



## **PRESS RELEASE**

The Australian construction and mining equipment market grew by 16% in 2007 according to figures released by the Construction and Mining Equipment Industry Group (CMEIG) and ERG INTERNATIONAL. This rise follows earlier rises of 10% in 2006 and 8% in 2005.

All product markets increased sales volume with the exception of dozers which declined 12% on 2006 sales.

The increases in sales volumes reflected the strength of the Australian economy over the last three years and in particular the amount of construction work and the increased demand in the mining market.

With the expected slowdown in the growth of the Australian economy from 3.9% in 2007 to around 3.0% in 2008 the growth in the construction market

is expected to moderate during the year ahead. However the mining market is expected to remain strong throughout the year.

Highlights of activities throughout 2007 included:

- The largest volume of sales was recorded in Queensland which had 32% of market sales. NSW recorded 21% of national sales followed by WA and VICTORIA with 19% each.
- Estimated value of the market in 2007 was A\$ 4.2 billion.
- Hydraulic excavators experienced an increase in sales volume of 20% due to strong sales in the less than 8 tonne capacity market. This market was the largest individual market with over 33% of total market sales.
- The wheel loader market increased by 16% over the previous year but is expected to decline somewhat in 2008.
- Dozer sales declined by 12% in 2007 and this market is forecast to decline further this year.
- Motor grader sales increased by only 2% reflecting the continuing tough conditions in rural areas.
- Dump truck sales increased by 29% with particular strength apparent in the sale of articulated dump trucks, reflecting the increased demand from urban construction projects.

- In the small machine markets, sales of backhoe loaders increased by 24% in 2007 while sales of skid steer loaders increased by only 6%, albeit off a very high volume base.
- Road rollers and landfill compactors experienced sales increases of 25% and 21% respectively and are both forecast to experience reduced sales in 2008.

Overall sales volumes for the construction and mining equipment markets are forecast to remain at around current levels over the next two years.

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

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