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Global construction market to grow \$8 trillion by 2030: driven by China, US and India

- US construction market to grow faster than China over next 15 years
- Despite size, China powerhouse to drop to historic low of construction growth in 2016
- India to provide a new engine of global growth for construction in emerging markets, growing at almost twice as fast as China
- Europe will not recoup its 'lost decade' but the UK will be continental Europe's stand-out growth market, overtaking Germany to become the world's sixth largest construction market by 2030

A new report released today – Global Construction 2030 – forecasts the volume of construction output will grow by 85% to \$15.5 trillion worldwide by 2030, with three countries – China, US and India – leading the way and accounting for 57% of all global growth.

The benchmark global study - the fourth in a series from Global Construction Perspectives and Oxford Economics - shows average global construction growth of 3.9% pa to 2030, outpacing that of global GDP by over one percentage point, driven by developed countries recovering from economic instability and emerging countries continuing to industrialize.

"China's share of the world construction market will increase only marginally as growth slows in the world's largest construction market to 2030. In comparison, US construction will grow faster than China over the next 15 years – growing by an average of five percent per annum. Meanwhile, we're due to see a surge in construction rates in India as it overtakes Japan to become world's third largest construction market by 2021," says Graham Robinson, Executive Director, Global Construction Perspectives.

China construction growth is to slow considerably with a slump in housing and the first ever decline in housing output for China will be registered this year. But, its transition to a consumer and services driven economy provides opportunity for growth in new types of construction in healthcare, education and social infrastructure, as well as retail and other consumer end-markets. The abolition of China's one-child policy adds impetus to our long-term view.

The construction market in India will grow almost twice as fast as China to 2030, providing a new engine of global growth in emerging markets. India's urban population is expected to grow by a staggering 165 million by 2030, swelling Delhi by 10.4 million people to become the world's second largest city.

"Although globally we see construction growing more rapidly than the overall economy, with developed markets forecast to rebound from their depressed levels, many will not be back to their previous peak levels even by 2030. The current weakness in most emerging countries is likely to be temporary, with higher growth rates soon returning," says Mike Betts, Global Construction Perspectives.

In the US construction growth will tilt towards the southern states, reflecting the region's greater catch-up potential and higher population growth.

"Fed lift-off, expected as early as December, could mean a risk for construction growth in key emerging markets - Brazil, Russia, Turkey and India – that could all suffer from significant short-term reductions in growth for construction, with some of these countries potentially halving growth," says Jeremy Leonard, Director of Industry Services, Oxford Economics.



Global Construction Perspectives and Oxford Economics

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“Whilst there is an interesting relationship between the top three countries, it is important not to forget that we see significant weakness in Brazil and Russia, whilst we see extraordinary growth in Indonesia. In Latin America, we expect Mexico to overtake Brazil, whilst Indonesia will overtake Japan by 2030, says Jeremy Leonard, Director of Industry Services, Oxford Economics.

Brazil risks a ‘lost decade’, as the stranglehold of excessive bureaucracy and the Petrobras scandal continues to hold back the economy and investment. The strong demographics that supported Brazilian growth are reversing, leading to stagnation in demand for construction over the longer-term.

When it comes to Europe, whilst it won’t recover to reach pre-crisis levels until 2025, the UK is a stand-out growth market, overtaking Germany to become the largest in Europe and the world’s sixth largest construction market by 2030.

“Construction is likely to be one of the most dynamic industrial sectors in the next fifteen years and is utterly crucial to the evolution of prosperous societies around the world. The numbers within this report are huge and that translates as creating vast numbers of new jobs and creating significant wealth for certain countries across the globe”, says Fernando A. González, Chief Executive of global building materials company CEMEX.

For more information: visit www.globalconstruction2030.com

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About Global Construction 2030

Global Construction 2030 is the fourth in a series of major global studies of the construction and engineering industry to be published by Global Construction Perspectives and Oxford Economics. The forecast and report describes the medium and longer-term prospects for the global construction industry, giving forecasts showing how the global construction industry will evolve as the recovery from the global financial crisis transitions into new opportunities, challenges and uncertainties.

The report provides forecasts of growth and gives analysis for all major construction markets globally to 2030 and also provides forecasts and analysis for infrastructure, housing and non-housing sectors globally and for key regions and markets.

Global Construction 2030 is an invaluable tool for senior executives and policy makers who seek to gain a clear perspective on the global construction and engineering industry. The forecasts and report have been developed and written by the world renowned expert team from Global Construction Perspectives and Oxford Economics.

Further details can be found at: www.globalconstruction2030.com

About Global Construction Perspectives

Global Construction Perspectives provides detailed forecasts of construction providing accurate and valuable analysis and evidence on the future of the global construction and engineering industry. Reports such as Global Construction 2030 help senior executives within the global construction industry make the right decisions about future strategy and direction. Global Construction Perspectives works in partnership with Oxford Economics to produce high quality forecasts for the global construction industry. Global Construction Perspectives publishes reports on issues of strategic interest to the global construction and engineering industry and works with a wide range of sponsors and partners. Staff and consultants at Global Construction Perspectives have a wide range and depth of skills and a deep understanding of current and future trends in global construction.

About Oxford Economics

Oxford Economics was founded in 1981 as a commercial venture with Oxford University's business college to provide economic advice, forecasts and analytical tools to international institutions, governments and blue-chip companies. Building on these foundations, Oxford Economics is now an independently-owned world-leader in high quality, quantitative analysis and evidence-based business and public policy advice. Combining skilled analysis with detailed information on the global economic environment creates a firm base for decisions. Oxford Economics works in partnership with Global Construction Perspectives to produce high quality forecasts for the global construction and engineering industry and operates a linked global macroeconomic model that drives a global industry model from which construction forecasts are derived. This ensures complete consistency between the broad economic outlook and the prospects for the construction industry worldwide.



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