



Headline	Construction equipment sales may grow 15-20% this fiscal
Publication	The Economic Times
Date	17.05.2022
Location	Delhi / South

## 'Construction Equipment Sales may Grow 15-20% This Fiscal'

Govt spending on infra would help boost demand, says JCB India MD

Sharmistha.M@timesgroup.com

New Delhi: Sales of construction equipment—a barometer of economic activity—are expected to increase in healthy double digits in the ongoing financial year on the back of increased government spending on infrastructure projects, especially in rural areas.

The industry estimates sales of construction equipment (domestic sales and exports) to grow 15-20% in FY23, compared with an 8% fall last fiscal year. Even though exports grew 60.5% to 7,802 units in FY22, local sales fell 11.4% to 77,583 units.

"Last fiscal, the industry output declined by about 8% due to a fall in demand for road construction and earth-moving equipment," said Deepak Shetty, managing director at market leader JCB India, while adding that the government's focus on infrastructure investment to increase economic activity would, in turn, also help boost demand for them. But a steep rise in input costs and constraints in the supply chain are concerns, he said.

The central government has



budgeted a
36% increase in
its capital spending
to a record ₹7.5 lakh crore
this fiscal year, with a special
focus on infrastructure development to spur growth. It has expanded the scope of the National
Infrastructure Pipeline to include
9,335 projects (from 6,835 projects at
the time of launch), with total
envisaged investments ₹108 lakh
crore during FY20-FY25, minister
of state for finance Pankaj Chaudhary told the Lok Sabha in March.

Among others, the scheme to provide piped drinking water to rural homes, building of smart cities, commencement of new metro rail development projects and construction of new airports at Navi Mumbai (Maharashtra) and Jewar (Uttar Pradesh) will trigger growth for the construction equipment industry, said Shetty.

The PM Gati Shakti national master plan is a path-breaking initiative, which will bring holistic focus on infrastructure development, he added. He predicted India to become the second largest market for construction equipment by the end of the decade.

Shetty is also the chairman of CII EXCON, a construction equipment and construction technology trade fair that will be held in Bengaluru during May 17-21.