

Equipment top 50

After several years of declining figures for the world's leading equipment manufacturers, this year the Yellow Table reports strong growth, especially in Asia, and the highest sales since 2013 for the top 50 equipment manufacturers

Last year, 2017, was a strong year for the construction industry, so it is no surprise that the figures for the top 50 equipment manufacturers have grown. In last year's Yellow Table, the combined equipment sales of the top 50 amounted to just under US\$130 billion – in 2017 this figure increased to a much healthier \$162 billion, representing an increase of 21.5%.

Looking at the top five companies on the list gives an indication regarding just how good a year 2017 was. The top five companies remain the same, the only difference being that Volvo and Liebherr swap places, with the former climbing one position and the latter dropping to number five on the list.

Caterpillar – still the world's largest construction OEM – saw sales rise from \$21.3 billion in 2016 to \$26.6 billion; Komatsu enjoyed a rise from \$14 billion to \$19.2 billion; Hitachi from \$6.5 billion to \$8.3 billion; Volvo from \$5.9 billion in 2016 to \$7.8 billion in 2017; and, making up the top five, Liebherr saw sales rise from \$6.1 billion to \$7.3 billion. In 2017 the construction sales of the world's top five manufacturers combined equalled a staggering \$69.3 billion.

Data revealed by Off-Highway Research – read the full news story on page six of this issue – showed the extent to which the global market has recovered when it comes to equipment sales. One of the key drivers of this growth was China, where equipment sales increased by an astonishing 82%, taking units sold in the world's most populated country to above 200,000 for the first since 2014.

Big movers

The biggest mover in China, regarding equipment categories, was crawler excavators, which sold 125% more units in 2017 than in 2016. Mini excavators also saw a significant increase, growing by 88%. With this data in mind, it is no surprise that Chinese companies have experienced the most growth on the table this year. XCMG has risen two places, from eighth to sixth, and Sany Heavy Industries jumped three spots from eleventh to eighth.

Looking slightly further down the list, and the companies which saw the biggest positive move on the table are – you've guessed it – Chinese.

Sunward, which was number 47 on last year's table has risen seven places to number 40. The company, founded in 1999, produces different types of equipment, but is heavily involved in excavators, producing ranges in mini, small, medium and large. The 125% growth in crawler excavators in China and Sunward's surge up the table are surely not unrelated.

Looking at the other side of the coin and there are a couple of Japanese companies that have

experienced a more difficult year in relation to the Yellow Table. Although with Komatsu and Hitachi, Japan makes up two of the top five, 2017 was a more challenging year for Kobelco, which dropped four places to 17th on the list. However, the largest drop was Tadano, which slumped seven spots from 20th to 27th.

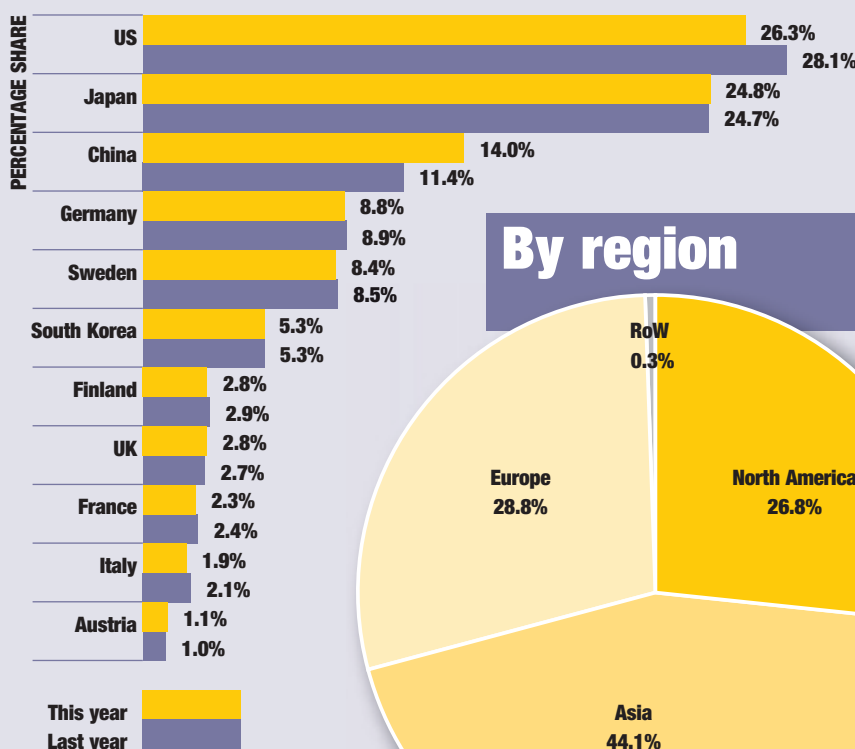
The crane company said that the mobile crane market had particularly influenced their negative sales. The firm's financial results for their third quarter (April 2017 to December 2017) showed that total sales for the company declined by 6.3% compared to the previous fiscal year, and the sales of mobile cranes declined from 78,762 to 65,089, a decrease of 13%. Sales of mobile cranes decreased inside and outside of Japan.

There was only one new company in this year's list, Sakai Heavy Industries. The Japanese >

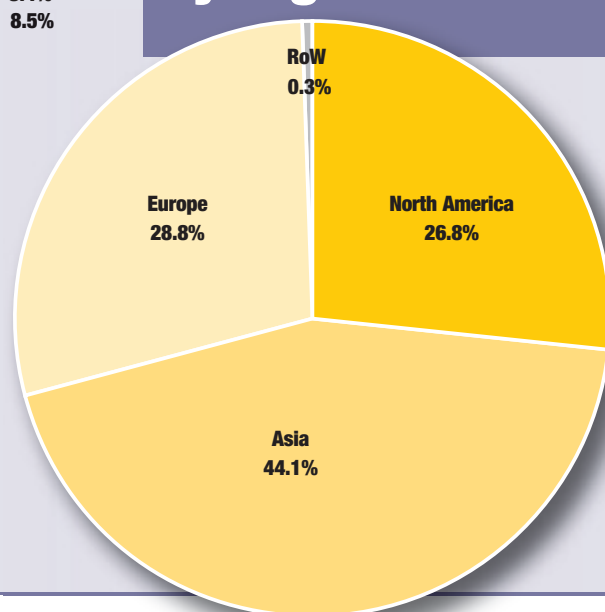
By country

Share of Yellow Table revenues

This pie chart shows that revenues have increased for Asia – helped by the performance of Chinese companies – by just over 2% and in the rest of the world by 0.1%. Europe and North America have both experienced a decline – Europe by only 0.4% and North America by 2%. Please note that these figures represent the revenues of the companies listed in the Yellow Table, and as such are not representative of the revenues generated within the regions themselves, or individual countries, as a whole.



By region



2018 Yellow Table

2018	2017/ Change	Company	Country	Construction Equipment sales (US\$ million)	Share of total	Backhoe Loaders	Mini or midi Excavators (0 - 13 t)	Compact or skid- steer loaders	Powered Access	Telescopic Handlers	Cranes
1	1 ↗	Caterpillar	US	26,637	16.4%	✓	✓	✓		✓	
2	2 ↗	Komatsu	JP	19,244	11.9%	✓	✓	✓		✓	
3	3 ↗	Hitachi Construction Machinery	JP	8,301	5.1%		✓	✓			✓
4	5 ↗	Volvo Construction Equipment	SE	7,810	4.8%		✓	✓			
5	4 ↘	Liebherr**	DE	7,398	4.6%					✓	✓
6	8 ↗	XCMG**	CN	6,984	4.3%	✓	✓	✓	✓	✓	✓
7	6 ↘	Doosan Infracore	KR	6,232	3.8%		✓	✓		✓	
8	11 ↗	Sany**	CN	5,930	3.7%	✓	✓				✓
9	7 ↘	John Deere*	US	5,718	3.5%	✓	✓	✓			
10	12 ↗	JCB**	UK	4,611	2.8%	✓	✓	✓		✓	
11	9 ↘	Terex	US	4,363	2.7%	✓	✓	✓	✓	✓	✓
12	10 ↘	Sandvik Mining and Rock Technology	SE	4,292	2.6%						
13	14 ↗	Zoomlion**	CN	3,796	2.3%		✓				✓
14	16 ↗	Wirtgen Group	DE	3,690	2.3%						
15	17 ↗	Metso	FIN	3,290	2.0%						
16	15 ↘	Oshkosh Access Equipment (JLG)**	US	3,165	2.0%				✓	✓	
17	13 ↘	Kobelco Construction Machinery	JP	3,115	1.9%		✓				✓
18	18 ↗	CNH Industrial	IT	2,626	1.6%	✓	✓	✓		✓	
19	19 ↗	Hyundai Construction Equipment	KR	2,400	1.5%	✓	✓	✓			
20	22 ↗	Kubota	JP	2,296	1.4%		✓				
21	21 ↗	Sumitomo Heavy Industries	JP	2,253	1.4%		✓				✓
22	24 ↗	Wacker Neuson	DE	1,883	1.2%		✓	✓		✓	
23	25 ↗	Manitou	FR	1,800	1.1%				✓	✓	
24	27 ↗	Palfinger	AT	1,791	1.1%				✓		✓
25	31 ↗	Liugong**	CN	1,709	1.1%	✓	✓	✓			✓
26	23 ↘	Manitowoc	US	1,581	1.0%						✓
27	20 ↘	Tadano	JP	1,531	0.9%				✓		✓
28	26 ↘	Atlas Copco Construction Technique	SE	1,490	0.9%						
29	28 ↘	Fayat Group	FR	1,417	0.9%						
30	33 ↗	Lonking**	CN	1,375	0.8%		✓	✓			
31	30 ↘	Hiab	FIN	1,226	0.8%						✓
32	29 ↘	Astec Industries	US	1,185	0.7%						
33	38 ↗	Shantui**	CN	1,033	0.6%		✓				
34	32 ↘	Ammann**	CH	972	0.6%						
35	36 ↗	Bauer**	DE	924	0.6%						
36	37 ↗	Kato Works**	JP	828	0.5%		✓	✓			✓
37	35 ↘	Skyjack**	CA	787	0.5%				✓	✓	
38	34 ↘	Takeuchi	JP	777	0.5%		✓	✓			
39	42 ↗	XGMA	CN	701	0.4%		✓				
40	47 ↗	Sunward	CN	626	0.4%		✓	✓			
41	41 ↗	Haulotte Group	FR	577	0.4%				✓	✓	
42	39 ↘	Aichi	JP	540	0.3%				✓		
43	49 ↗	Bell Equipment	ZA	514	0.3%						
44	43 ↘	Furukawa**	JP	482	0.3%						✓
45	48 ↗	Foton Lovol	CN	482	0.3%						
46	40 ↘	Yanmar**	JP	433	0.3%		✓				
47	45 ↘	Merlo**	IT	375	0.2%				✓	✓	
48	44 ↘	Sennebogen**	DE	372	0.2%						✓
49	46 ↘	Hidromek	TR	330	0.2%	✓					
50	NEW	Sakai Heavy Industries	JP	325	0.2%						

* - fiscal year, ended March 31st 2017 ** - estimate

Concrete Equipment	Dozers/crawler loaders	Compaction/road building	Graders	Excavators (13t+)	Wheeled Loaders	ADTs	Rigid Haulers	Drilling/foundations	Breakers & attachments	Crushing & Screening	Website
	✓	✓	✓	✓	✓	✓	✓	✓	✓		www.caterpillar.com
	✓		✓	✓	✓	✓	✓			✓	www.komatsu.com
				✓	✓	✓	✓			✓	www.hitachi-c-m.com
		✓		✓	✓	✓	✓				www.volvo.com
✓	✓			✓	✓	✓		✓			www.liebherr.com
✓	✓	✓	✓	✓	✓	✓	✓	✓		✓	www.xcmg.com
				✓	✓	✓			✓		www.doosaninfracore.co.kr
✓	✓	✓	✓	✓	✓	✓		✓			www.sany.com.cn
	✓		✓	✓	✓	✓					www.deere.com
		✓		✓	✓						www.jcb.com
				✓	✓					✓	www.terex.com
								✓	✓	✓	www.sandvik.com
✓	✓			✓				✓			www.zoomlion.com
		✓								✓	www.wirtgen-group.com
										✓	www.metso.com
											www.jlg.com
				✓							www.kobelco-kenki.co.jp
	✓	✓	✓	✓	✓	✓					www.cnh.com
		✓		✓	✓						www.hhi.co.kr
											www.kubota.co.jp
		✓		✓							www.shi.co.jp
✓									✓		www.wackerneuson.com
											www.manitou.fr
											www.palfinger.com
✓	✓	✓	✓	✓	✓		✓			✓	www.liugong.com
											www.manitowoc.com
											www.tadano.co.jp
		✓						✓	✓		www.atlascopco.com
✓		✓									www.fayat-group.com
		✓	✓	✓	✓						www.lonkinggroup.com
									✓	✓	www.hiab.com
		✓							✓	✓	www.astecindustries.com
✓	✓	✓	✓	✓	✓			✓			www.shantui.com
✓		✓						✓			www.ammann-group.ch
								✓			www.bauer.de
				✓							www.kato-works.co.jp
											www.skyjack.com
											www.takeuchi-mfg.co.jp
✓	✓	✓	✓	✓	✓			✓			www.xiangong.com
				✓				✓	✓		www.sunward.cn
											www.haulotte.com
											www.aichi-corp.co.jp
					✓	✓					www.bell.co.za
								✓	✓	✓	www.furukawakk.co.jp
											www.lovol.com
											www.yanmar.co.jp
											www.merlo.com
				✓							www.sennebogen.de
			✓	✓	✓						www.hidromek.com.tr
		✓									www.sakainet.co.jp

company produces soil compactors, asphalt rollers, road maintenance equipment, and light equipment. They replace the Indian company BEML, which, despite posting a decent increase on last year's figure, dropped out of the table.

In terms of market share, US firms are still the leaders but by a margin that is now looking increasingly slight. US firms accounted for a 26.3% share of the revenues generated by the top 50, which is a decline from last year and not too far ahead of Japanese companies at 24.8%. The biggest movers in this field were Chinese companies, who saw their revenue share increase from 11.4% to 14%, helped by some very strong growth by a number of Chinese firms on the list.

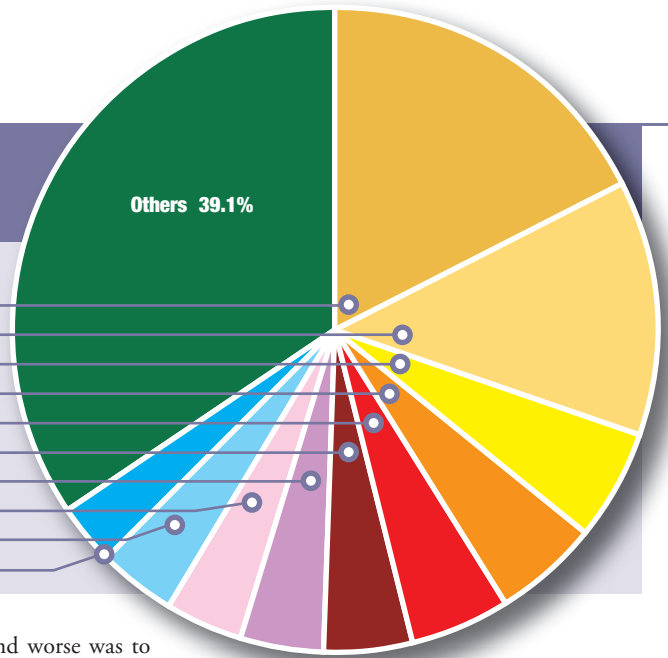
Most of the other countries in the table remained stable with many, such as Finland, Germany, Sweden, the UK and South Korean, either staying at exactly the same percentage or only moving either way by 0.1%.

Outlook

As the graphs and analysis of the Yellow Table indicate, 2017 has been a buoyant year for the sector. A caveat has to be made though; this growth comes in the light of several years of declining sales. From a high in 2012 of \$186 billion, the market dropped considerably: in 2013 it fell 12% to \$163 billion, in 2014 the

Top 10 Company shares

- Caterpillar 16.4%
- Komatsu 11.9%
- Hitachi 5.1%
- Volvo 4.8%
- Liebherr 4.6%
- XCMG 4.3%
- Doosan 3.8%
- Sany 3.7%
- John Deere 3.5%
- JCB 2.8%



final figure was \$159 billion, and worse was to come. 2015 was a more modern annus horribilis for the industry, with sales declining 16% from the previous year to \$133 billion – the lowest figure since 2009. The 3% drop in 2016 to \$130 billion seemed low in comparison to what has gone on before, but was still a decline.

The figure of \$163 billion for 2017 is therefore very welcome but must be tempered by where it has come from, and we should not lose sight of the fact that it is roughly at the same level as 2013. The signs so far point to a 2018 that will experience growth, although probably not at the same level as in 2017.

As ever, what happens in China will have a large influence, and there are hopes that the country's 'One Belt One Road' infrastructure projects, which were launched by the government towards the end of 2016, will continue to drive across-the-board rises in construction equipment sales, particularly larger earthmoving machines.

The North America economy has been enjoying growth recently, with the US seeing growth of 3.2% in the third quarter of 2017 and 2.6% in the final quarter of the year. Those in the construction industry will be waiting to see what progresses with President Trump's proposed tariff of 25% on imported steel and 10% on aluminum, and with his plan to invest \$1.5 trillion in infrastructure projects. Both could have a sizeable influence on the construction industry and those operating within it.

Following on from a number of difficult years for sales of construction equipment, it is more likely that this table next year will reflect growth of considerably less than the 21% seen here, but should record solid gains nonetheless. **iC**

Revenues at highest since 2013

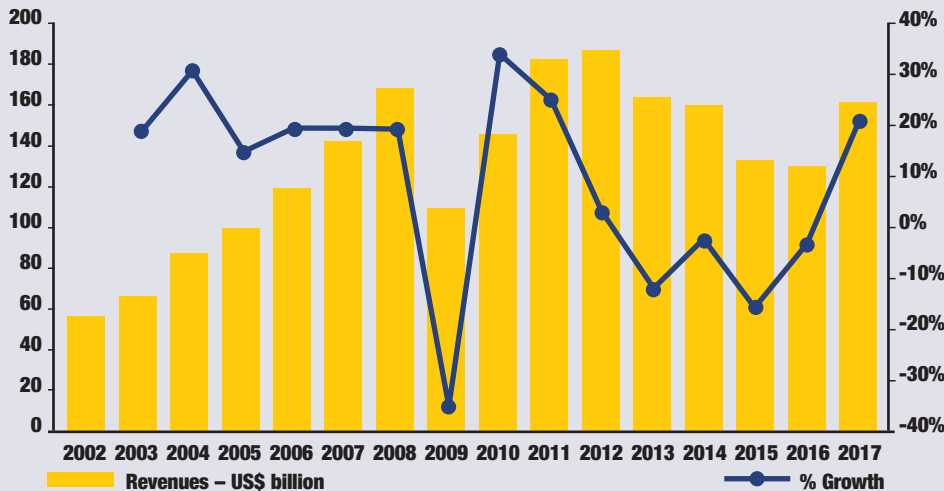
Equipment sales recover strongly in 2017 after several years of declining sales

In 2016, the decline in construction equipment sales revenues for the companies in the Yellow Table was -3%, which equates to a fall of \$3 billion from 2015. The results for 2017 are markedly different, with the sector basking in the warm glow of an increase of 21.5% – a strong figure of \$32 billion.

As discussed in the article, China played a key role in this rise and it will be hoped that demand continues to be high on the back of the government's numerous infrastructure projects, which are often on a gigantic scale.

The early signs in 2018 are that commodity prices will continue to rise, with some commodity reserves being eaten away by strong demand, leading to the increase in prices. Add into this the strong overall economic global outlook for 2018, which will likely generate higher demand for commodities.

The optimism that this year's results have brought should be marginally cautioned, with 2018 unlikely to see the same level of growth that 2017 enjoyed.



Methodology

Positions in the Yellow Table are based on sales in the 2017 calendar year in US Dollars. Currencies have been converted to Dollars based on the average exchange rate over the course of 2017. Data was gathered from a variety of sources including audited accounts, company statements and reputable third-party sources.

In Japan, India and certain other countries, the use of the fiscal year (ending 31 March) has made it impossible to establish calendar year information. In these cases, fiscal year results were used. In some cases iC has made an estimate of revenues based on historical data and industry trends. While every effort has been taken to ensure information in this report is accurate, iC does not accept any liability for errors or omissions.

If you would like to comment on the Yellow Table, or feel your company should be included, please e-mail the editor at andy.brown@khl.com