

The global mining market slowed down in 2019

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After a year of recovery in 2018, many features of the global mining showed a slow-down in 2019. Analysis of exploration activity shows that expenditure experienced modest falls in 2019, and as a result, the number of drilling projects showed a 13% reduction on 2018 levels. This was despite some recovery in drilling activity in the second half of 2019, after a weak beginning to the year.

The Parker Bay Company monitors deliveries of surface mining equipment to the global mining market on a quarterly basis. Their latest update to Q4 2019 is shown in the graph below. This shows that shipments continued on a steady downward trend in 2019, after reaching a peak in the last quarter of 2018.

This resulted in an 18% decline in shipments in 2019, on a units sold basis, compared with the previous year. In value terms, the fall was only 12%, which indicates that there was a mix change towards larger/ higher value equipment during the year.

Parker Bay operate a mining equipment database which includes eight different type of surface mining equipment. Their latest assessment of the active machine population suggests more than 80,000 pieces of equipment are active in the global mining market.

This includes mining trucks (over 48,000 machines) and crawler and wheeled dozers (over 13,000 machines) as the two most popular machine types.

Based on the latest consensus forecasts for commodity prices from leading industry analysts, prospects for the global mining industry in 2020 seem reasonable. Most commodities are forecast to experience an increase in price levels in 2020 compared with 2019, except for zinc, where the outlook is flat, and iron ore, where further reductions are expected.

Source: CECE - Committee for European Construction Equipment