



MINING EQUIPMENT (MIN)

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Overview

Unit: USD thousands

	2010	2011	2012 (estimated)	2013 (estimated)
Total Market Size	526900	560100	588100	619261
Total Local Production	266400	282300	299200	314160
Total Exports	81300	84500	87800	90434
Total Imports	341800	362300	376700	395535
Imports from the U.S.	120800	115900	113000	118650
Exchange Rate: 1 A\$	1.00	1.00	1.00	

Total Market Size = (Total Local Production + Total Imports) – (Total Exports)

Data Sources:

Total Local Production: Industry estimates.

Total Exports: Global Trade Atlas and industry estimates.

Total Imports: Global Trade Atlas and industry estimates.

Imports from U.S.: Global Trade Atlas, U.S. Census Bureau and industry estimates.

Australia is the world's largest exporter of black coal and also leads export volumes for diamonds, iron ore, lead, rutile, zinc, and zirconium. It is the second-largest exporter of gold and the third-largest exporter of aluminum and bauxite. The state of Western Australia (WA) accounts for an estimated 50 percent of Australia's mineral production. WA has over 1,200 operating mine sites (open pit, underground, and quarries) and 170 processing plants. The states of Queensland and New South Wales produce about 90 percent of Australia's coal through open pit and underground coal mines.

The total market size for mining equipment is in excess of US\$600 million and the industry imports 70 percent of its equipment. With a long history in mining, many mining equipment suppliers have established a local presence. Australia is the second-largest export market for U.S.-manufactured mining equipment. Companies recognize U.S. products for their quality and will pay a premium to avoid heavy losses associated with equipment failure or production delays.

Australian mining equipment manufacturers are particularly competitive in: fine coal cleaning and process control; strata reinforcement technology; and mining-related software. Major capital-type goods are imported and/or locally assembled by subsidiaries of foreign companies. These products include drilling equipment, front-end loaders, earthmoving and excavating equipment, compactors, and draglines. The major suppliers of mining equipment are the U.S. (35 percent import market share), Japan (6 percent), and Germany (9 percent).

In light of rising world commodity prices, a strong exchange rate, and rising capital spending, the future for U.S. mining-equipment suppliers to Australia looks very positive.

Sub-Sector Best Prospects

- Products for open cut mining (as many miners shift from underground to open cut production).
- Heavy equipment parts.
- Specialized treatment procedures for specific minerals.
- Automation of materials handling and other operations.
- Mine planning / optimization software – as more mines move towards contract mining.

Opportunities

Mining companies are considering the following projects:

Project Type	Project Name	Company	Value US\$
Iron Ore Development	Project 5 (RGP5)	BHP Billiton	5.6 billion
Iron Ore Development	Sino Iron Project	CITIC Pacific	5.2 billion
Iron Ore Development	Jimblebar Mine and Rail	BHP Billiton	3.4 billion
Coal Terminal	Hay Point Terminal Phase 3	BMA	2.5 billion
Gold Mine Development	Cadia East	Newcrest	1.9 billion
Coal Mine Development	Daunia	BHP Billiton	1.6 billion
Coal Mine Development	Ravensworth North	Xstrata	1.4 billion
Coal Mine Development	Ulan West	Xstrata	1.3 billion

Web Resources

Australasian Institute of Mining and Metallurgy: <http://www.ausimm.com.au>

Australian Coal Association: <http://www.australiancoal.com.au>

Australian Institute of Geoscientists: <http://aig.org.au>

Australian Drilling Industry Association: <http://www.adia.com.au>

Mineral Council of Australia: <http://www.minerals.org.au>

Mining Equipment & Services Council of Australia: <http://www.mesca.com.au>

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