



MINING EQUIPMENT (MIN)

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Overview

Unit: USD billions

	2011	2012	2013	2014 (estimated)
Total Market Size	9.65	9.95	10.15	10.45
Total Local Production	4.99	5.15	5.25	5.41
Total Exports	1.33	1.37	1.40	1.44
Total Imports	3.83	3.95	4.03	4.12
Imports from the U.S.	2.47	2.55	2.60	2.68
Exchange Rate: 1 A\$	1	1	1	

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 leading exporter of iron ore, black coal, diamonds, lead, rutile, zinc, and zirconium. The mining sector is heavily export orientated with very little processing. More than 70% of the industry revenue comes from exports. The state of Western Australia (WA) accounts for 50% of Australia's mineral production with 270 of the 400 operating mines based in WA. New South Wales and Queensland constitute 80% of the coal production through open-cut and underground mines

Mining revenue is expected to fall 1.9% in 2012-2013 due to lower commodity prices and a strong Australian dollar. Many projects have been put on hold including a \$20b Olympic Dam development in the north of Western Australia as rising operating costs (new taxes and labor) are no longer being matched by a rise in commodity prices. To combat costs firms have turned to automation. Rio Tinto has ordered 140 automated trucks over the next 4 years from a Japanese exporter and the big three companies are assessing automated solutions. Experts still predict growth of the Australian market over the next five years.

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. Over 90 percent of earth-moving equipment is imported. Overall, 62 percent of mining equipment is imported. The U.S. remains the largest exporter to Australia with 42 percent market share followed by Japan (14%), China (7%) and Germany (6%).

A continued strong Australian dollar and a demand for high-tech equipment will mean U.S. suppliers can expect to maintain a strong presence in the Australian mining equipment sector.

Sub-Sector Best Prospects

- Automation technology-trucks, drills, excavation equipment.
- High tech machinery.
- Equipment to reduce high operating costs.
- Open-cut mining equipment- 75% of mines are open-cut.

Opportunities

Oil and gas companies are engaged in the following projects:

Project Type	Project Name	Company	Value US\$	State
LNG project	Gorgon	Chevron	50 billion	WA
LNG project	Wheatstone	Chevron	27.8 billion	WA
CSG-LNG plant	Australia Pacific LNG	Origin / ConocoPhillips	23.7 billion	QLD
Gas field and LNG plant	Ichthys Gasfield	Inpex Holdings	32.7 billion	NT
LNG production wells, plant, and pipeline	Curtis LNG Project	BG Group	19.6 billion	QLD
LNG Project	Gladstone	Santos Ltd	17.8 billion	QLD

Web Resources

Useful Links

Australia Institute of Energy: <http://aie.org.au/>

Australian Petroleum Production and Exploration Association: <http://www.appea.com.au/>

Australian Pipeline Industry Association: <http://www.apia.net.au/>

Geosciences Australia: <http://www.ga.gov.au/>

U.S. Census Bureau: <http://www.census.gov/>

Trade Shows

AOG – Australasian Oil & Gas Exhibition & Conference

Date: 19-21 February 2014

Frequency: Annual

Location: Perth, WA

Website: <http://www.aogexpo.com.au/>

2014 APPEA Conference & Exhibition

Date: 6-9 April, 2014

Frequency: Annual

Location: Perth, WA

Website:

<http://www.appeaconference.com.au/>

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