Coal production remains lucrative for South Africa

11TH MARCH 2016 BY: SIMON SONNEKUS - WRITER

Coal industry role-players remain confident that the commodity will continue to play a crucial role in energy production in South Africa and worldwide amid and despite the depressed coal market, which could drive more mines to closure.

The low commodity price has resulted in local mines having to employ modern sustainable mining practices and tightly manage their costs to remain financially viable.

However, in their exports to foreign countries, local companies can reap the benefits of the weak rand, while providing employment opportunities that essentially develop the economy, says vibrating equipment specialist Joest Kwatani MD Kim Schoepflin.

“As long as we do not out-price ourselves, coal will remain a lucrative commodity for South Africa for the foreseeable future.”

Coal remains the backbone of global power generation, as the International Energy Agency notes that about 40% of the world’s electricity supply is produced using coal. Schoepflin states that coal is still a valued resource worldwide and will continue to be of value for South Africa, as coal plants plan to generate 80% of the national grid’s supply by 2020.
To boost the company’s reputation in the coal mining industry, Joest Kwatani, which supplies custom-built vibrating screens, grizzlies and feeders to several South African coal companies, has focused on three factors – reaffirming its stance on broad-based black economic empowerment (BBBEE) by enhancing black ownership in the company, product longevity by aligning products with the company motto ‘Engineered for tonnage’ and improving its after-sales services.

**BBBEE Standards**

“Joest Kwatani assists coal mines by exceeding the Mining Charter requirements and, as such, supports coal mines that also need to fulfil Eskom’s more onerous BBBEE ownership requirements, while improving operating efficiencies and reducing the cost of producing high-quality coal,” Schoepflin says.

She states that because 95% of South African power is generated by State-owned power utility Eskom, the majority of South African coal mines provide the parastatal with coal, while some mines also export the commodity to India, China, Europe and into Africa.

The regulations set by Eskom ensure that coal suppliers servicing the power utility do not only meet the requirements set out by the Mining Charter but must exceed 50% black ownership.

“Our stance on BBBEE and the Mining Charter helps mines that use our products to meet this requirement – mining suppliers’ BBBEE status influences the overall compliance status of the mine,” Schoepflin emphasises.

Joest Kwatani’s 2015 partnership with black-owned consortium Vhatsila Holdings has allowed the Kempton Park-based company to exceed the compliance criteria set out in the Mining Charter, as it retains a 30% black ownership status – of which 11% comprises women – and a Level 3 BBBEE certification.

“Transformation is a central pillar in the Joest Kwatani group strategy. By maintaining our BBBEE status, we also enhance the reputation of the mines that use our products, helping them secure business with companies such as Eskom,” Schoepflin adds.

**Built for Tonnage**

Joest Kwatani has taken into account the adverse conditions in which vibrating screens function and has committed to creating hardware that can handle the significant demand placed on a vibrating screen at a coal mine, especially when companies are trying to increase their tonnage and lower their total cost of ownership.

“We can deliver solutions that will guarantee the improved longevity of our screening machines. An array of factors can contribute to the operating life of a vibrating screen and its components.”

Joest Kwatani added a 4.3-m-wide banana screen to its catalogue in 2015 to meet the demand for bigger machines that increase throughput and enhance efficiencies.

“We paid particular attention to critical issues, such as improved structural integrity and ease of maintenance, with the major benefit to customers [being] reduced downtime. Added benefits of the Joest Kwatani approach are that our vibrating screens can be designed for specific applications and can accommodate any existing footprint,” Schoepflin says.

The company has also been awarded an 11-year contract, which requires that they replace, refurbish,
service and maintain 96 coal-screening machines at a large coal mine near Lephalale, in Limpopo. Schoepflin notes that the contract also requires service teams and requisite spares to be on site at all times. Joest Kwatani also undertakes continuous audits at predetermined intervals to measure improvements in performance and the condition of the screens, while providing continuous operation training for mining personnel.

“We want to reduce downtime and assure that mines always operate the vibrating screens efficiently. By providing service training, we can work hand in hand with miners to upskill mine artisans and reduce their total cost of ownership.”

The company, which celebrates its fortieth anniversary in 2016, hopes to maintain its double-digit growth. “We aim to support our customers during this extremely tough time. We need to provide the best equipment and after-sales service so that they can function optimally,” Schoepflin concludes.