

CNH Industrial targets double-digit revenue growth from construction equipment vertical in 3 years

Synopsis

The construction and agricultural equipment maker has charted a strategic business plan and expects revenues from the construction equipment venture to increase by 50% to \$300 million in the country in the next 3-4 years, said Fabrizio Cepollina, vice president, CNH Industrial.



CNH would also foray into new segments and introduce new products to expand its footprint.

Case New Holland ([CNH Industrial](#)) is targeting double-digit growth in revenue from its [construction equipment](#) vertical in the next three years, a senior executive said, enthused by increased government spending on infrastructure projects.

The [construction](#) and agricultural equipment maker has charted a strategic business plan and expects revenues from the construction equipment venture to increase by 50% to \$300 million in the country in the next 3-4 years, said Fabrizio Cepollina, vice president, CNH Industrial (Africa, Middle East and Asia Pacific AME and APAC).

Cepollina told ET that the company was bullish about growth prospects in the Indian market and is planning to launch a slew of new products to take on market leader JCB.

“There was a negative trend (in sales of construction equipment) last year due to the impact of the (Covid-19) pandemic, but it was temporary. Everybody’s in agreement that the investment, especially in infrastructure in [India](#) and the modernisation of the industry, require a lot of investment in construction machinery. There are many projects that we see in the next five or seven years,” Cepollina said.

Big Bets

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FABRIZIO CEPOLLINA
VP, CNH Industrial





CNH intends to double share in backhoe loader segment to 12% in 3 years

15-20%
Estimated growth in overall sales of construction equipment in this fiscal

60.5%
Growth in exports of construction equipment in FY22



Industry estimates overall sales of construction equipment (domestic sales and exports) to grow 15-20% in the ongoing financial year, against a decline of 8% registered in the previous financial year (FY22). Even as exports of construction equipment grew by 60.5% to 7,802 units in FY22, domestic sales fell 11.4% to 77,583 units (from 87,608 in the year-ago period) on weak demand.

Cepollina said OOCNH intends to double its market share in the backhoe loader segment – where JCB is the leader - to 12% in the next 3 years.

Apart from boosting domestic sales, plans are also afoot to increase supply and develop more products for the global market out of the country.

“We want our facility in India to support more and more of our global business activity. The key importance of India is not only based on growing sales, but also to leverage it as a supplier base and for technology development,” Cepollina added.

Export of construction equipment comprises nearly a third of the annual output at CNH.

With the industry set to move on to Euro V emission norms, CNH is looking to develop a common platform in India that will spawn products for sale both locally as well as overseas.

CNH Industrial produces about 6,000 units of construction equipment at its facility in Pithampur (Madhya Pradesh). The company is utilizing 70% of the total available capacity right now, which can be enhanced further through digitization and improved efficiencies.

CNH Industrial globally is a leading capital goods manufacturer owned by Exor, which is in turn controlled by the Agnelli family. It sells tractors under the New Holland brand in India. The company has invested Rs 3,000 crore in the Indian market in the last 10 years.

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