

Construction Industry



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The global construction industry is set to grow rapidly with opportunities for industry development emerging from Asia and other developing countries.

Historical development

The construction industry dates back to the beginning of civilisation and had made incremental developments by the 16th century where first permanent structures were established.



Construction is one of the largest industrial sectors and is forecasted to account for over 13.5% of the world's output by 2050.



Environmental concerns have meant sustainable and green construction is forecast to account for an average 22.8% p.a. from 2012 to 2017.

The industry today

Global construction is currently worth \$7.5 trillion, accounting for 10% of GDP. The strongest growth prospects lie within developing markets; generally within energy and infrastructure with forecasts to grow by over 70%.

Major applications:



Housing



Railway industry



Road works

Major players in the industry

The top three companies:



Grupo ACS (Spain)

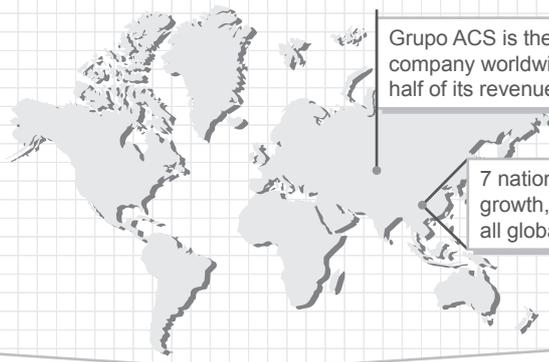


HOCHTIEF AG (Germany)



Bechtel (US)

The world's combined top three leaders made in excess of €75 billion in 2012.

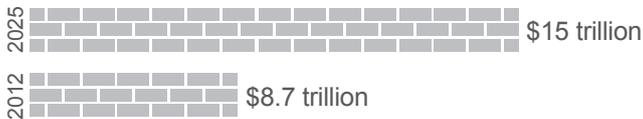


Grupo ACS is the current leading construction company worldwide with a revenue of €38.4 billion; half of its revenue from Asia Pacific.

7 nations will account for 72% of the expected growth, with China forecast to represent 1/4 of all global construction outputs.

The future for the industry

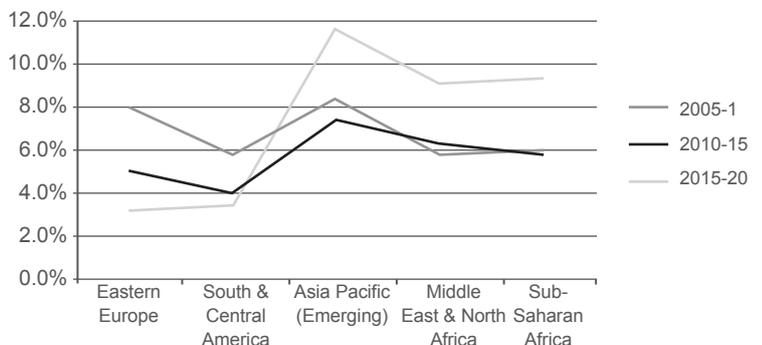
The predicted growth within the construction industry will need to take into consideration the growing population and have the capabilities to develop innovative products and solutions to cope with growing infrastructure.



Construction outputs will grow by 70% from \$8.7 trillion in 2012 to \$15 trillion by 2025 with a growth of \$6.3 trillion.



The past 5 years have shown the dramatic rise in output with Asia taking the lead; however the graph shows that a foreseeable rise in outputs within the next 10 years will be maintained by Asia followed closely by Eastern Europe.



Insight

Increased awareness for sustainable energy will help supply the need for alternative energy and renewable sources within construction.



A move towards sustainable construction within the building sector will help reduce worldwide energy consumption.



Increased investment in Europe will help contribute to the development within the construction market by 2016.



By building better business relations there are growing opportunities to conduct business in emerging markets within Africa and Asia.