

Export success and localisation initiatives

MechChem Africa visits the Multotec Stand at Electra Mining Africa and talks to Rikus Immink, CEO of South African operations, and Peter Mbada, Multotec's MD for Africa, about the company's export success into Africa and localisation initiatives in South Africa.

"In spite of all the supply chain and export challenges faced over the past two years, we were a joint winner, alongside Bell Equipment, of the 2021 Exporter of the Year Award," Rikus Immink, Multotec's South African CEO, tells *MechChem Africa*. The award, hosted by the South African Capital Equipment Export Council (SACEEC), recognises exceptional export achievements by local manufacturers in terms of value, volumes and export destinations.

"We currently export about 50% of the equipment we manufacture here in South Africa, mostly into Africa but also further afield. Our target was to be exporting 70% of our production because we were expecting that local demand would shrink. But it didn't. We are still seeing local growth rates similar to our export market growth," Immink reveals.

"Since 2014, when we first defined our export strategy, we have doubled our predicted target in real numbers. Thankfully, we have also continued to grow in the local market, which has kept the export:local percentages at 50:50. Multotec's total turnover, however, has doubled during this period," he says.

Still on the topic of exports, continues Peter Mbada, Multotec is steadily establishing a presence in countries across Africa. "We now have branches in Botswana, Mozambique, Ghana and Zambia, and we have also seen good support coming from

North African countries such as Morocco, Senegal and Guinea.

"In Botswana, the government recently passed the Citizen Economic Inclusion Bill, which requires all companies doing business in Botswana to allocate a portion of shareholding to a Botswana citizen owned company or citizen entrepreneur. In terms of procurement, the bill stipulates that a percentage of procurement must be from local sources. Multotec Botswana is currently able to fulfil these requirements by employing a total staff complement made up of 99% citizen employees in our local field services operations. We have also established local fabrication facilities that tap into local expertise and increased employment of local people," Mbada tells *MechChem Africa*.

"We are also working closely with the Government of Botswana and our key clients on the Citizen's Economic Empowerment Programme. We are establishing a joint venture partnership model, where we secure wider participation from several companies in supplying, installing and servicing Multotec equipment in Botswana from locally owned companies that employ citizens from local communities," he says, adding that this is a higher level initiative that involves engaging with a number of local citizen companies and individual citizens to secure a stable and mutually beneficial delivery chain to the Botswanan mining industry.

"We have collaborated directly with



Rikus Immink, CEO – SA Operations, Multotec.



Peter Mbada, Managing Director – Africa, Multotec.

the government of Botswana and our main clients, most notably Debswana Diamonds, to establish workable long-term models and approaches, and it is progressing very well," he informs *MechChem Africa*, adding that similar initiatives are being implemented in its other operations throughout Africa.

A key driver of export success is Multotec's process technology. For the diamond industry, for example, the company is showcasing its new Pulping Chute for removing clay and washing diamond ore. Mbada explains: "The diamond industry currently uses rotating scrubbers that use a lot of water and draw a lot of power. Scrubbers rely on screening media and are high maintenance machines. "Multotec's pulping chute generates a tumbling wave motion in a stream of water flowing down a static chute, which replaces the operation of the scrubbers. Diamond ore is fed into the wave stream at the top (feed-end) of the chute and the pulping or scrubbing process takes place as the ore flows down the chute.

"This is a breakthrough technology that saves on installation costs, power and maintenance, and it doesn't waste water because it is recirculated using a single pump – and grey water is perfectly acceptable for the process in our Pulping Chutes," notes Mbada.

"Multotec has also been successful in Africa with its mill liners. More than 60% of all our South African production is being exported, with a large percentage being

installed in Central Africa," adds Immink.

"We occasionally send teams from South Africa to install new liners, but many mines now have their own people who have been trained to do this work," says Mbada.

"We tend to supply customised solutions consisting of multiple products, because we can offer equipment for a wide range of minerals processing applications: from screening media and wear resistant or rubber linings; to process equipment such as cyclones and spiral separators; as well as Mato conveyor belt fastening and cleaning systems. In addition, we can design and install customised process water treatment plants and have our own range of pumps," he says.

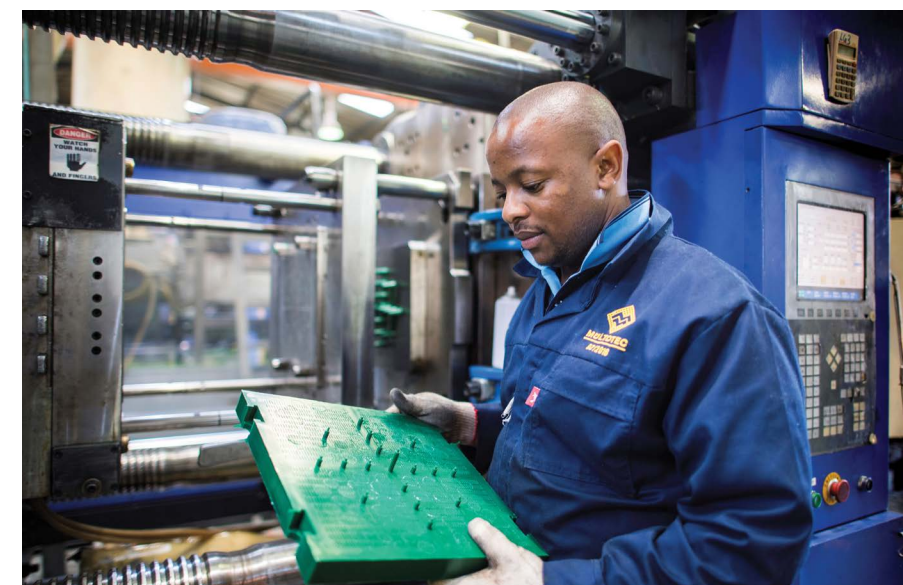
Also ideal for African conditions is Multotec's remote monitoring solution, which can be used for anything from monitoring the wear of screening media or linings to detecting when a piece of tramp iron enters a cyclone. "Using algorithms derived from analysing the data from an accelerometer, we can pick up and trend the rate of wear in our equipment, for example, and alert operators as to when they need to act. Systems such as these make sense in places like Africa because there is seldom the expertise on remote mines to manage preventative maintenance," says Immink.

SA's B-BBEE and the Mining Charter

"In terms of black ownership in South Africa, we are now at 26%, which puts us at Level 4 for B-BBEE procurement. But the Mining Charter has raised the limit, specifically for service providers in South African mines, to exclude companies with black-ownership below 51%, which was a challenge for us," continues Rikus Immink.

"In response Multotec formed a specific company called Multotec Services, which is 51%, black owned, purely to deliver services on mine sites. The company doesn't have a procurement shareholding, it's designed for Mining Charter compliance. It now provides most of our onsite services and we are in the process of registering our vendor numbers to this company," he explains.

Immink says that in the region of 97% of those employed by Multotec Services are regionally local people, "who are properly trained by us to deliver the levels of services



Multotec offers customised solutions for a wide range of minerals processing applications.

required for mines to operate effectively and reliably. While we may initially have lost some business, through the Mining Charter selection criteria, we are regaining customers now that we are compliant and now that customers have a better sense of the expertise required to deliver what is needed," he adds.

From a procurement perspective he says that Multotec procures as much as possible from local suppliers. "Not only for our BEE-certification but, wherever possible, we strive to be part of overcoming local unemployment problems, strengthening local manufacturing capabilities and developing the broader South African economy. The Mining Charter specifies a 60% minimum local content threshold in South Africa which, even for us as a local OEM, is very difficult to reach.

"We are a totally South African producing company with 13 factories, 1 800 employees and 24 000 m² of under-roof factory space, and we are just making the 60% threshold," he says.

"Back in 2018, we pioneered local content verification in South Africa. The SABS is currently formally renewing this accreditation on a wider front. It's a complex task. We are committed to achieving the requirements, but it's tough. The minute that a piece of equipment needs raw material such as polyurethane that is not available in South Africa, the 60% threshold is

threatened," he says.

"Our sustainability goals include adding ISO 14 001 and ISO 45 000 to the ISO 9001 certification we have had for many years. In all the areas in which we operate, we strive to help our customers play their roles in society and their local communities. Corporate governance is non-negotiable, the one thing we are truly proud of is being an ethical company. We uphold the strong values that have carried us through 49 years of successful business in more than 100 countries," Immink assures.

"Developing technical competence is key to the future of mineral processing in South Africa. We have bursary programmes that sponsor university students, and offer work-integrated learning for engineers-in-training. Our SED investments, in all the countries in which we have branches, include projects where we adopt schools and empower them in the areas of literacy and mathematics. We take a long-term view of the communities we operate in," adds Mbada.

"Multotec is a customer orientated company with a vision to be the ideal partner for each of its mining customers. This is challenging, but we are committed to physically being on the plant, no matter where it is, walking with mine operators, seeing how each piece of equipment functions and collaborating on how we can best help to improve it," Rikus Immink concludes. □



Multotec in South Africa has 13 factories, 1 800 employees and 24 000 m² of factory space.



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