
BIS Shrapnel sees Australian mining sector booming again within 3 years

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According to a new report, Australia's mining sector will be booming again within 3 years, boosted by the development of multi-billion dollar projects in the oil and gas, iron ore, coal and copper sectors.

Industry analyst and economic forecaster BIS Shrapnel reckons that a sustained downturn should be over by 2010-11 and that annual gross mining investment in Australia will surpass USD 50 billion by 2011-12, rising to over USD 60 billion by 2013-14.

Meanwhile, growth in Australian mining production is expected to pick up strongly across most commodities in 2009-10 and accelerate in subsequent years as global demand improves and several years of investment in new capacity begins to bear fruit.

BIS Shrapnel is forecasting that the real value of mining production will rise 30% over the five years to 2013-14 as compared to an increase of just 2% in 2008-09.

Mr Adrian Hart senior manager of BIS Shrapnel's infrastructure and mining unit said that "The global recession has dented minerals demand momentarily, but the long term outlook for key commodities is still strong. While we are forecasting a decline in mining investment to play out over the next 12 to 18 months, the extent of the decline is now expected to be relatively mild considering the four-fold increase in mining investment since 2002."

Mr Hart said that over the next 5 years, strong growth within the Asian region would be a key source of demand for the country's resources assets and commodity prices would remain well above long term levels.

(Sourced from www.smallcapnews.co.uk)

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