

# Capital Goods

## Decent export growth across major machines in Nov; AWP stood out

China Construction Machinery Association (CCMA) released a full set of construction machinery sales data for Nov. For exports, volume growth remained strong across major types of machines, in particular aerial work platform (AWP) that surged 88% YoY. In China, no improvement was seen, with excavator being the only product that saw growth in Nov. For stocks, we like **SANY Heavy (600031 CH, BUY)** for its high exposure to excavators. We also like **Zoomlion (1157 HK / 000157 CH, BUY)** for its emerging market penetration through a wide range of product offerings. The strong export growth of AWP is a good indicator for **Zhejiang Dingli (603338 CH, BUY)** given its high proportion of overseas AWP sales.

- **Excavators: still the best among all.** Domestic sales, which were up 21% YoY in Nov, have maintained a decent growth trend since Mar driven largely by small-size excavators. Export growth accelerated to 15% YoY in Nov, the highest monthly growth this year. Excavator remained the only product that saw growth in both domestic sales and exports in Nov.
- **AWPs: Exports grew 88% in Nov.** The export growth suggests an acceleration compared with -2%/+6% in Sep/Oct, helped by a low base effect. Total sales of AWP were flat YoY in Nov, as the strong growth of exports was offset by a 53% YoY decline in domestic sales. We do not expect domestic sales to recover in the foreseeable future as major leasing companies have continued to reduce capex.
- **Tower cranes: exports returned to growth in Nov.** Tower crane exports grew 23% YoY in Nov, following a decline of 16% in Oct. Export volume has been volatile this year without a clear trend. Domestically, sales declined 67% YoY in Nov, and we expect the weakness to continue in 2025E given the decline in property construction.
- **Truck cranes: solid export growth trend.** Exports grew 27% YoY in Nov, sustaining the trend of growth for five consecutive months. Domestically, sales dropped 39% YoY in Nov.

### Major construction machinery sales in Nov 2024

	Sales volume (units)			Change (YoY)		
	Total	China	Export	Total	China	Export
Excavator	17,590	9,020	8,570	18%	21%	15%
Wheel loader	8,646	4,383	4,263	-3%	-16%	16%
Truck crane	1,317	620	697	-16%	-39%	27%
Crawler crane	198	54	144	-22%	-45%	-7%
Tower crane	469	314	155	-56%	-67%	23%
Forklift	104,944	60,746	44,198	5%	-6%	13%
Aerial work platform	10,885	3,185	7,700	0%	-53%	88%

Source: CCMA, CMBIGM

### Downstream applications of construction machinery in China

Type of machinery	Infrastructure	Property	Mining	Manufacturing
Excavator	High	Medium	Low	Low
Wheel loader	Medium	Low	High	Low
Truck crane	High	Low	n/a	Low
Tower crane	n/a	High	n/a	n/a
Concrete machinery	Medium	High	n/a	Low
Coal mining equipment	n/a	n/a	High	n/a
Mining transport truck	n/a	n/a	High	n/a
Aerial work platform	Medium	Low	na	High

Source: CMBIGM

**OUTPERFORM**  
(Maintain)

### China Capital Goods Sector

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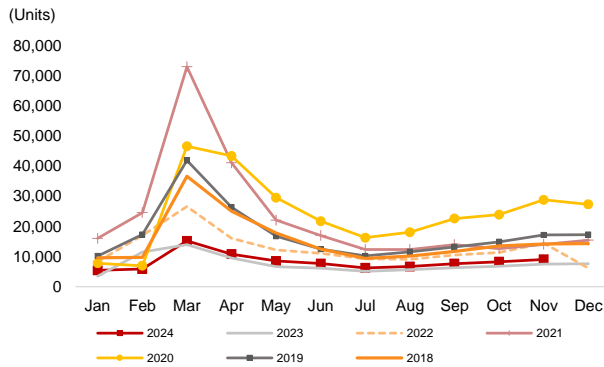
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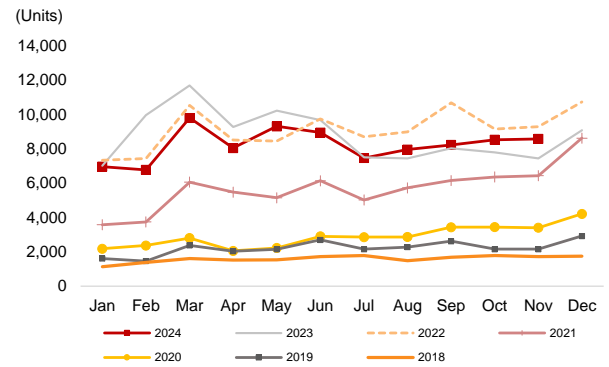
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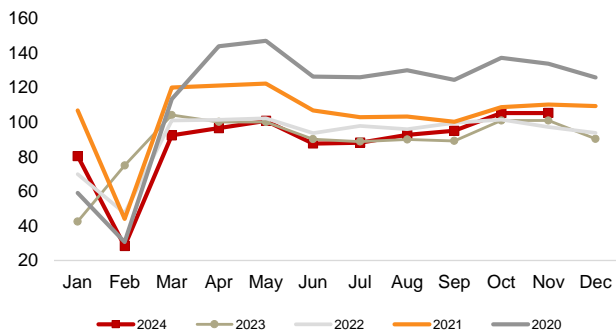
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**Figure 1: Monthly excavator sales in China**

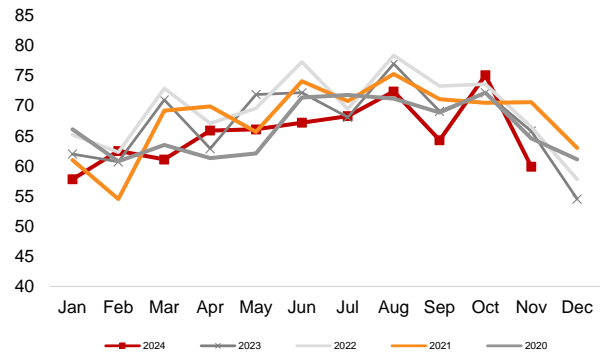
Source: CCMA, CMBIGM

**Figure 2: Monthly excavator export volume**

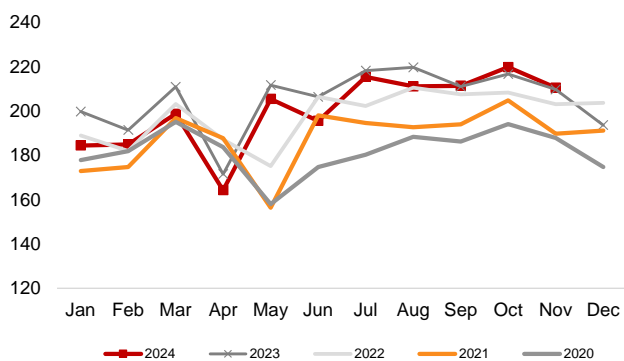
Source: CCMA, CMBIGM

**Figure 3: Komatsu excavator monthly utilisation hours in China**

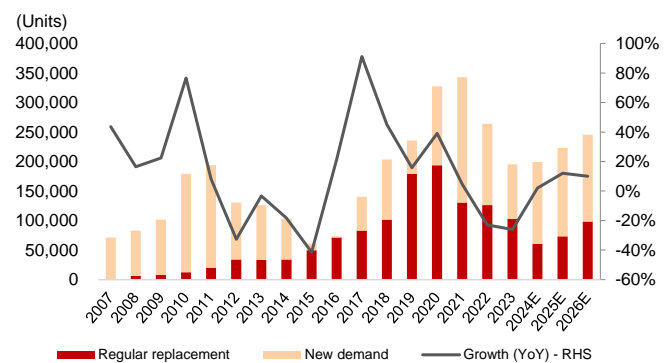
Source: Komatsu, CMBIGM

**Figure 4: Komatsu excavator monthly utilisation hours in North America**

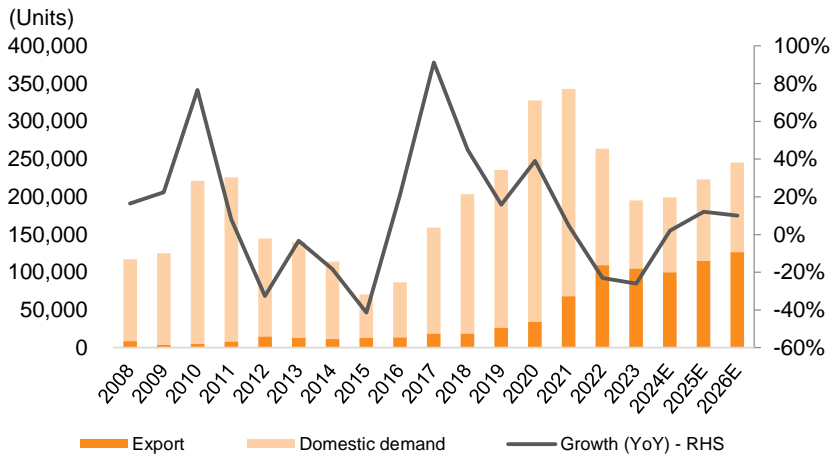
Source: Komatsu, CMBIGM

**Figure 5: Komatsu excavator monthly utilisation hours in Indonesia**

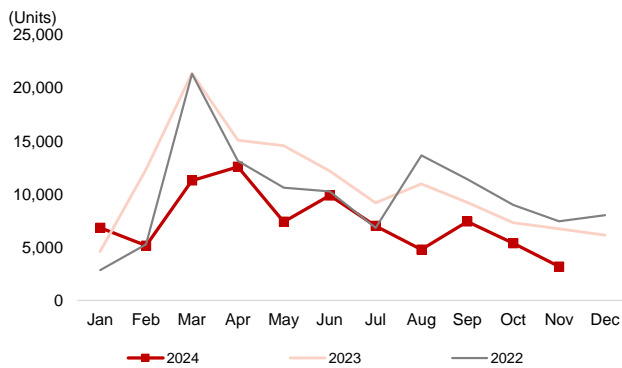
Source: Komatsu, CMBIGM

**Figure 6: CMBIGM excavator sales projection**

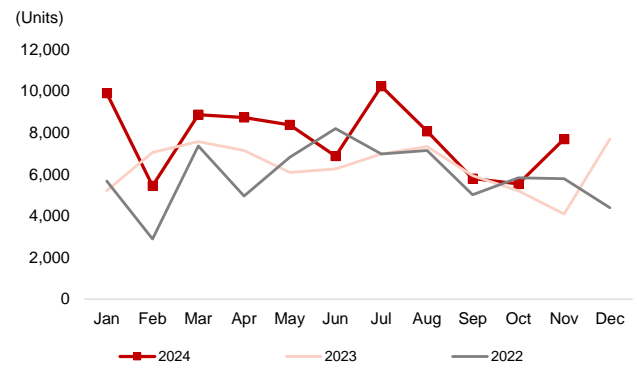
Source: CCMA, Wind, CMBIGM estimates

**Figure 7: CMBI excavator sales projection (breakdown by region)**

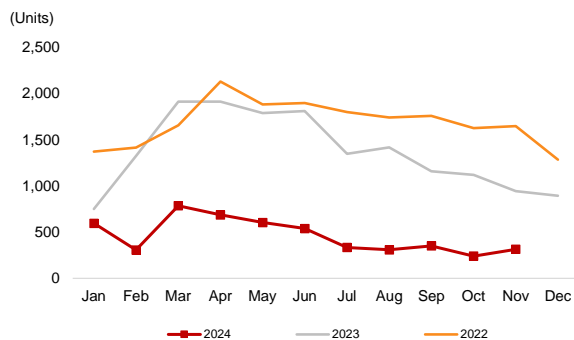
Source: CCMA, CMBIGM estimates

**Figure 8: AWP monthly sales in China**

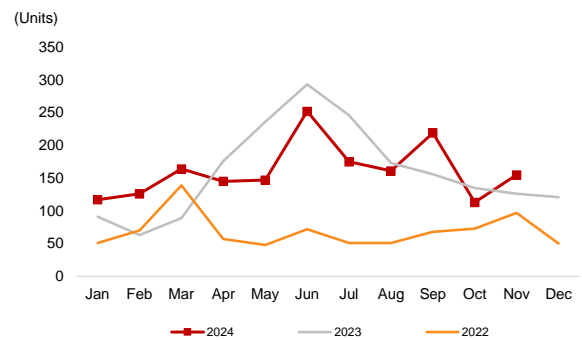
Source: CCMA, CMBIGM

**Figure 9: AWP monthly export volume**

Source: CCMA, CMBIGM

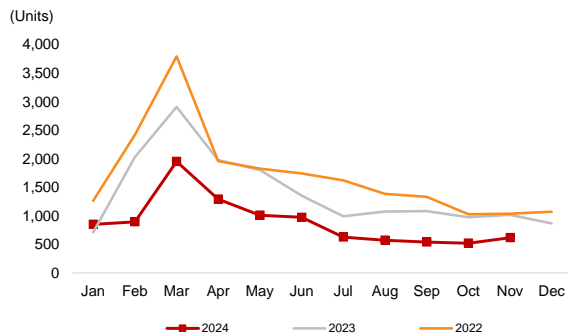
**Figure 10: Tower crane monthly sales in China**

Source: CCMA, CMBIGM

**Figure 11: Tower crane monthly export volume**

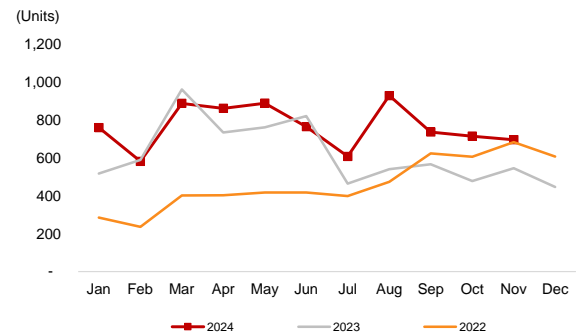
Source: CCMA, CMBIGM

Figure 12: Truck crane monthly sales in China



Source: CCMA, CMBIGM

Figure 13: Truck crane monthly export volume



Source: CCMA, CMBIGM

Figure 14: Overseas revenue contribution for major Chinese manufacturers

Company	Ticker	% of overseas revenue		
		2022	2023	1H24
Zhejiang Dingli	603338 CH	65%	64%	77%
SANY Heavy	600031 CH	47%	61%	62%
Zoomlion	1157 HK / 000157 CH	24%	38%	49%
Sinotruk	3808 HK	47%	36%	45%
XCMG	000425 CH	30%	40%	44%
SANY International	631 HK	27%	31%	36%
Jiangsu Hengli*	601100 CH	22%	22%	-
Weichai Power**	2338 HK / 000338 CH	54%	53%	52%

Source: Company data, CMBIGM

Note: \* Certain domestic sales will become final products for export.

\*\* Weichai owns 46.5% interest in KION (KGX GR), the major source of overseas revenue. Adjusted for KION's revenue, together with Weichai's direct and indirect exports, we estimate Weichai's attributable overseas revenue accounted for 30-40% of total revenue.

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