

# Research Report on China's Construction Machinery Industry, 2008-2010

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This report analyzes China's construction machinery industry from the perspectives of supply and demand, import and export, sub-sectors etc. It is of great help for you to understand the current situation of China's construction machinery industry and seize investment opportunities.

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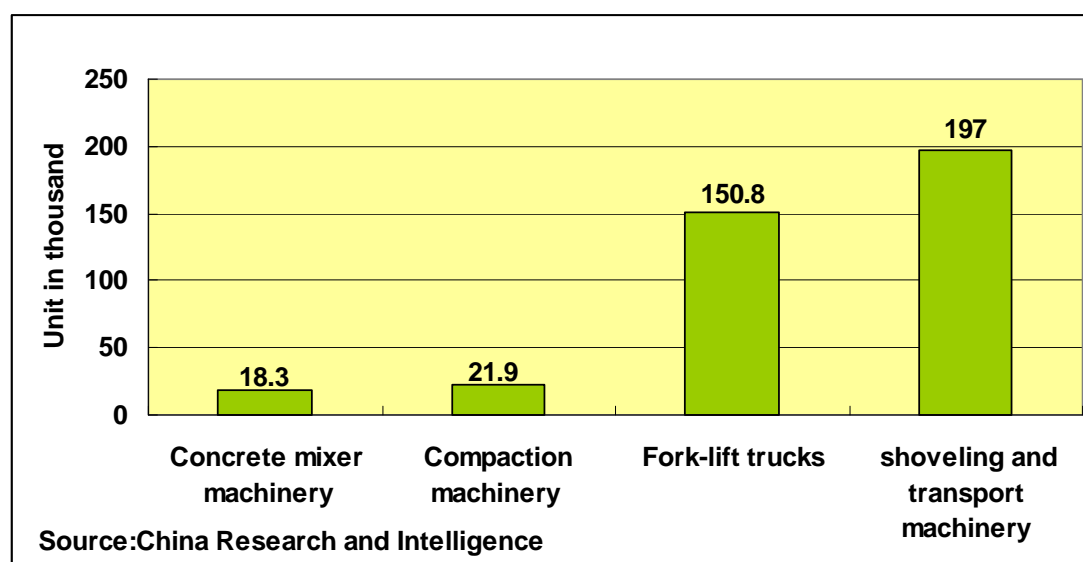
## Summary

Construction machinery refers to equipment and machinery used in various engineering fields such as construction, water, power, road, mine, port and national defense. Construction machinery products require large investment and have the following features: high price, durability and reliability.

The demand for construction machinery mainly comes from infrastructure construction, real estate projects, cargo transport and export. Under normal circumstances, construction machinery will account for 5-8% of the total project investment.

As China's economy is growing rapidly, the demand for China's construction machinery is increasing, with a market scale of nearly 20 billion USD in 2007. Calculated by annual sales, China's construction machinery industry only ranks after America and Japan with total production of over 400 thousand surpassing Japan, ranking 2nd in the world.

**Chart Output of China's construction machinery products in 2007**



China is also very vigorous in the export of construction machinery. In 2007, the import and export sales amounted to 13.64 billion USD, up by 52.6% over the last year. The import

volume was 4.94 billion USD and the export volume was 8.7 billion USD, up by 25.7% and 73.5% over 2006 respectively.

As far as import is concerned, the import volume of whole machinery in 2007 reached 3.1 billion USD, an increase of 19% over 2006, accounting for 63% of import volume; and the import volume of spare parts was 1.85 billion USD, increased by 39% as compared with the last year, accounting for 37% of import volume. The complete machinery products with import volume over 100 million USD include the following catalogues: crawler excavator, tunnel borer, elevator and escalator, electric fork-lift truck and diesel fork-lift truck, crawling cranes and other cranes. The import volume of crawler excavator was 1.32 billion USD, up by 23% over 2006, accounting for 42.6% of the import volume of complete machinery; and tunnel borer 270 million USD, up by 34% over the last year.

On the export side, the export volume of complete machinery in 2007 reached 5.9 billion USD, an increase of 83% over 2006, accounting for 68% of the export volume; and the export volume of spare parts was 2.8 billion USD, increased by 57% as compared with the last year, accounting for 32% of the export volume. The complete machinery products with export volume over 100 million USD include the following catalogues: crawler excavator, truck crane, tower crane, crawling crane and other cranes, loader, road roller, bulldozer, road builder and road grader, electric fork-lift truck and diesel fork-lift truck, manual porter, hand-held pneumatic tool, elevator and escalator, concrete mixer truck and other concrete mixer machinery.

In November, 2008, Chinese government worked out a plan of investing 4 trillion RMB Yuan (about 571 billion USD) to promote economic growth during 2009-2010. This move is significant to China's construction machinery industry since the plan mainly focuses on fixed assets investment, and will undoubtedly lead to a high growth of China's construction machinery market from 2009 to 2010. As the general technical level of China's local construction machinery enterprises is not high, it is a good opportunity for international companies to enter China's market from 2009 to 2010.

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