

# CONSTRUCTION

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## Taiwan project reaches financial close with Siemens Gamesa turbines

Siemens Gamesa Renewable Energy has reached financial close with its customers to supply additional 120 MW of capacity to the pioneering offshore wind power plant Formosa 1 Phase 2 in Taiwan. The contracts signed earlier this year include the supply and installation of the turbines and a 15-year full service agreement.

Siemens Gamesa will install all 20 units of its SWT-6.0-154 wind turbines already in 2019. Once commissioned, the total capacity of Formosa 1 will be 128 MW.

“We are pleased to take another concrete step with our customers toward helping the Taiwanese government meet the goal of 520 MW installed offshore by 2020, and the grid capacity goal of 5.5 GW to be commissioned between 2020 and 2025,” said Andreas Nauen, Offshore CEO at Siemens Gamesa Renewable Energy. “These ambitious targets demonstrate the proactive commitment of the government to supporting the offshore wind industry in Taiwan.”

The customer for Formosa 1 Phase 2 is an owner’s consortium including Macquarie Capital, Ørsted, and lead developer Swancor Renewable Energy Co. The project is about six kilometers off the west coast of the Miaoli district in the Taiwan Strait with water depths between 15 and 30 meters. The Siemens Gamesa wind turbines will be installed on monopile foundations. This foundation has already proven its suitability in the local sea bed conditions when the first two SWT-4.0-130 turbines were installed at Formosa 1 Phase 1. ↘

Source: Siemens Gamesa  
Renewable Energy

For more information,  
go to: [www.siemensgamesa.com](http://www.siemensgamesa.com)



The Formosa project will use SWT-6.0-154 wind turbines from Siemens Gamesa. (Courtesy: Siemens Gamesa Renewable Energy)

## Crane market will grow at 2 percent to cross \$20 billion by 2024

Crane market size is set to exceed \$20 billion by 2024, according to a new research report by Global Market Insights, Inc. The shipments exceeded 25,000 units in 2016.

Rise in construction spending is the major factor escalating the crane market growth. Shifting government focus on infrastructure development along with increasing consumer preference for luxurious and aesthetic constructions will provide an impetus to the industry growth. Rising necessity for houses along with investment regarding infrastructure development such as smart city projects and increased construction expenditure particularly in economically stabilizing countries is expected to propel the crane market size. Population growth, environmental impacts, and urbanization has caused an upsurge in the need for smart and sustainable infrastructure solutions. Providing efficient building methods, coupled with the ability to offer effective integration, planning, and designing, are major factors driving the crane market growth.

### POSITIVE OUTLOOK

Developed markets are set toward a more positive outlook for the construction industry as fallout from the global fiscal crisis recedes and public finances and household incomes improve. In the developed countries including North America and Europe, aging infrastructure and the process for restructuring and maintaining these aged infrastructures is unable to match the pace of deterioration. Rising awareness among people about the major link between infrastructure and quality of life has resulted in a major public policy shift, favoring the overall construction industry thereby providing an impetus

to the crane market.

High investments and maintenance costs for the equipment is a key factor challenging the crane market growth. The cost of cranes is relatively high, which is discouraging manufacturers, businesses, and OEMs from procuring high-end systems. Companies are considering investments for automated equipment to meet the international quality standards. Development of infrastructure in emerging economies demands an increase in the number of cranes manufactured and hired for construction purposes. Rental companies are providing the equipment that incorporates the latest technological advancements, owing to which there is a rise in the demand for rental crane services.

### FASTEST GROWING SEGMENT

The mobile crane market is the fastest growing segment in the global industry owing to the increase in residential construction and urban infrastructure projects. The industry is being primarily driven by the rise in investments for the development of smart cities in countries such as China, India, Malaysia, Thailand, and Indonesia. Growing population and migration of people to urban areas has led to an increase in demand for efficient transport infrastructure facilities, causing a significant rise in the number of urban infrastructure projects and escalating demand for mobile cranes. The region has also witnessed a rise in investments for power plants, which is aiding the global mobile crane market growth.

Europe crane market accounted for about 33 percent of the global revenue for cranes owing to the rise in investments in renewable energy and the rental market. On-

going large construction projects in Europe are anticipated to drive the crane market over the coming years. The construction industry in Europe has been recovering over the last few years after it tumbled post-recession. Several regional government administrations of countries such as U.K., Germany, France, and Italy are planning on undertaking construction projects, which include construction of railway tunnels, underwater tunnels connecting major European countries, and port extension, among others, which are using several types of cranes. In addition, the Russian crane market is also in a state of revival, which is aiding the industry growth.

### MARKET PLAYERS

Prominent players in the crane market include Manitowoc, Hitachi Sumitomo Heavy Industries Construction Crane Co., Ltd., XCMG Group, Tadano, Ltd., Liebherr Group, Konecranes PLC, Komatsu Ltd., Terex Corporation, and Palfinger AG among others. The industry dynamics are characterized by high competition with the presence of several regional and international players. As many of the companies have a longer operating history, brand recognition, established customer base, and supplier relationships and greater financial resources, it has become difficult for the new companies to compete with them.

However, several companies are ensuring new product development initiatives to foster the crane market growth. ↴

*Source: Global Market Insights*  
For more information, go to [www.gminsights.com/industry-analysis/crane-market](http://www.gminsights.com/industry-analysis/crane-market)