

WORLD NEWS

HIGHLIGHTS

BRAZIL

Officials investigating Odebrecht, the Brazilian company at the heart of a huge bribery and corruption scandal, are said to be negotiating plea bargains with more than 80 of the firm's employees. It is believed they will testify about Odebrecht's part in a scheme involving construction contracts made with the state-run oil giant Petrobras. As the case moves forward, investigators from the US and Switzerland are expected to implicate more than 100 politicians.

US

An industry report from Credence Research has forecast the worldwide construction equipment market will reach a total value of US\$ 230.5 bn by 2020. In the publication, 'Construction Equipment Industry – Growth, share, Opportunities, Competitive Analysis and Forecast 2015 – 2022', the market analyst suggests rising interest from investors and a generally improving economic situation will result in growth over the forecast period. This added to the strong growth in the rental sector is also expected to boost sales.

KHL

The new Editor of *International Rental News (IRN)* magazine will be Joe Malone, who takes up his post at the start of December. Joe has been working at KHL Group for the past 14 months as Deputy Editor on *Construction Europe* and *International Construction* magazines, and brings knowledge of the global construction market to his new role. All of us at KHL wish him well on his new title.

SOUTH KOREA

Hyundai Heavy to split into six firms

Hyundai Construction Machinery to operate independently of the loss-making shipbuilder

The board of shipbuilding giant Hyundai Heavy Industries (HHI) has announced its decision to break up the firm into six separate companies. The new Hyundai Heavy Industries will contain the shipbuilding arm, along with the Offshore & Engineering and Engine & Machinery divisions.

The non-shipbuilding-related divisions of the firm, including the provisionally named company Hyundai Construction Machinery, will operate as separate business entities.

An official from HHI said, "Despite the different natures and sectors they operate in, our existing non-shipbuilding divisions have been operated and managed under an umbrella of Shipbuilding Division. In the process, we have witnessed inefficiency in the management of company. Due to the structure, divisions with a smaller portion of company-wide sales have not been well positioned to secure independent competitiveness."

The official added, "By carrying out the plan preemptively, we aim to regain trust from the market and lay the solid foundation for take-off."

TAJIKISTAN

Work starts on record dam

Construction work on what is set to be the world's tallest dam is underway in Tajikistan.

The country's president, Emomali Rahmon, was at the inauguration event, which saw construction firm Salini Impregilo commence the diversion work on the Vahksh River.

Once the river has been rerouted, Salini will begin the foundation work on the 335 m dam.

The Tajik government says

the hydropower plant, once in commission, will allow for the reduction in hundreds of thousands of tonnes of CO₂ emissions.

When completed, the US\$ 3.9 billion Rogun facility will deliver 3.6 GW of power annually.

Although phase one completion is not anticipated until April 2019, the first of its six turbines is expected to be producing electricity as early as the end of 2018.

ITALY

Earthmoving sales solid

The first nine months of 2016, saw global sales of earthmoving equipment at 496,500, according to new research from leading Italian exhibition organiser SaMoTer.

While the figure represents a 1% drop from the same period in 2015, the latter part of the study period showed the strongest growth, leading to a forecast of 38% global growth over the next two years.

Between January and September this year, a rise in equipment sales was noted in India (+31%) and China (+8%), while Western Europe also fared well (+11%).

In North America, the figures were less encouraging (-3%), while sales in Japan fell significantly (-24%).

In Europe, France showed the biggest sales growth (+42%), with Italy also recovering well (+32%). The UK suffered a setback (-12%), following the Brexit result.

On a worldwide scale, sales of mini excavators rose +5%, and now represent 23% of the global earthmoving market, just behind crawler excavators at 24%.

The figures were presented by SaMoTer-Veronafiere Outlook, a construction industry analyst, working with international economic research and consultancy firm Prometeia.

The research, supported by Unacea, the Italian association of construction machinery and equipment builders, is being seen as an important indicator for the market, ahead of the 30th SaMoTer event in Verona, Italy, between 22 and 25 February, 2017.

Following publication of the figures, a spokesman for specialist market intelligence and forecasting company, Off-Highway Research said, "We believe 2016 will be the bottom of the cycle for global construction equipment markets, although there have been some pockets of growth this year, most notably in India."

The spokesman added, "The latter part of this year has also seen the first signs of a recovery in China after five years of falling equipment volumes. We expect the overall global industry will continue to recover in 2017, but it will be a gradual return to health."

Exchange rates: December 2016

VALUE OF 1:	SYMBOL	AUS	BRL	UKL	CNY	€	INR	YEN	MXN	RUR	SAR	ZAR	KRW	CHF	US\$
Australian Dollar	AUS		0.39	0.582	5.13	0.694	50.6	85	15.27	47.7	2.80	10.16	872	0.753	0.746
Brazilian Real	BRL	2.57		0.227	2.00	0.270	19.7	33.1	5.95	18.6	1.09	3.96	340	0.293	0.291
British Pound	UKL	1.72	4.41		8.8	1.19	86.9	146	26.2	81.9	4.81	17.5	1499	1.29	1.28
Chinese Yuan	CNY	0.195	0.500	0.113		0.135	9.85	16.6	2.97	9.28	0.545	1.980	170	0.147	0.145
Euro	€	1.44	3.70	0.84	7.40		72.9	123	22.0	68.7	4.03	14.65	1257	1.08	1.08
Indian Rupee	INR	0.020	0.051	0.012	0.101	0.014		1.7	0.302	0.942	0.0553	0.201	17.2	0.0149	0.0147
Japanese Yen	YEN	0.012	0.030	0.007	0.060	0.008	0.595		0.1795	0.560	0.0329	0.1195	10.3	0.0089	0.0088
Mexican Peso	MXN	0.065	0.168	0.038	0.336	0.045	3.31	5.57		3.12	0.183	0.666	57	0.049	0.0489
Russian Ruble	RUR	0.021	0.054	0.012	0.108	0.015	1.06	1.78	0.320		0.059	0.213	18.3	0.0158	0.0157
Saudi Riyal	SAR	0.357	0.917	0.208	1.835	0.248	18.080	30.400	5.456	17.035		3.63	312	0.269	0.267
South African Rand	ZAR	0.098	0.253	0.057	0.505	0.068	4.978	8.370	1.502	4.690	0.275		86	0.074	0.073
South Korean Won	KRW	0.0011	0.0029	0.0007	0.0059	0.0008	0.0580	0.0975	0.0175	0.0546	0.0032	0.0117		0.00086	0.0009
Swiss Franc	CHF	1.33	3.41	0.77	6.82	0.92	67.20	112.98	20.28	63.31	3.72	13.50	1159		0.991
US Dollar	US\$	1.34	3.44	0.780	6.88	0.93	67.8	114.0	20.46	63.88	3.75	13.62	1169	1.009	

For example: US\$ 1 = AUS\$ 1.34