

# INDUSTRIAL AND CONSTRUCTION EQUIPMENT



## INTRODUCTION

The global construction and farm machinery and heavy trucks market is deemed to be the revenue accrued by manufacturers of rolling machinery, earth-moving and construction equipment, heavy farm machinery and manufacturers of related parts.

### **Key Facts:**

#### **Market Value**

The global construction and farm machinery and heavy trucks market grew by 8.1% in 2008 to reach a value of \$144 billion.

#### **Market Value Forecast**

In 2013, the global construction and farm machinery and heavy trucks market is forecast to have a value of \$189.9 billion, an increase of 31.9% since 2008.

#### **Market Segmentation I**

Earthmoving equipment accounts for 18.3% of the global construction and farm machinery and heavy trucks market's value.

#### **Market Segmentation II**

Americas accounts for 35.6% of the global construction, farm machinery and heavy trucks market.

#### **Market Share**

Caterpillar, Inc. accounts for 34.1% of the global construction and farm machinery and heavy trucks market's value.

## HISTORY

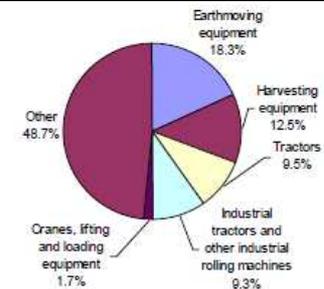
- When the nineteenth century opened, the American farmer was working with almost the same equipment used for the past hundreds if not thousands of years. Yet by 1850 a horse-powered mowing machine had started to replace the scythe. The McCormick reaper was cutting grain, a threshing machine was replacing the flail. By 1870, steam was doing some of the plowing, more of the threshing. Plows were coming in gang-form, and you rode them. Horse-rakes appeared in self-dumping models. Improved balers compressed hay more quickly. The reaper added an automatic binder. It changed again to become a complete harvester that cut and threshed grain in one operation the combine.
- Most of these machines reached a new peak in development with the introduction of the all-purpose tractor in the 1930's. Over time, tractor power took over from horses or mules, but the binder remained ground-wheel driven until the introduction of power take-off on tractors made it possible to introduce PTO-driven models.

## SUB SECTIONS OF THE INDUSTRY

1. Manufacturers of rolling machinery
2. Earth-moving Equipment
3. Construction equipment
4. Heavy farm machinery
5. Manufacturers of related parts

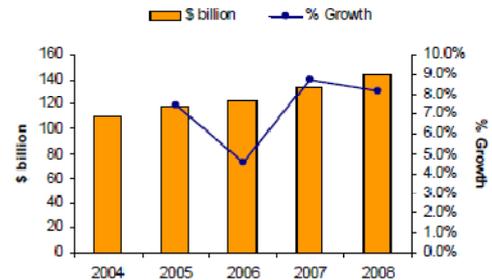
## INDUSTRY OPERATIONS

- Earthmoving equipment accounts for 18.3% of the global construction and farm machinery and heavy trucks market's value.
- Harvesting equipment accounts for a further 12.5% of the market's revenue.



## PAST PERFORMANCE

- The global construction and farm machinery and heavy trucks market grew by 8.1% in 2008 to reach a value of \$144 billion.
- The compound annual growth rate of the market in the period 2004-2008 was 7.2%.



## CURRENT PERFORMANCE

- The global construction and farm machinery and heavy trucks market generated total revenues of \$144 billion in 2008, representing a compound annual growth rate (CAGR) of 7.2% for the period spanning 2004-2008. In comparison, the European and Americas industries reached respective values of \$38.6 billion and \$51.3 billion in 2008.
- Earthmoving equipment sales proved the most lucrative for the global construction and farm machinery and heavy trucks market in 2008, generating total revenues of \$26.3 billion, equivalent to 18.3% of the market's overall value. In comparison, sales of harvesting equipment generated revenues of \$18 billion in 2008, equating to 12.53% of the market's aggregate revenues.

## FUTURE PREDICTION

- The performance of the market is forecast to decelerate, with an anticipated CAGR of 5.7% for the five-year period 2008-2013, which is expected to drive the market to a value of \$189.9 billion by the end of 2013

## CHALLENGES

- Intense competition due in part to high establishment
- Fixed costs and barriers to exit from the market.
- Buyers are fragmented with a number of companies of varying size having a demand for products.

## TOP CONTRIBUTORS

- Caterpillar, Inc. accounts for 34.1% of the global construction and farm machinery and heavy trucks market's value.
- In comparison, Deere & Company accounts for a further 14.9% of the market's revenue.

