

# OEM Mining Supply Forum





## Discussion Outline

- Overview of the OEM Mining Supply Forum
- Beyond Compliance (Position Paper)
- Strategies to implement TMM regulations

# Background OEM Mining Supply Forum

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- \* Established in March 2019, following requests by several individuals for multinational OEM's to have a voice in the industry. Policy advocacy forum
- Engaged constructively with other industry stakeholders, including
  - Minerals Council,
  - Competition Commission,
  - SAMPEC ,
  - Dtic and DMRE
  - Northern Cape
  - IDC

## Objectives of the OEM Mining Supply Forum

- \* **Identify challenges and ambiguities** (Mining Charter /Implementation Guidelines) i.t.o. local content requirements, exclusions and certification for all suppliers to the mines
- \* **Develop solutions** to the challenges that will benefit the industry, create employment and enhance investment in the South African mining industry
- \* To **engage & provide** input to relevant stakeholders in finding solutions to the challenges
  - \* To **participate** in stakeholder Forums and government stakeholder working groups
    - \* To **train, advise and prepare** OEMs in terms of measurement, codification and certification
    - \* To be a depository for OEM local content for mining measurement & **avoid anti-competitive behaviour and/or collusion** practices



# OEM Mining Supply Governance

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- Management Oversight Board, consisting of 5 persons elected from the 19 member companies and one member from the Secretariat
- Secretariat office:
  - Johan Streuderst – CEO
  - Lebo Masekela – Local content, Governance and Compliance
  - Phillip du Plessis – Technical Specialist
  - Ederi van Vuuren – Finance Manager
  - Mathapelo Tsoka – Administration
- There is a constitution and an anti-collusion policy
- The Secretariat is financed by member fees

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OEM's are from Sweden, Germany, France, Finland, USA, Japan, Denmark, UK, and SA  
Supply and manufacture equipment, products, components, consumables & provide services  
for Drilling, blasting, loading, hauling, conveying, remanufacturing and minerals processing  
across SADC. The membership criteria is that a company must be an OEM supplying to the SA  
mining industry



## Economic Footprint of OEM Mining Suppliers in South Africa

Collective total turnover ZAR: **70.02BN**

Collective number of employees in SA : **17 622**

Collective number of Tier 1 South African suppliers : **23 473**

Collective number of individual mining goods/products : **1,251m**

Average OEM turnover as % of global operations : **14.3%**

Estimated average local content at company level: **32.18%**

INFORMATION IS UN-AUDITED - BASED ON INPUTS FROM PARTICIPATING MEMBERS



# Contributions of OEMs to the economy

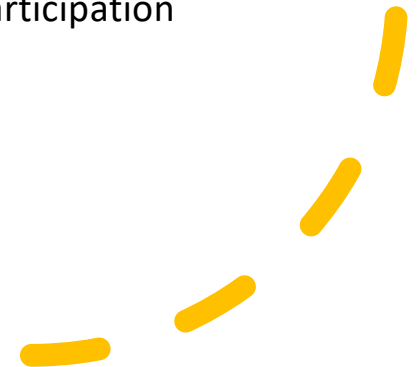
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- OEM Companies have been in South Africa for many years.  
Over and above the requirements of B-BBEE legislation,  
OEMS have done a number of socio-economic projects, including:
  - Improving School Infrastructure and sports facilities
  - Learner and teacher education programs
  - Partnering with NGOs on education
  - Funding of entrepreneurs in the core business of mining



# BEYOND COMPLIANCE

- We have a Position Paper that outlines the collective ideas put together by the OEMs ([www.oemforum.co.za](http://www.oemforum.co.za))
- The OEMS subscribe to the objectives of the SA government
- Localisation is an Important Policy Tool
  - To create and sustain employment
  - To support economic empowerment
  - To develop and enhance local manufacturing
  - To support industrial innovation and participation



# Highlights of Position Paper

- Advocate for reasonable policies for industrialization
- Consultation between policy makers, implementers and industry
- Cognisance of the existing reality in the country
  - Special steels, materials (e.g rubber), skills
- Encourage partnerships between global OEMS and local OEMS to identify opportunities
- Models for involving local entrepreneurs and the community in local mining operations
- Beyond Compliance initiatives
- Methodology the OEMs will use to be verified by the SABS
- Proposed structure to evaluate individual OEMs for the Beyond Compliance initiatives (OEM Transformation and Investment Programme)



The business engagement models of Global OEMs can be summarized into 3 broad categories:

- **Business Models of Global OEMs**

**Category 1**

Companies with significant design, engineering, production, servicing and operational management activities in SA

**Category 2**

Companies with some production and servicing capabilities in SA. They have the ability to market relevant product in RoA

**Category 3**

Companies with consolidated global supply chains with no design and engineering capabilities in SA. They may have limited production and some servicing facilities



# Strategies to implement TMM regulations

- The strategies to implement CAS will depend on a number of factors:
  - The input of the overseas principals
  - The category of OEM involvement
  - The existing relationships with local design and development companies
  - The demand forecast from the clients



# Implementation

- OEMs have implemented different strategies to meet the industry goals
- Many have worked with local design and development companies
  - Manufacture, testing, installation and support locally
- Some are implementing overseas technology, but installation and support will be done locally

