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Off-highway vehicles face electrification trend, says Interact Analysis

- New report from Interact Analysis offers unparalleled insight into electrification trends
- Off-highway vehicle machine builders and vendors should set electrification plans in place now
- Most off-highway vehicles saw double digit sales growth in 2018; but market slowing in 2019

LONDON, UK, July 19 – New research from market intelligence firm Interact Analysis shows that electrification will be a key trend in off-highway vehicles as ever-stricter emissions standards are introduced across major markets such as Europe, India and China. With Europe planning bans on diesel and petrol cars from 2025, followed by India from 2030 and China from 2040, the trend is clear ([see Fig. 1](#)). Ultimately, machine builders and engine manufacturers for vehicles such as bulldozers, excavators, loaders, tele-handlers, aerial work platforms and lift trucks will be forced to respond as internal combustion engines are phased out. At a market level, the research shows that most off-highway vehicle categories saw double digit growth in 2018 unit sales. For example, sales of excavators in China increased 45% over 2017 to exceed 200,000 units.

Lift trucks are the largest vehicle segment in terms of unit shipments – with nearly 1.5 million shipped in 2018 – and are also forecasted to have the highest adoption rate of electrification. Lightweight equipment will adopt full electric technology far faster, with medium and large vehicles forecast to have a full-electric adoption rate of just under 15% in ten years' time. Overall, market growth is slowing in 2019 with conditions forecast to worsen further in 2020.

Interact Analysis's work shows that the long-term fiscal benefits of employing hybrid or all-electric powertrains are compelling for off-highway vehicle manufacturers. This is because electric motors do not require the same levels of service as internal combustion engines, such as oil or filter changes. Therefore, savings in the total cost of ownership outweigh the higher initial outlays needed for electric vehicles. Charging infrastructure is a major challenge. In the on-highway commercial vehicle market, vendors have met this challenge by developing and selling a complete solution that includes charging infrastructure, grid connections and consultation. This has opened new revenue streams and the opportunity exists for machine builders or suppliers in the off-highway market to do similar: adopting a new business model catering to the specific charging infrastructure needs of off-highway vehicles.

Jan Zhang, research director at Interact Analysis and report author, says: "Off highway vehicles is a conservative market, yet manufacturers should consider what the evidence shows: electrification is an unstoppable trend and it must be taken seriously. Taken as a whole, while the market is set to decline from the highs seen in 2018, we expect it to level out around 2021 and then remain stable. It is clear that electrification technology doesn't yet have the track record or reputation for durability and reliability in the off-highway vehicles market that would be required to spark widespread migration. Put simply, there's a lack of confidence in the long-term viability of electrification. This must change because our research shows the direction of travel is clear: now is the time for off-highway vehicle companies to explore where they fit in this bold new landscape."

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About the off-highway vehicle report

These findings are from Interact Analysis's new off-highway vehicle report which examines the size and growth profiles for each major vehicle type by region. It is the only report on the market to quantify the impact that electrification is having on off highway vehicles – with a 10-year forecast to 2028. The competitive landscape is examined, including market shares of major off-highway vehicle types. Utilizing a rigorous primary research methodology, the report provides detailed and critical analysis on emission standards and the legislative environment. It also explores key drivers and risk factors for the off-highway vehicle industry including the impact of potential economic recession, urbanization and construction. The contributing growth factors are broken down and a credible market forecast is provided based on more than 40 hours of interviews and interviews with over 50 industry insiders.

The report includes research, data and analyst insights. Market data is offered in two formats: Excel and Microsoft PowerBI. The PowerBI dashboards are available to all customers and offer unparalleled access to enter and manipulate the dataset, allowing the user to switch between currencies at will, and to drill down through different categories to analyze behavior at different levels of granularity with ease.

To learn more, visit: <https://www.interactanalysis.com/the-off-highway-vehicle-market-2019/>

About Interact Analysis

Interact Analysis is an international provider of market research for the Intelligent Automation sector. Our team of experienced industry analysts delivers research into three core sectors: industrial automation, robotics and warehouse automation, and commercial vehicles. Intelligent Automation – which is the integration of artificial intelligence and automation – will change virtually every industry imaginable. This combination enables greater efficiencies, productivity, convenience and scale. It has the potential to drastically alter the outlook for many traditional industries such as manufacturing, healthcare and automotive as well as to lead to the emergence of entirely new industries.

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