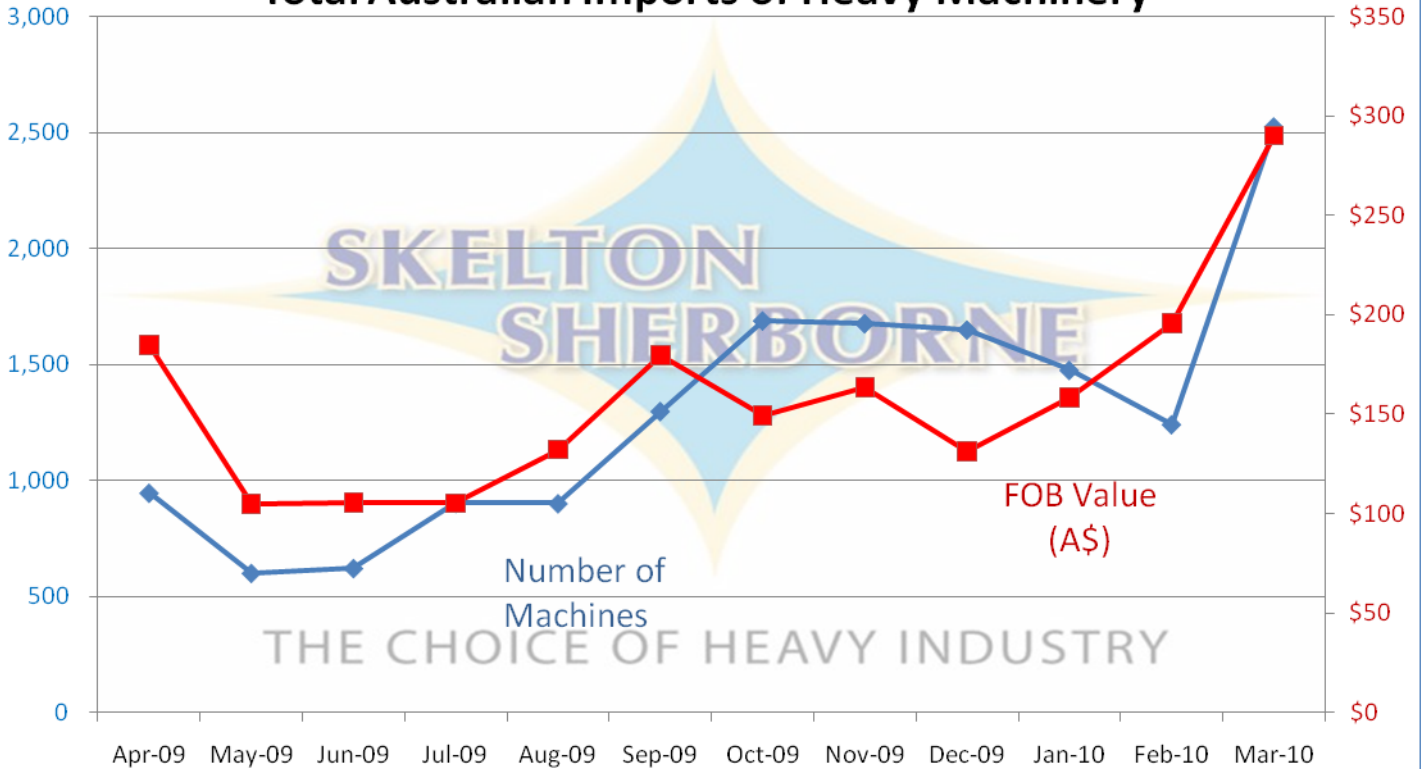


# Skelton Sherborne Shipping Index

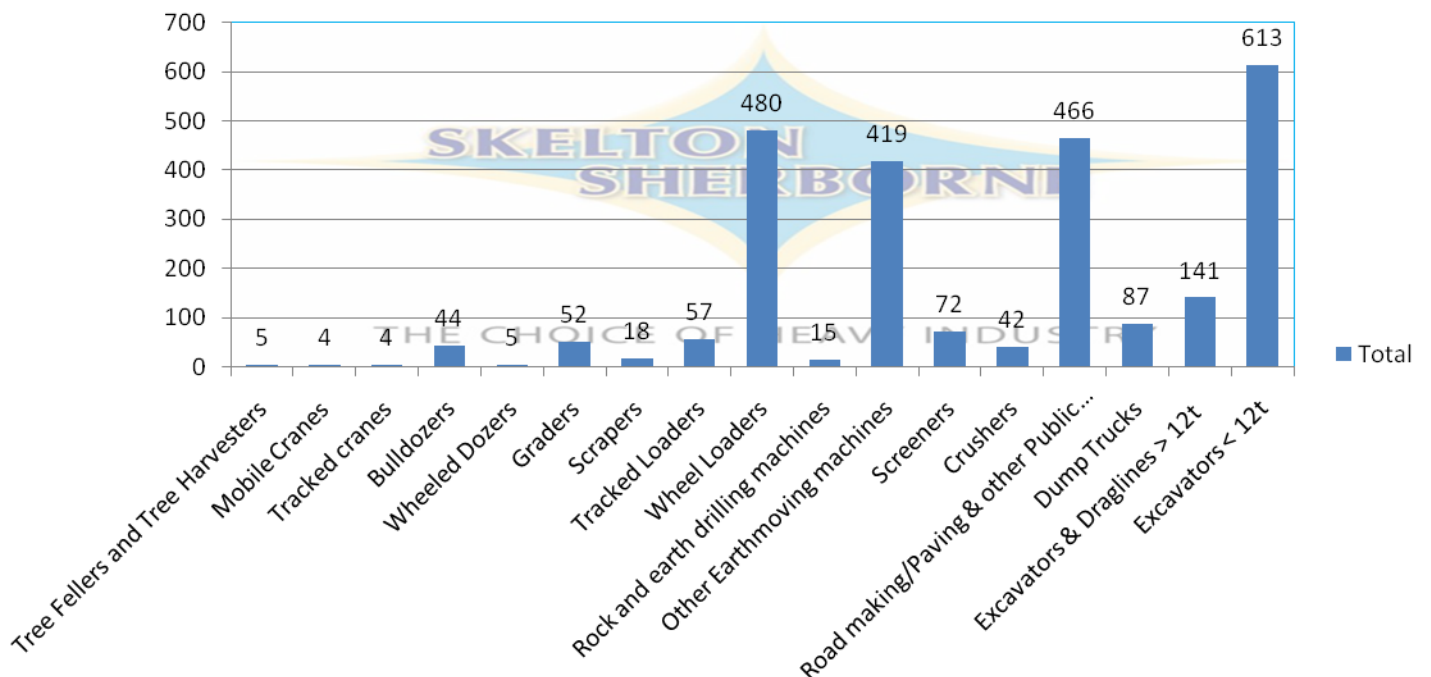
## March 2010

### 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 March 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

# Skelton Sherborne Shipping Index

## March 2010

- As we forecast last month, we are very pleased to report that March imports have surged positively by a **significant 103%**. The total number of machines imported in March was 2,524 compared to 1,242 in February. I am sure that this news will be a major relief for the embattled industry given the gradual decline in import numbers since October 2009. Imports of mining product are finally on the rise with many customers reporting forward orders with equipment set for delivery 2H10.
- Encouragingly, the FOB (customs) value of equipment also improved significantly from \$196m in February to \$290m in March, an increase of 49%. We are seeing most of our customers starting to build their inventory levels. Certainly not to pre-GFC levels but nonetheless growth is evident. Used equipment volumes have been slowly recovering also.
- Import figures are up in all categories except for Bull Dozers which fell 19%. The biggest increase was in Road Making / Paving and Public Works Equipment which rose by a staggering 628% from 64 units imported in February to 466 units in March.
- Once again Excavators < 12t represented the category with largest number of units imported in March at 613 units or 24% of the total imports, followed closely by Wheel Loaders at 480 units or 19% of the total imports.
- Other noticeably movements:

Tree Fellers and Tree Harvesters	UP	150%
Mobile Cranes	UP	100%
Tracked Cranes	UP	100%
Bull Dozers	DOWN	19%
Wheel Loaders	UP	174%
Graders	UP	37%
Road Making / Paving & Public Works Equipment	UP	628%
Dump Trucks	UP	34%
Other Earthmoving Machines	UP	264%
Crushers	UP	121%

- New finance contracts for Construction and Earthmoving equipment has fallen to a meagre \$1m in February which is low compared to the equipment being imported. Financing has been moving in a range between 3m to 6m a month since August 2009 and is still very low historically compared to a high in March 2009 of 60m. It will be interesting to see if this figure improves in March given the surge in Machinery imports. A major financier we have a close relationship with has advised they are writing good mining business again on equipment for delivery 2H10.

	AUD
July	9m
August	6m
September	3m
October	5m
November	4m
December	6m
January	4m
February	1m



THE CHOICE OF HEAVY INDUSTRY

# Skelton Sherborne Shipping Index

## March 2010

- The [Baltic Shipping Index](#) is at 3,009 as of April 22nd and is stable since February.
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