

## **PRESS RELEASE**

### **ICEMA Industry Results – Q3 FY 2022-23**

#### **Construction Equipment Industry registers 23% YoY growth in Q3 of FY23**

The Indian Construction Equipment industry clocked strong YoY sales growth of 23% in the third quarter of the current fiscal over Q3 FY22. This uptrend in Q3 results of FY23 comes on the back of improved performance across all equipment segments, i.e., Earthmoving, Material Handling, Material Processing, and Road Construction equipment. The positive industry performance in Q3 of FY23 has primarily been powered by the robust 22% YoY sales growth of Earthmoving Equipment (EME), which accounts for nearly three-fourths of total CE sales. Though Backhoe Loader sales which account for about half of the earthmoving equipment sales have been declining in recent months of November and December, excavator sales with more than 30% share in total EME sales, have been on the rise during this period, leading to the upward trend observed in the overall sales of earthmoving equipment. The Material Handling equipment mainly comprising pick & carry cranes, observed a YoY sales growth of 56% during the 3rd Quarter, while road construction equipment sales grew by 12%.

A similar trend has been witnessed in the Quarter-on-Quarter (QoQ) growth as well. Sales in Q3 FY23 were up by 21% as compared to Q2 sales in the current fiscal year. While Earthmoving Equipment with its lion's share of CE sales grew 19% over the last quarter, Material Handling Equipment and Concrete Equipment recorded QoQ sales growth of 25% and 18% respectively in the third quarter of FY23. Material Processing Equipment registered a 5% quarterly growth while Road Construction Equipment, which had showed worrying downward trends over the last two quarters, staged a recovery with a whopping 75% QoQ growth in Q3 of the current fiscal year, albeit on a low base.

“The third quarter growth in CE sales has been primarily driven by the accelerated pace of Metro and high-speed rail construction,” said Mr Dimitrov Krishnan, President ICEMA and Managing Director Volvo CE India Pvt Ltd. “The pace of road construction, the largest end-user segment contributing nearly 40% of the total CE demand in the country, has also picked up in the last month of the 3rd Quarter along with increased mining activity, which helped the industry record an encouraging growth in the third quarter,” he added.

Additional drivers of Construction Equipment sales in Q3 of FY23 included post-monsoon resumption of business and settling down of the ongoing inflationary trends in global commodity prices. However, factors such as continuation of the Russia-Ukraine war and unpredictable, re-emerging cycles of Covid, continue to cause worry for the industry's growth trajectory.

Commenting on the healthy growth in CE industry sales in Q3 of the current fiscal, Mr. V G Sakthikumar, Convener, ICEMA Industry Analysis and Insights Panel and Managing Director, Schwing Stetter India Pvt Ltd said that, “In the results of the third quarter of FY23, we can see very encouraging signs of the industry emerging from the headwinds of the past two years and gathering momentum for future growth. Both domestic and export markets have performed better than the previous quarter and the mood of the industry is optimistic in view of the expected further increase in the pace of execution of infrastructure projects in the next quarter.”

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).

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