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Date: Brussels, 8th April 2025

CECE PRESS RELEASE

2024, a tough year for the European construction equipment industry

- Annual Economic Report & tailor-made video released
- European construction equipment market down by 19% in 2024
- Slow recovery expected in 2025

“The current geopolitical environment is creating changes and uncertainty in Europe’s macroeconomic conditions. It is still too early to know precisely if the new investments in defence will also spill over positively in the heavy machinery sector and how the renewed German investment potential in infrastructure will have a positive effect in overall construction spending. bauma, the world’s largest and most important trade fair for the industry, will certainly have a positive effect on business sentiment, but it will not in itself help to generate additional demand”, emphasizes CECE President Jose Antonio Nieto at the CECE press conference on 8th April in Munich, presenting the 2025 CECE Annual Economic Report.

Performance 2024

The European construction sector faced another challenging year in 2024, with overall activity in the Eurozone contracting by 2.4%. The European construction equipment market saw a substantial decline of 19%. These declines followed the slowdown in 2023, which was driven by high construction costs, persistent inflation and rising interest rates as well as fears of recession and a deterioration in geopolitical crisis.

Although infrastructure and energy-related projects demonstrated some stability, broader market activity was constrained by weak demand and reduced investment. A significant trend last year was the steep decline in residential construction, especially in Germany, France and Sweden. High borrowing costs and declining consumer confidence hindered new developments, while repair and maintenance work also decreased due to economic uncertainty. Non-residential construction performed poorly as well, impacted by weak office and retail markets.

However, logistics and industrial construction remained stable, supported by continued investments in supply chain infrastructure.

Outlook 2025

The European construction sector is expected to recover slowly from 2025 onwards, driven by public investments, green policies and major infrastructure projects. Civil engineering will remain a key growth driver, while residential and non-residential construction gradually stabilize. EU funding and energy transition goals will support infrastructure expansion, providing a solid foundation for growth. After three years of decline, output is projected to rise by 1.1% in 2025 and accelerate to 1.8% by 2026. Lower interest rates and improved economic conditions will boost demand, particularly in housing. Despite challenges like labour shortages and material costs, digitalization and sustainability initiatives will play a crucial role in securing long-term growth.

About the Report – together with a short summary in a video

The CECE Annual Economic Report contains sections on the macro-economic situation, the performance of the construction sector, the main markets and main segments of the European construction equipment industry, including the mining industry. The report also includes information from the national CECE member associations, shedding more light on regional developments in the European construction equipment sector. This year's report also covers the rental market with the ERA/IRN RentalTracker survey.

The full report with detailed figures and graphs can be viewed and downloaded [here](#). **The video animation** can be viewed [here](#). Slides presented during the event are available [here](#).

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About CECE

CECE, the Committee for European Construction Equipment, represents the interests of 1,200 construction equipment manufacturers through national trade associations in Europe. CECE members invest and innovate continuously to deliver equipment with highest productivity and lowest environmental impact. Efficiency, safety and high-precision technologies are key. See also www.cece.eu.