



## **PRESS RELEASE**

### **Equipment sales fall by 27% in 2009;**

### **Some improvement expected in 2010**

The Australian construction and mining equipment market fell by 27% in 2009, according to figures released by the Construction and Mining equipment Industry group (CMEIG) and Datamotive Business Intelligence(DBI).

The 2009 decline follows a decline of 6.5% in 2008.

“ Market sales in all product groups fell during the year due to the economic climate effects on the construction and mining markets” said John Reid, CEO of CMEIG.

“ However sales in December 2009 were up by 13% on the corresponding month in 2008, giving the promise of some improvement in the market in 2010. The market conditions improved in the second half of the year due to improving economic conditions and the impact of the federal government’s investment allowance scheme”.

According to Reid the major factors influencing the market in 2010 will be:

- Delivery of machines ordered under the government's investment allowance scheme
- A general improvement in economic conditions
- Increased spending by federal and State governments on infrastructure projects
- The continuing high growth levels in China and India which will have a major impact on demand in the mining industry

“ In overall terms we expect the market to rise by 5-6% in 2010 as economic conditions improve and demand increases in both the construction and mining markets” he said.

Highlights of activities in 2009 included:

- The largest volume of sales were recorded in Queensland which had 30.4% of national sales, NSW had 23.4%, followed by Victoria and WA which had 18.4% and 15.9% respectively.
- Estimated value of the total market was \$3.2BN.
- Hydraulic excavator sales fell by 24%. This market continued to be the largest market in terms of unit sales and dollar value with sales volume accounting for 39% of the total market.
- Wheel loader sales declined by 36%, reflecting the major decline in spending on infrastructure projects.
- Dozer sales fell by 30% following a small increase in 2008, due to the lack in investment by mining companies and contractors.
- Motor grader sales declined by 37% reflecting the fall in expenditure by local government.
- Rigid dump truck sales fell by 32% due to the lack of investment by the mining industry while articulated dump truck sales fell by 45%.

- In the smaller machine markets, skidsteer loader sales fell by 19% while backhoe loader sales fell by 22%.
- Road Roller sales declined 43%.

Demand for both construction and mining machinery should increase in 2010 as economic conditions improve and government spending increases for the major infrastructure projects.

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

Further information:

- **Construction and Mining equipment industry Group**

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