

PRESS RELEASE

ICEMA Industry Results – Q2 FY 2022-23

Construction Equipment sales grew 8% YoY in Q2 FY 2022-23

The Indian construction equipment sales in the second quarter of the current fiscal (Q2, FY23) grew 8% YoY and 12% over Q1'FY21. All the sub-segments including Earthmoving, Material Handling, Material Processing and Concrete equipment contributed to the growth, except for the road construction equipment which witnessed a negative growth of 36% during this period.

“Though industry’s performance has been better in the current financial year so far, worries continue to remain on the road construction front, which is the single largest end-user segment for us”, said Mr Dimitrov Krishnan, President ICEMA and Managing Director Volvo CE India Pvt Ltd. Despite the subdued performance of the road construction equipment segment, the industry sold an aggregate of 22,941 units during July to September this year, as compared to 21,323 units sold during the same period of last year.

On a quarter-on-quarter basis, the sales in the second quarter remained around the same level as of the first quarter. This is primarily because of the lower month-on-month sales growth recorded during July and August this year. The industry witnessed a strong rebound in September, with sales recording a 45% growth over August 2022. The growth was mainly driven by Earthmoving segment, accounting for nearly three-fourth of the total sales, which witnessed 46% jump in sales during September over August this year, followed by concrete equipment witnessing 62% growth and 33% in material handling equipment. The CE industry sold 4,036 units of Backhoe Loaders & 2632 units of Crawler Excavators in September 2022, an increase of 52% and 43% YoY respectively.

Some key factors driving equipment sales in September 2022 included slowdown in monsoon activity during the month which helped increase construction activities in the country as well as an increase in State level capex on infrastructure. Further, Sep 2022 also witnessed an increase in National Highway construction. A total of 647km of National Highways were constructed during the month, an increase of 38% YoY. However, the pace of Highway Construction in H1, FY23 still remains below 20km/day, which is a concern.

On behalf of the Indian CE industry, Mr Krishnan urged the Government to consider interventions to ensure that a higher pace of Highway construction is maintained throughout the year, which will help create a sustainable demand for construction equipment. He also added that a clear roadmap for all the planned infrastructure projects would enable the industry plan better to cater to the emerging demand for construction equipment.

While commenting on the robust growth witnessed in September, Mr. V G Sakthikumar, Convener, ICEMA Industry Analysis and Insights Panel and Managing Director, Schwing Stetter India Pvt Ltd said that, “we are happy to see the industry gathering momentum in September, with all segments having registered good growth. Both domestic as well as exports markets have performed better in September and the industry is optimistic about

this growth to continue through the third quarter given the festive season ahead, however some concerns still remain due to sudden spurt in rainfall during the first week of October”.

The ICEMA Panel on Industry Analysis and Insights provides robust and credible market intelligence by collating, generating, and analysing industry data. The value-added quarterly CE Industry Report is among the several industry reports collated based on data shared by its member companies which represent about 95% of the OEMs operating in the Indian Construction Equipment industry.

ICEMA (Indian Construction Equipment Manufacturers Association) is the nodal body representing the Construction Equipment industry (OEMs, suppliers and FIs) in the country and is affiliated to Confederation of Indian Industry (CII).
