



Black & Veatch Bullish on Global Metals & Minerals Industry

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Written by John Egan for Industrial Info Resources (Sugar Land, Texas) — Black & Veatch Corporation (B&V) (Overland Park, Kansas) is bullish on the global [Metals & Minerals](#) Industry. In an interview at the recent annual conference of the Society on Mining, Metallurgy and Exploration (SME) (Englewood, Colorado), Dennis Gibson, B&V's chief technical officer for mining, explained why.

“We're seeing a definite increase in inquiries and requests for proposals (RFPs),” he told Industrial Info. “Operators are intensively focused on improving both their operating efficiencies and capital efficiencies. That has not yet directly translated into significant increased spending on greenfield projects, but I am optimistic.”

Gibson said operators have heeded investors' calls to abandon the “produce at any cost” mantra of earlier years: “We're seeing new diligence on where they invest.” Gibson's comments echoed what speakers and exhibitors at the SME event in February told Industrial Info. For more on that, see March 1, 2019, article -[Aside from Coal, Outlook is Bright for Metals & Minerals Companies](#).

The B&V executive said demand for copper could exceed supply in the next few years. “There is a looming shortage,” he said. The fact that it can take as long as 10 years to bring a new copper mine online is a cause for concern. Copper prices are down slightly from the highs reached in 2018, but a stable price in the neighborhood of \$3 per pound was good news to Gibson and others at the SME conference.

One factor lengthening the development process, and driving up the cost of bringing a new mine online, is heightened activity by host countries to protect fresh water supplies, Gibson said. One major copper exporting country, Chile, a few years ago prohibited mining companies from using fresh water from an underground aquifer. That led to constructing desalination projects, adding billions of dollars to mining project costs in

that country.

One such desalination project, completed last year, was the \$2 billion-plus Escondida Water Supply Project in Chile, which B&V built for BHP Billiton. The seawater reverse osmosis (SWRO) desalination facility, in the Atacama Desert of Chile's Antofagasta region, now is the largest in the Americas. It produces 57 million gallons per day of water for the Escondida mine.

The Escondida Water Supply Project



Chile's action was emblematic of host countries' imposing tougher "social license to operate" (SLTO) conditions on mining and other industrial concerns. "Improved community engagement is a key challenge today for mining companies," Gibson said. "They can no longer rely on operating a mine because they have a permit. 'Sustainability' used to be a buzzword, not a fundamental consideration for operating overseas. Those days are gone."

The world's largest mining companies have pioneered best practices on wise resource use and SLTO, and the junior companies are fast recognizing the critical importance of operating in ways that minimize their environmental footprint. "The juniors are working

with the majors to learn and implement best practices on safety and sustainability to keep their runways open. All major mining companies now consider sustainability as important as safety.”

Today, reducing greenhouse (GHG) emissions, reducing water use and increasing electrification are interrelated SLTO challenges facing mining companies. “Today, it’s all about wise use of precious resources,” Gibson said.

Metals & Minerals companies are increasingly using renewable energy to meet those interrelated sustainability challenges, he continued. “With renewable energy, we’re seeing lowered operating costs, increased efficiencies and lowered supply chain risks. Having zero fossil-fuel costs insulates operating companies from fluctuating fuel costs.”

Gibson also touched on how digitization can improve safe mining conditions, as well as the profitability of mining. “The best mining companies are using big data analytics and artificial intelligence to increase efficiencies and optimize productivity,” he said.

With increased use of internet-enabled machinery, operators can monitor conditions in real time and make changes on the fly, Gibson said, adding that digitization lowers costs and improves safety: Rather than fly people around the world, use of digital technology and centralized control centers allows operators to make decisions remotely, leading to significant productivity gains.

Gibson acknowledged that increased connectivity could pose cybersecurity concerns, but he did not think those problems were insurmountable, noting that as a whole, the mining industry is becoming increasingly proactive when it comes to investigating and establishing cybersecurity programs and projects.

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