INTERCONTINENTAL STATISTICS COMMITTEE

Prince Sakura Tower, Tokyo

JUNE 11th 2014, 9:00 a.m. – 1:30 p.m.

UNAPPROVED MINUTES

Chairman: Takaharu IKEDA, Chairman of CEMA Statistical Group
Secretary: Naoyuki UCHIDA, CEMA

1. Call to Order & Introductions
The meeting was called to order at 9:00 a.m. by the Chairman. Representatives from all ISC associations AEM, CECE, CEMA, and KOCEMA were present.

The following members and guests attended the meeting:

Jose CAMPOS
Kazuo FUJIMURA

Claire HARGROVE
Stan HARGROVE
Takaharu IKEDA
Yuichi IORI
Yasushi ISHIMARU
Tsutomu ITO
Yuichi KOZU
Hee-chul LEE
Seon-hee LEE
Akihiko Moriyama
Keiichiro NAKAMURA
Kenya NASU
Yoshiko OHTAKI
Dai OKAJIMA
Sebastian POPP
Fernando RUBIO
Rihito SASAKI
JooYeon SOHN
Rex SPRIETSMA
Naoto SUZUKI
Masami TOKUMASU
Hideki TAKAGI
Naoyuki UCHIDA

Komatsu Holding South America
Hitachi Sumitomo Heavy Industries
Construction Crane
HAI
HAI
Hitachi Construction Machinery
Komatsu
Kato Works
Sakai Heavy Industries
Sakai Heavy Industries
Doosan Infracore
Hyundai Heavy Industries
KCM
CEMA
Hitachi Construction Machinery
Komatsu
TADANO
CECE
Hitachi Construction Machinery Europe
CEMA
KOCEMA
AEM
Kobelco Cranes
Komatsu
Sumitomo Construction Machinery
CEMA
2. Approval of Agenda
The agenda was approved by all associations.

3. Approval of Meeting Minutes
The minutes of the ISC Meeting on October 16th in Brussels, Belgium were unanimously approved by all associations.

4. Product Proposals

A. Asphalt Pavers
Having been on the agenda and deliberated for several years, CECE proposed a worldwide shipment program for wheeled and track “European” type Asphalt Pavers that would include all countries except the United States and Canada. Since asphalt paving equipment in North America is not comparable to European paving, due to the differences in design and application methodology, CECE proposed the existing data collection program in North America remain “as is” and European program be expanded to include all countries except the US and world statistics and to exchange statistics retroactively from January 2014. All associations agreed to the CECE program proposal and to change the proposed basic screed width from 2.30-3.00 class to 2.31-3.00 class, from 1.50-2.29 to 1.51-2.30 class, for the new worldwide program.

CEMA notified the ISC of Sumitomo’s future participation in the worldwide program and will contact HAI once Sumitomo reports its models to CEMA. (For execution in the future. After Sumitomo reported the model to CEMA, we contact HAI).

B. Wheeled Loaders

Machinery with Tier 3 and Tier 4 engines have been in the market since 2010. While the size of the engine has increased in horsepower, the performance of the machine has not changed. With this shifting in horsepower, several wheel loader models, have moved into a different horsepower size class. This shift has effectively skewed the numbers, in a manner that makes the data less useful.

As a result of this, CECE proposed the reporting of a Full Turn Tipping Load (FTTL) metric as a better method to match up competing equipment, which was approved and now in effect. Although the FTTL is an improvement, it is not as accurate as it could be if the competing models were placed together in a model chart.

AEM revisited the topic of modifying the current horsepower model chart for wheel loaders to create a “Competitive Market Horsepower” model chart, where machines are aligned or grouped based upon how they compete in the marketplace.

CECE, CEMA and KOCEMA were all opposed to AEM’s proposal. At AEM’s request, this item will remain on the agenda for future discussion.

C. Crawler Excavators
HAI requested CEMA and KOCEMA to confirm with their respective members that all short-tail swing and zero-tail swing coding is correct for all crawler excavator models being reported. AEM and CECE have already completed this step. CEMA said they would have this done by June 30th while KOCEMA said they would be done by August 1st. Based upon this schedule, the report would available around the middle of August, which monthly data reported beginning in January, 2014.

D. Telescopic Handlers

End-user industry information:
Telescopic Handlers are currently being reported by customer type and end use in North America.

In addition to the current worldwide shipment and retail data, CECE would like to see an end use report for the worldwide data. All reporting manufacturers of this product belong to either AEM and/or CECE.

There are three options available (other than not publishing any worldwide report):
- Publish Level 2 for all companies, worldwide (requires all companies to report L2);
- Publish a ratio, based upon Level 2, for worldwide reporting; and,
- Publish only Construction vs. Ag end use codes, for worldwide.

AEM will confer with its member companies on the preferred choice.

CECE informed that its member company Kramer would start reporting segmented (L2) from 2014.

Telehandlers with rotating boom:
CECE proposed the removal the model of rotating boom telehandlers from (1F26) statistics category and start-up of a separate statistics program.

AEM made a counter-proposal to create the two programs, as long as all participants in both programs had access to the output reports from both programs.

CECE will review this counterproposal with its members and report the decision at the ISC meeting.

AEM and CECE agreed to discuss all telehandler issues bilaterally in order to speed up the process and would give a status update at the next ISC meeting.

E. Wheeled Excavators

With no new information to report, this item was removed from the agenda.

5. Other Business

A. Quality of Data

Concern was expressed by all associations regarding the delays caused by the failure of XCMG to report accurate data on time, in spite of the efforts of both AEM and HAI to bring this company on board.
AEM explained the steps taken over the past two years, including the trial reporting by XCMG and subsequent high level executive meetings held between AEM and XCMG senior executives, where promises were made by XCMG to devote the resources, and their desire to report into the program in 2014. AEM members agreed with extra conditions put in place to assure the data would be accurate and on time. The ISC voted against AEM's proposal, denying XCMG to enter the ISC worldwide reporting program midyear. AEM said they would try again in 2015.

CECE suggested XCMG could go on reporting without getting access to market data; and XCMG data would not be part of the industry data before January 2015. The time could be used for a) monitoring timeliness and volume/accuracy of data by HAI using external sources for comparison (like Off-Highway Research) and b) review of XCMG models by AEM, CECE, CEMA, and KOCEMA product specialists which has not taken place properly up to now.

B. ISC Policy and Procedures Manual Changes

AEM presented a draft of definitions and pictures for each product reported into the ISC statistics program. Due to time constraints, AEM asked that each association review the document and send any revisions to AEM, so that a more complete version can be reviewed at the next meeting. Once approved by all association this section would be added to the ISC Policy & Procedures Manual.

CECE suggested to review the list of statistics programs (page 15) and delete all products which do not (or no longer) have ISC programs. AEM agreed and proposed to generally review the manual since it represents the status of 2009. AEM volunteered to rephrase paragraphs; everybody would be welcome to contribute.

C. New associations

CECE informed that the envisaged informal meeting with ICEMA at the EXCON exhibition in Bangalore in November 2013 could not take place due to time constraints. CECE expressed its opinion that ISC should take a far-sighted position towards the involvement of Indian manufacturers in worldwide statistics: Keep up communication with ICEMA, support the association with best practices if desired, refrain from recruiting individual Indian manufacturers to ISC through other channels than ICEMA.

Addendum after the meeting: Sebastian Popp met with ICEMA President and Secretary on June 24th and used the opportunity to also discuss statistics. It looks like considerable progress has been made by ICEMA: Reporting has been transferred to an online solution, reporting intervals have been changed from quarterly to monthly, coverage of reporting companies has been increased. ICEMA informed it would be in favour of continuing the discussions in December 2014 when BC India exhibition will take place.

D. ISC Funding

This item was not discussed. Representatives from each of the member associations are meeting separately to address this issue.

6. News from ISC Associations
CEMA announced that the retirement of the current ISC Chair, Mr. Ikeda, at the conclusion of the meeting. Mr. Ikeda will be succeeded by Mr. Yamashita of Kobelco Construction Machinery, who will Chair the next ISC meeting.

CECE reported that the Chairman of the Statistical Commission will change by the end of the year.

KOCEMA also reported that the new chairman of its ISC committee will be appointed this year and introduced at the next ISC meeting.

AEM announced they are conducting an RFP (Request for Proposal) process as part of an overall review of current services, cost for value received and capabilities to meet the future needs of the association members. The current vendor, HAI is participating in this bidding process. Currently, because this internal process is underway, AEM was not at liberty to discuss any further information. Because the current vendor is closely related to the activities of the ISC in the future, CECE asked AEM to keep the ISC informed. AEM agreed to provide an update at the next ISC meeting in October.

7. Date of Next Meeting
CEMA announced the next ISC meeting will be held October 15th, in conjunction with the CECE Congress in Antwerp, Belgium.

8. Closing
There being no further business, the meeting was adjourned at 1:30 p.m.

Minutes respectfully submitted by:
Naoyuki Uchida