

NEW BUILDING CYCLE SET TO BEGIN BUT THE MARKET WILL BE DRIVEN BY RESTRUCTURING, RENOVATION AND TECHNOLOGICAL INNOVATION

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The Cresme study for Federcostruzioni highlights the first positive economic signs in the industry and growing sales figures for machinery. The first three months of the year saw +11.4% in public procurement tenders. Sites are resuming but the market is changing: in Italy, in 2013, renovations were worth 113 billion euros, against 50 billions for new constructions (19.7 for housing). De Vizio (Federcostruzioni): *2We represent more than three million employees and turnover of 400 billion euros."*

Verona, 9 May 2014. Are we seeing the start of a new cycle after dark years of unprecedented crisis, especially in Italy? According to **Federcostruzioni**, the answer is Yes. In the Italian construction industry, the brick sector achieved growth in sales of 13% in the second half of 2013 and public procurement tenders have improved by +11.4% in the first three months of this year. As a result, sales of construction equipment have also grown, with an upturn in imports as of August last year. This is an unequivocal sign that machines are being sold because companies finally have sites where they can be used.

This is the scenario outlined by Federcostruzioni at the **29th edition of Samoter**, the triennial international exhibition of earth-moving and building machinery open until Sunday 11 May at Veronafiere, alongside **Asphaltica**, the International asphalt industry exhibition: equipment, technologies and road safety.

The occasion was the conference titled "**The public works and construction equipment market towards the seventh building cycle**" organized by Federcostruzioni. These signals, especially those for early-2014, are clear.

They were outlined in more detail by **Lorenzo Bellicini** of **Cresme** which, on behalf of Federcostruzioni, analysed the sector in close relation to the machinery market. In any case, the construction crisis, according to Bellicini, is directly or indirectly responsible for about 50% of the 1.18 million jobs lost in five-year period 2008-2013. General indicators are at last positive: industrial orders are on the up, there are constant increases in imports of semi-finished products, foreign investors - funds and others - are looking to Italy with more interest and even car registrations are pointing upwards.

"But we must beware," said Bellicini, "since the market we are facing is very different from the past: restructuring in 2013 was worth 113 billion euros, against only 50 billions for new buildings of which merely 19.7 billions for housing." It is consequently evident that technological innovation is very important when discussing restructuring, renovation and restoration and one of the most important driving forces behind growth for all companies in the sector.

This topic was also mentioned by **Elisa Cesaretti, President of Ascomac**: "We are building machinery that is increasingly safe, ecological and environment-friendly; such machines are inevitably more expensive - but then there are no regulations that encourage companies to buy them. Technical specifications for public procurement tenders make no mention of them. Machinery should also be included in the sustainability calculations for buildings and a reward system must be introduced, perhaps with tax exemptions."

The **President of Anima, Luca Turri**, emphasised two aspects which he believes are crucial: "There are serious shortcomings in the banking system, that does not help companies and their projects by withholding financial support. This situation must change. As a result, faced by a market where renovation is 66% of total, it is vital that the Government avoids "scaring off" families with more or less disguised asset taxation just as they are beginning to spend again. Our companies cannot survive only on the international market: the domestic market is also vital and the Government must ensure appropriate planning and steering capacity."

The **Secretary General of Ascomac, Carlo Belvedere**, in this regard mentioned the points already brought to the attention of the Cabinet: "We highlighted a number of critical issues: in the first place, of course, comes the very late payment by public administrations and the stability pact, but also the need to intervene as regards hydro-geological risks, urban development in cities and renovation of school buildings. All these topics, together with attention on infrastructures, are central not only to our industry but for the country as a whole."

Even **Ruggero Riva, President of Cantiermacchine**, focused attention on the financial system: "Banks are not making credit available and our clients are truly struggling to buy the new machinery they genuinely need." The **Secretary-General of Federcostruzioni, Alberto De Vizio**, closed the meeting by recalling the role and importance of the association: "Through 100 associations, we represent over three million people and turnover of 400 billion euros. We are convinced that we are an authoritative voice for an important segment of the national production fabric."

Source: SaMoTer; Veronafiere