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Press release

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China using infrastructure expansion to drive its construction industry

Despite and especially due to the difficult state of the overall economy, the People's Republic of China is bolstering its construction industry by investing heavily in infrastructure. Exhibitors will present the machines and vehicles that are needed to realize these projects at bauma China 2016. The eighth edition of the International Trade Fair for Construction Machinery, Building Material Machines, Mining Machines, Construction Vehicles and Construction Equipment takes place at the Shanghai New International Expo Centre (SNIEC) from November 22 to 25.

Statistics compiled by the economic forecast and market research company Off-Highway Research send a clear message: Sales volume of construction machinery in China declined steadily from its peak of some 435,000 units in 2011 to a good 131,000 units in 2015—a 70-percent decrease within four years. For 2016, analysts only expect a slight increase of about four percent, with sales probably stabilizing at just less than 138,000 machines.

By and large, this hope is based on the fact that the Middle Kingdom continues to massively expand its infrastructure. For example, according to the American Association of Equipment Manufacturers (AEM), China invested the equivalent of 130 billion US dollars in railway construction both in 2014 and 2015. According to China's Prime Minister Li Keqiang, the country will invest more than 122 billion US dollars in this infrastructure sector this year, as well. All in all, observers expect that the 13th Five Year Plan, which begins this year, will make a total of some 650 billion US dollars available for railway construction between now and the year 2020.

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The People's Republic hopes that investing in the transportation infrastructure will not only give its economy a new boost, but also eliminate deficits that, among other things, have resulted from urbanization of the country, which continues to increase. For instance, according to Germany Trade & Invest (GTAI), 65 percent of all Chinese people will probably live in cities by the year 2020 (2014: 54.8%). So it is quite fitting that Beijing wants to expand its subway network, which is currently 527 kilometers long, to 1,000 kilometers, for example.

Expansion of the country's highway network, which has also been intensified, is resulting in higher demand for road-construction machines. For example, according to GTAI's statistics, Chinese production of compaction rollers increased by 17 percent during the first eight months of 2015 compared to the same period in the previous year.

New emission regulations are an additional incentive to purchase new construction machines: As of April 1, 2016, all diesel engines used in off-road machines in China must comply at least with China's minimum Emission Standard III. According to the Chinese business magazine "Economy & Nation Weekly," this more stringent requirement means that some 2.5 million old construction machines may no longer be used in China. As a consequence, demand for machines that are more environmentally friendly is expected to increase sharply.

A good seven months before bauma China, that is certainly good news for potential exhibitors and visitors alike.

Additional information is available online at www.bauma-china.com

bauma China

bauma China, the International Trade Fair for Construction Machinery, Building Material Machines, Mining Machines and Construction Vehicles, takes place from November 22 to 25, 2016 at the Shanghai New International Expo Centre (SNIEC) in Shanghai. The 2014 edition of bauma China attracted a total of 3,098 exhibitors from 41 countries and 189,732 from 149 countries. Taking up 300,000 square meters of exhibition space,

bauma China is the biggest and most important sector event in Asia. The trade fair is held every two years.

Construction machinery trade shows of Messe München

Organizing trade shows for the international construction machinery sector is a core competence of Messe München. Its portfolio includes not only the world's leading trade show, bauma in Munich, and the brand event bauma China in Shanghai—it also cooperates with the Association of Equipment Manufacturers (AEM) in the organization of BAUMA CONEXPO INDIA in Gurgaon/Delhi and BAUMA CONEXPO AFRICA in Johannesburg. In December 2015, Messe München successfully expanded its portfolio again by purchasing the leading Russian construction-machinery exhibition CTT.

Messe München

Messe München is one of the world's leading trade-show companies. It organizes some 40 trade shows for capital and consumer goods and key high-tech industries in Munich and abroad. Each year more than 30,000 exhibitors and some two million visitors take part in events held at the Messe München trade-fair center, the ICM – Internationales Congress Center München and the MOC Veranstaltungszentrum München. In addition, Messe München organizes trade shows in China, India, Turkey, South Africa and Russia. Messe München has a global business presence with affiliates in Europe, Asia and Africa and more than 60 foreign representatives serving more than 100 countries.