
Waterberg coal basin could be the key for SA thermal coal - Report

Saturday, 17 Oct, 2009

It is reported that the global consumption of coal is expected to increase by 4% annum between 2010 and 2030 in line with the rising global demand for energy. To boost production, the South African coal mining industry needs to open up new mines in the Waterberg coal basin to replace the depleted mines in the Highveld, Witbank and Ermello coalfields in Mpumalanga.

New analysis from Frost & Sullivan, A Strategic Analysis of South Africa's Coal Mining Industry, finds that South Africa's coal production will struggle to meet demand over the next few years. However, despite the environmental and logistical constraints that the South African coal mining industry is facing, coal production is likely to be on the upward trend by 2011 if new mines are opened in the Waterberg coalfield.

Mr Wonder Nyanjowa research analyst at Frost & Sullivan said that "South Africa's coal mining industry remains unbalanced, with rising coal demand on one hand and constrained supply sources on the other. With the global demand for coal rising by an annual average of 4%, the country's available supply capacity may not be able to cope with the upsurge in demand."

The expansion of Eskom electricity generation capacity, together with Sasol's capacity expansion, is set to increase South Africa's coal consumption by 75 million tonnes per annum. However, coal supply will remain stagnant.

He said that "The South African coal mining industry needs to position itself well in order to meet the increased demand for coal in domestic and international markets. The Waterberg coal basin which currently has one operating colliery represents the future of electricity generation and coal mining in South Africa."

A Strategic Analysis of South Africa's Coal Mining Industry is part of the Chemicals & Materials Growth Partnership Services program, which also includes research in the following markets: South Africa's Gold Mining Industry, South Africa's Platinum Mining Industry and, Diamond Mining Industry in Central and Southern Africa. All research included in subscriptions provide detailed market opportunities and industry trends that have been evaluated following extensive interviews with market participants.

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