

# Europe Construction Equipment Market to Reach US\$ 355.5 Billion by 2035 | Fact.MR Report

*Analysis of Europe Construction Equipment Market Covering 30+ Countries Including Analysis of US, Canada, UK, Germany, France, Nordics, GCC countries*

ROCKVILLE, MD, UNITED STATES, July 16, 2025 /EINPresswire.com/ -- The [Europe Construction Equipment Market](#), valued at US\$ 198.5 billion in 2025, is projected to reach US\$ 355.5 billion by 2035, driven by a robust

CAGR of 6.0%. Fueled by EU-funded infrastructure projects, increasing demand for electric and low-emission machinery, and the integration of smart technologies, this market is pivotal for Europe's urban and sustainable development. This press release explores the key drivers, projections, and opportunities shaping this dynamic industry.

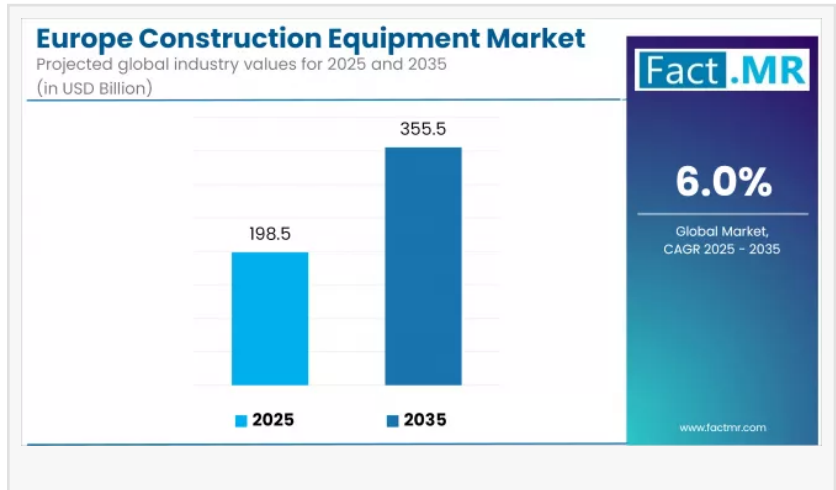
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## Why is the Market Growing?

Rising infrastructure investments, with the European Investment Bank reporting €60 billion in 2023, drive demand for construction equipment across transport, urban resilience, and energy projects. The European Green Deal's €1.8 trillion investment fuels adoption of electric machinery, with sales up 25% in 2023. Urbanization, with 10% growth in urban construction in 2023, boosts demand for compact and versatile equipment like mini excavators. Innovations, such as Caterpillar's 2024 electric compact excavators, enhance efficiency. Stringent EU regulations, mandating a 20% carbon emission reduction by 2025, accelerate the shift to sustainable machinery. Challenges like high costs, averaging US\$ 100,000 per unit, are mitigated by rental models and government incentives.

## What Are the Key Market Projections?



The market is set to create a US\$ 157 billion opportunity by 2035, growing from US\$ 198.5 billion in 2025 to US\$ 355.5 billion at a 6.0% CAGR. The earthmoving equipment segment, with a 40% share in 2024, is projected to generate a US\$ 2,857.1 million opportunity by 2034. Germany, holding a 36% share in 2024, leads with a 6.3% CAGR, while East Europe, particularly Poland, grows at 7.0%. The electric equipment segment is expected to grow at a 12.5% CAGR, driven by sustainability mandates. Historical growth from 2015 to 2021 was at a 5.8% CAGR. Short-term growth (2025–2028) focuses on compact machinery, while long-term trends (2030–2035) emphasize automation and net-zero solutions.

### How Can Stakeholders Leverage Opportunities?

Stakeholders in construction, infrastructure, and manufacturing can capitalize by investing in electric and hybrid equipment, like Volvo CE's 2024 electric compact models. Partnerships, such as Hitachi's 2023 collaboration with Dutch charging firms, enhance charging infrastructure. Targeting Germany and Poland, with combined investments of €100 billion in 2024, offers significant potential. Rental services, accounting for 25% of sales in 2024, provide cost-effective access, with the rental market projected to reach US\$ 58.76 billion by 2033. Compliance with Stage V emissions standards and EU sustainability goals ensures market competitiveness and supports net-zero targets.

### What Does the Report Cover?

Fact.MR's report combines primary research with experts across 30+ countries and secondary analysis, covering segments by machinery type (earthmoving, material handling, concrete and road construction, others), drive type (IC engine, electric and hybrid), and region (Germany, UK, France, Spain, Italy, Poland, Rest of Europe). It highlights trends like automation, telematics, and electric machinery adoption, providing actionable insights for stakeholders.

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### Who Are the Market Leaders?

Key players include Caterpillar Inc., Volvo Construction Equipment, Komatsu Ltd., Liebherr Group, and Hitachi Construction Machinery. In 2024, Caterpillar launched electric compact excavators, while Volvo CE introduced three electric compact models. These companies, holding over 50% of the market, drive innovation through R&D, acquisitions, and partnerships with infrastructure developers, strengthening their market dominance.

### What Are the Latest Market Developments?

In 2024, EU infrastructure investments grew by 7.5%, with 134 transport projects funded at €7.5

billion. Electric equipment sales rose by 25%, supported by Battery 2030+ initiatives for sustainable batteries. Germany's construction sector contributed €143 billion in 2023, with projects like the Krampnitz Housing Development driving demand. Innovations like Bobcat's 2024 AI-powered compact track loader enhanced productivity by 15%. The rental market grew by 5.22%, reflecting cost-conscious trends. EU mandates for 20% emission reductions by 2025 further accelerated low-emission equipment adoption.

### What Challenges and Solutions Exist?

High equipment costs, averaging US\$ 100,000, and limited charging infrastructure, with only 10% of sites equipped in 2024, hinder adoption. Economic uncertainties and a 10% sales decline in 2023 pose challenges. Solutions include rental models, reducing costs by 25%, and government incentives like Germany's €63.2 billion renewable energy investment. Localized production, as seen in CASE's Italian plants, mitigates supply chain risks. Compliance with EU Stage V standards and investments in battery technology, like ACC's 2024 gigafactories, ensure market resilience.

### Conclusion:

The Europe Construction Equipment Market is set to reach US\$ 355.5 billion by 2035, driven by a 6.0% CAGR. With applications in infrastructure, urban development, and sustainable projects, and supported by electric machinery and smart technologies, the market offers transformative opportunities. Stakeholders can leverage Fact.MR's insights to target high-growth regions like Germany and Poland, invest in sustainable and automated solutions, and address cost and infrastructure challenges to thrive in this vital industry.

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