

Big projects boost for France

Major projects in France have boosted the sales of construction equipment and this looks set to continue. **Patrick Smith** reports.



LEFT: INTERMAT organisers are hoping for nearly 200,000 trade visitors from 167 countries for the 2018 event

Huge French construction projects costing billions of euros are among the explanations behind recent increases in the sales of construction equipment.

For example, sales of earthmoving equipment in France grew by 21% in 2017 compared to 2016, while the hydraulic excavators market is a tale of two sections, one showing a big increase, the other remaining reassuringly stable.

Such advances are thought in no small part to be down to projects such as the Grand Paris Express, Europe's biggest infrastructure scheme, and the most ambitious urban project for the next ten years on which work has only just begun. Some €67 billion of investment is planned over the next 15 years.

Like other projects in the country it will need such equipment along with materials, including aggregates, cement and sand, and in big quantities.

VINCI is a major French global company that designs, finances, builds and operates infrastructure and facilities that help improve daily life and mobility for all.

"With 200km of new metro lines, the equivalent of the existing network, forming a ring around the capital, the Grand Paris Express will bring Paris into the 21st century by transforming residents' mobility and reshaping the different areas," says the company.

"For VINCI, and for all the players in the sector, it offers considerable opportunities: in the near term with the underground and civil engineering works and in the longer term with the urban renewal projects around the new stations."

In its report on the growth of French hydraulic excavator sales in 2017, CISMA (French Association of Equipment Manufacturers for Construction, Infrastructure, Steel and Handling Equipment Industries) also points to other projects such as one in Normandy where the construction of a new viaduct at Guerville on the Paris-Normandy motorway is in progress. The six existing tracks will also be renovated. The project started last year and should be finished by 2022.

Investments are also being made in the three ports of Le Havre, Rouen and Paris amounting to €1.546 billion over the period 2016-2018.

In units, the French hydraulic excavator market is dominated by the region Auvergne-Rhône-Alpes followed by the regions Nouvelle-Aquitaine, Provence-Alpes-Côtes d'Azur and Ile-de-France.

The report says that owing to the rising infrastructural investments and urbanisation in the most important metropolitan areas such as Lyon and Paris, these regions are witnessing strong growth in demand for hydraulic excavators.

"But, in terms of percentage growth, France is cut in two. The northern half appears really dynamic whereas the growth of the excavator market in the southern half of the country is much lower," says CISMA.

The region of Ile-de-France achieved the strongest growth (+50% from January to November 2017 compared to year 2016) immediately followed by the region of Normandy. Conversely, the south-western region of Nouvelle-Aquitaine remained stable, and this stabilisation of the market can be explained in part by the completion of the TGV work towards Bordeaux.

"The booming construction market is further expected to continue to drive the growth of the market. France is expected to exhibit steady growth in the global hydraulic excavator market in 2018," says the report.

A CISMA report on the sales of earthmoving equipment for 2017 shows that at some 21,630 machines sold, the French earthmoving equipment market remains the third biggest market in Europe.

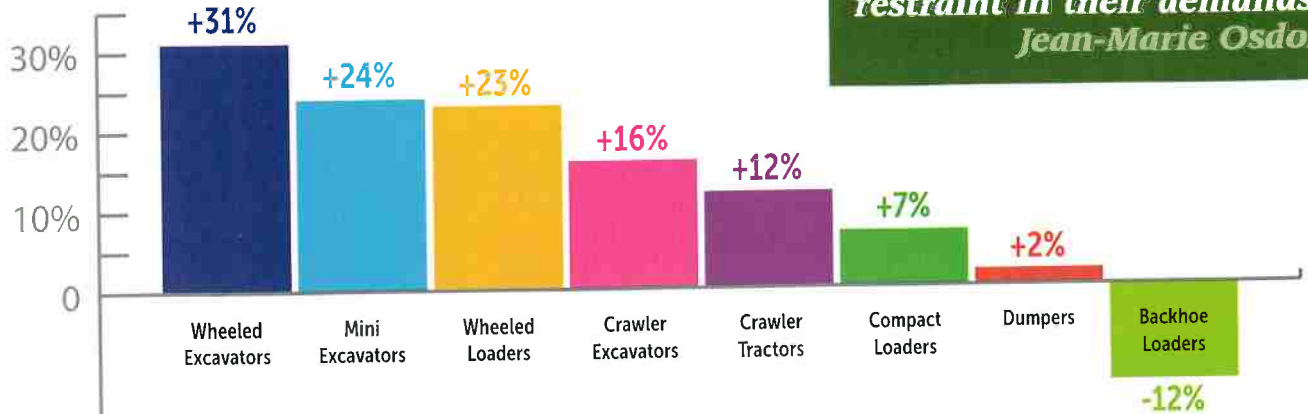
"Overall, equipment sales within the French market have been relatively strong. 2017 will stand as the best year since the market crash in 2008," says the report.

Growth in equipment sales for 2017 so far has been driven by crawler excavators, which were 22% higher than in 2016. This includes mini excavator sales, which are the most popular product, and reflect a strong house building market this year.

The mini excavator market is now not far from historic record levels, while the wheeled excavator market is also doing well.

With 1,800 units, sales of wheeled excavator machines increased by 31%, and the French wheeled excavator market stands ▶

"Contractors have exercised restraint in their demands"
Jean-Marie Osdoit



ABOVE: CISMA's chart of the growth of the French earthmoving equipment market in 2017

► at the level reached in 2005, with France being the second biggest market in Europe for wheeled excavators after Germany.

"In 2018, the building market will remain dynamic. But, above all, the growth of the civil engineering sector should accelerate. This is very good news for the demand of machines. In France, all economic indicators are on green and it is highly probable that the pre-crisis record levels will be reached," says the report.

Today, CISMA has some 200 members, including SMEs, SMIs and subsidiaries of international groups, that employ around 31,000 people in France. These businesses export 58% of their production and generate a revenue of €7.9 billion.

All this will be good news for exhibitors and visitors at INTERMAT Paris, the international trade show for construction and infrastructure, held at Paris-Nord Villepinte Exhibition Centre, Paris (23-28 April 2018).

"INTERMAT Paris is the platform that unites all construction professionals along the chain to form a single sector, dedicated to the efficiency of communities," say the organisers.

Talks and round tables, networking opportunities, market analysis and the potential of major construction projects are showcased to the 1,500 exhibitors and nearly 200,000 trade visitors from 167 countries, to help them meet their current and future challenges.

"INTERMAT Paris brings together supply and demand in the construction market in the EMEA zone (Europe, Middle East, Africa), incorporating high-potential and developing regions."

The show, organised into four hubs of expertise: earthmoving and demolition; roads, minerals and foundations; buildings and concrete sector, and lifting, handling and transportation, also incorporates the second World of Concrete Europe, the international exhibition for the concrete sector, which is held alongside INTERMAT.

Prior to the event, INTERMAT officially unveiled its first construction Observatory, produced in association with Business France, which aims to provide analysis of

construction projects in the EMEA, and which has forecast €1,600 billion of planned investment in the next 30 years.

"The INTERMAT Observatory was born out of the desire to establish stronger bonds with the market and provide construction equipment manufacturers with strategic research on 12 countries in the EMEA zone, handpicked for their planned investment levels in infrastructure and buildings," says INTERMAT.

"Designed as a working tool to support the growth of firms, the report analyses each country's domestic investment plans, both ongoing and planned for 2025-2030, divided into application sectors (airports, buildings, railways, mining and quarries, ports, roads, transport) and offers an overview of the major projects, the main imports and exports of construction equipment and the foreign brands established in each country."

The Observatory's main findings revealed that in Europe some €925 billion of investment is planned up until 2030-2050 in the six countries studied: Belgium, France, Germany, Italy, the Netherlands and the United Kingdom.

Based on the master plans sourced, Germany tops the list (€287 billion up to 2030) followed by Italy (€223 billion) and the UK (€167 billion). France arrives fourth at €139 billion with €63 billion for the Netherlands and €42 billion for Belgium.

The sectors offering the highest development potential for companies are (in descending order) roads, railways and buildings.

Meanwhile, in an INTERMAT blog, author Michel Roche, says that judging by last year's sales and considering the industry's forecasts for 2018, the French construction equipment market is back on the path towards heights that it has not seen since the middle of the 2000s, but without reaching the summits of 2007 and 2008.