



REPORT OF ACTIVITIES

2018

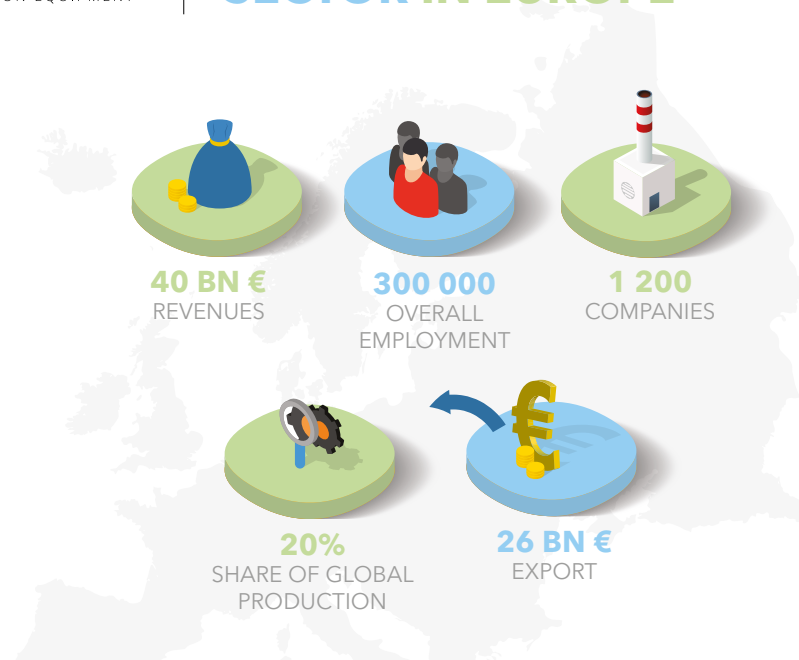


COMMITTEE FOR EUROPEAN
CONSTRUCTION EQUIPMENT

OUR SECTOR IN FIGURES



CONSTRUCTION EQUIPMENT SECTOR IN EUROPE



MOST COMPANIES ARE SMEs



SINCE JANUARY 1ST, 2018, Enrico Prandini is the President of CECE. The CECE presidency is a rotating post held for two consecutive years by each of the associations representing their member nations. Enrico Prandini is Managing Director of Komatsu Italia Manufacturing and Vice President of the Italian Construction Equipment Association UNACEA.



*CECE President
Enrico Prandini
opens the CECE
Congress 2018*

STRENGTHENING CECE'S VOICE

After one year of holding the CECE Presidency, I have seen an important further evolution in the internal set-up of CECE, with an even larger focus on advocacy and communications in support of the key technical dossiers, increasing the awareness of the construction equipment sector among EU policy makers in Brussels and other decision and opinion leaders, strengthening CECE to optimally represent sector's interests.

Fostering visibility and political recognition for the construction equipment sector is one of my main priorities. This is especially important in view of the forthcoming European elections in spring 2019 and the nomination of the new European Commission. We should seize the opportunity to gain more attention and impact. With the help of CECE members and dedication of my team, I will keep promoting the idea of a fair competition and free trade for all market players in Europe.

Building customer loyalty through a common vision is one of the key success-factors for the industry to be competitive and future-proof. Technological change, skills shortage and challenges rising from digital construction need to be tackled together along the value chain. In 2018 CECE has established a strong dialogue with representatives from the construction value chain. Building firm cooperation was shown during the CECE Congress 2018 where the value chain met together to discuss the common vision of the sector.

2019 will be full of opportunities and challenges for the construction equipment sector. With digitalisation at the forefront of the new trends within the sector, now more than ever, we must prepare ourselves for the change of our business model. 2019 being also the year of bauma, CECE is looking forward to being part of the biggest construction equipment trade show in the world.

A handwritten signature in black ink, appearing to read 'Enrico Prandini'.

*Enrico Prandini
CECE President*

OUR MEMBERS



CECE MISSION

CECE is the recognised organisation representing and promoting the European construction equipment sector and related industries towards the European Institutions and other organisations worldwide.

CECE coordinates the views of its members with the aim of achieving a fair and competitive regulatory environment via harmonised standards and other relevant policy means.

CECE monitors upcoming European legislation, forms the industry position and actively communicates the views and interests of the sector to European legislators. CECE is the established source of factual and technical information on the European construction equipment sector and its overall contribution to society.

CECE INVOLVEMENT IN EU POLICIES

	DG CONNECT	DG EMPLOYMENT	DG ENVIRONMENT	DG GROWTH	DG TRADE
Air quality			X		
Circular economy			X	X	
Construction				X	
• data policy	X				
• digital construction	X				
Engine emissions				X	
Global trade					X
Industrial policy				X	
Operators safety		X			
Single market				X	
• machinery directive				X	
• road circulation				X	
Skills		X		X	





CECE PREPARES FOR EUROPEAN ELECTIONS

The European construction machinery sector is at the centre of the global marketplace. This has been and continues to be a great added value for a competitive and innovative industry like CECE's, whose members manufacture 20% of the global output of construction equipment.

At the same time, such global integration sometimes turns out to be a source of challenges, considering fierce competition from other global players supported by strong national Industrial Policy strategies and booming infrastructure projects.

For this reason, we believe in and we need a European Union that champions and implements the values of global rule-based trade, insisting on the application of principles such as fair competition, reciprocity and openness.

We call on the European Union to base the 2019-2024 legislature and its institutional setup on fostering the fundamental contribution of industry to pursuing the Sustainable Development Goals.



CECE Elections Manifesto launch event, from left: Fulvia Raffaelli (DG GROW), MEP Jens Gieseke, Constantin Apostol (Romanian EU Presidency), MEP Reinhard Bütikofer, Peter Scherrer (ETUC), Philippe Citroën (Industry4Europe)

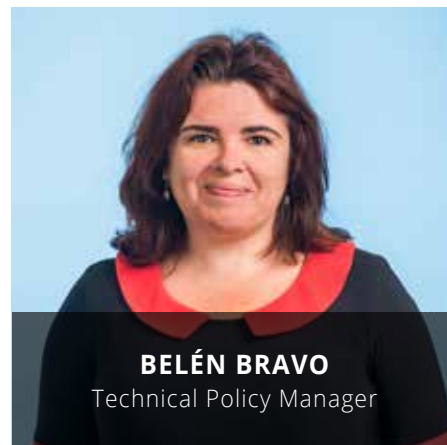
WE CALL ON THE EUROPEAN PARTIES, ALL CANDIDATES AND FUTURE ELECTED MEPs TO SUPPORT A MAJORITY COALITION MANDATE TO THE EUROPEAN COMMISSION ONLY IF INDUSTRY IS SHORTLISTED AS A TOP-5 PRIORITY OF ITS POLITICAL PROGRAMME

- Appointment of a Vice-President for Industry within the European Commission
- Outlining a new and ambitious long-term vision to feed a newly-drafted EU Industrial Strategy
- Consideration of the Industry4Europe coalition joint papers in drafting the EU Industrial Strategy
- Mandating the Vice-President for Industry to implement the EU Industrial Strategy
- Mainstreaming industrial competitiveness into all EU regulatory decisions through rigorous impact assessment of new initiatives and review of the existing legal framework
- Development of the EU Industry Day into the reference appointment and the annual occasion to measure progress in implementation of the EU Industrial Strategy
- Creation of a European Parliament Intergroup on Sustainable Industrial Competitiveness to accompany the work of the Commission and gather relevant stakeholders from across all areas and interests

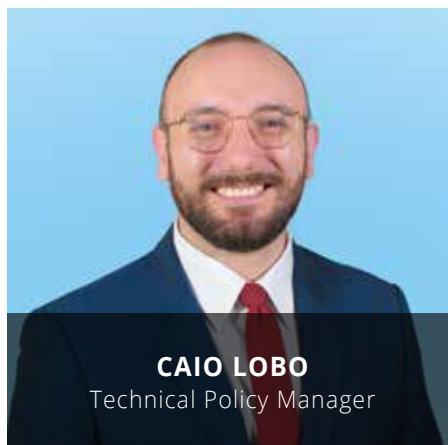
OUR TEAM



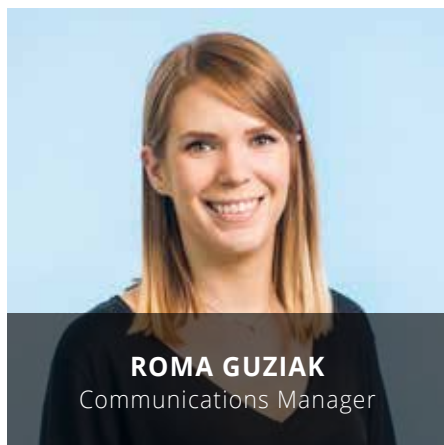
RICCARDO VIAGGI
Secretary General



BELÉN BRAVO
Technical Policy Manager



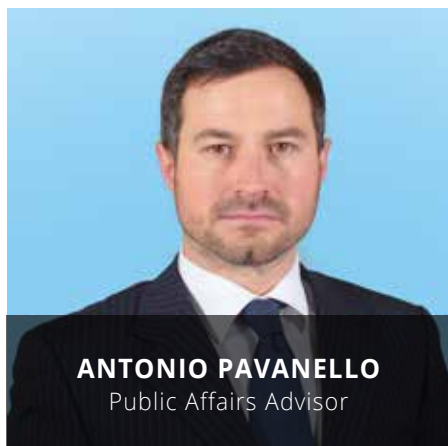
CAIO LOBO
Technical Policy Manager



ROMA GUZIAK
Communications Manager



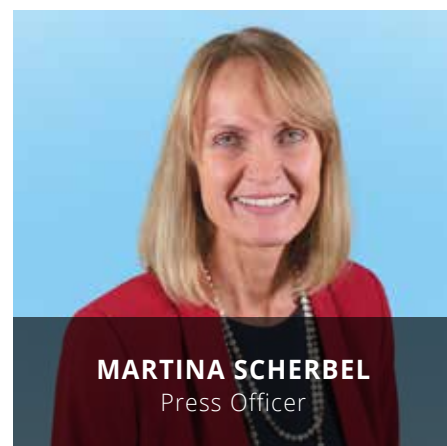
KLEJDIA LAZRI
Events and Exhibitions Officer



ANTONIO PAVANELLO
Public Affairs Advisor



SEBASTIAN POPP
Secretary Statistical Commission



MARTINA SCHERBEL
Press Officer

OUR WORK

The daily tasks of the Committee for European Construction Equipment (CECE) are managed by the CECE office in Brussels, consisting of two technical policy managers, the communications manager, an events & exhibitions officer, a public affairs advisor and the secretary general. The team's work is supported and supervised by the **Executive Committee**, composed of the managing directors of the national member associations. The Executive Committee meets six times a year. Twice a year, the **CECE Steering Group** – the highest governing body of CECE – gathers the presidents of the national member associations, who discuss the CECE work programme, review the organisation's achievements, set priorities and approve the work of the Executive Committee.

The Steering Group is chaired by the **CECE President**, seconded by two Vice-Presidents, each elected for 2 years. The president is also the first CECE representative in external relations, supported by the secretary general. The organisation is completed with a General Assembly, which approves the budget and accounts, and settles statutory issues.

The work of CECE is organised by topics as well as products. The work on topics is handled by Commissions supported by dedicated **Project Teams** for specific tasks. Topics relevant for a particular

range of products are handled via **Product Groups**. The organisation and proper functioning of the Commissions, Teams and Groups, as well as the timely interaction and consultation between them, is initiated and coordinated by the CECE Office.

For the large amount of technical regulatory dossiers two Commissions and several Project Teams have been established. The **High-Level Technical Policy Advisory Group (HLTPAG)** consists of CTOs of companies with a strong interest in European topics, nominated by the national member associations. The group advises CECE with regard to strategic positioning, sector priorities and industry positions on technical and environmental subjects. The group's members support the advocacy work of CECE through speaking engagements or participation in meetings with policy makers.

The **Technical Commission (TC)** brings together a wide variety of technical experts from national associations and companies. They review the work of the Project Teams (PTs) and discuss technical topics not covered by a specific PT. The TC is also a platform to inform non-PT members about the ongoing work.

For advice on and support of the CECE advocacy strategy, CECE regularly calls on the company representatives that are operating in the "EU capital", the CECE Brussels Advocacy Network.

Product Groups (PG) consist of industry representatives manufacturing the same type of equipment. They meet to exchange information - in accordance with European regulations and laws on competition - and to promote technical and economic cooperation.

CECE's **Statistical Commission (SC)** brings together statistical and market experts from member associations and companies in order to optimise the statistical service of CECE. The representatives of CECE's Statistical Commission together with representatives of the sister associations from Japan, Korea and North-America form the **Intercontinental Statistical Committee (ISC)**, which takes care of the worldwide statistical systems for the construction equipment industry.



#DIGITALCONSTRUCTION

Construction equipment manufacturers invest and innovate continuously to deliver equipment with highest productivity and lowest environmental impact. Efficiency, safety and precision are key. This innovation is even stronger within the digital revolution going on in the construction sector.

CECE's member companies are embracing and leading digitalisation, with smart machines creating connected jobsites. Through the leading role of **CECE High-Level Technical Policy Advisory Group**, CECE has undertaken a structured approach to digitalisation.

In 2018 CECE has promoted a study analysing OEMs preparedness for the digital revolution. The study was conducted on a sample of companies from the whole construction value chain as well as from the IT sector. The new digitalisation wave will gradually push the companies of the construction sector to rethink their business models.

If properly managed, digitalisation can play a major role in increasing company's competitiveness and it could even change the positioning along the value chain in relation to customer needs. However, translating the potential of digital technologies into an operational strategy is far from an easy task.

From the study, it emerges that digitalisation means accessing information to gain insights and to leverage the “power of information” derived from the collection, analysis and management of data to provide new solutions with a higher value added. Therefore, the ability to manage data represents the most important element in transforming business models. The CECE Digitalisation Project is available on www.cece.eu.

The European construction equipment industry is confidently looking towards the future and ready to embrace the transition into the digital era, with a stronger-than-ever focus on technology leadership and customer needs





WORKING TOGETHER WITH THE VALUE CHAIN

On 22nd February 2018, for the first time, CECE and the representative organisations of the major construction sector's industries (Construction Products Europe, FIEC and

EBC) got together to discuss the topic of #digitalconstruction at the highest political level. The occasion for this event was a stakeholder workshop in the framework of the EU Industry Days 2018. The workshop had a great attendance of around 100 participants and the level of discussion was held high with speakers representing the European Institutions and Presidents of the co-hosting associations. DG GROW and DG CONNECT support the vision of the construction value chain working together with the European Commission towards the goal of creating a digital platform for the construction sector.

DIGITISING CONSTRUCTION INDUSTRY

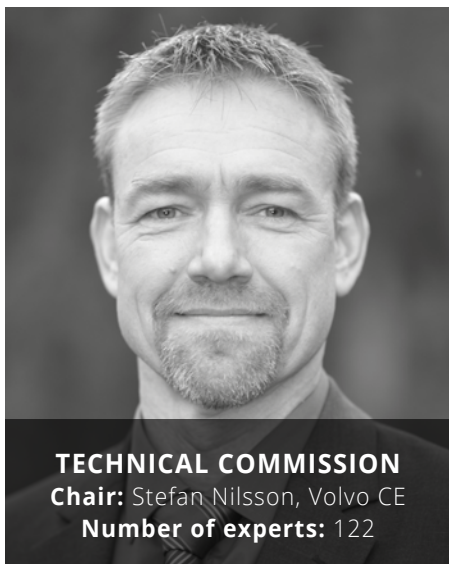
On 21st November 2018, in the framework of the European Forum for Manufacturing CECE hosted a dinner debate at the European Parliament on the subject 'Digitising Construction Machinery: The Role of Research Funding and Regulation'. The event, chaired by MEP Paul RÜBIG, Member of the Industry Committee, brought together a unique blend of representatives from the European Parliament, European Commission, CECE members, trade press and other European industry associations. CECE believes that we need to collaborate intensively to lead and support the construction industry in order to enable a successful digital transformation of the whole industry. In order to remain competitive in an increasingly globalised market, the EU economy must transform itself digitally, which requires an appropriate political, regulatory and financial framework at the European level.



#CO2

Boosting an impressive track record in achieving energy efficiency gains in the past 50 years, the construction machinery industry continues to be committed to reducing GHG emissions, in particular CO₂, further in the coming years. The **CECE-CEMA joint High-Level Group on CO₂** continues to explore the CO₂ reduction potential for the field of construction and agricultural machinery applications. The Group stresses the importance of moving from a purely machine-specific approach to a more holistic one. It is not only the optimisation of all elements related to the machine itself (engine, transmission, hydraulics, tires, etc.) that contributes to decrease emissions but the process and operation efficiency, together with the sustainable use of alternative energy sources should also be part of the holistic evaluation concept. How digitalisation may contribute to machinery - and process - optimisation is one of the key questions that the Group is facing.

OUR TECHNICAL WORK



TECHNICAL COMMISSION

Chair: Stefan Nilsson, Volvo CE

Number of experts: 122

The world of technical regulation is managed by the CECE Technical Commission. The Commission brings together a wide variety of technical experts from national associations and companies. They review the work of CECE Project Teams.

HIGHLIGHT IN 2018:

UK Brexit related topics have been in focus in all of the TC meetings. Our advocacy efforts against including NRMM in the revision of the Clean Vehicle Directive contributed to a positive outcome of the EU Parliament voting. During the CECE Congress TC was responsible for a comprehensive and well received Regulatory update. PT Data and PT 3R have developed graphical presentations to better visualise the complicated regulatory landscape. New EU Commission review procedures for harmonised standards led to unfortunate delays for important standards to be published.

PRIORITY FOR 2019:

Preparations and hosting of the 29th Joint Technical Liaison Meeting (JTLM), 3-5 April in Innsbruck which will be a valuable sharing of the latest regulatory developments around the world. Continue the work related to E-Privacy, Cybersecurity, Digitalisation and Artificial Intelligence. Engagement in the EU Commission work associated with revision of the Machinery and Outdoor Noise Directives. Make efforts to improve the general knowledge about the regulatory situation in EU candidate countries and countries copying EU law as well as the African and Middle East regions.

QUOTE FROM THE CHAIR:

"The regulatory landscape is evolving at an increasing pace and the need for clear legal framework is becoming even more important. The technical work within CECE contributes to a better understanding and sound evolution of the regulatory landscape. It is with great recognition that I thank the member associations along with the CECE staff for their engagement in the important work of the different Project Teams and Technical Commission by providing vital and highly competent resources."

ADVOCACY ACTION

In June 2018, CECE has invited Philipp Troppmann, Desk Officer for motor vehicle from the European Commission to join the CECE Technical Commission, meeting to explain the Commissions' initiative on a Regulation complementing EU type-approval legislation with regard to the UK withdrawal from the EU. The regulation aims to ensure continued compliance with EU law for the type approvals issued by the UK type approval authority. The experts from the Technical Commission had the possibility to discuss in-depth the Regulation proposal and thanked the Commission for this initiative.

HIGHLIGHT IN 2018:

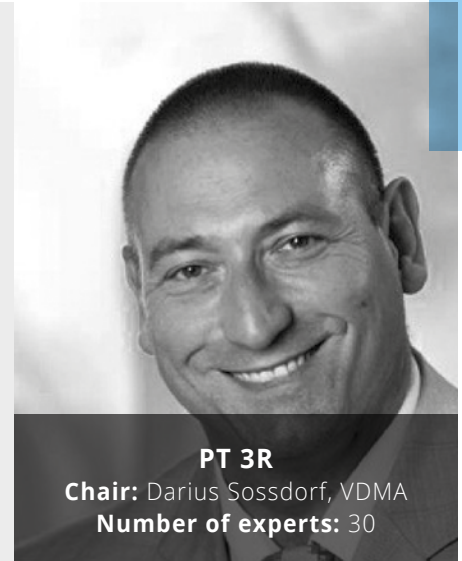
In 2018, CECE followed the development in the framework of the circular economy in order to identify possible impact on our industry at an early stage. The group also monitored issues related to REACH, RoHS and other environmentally relevant legislation.

PRIORITY FOR 2019:

The main focus in 2019 will be developments related to hazardous substances reporting and circular economy.

QUOTE FROM THE CHAIR:

"There are increasing and diverse demands on our industry coming from environmental legislation, therefore good coordination and timely information are becoming crucial. Only together, with a good overview and the necessary support of industry experts, we can help companies to solve threatening problems and successfully place their products on the market."



PT 3R

Chair: Darius Sosssdorf, VDMA

Number of experts: 30

Restriction on use of substances in the construction machinery sector, constraints in view of machinery design, production and sales, availability of raw materials are topics that are covered by the CECE Project Team 3R: Reach, RoHS and resource efficiency. CECE follows the package on circular economy and related legislation, like the waste directive, Ecodesign directive and WEEE directive.



PT ENGINE EMISSIONS

Chair: Jason Ong, Komatsu

Number of experts: 35

European construction equipment manufacturers contribute to the society by making significant efforts to lower the emissions of nitrogen oxides, hydrocarbons and other environmentally harmful particulates. Emissions of pollutants from new construction equipment are now lower than ever. CECE Project Team Engine Emissions identifies main concerns regarding the obligation of the EU regulation on requirements relating to gaseous and particulate pollutant emission limits and type-approval for internal combustion engines for non-road mobile machinery.

HIGHLIGHT IN 2018:

In 2018 the Project Team continued helping on the better understanding of stage V requirements and updated the FAQ document on stage V. CECE, together with other sister associations, worked on a market surveillance and emissions guide that is planned to be published at the beginning of 2019.

Brexit and type-approval were a major concern for members in 2018, intensive advocacy actions were launched to secure the proper consideration of current transitional provisions in the new supplementing regulation defined by the European Commission. The group also followed the UK guide and recommendation on non-road mobile machinery engines type-approval.

CECE challenged the inclusion of NRMM in the revised Clean Vehicle Directive. The argumentation we provided was appreciated by regulators and finally it was accepted that we would not be included in the scope. As every year, Low emissions zones and requirements for construction machinery were also on the radar of the group.

PRIORITY FOR 2019:

Following the Brexit negotiations, the group will have to be reactive to keep members informed in a timely manner on the type-approval requirements from both EU-27 and UK side. Apart from this, 2019 will be a critical year for the implementation of stage V on emission and the expected publication of the stage IV in China.

QUOTE FROM THE CHAIR:

"This year has been notable for the uncertainty that has resulted from the ongoing Brexit negotiations. This will continue into 2019 and the PT will work to ensure that CECE members' interests are represented wherever it is appropriate."

ADVOCACY ACTION

CECE, together with our industry partners CEMA, Euromot, EGME, FEM, EUnited, Europgen had success in bringing relevant amendments to the new Regulation that will facilitate the transfer of approvals in the case of a 'no-deal' Brexit scenario.

HIGHLIGHT IN 2018:

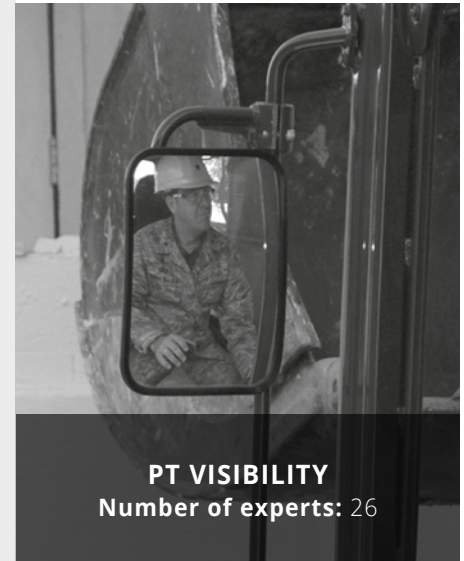
During 2018 we have not held a specific PT meeting but instead followed this topic through the PT Machinery meetings. The reason for this approach is that most work on this file was completed during 2017. CECE's role during 2018 has been only to follow the progress of the completion and publication of the related CEN standards.

It has been a continuing frustration that the published amendment of EN474-1 (+A5) has yet to be listed in the Official Journal (OJ) despite being published in January 2018. Furthermore, the proposed new work item amending EN474-5 (+A4), which seeks to implement additional requirements for Hydraulic Excavators, has been rejected by CEN despite strong support from national mirror committees.

It is hoped that this amendment would facilitate full withdrawal of the warning that has been placed against EN474 in the Official Journal and provide welcome certainty for manufacturers and market surveillance authorities alike.

PRIORITY FOR 2019:

As no significant new developments are expected in this area, we will continue to follow the topic within PT Machinery.



PT VISIBILITY
Number of experts: 26

To enable the free circulation of construction equipment within the internal EU market, the relevant technical requirements on safety minimising the risk of accidents caused by the use of machinery (e.g. the operators field of view in a machine) have been harmonised through the Machinery Directive. New technologies and recent developments are reflected in the supporting harmonised safety standards. CECE Project Team Visibility focuses on the topic of operators' field of view.



PT MACHINERY

Chair: Jason Ong, Komatsu

Number of experts: 27

Within the CECE Project Team Machinery, the experts have the task of evaluating the machinery directive and its performance, and to identify areas for improvement.

HIGHLIGHT IN 2018:

The group monitored the developments of the Machinery Directive revision, ensuring that the European Commission's evaluation report reflected the reality of the sector we represent.

The experts also followed interpretation issues between the Machinery Directive and other pieces of legislation, such as the Radio Equipment Directive (RED). Another important aspect has been to monitor any proposed changes to European Commission's Machinery Directive Guidelines. The aim was to make sure that the opinion of our sector was being taken into consideration at each step of the process.

PRIORITY FOR 2019:

Closely monitor the development of the new Impact Assessment Study for the revision of the Machinery Directive. It is necessary to ensure it reflects the reality of our industries and to analyse in detail all policy options envisaged by the EC.

QUOTE FROM THE CHAIR:

"CECE strongly believes that the Machinery Directive provides a robust and effective safety regime for Construction Machinery. We are working with sister associations and Orgalim to promote this message to legislators. We will continue to engage with partners and EC on this file throughout 2019 as it enters a key phase of impact assessment."

ADVOCACY ACTION

At the beginning of 2018, CECE met the Advanced Engineering and Manufacturing Systems Unit of the European Commission. The bilateral meeting with Head of Unit Barbara Bonvissuto, Deputy Head of Unit Felicia Stoica, Legal officer Victoria Piedrafito and Policy officer Mario Gabrielli Cossellu took place to discuss the revision of the machinery directive areas for improvement.

HIGHLIGHT IN 2018:

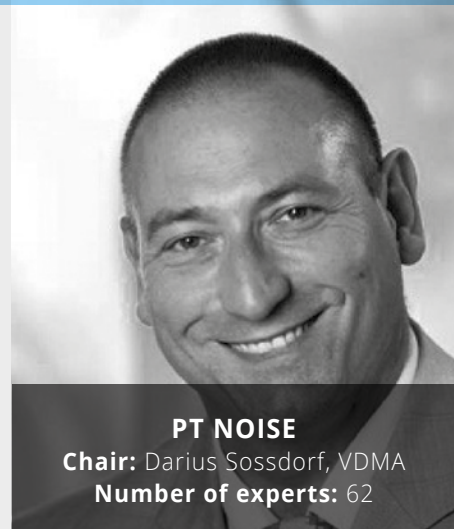
The European Commission published the Impact Assessment Study for the revision of the Outdoor Noise Directive. In this study it was shown which impacts any future change in the Outdoor Noise Directive would have. The noise experts from the Project Team Noise actively contributed to the public consultation that supported the impact assessment study.

PRIORITY FOR 2019:

The main priority for 2019 is the completion of the CECE Position Paper on Noise limits for the construction equipment industry. In addition, we are waiting for the European elections and the associated developments in the noise sector in the upcoming European Commission. Our main task will be to present and advocate our position on noise limits to the EC services.

QUOTE FROM THE CHAIR:

"Quiet construction machinery contributes to the improvement of the environment and to health protection. However, it is important not to lose sight of its added-value. Certain activities are noisy because of the laws of physics affecting their process, a quieter machine would not have any influence on it. We must be careful not to add extra burdens to the manufacturers because of such type of activity."



PT NOISE

Chair: Darius Soszdorf, VDMA

Number of experts: 62

The construction equipment industry is delivering products that are ergonomic, easier and less noisy to operate. To obtain a high level of protection, the level of noise emitted in the environment by equipment for use outdoors has been reduced to protect the health and well-being of citizens. The experts within the CECE Project Team Noise are contributing to the classification of the new noise limits for certain categories and possible new test methods.



PT ROAD CIRCULATION

Chair: Alessandro Rossi, Caterpillar

Number of experts: 36

The task of harmonising EU safety requirements for circulation of mobile machinery on public roads is the scope of CECE Project Team Road Circulation. Harmonisation of requirements for the road circulation of mobile machinery in the EU will remove several layers of costs for industry and other stakeholders and therefore increase the competitiveness of the industry in the EU. In addition, it also increases the well-functioning of the Single Market and lowers the risk of road accidents in areas of lower standard requirements.

HIGHLIGHT IN 2018:

In 2018 the Industrial Task Force on Road Circulation composed by CECE, EGMF, CEMA, EFM and EUnited intensively worked to define the technical requirements for mobile machinery on public roads. Through the PT Road Circulation, CECE ensured that the particularities of construction machinery were always properly considered.

PRIORITY FOR 2019:

The priority for 2019 will be to keep working with the Industry Task Force in completing the definition of the technical requirements and to strengthen the collaboration with the European Commission on the file. Our challenge will be keeping the European Commission engaged in the file as there will be European elections in 2019 and a possible redefinition of their priorities.

QUOTE FROM THE CHAIR:

"We need to have a harmonised European approach. Diverging legislation, together with different interpretation from approval authorities, impose difficulties on the free circulation of products such as construction machinery and place different requirements from country to country with a detrimental effect on safety and competitiveness."

ADVOCACY ACTION

In 2018 CECE put the road circulation for construction mobile machinery in the top of priorities for 2019, spreading the message among regulators on the urgent need for harmonisation. In January, CECE contributed to the second stakeholders' workshop of the European Commission by presenting the Industry Task Force Road Circulation position. Additionally, in November, CECE President Enrico Prandini gave a speech during a dinner debate at the European Parliament on the need of a harmonised EU legislation.

ADVOCACY ACTION

CECE advocated for clarity about the scope of the E-Privacy to assess if the industry should be concerned with the inclusion of the notion of “M2M” and to what extent. CECE met with representatives of the European Commission, Member States and Parliament involved with the E-Privacy. CECE also met with the Bulgarian Presidency and the Parliament rapporteur of the file MEP Sippel (Germany – S&D) addressing concerns from construction equipment manufacturers about the impact of including machine-to-machine communication in scope of the text.

HIGHLIGHT IN 2018:

The team focused on files related to data and which may impact the construction equipment sector in the Digital Single Market. In 2018 the PT Data continued to raise concerns regarding the lack of clarity of the draft E-privacy regulation under discussion in the European Council, notably because of the inclusion of machine-to-machine communication and the overlaps of the draft with the GDPR. The team also followed the cybersecurity package and developments on Artificial Intelligence.

PRIORITY FOR 2019:

In 2019 the team will continue monitoring the evolution of the E-privacy file at the Council and engage with trade associations to strengthen positions. It will also follow cybersecurity and Artificial Intelligence topics as well as the impact of Brexit in data sharing.

QUOTE FROM THE CHAIR:

“Protecting individuals, their personal information, their private life and communications is key especially in the digital era in which we have entered. However, one should not forget that the business does not always operate around individuals. Hence in order for the Industry to continue developing digital innovations in the EU, one should not forget to conduct an analysis of the data at stake before assessing if additional protection is required.”



PT EUROPEAN DATA POLICY

Chair: Charlotte Le Bozec, Caterpillar
Number of experts: 30

The EU Digital Single Market strategy is driving legal initiatives that will have a broad impact on the construction machinery sector, from the protection of personal data to the data generated by machines. This includes questions as ownership of the data, transfer, portability, liability, data security. Identifying the main concerns regarding the obligations of the new regulation lies in the hands of the experts of CECE Project Team European Data Policy.

OUR PRODUCT GROUPS

The CECE work is organised as well by different products. The work of CECE Product Groups focuses on improving the quality and timing of the products, enabling easy communications amongst mixed fleets and advancing machine's productivity. Different types of equipment require different approach.



PG ROAD EQUIPMENT

Chair: Anton Demarmels, Ammann Group

Secretary: Richard Cleveland, Cisma

Number of experts: 12

HIGHLIGHT IN 2018:

Machine-to-machine communication protocol for road construction (harmonised set of data and format) and follow-up the various machine regulations.

PRIORITY FOR 2019:

Finilising M2M communication protocol based on input from constructors; proposing technical requirements together with FEM for road circulation of "slow speed towed vehicle"

QUOTE FROM THE CHAIR:

"Our discussions are driven by the spirit to find common solutions to regulatory requirements and to the challenges of the digital era with minimal boundaries for future product developments and market offerings."

HIGHLIGHT IN 2018:

Economics and statistics.

PRIORITY FOR 2019:

Economics; try to activate new product line statistics.

QUOTE FROM THE CHAIR:

"The tower crane market situation is rather unstable in Europe, mainly due to the performances of France, UK, Italy and Spain, which are not compensated by the positive sales in the central and eastern regions. 2018 will close with a positive final number, but 2019 perspectives are presently not clear."



PG TOWER CRANES

Chair: Marco Gentilini, Terex

Secretary: Luca Nutarelli, UNACEA

Number of experts: 7

HIGHLIGHT IN 2018:

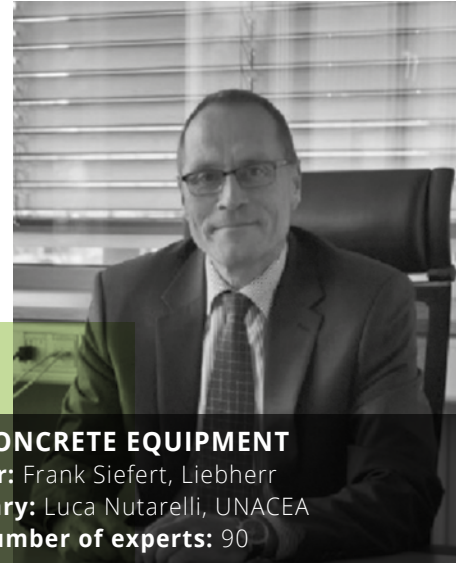
Economics and statistics.

PRIORITY FOR 2019:

Increasing the concrete equipment product lines covered by CECE statistics and the number of reporters.

QUOTE FROM THE CHAIR:

"World sales are presently concentrated in Europe, where the positive trend, started in 2016, is still continuing. The growth covers with different intensity all the EU countries. Business should remain positive also in 2019."



PG CONCRETE EQUIPMENT

Chair: Frank Siefert, Liebherr

Secretary: Luca Nutarelli, UNACEA

Number of experts: 90

HIGHLIGHT IN 2018:

15 product group members joined the CECE-EDA Think Tank Event "Equipment for Demolition" in October 2018, which marked the beginning of a closer cooperation with the European Demolition Association. On the statistics side, the group developed a size classification scheme for the newly established plate compactors exchange.

PRIORITY FOR 2019:

The group is changing its reporting policies to allow statistics participation of companies who do not manufacture machines themselves but source them from OEM partners. This will help to increase the market coverage of the statistics even further.

QUOTE FROM THE CHAIR:

"We feel that quality of data becomes an even more important topic for attachments statistics. Our move to include marketing companies with OEM partnerships in the statistics reporting is one reaction to this, but we will also put in place measures to enhance the accuracy of the data reported into the individual programmes."



PG HYDRAULIC ATTACHMENT TOOLS

Chair: Torsten Ahr, Epiroc

Secretary: Sebastian Popp, VDMA

Number of experts: 50

CECE STATISTICS & ECONOMIC AFFAIRS

CECE collects and provides an up-to-date market data for many types of construction equipment, and provides a leading indicator for the development of European construction equipment markets. The information is covered by the participating companies and considered a well-developed source of business intelligence.

CECE runs both European and international sales statistics and is one of the partners of the Intercontinental Statistics Committee which provides worldwide statistics. CECE statistics coverage extends to earthmoving equipment, road equipment, tower cranes, concrete equipment and hydraulic attachments.

CECE Statistical Commission, with representatives from manufacturers and national associations, oversees the proper functioning of the statistical exchange, and manages the constant process of enlargement and improvement.

Manufacturers are invited to take part in the statistical exchanges by reporting their sales by country, on a monthly or quarterly (depending on the exchange programme) basis.

Any statistics results are confidential to the participants and cannot be shared beyond the reporters.

Since 2008 CECE runs a monthly business trend enquiry, the CECE Business Barometer. The objective is to provide members with a regular business trend indicator of the European construction equipment industry. The companies taking part in the Barometer receive a report about the economic situation in Europe each month.

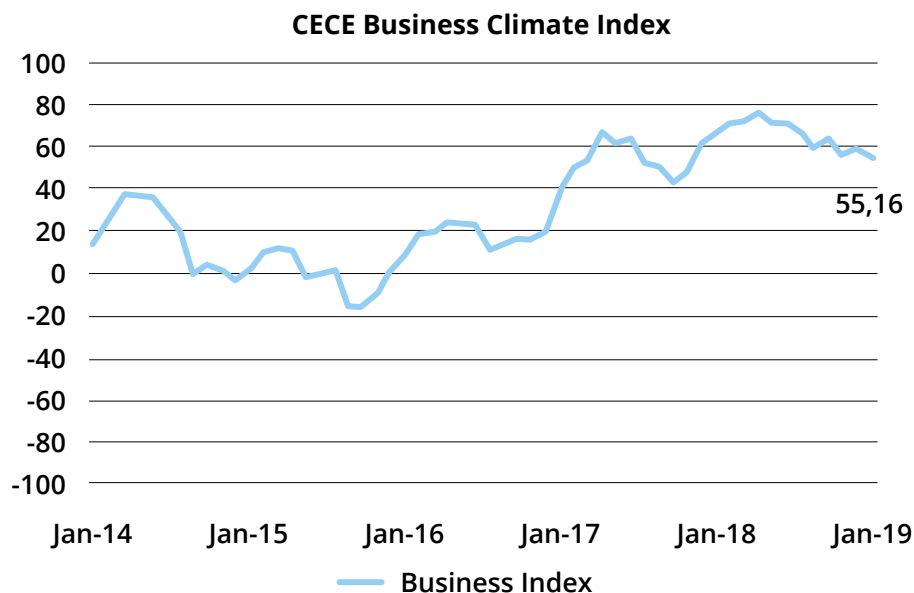
The CECE Business Climate Index summarises the survey answers on the evaluation of the current business situation and the expectations for the next 6 months regarding sales, and is published on the CECE website on quarterly basis.

Want to know more, contact us via info@cece.eu

Our Business Barometer dedicated to CECE business leaders is reserved for respondents only. Contact us to take part in this survey at info@cece.eu.

CECE BUSINESS CLIMATE INDEX

source: CECE Business Barometer, January 2019



MARKET DEVELOPMENTS IN 2018

The European construction equipment market continued its upturn in 2018. Sales in Europe hit the highest post-crisis levels this year, even though the record high of 2007 is still a good deal away. While most parts of Northern and Western Europe are on very high volume levels and come closer to saturation, Southern Europe and CEE markets continued their recovery from rather low levels. European manufacturers could also rely on their international business, as virtually all world regions (except for the Middle East) saw a sales increase in 2018.

HIGHLIGHT IN 2018:

Nicolas Clerc of Caterpillar concluded his second term as Chair of the Statistical Commission in 2018. We are extremely grateful for Nicolas' dedication and support over the last four years and at the same time happy that he will continue to play an active role in the group. We look forward to a successful tenure of our new Chair Adelheid Bousard of Volvo Construction Equipment. Adelheid takes over for two years starting from January 2019.

PRIORITY FOR 2019:

In an endeavour to align its activities even better to the needs of member companies, CECE Statistical Commission will reach out to all reporters and identify their priorities in international statistics work for the coming years.

QUOTE FROM THE CHAIR:

"The need for high-quality sales statistics is ever-growing. In the medium-run, digitalisation could revolutionise the way we collect data, and we should work on being prepared for that. At the same time, we want to push forward international cooperation in statistics work as it is more important than ever. With an action plan for the next two years – emanating from the priorities our members have on their minds – we want to make sure to work on the right things with strong dedication."



CECE STATISTICAL COMMISSION

Chair changeover: Nicolas Clerc, Caterpillar to Adelheid Bousard, Volvo

Secretary: Sebastian Popp, VDMA/CECE

Number of experts: 30



CONGRESS THAT BUILDS CUSTOMERS LOYALTY THROUGH A COMMON VISION



THE CONSTRUCTION VALUE CHAIN MET TOGETHER TO DISCUSS THE COMMON VISION OF THE SECTOR

The magnificent city of Rome welcomed this year's edition of the CECE Congress, a biennial gathering of the construction equipment industry in Europe, hosting a variety of European and global business leaders, leading exhibition organisers, stakeholders and journalists.

Almost 200 delegates attended the numerous presentations and panel discussions to engage with policy makers and economic researchers on the future and challenges of the industry, its road to digital transformation and the forthcoming European Parliament elections, to be held in May 2019.

The topics tackled during several sessions of the Congress confirmed the widespread optimism about the future of the industry and the positive approach towards the challenges coming from the global political environment, the technology drivers impacting construction and the regulatory developments from at the EU level.

With digitalisation being the main subject concerning industry transformation, CECE President Enrico Prandini, underlined the importance of digitising the construction equipment sector and highlighted the benefits of data on productivity, safety and sustainability. In addition, a team of experts presented for the first

time the results of an 8-month CECE project into the digital transformation of the construction industry.

The Congress offered also the opportunity to endorse the CECE Manifesto for the European Parliament elections, calling on all candidates and future MEPs to support a majority coalition mandate to the European Commission only if industry is shortlisted as a top priority of its political programme.

The Economic Forum took a deeper look at the global reach of China in industry and infrastructure. After a lecture by Mr Wüebbeke, researcher at Sinolytics, a panel debate on the opportunities and challenges arising in different areas and sectors when it comes to the Belt and Road initiative and the Made in China 2025 Industrial strategy took place. After the debate, two very interesting presentations by IHS Markit and Off-Highway Research outlined the current performance and future trends in construction and infrastructure investments as well as in the machinery industry. Both presentations featured a European and a global dimension, with a special focus on the Chinese economy.

The Technical Forum with the title 'Telematics for Construction Machinery - what next?' focused this year on one of the more complex interdisciplinary fields but also with the higher innovation potential. Telematics encompasses telecommunications, electrical engineering and data management,

thus the first part of the forum provided the key elements to better understand current challenges and future trends on telematics. Lessons learned from the agricultural machinery and examples of protocols for buildings closed the first part. In the second part, the output of the CECE project on digitalisation was presented for the first time, followed by a panel debate commenting the main findings.

The CECE Congress - central networking event for construction equipment manufacturers in Europe is organised by the European sector association and the national association holding the CECE presidency – in 2018 that's the Italian UNACEA. The full programme of the conference and the picture gallery can be found at [**www.cece.eu/congress**](http://www.cece.eu/congress).



VISIT OUR YOUTUBE CHANNEL TO SEE HIGHLIGHTS AND INTERVIEWS FROM THE CECE CONGRESS 2018!

#CECEatINTERMAT



INTERMAT is an international exhibition for construction and infrastructure for building public works equipment. It offers the opportunity to meet the world's biggest construction brands, manufacturers and suppliers of plant, equipment, solutions and techniques for the construction industry.

INTERMAT PARIS 2018 took place from 23rd to 28th April at Paris Nord Villepinte, France, hosting 173,300 visitors and 1,400 exhibitors.

Having a Gold Exhibition Partnership with INTERMAT, CECE was pleased to have a booth at the event, welcoming the chance to discover the latest trends regarding technological innovations of the construction industry.

During the fair CECE organised a visit of the grounds with **Barbara Bonvissuto, Head of Unit of DG GROW** at the European Commission, and **MEP Anne Sander**, Member of the economic affairs committee of the European Parliament. CECE President Enrico Prandini and CECE Secretary General Riccardo Viaggi welcomed both guests and accompanied them during the INTERMAT Inauguration Ceremony and the fair visit, in order to showcase the latest trends of the sector.

Members of the CECE Executive Committee met with Barbara Bonvissuto to discuss the hottest policy files.

The meeting gave the opportunity to get a better picture of the European high-tech construction equipment industry, its efficiency and technological standards as well as the challenges it faces coming from the European regulation.

CECE Press Conference was the moment when CECE presented its latest economic figures and outlook for 2019, showcasing the results of the CECE Market Surveillance tour. During the conference CECE President Enrico Prandini introduced the CECE Annual Economic Report by launching the brand-new CECE Corporate video.



CECE also hosted a fruitful **Public Event on Digitalisation Project**. CECE Secretary General Riccardo Viaggi opened the launch event by tackling the policy discussions taking place in Brussels about the digital transformation of the larger construction value-chain. He then presented the background of a study carried out by consulting consortium I&D / SIRIO. CECE tasked a consulting team with a research project, whose aim was to provide a detailed report about the state, the tendencies, the conditions and the blocking factors of digitalisation of the construction sector, based on the requirements from construction companies. The report's aim is to act as a compass for construction equipment manufacturers. CECE followed the main recommendations of the McKinsey 2016 study to push for a global value-chain approach. "We

want to be the leader of these changes", Riccardo asserted.

CECE representative Robert Laux (Bomag), Vice-chair of the High-level group on technical policy, closed the launch event by giving an overview of how the leading manufacturers of construction equipment were coordinating this technological development within CECE. CECE concluded the Digital Day by hosting the very first working meeting of the consortium of stakeholders aiming to prepare a bid to win a European call for proposals under the Horizon 2020 EU research programme for the creation of a **Digital Industrial Platform for Construction**.

Another important gathering opportunity was the Intercontinental Associations Committee (IAC) meeting, an event held

annually with leaders of the global associations and hosted on that occasion by CECE's partner CCMA (Chinese construction equipment association). The meeting brought together construction equipment associations from all around the globe exchanging on latest business and economic trends and offered CECE the chance to deepen worldwide relationships.

INTERMAT was also the location for a bi-annual CECE's General Assembly meeting, where CECE officially appointed the new first and second Vice Presidents. Niklas Nillroth (Volvo CE), representing CECE's Swedish member association SACE, became first Vice-President. CECE's second Vice-President became Alexandre Marchetta (Mecalac), representing the French member association – CISMA.

One of the most successful communication tools at INTERMAT was the **CECE teaser of the day**, which gave people the opportunity to find out what CECE was planning to do for each day of the show. The teaser was well received not only by the attendees of INTERMAT, but also from those who could not attend the exhibition. The effective communication during the fair gave CECE the opportunity to gain more visibility and attention, succeeding in its attempt to have an impact on the exhibition.

CECE COMMUNICATIONS



WEBSITE



TWITTER



LINKEDIN



YOUTUBE

CECE PUBLICATIONS

CECE NEWSLETTER

A relaunched monthly newsletter introduced in September 2017. A regular update on topics and challenges related to EU legislation and the workings of CECE in general. It includes three regular sections on EU News, CECE News and Exhibition Partner News.

CECE QUARTERLY ECONOMIC BULLETIN

For members and partners only. The Quarterly Economic Bulletin provides insight in the situation of the European construction equipment markets as well as the macro-economic environment.

CECE TECHNICAL BULLETIN

For members and partners only. The Technical Bulletin describes developments in the field of technical regulation at a detailed level.

CECE ANNUAL ECONOMIC REPORT

CECE publishes its Annual Economic Report in the spring of each year, providing an in-depth look at the state of the European construction equipment sector. The CECE Annual Economic Report is publicly available at www.cece.eu to help promote the knowledge and understanding of the sector amongst a wider audience.

CECE REPORT OF ACTIVITIES

CECE publishes its Report of Activities on an annual basis. In this report we present who we are and we showcase our main activities. This report is publicly available at www.cece.eu.



OUR RESULTS OVER THE PAST YEAR

- ▶ Social media exposure increased by **135%** in the past year
- ▶ News coverage increased by **7%** in the past year
- ▶ Tweet impressions grew by **60%**
- ▶ The number of our followers on Twitter increased by **11%**
- ▶ Followers on LinkedIn increased by **20%**
- ▶ LinkedIn impressions grew by **22%**

CECE STRENGTHENS VALUE CHAIN COLLABORATIONS

'CONSTRUCTION: TOWARDS AN INCLUSIVE DIGITAL STRATEGY' STAKEHOLDERS' WORKSHOP

In February, for the first time, CECE together with organisations of major industries (Construction Products Europe, FIEC and EBC) got together to discuss the topic of #digitalconstruction at the highest political level organising a stakeholder workshop in the framework of the EU Industry Days 2018. The workshop had a great attendance of around 100 participants and the level of discussion was held high with speakers representing the European Institutions and Presidents of the respective co-organising associations.

DG GROW and DG CONNECT support the vision of the construction value chain working together with the European Commission towards the goal of creating a digital platform for the construction sector.



CECE EDA THINK TANK "EQUIPMENT FOR DEMOLITION"

In October CECE and the European Demolition Association EDA hosted the third edition of EDA's biennial Think-Tank under the title "Equipment for demolition". The think tank consisted of two panel debates promoting an open discussion between the parties involved in the value-chain, with the participation of speakers from the respective membership groups tackling the main trends and hurdles in the sector. The gathering offered a chance to manufacturers and contractors to discuss their respective roles in facing challenges and opportunities related to machinery evolution and development.

In 2018 CECE has established a strong dialogue with representatives from the demolition equipment sector. CECE confirms support to regular exchange with EDA and indicated willingness for future collaborations in 2019.



CECE LEADERSHIP AT ERA CONVENTION

Representing a vast size of the OEM market, way above average in certain product categories, the rental business is experiencing positive market trends in Europe. It was within these positive conditions that the ERA Convention 2018 was held in Vienna in May, with CECE President and Secretary General in attendance. Under the title "Tomorrow's Customers", key topics such as digitalisation and "servitisation" of machines were discussed by over 320 participants, including top management of the leading rental companies in Europe. Continuing on a successful collaboration course, the two-day event was timely also in order to discuss with the rental industry the work CECE is leading on Digital Construction. Finally, CECE Digitalisation Project has been at the centre of informal discussions, in light of ERA's direct involvement in the Steering Committee of the CECE-financed research on this topic.

CECE strongly believes in a close collaboration with the representatives from the full construction value chain. The established collaboration with ERA ensures the holistic approach towards tackling skills shortage and challenges rising from digital construction. 2018 showed a strong partnership between CECE and ERA on many occasions: at the ERA Convention, CECE Congress in Rome and during bilateral meetings throughout the year.



CECE ENGAGES IN IMPORTANT STAKEHOLDERS' PROJECTS

LET'S PUT INDUSTRY AT THE CORE OF THE EU'S FUTURE!

Industry4Europe is a large and unprecedented coalition of organisations dedicated to campaigning for the European Industry. CECE has been member of this coalition since its birth in 2017. Together with 132-member organisations from across the EU and spanning most sectors of the economy – CECE is helping to set the vision for the long-term future of the EU's industrial and manufacturing strategy. With the European Elections approaching in 2019, it is a crucial moment to urge European Union to put industry's needs at the top of the political agenda for the next institutional cycle. In the Joint Call to the candidates for the 2019 European Elections, Industry4Europe coalition is setting up priorities for an ambitious European industrial strategy.



At the beginning of 2018, CECE took part in high-level delegation meeting President Tajani. A group of 25 DGs of European industrial trade associations met the European Parliament President Antonio Tajani. Representing the Industry4Europe coalition, the high-level group officially presented President Tajani the Joint Reaction Paper 'For an ambitious EU industrial strategy: Going further'.

CECE AND THE EU TRADE UNIONS

At the end of 2018 CECE took part in the Industry4Europe delegation that met for the first time the leadership of the EU trade union organisations IndustriAll, ETUC, EFFAT and EFBWW. The meeting was the occasion for an exchange of views and possible cooperation between employers and employees on a renewed EU industrial policy. The upcoming EU Parliament elections is the perfect moment to share common messages and raise the need for the EU to equip itself with a proper industrial policy, nurtured by a vision and implemented through a strategy in which all parties must be involved.



The absence of a political framework in which industrial policy discussions can take place at EU level endangers manufacturing competitiveness and job creation potential of the European economy. CECE insists on the possibility of working together in 2019 in the spirit of Social Dialogue.

In September CECE visited EuroSkills in Budapest and met WorldSkills Europe Presidency. WorldSkills Europe is an international non-profit organisation that promotes quality skilled work. CECE Secretary General met the WorldSkills Europe President Dita Traidis and Vice-President Stefan Praschl. They discussed the impact of skills shortages in the mechanical and engineering sector to manufacture and maintain construction machinery, but also in the construction trades focused on operating construction machinery on building sites.



CECE together with 27 other sectoral and business organisations have co-signed a statement calling for a swift ratification of the EU-Japan Economic Partnership Agreement. The signatories have called on the European Parliament to proceed with a swift ratification process, following the signature of the Agreement on 17 July 2018. The Trade Committee MEPs gave the greenlight to landmark this EU-Japan agreement. This allows both businesses and consumers as a whole to reap the benefits of this modern, comprehensive and balanced agreement. Japan and the EU are two like-minded and highly developed economies with a similar approach to today's challenges - aging population, security, environment - and long-standing trade and investment links. The Japan-EU EPA represents a thorough agreement reflecting the shared interest and high-standard rules of two developed and value-based economies.

The Agreement entered into force on 1st February 2019. Businesses and consumers across Europe and in Japan can now take advantage of the largest open trade zone in the world. The deal is opening a new marketplace home to 635 million people and almost a third of the world's GDP, bringing the people of Europe and Japan closer together than ever before.





INTERNATIONAL COOPERATION WITH ASSOCIATIONS ON ALL CONTINENTS

CECE holds regular dialogue with the major construction equipment associations in other parts of the world, in particular those in the USA, China, Japan, South-Korea and India, in order to keep abreast of relevant developments in the respective regions and to share expertise and knowledge. Once a year, the secretary generals meet in the framework of the International Associations Committee (IAC), usually during one of the international trade fairs.

The IAC receives input from the JTLM, the Joint Technical Liaising Committee, and the ISC, the International Statistics Committee.

CONSTRUCTION EQUIPMENT ASSOCIATIONS AROUND THE WORLD



North-America, AEM

Association of equipment manufacturers



Japan, CEMA

Japan construction equipment manufacturers association



Korea, KOCEMA

Korea construction equipment manufacturers association



India, ICEMA

Indian construction equipment manufacturers association



Brazil, SOBRATEMA

Brazilian association for construction and mining technology



China, CCMA

China construction machinery association

CECE INTERNATIONAL EXHIBITION PARTNERSHIP PROGRAMME

CECE gives coveted patronage to a limited number of world-leading sector exhibitions. With this role, CECE contributes to achieving successful trade fairs and promote business and valuable networks that are created around these occasions. According to the programme, CECE Exhibition Partners can obtain Bronze, Silver and Gold Partner packages, thus profiting from a number of commercially attractive services, useful promotion activities and CECE market intelligence resources.

CECE has Gold Partnership agreements with Messe München – organisers of bauma, which is taking place every three years – next edition will take place from 8 to 14 April 2019. This agreement also covers exhibitions bauma CTT RUSSIA and

bauma CHINA. AEM, organiser of CONEXPO-CON/AGG is a Gold Partner as well. Through the partnership agreement with Messe München and AEM, CECE is also partnering with bauma CONEXPO INDIA and bauma CONEXPO AFRICA. Finally, CECE has a Gold partnership with Intermat.

The Bronze partnership agreement with VeronaFiere covers the Italian exhibition Samoter. Sobratema, the Brazilian construction equipment trade association and organiser of the Latin American exhibition M&T Expo part of bauma NETWORK also has a Bronze-level partnership agreement, renewing its long-standing cooperation with CECE.



A YEAR OF INTERNATIONAL TRADE SHOWS WITH CECE

INTERMAT

INTERMAT is an international exhibition for construction and infrastructure, hosting approximately 173,000 visitors and 1,400 exhibitors. CECE Secretary General Riccardo Viaggi attended PRE-INTERMAT event on 18th and 19th January 2018 in Paris, a unique opportunity to meet construction professionals from across the value chain. He also embraced the opportunity of taking part to the international INTERMAT Innovation Awards, a competition that distinguishes equipment, products and solutions that enhance the progress of the construction and infrastructure industry.

Additionally, CECE President Enrico Prandini and Riccardo Viaggi welcomed Ms Barbara Bonvissuto, Head of Unit for advanced engineering at the European Commission, and MEP Anne Sander, Member of the economic affairs committee of the European Parliament, giving them the opportunity to get a better picture of the European high-tech construction equipment industry and its challenges.



During the trade fair, CECE had the chance to launch the publication of its Annual Economic Report with the presentation of a new video.



BAUMA CTT RUSSIA

bauma CTT RUSSIA, held for the first time under its new name, took place in Moscow, Russia from 5th to 8th June 2018. Surpassing the previous year's results, the fair attracted 22,681 participants and 586 exhibitors from 26 countries, showcasing their new products and innovations on 60,000 m² of exhibition space. During a workshop organised by CECE's Russian member association AEB, CECE Secretary General presented the current trends and tendencies in terms of digital machines and shared CECE's actions in the field of Digital Construction.



BAUMA CHINA

bauma CHINA is a biennial fair representing the largest industry event in Asia, gathering 3000 exhibitors from 41 countries and over 170.000 visitors from 149 countries. CECE attended the fair from 27th to 30th November 2018. Riccardo Viaggi, CECE Secretary General, spoke at the Opening Ceremony in Shanghai, focusing on the performance of the European construction machinery industry with the aim to convey to visitors the message that EU manufacturers are interested in long-term business relationships with Asian customers.



BAUMA CONEXPO INDIA

The fourth edition of bauma CONEXPO INDIA took place in Gurgaon/Delhi from 11th to 14th December 2018, bringing together about 750 exhibitors and 35,000 participants from over 30 countries in an exhibition space of 150,000 m². CECE Secretary General Riccardo Viaggi gave a speech during the Opening Ceremony, reminding the great importance of the Indian market for CECE members. The fair was also the occasion for a second bilateral meeting between CECE and iCEMA, the Indian Construction Equipment Manufacturers' Association.



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CONSTRUCTION EQUIPMENT

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