

4 Covid-19-driven trends shaping the future of mining

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The past two years have spelt a tumultuous time for the global mining industry as a result of high levels of disruption and uncertainty introduced by the Covid-19 pandemic. Efforts to overcome these challenges and become more agile have ushered in a new era of accelerated transformation within both the global and South African mining sectors, leading to a number of shifts in the way the industry operates.



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The pandemic has had a major impact on South Africa's economy, leading to a contraction of 6.4% in 2020, with experts projecting it would take at least five years for the country's GDP to return to 2019 levels. The mining industry's quick response and resilience has led to an 18.1% growth rate for the industry in the first quarter of 2021, contributing 1.2% to the overall 4.6% seasonally adjusted and annualised GDP.

As the mining industry continues to adapt to a constantly changing socioeconomic environment, the transformation taking place is set to redefine the sector for years to come. Here we take a look at some of the trends that have emerged, or been fast-tracked by the pandemic, that are here to stay. We also take a look at how these will impact the future of mining.

Increased integration and collaboration

Uncertainty has become a major catalyst in spurring greater collaboration between departments within an organisation, other mining companies, and industry bodies as the industry has come together to tackle the challenges brought on by the pandemic and find new solutions to common issues.

We can expect to see ongoing growth in collaborative efforts within the mining sector, particularly as the industry continues to adapt and integrate new technologies that will change the shape of the industry in future. This could result in increased innovation and both short- and long-term returns for individual companies and the sector as a whole.



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Shifts in workplace culture

Increased digitalisation in the mining industry, along with a shift towards working remotely, has had the unexpected effect of changing the culture in organisations. The industry, and those within it, have been compelled to do things differently while employee needs have shifted, prompting leaders to step into a new role of leadership. Leaders are now expected to adopt a culture of transparency and empathy and will need to continue to strike a balance between recovery and growth and employee health and wellness.

Although the mining industry has always significantly prioritised and enforced stringent safety measures, we are now seeing improvements in not just internal safety processes but in training employees in health and safety in order to build a culture of safety throughout mining companies in an effort to ensure a zero harm environment.



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Intensified focus on sustainability

During the period in which Covid-19 measures were most stringent, with high-level lockdowns and restrictions, many factories and mining plants were required to shut down or drastically decrease their workforce. During this time, we could see a marked improvement in pollution and emissions - which did not go unnoticed. This, along with pressure from investors to become more environmentally, socially conscious and responsible, has pushed the mining industry to become cleaner and greener.

As a result, environmental, social and governance (ESG) factors are playing a greater role in how companies in the mining industry are measuring their success beyond revenue and production. We have seen big players in the mining industry prioritise the reduction of carbon emissions and promotion of diversity, human rights, governance and social justice.

Prioritised mitigation of supply chain risk

The disruptive impact of the pandemic could be seen most in its effect on supply chains which resulted in delays, cancellations, and even sometimes shortages. This certainly put a spotlight on the vulnerability of many mining companies' supply chains and just how exposed they are to the risk of any future disruptions.

As such, the mining sector will have to continue to re-evaluate their supply chain processes, identify gaps, and incorporate new processes to ensure continuity, efficiency, resilience and adaptability to any future restrictions that may have an impact on the supply chain.

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