### Infrastructure and logistics in the coal industry – what happens next?

On Wednesday 30 September the Fossil Fuel Foundation will host the '**Infrastructure and logistics of the coal industry in South Africa'** at Glenhove Conference Centre.

Efficient, cost effective and flexible rail logistics are essential factors for successful transport and marketing of key commodities, such as coal, in any country. The industry has a considerable challenge to adapt current infrastructure and logistics facilities to meet the ever changing demands of the economy against the backdrop of record low commodity price cycles and the huge costs for new facilities.

However while the ports of the country and region have undergone significant expansion to develop export potential, the transport to ports has been hampered by a constrained rail system.

Richards Bay Coal Terminal, as the country's prime coal export terminal, has the potential to develop its capacity to export up to 110 million tons of coal annually. This requires a rail system capable of operating 200 wagon trains from mine loading points right through to the terminal. At present, the rail system can only operate a limited number of these trains owing to constraints at loading sites, limited train consolidation facilities and decreased tonnages from the mines.

With many middle sized mines currently on care and maintenance, and numerous junior mines unable to load 200 wagon trains, the jury is out as to whether the much talked about expansion at Richards Bay will ever happen. A few of the larger mines continue to produce coal at remarkable rates, despite low prices, and in so doing are occupying the rail and port capacity facilities, leaving the smaller mines unable to compete in this period of low market prices.

A possible solution may lie in the concept of inland consolidation terminals, intermodal and bimodal usage – all to be examined during the panel discussion at the conference.

An 'Infrastructure Concept for Coal Mining' has recently been developed to assist the larger and smaller mines reduce capital and operating costs.

This model is applicable to traditional and new coalfields where junior and major miners are operating simultaneously. 'This concept would give rise to inland terminals with shuttle type railway connection to ocean terminals. The terminal would also include ~~a~~ shared coal preparation processing plants drastically reducing costs,' says Lyonell Fliss one of the presenters at the conference and a specialist in the design of mining civil infrastructure with special expertise in the Coal Mining sector. 'Modern infrastructure elements are already in operation in the form of innovative conveyor supports and large capacity precast coal bunkers.'

However for the concept of Inland coal terminals to be implemented, cooperation is essential from the major factors involved in such a project (miners, Transnet, Government, financiers, etc). A master plan must be produced and decisions taken on finance and operation.

Coal mines, especially the juniors, have been badly affected by weak market demand. Investment for new mines is not forthcoming. Does the investor appetite still exist? With South Africa's coal export prices once offering brilliant profits but now below cost for most producers, and at a 12 year-year low, the coal industry looks like the worst place to invest in!
The world will still need coal-fired power for the foreseeable future, both in this country and abroad, once the pendulum swings.
This might just be the right time to buy!

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All wishing to attend this conference should contact the conference secretariat:

RCA Conference Organisers: robbie@rca.co.za;
events@rca.co.za