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2022 - The best year yet for Brelko



Brelko Conveyor Products' hefty investments in product development over the past decade and in the expansion of its facility in Booyens, south of Johannesburg, have set the conveyor-belt cleaning equipment designer and manufacturer on a path to success, with the company posting a 15% increase in revenue from 2021. By Nelendhre Moodley.

"We have made great progress in establishing a presence in the Middle East and have already provided products to Ma'aden, the Saudi state-owned mining company headquartered in Riyadh, to the tune of over \$500 thousand this year alone," he adds.

"Although this year has been a challenging one for most businesses across the globe, 2022 is proving to be one of the best years yet for Brelko, for aside from making headway into new markets, we are expanding product sales in existing markets. Essentially, our product improvement investments see our premium quality products being in high demand locally and internationally," says MD Kenny Padayachee.

Importantly, after having made inroads into numerous international markets, the equipment specialist "is gaining traction in the Middle East, South American – especially in Mexico – and North American markets" – key future growth nodes for the company, says Padayachee.

"We have made great progress in establishing a presence in the Middle East and have already provided products to Ma'aden,



Brelko Training Centre.

the Saudi state-owned mining company headquartered in Riyadh, to the tune of over \$500 thousand this year alone," he adds.

Ma'aden is a fast-growing mining and metals company and the largest mining company in the Middle East, which produces a variety of metals, including gold, base metals, and aluminium, among others.

Aside from continuing to supply product into key projects across Africa, including Ivanhoe Mine's Kamoakakula Copper Mine and Platreef projects in the Democratic Republic of Congo, Barrack Gold's Loulo gold mine in Mali and Resolute Mining's Syama gold mine, also in Mali, and Sukari Gold Mine project in Egypt, the conveyor belt cleaning equipment specialist continues to supply product to local power utility Eskom and recently began supplying product to iron-ore miner Kumba Iron Ore Sishen mine's Koketso Project, for which Brelko has been contracted to supply 1 000m Keyskirt® chute sealing equipment valued at R4 million.

Brelko Belt Scrapers



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Brelko's facility has been revamped to accommodate a polyurethane plant.

Streamlined Johannesburg facility

With an eye on future growth, Brelko continues to expand its facility from 7500sqm in 2010 to 18 000sqm in 2021 and most recently invested a further R40 million to enhance the factory, adding a double deck which expands the space by 2000m². The additional space comes in handy as the company is forced to house products that have been delayed as a result of supply chain challenges.

"The extra space is a boon, especially as we are faced with product delays for months at a time. In fact, our spacious facility allows us to comfortably house two forty-foot containers which have been delayed for more than two months due to supply chain delays, and the recent strike by Transnet workers."

Further to this, its most recent expansion endeavor sees Brelko revamping its facility to accommodate a one-stop polyurethane shop. Currently, the aspects related to polyurethane manufacturing, which includes moulding, casting, cutting, CNC machining and assembly, are all located in different parts of the factory.

"We are revamping the facility to house the various components related to polyurethane manufacturing in a single space and acquired a custom designed CNC machine valued at R10 million to cut the steel to size seamlessly and slot the required holes into the steel tubes. We have also invested in two fully automated polyurethane mould dispensing machines. The one-stop polyurethane shop will allow for a smooth workflow, thereby saving on time and increasing efficiency."



Brelko Nip Guard Safety Device

The facility is scheduled for completion in December.

Further to this and in keeping pace with step changes in the transport of bulk materials using conveyors, Brelko invests heavily in product enhancements, including in research and development and in innovating industry-leading products. To date, the company has over 18 patents worldwide to its name, testimony that Brelko is serious about providing premium quality products.

"As engineers build wider and faster conveyor-belts to transport larger quantities of product, and as suppliers of equipment to this sector, Brelko has had to innovate to keep pace. Over the past 30 years, conveyor belt speeds have increased from 2m/s to 6m/s."

Mitigating the challenges faced

Like its peers, Brelko, which celebrates 35 years in business this year, faces logistics challenges with the strike in October by workers of state-owned entity Transnet, coupled with global supply chain challenges translating to further delays to end-users. This in turn leads to delayed payments from the client.

"Brelko relies heavily on product export and, because of supply chain challenges, is taking a huge hit to the bottom-line of around R1 million per month. The wage strike by Transnet workers has further exacerbated the supply chain delays," says Padayachee.

Although the manufacturer's expanded facility can accommodate the additional stockholding, what it is

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unable to mitigate are the sky-rocketing prices of raw materials such as steel, rubber, and polyurethane.

"The biggest concern, this year, has been the soaring prices of raw materials. In fact, from October last year to October this year, there has been a 70% increase in the price of steel, a 48% increase in the price of polyurethane, a 40% price hike in the price of rubber and a 9% increase in labour costs."

Coupled with price escalations, manufacturers face loadshedding and water shedding which is fast becoming a way of life for South Africans.

"Loadshedding and water shedding wreak havoc on many businesses, especially in the manufacturing sector which relies heavily on these basic necessities to survive. In a bid to become self-reliant, Brelko is investing in renewable energy projects."

Besides investing more than R6,5-million in solar projects to date, the equipment manufacturer recently invested R12 million in a 300 kW inverter and in 800 kW of battery power. The company is also evaluating the option of sinking a borehole to ensure a constant supply of water.

"We have engaged the services of a borehole specialist to test the availability of water on the property and advise on the feasibility of accessing this scarce commodity," says Padayachee, who explains that Brelko is looking to become self-reliant in terms of security, power, and water supply.

Meanwhile, following the Covid-19 pandemic, several companies closed shop, forcing skilled personnel to

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According to Padayachee, training and skills development are integral to Brelko, particularly as it takes a new employee roughly two years to become proficient in the Brelko product range.

take up opportunities in different sectors. This, coupled with a large portion of the population relocating to new geographies, has left the country facing a severe skills shortage.

"Industry is now calling on retired personnel to return to work as consultants," says Padayachee, who explains that an unintended consequence of the severe skills shortage is that cost conscious clients who have long haggled on price, no longer do so, given the realisation that quality trumps price.

"Premium quality products come at a price and the price is high for the top-quality raw materials and the skilled labour force needed to enable the manufacture of premium quality product."

In a bid to close the skills gap, Brelko, aside from hiring highly skilled staff, invests in in-house training and skills development and learnership programmes for its employees. The company is currently investing R800 000 in learnerships for 16 employees, which will see them enhance their skill set. MS Teams is used to accommodate remote learning for some staff.

According to Padayachee, training and skills development are integral to Brelko, particularly as it takes a new employee roughly two years to become proficient in the Brelko product range.

"Brelko is reaping the rewards of continued investment in the company and its people and having made inroads into new geographies, we are looking forward to the next phase of growth," concludes Padayachee.



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