



PRESS RELEASE

Equipment sales up by 17.1% in first half of 2011; upward trend expected to continue.

The Australian construction and mining equipment market increased by 17.1% in the first six months of 2011 compared with the same period in 2010, according to figures released by the Construction & Mining Equipment Industry Group (CMEIG) and Datamotive Business Intelligence (DBI).

However, the market was quite variable with increases in the various product groups ranging from a staggering 127% in road rollers to only 2.6% in skidsteer loaders.

Total road roller sales went from 245 in the first half of 2010, to 555 in the same period this year.

The results also indicated a large disparity between sales in different States – with Queensland sales increasing by 47.1%, while sales in South Australia decreased by 20.7%.

Overall, the increased market sales indicate a consolidation of the upward trend apparent in 2010 where sales in that year were 7.3% ahead of sales in 2009, said John Reid, CEO of CMEIG.

“There are also large changes in the share of total sales between states, with Queensland increasing its share of total sales from 23.9% in the first half of 2010 to 30.1% in the same period in 2011.

“The increase in activity in the mining sector, particularly in Queensland and WA, together with the start of some large infrastructure projects, have been drivers of the increase in total market sales,” he said.

These latest figures also highlight a major shift in the split of sales between the states, with some dramatic changes between the first half of 2010 and the same period for 2011:

	<u>2010</u>	<u>2011</u>
NSW	25.9%	22.5%
VIC	19.7%	20.3%
QLD	23.9%	30.1%
SA	9.2%	6.2%
WA	16.5%	17.2%
TAS	2.9%	2.2%
NT	1.9%	1.5%

Other key points of the Australian market for construction and mining equipment in the first half of 2011 included:

- Hydraulic excavator sales rose by 15.2%, with sales of this product group accounting for 43.8% of the total equipment market.
- Wheel loader sales increased by 9.6%, continuing their strong rise from 2010.
- Dozer sales rose by 21.4% reversing the downwards trend evident in 2010, no doubt due to increased activity in the mining sector.
- Motor grader sales increased by a very strong 44.7% – indicating the investment by local government, particularly in Queensland.
- Rigid dump truck sales continued their strong demand of 2010, with a further increase of 31.8% in the first half of 2011.
- Articulated dump truck sales had another poor result, with sales declining by 3.3% in the first six months of 2011.
- Road roller sales were the stand-out result of the period of all product groups, with a staggering 127% increase in first half year sales. This result was most evident in Queensland, WA and Victoria, where sales increases were particularly high

- Sales of smaller machines were varied with backhoe/loader sales up by 5.4% while sales of skidsteer loaders only rose by 2.6%.

“Demand for both construction and mining equipment should remain strong through the second half of 2011 as the economy continues to recover and mining and infrastructure development continues,” Reid said.

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

Further information:

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