

Where To Find The Miners?

By Richard Mills

As everyone in the industry knows, the global engineering sector has a critical problem these days to find the people it needs to do all the work it has been given to do. Many say the crisis is more pronounced in the mining segment of engineering because of the peculiar nature of the business.

The violent cyclical swings typical of minerals extraction has allegedly pushed many experienced people to more stable sectors. This was noticed during the most recent down-cycle as miners left the industry and didn't return. Others say the sector's less than flawless reputation at social responsibility has not helped it to attract the young people it needs to replace experienced ones who have left.

In emerging countries, the miner shortage problem is far more pronounced than it is in wealthier countries. The simple reason for this is that wealthier countries offer higher salaries for experienced people and move them away. In Philippines, where all educated people speak international English, the problem is a particularly serious one. These days, more than a few mining companies and even government agencies in Philippines are afraid to send their people to overseas conferences because of the risk they will be recruited from them.

Over the next decade, countries like Canada and Australia say they need to attract more than 100,000 skilled workers to cope with demand from their own mining sectors. They have gone about creating compelling work-plus-residency packages to attract permanent immigrants and are promoting them heavily. Over just the past few months the most senior immigration officials of various Canadian provinces have been in Manila to sell their opportunities. In this current month, the Minister of Immigration for Saskatchewan (another resource heavy Canadian province) will be in Philippines along with his large entourage.

The concern might be less serious if Philippines was producing lots of young graduates but it isn't. Only 3 schools teach geology and even the professors are being lured away by high-paying jobs overseas.

In Philippines today, world-class companies such as Xstata, BHP Billiton, Anglo American and a host of others have large plans for growth. The Xstata and BHP projects alone could require between 5,000 to 10,000 people each.

It seems clear that supply is on a collision course with demand and we could be headed for a train wreck in Philippine mining. Unless this supply/demand disengagement can be addressed, projects will have difficulty proceeding.

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