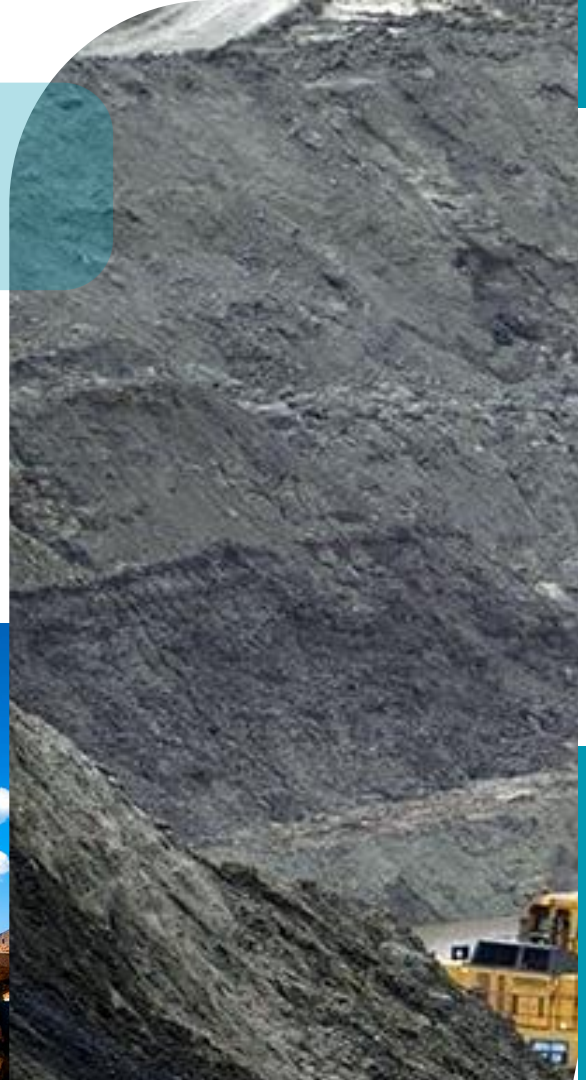


Report: Survey on Perceptions of Chinese Mining Equipment in Indonesia

November 2024



RESEARCH OBJECTIVE

**THE FINDINGS OF THIS SURVEY
INDICATE THE FOLLOWING:**



Perception of the quality of Chinese mining equipment

Experience in using Chinese mining equipment from the perspective of the mining sector

Attitudes towards the dominance of Chinese products in Indonesia's mining sector in the future

RESEARCH METHOD & SAMPLING



Sample Size _____
144 respondents

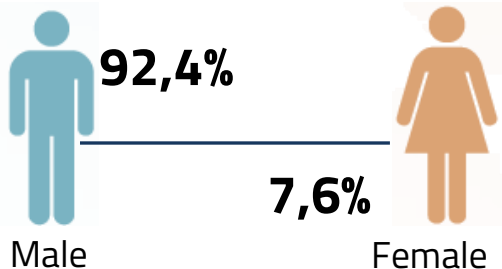
Date of Survey	22 October – 10 November 2024
Survey Method	Quantitative – Online questionnaire with non-probability, Purposive Sampling
Population	Indonesian residents aged 18 and above
Respondent Criteria	Male and Female, with >18 years old
	<ul style="list-style-type: none"> • Respondent are from mining sector and non-mining • Having knowledge and interest in the use of Chinese mining equipment in Indonesia's mining sector.

RESPONDENT PROFILE

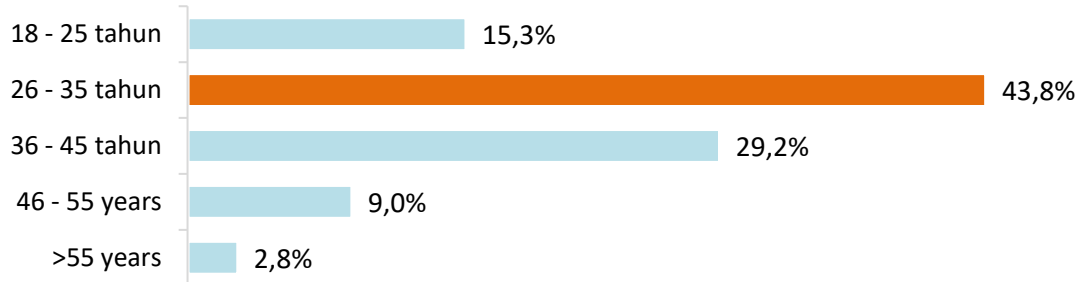
Overall, majority respondents are male from 26-35 years old age range mostly work as Engineer from Mining Industry.

Base: All respondents (n=144)

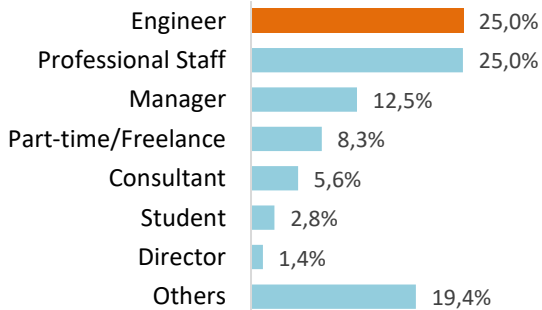
GENDER



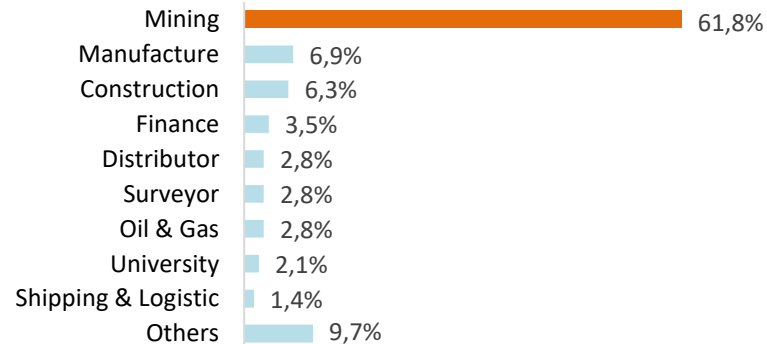
AGE



JOB TITLE



BACKGROUND INDUSTRY





PERCEPTION OF THE QUALITY OF CHINESE MINING EQUIPMENT

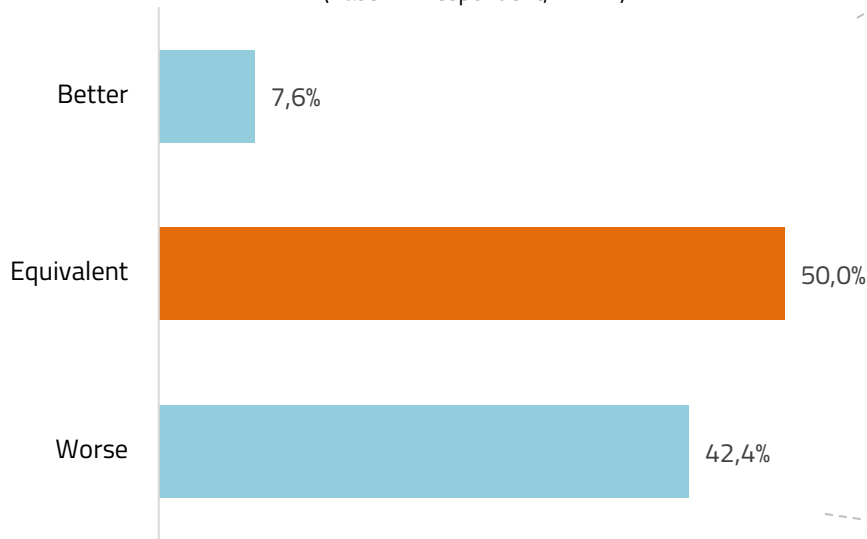


OPINIONS ON THE QUALITY OF CHINESE MINING EQUIPMENT

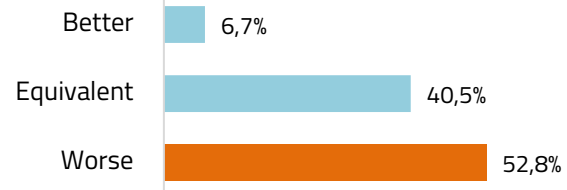
50% of respondents stated that the quality of Chinese mining equipment is **equivalent** with products from other countries. 42.4% even mentioned that the quality is worse compared to mining equipment from other countries.

In your opinion, how does the quality of Chinese-made mining and heavy equipment compare to products from other countries? [SA]

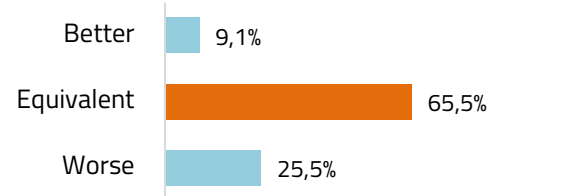
(Base: All Respondent, n=144)



Industry of Origin: Mining Sector (n: 89)

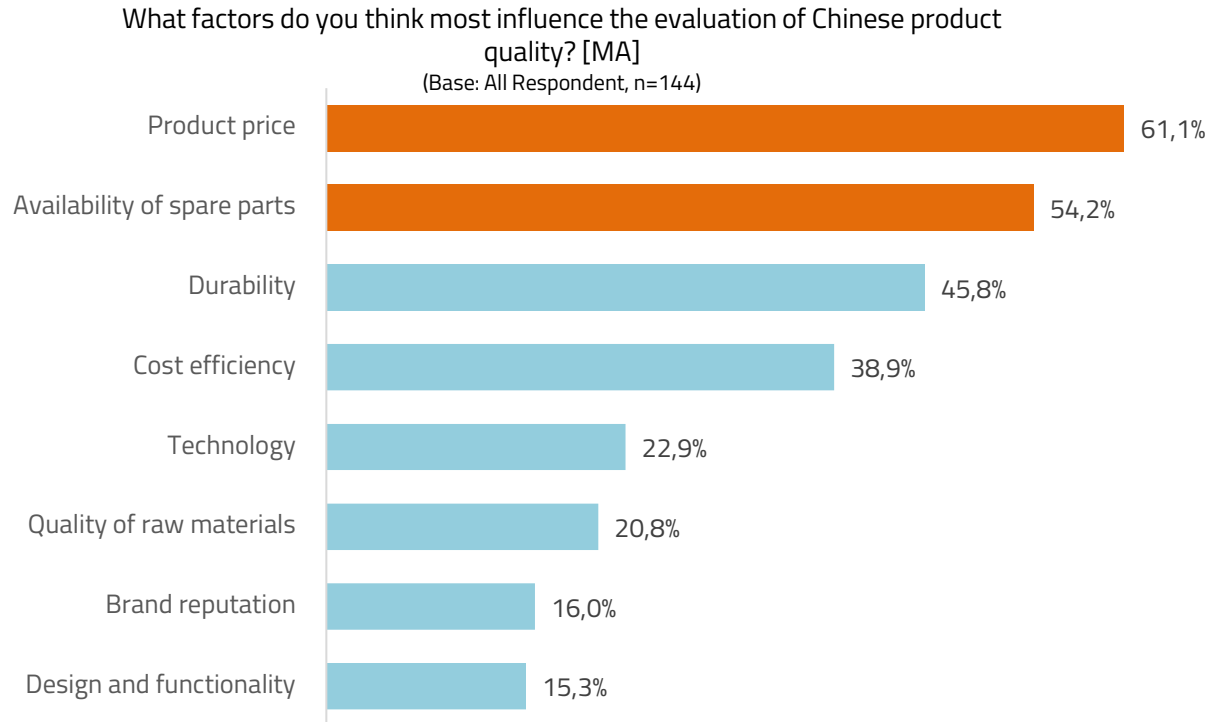


Industry of Origin: Others (n: 55)



THE MOST INFLUENTIAL FACTORS AFFECTING THE QUALITY OF CHINESE PRODUCTS

Several factors influence the use of Chinese mining equipment, including **product price**, **availability of spare parts**, and **cost efficiency**. Even though they are aware that the quality is not better or may even be worse.

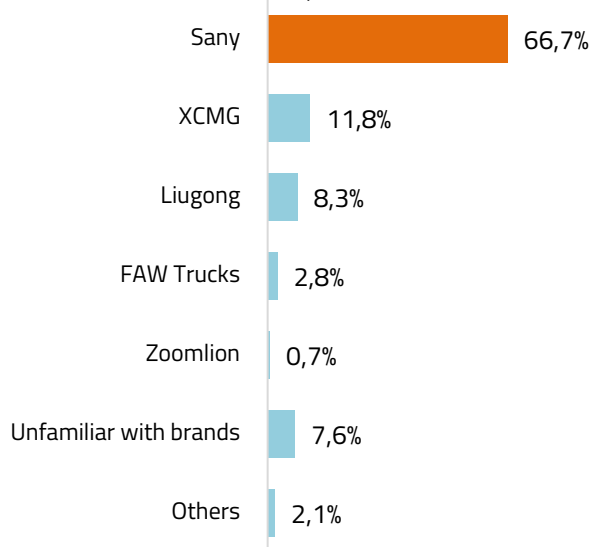


TOP-OF-MIND CHINESE MINING EQUIPMENT BRANDS

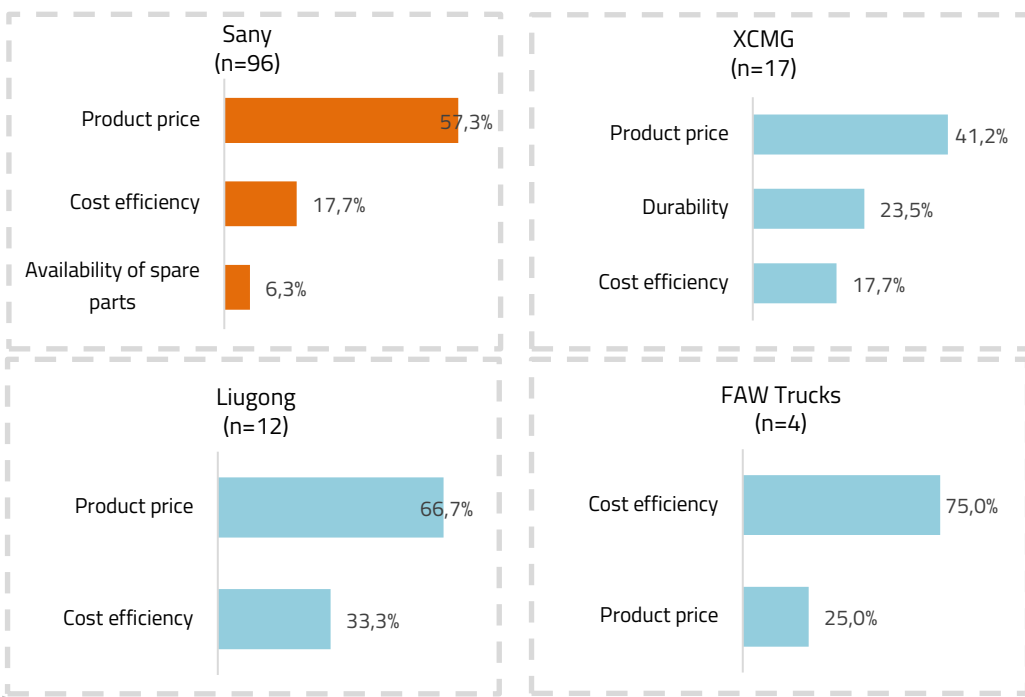
Sany, XCMG, and Liugong are the top-of-mind Chinese mining equipment brands most remembered by respondents. However, in terms of percentage, **Sany leads by a significant margin**, with 66,7%.

Which Chinese brands do you believe are currently the most widely used in mining activities in Indonesia? [SA]

Base: All Respondent, n=144)



Why is this product the most chosen by mining companies? [SA]

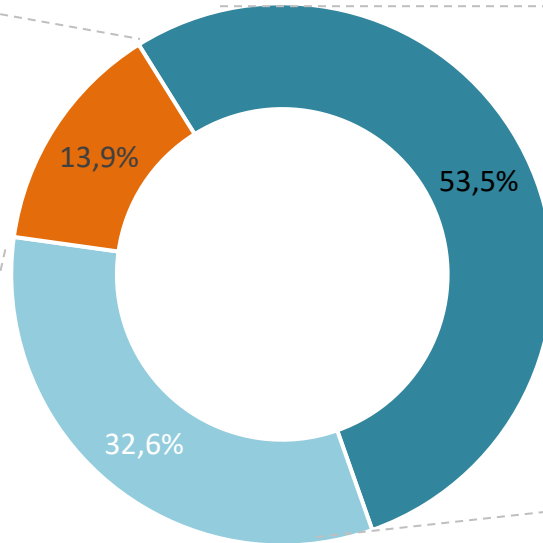


THE IMPACT OF CHINESE MINING EQUIPMENT DOMINANCE IN INDONESIA

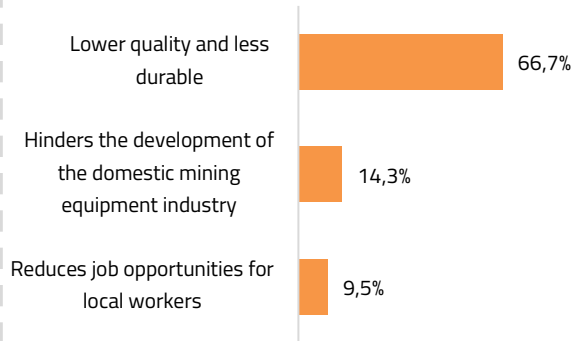
Interestingly, despite being aware of the lower quality of Chinese mining equipment, 53.5% of respondents still believe that the dominance of Chinese equipment has a positive impact due to its affordable price, which helps reduce company operational costs.

What is the impact of the dominance of Chinese mining equipment in Indonesia? [SA]
(Base: All Respondent, n=144)

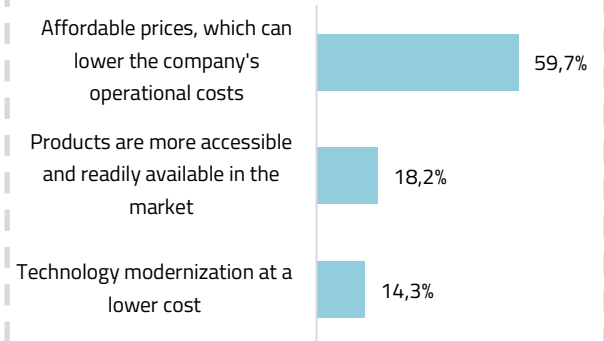
■ Positive ■ Netral ■ Negative



What are the main reasons you believe the dominance of Chinese products has a **negative impact**?
(Base, n=20)



What are the main reasons you believe the dominance of Chinese products has a **positive impact**?
(Base, n=77)





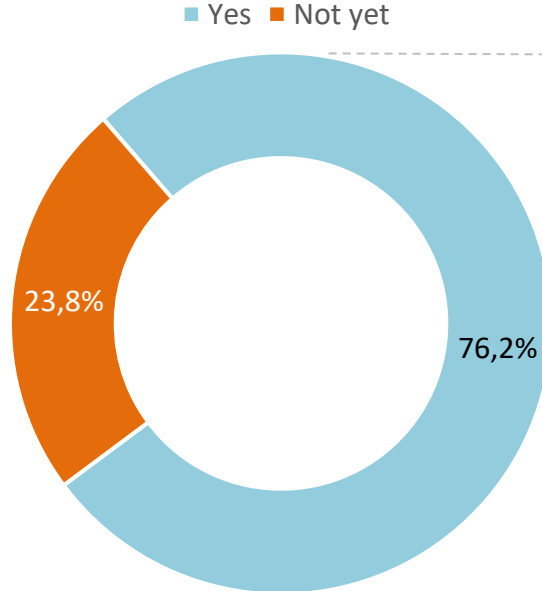
EXPERIENCE IN USING CHINESE MINING EQUIPMENT FROM THE PERSPECTIVE OF THE MINING SECTOR



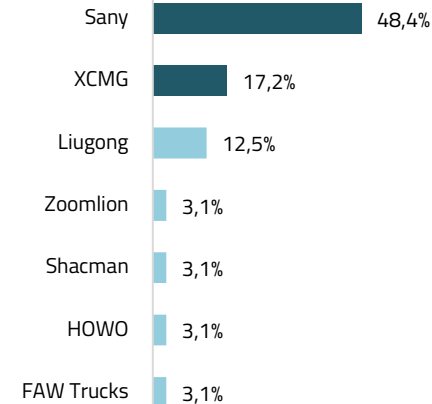
EXPERIENCE OF USING CHINESE MINING EQUIPMENT

76.2% of respondents from the mining sector have used Chinese mining equipment. As mentioned in the previous top-of-mind section, Sany, XCMG, and Liugong remain the top three brands most frequently mentioned by respondents as the most widely used Chinese mining equipment brands in the mining sector.

Have you or your company ever used mining/heavy equipment from China? [SA]
(Base: Respondent from Mining, n=89)



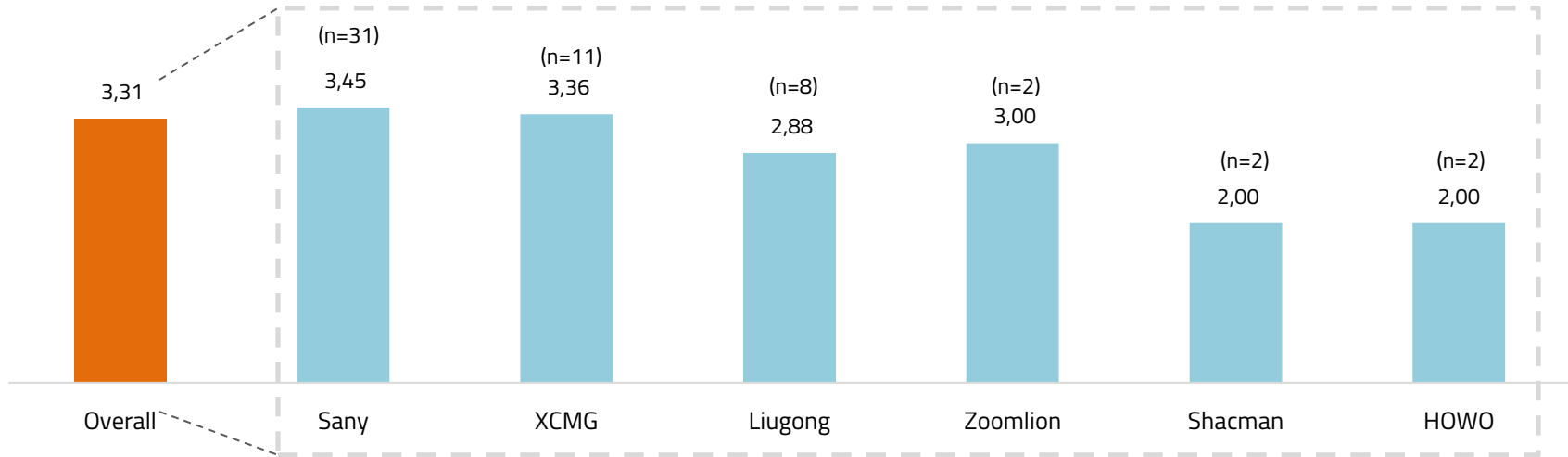
What brand of Chinese mining equipment does your company use? [SA]
(Base: n=64)



LEVEL OF SATISFACTION

Overall, the satisfaction level of respondents from the mining sector who have used Chinese mining equipment is **3.31**, which indicates they are **Somewhat satisfied**. However, Liugong, Shacman, and HOWO have relatively low satisfaction levels at 2.88, 2.00, and 2.00, respectively, which indicates dissatisfaction.

On a scale 1-5, How was your company's experience been with using those products? [SA]
 (Base: Respondents from the mining sector who have used Chinese mining equipment, n=64)



Remark :

1: Very dissatisfied

2: Dissatisfied

3: Somewhat satisfied

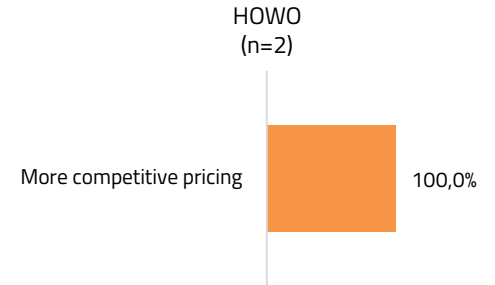
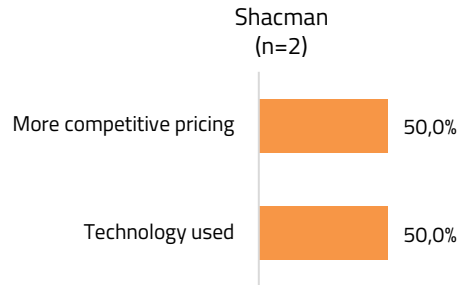
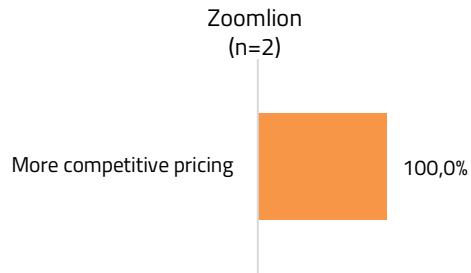
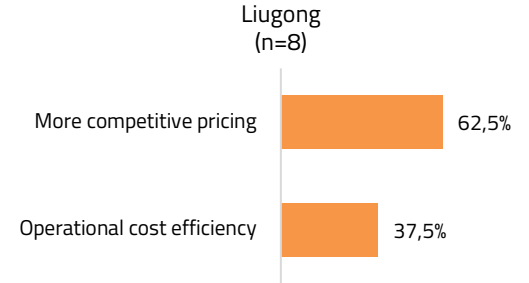
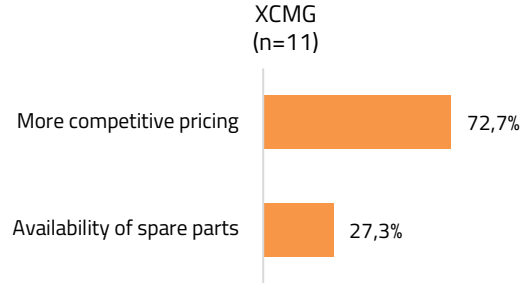
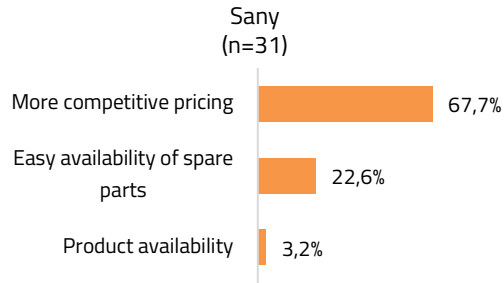
4: Satisfied

5: Very satisfied

THE MOST ADVANTAGEOUS BENEFIT OF USING CHINESE MINING EQUIPMENT

The average benefits they experience of using Chinese mining equipment include competitive pricing, easy availability of spare parts, operational cost efficiency, and product availability.

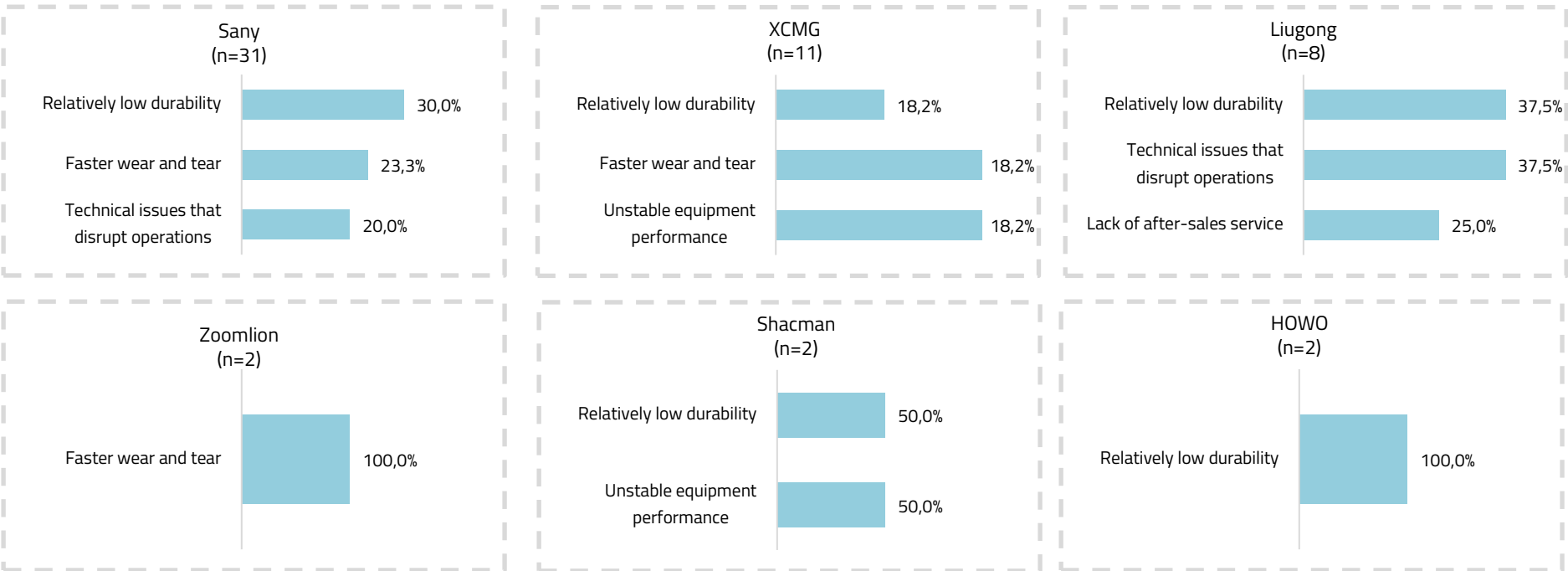
What is the most advantageous benefit of using Chinese mining equipment? [SA]
 (Base: Respondents from the mining sector who have used Chinese mining equipment, n=62)



THE MOST COMMON ISSUES WHEN USING CHINESE MINING EQUIPMENT

The common issues encountered when using Chinese mining equipment include relatively low durability, faster wear and tear, and unstable equipment performance. This indicates that, although Chinese mining equipment is affordable, it has low durability and is prone to damage

What is the most common issue you experience when using Chinese mining equipment? [SA]
 (Base: Respondents from the mining sector who have used Chinese mining equipment, n=62)





ATTITUDES TOWARDS THE DOMINANCE OF CHINESE PRODUCTS IN INDONESIA'S MINING SECTOR IN THE FUTURE

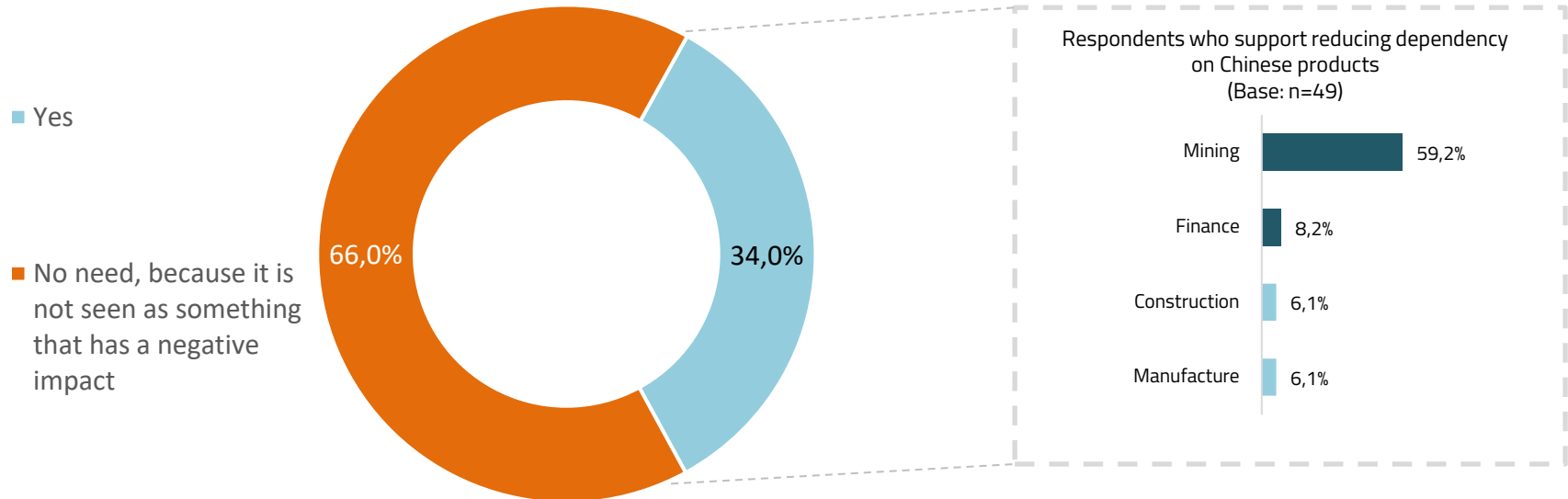


REDUCE DEPENDENCE ON CHINESE PRODUCTS IN THE MINING SECTOR

66% of respondents feel that there is no need to reduce dependence on Chinese mining equipment, as it is not seen as having a negative impact. However, 34% of respondents agree that dependence on Chinese mining equipment should be reduced, with the majority of them coming from the mining sector.

In your opinion, should Indonesia reduce its dependence on Chinese products in the mining equipment and heavy machinery sector? [SA]

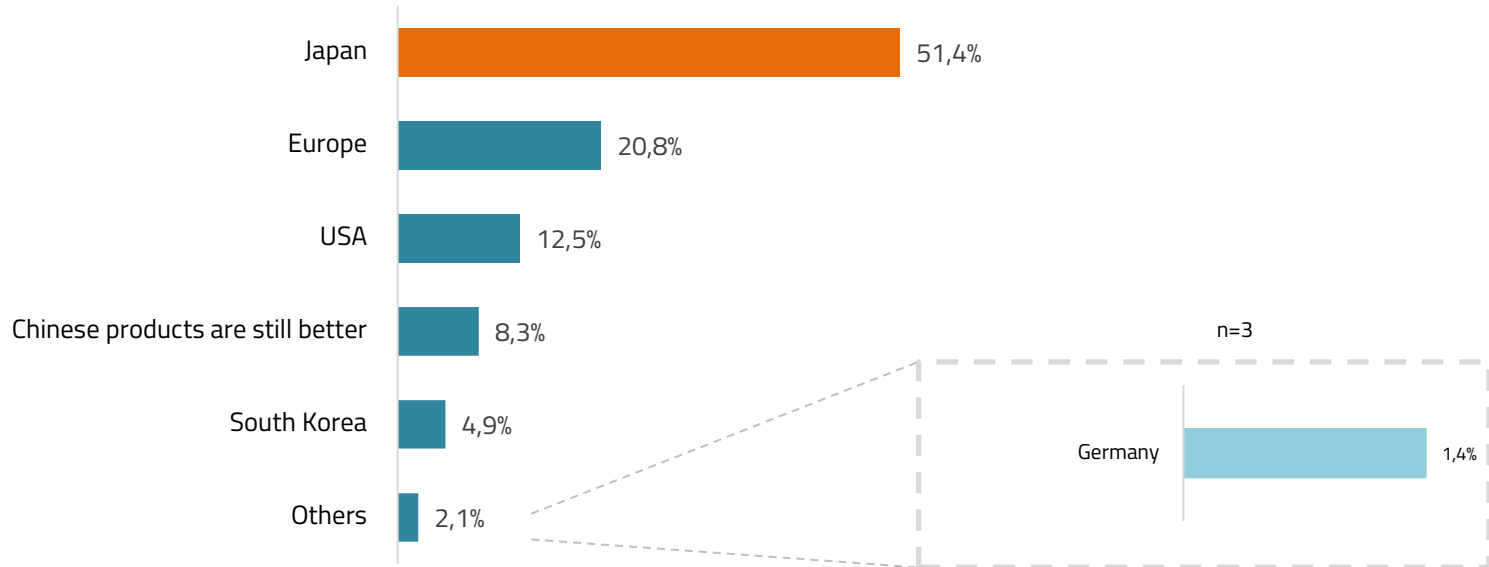
(Base: All Respondent, n=144)



OTHER COUNTRIES' IMPORT SOURCE OPTIONS

51.4% of respondents chose Japan as the preferred country for Indonesia to import mining equipment, followed by Europe at 20.8% and the USA at 12.5%.

Compared to China, from which country should Indonesia source/import mining equipment and heavy machinery? [SA]
(Base: All Respondent, n=144)



SUMMARY

KEY FINDINGS

Opinions:

- 50% of respondents stated that the quality of Chinese mining equipment is equivalent with products from other countries. 42.4% even mentioned that the quality is worse compared to mining equipment from other countries.
- Interestingly, despite being aware of the lower quality of Chinese mining equipment, 53.5% of respondents still believe that the dominance of Chinese equipment **has a positive impact** due to its affordable price, which helps reduce company operational costs.

Findings:

- **Sany, XCMG, and Liugong** are the top-of-mind and most widely used Chinese mining equipment brands in the mining sector.
- Product price and cost efficiency are some of the factors that influence the use of Chinese mining equipment.
- Overall, the satisfaction level of respondents from the mining sector who have used Chinese mining equipment is 3.31, which indicates they are **Somewhat satisfied**. This is due to Chinese mining equipment being considered to have relatively low durability, faster wear and tear, and unstable performance.

SUGGESTION

Despite being favored for its affordability and cost efficiency, Chinese mining equipment still faces concerns about low durability. Several issues need to be addressed for Chinese mining equipment to enhance product quality in line with customer needs, including:

- **Increase Innovation and Product Development:** Enhance the product's software and machinery systems for better reliability and fewer technical malfunctions
- **Improvement of Raw Material Quality and Production Processes:**
 - Using higher-quality raw materials and refining manufacturing processes can significantly increase the durability and performance of mining equipment.
 - A focus on better materials and efficient production methods will result in more robust and long-lasting products.

THANK YOU

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