

[Press Release]

Forecast of Demand for Construction Equipment (August 2023)

Japan Construction Equipment Manufacturers Association (CEMA)

1 General

- For fiscal year 2023 (FY23), with a further growth both in domestic demand and exports, the full-year shipment value is expected to be JPY 3,192.1 billion (up 5% year-on-year) for the third straight year of increases.
- FY24 is also expected to see a solid growth both in domestic demand and exports and mark the fourth consecutive year of increases.

With a further growth mainly in hydraulic excavators, the flagship products, the full-year shipment value for FY24 is expected to reach a record JPY 3,276.8 billion (up 3% year-on-year).

2 By market (domestic / exports)

(1) Domestic

- FY23 will see a continuous domestic growth supported by stable public works investments and private capital investments, and with delayed deliveries of parts/components being resolved.
- The first half (1H) will likely see 8 types of equipment either increase or remain unchanged year-on-year (including tractors increasing by 10% and hydraulic excavators by 7%) and end up with the shipment value of JPY 435.8 billion (up 5% year-on-year).
- The second half (2H) will also likely see 8 types of equipment increase year-on-year and end up with the shipment value of JPY 524.3 billion (up 4% year-on-year).
- As a result, the full-year shipment value for FY23 is expected to be JPY 960.1 billion (up 4% year-on-year) for the third straight year of increases. (The figure has been revised upward by

JPY 45.1 billion compared to the previous forecast in February 2023.)

- FY24 will also see a further growth supported by stable and continuing public works investments and private capital investments.
- The 1H will see 8 types of equipment either increase or remain unchanged year-on-year and end up with the total shipment value of JPY 441.3 billion (up 1% year-on-year).
- The 2H will also likely see 8 types of equipment increase year-on-year and end up with the total shipment value of JPY 533.3 billion (up 2% year-on-year).
- As a result, the full-year shipment value for FY24 is expected to be JPY 974.6 billion (up 2% year-on-year) for the fourth straight year of increases.

(2) Exports

- FY23 will likely see a further growth in exports, with delayed deliveries of parts/components being resolved (as in the domestic market) and the supply-demand balance in marine transport improved.
 - The 1H will likely see 6 types of equipment increases year-on-year (including hydraulic excavators, the flagship products, increasing 6%), and end up with the shipment value of JPY 1,001.6 billion (up 7% year-on-year).
 - The 2H will likely see 7 types of equipment either increase or remain unchanged year-on-year (including construction cranes increasing 14%) and end up with the shipment value of JPY 1,230.4 billion (up 3% year-on-year).
 - As a result, the full-year shipment value for FY23 is expected to be 2,232.0 billion (up 5% year-on-year) for the third straight year of increases. (The figure has been revised upward by JPY 89.0 billion compared to the previous forecast in February 2023.)
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- FY24 will also likely see a further growth, mainly for civil-engineering machinery.
 - The 1H will see 7 types of equipment either increase or remain unchanged year-on-year and

end up with the shipment value of JPY 1,033.8 billion (up 3% year-on-year).

- The 2H will see 8 types of equipment either increase or remain unchanged year-on-year and end up with the shipment value of JPY 1,268.4 billion (up 3% year-on-year).
- As a result, the full-year shipment value for FY24 is expected to reach JPY 2,302.2 billion (up 3% year-on-year) for the fourth straight year of increases.

[Demand forecast results at a glance]

		FY2023			FY2024		
		1H	2H	Full-year	1H	2H	Full-year
		Projection	Forecast	Forecast	Forecast	Forecast	Forecast
Domestic	Value (million yen)	435,800	524,300	960,100	441,300	533,300	974,600
	Year-on-year (%)	105	104	104	101	102	102
	Year-on-year in the previous forecast (%)	103	103	103	-	-	-
Exports	Value (million yen)	1,001,600	1,230,400	2,232,000	1,033,800	1,268,400	2,302,200
	Year-on-year (%)	107	103	105	103	103	103
	Year-on-year in the previous forecast (%)	115	104	109	-	-	-
TOTAL	Value (million yen)	1,437,400	1,754,700	3,192,100	1,475,100	1,801,700	3,276,800
	Year-on-year (%)	106	103	105	103	103	103
	Year-on-year in the previous forecast (%)	111	104	107	-	-	-

Note: Service parts are not included.

This material is compiled by Japan Construction Equipment Manufacturers Association (CEMA; Chairman: Hiroto Honda), based on its estimations derived from results of a demand forecast survey answered by 62 construction equipment manufacturers with a CEMA regular member status as of July 2023. This survey was our 64th, and was conducted in a questionnaire style, asking the participants their values of domestic shipments and exports for four semi-annual periods (the first and second halves of FY23 and FY24) and in the categories of 9 types of construction equipment.

Forecast of Demand for Construction Equipment

August 3, 2023

Japan Construction Equipment Manufacturers Association (CEMA)

Forecast for FY23

Upper: Value in million yen

Lower: Year-on-year comparison (%)

	1H Projection			2H Forecast			Full-year Forecast		
	Domestic	Exports	Total	Domestic	Exports	Total	Domestic	Exports	Total
Tractors	52,400	128,900	181,300	72,800	167,200	240,000	125,200	296,100	421,300
	110	103	105	111	105	107	111	104	106
Hydraulic Excavators	146,900	448,800	595,700	188,600	542,200	730,800	335,500	991,000	1,326,500
	107	106	106	103	100	101	105	103	103
Mini Hydraulic Excavators	39,700	188,300	228,000	46,600	235,700	282,300	86,300	424,000	510,300
	102	107	106	102	102	102	102	104	104
Construction Cranes	94,800	42,100	136,900	103,500	64,100	167,600	198,300	106,200	304,500
	104	112	106	103	114	107	103	113	107
Road Equipment	18,200	18,700	36,900	19,800	21,500	41,300	38,000	40,200	78,200
	100	94	97	103	101	102	102	98	100
Concrete Equipment	14,300	600	14,900	16,500	600	17,100	30,800	1,200	32,000
	99	101	99	102	102	102	101	98	100
Foundation Work Equipment	18,800	1,700	20,500	20,600	1,600	22,200	39,400	3,300	42,700
	103	90	102	109	94	107	106	93	105
Hydraulic Breakers Hydraulic Crushers	12,300	5,600	17,900	12,800	5,700	18,500	25,100	11,300	36,400
	103	96	100	104	96	101	103	96	101
Other Construction Equipment	38,400	166,900	205,300	43,100	191,800	234,900	81,500	358,700	440,200
	104	114	112	99	107	105	101	110	108
Total	435,800	1,001,600	1,437,400	524,300	1,230,400	1,754,700	960,100	2,232,000	3,192,100
	105	107	106	104	103	103	104	105	105

Forecast of Demand for Construction Equipment

August 3, 2023

Japan Construction Equipment Manufacturers Association (CEMA)

Forecast for FY24

Upper: Value in million yen

Lower: Year-on-year comparison (%)

	1H Projection			2H Forecast			Full-year Forecast		
	Domestic	Exports	Total	Domestic	Exports	Total	Domestic	Exports	Total
Tractors	51,400	137,900	189,300	72,100	178,900	251,000	123,500	316,800	440,300
	98	107	104	99	107	105	99	107	105
Hydraulic Excavators	148,400	462,300	610,700	190,500	558,500	749,000	338,900	1,020,800	1,359,700
	101	103	103	101	103	102	101	103	103
Mini Hydraulic Excavators	40,500	195,800	236,300	47,500	240,400	287,900	88,000	436,200	524,200
	102	104	104	102	102	102	102	103	103
Construction Cranes	97,600	44,200	141,800	107,600	65,400	173,000	205,200	109,600	314,800
	103	105	104	104	102	103	103	103	103
Road Equipment	18,400	19,100	37,500	20,600	21,700	42,300	39,000	40,800	79,800
	101	102	102	104	101	102	103	101	102
Concrete Equipment	14,600	600	15,200	16,700	600	17,300	31,300	1,200	32,500
	102	100	102	101	100	101	102	100	102
Foundation Work Equipment	19,000	1,600	20,600	21,400	1,500	22,900	40,400	3,100	43,500
	101	95	100	104	91	103	103	94	102
Hydraulic Breakers Hydraulic Crushers	13,000	5,400	18,400	13,400	5,800	19,200	26,400	11,200	37,600
	106	97	103	105	101	104	105	99	103
Other Construction Equipment	38,400	166,900	205,300	43,500	195,600	239,100	81,900	362,500	444,400
	100	100	100	101	102	102	100	101	101
Total	441,300	1,033,800	1,475,100	533,300	1,268,400	1,801,700	974,600	2,302,200	3,276,800
	101	103	103	102	103	103	102	103	103