

Capital Goods

Non-earth-moving machinery sales data mixed in Feb

China Construction Machinery Association (CCMA) released a full set of construction machinery sales data for Feb. Unlike the stronger-than-expected earth-moving machinery (excavator and wheel loader) data that released last week (CMBI report: [link](#)), the picture for other machinery was unclear. Forklifts and truck cranes saw growth in both domestic and overseas markets, while tower cranes (highly related to property) / aerial work platforms (AWPs) saw 33%/24% decline in China market despite a low base. We continue to favour earth-moving machinery which is the first to recover in both the project-level cycle and replacement cycle. Reiterate **BUY** on **SANY Heavy (600031 CH)**, **Jiangsu Hengli (601100 CH)** and **Zoomlion (1157 HK / 000157 CH)**. On the other hand, we see downside risk to our BUY-rated **Zhejiang Dingli (603338 CH)**, given the weaker-than-expected AWP industry sales in both China and exports.

- **Truck crane sales +12% YoY in Feb.** Exports grew 15% YoY in Feb (+5% in 2M25), sustaining the trend of growth since mid-2024. Domestic sales increased 10% YoY in Feb but still dropped 14% in 2M25.
- **Tower cranes: exports stabilizing but China still declining.** Tower crane exports grew 12% YoY in Feb (+4% in 2M25). Domestically, sales declined 33% YoY in Feb (-56% in 2M25). We expect the weakness to continue given the decline in property construction.
- **AWPs: down 13% YoY in Feb.** Exports dropped 3% YoY in Feb (-13% in 2M25), which is weak in our view. Domestic sales declined 24% YoY (-47% YoY), as major AWP leasing companies have continued to reduce capex and we expect the trend to continue.

Major construction machinery sales in Feb 2025

	Sales volume (units)			Change (YoY)		
	Total	China	Export	Total	China	Export
Excavator	19,270	11,640	7,630	53%	99%	13%
Wheel loader	8,730	4,505	4,225	34%	63%	13%
Truck crane	1,656	985	671	12%	10%	15%
Crawler crane	216	70	146	0%	17%	-7%
Tower crane	348	207	141	-20%	-33%	12%
Forklift	101,451	66,245	35,206	49%	59%	33%
Aerial work platform	9,200	3,901	5,299	-13%	-24%	-3%

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

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China Capital Goods Sector

Wayne FUNG, CFA

(852) 3900 0826

waynefung@cmbi.com.hk

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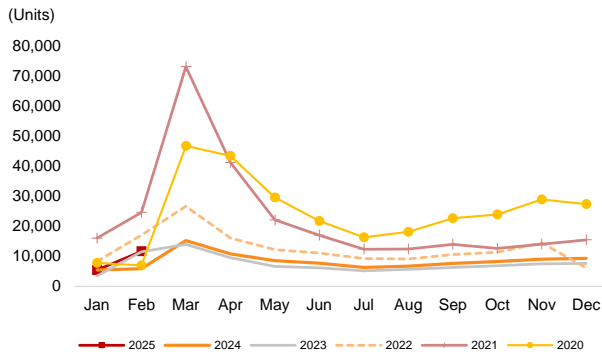
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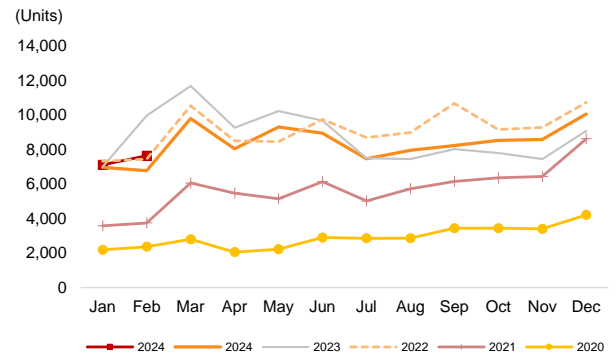
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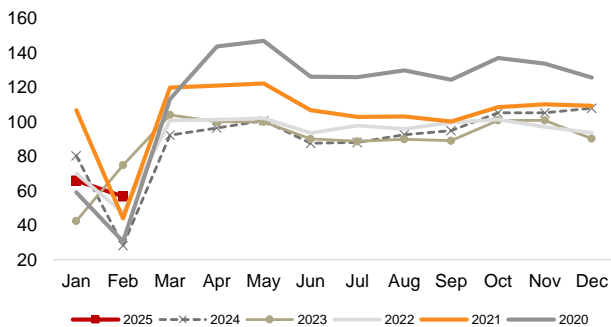
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Figure 1: Monthly excavator sales in China

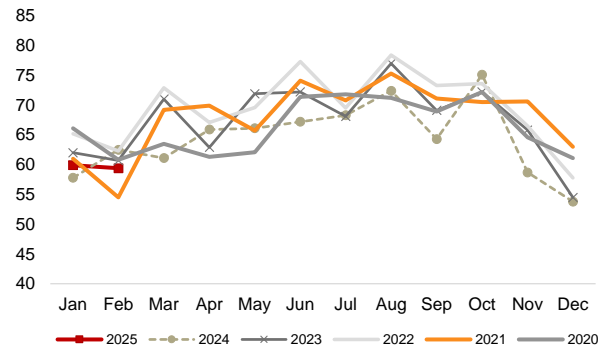
Source: CCMA, CMBIGM

Figure 2: Monthly excavator export volume

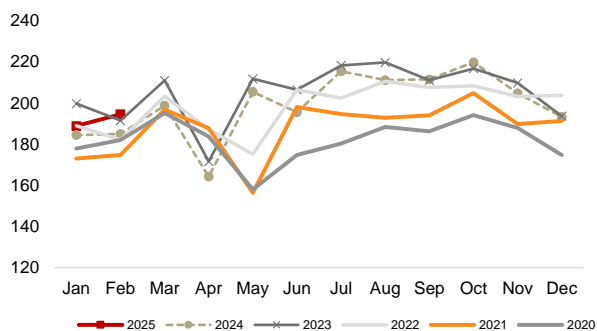
Source: CCMA, CMBIGM

Figure 3: Komatsu excavator monthly utilisation hours in China

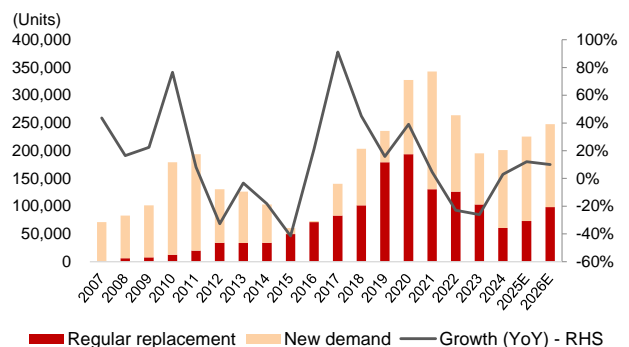
Source: Komatsu, CMBIGM

Figure 4: Komatsu excavator monthly utilisation hours in North America

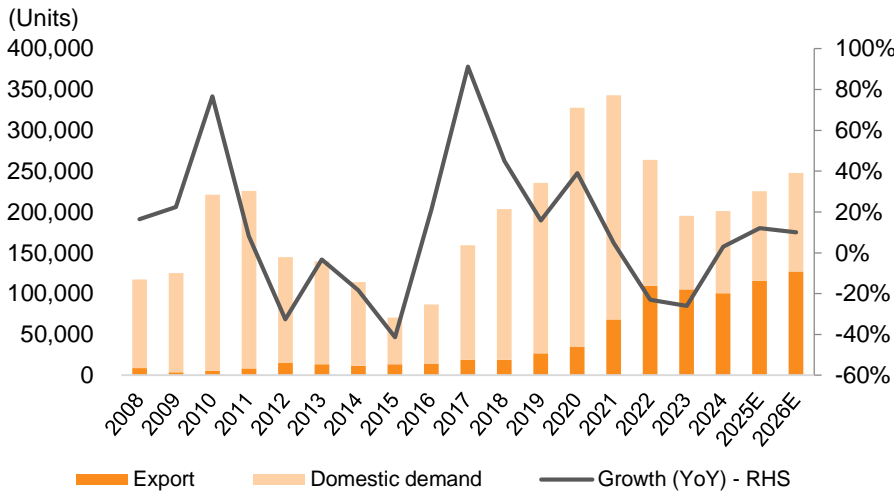
Source: Komatsu, CMBIGM

Figure 5: Komatsu excavator monthly utilisation hours in Indonesia

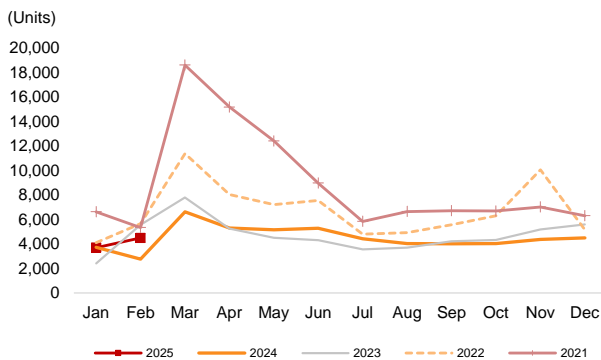
Source: Komatsu, CMBIGM

Figure 6: CMBIGM excavator sales projection

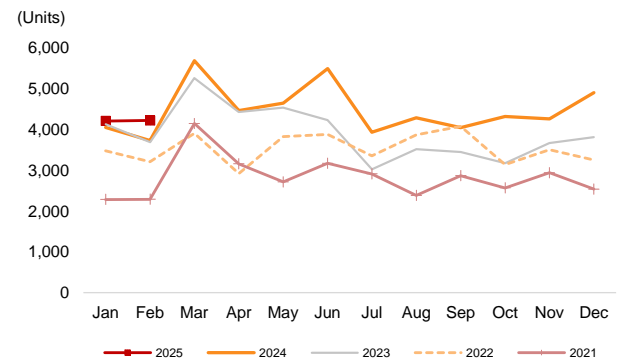
Source: CCMA, CMBIGM estimates

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

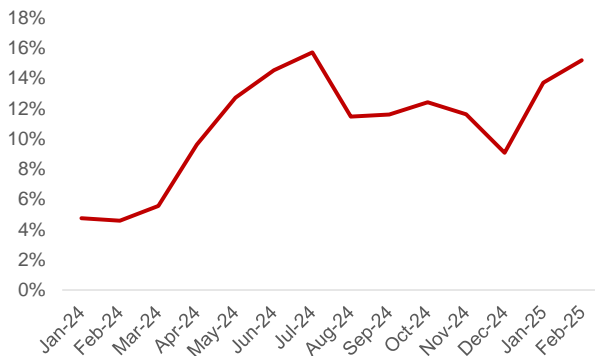
Source: CCMA, CMBIGM estimates

Figure 8: Monthly wheel loader sales in China

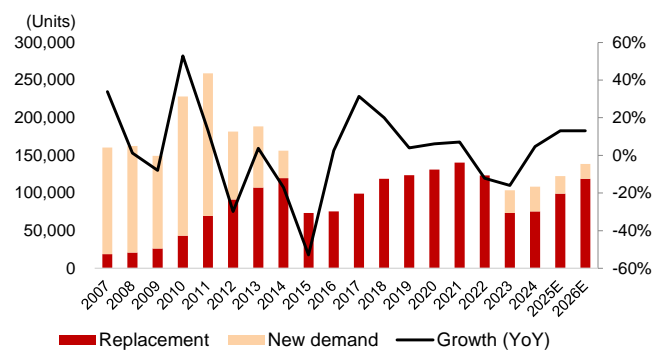
Source: CCMA, CMBIGM

Figure 9: Monthly wheel loader export volume

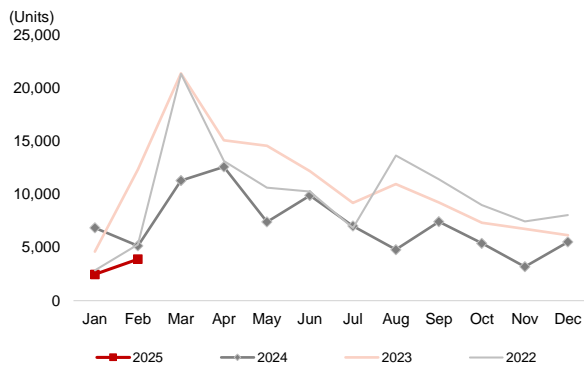
Source: CCMA, CMBIGM

Figure 10: Electric wheel loader sales as percentage of total wheel loader sales

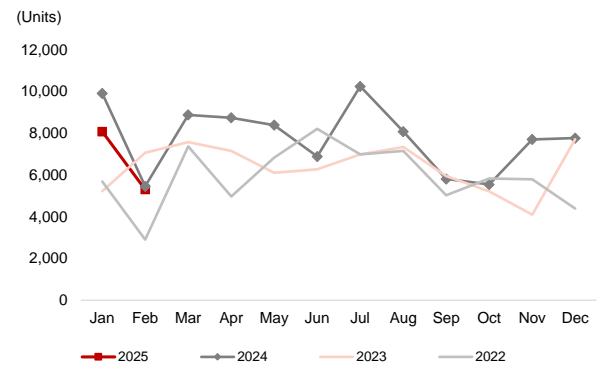
Source: CCMA, CMBIGM

Figure 11: CMBIGM wheel loader sales projection

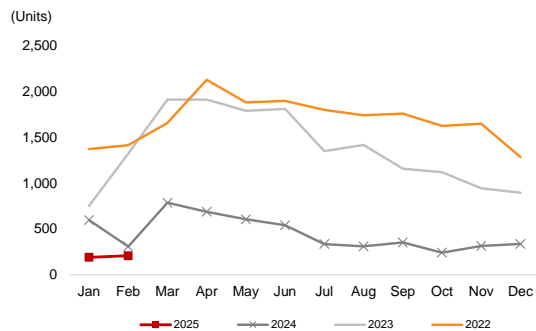
Source: CCMA, CMBIGM estimates

Figure 12: AWP monthly sales in China

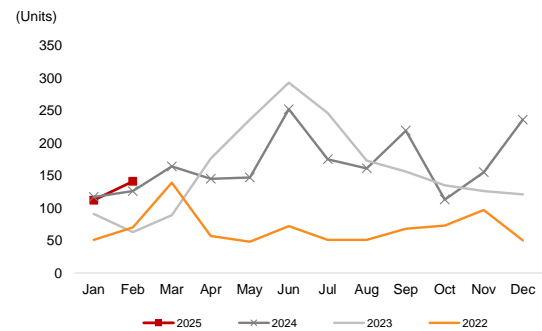
Source: CCMA, CMBIGM

Figure 13: AWP monthly export volume

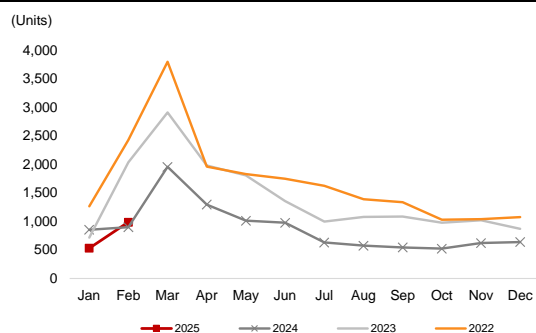
Source: CCMA, CMBIGM

Figure 14: Tower crane monthly sales in China

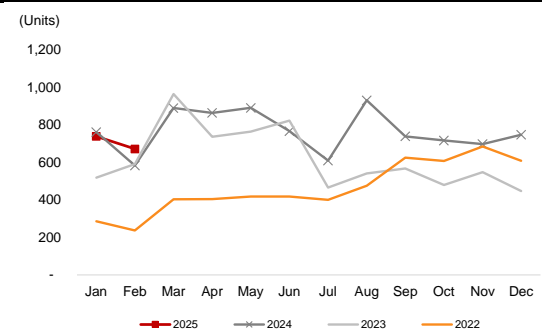
Source: CCMA, CMBIGM

Figure 15: Tower crane monthly export volume

Source: CCMA, CMBIGM

Figure 16: Truck crane monthly sales in China

Source: CCMA, CMBIGM

Figure 17: Truck crane monthly export volume

Source: CCMA, CMBIGM

Figure 18: 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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CMB International Global Markets Limited

Address: 45/F, Champion Tower, 3 Garden Road, Hong Kong, Tel: (852) 3900 0888 Fax: (852) 3900 0800

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