



PRESS RELEASE



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Press Release no. 4 – Rome, June 5, 2008 Tractors: record growth in emerging countries

Increases of 25% to 66% in number of tractors in India, China, Russia and Brazil expected in only five years. European and United States markets stable. Great gaps between different areas of the world. Tractor numbers in Africa twenty times lower than in Europe.

World agriculture is aiming at greater productivity and the agricultural machinery market is holding out the promise of record growth. At the *Agrievolution Summit* held in Rome May 30 and 31, sponsored by Unacoma, data reported by the manufacturers organizations of the major countries indicate strong increases in the leading agricultural areas over the coming five years.

Considerable growth is forecast for India. Here, according to data issued by the Indian Federation of Chambers of Commerce and Industry, FICCI, the number of tractors in operation should increase by 54% in the next five years on increases of 300,000 machines per year, moving from 2,750,000 units at present to a total of 4,250,000. The other giant Asian market, China, will make strides at the rate of 200,000 tractors per year (data compiled by the manufacturers association CAAMM) to take the 1,500,000 units now in use to beyond 2,500,000 in five years for a 66% increase.

In Russia, emerging from the post-Soviet crisis, there are now an estimated 600,000 units in operation. The manufacturers association, Soyuzagromash, is expecting an increase in this number of around 40% with some 240,000 new machines put on the market.

In the South American area, Brazil is the country displaying the most marked trend. Thanks to an agricultural system in full development, tractor demand in 2007 came to 32,000 units for a gain of 50% over the previous year, according to figures provided by the manufacturers association ABIMAQ. Starting from the baseline of about 800,000 units at present and looking to take-up of more than 35,000 units annually, it is realistic to consider 1,000,000 machines in use before the end of 2012.

Compared to these enormous gains, the markets in the United States and Europe appear much more stable. In these countries, machines purchased can be considered replacements for obsolete machinery and the balance between new machines and those abandoned remains substantially stable and does not lead to increases in numbers of units in use.

In the United States, represented at the summit by the manufacturers association, AEM, there are an estimated 4,800,000 tractors in operation and a market of around 220,000 units annually. For the European Union, where tractors climbed beyond 166,000 units in 2007 and there are an estimated 9,300,000 units in use, the continent's manufacturers association CEMA forecasts an overall increase of no more than 7% in the coming five years.

The growth of mechanization, which covers not only tractors but the entire range of agricultural machinery and equipment, will not, however, be uniform and enormous delays are reported for various areas of the world. Data on machinery in use available at FAO disclose extremely uneven distribution: of some 27,700,000 tractors in operation around the world, 41% of them are concentrated in Europe, 26% in the Americas, 29.5% in Asia, 1.5% in Oceania and only 2% on the entire African continent.

In the framework of the *Agrievolution Summit*, machinery manufacturers have, however, announced programs aimed at favoring the spread of mechanization to those areas in which productivity is very low and where food security is not guaranteed.



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