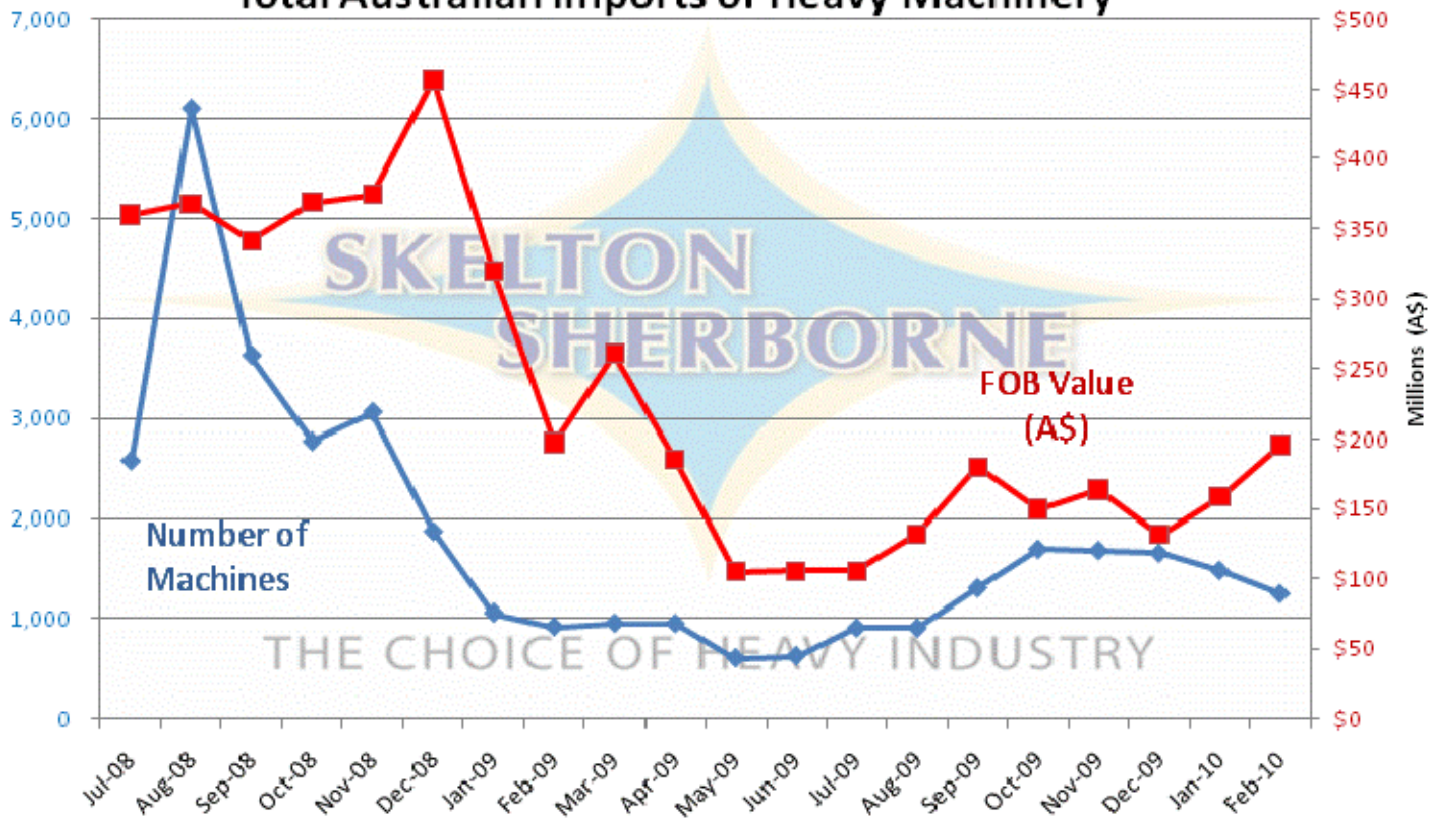




# Skelton Sherborne Shipping Index February 2010

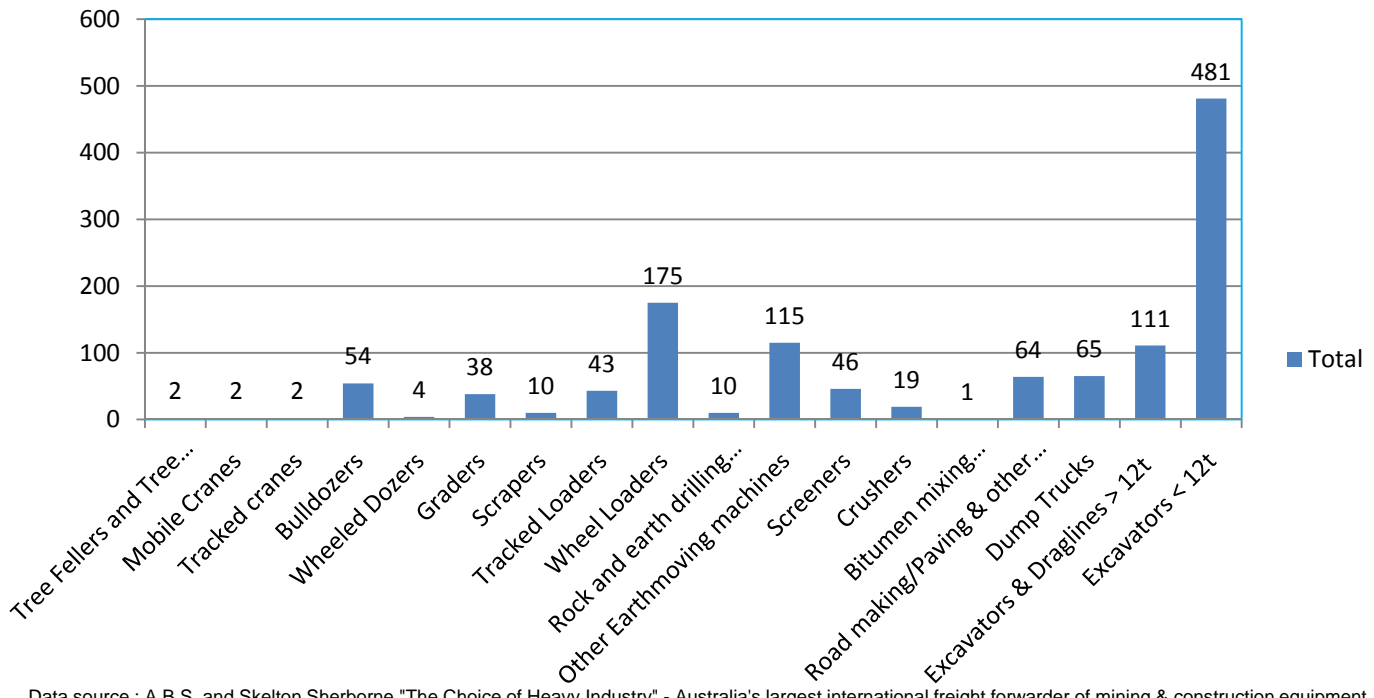
THE CHOICE OF HEAVY INDUSTRY

## Total Australian Imports of Heavy Machinery



Data source : A.B.S. and Skelton Sherborne "The Choice of Heavy Industry" - Australia's largest international freight forwarder of mining & construction equipment

## Australian Heavy Machinery Imports February 2010



Data source : A.B.S. and Skelton Sherborne "The Choice of Heavy Industry" - Australia's largest international freight forwarder of mining & construction equipment  
www.SkeltonSherborne.com

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THE CHOICE OF HEAVY INDUSTRY

- This month we have extended the normal 12 month graph out to the past 20 months which reflects the movement of the imports before the G.F.C. until now. Although imports are currently higher than the low point in May 2009, the numbers are still significantly down from the peak of over 6000 machines imported in September 2008.
- The total number of machines imported in February has fallen to 1242 compared to 1476 in January, a drop of 16%. This is the fourth consecutive month of declines. Machinery numbers over the last 6 months have fallen from a high in October of 1689 to 1242 in February, a drop of 26%. Traditionally March is where we normally see a rebound in volumes post Christmas. We are experiencing very strong growth in used equipment volumes currently, particularly from the USA and auction houses and forward orders our customers have are improving.
- I have visited some clients in Victoria this past week and spoke at the local CMEIG meeting. Once again the availability of finance was raised constantly as an obstacle the dealers are experiencing in getting the deals done with end users. One member at the CMEIG meeting also expressed a view that the Federal Govt. investment allowances has caused a surge in some machine types but this affect has now worn off and sales have slowed again.
- The FOB (customs) value of equipment increased again from \$158m in January to \$196m in February, an increase of \$38m. Encouragingly this indicates that the size of the equipment is increasing again. In our business we are yet to see much recovery in mining size equipment volumes although our many customers do confirm orders coming through for later in the year.
- There was a noticeable decrease in Tree Fellers, Mobile Cranes, and Tracked Cranes while Wheeled Dozers, Graders, and Screeners were up.
- Once again Excavators < 12t represented the category with largest number of units imported at 481 or 39% of the total imports.
- Other noticeably movements:

Tree Fellers and Tree Harvesters	<b>DOWN</b>	<b>50%</b>
Mobile Cranes	<b>DOWN</b>	<b>71%</b>
Tracked Cranes	<b>DOWN</b>	<b>91%</b>
Wheeled Dozers	<b>UP</b>	<b>100%</b>
Graders	<b>UP</b>	<b>58%</b>
Tracked Loaders	<b>DOWN</b>	<b>31%</b>
Wheeled Loaders	<b>DOWN</b>	<b>37%</b>
Other Earthmoving Machines	<b>DOWN</b>	<b>69%</b>
Screeners	<b>UP</b>	<b>142%</b>

- New finance contracts for Construction and Earthmoving equipment was only 4m in January. Financing has been moving in a range between 3m to 6m a month since August 2009 and is still very low historically.

	AUD
July	9m
August	6m
September	3m
October	5m
November	4m
December	6m
January	4m



# Skelton Sherborne Shipping Index

## February 2010

- The [Baltic Shipping Index](#) is at 3,427 as of March 17th and is tracking upwards since February.
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