



Australia: Meeting Asia's Resource Demand

IMSF Conference, Hong Kong

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31 May 2011





RAZOR SHARP
CORAL

CYCLONES

STINGGRAYS

SHARKS

CROCODILES

STEVE
IRWIN

ANGRY
NATIVES

BACKPACKER
MURDERERS

GIANT RATS

POISONOUS
SNAKES

NOTHING

MANEATING
KOALAS

SCORPIONS

MOSQUITOES

**SCORCHING
DESERT**

BABYKILLER
DINGOS

SHARKS

SHARKS

FIRES

DANNI
MINOGUE

STINGING
JELLYFISH

SHARKS
WITH FRICKIN'
LASERS

CONVICTS

GIANT
SPIDERS

DERANGED
GUNMEN



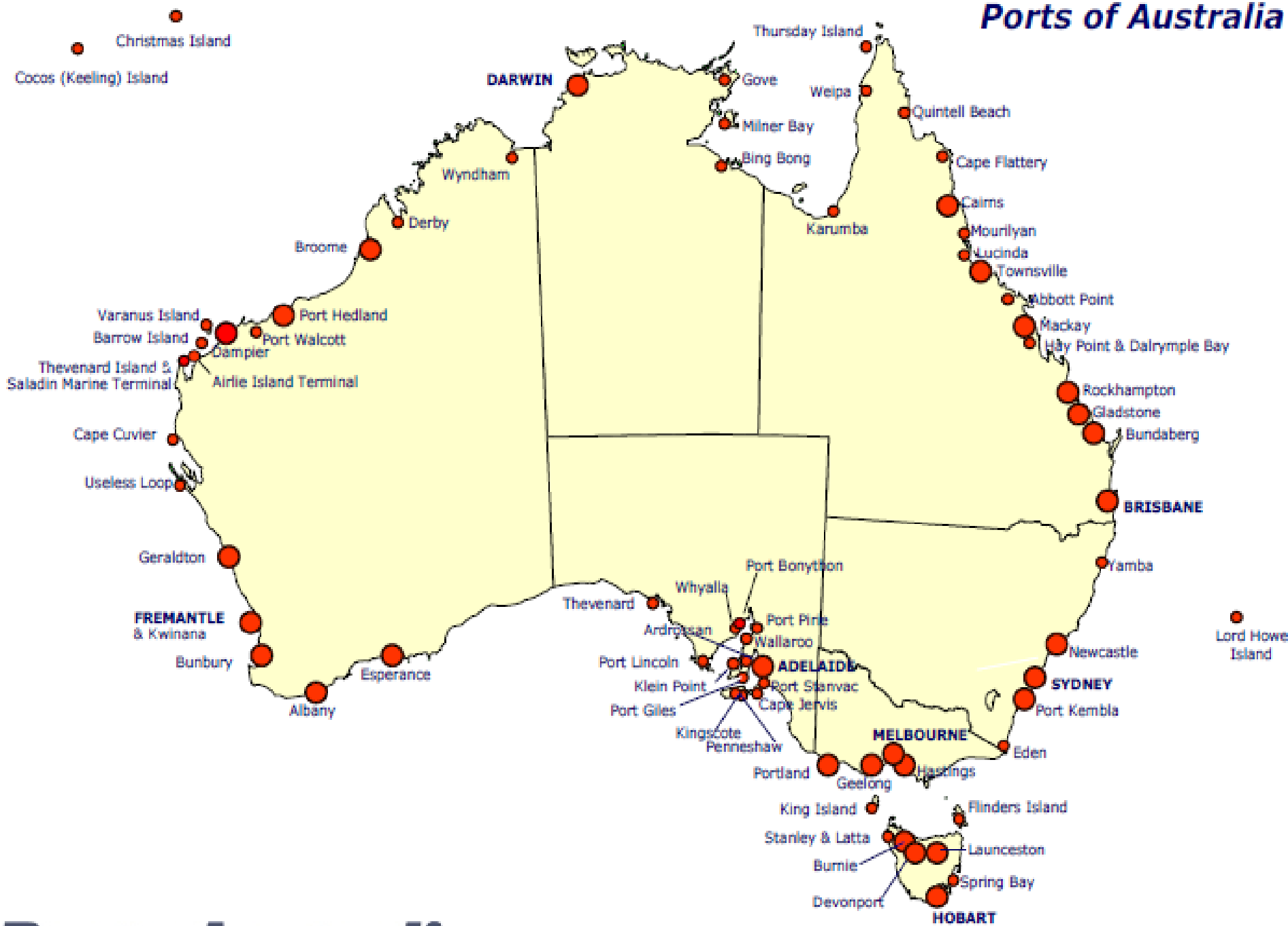


Although iron ore had been identified in the Pilbara as long ago as the 1890s, it was in 1952 that **Lang Hancock** discovered the extent of the iron ore deposits. I will quote from the words of **Lang Hancock** - a quotation that has been used quite often recently - when he described the discovery made during what is often described as the discovery flight. He said -

In November of 1952, I was flying down south with my wife Hope, and we left a bit later than usual and by the time we got over the Hamersley Ranges, the clouds had formed and the ceiling got lower and lower. I got into the Turner River, knowing full well if I followed it through, I would come out into the Asburton.

On going through a gorge in the Turner River, I noticed that the walls looked to me to be solid iron and was particularly alerted by the rusty looking colour of it, it showed to me to be oxidised iron.

Ports of Australia





歌広場

渋谷センター街

天狗 BI

アワース

おき家

マクドナルド
ハンバーガー

Urban
MUSIC

東武

東武
東横線

渋谷センター街

Urban
MUSIC

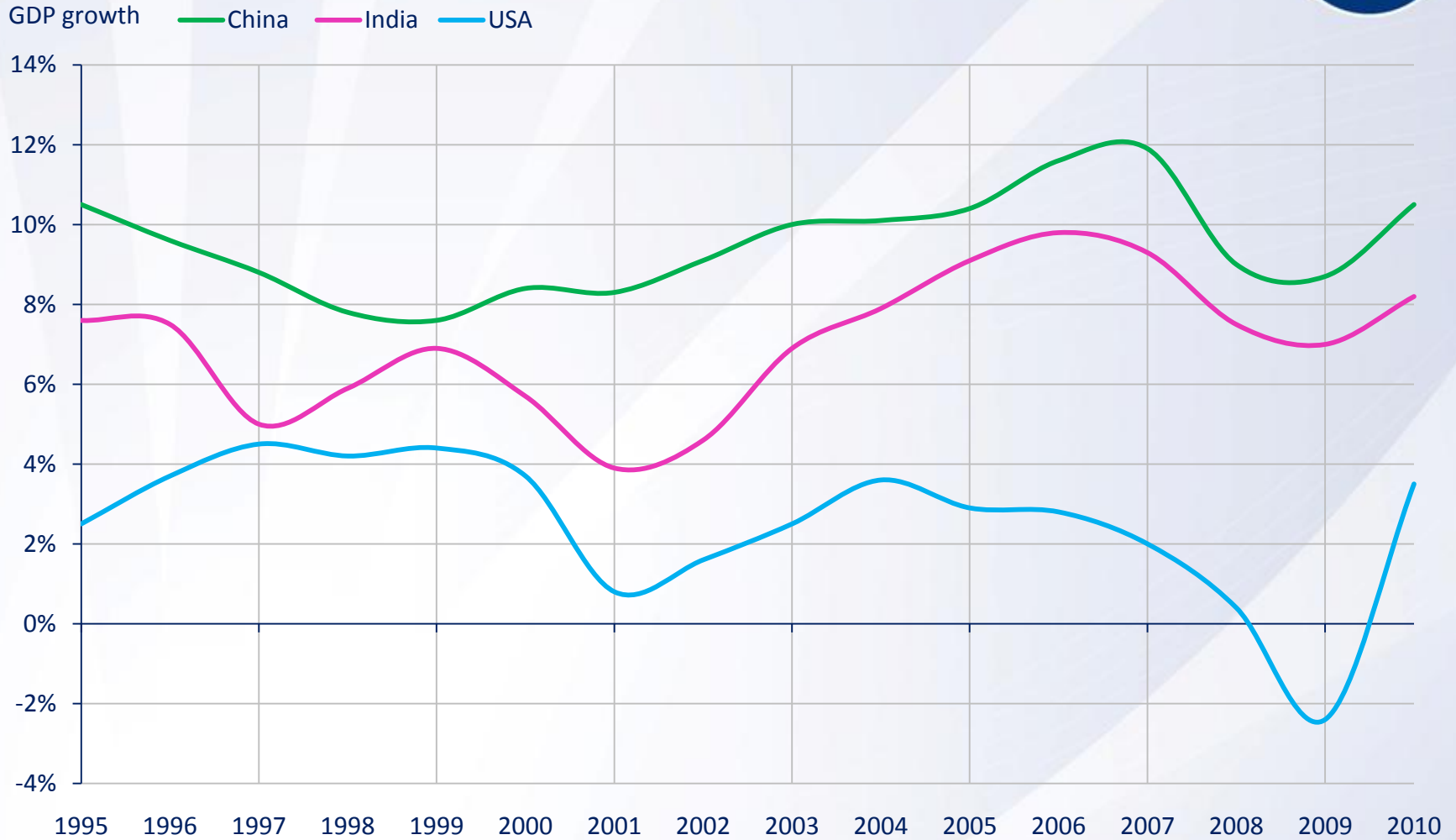
東武
東横線

東武
東横線

東武
東横線



India's & China's economic performance

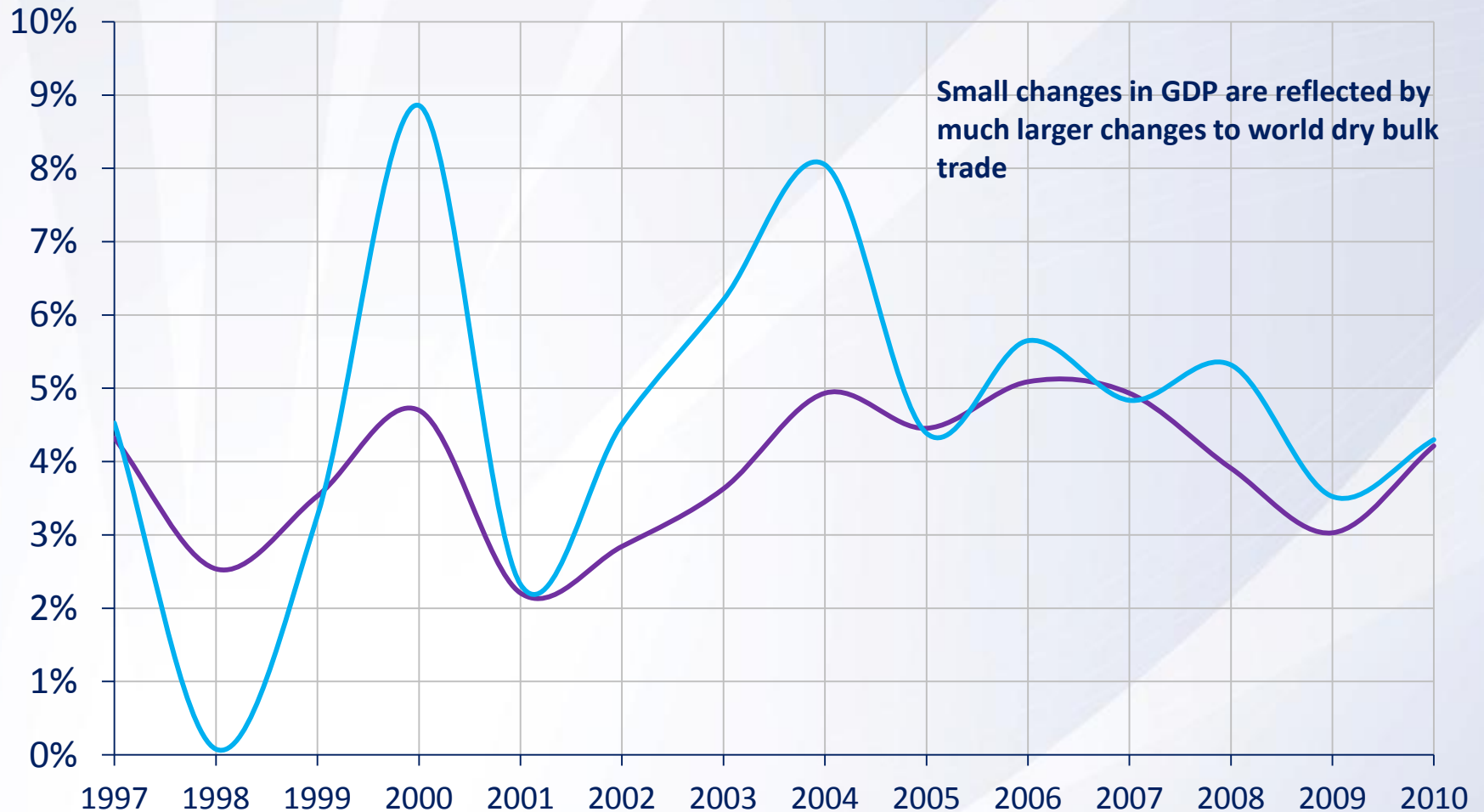


31/08/2010

Dry bulk trade & GDP



growth — World GDP — World dry bulk trade



Source: IMF

Steel consumption 2008

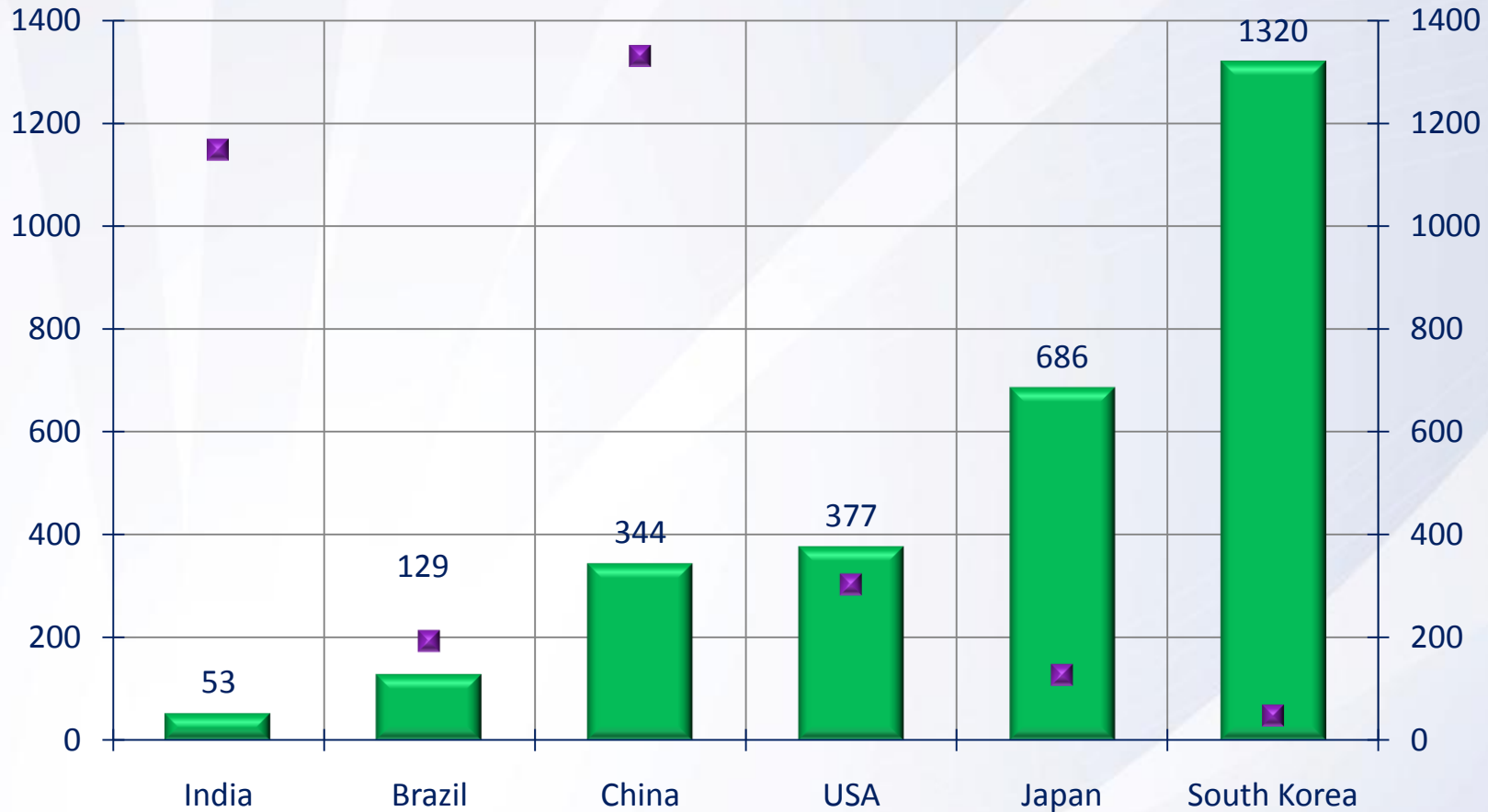


steel consumption

kg/capita

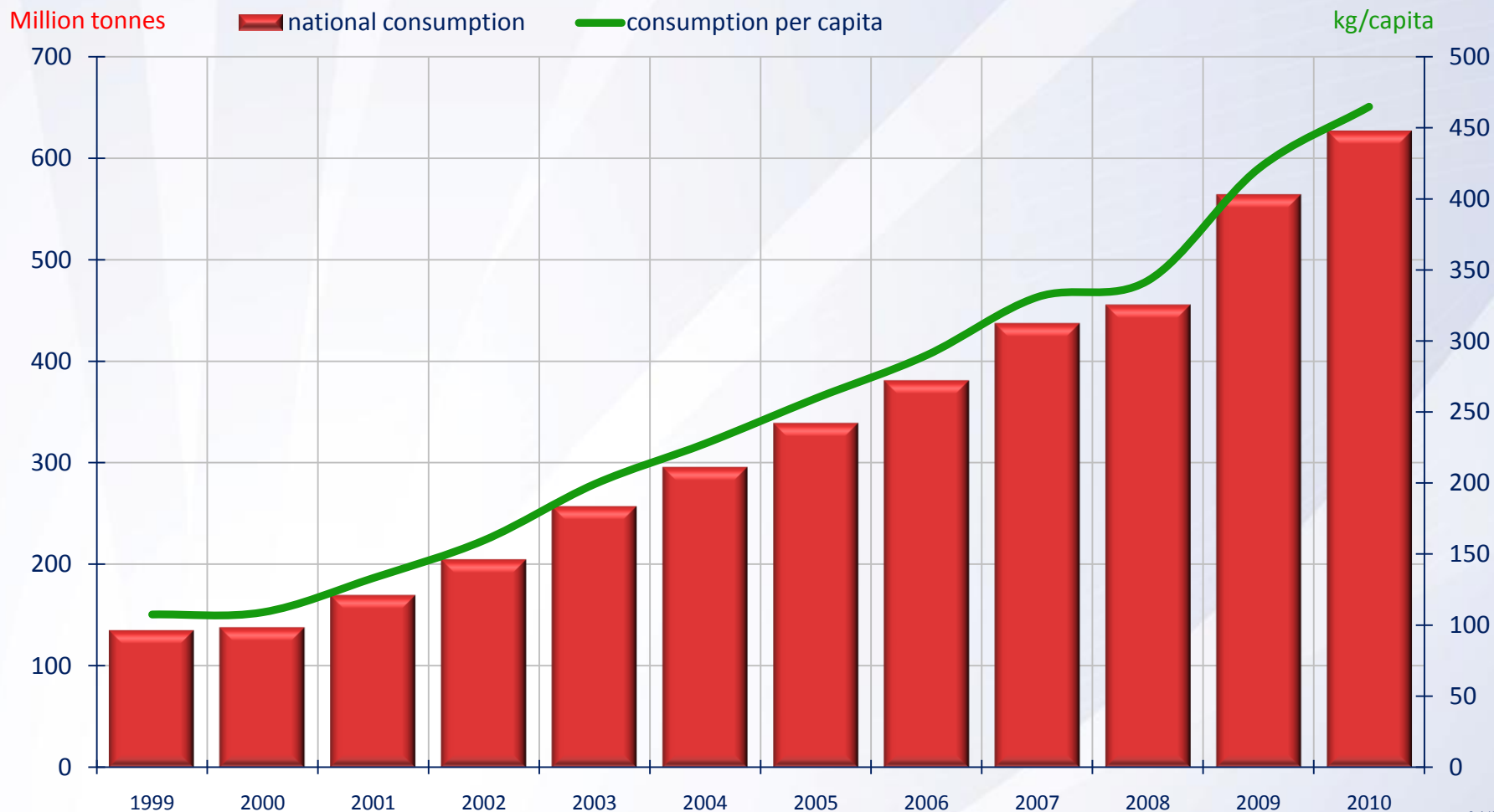
population

million





China steel consumption

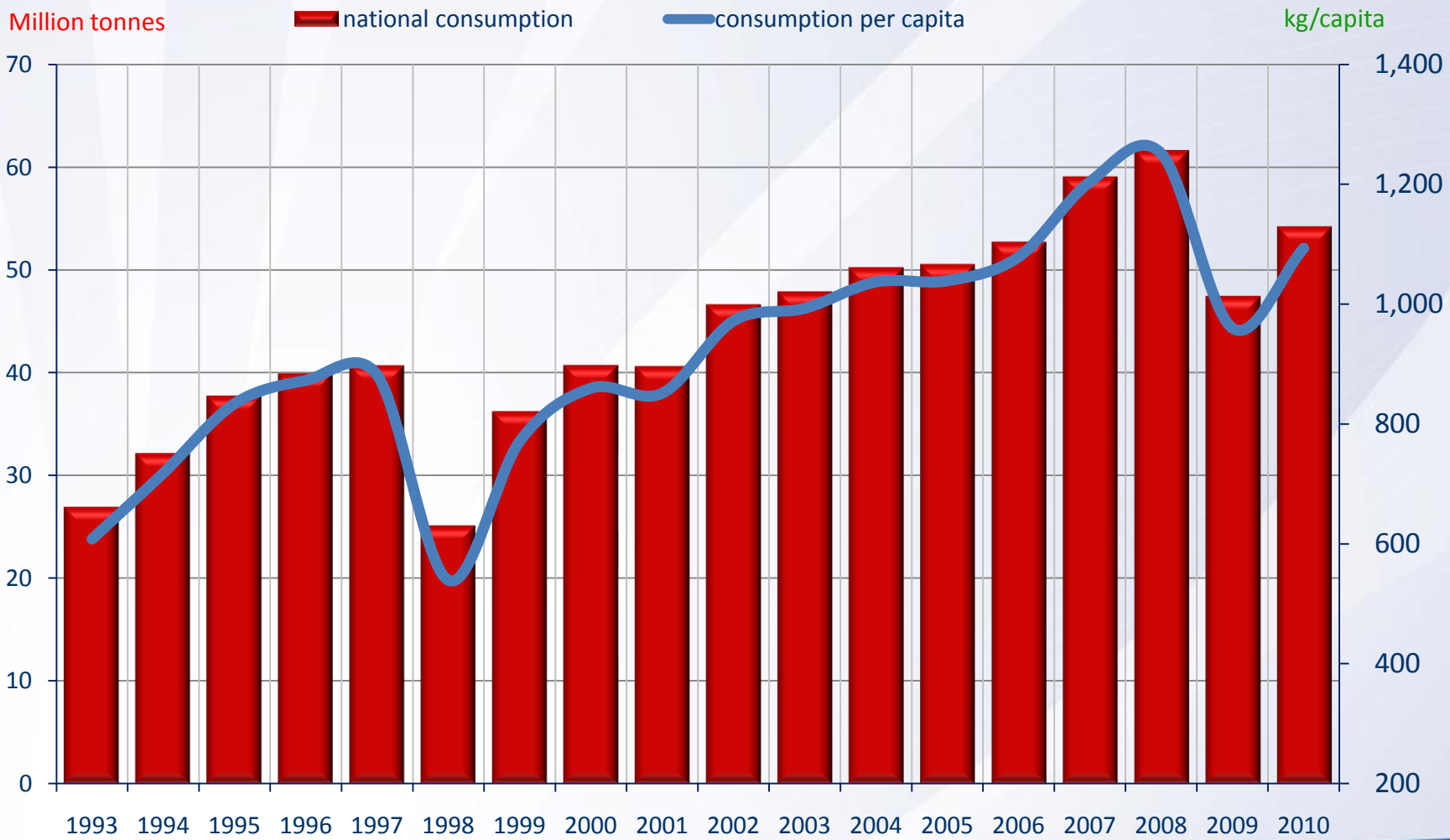


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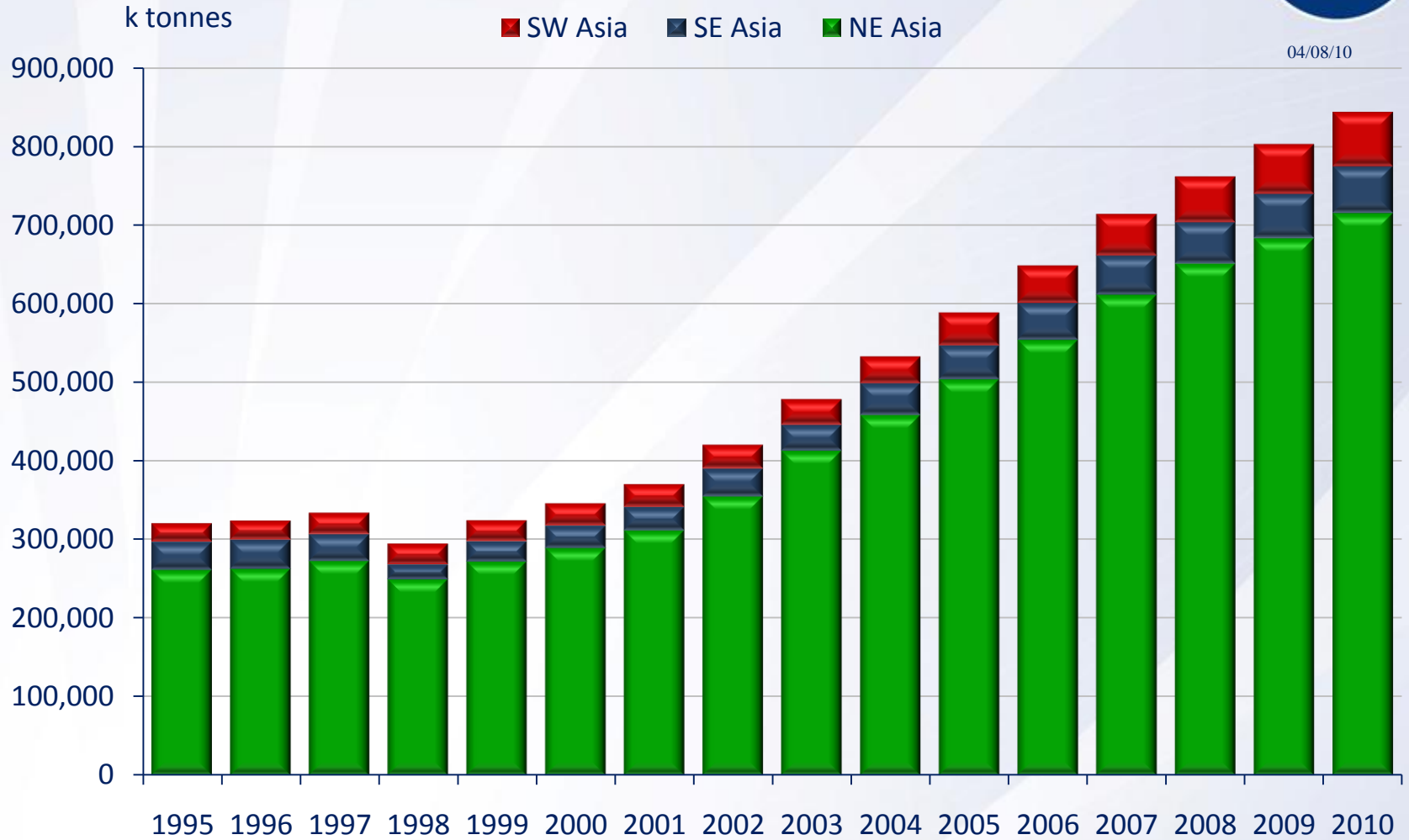
South Korea Consumption



Asia Steel Demand

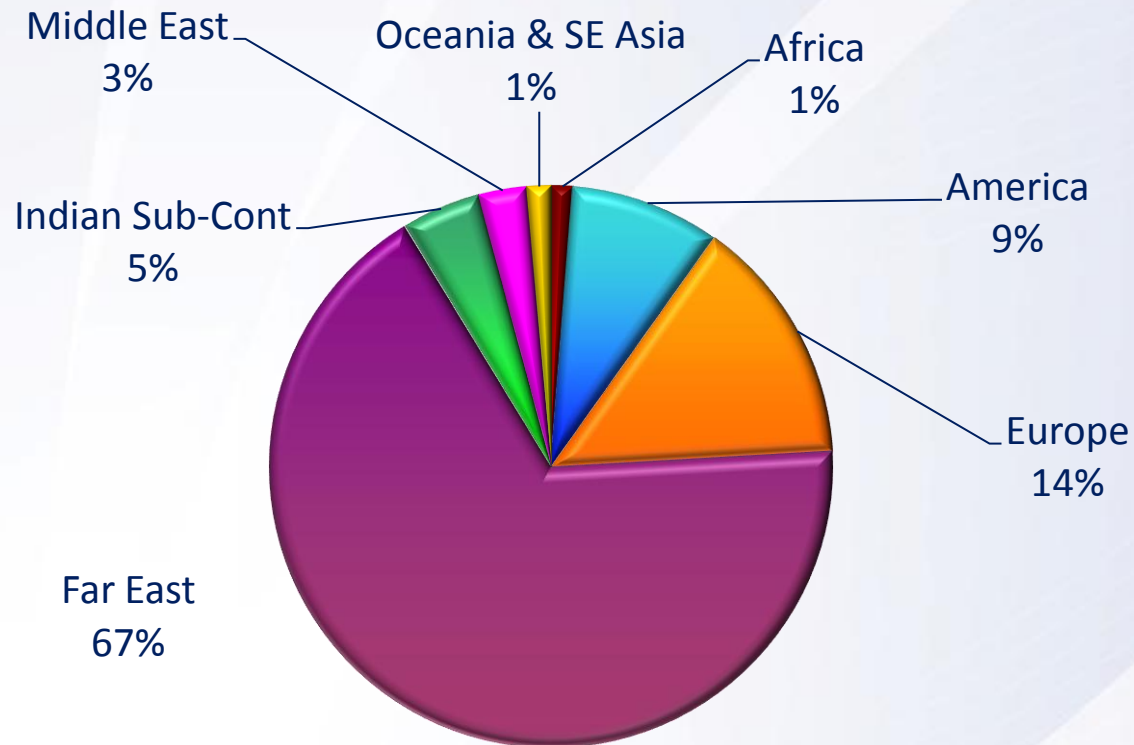


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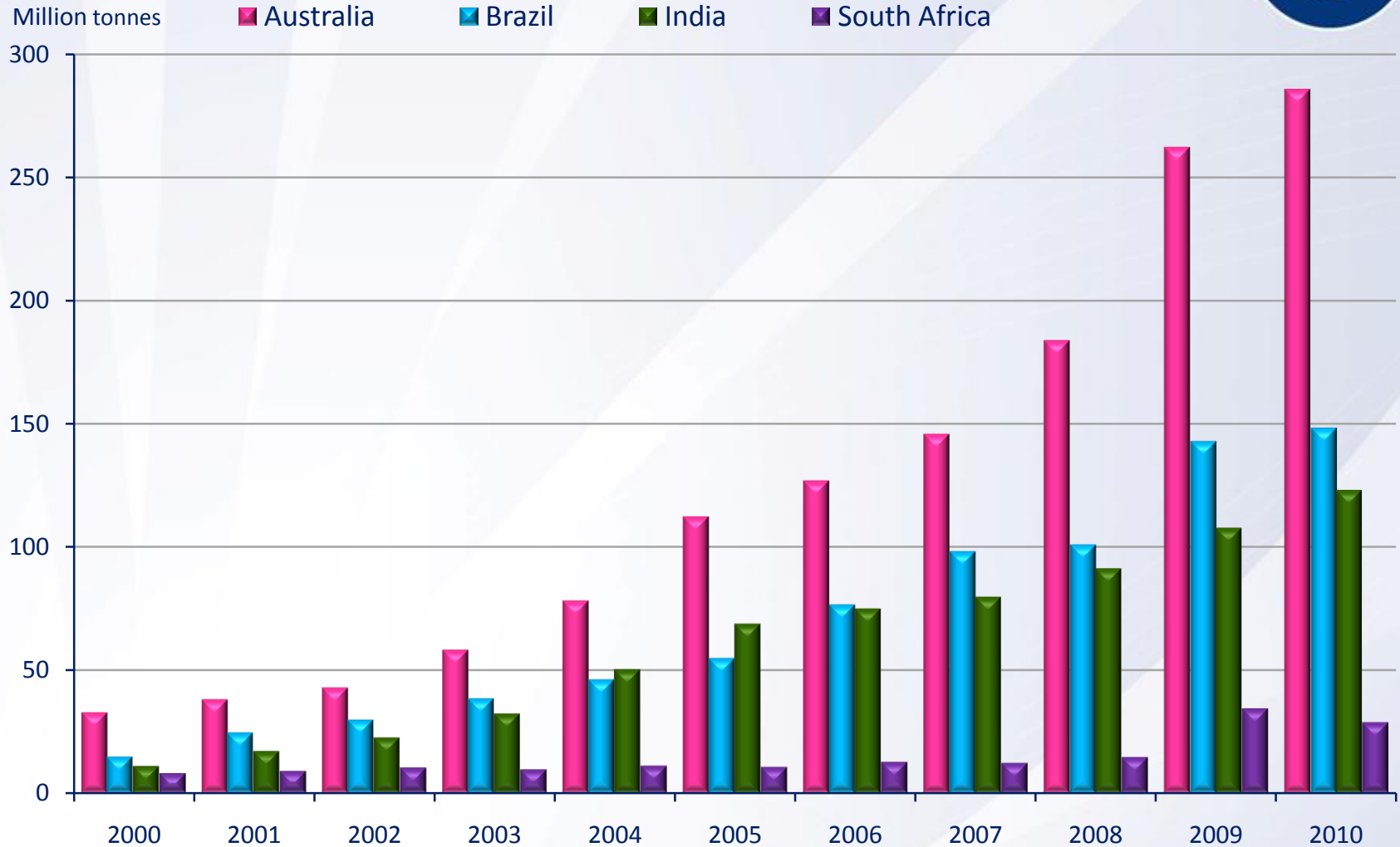




World Iron Ore Consumption 2009

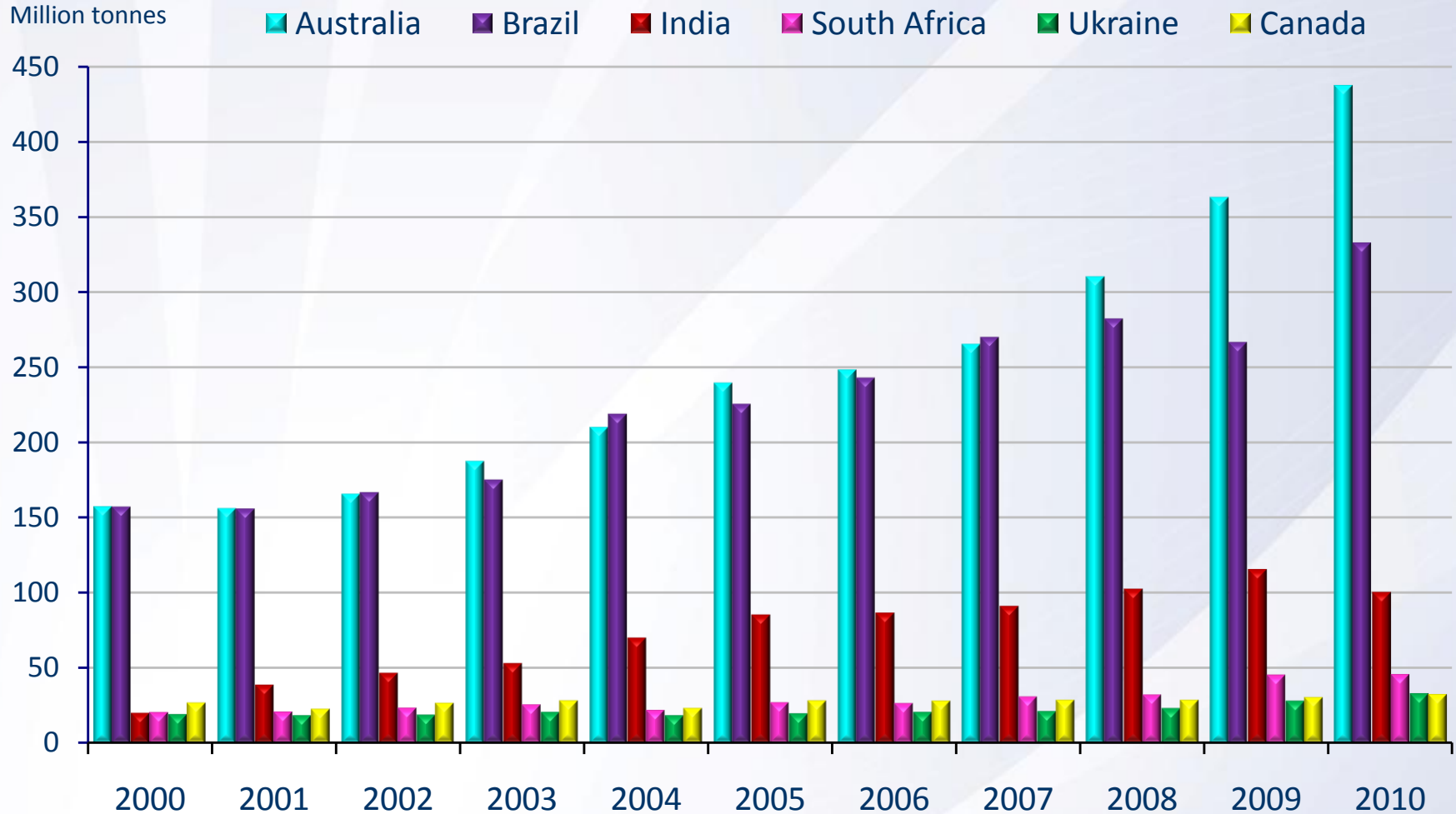


China's primary iron ore sources



06/08/2010

The Main Iron Ore Exporters

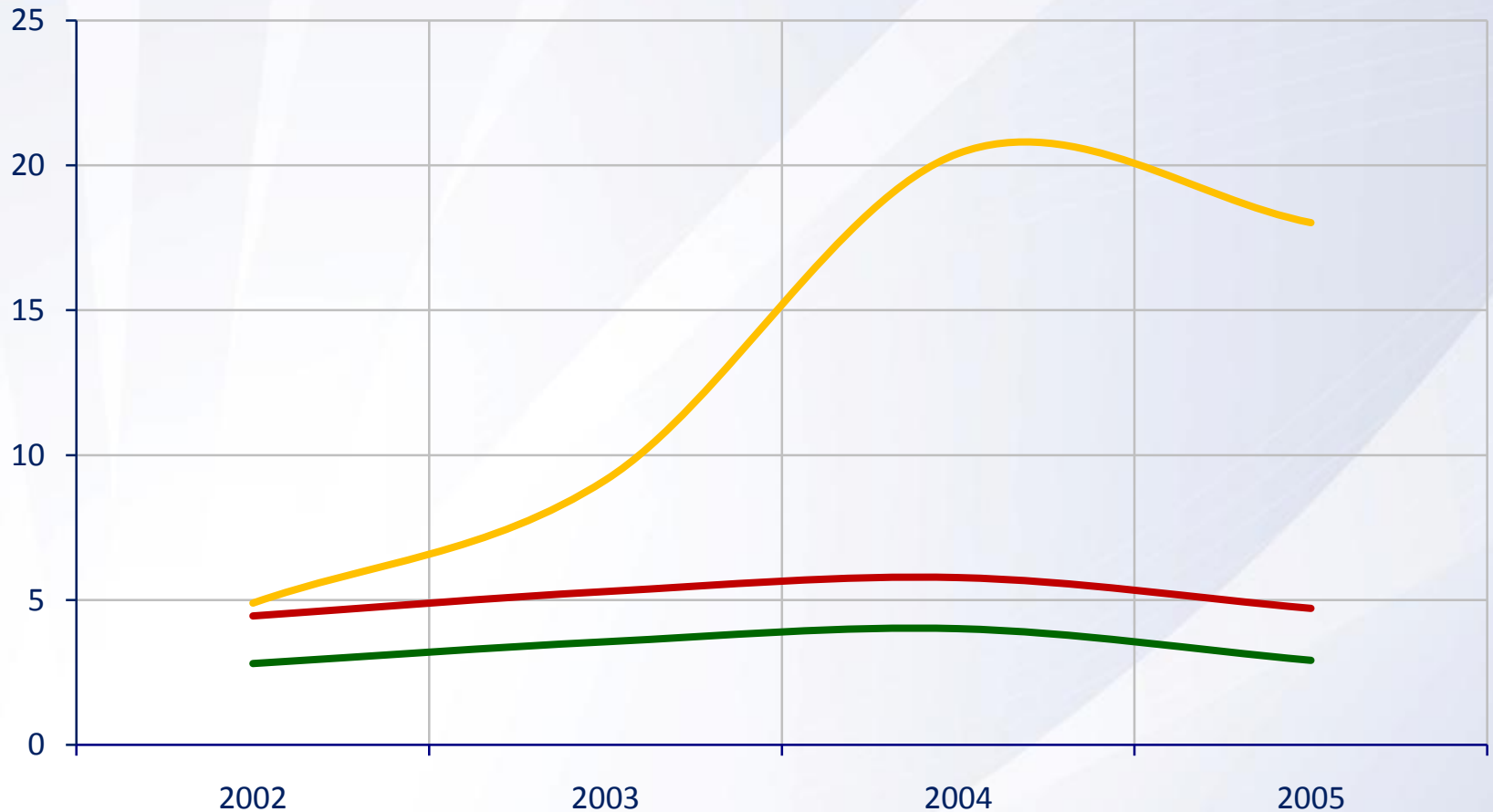




China Exposure to Freight Rates

Average Implied
Freight Rate \$/tonne

— Aust - China — Aust - Japan — Aust - South Korea

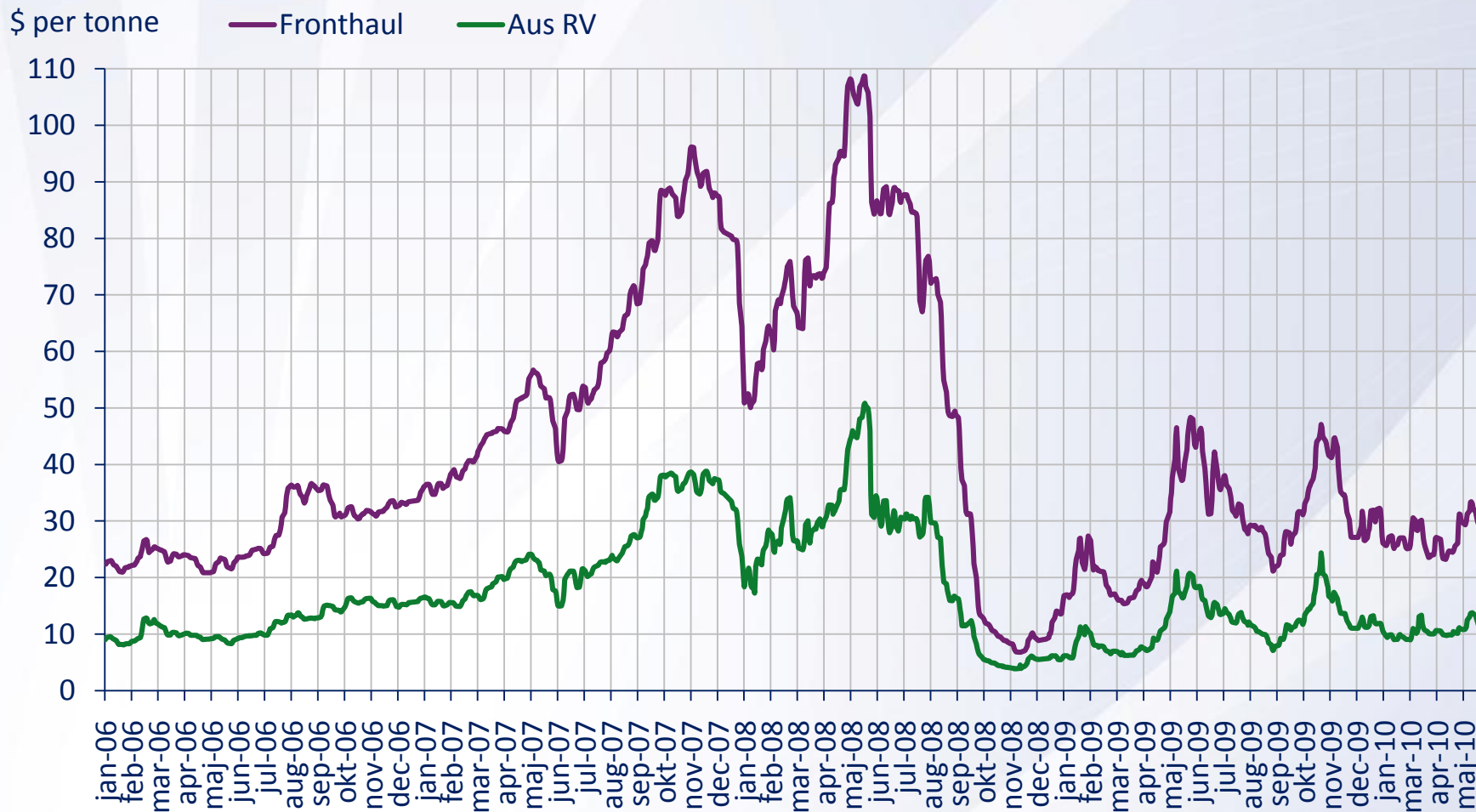




Cape Differentials

Brazilian Ore v Australian Ore

Cape Voyage Rates Fronthaul v Aussie RV



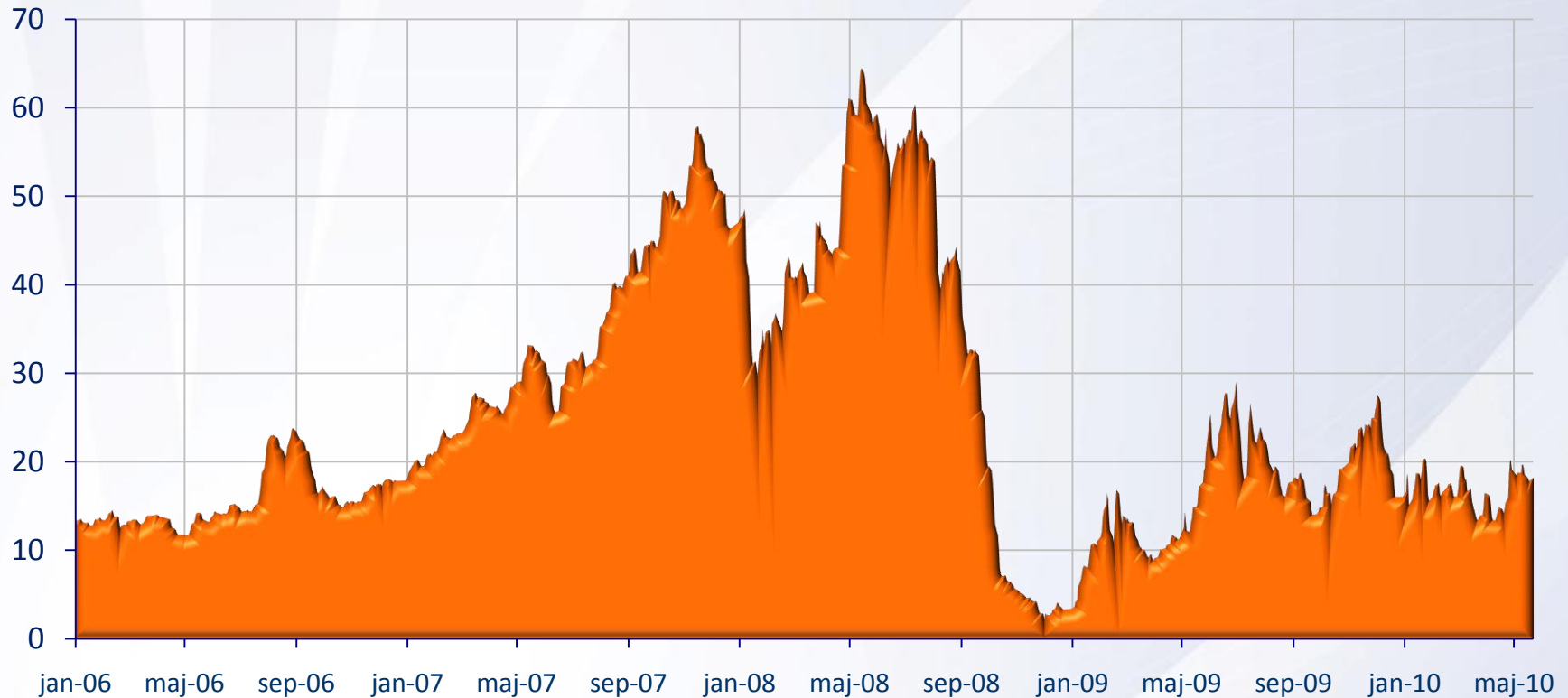
Source: Baltic Exchange

Cape Freight Rate Differentials

Australia's Freight Advantage over Brazil



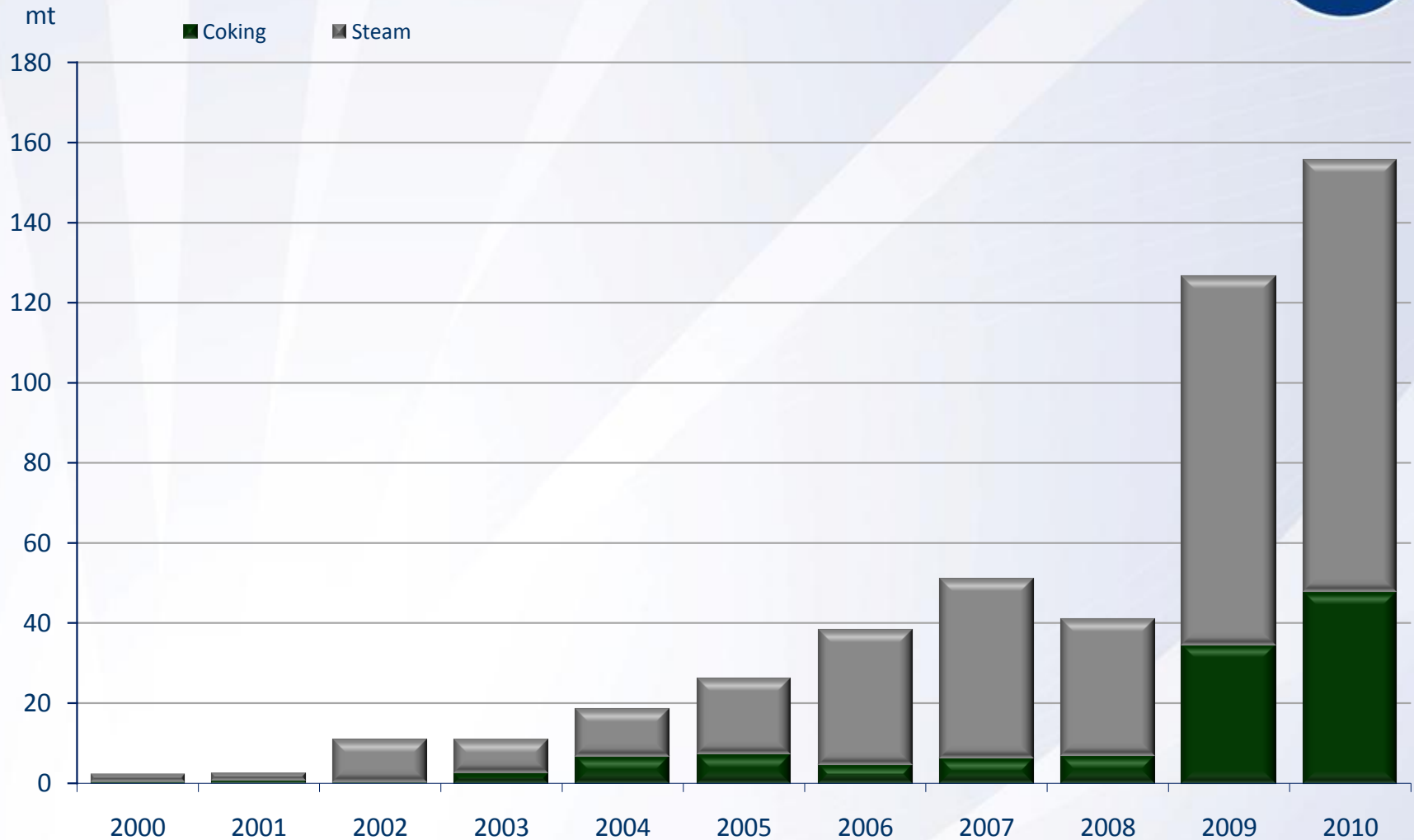
\$ per tonne



Source: Baltic Exchange



China Coal Imports



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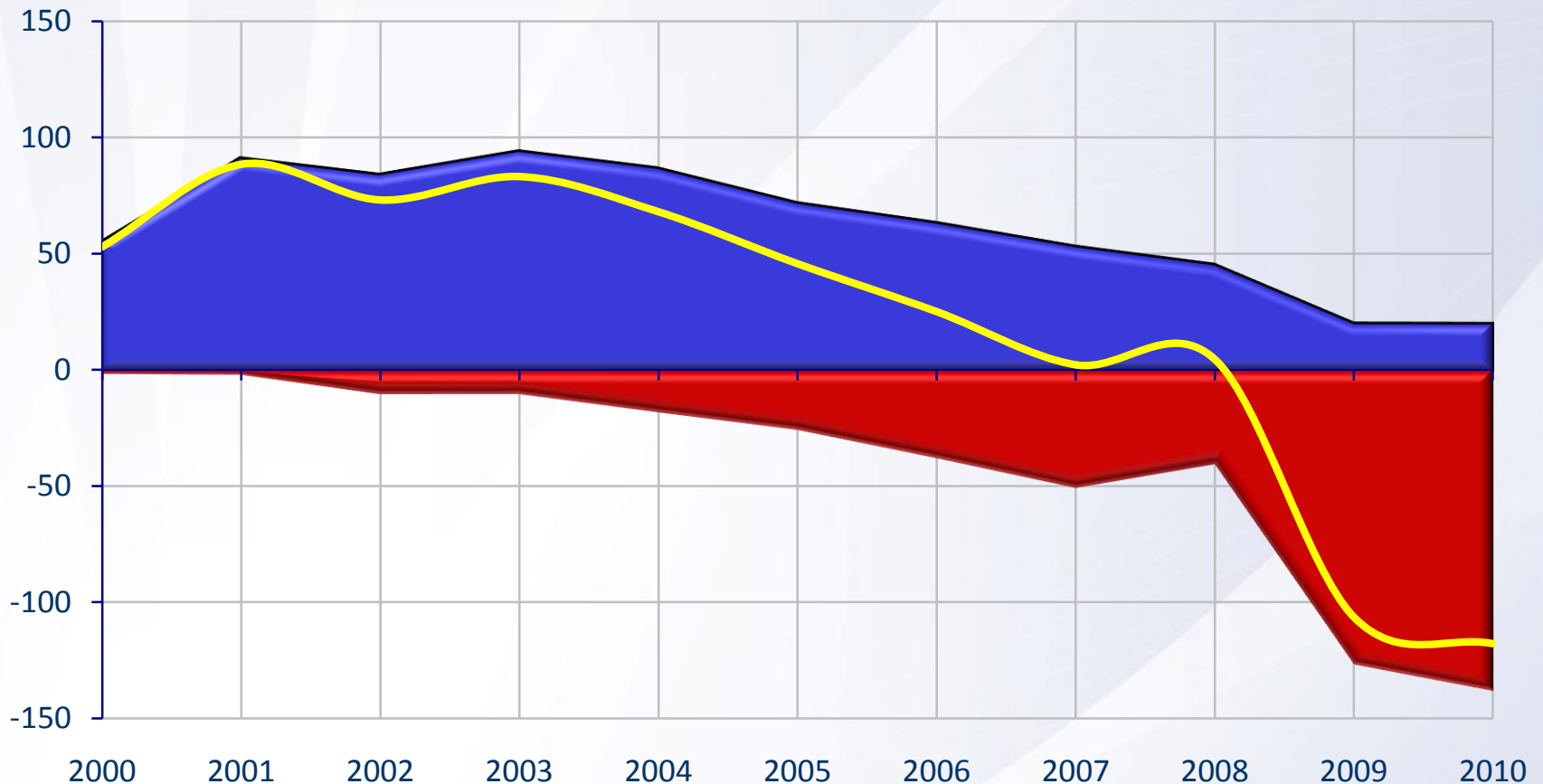
China: Net Coal Importer in 2009

Unthinkable only a few years ago!



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m tonnes ■ Export ■ Import ■ Net Balance



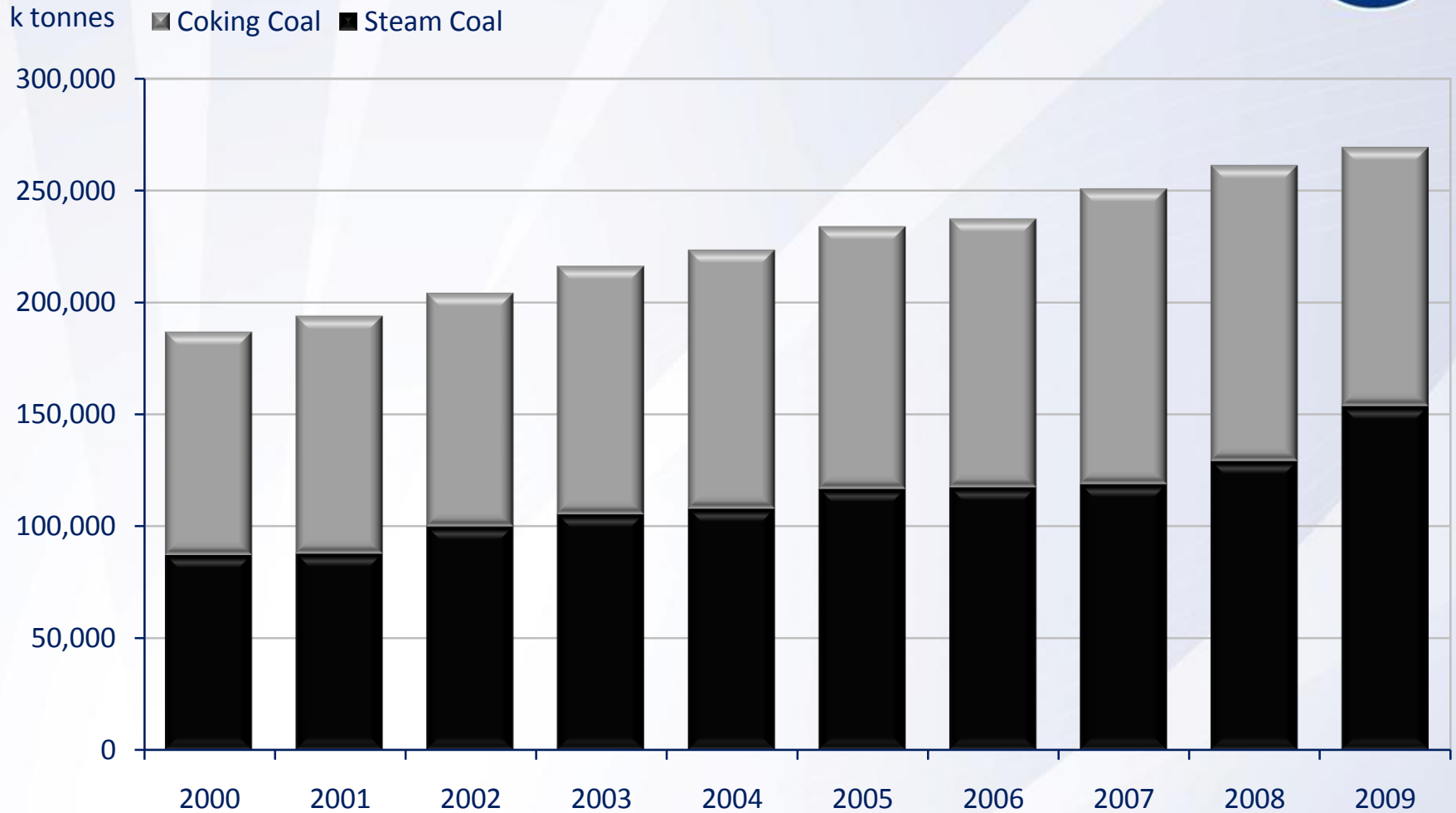
July 2009 voyages to China



PORT	Cape	Panamax	Supra/Handymax	Grand Total
Abbot Point	1	2		3
Dalrymple Bay	1	21		22
Gladstone	1	15	2	18
Hay Point	3	11		14
Newcastle		12		12
Port Kembla		6		6
Grand Total	6	67	2	75

Source: Braemar Seascope Research

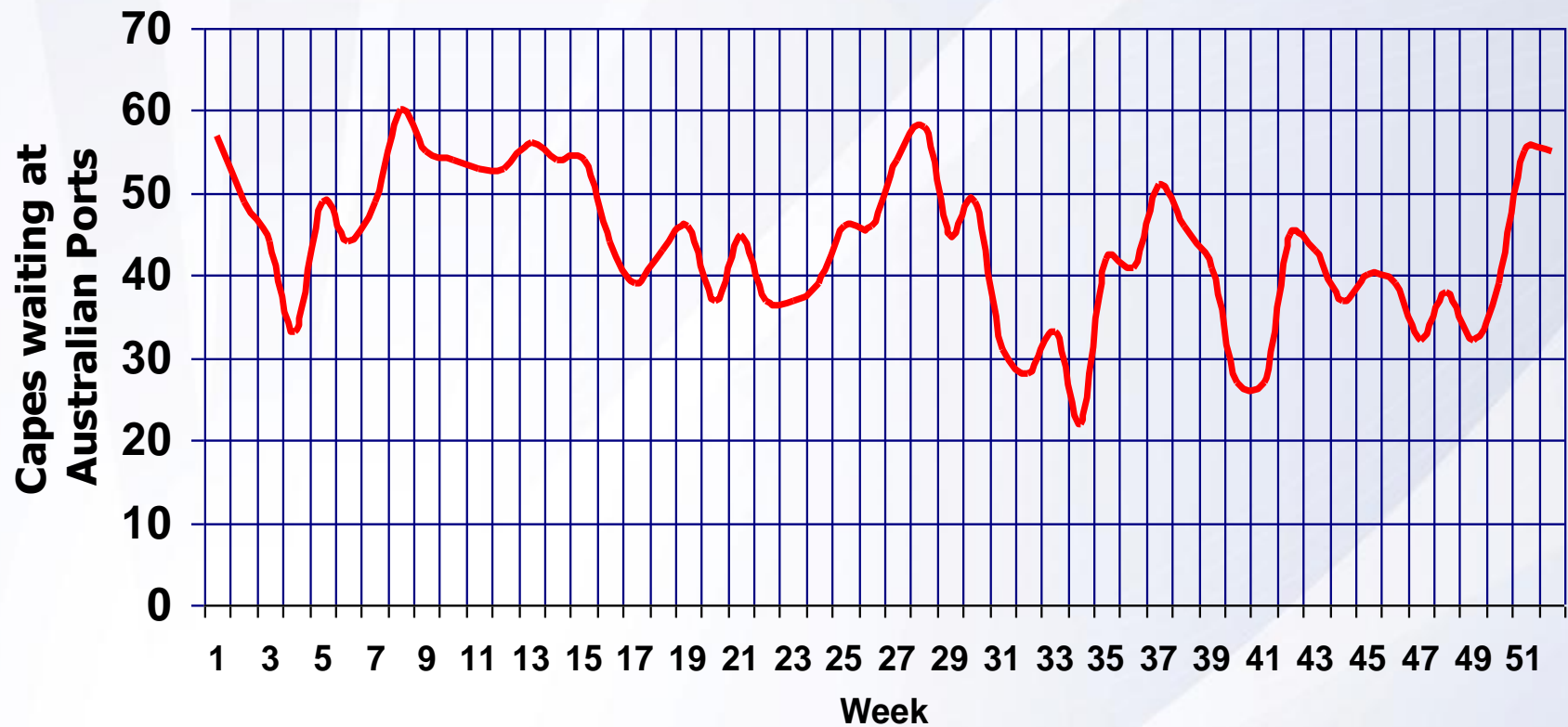
Australian Coal Exports





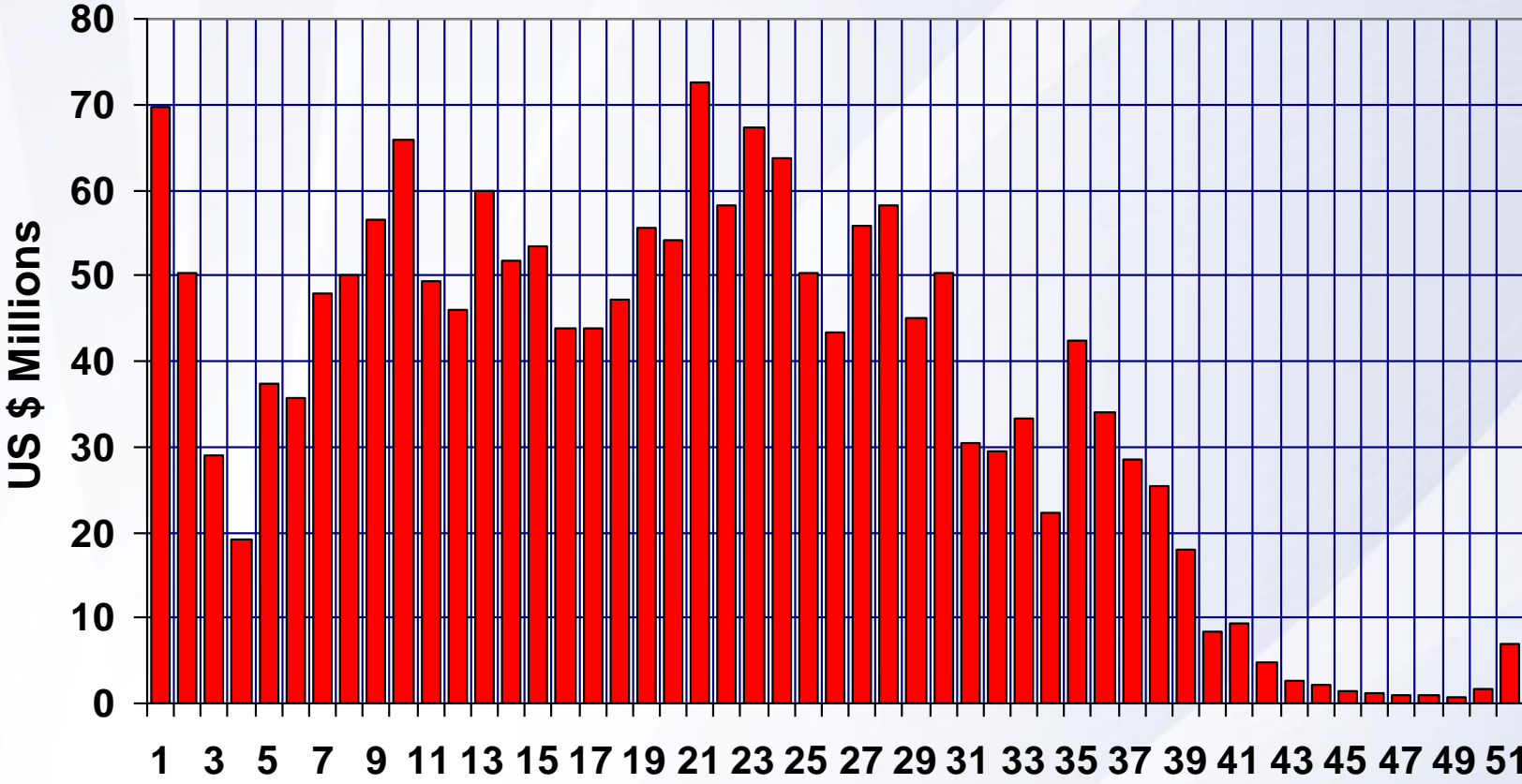


Cape Congestion Australia 2008





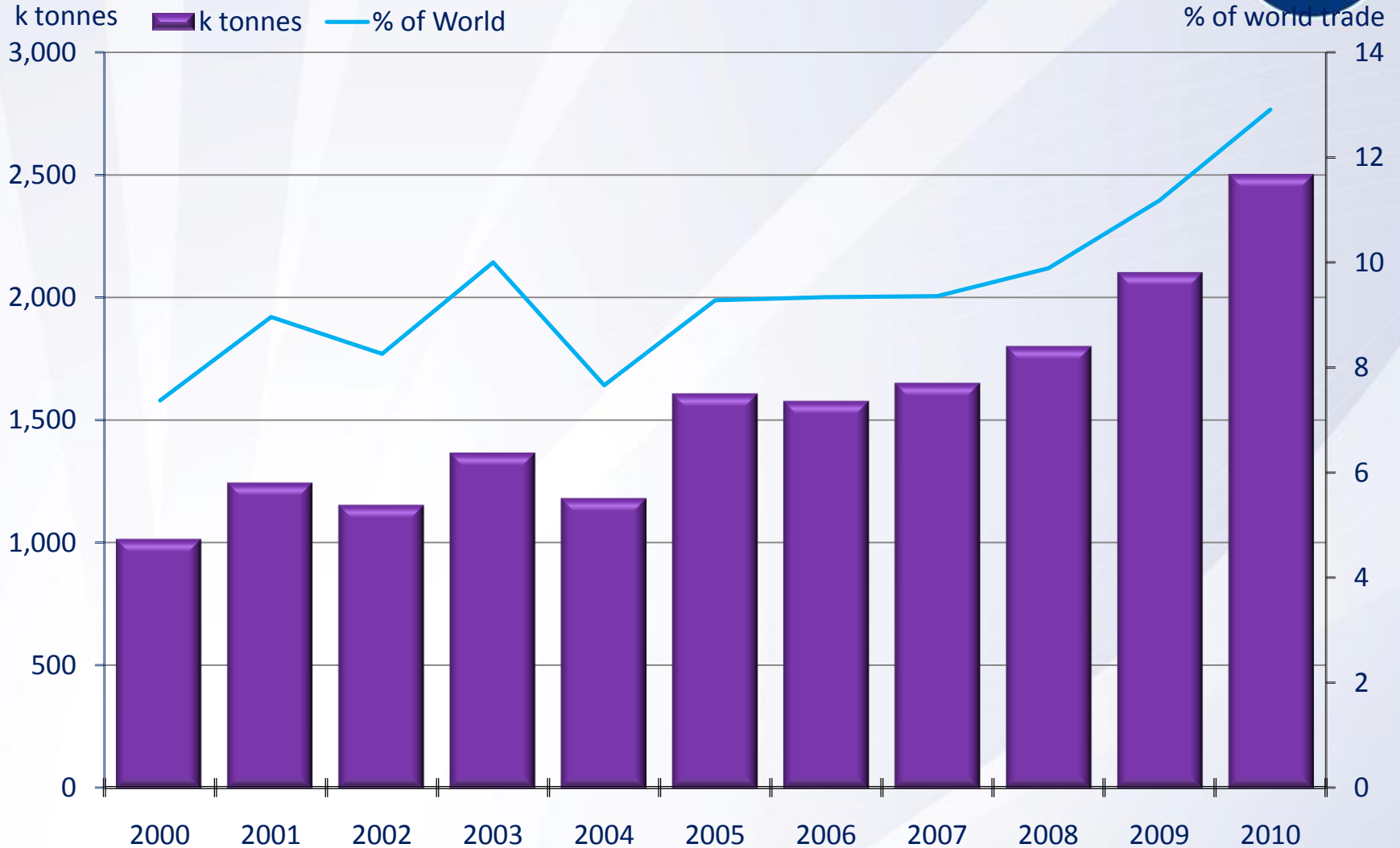
Australia's Weekly Demurrage Bill 2008



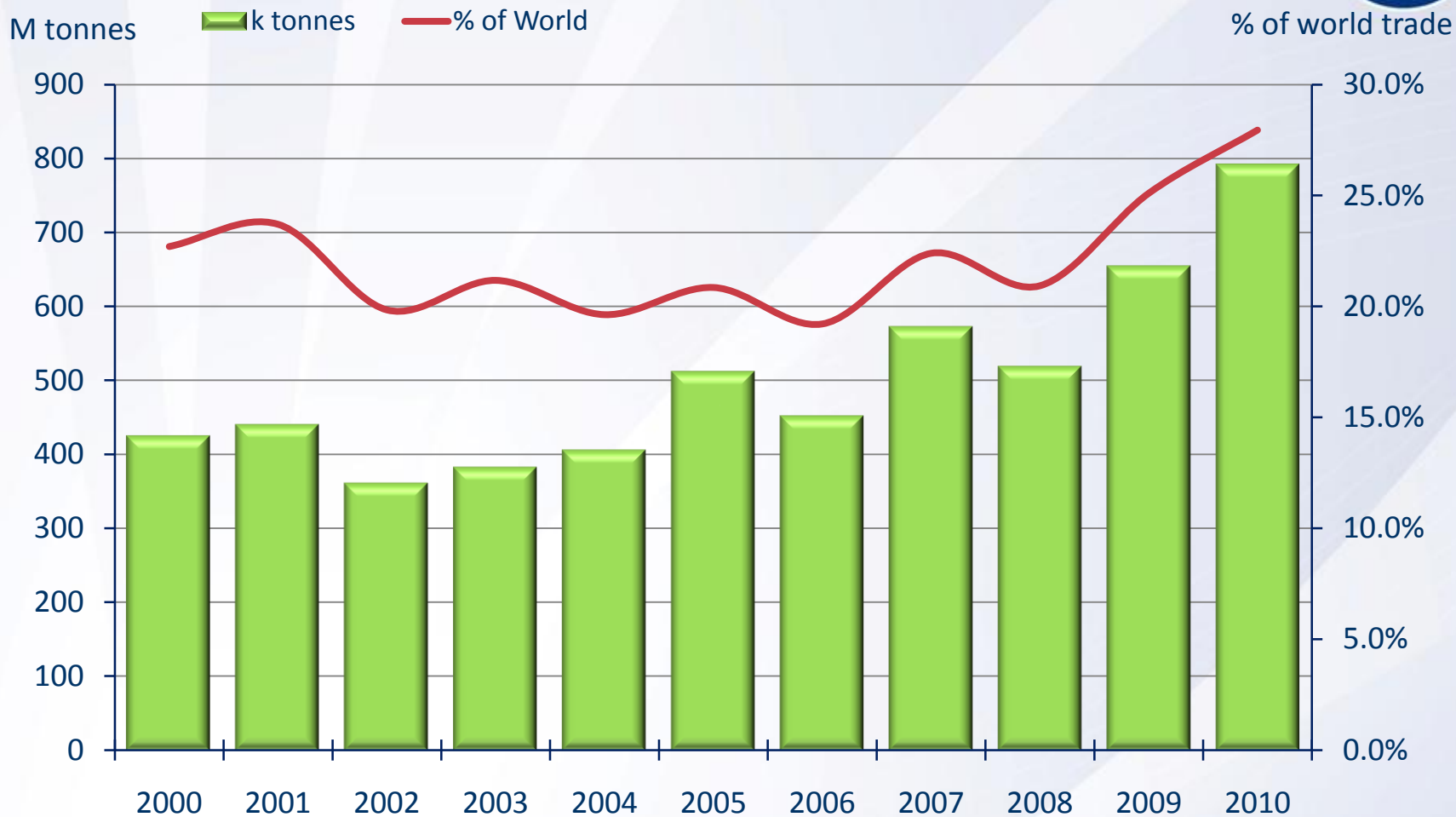


Other Trades

Copper Ore Exports Australia



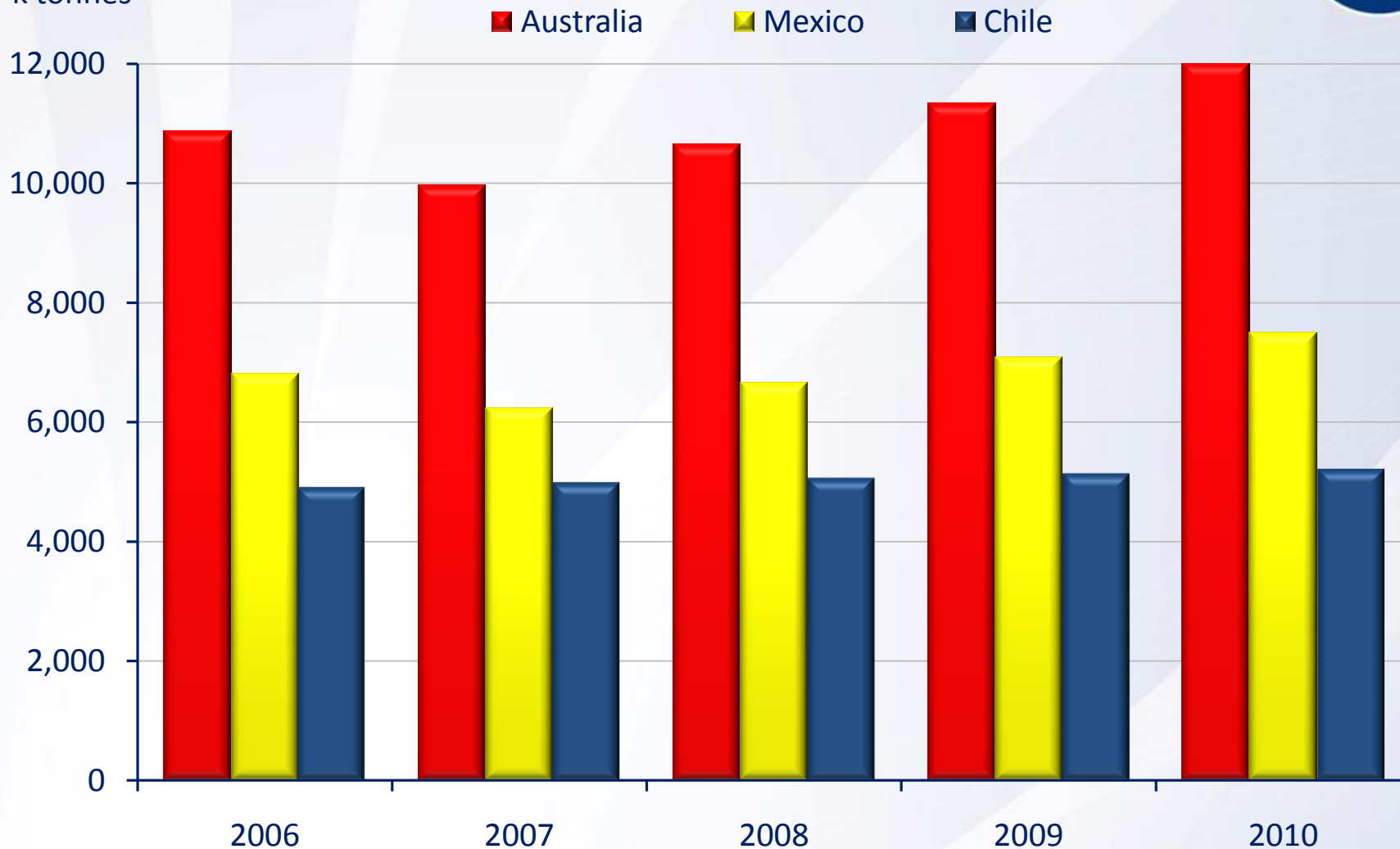
Lead Ore Exports Australia





The Main Salt Exporters

k tonnes





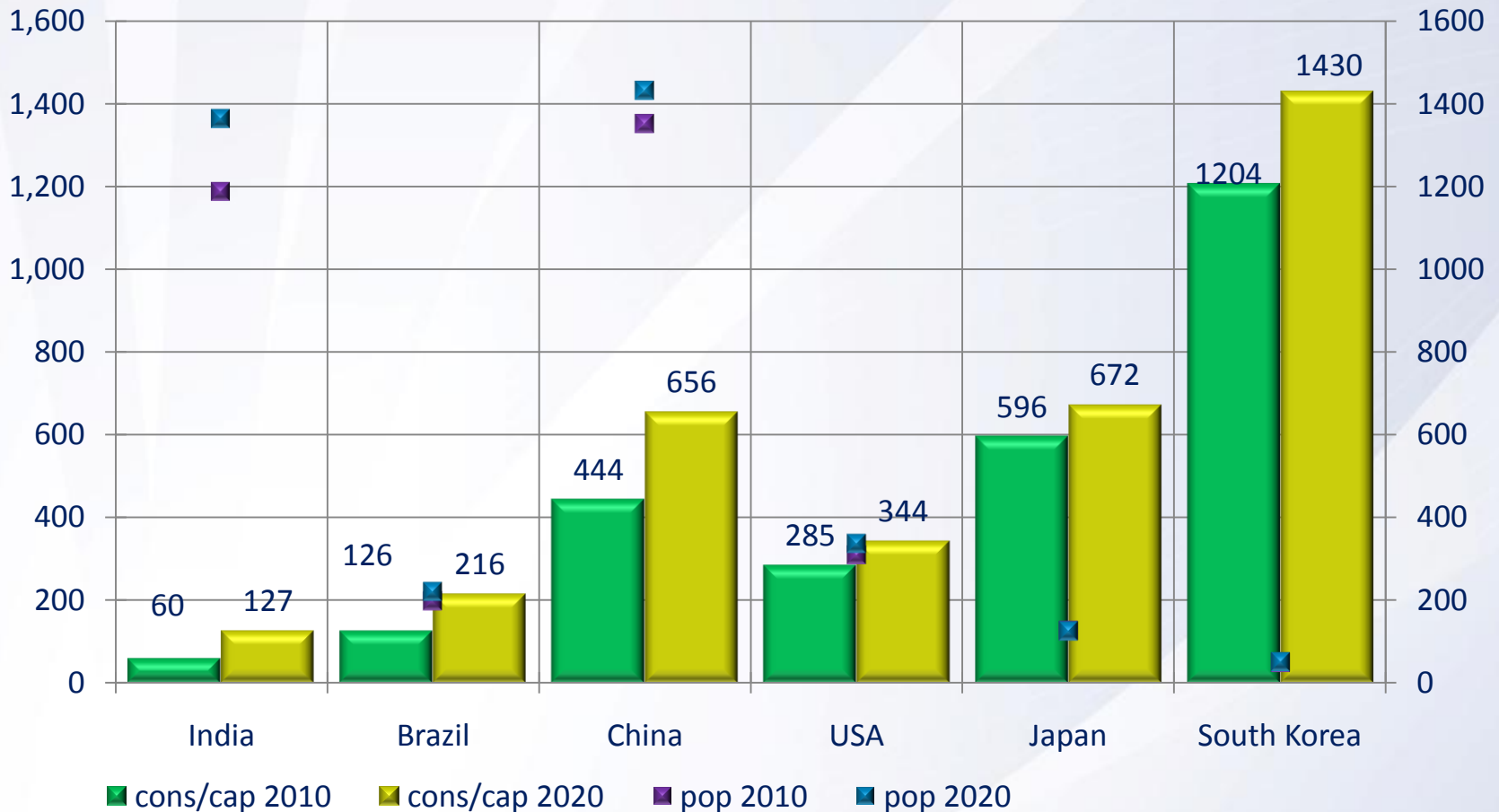
Future Resource Expectations for Australia

Steel Consumption Growth



per capita steel cons
(kg)

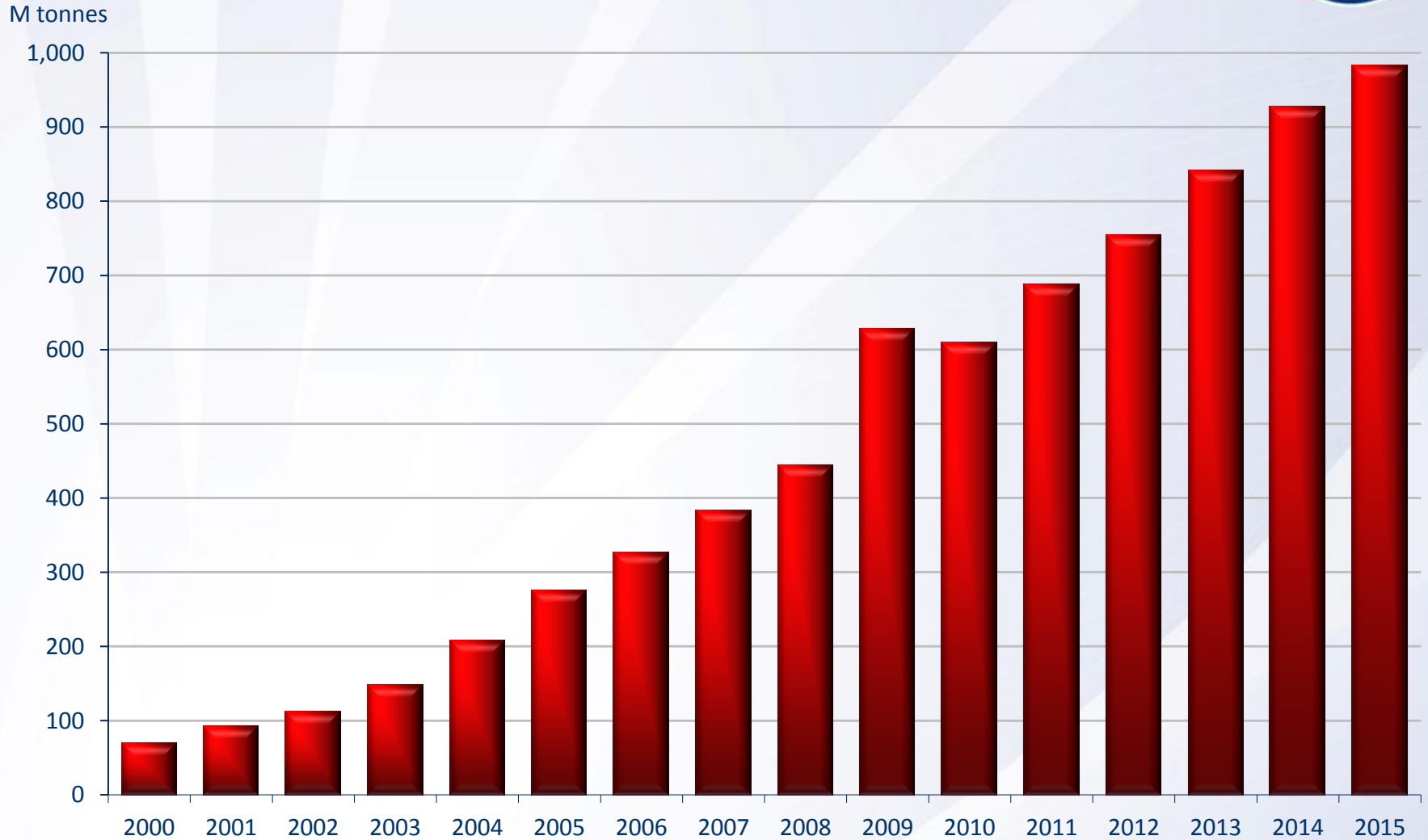
population
(million)



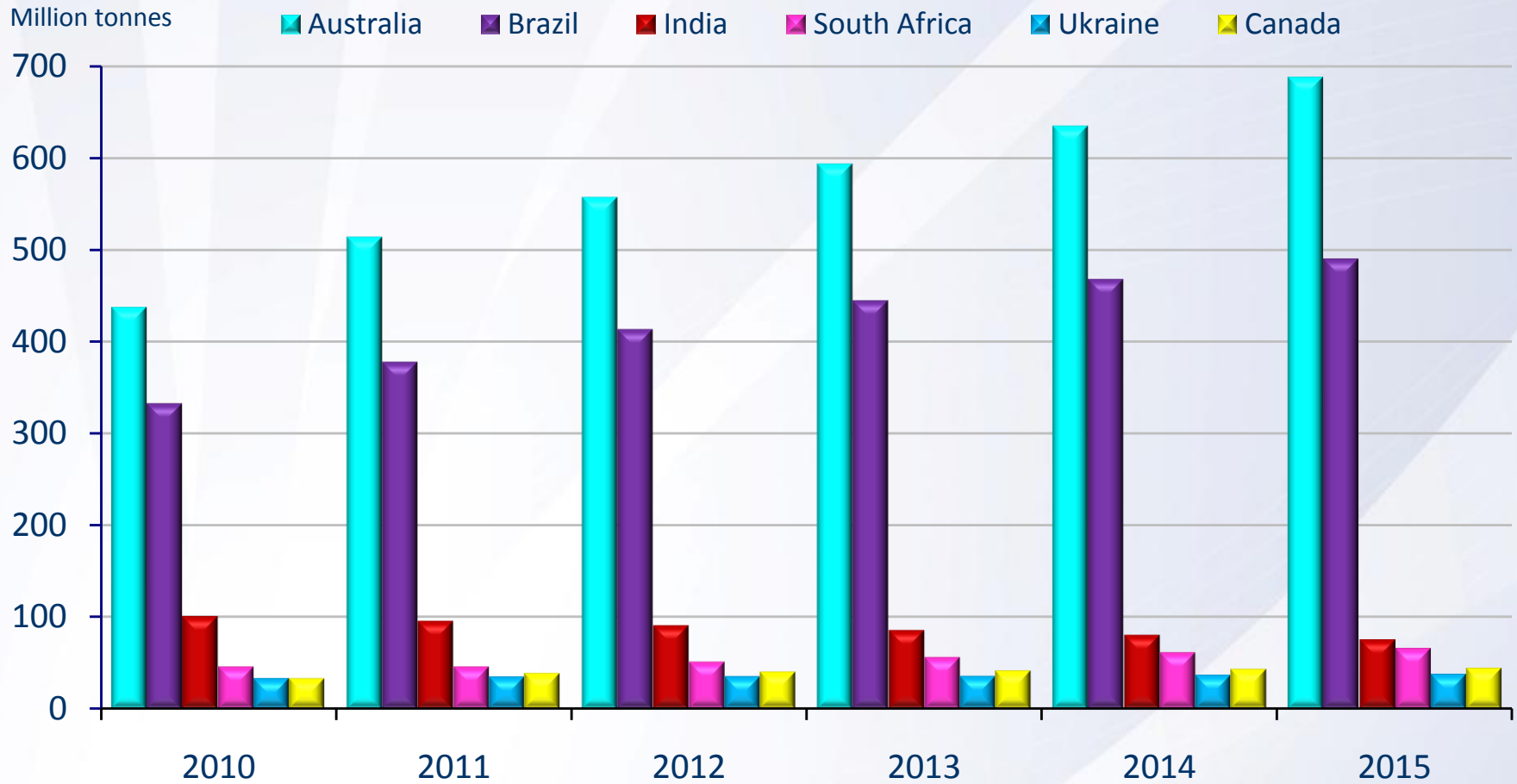
China Annual Iron Ore Imports



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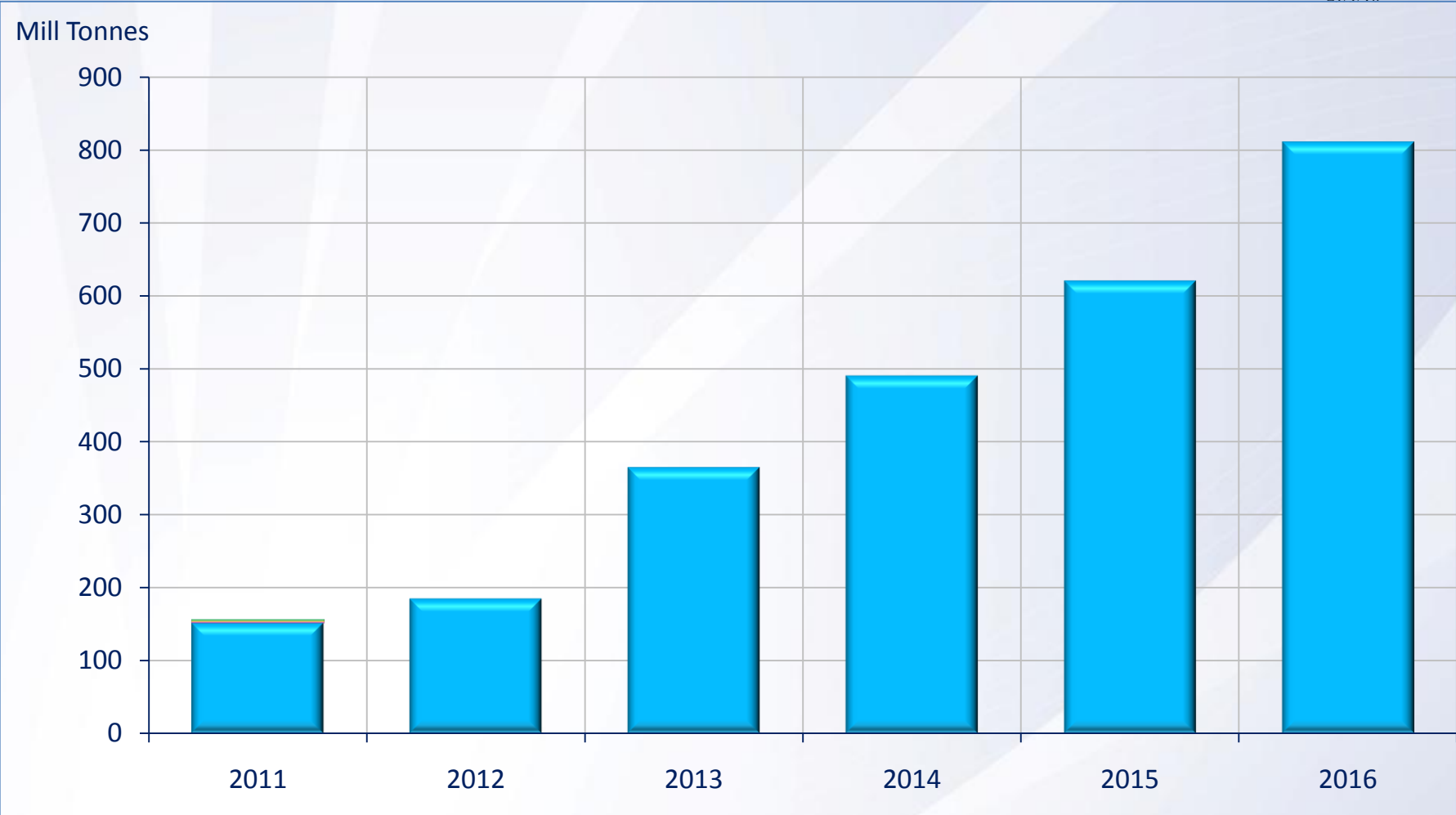
The Main Iron Ore Exporters

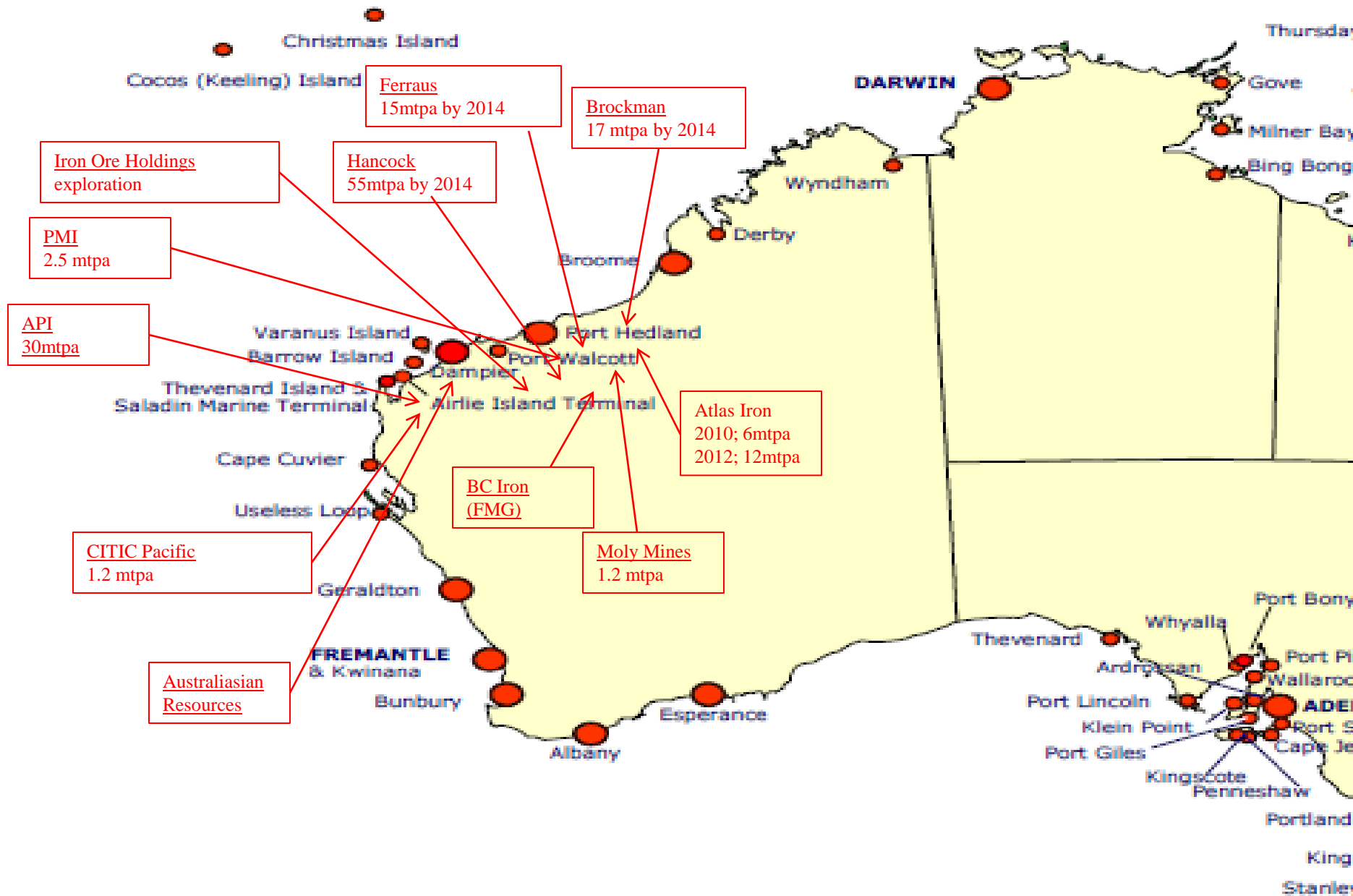


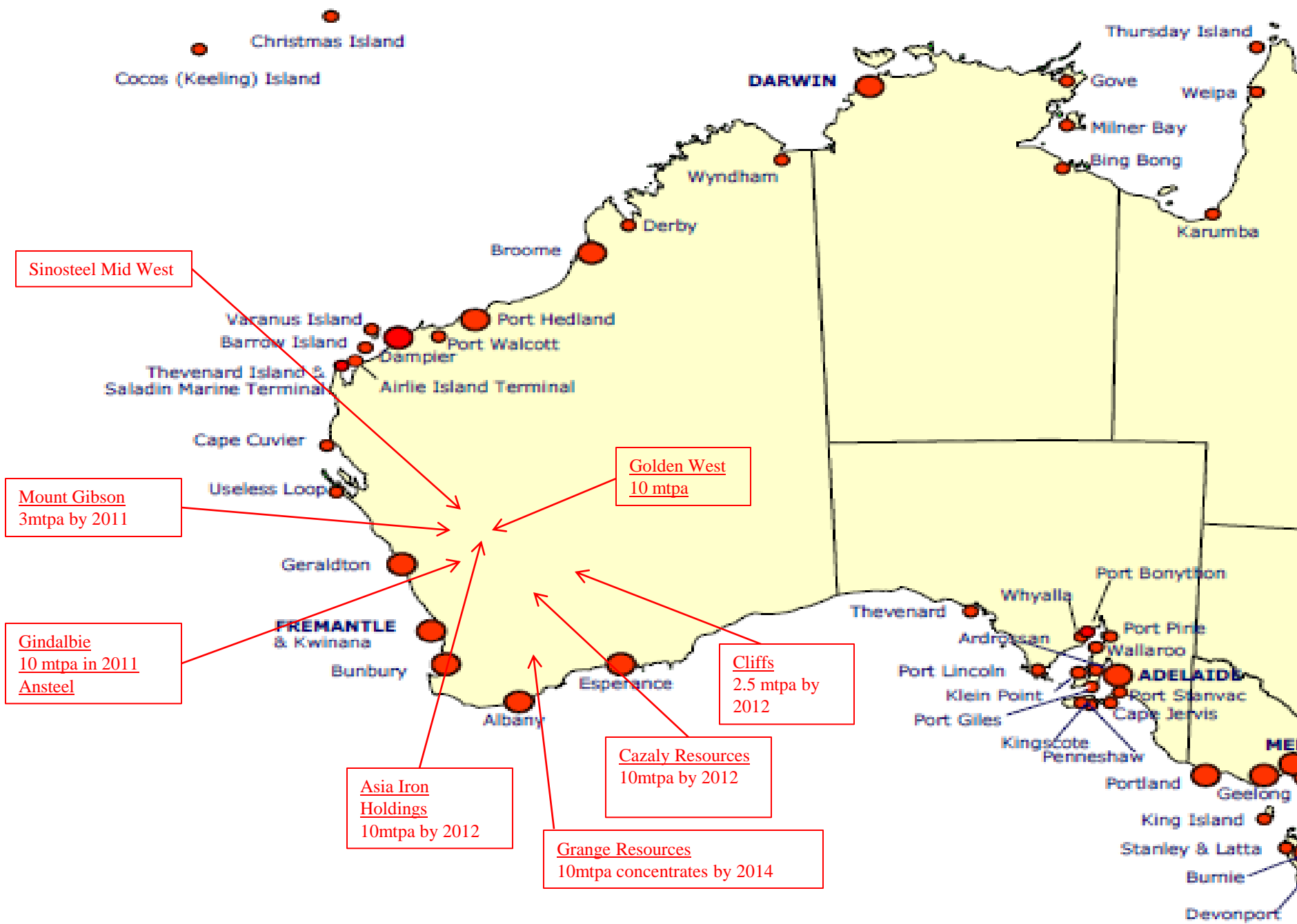
Australia's Ore Export Port Capacity – Accumulative Additions by Year (million tonnes exports)



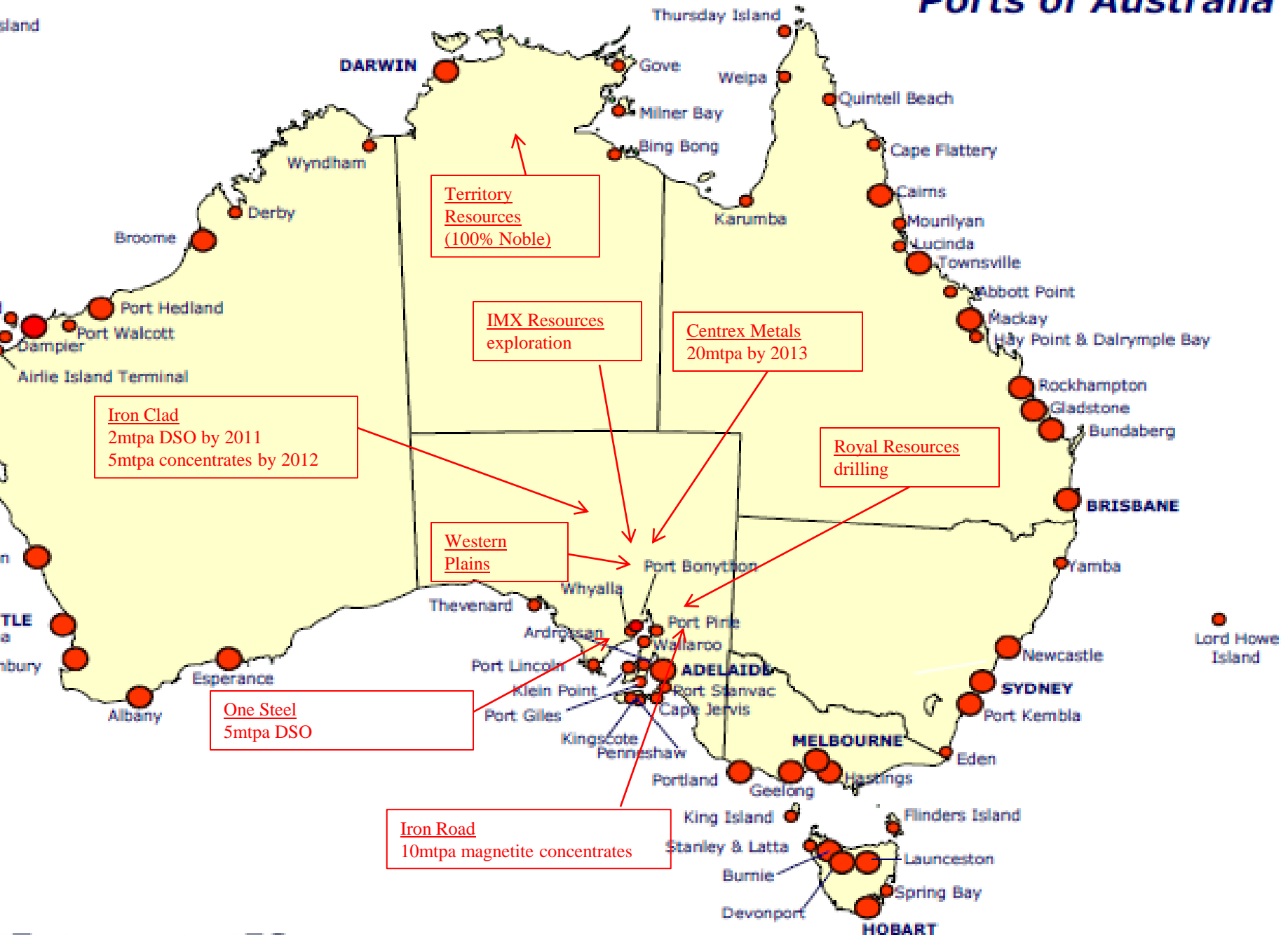
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Ports of Australia

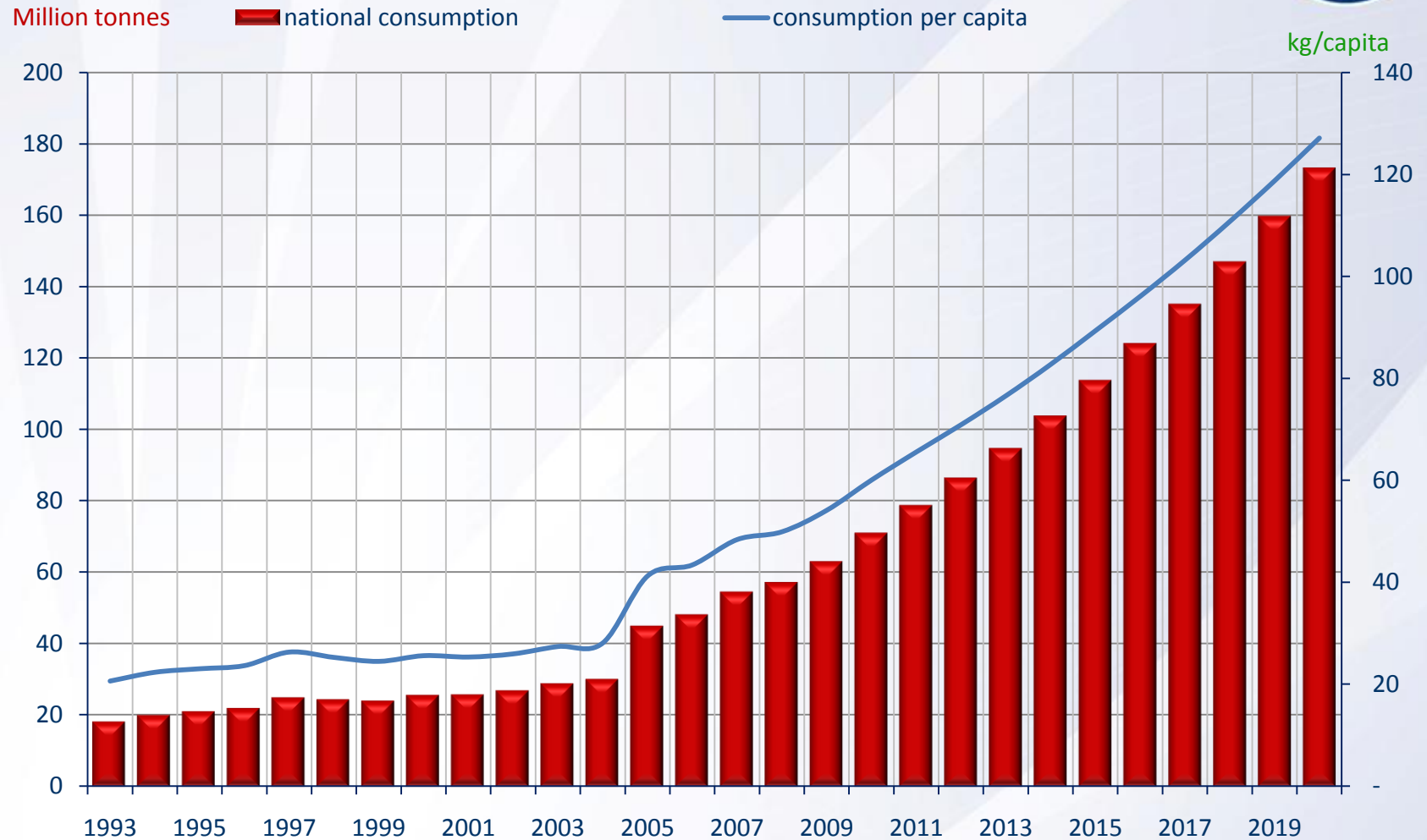




Focus moves towards India

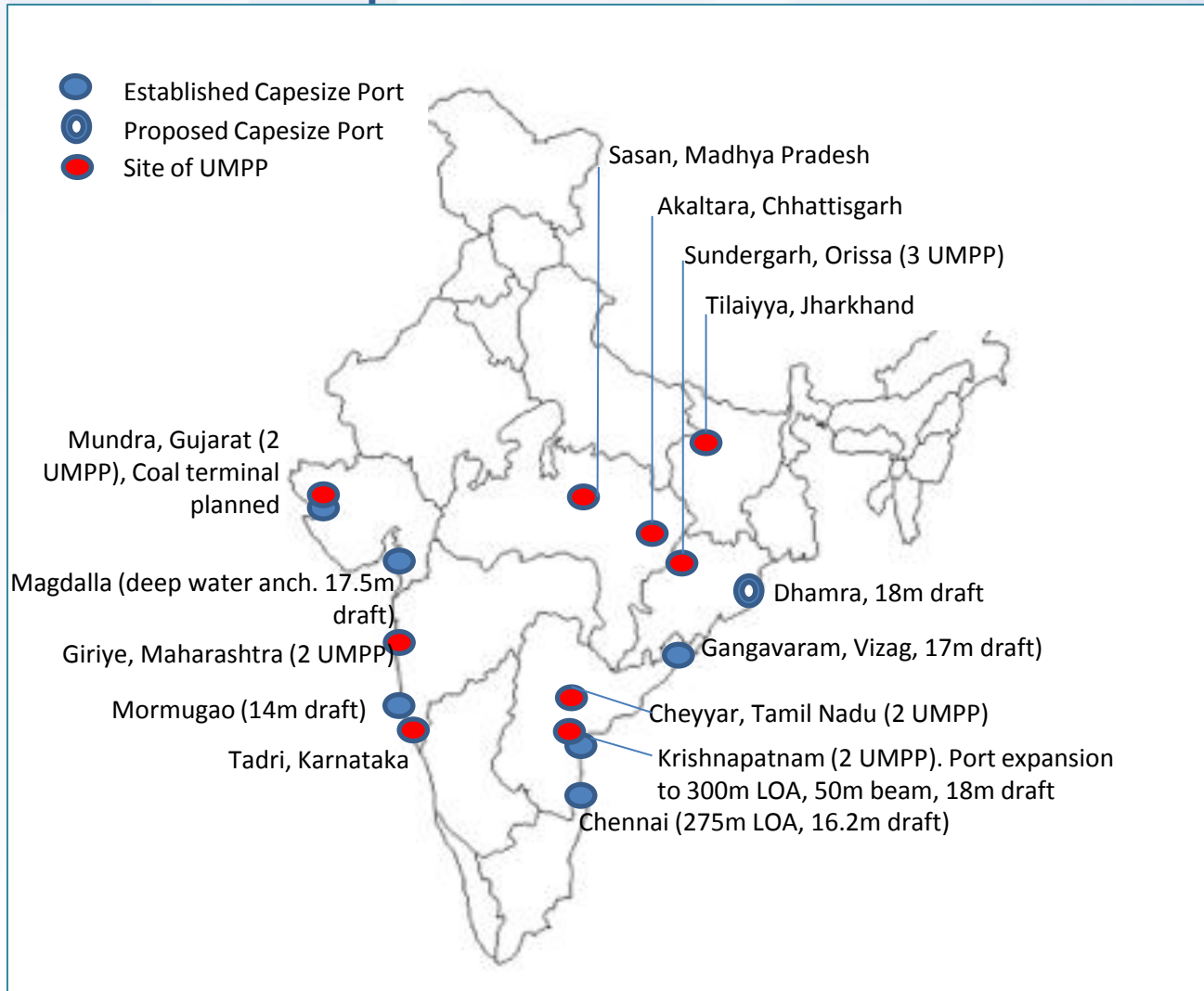


India Steel Consumption





Indian Capesize Ports & UMPP sites

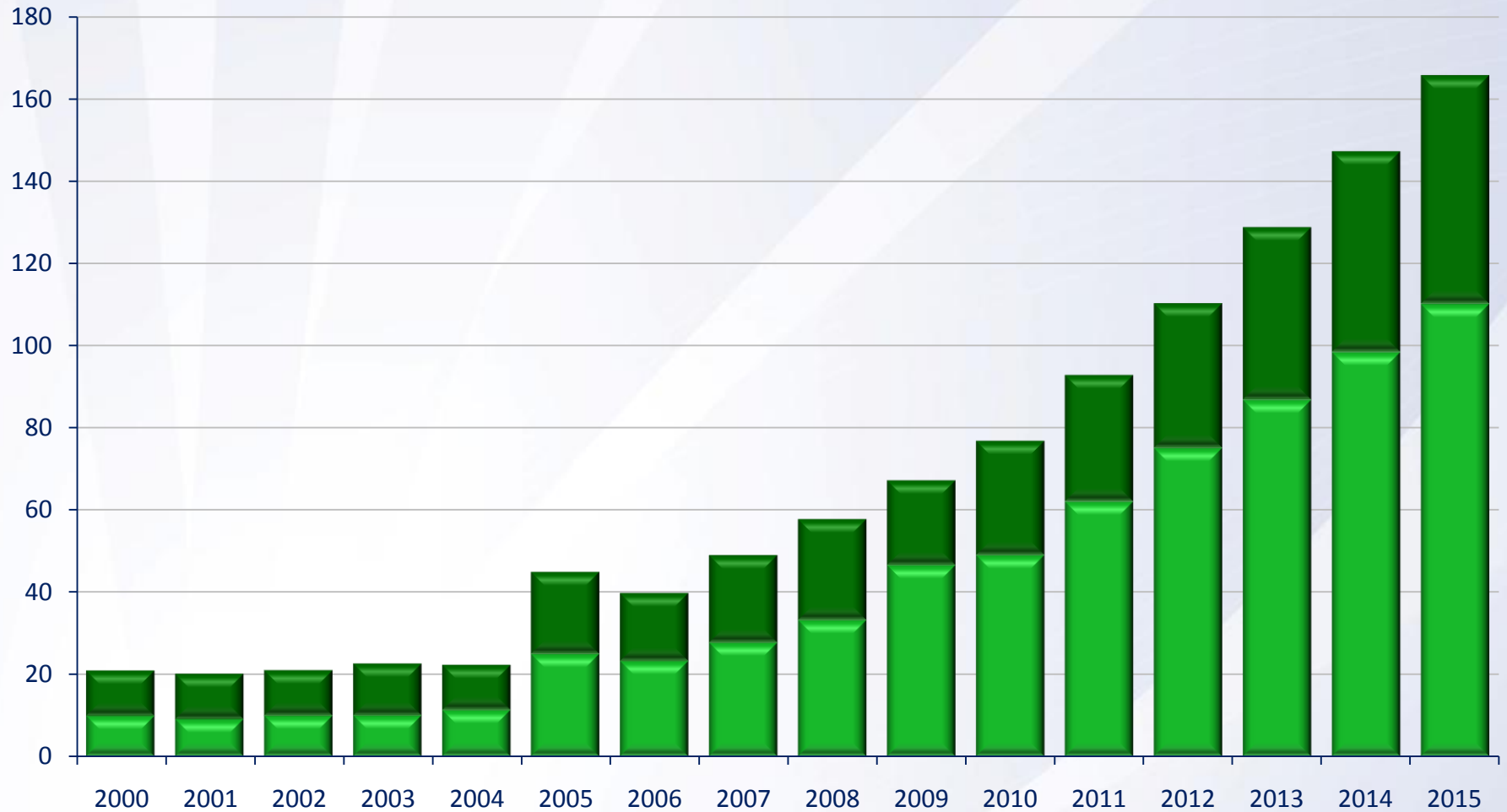


- 16 UMPPS are planned at nine sites in India. Those in Jharkand, Madhya Pradesh, Chhattisgarh and Orissa will use domestic coal. The rest are designed to use imported coal.
- So far only Mundra, Sasan, one at Krishnapatnam, one at Sundergarh and Tilaiyya are under construction.
- Each UMPP could consume up to 20m tonnes of thermal coal per year.



India coal imports

Million tonnes ■ Coking ■ Steam



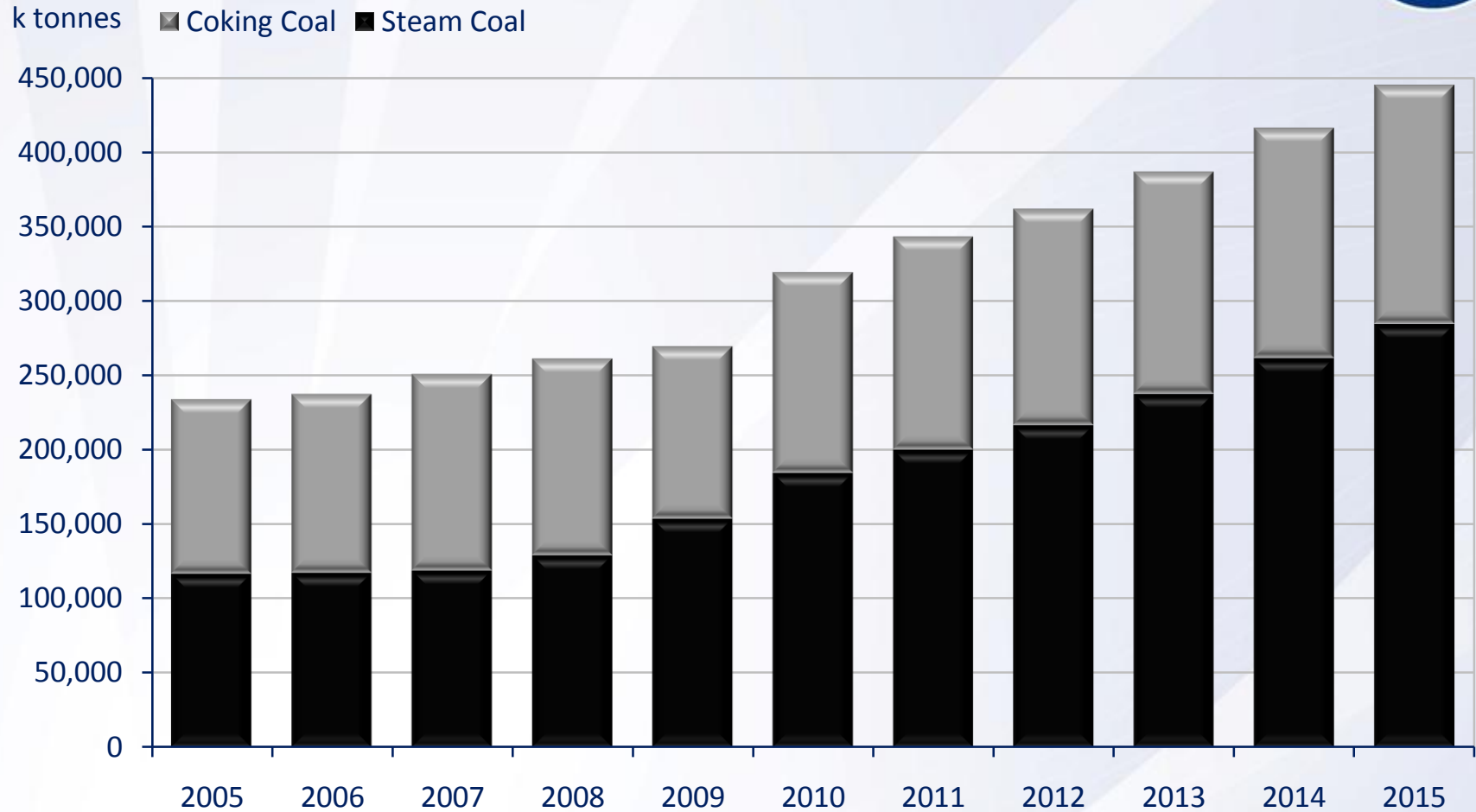
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Australian coal exports to India



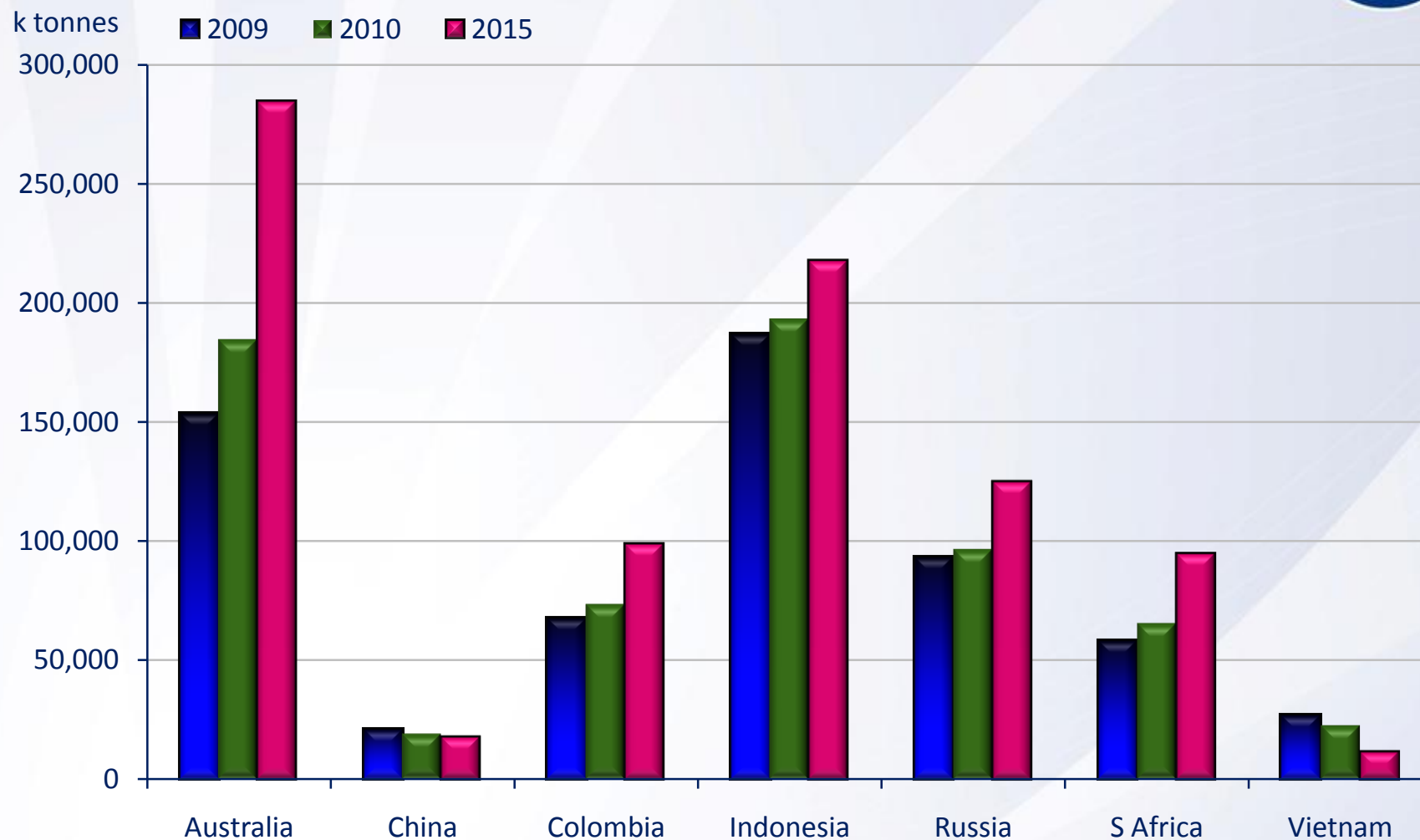


Australian Coal Exports



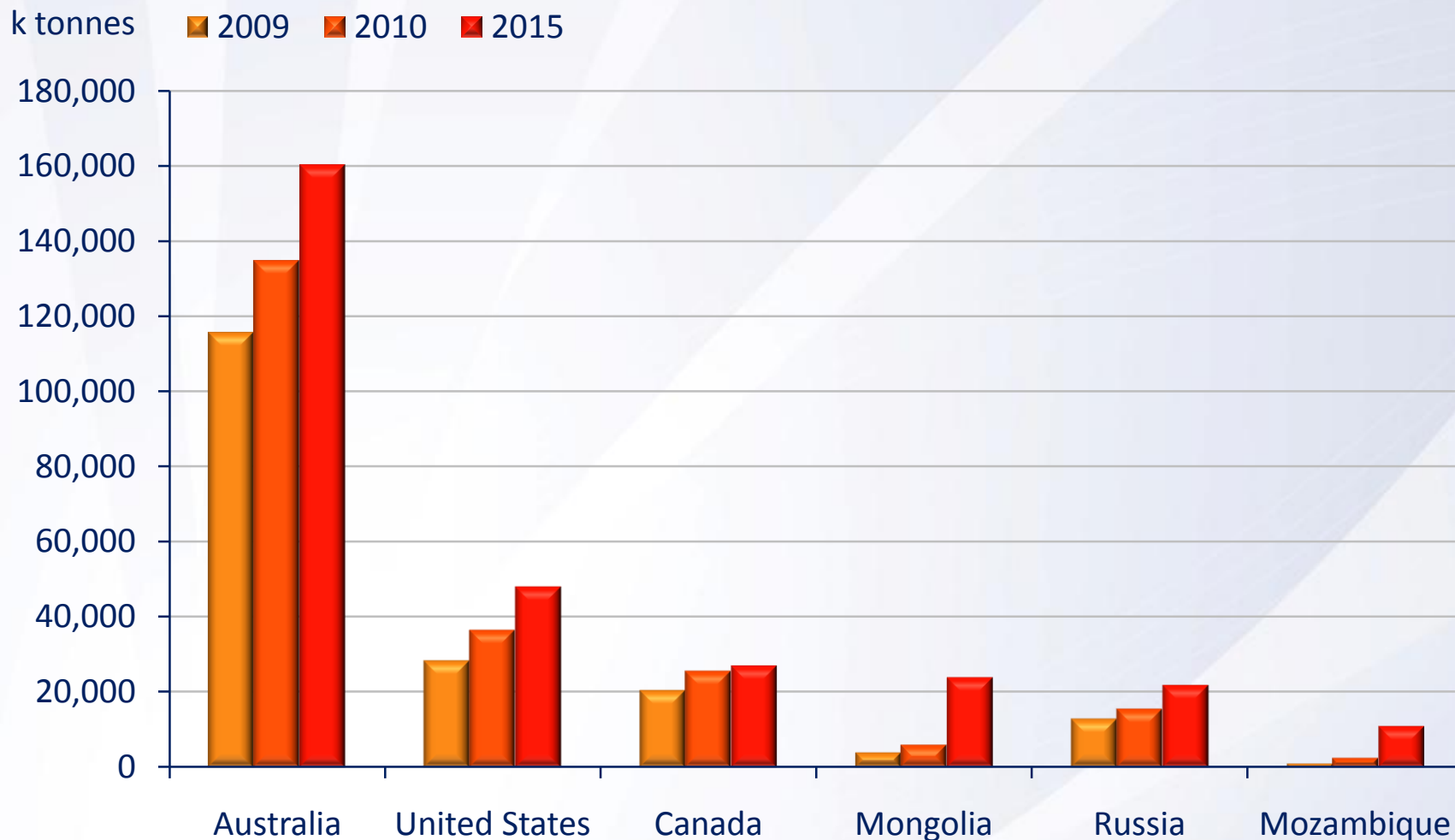


Key Steam Coal Exporters





Key Coking Coal Exporters

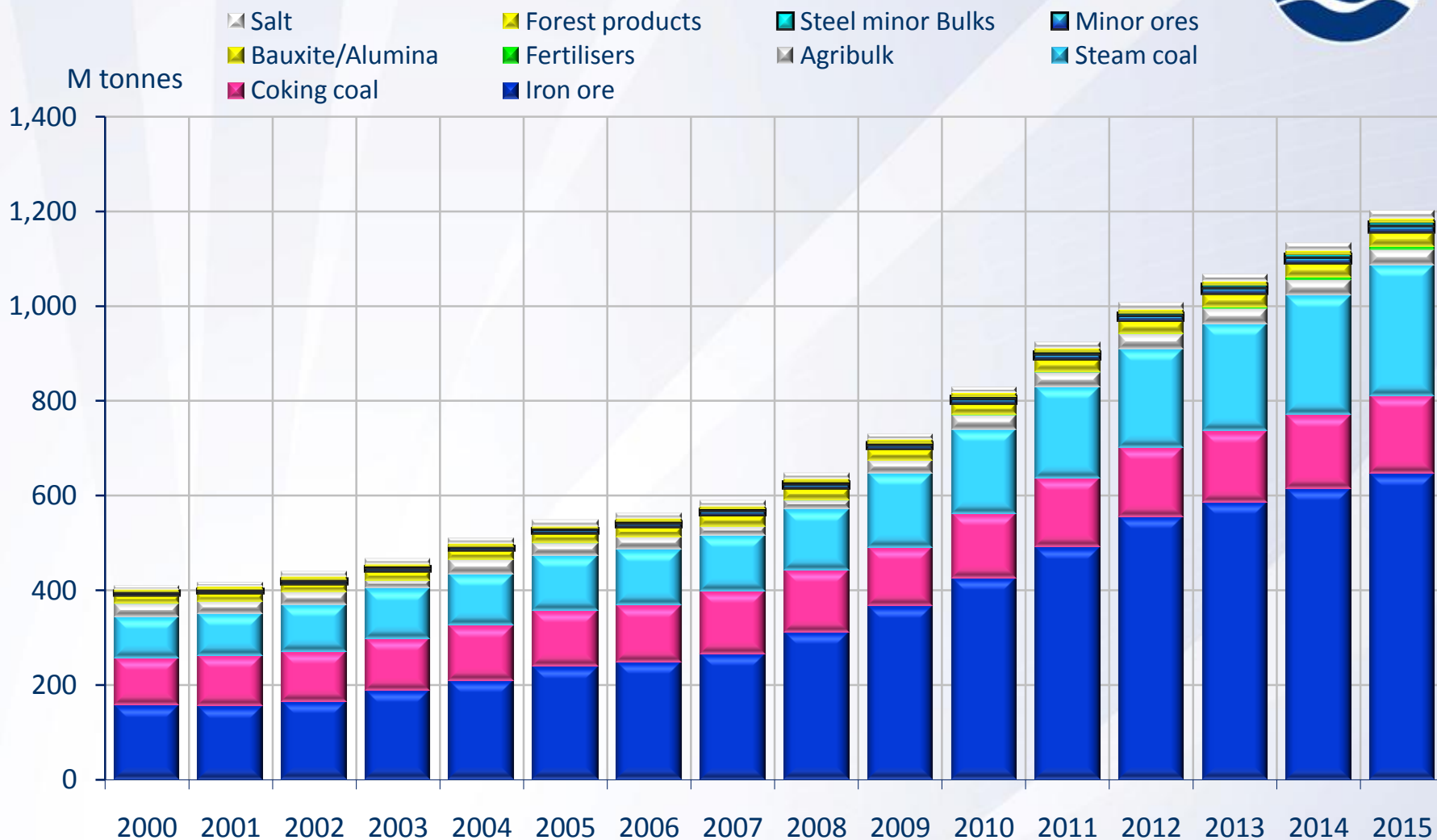




Conclusion



Australia total dry bulk exports



Australia minor dry bulk exports

