**PRESS RELEASE**

MHS Plant & Equipment set to shake up yellow metal procurement for large mining houses

**10 Aug 2021:** With commodity prices on the rise, heralding the advent of a potential super-cycle in the mining industry, the current focus is on the availability of larger yellow metal equipment. Here is where an equipment disposal specialist like [MHS Plant & Equipment](https://www.mhsequipment.com/default.htm) of Kyalami, Johannesburg stands to play a critical role. With an international network built up over 25 years, founder and owner **Conrad Smith** can source machines from anywhere in the world at the most competitive rates, in addition to dismantling and rigging, shipping and transportation and reassembly at the required destination.

“What we have found is that the larger mining houses do not understand the true value of their larger equipment, which is simply placed on a platform and advertised for sale, or they opt for the auction route, which does not necessarily guarantee the highest possible return. This is where our international experience and expertise comes in, as our intelligence can pinpoint where similar machines are being operated, indicating the best disposal market,” explains Smith.

The impact of Covid-19 has resulted in a 30% to 50% reduction in the output from yellow metal equipment manufacturers globally, with limited numbers of new units especially in the larger size ranges. As a result, some mining companies have decided to delay their procurement or rebuild plans, while suppliers are reluctant to take on the risk of having too much stock on their books.

“It is very much a waiting game at the moment,” stresses Smith. “We have seen such cycles before, which generally tend to last eight years. We are definitely on the upward swing at the moment, which could see some of the major players opt to outsource their equipment requirements due to the anticipated scramble to get enough machines onto the ground as quickly as possible to take advantage of the expected upturn.”

An example of this is MHS Plant & Equipment’s involvement with the Mutanda Mining (MUMI) copper mine in the Democratic Republic of Congo (DRC), which is expected to resume operations in 2022 after being placed on hold due to the pandemic. “That is going to be a major source of equipment for us,” notes Smith. He has worked with this particular mining house before, assisting with a mine closure in South America and even sourcing machines from Japan.

“This is an example of the type of long-standing relationships we wish to forge with Blue Chip mining companies. The business world has changed after Covid-19. The mining industry itself has traditionally adopted a conservative approach to its business models, but it now has to change with the times and become far more flexible and responsive to changing trends and developments,” argues Smith.

MHS Plant & Equipment also prides itself on lending junior miners a helping hand, getting some of these companies up and running from a zero base to where they now own entire equipment fleets and contribute meaningfully to the mining industry as B-BBEE participants. “Times are tough in the local market at present, which is why we are prepared to assist where we can,” explains Smith.

Apart from the trading side of the business, the company also owns equipment that it rents out to cement and aggregate producers, for example, and even a diamond mine in the Northern Cape. This gives Smith the opportunity to rotate his equipment and ensure that the fleet is always current, which in turn gives clients peace of mind that maximum uptime and productivity is guaranteed.

Smith studied law for two years, but was always interested in equipment as his father ran an auction house. He cut his teeth as Plant Manager for Scribante Construction for close onto two decades, establishing MHS Plant & Equipment eight years ago. The fledgling company’s first big break was when Eqstra Holdings bought out MCC, and it was contracted to handle the shutdown of the latter’s operations in South Africa, Namibia, Mozambique and Botswana. This two-year contract involved the plant hire and mining side of the business. “That really got us onto the map,” adds Smith, who has also carried out work for major companies such as Moolmans, Basil Read, Liviero Group and multinationals like Emeco Group.

Smith keeps close track of global currencies, with major yellow metal equipment priced mainly in dollars. If one particular global mining region experiences a dip, he will pay an exploratory visit to see what machines can be acquired at the best prices. The company has acquired equipment from as far afield as Australia, Argentina, Chile, Malaysia, Peru and Saudi Arabia, among others. The global flight restrictions due to Covid-19 has meant that Smith has had to hire experts on the ground wherever equipment is available in order to carry out the necessary inspections.

A major consideration of what equipment can be sold where is the emissions control technology installed on the engines. For example, EPA-certified equipment is suitable for the US market, while CE-certified equipment is best destined for Europe. While another major mining region like Australia does not have set regulations in place, its specifications differ from Africa, for example.

Smith has carefully built up the business to focus on large opencast mining equipment in particular, from draglines to the larger loaders, dozers and excavators. This particular niche has served the company well over the years, allowing it to dominate the high end of the market. “There are smaller brokers and then the auction houses, but we are really unique in the one-stop solution we are able to offer,” points out Smith. From transportation to insurance, he has established a close circle of specialist service providers to assist him with the logistics and execution of all of the company’s contracts.

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**About MHS Plant & Equipment**

Based in Midrand, Johannesburg, MHS Plant & Equipment specialises in the import and export of mining and construction equipment. We buy and sell construction and mining equipment throughout Africa, Australia and the Americas. We provide solutions to liquidate assets for mining and financial institutions on a global scale. We have experience in servicing our international clients for over 20 years, be it mining houses, contractors or civil contractors. We supply both new and quality used equipment to the mining sector. We also assist banks in both the valuation and disposal of any repossessed equipment, specialising in construction company/mine closures with turnkey solutions.

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