



PRESS RELEASE

Mining, floods drive equipment sales up 23% in 2011; further growth expected for 2012

Driven by demand from the mining sector, plus natural disasters in the early part of 2011, the Australian construction and mining equipment market grew strongly in last year, according to a leading industry group.

It is expected to show further solid gains during 2012.

Construction and mining equipment sales increased by 22.9% in 2011, according to figures released by the Construction and Mining Equipment Industry Group (CMEIG) and Datamotive Business Intelligence (DBI).

The 2011 rise follows an increase of 7.3% in 2010.

“Market results were relatively strong across nearly all equipment categories,” said John Reid, CEO of CMEIG.

According to Reid, the strength in the mining market made up for a relatively flat result in construction equipment sales.

“However, the aftermath of last year’s extreme weather events in Queensland, NSW and Victoria created opportunities for increased equipment sales; this was most evident in Queensland which required a massive rebuilding operation following the floods and Cyclone Yasi.

“In overall terms we expect the market to rise by 8-10% in 2012 compared with 2011 as new infrastructure projects are started and the clean-up after floods continues” he said.

Highlights of the 2011 market for construction and mining equipment include:

- The largest volume of sales was recorded in Queensland, which had 30% of the national market; this was followed by NSW with 22.8%, followed by WA with 19.3% and Victoria with 18.3%.
- Estimated value of the total market was \$4.billion, a dramatic increase over 2010 results, due to a large increase in high-value mining equipment sales.
- Hydraulic excavator volumes rose by 14.4% with sales of this product group accounting for almost 41% of the total equipment market.
- Wheel loader sales increased by 35.7% reflecting improvement in construction work and increased mining activity.
- Dozer sales rose by 37% reflecting much-improved demand in the mining industry.
- Motor grader sales rose by a further 66.3%, a result of greatly increased investment by local government.
- Rigid dump truck sales had another stellar performance, increasing by 46.5% with increased demand from the mining industry, while articulated dump truck sales rose by 52% due to new infrastructure projects and flood recovery work.

- In the smaller machine markets, skidsteer loader sales rose by 6.1% while backhoe/loader sales were up by 11.3%.
- Road Roller sales increased by 86% indicating a much improved situation in road development work.

“Demand for both construction and mining machinery should increase further in 2012 as the economy continues to improve and infrastructure and mining projects are further developed,” Reid said

Copies of the DBI Annual Report are available to selected companies.

Further information:

- **Construction and Mining Equipment Industry Group**

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