacturing. Following significant public investment in the advanced manufacturing sector, involving $46 billion in the period May 2015 to April 2017, the new Made in China initiative should gradually substitute imports of foreign technology in all major industries and businesses. Within the construction industry, the smart approach will include investment in the benefits offered by 3D printing technology for construction. China aims to become one of the global leaders of technology and innovation, and with the benefit of improvements in international cooperation, the Chinese government has set the objectives of the 13th five year plan for the development of the construction equipment industry. In summary, the plan for China is to target 30% of national industry revenue from exports by 2020, to increase global market share to more than 20%, and to build 6 to 10 global brands.

Finally, Martin Seban, consulting principal at IHS Markit, presented his study on the outlook for the European construction market. According to the latest data, economic growth in Europe peaked in 2017 at 2.5%, and is forecast to show slower rates of growth in 2018 (+2.0%) and 2019 (+1.7%). The reason for the slowdown is due to uncertainty over both trade and political issues. Within the building industry in the EU, construction output is forecast to show growth in the next couple of years, with some significant differences between individual country members.

EU-FUNDED OPPORTUNITIES IN 2019 FOR CONSTRUCTION & BUILDING TECHNOLOGIES

EU Gateway | Business Avenues, the EU-funded programme that has helped European companies expand into Asia for over 25 years, has confirmed two missions for Construction & Building Technologies in 2019.



The first mission will take up to 50 selected European companies to South East Asia from 3-9 November 2019, in a unique endeavour to create long-lasting collaborations with local businesses. The mission will first stop in Singapore, for a first round of pre-arranged meetings with potential business partners and customers in the city-state. After three days, participants will fly to Manila, where they will have the opportunity to exhibit at Philconstruct Philippines.

Advertised as the biggest expo of its kind in the Philippines, Philconstruct has been defining the landscape of building and construction in the country for over two decades. It now serves as the annual meeting place for the industry's movers and shakers, gathering hundreds of the leading suppliers and thousands of trade buyers in one venue. Manila is the place to be for Construction & Building Technologies. Over the next decade through 2025, the Philippines Government's commitment to invest in public infrastructure such as transport and non-residential infrastructure will support construction activity. The Government's Build Build Build policy will invest € 1.4 billion from 2017 to 2022. Growth opportunities remain considerable with city redevelopment plans in the pipeline including railways, roads, and airport works.

The second mission will take place in the world's 3rd largest construction market: Japan, from 12-15 November 2019. The market revenue of Japan's construction industry is worth approximately € 406 billion, investment in public construction is € 170 billion and € 244 billion for private commercial construction. Up to 40 selected European companies will travel to Tokyo and exhibit at the Japan Home & Building Show, the largest conglomerate exhibition for housing and building industry in the Land of the Rising Sun. The show has 40 years of history and reputation from domestic professionals.

It attracts a wide range of visitors from the fields of home building, construction, interior and exterior for commercial facilities, and from the sphere of infrastructure and buildings, thus being the perfect opportunity to engage with targeted professionals during the B2B meetings.

There are several eligible subsectors for Construction & Building Technologies. European companies specialised in smart grids, smart and green building technologies, machinery sector, building materials and building installation are welcome to apply online for these two EU-funded opportunities.

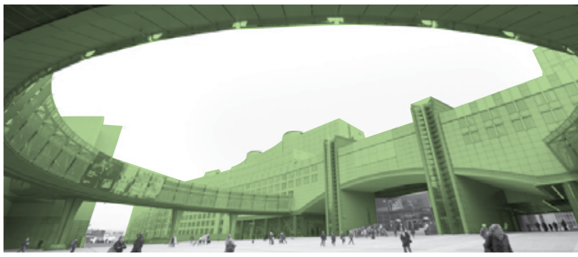
Both missions include a wide range of business services, from logistical support to business match-making. The Programme's teams in Europe and Asia will guide participating companies and help them define their business strategy in Asia through coaching and market intelligence. Promotion on local media and pre-arranged business meetings with potential partners in Asia are also part of the package. Finally, participants will also attend a site visit to better understand the target market and a networking event with the EU.

European companies can apply online at https://eu-gateway.eu. For more information on business missions and application procedures, contact coaching.network@eu-gateway.eu.

Apply. Take Off. Expand your business to Asia with the support of the EU.

EU Gateway | Business Avenues helps European companies establish long lasting collaborations in Asia. Watch the video to see what can this Programme do to help your company find the right contacts in South East Asia and Japan.

COMMITTEE FOR EUROPEAN
CONSTRUCTION EQUIPMENT



What is the Committee for European Construction equipment?

CECE represents the European construction equipment industry towards the European Institutions, coordinating the views of its national member associations, and working with other organizations worldwide to achieve a fair competitive environment via harmonized standards and regulations.

Our figures

- 13 COUNTRIES
- 1,200 COMPANIES EMPLOYING DIRECTLY AROUND 150,000 PEOPLE
- INDUSTRY REVENUES: 40 BN €
- 20% OF THE WORLDWIDE PRODUCTION

WHAT WE DO

CECE is the acknowledged partner of the institutions of the European Union for all questions related to the construction equipment industry. Based in Brussels, CECE's work involves political representation and the monitoring of legislation and standardization on behalf of its member associations and their corporate members.

CECE also cooperates with CEN and ISO, the European and International Committees for Standardization. CECE furthermore delivers and economic and statistical services to its members and partners.

Representing the interests of the industry

New buildings and infrastructures connect people, boost economies and serve people all over the globe. Construction equipment manufacturers are highly innovative and have invested heavily in increasing the productivity of their machines, while reducing their environmental impact.

The European construction equipment industry forms an important, integral part of the European machinery sector. Manufacturers are predominantly small and medium-sized companies but also large European and multinational companies with production sites in Europe. The industry employs directly and indirectly up to 300.000 people directly, with a similar number being active in sales and services.

Statistics and economic topics

CECE collects a and provides up-to-date market data for many types of construction equipment, providing a leading indicator for the development of European construction equipment markets.

Since 2008 CECE runs a monthly business trend enquiry, the CECE Barometer. The companies taking part in the Barometer receive a report about the economic situation in Europe each month.

Exhibitions

CECE gives patronage to a limited number of leading sector exhibitions, contributing to successful trade fairs around the globe.

BluePoint, Bd Auguste Reyers 80
1030 Brussels

Phone: +32 2 706 82 26
Fax: +32 2 706 82 10

E-mail: info@cece.eu
website www.cece.eu

Follow CECE also on: