

Turning mining into a sunrise industry

By [Keith Fenner](#)

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President Cyril Ramaphosa's comment that the South African mining sector is a sunrise sector has given the industry hope as it faces a future that's potentially provided with far more government support, rather than the disinterested and half-hearted engagement of the past few years.



Keith Fenner, dynamics business group director at Microsoft

For Ramaphosa, the goal is to engage more closely with stakeholders in the industry around the Mining Charter and to ensure that it is more closely aligned with the transformation of mining in South Africa. For the industry, the goal is to overcome challenges around economic depression, financial loss, resource utilisation and modernisation.

The challenges that impact on the mining landscape are complex and costly and have been relentlessly affecting productivity and growth. Many of mines are having to dig deeper and further in order to deliver the same returns as in the past and they are having to undertake this expensive exercise while reaping diminishing returns. These two pain points are further impacted by lack of growth, economic volatility and limited finances.

The industry isn't just having to manage the complexities that surround underground expansion, it is also under pressure to cut back on its utilisation of resources. The sector is one of the largest consumers of energy and water, but both are increasingly scarce commodities and come with increasingly heavy price tags and external pressure. Mining companies must find alternative methodologies so as to not only reduce their impact on the environment, but to cut back on the huge weight they place on shrinking budgets.

Embattled economy

Yet, the industry is pivotal to helping South Africa rebuild its embattled economy and drive growth in the region. According to the US Geological Survey, South Africa's total reserves are worth approximately R20.3trn with the world's largest reserves in manganese and platinum group metals and among the largest in gold, diamonds, chromite ore and vanadium. This value is further underscored by the numbers released by Statistics SA stating that 'mining contributes R8 for every R100 produced by the national economy and employs one in every 40 working individuals'.

Mining has inordinate potential and can change the outlook for the country and the challenges it faces around employment, poverty and growth. In spite of issues around safety, illegal mining and financial loss, the industry is still one of the biggest employers in South Africa. In fact, according to Statistics South Africa, mining was one of only two sectors that showed positive growth in 2017, contributing an impressive 0.9% to the gross domestic product. Imagine the change it could make if it underwent even more growth if the promises made by government and Sona were kept?

Amidst these pain points lies another issue – modernisation. Technology may be one of the most important tools that this industry needs in order to transform productivity, overcome the challenges of limited skill resources, and gain deeper insight into how processes can be adapted to cut back on costs, resource usage and waste. Intelligent solutions designed specifically for the mining industry will deliver results, especially if they are focused on addressing the unique challenges that the industry faces.

ABOUT THE AUTHOR

Keith Fenner is the dynamics business group director at Microsoft

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