

Construction Equipment Market Projected to Grow from USD 171.98 Billion in 2025 to USD 271.30 Billion by 2032

Construction equipment market report covers key companies, including AB Volvo, Caterpillar Inc., Komatsu Ltd., Doosan Infracore Co. Ltd.

PUNE, MAHARASHTRA, INDIA,

September 17, 2025 /

EINPresswire.com/ -- Market Size and Growth Trajectory

The global [construction equipment market](#) size was valued at USD 161.45 billion in 2024. The market is projected to grow from USD 171.98 billion in 2025 to USD 271.30 billion by 2032, exhibiting a CAGR of 6.73% during the forecast period. This robust growth trajectory reflects the increasing demand for construction machinery across various sectors and regions globally.

The construction equipment market encompasses a comprehensive range of machinery essential for construction activities, including earthmoving equipment, material handling systems, road building machinery, and specialized construction tools. This market includes a wide range of equipment, such as excavators, loaders, cranes, dozers, and others, which are essential for large-scale construction projects, infrastructure development, and residential, commercial, and industrial buildings.

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Asia Pacific dominated the global market with a share of 41.83% in 2024”

Fortune Business Insights



Construction Equipment Industry

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Key Market Drivers

Infrastructure Investment and Urbanization

The market is driven by factors such as increasing urbanization, rising infrastructure investments, and the growth of the construction sector across emerging economies.

Government initiatives worldwide are significantly contributing to market expansion, with major economies launching ambitious infrastructure programs.

Governments across the globe are prioritizing large-scale infrastructure development to boost economic growth, enhance connectivity, and improve public services. Major economies, including the U.S., China, India, and the European Union, have announced ambitious plans for roadways, bridges, smart cities, and renewable energy projects. Notable programs include the U.S. Infrastructure Investment and Jobs Act, China's Belt and Road Initiative, and India's National Infrastructure Pipeline.

Technological Advancements

Technological advancements, such as the integration of automation, telematics, and electrification in construction machinery, are also propelling market growth by improving efficiency, reducing emissions, and lowering operational costs. The industry is witnessing a significant transformation through digital integration and smart technologies.

The integration of GPS and IoT in construction machinery allows real-time tracking, remote monitoring, and data analytics, enabling construction companies to enhance productivity and cost efficiency. AI-powered predictive maintenance solutions are becoming increasingly important for reducing downtime and operational costs.

Market Segmentation Analysis

Equipment Type Leadership

The earthmoving equipment segment held the leading position with 54% of the market share in 2024, driven by its essential role in excavation, grading, and site preparation. This dominance reflects the fundamental importance of earthmoving operations in construction projects.

The material handling equipment & cranes segment is expected to witness the highest CAGR during the forecast period, fueled by rising high-rise construction, smart city projects, and industrial expansion. The growing emphasis on vertical construction and automated handling systems is driving this segment's rapid expansion.

Application Sectors

The residential sector held the highest market share in 2024, driven by the continuous demand for housing and urban development. Housing projects continue to be a primary driver of construction equipment demand globally.

However, the industrial sector is expected to exhibit the highest CAGR of 7.22% due to increasing investments in industrial infrastructure, manufacturing plants, and logistics hubs. This growth reflects the ongoing industrialization and automation trends across key economies.

Regional Market Dynamics

Asia Pacific Dominance

Asia Pacific held the highest construction equipment market share with a value of USD 67.55 billion in 2024, driven by large-scale infrastructure projects, rapid urbanization, and strong government investments in smart cities and transportation networks. The region benefits from robust construction activities across multiple countries.

China is the largest market for construction equipment with a notable value of USD 33.37 billion anticipated to hit in 2025, driven by extensive urbanization, industrial expansion, and government-funded infrastructure projects. China's Belt and Road Initiative continues to fuel both domestic and international demand for construction machinery.

Other Regional Markets

In 2025, Europe holds the second largest market with the value of USD 46.15 billion, exhibiting a CAGR of 6.46% during the forecast period. European growth is driven by investments in green buildings and renewable energy projects.

North America is the third largest market for construction equipment, valued for USD 35.40 billion, supported by stable infrastructure development, urban expansion, and strong adoption of advanced technologies such as automation and telematics.

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Market Challenges and Sustainability Trends

Supply Chain Disruptions

Global supply chain disruptions have become a significant restraint for the global construction equipment market growth, leading to delays in production, increased costs, and reduced availability of critical components. Semiconductor shortages and raw material price volatility continue to impact manufacturers.

Environmental Focus

The shift toward electric and hybrid construction machinery is gaining momentum due to stringent emission regulations and the global push for sustainability. Environmental regulations are driving innovation in cleaner technologies and energy-efficient equipment solutions.

Competitive Landscape

Caterpillar, Komatsu, AB Volvo, Liebherr, and Hitachi are the largest players in the construction equipment industry. The global construction machinery market is consolidated, with the top 5 players accounting for around 44.8% of the market share. These industry leaders continue to invest heavily in research and development, automation technologies, and global expansion strategies.

Rising influence of Chinese manufacturers reshaping global construction machinery dynamics is creating new competitive pressures, with companies like SANY and XCMG expanding internationally while offering cost-effective solutions.

Future Outlook

The construction equipment market presents substantial growth opportunities driven by continuing infrastructure investments, technological innovation, and the transition toward sustainable construction practices. The industry's evolution toward automation, electrification, and digital integration positions it for sustained expansion through 2032, with emerging markets offering particularly strong growth potential.

Read Other Research Reports:

[Concrete Cutting Market](#) Overview - Fortune Business Insights Analysis

[Welding Equipment Market](#) Overview - Fortune Business Insights Analysis

Ashwin Arora

Fortune Business Insights™ Pvt. Ltd.

+1 833-909-2966

sales@fortunebusinessinsights.com

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