

NEWS RELEASE



For Immediate Release

Contact:

Corinne Gangloff
Media Relations
The Freedonia Group, Inc.
Cleveland, OH
+1 440.684.9600
pr@freedoniagroup.com

World Demand for Mining Equipment to Approach \$105 Billion in 2019

Global demand for mining equipment is forecast to expand 7.0 percent annually to nearly \$105 billion in 2019. Growth in mining equipment sales during the 2009-2014 period was erratic, a result of the volatility of commodity prices and the resultant effect on mining machinery investment. Increases in manufacturing output, especially in the developing world, and renewed strength in construction activity in much of the developed world will support mining equipment sales gains. These and other trends are presented in ***World Mining Equipment***, a new study from **The Freedonia Group, Inc.**, a Cleveland-based industry research firm.

The developing world will continue to post robust gains in mining equipment demand, as overall lack of mechanization rates in these countries drive purchases. In addition, many developing countries have significant metals and coal mining industries that require substantial levels of capital investment. These include nations in the Asia/Pacific region and Central and South America, which have large metals mining industries, and in Eastern Europe and the Africa/Mideast region, which are sizable coal producing areas.

China is by far the largest national market for mining equipment, with sales more than doubling between 2009 and 2014. Rapid increases in manufacturing output and construction activity in the country, as well as government efforts to boost the mechanization of China's mines, led to torrid growth historically, and advances will remain above average through 2019. According to analyst Kyle Peters, "Although it will remain a much smaller market than China, India will record the fastest gains of any country, as there is still a significant need for mine mechanization. Mining output growth in India will be among the strongest in the world."

The developed countries of North America and Western Europe will experience more modest growth through 2019, although mining equipment demand in Western Europe will accelerate from the 2009-2014 period as the region's construction industry rebounds from a decade long decline. The majority of mining activity in these nations is of aggregates, which require less capital spending per metric ton of output than metals or coal. In addition, coal consumption and associated mining output are falling in many industrialized countries, as regulatory mandates lead to greater use of other energy sources.

WORLD MINING EQUIPMENT DEMAND (million dollars)					
Item	2009	2014	2019	% Annual Growth	
				2009- 2014	2014- 2019
Mining Equipment Demand	<u>50850</u>	<u>74450</u>	<u>104500</u>	7.9	7.0
North America	8470	12850	16100	8.7	4.6
Western Europe	4470	5110	6705	2.7	5.6
Asia/Pacific	26765	42800	62700	9.8	7.9
Central & South America	4550	5470	7765	3.8	7.3
Eastern Europe	3480	3305	4350	-1.0	5.6
Africa/Mideast	3115	4915	6880	9.6	7.0

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World Mining Equipment (published 11/2015, 439 pages) is available for \$6600 from The Freedonia Group, Inc. For further details or to arrange an interview with the analyst, please contact Corinne Gangloff by phone 440.684.9600 or e-mail pr@freedoniagroup.com. Information may also be obtained through www.freedoniagroup.com.

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