

# [Trends in mining industry](https://assignbuster.com/trends-in-mining-industry/)

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﻿Trends in Mining Industry   
The current trend in mining industry is as follows as described by Tsai, 2014 is as below: The mining market is now stained by volatile prices of products and the demand fundamentals are shifting. This will have a significant effect on the demand and supply of mineral products across the world. There is dwindling prices of commodity and lower levels of production. Minerals that are at risk experiencing tipping into a flooding supply thermal coal, iron ore and even aluminum. The exploration and excavation costs by the market players have gone down increasing the affordability of the process. For instance, Aluminum cost is going even lower in china beyond much of other countries. This is due to the funding by the Chinese government which has now reduced competition for the aluminium product from china. Silver and copper are amongst those expected to drop as well, however this may not be immediate but rather gradual. Diamond and gemstone are the minerals whose mining are expected to experience a boom realizing the largest industry growth in Australia. The mining industry in Australia has experienced a tremendous growth over time and is thus expected to affect a change in the mining industry. However, explorations or mines are in a downturn. There is slush in companies’ exploration budgets. Additionally, there is a plummet of about 30% in the exploration of non-ferrous metals. Thus focus is shifting away from exploration of minerals to production. The nursery sector of mining is shrinking due to a rise in troubled small miners. Small miners are experiencing problems due to lack of economies of scale. Costs are likely to careen beyond control due to the resultant pullback in the budgets for exploration threatening to widen the rift between supply and demand. The mining sector is in a decline falling with over 7. 5% in 2014. The effects of these challenges have subsequently made companies mothball there projects as well as cap capacity. Therefore only an adoption of new ways of business will break this cycle. Nonetheless, CIBC world Market projects a likely rise in gold at about $US1383 per ounce as silver on the other end is to fall to about $US22. 81 per ounce similarly, copper will experience a drop to $US3. 17 per pound.   
A critical evaluation of Dicores customers and Dicores competitors shows the table below using strengths, weakness risks and opportunity (Amin, Razmi, & Zhang, 2011).   
1. SWORT   
Internal Factors   
Threats   
Weaknesses   
Core competence   
Inadequate leadership skills   
Resources   
Key technical resource gaps   
capacity   
Inadequate mining capacity   
External factors   
opportunities   
Threats   
Growth of economy   
Economic down turn   
New minerals availability   
New entrant to the market   
Market expansion   
Technology threat   
Fewer and weak competitors   
Increased competition   
Five forces analysis   
According to McKay, 2012) it can be analyzed using the five below factors:   
Threats of new entry   
Threats of substitution   
Consumer power   
Supplier power   
Competitive rivalry   
Not too expensive to prevent new entrants   
Competitors may have economies of scale   
No excavation technology exclusivity   
Ability of product substitution   
Able to substitute   
Very sensitive to price changes   
High number of suppliers   
Similarity of products supplied   
Many competitors in the industry   
High cost of exiting the market   
Reference   
Tsai, H. H. (2014). Global data mining: An empirical study of current trends, future forecasts and technology diffusions. Expert systems with applications, 39(9), 8172-8181.   
Amin, S. H., Razmi, J., & Zhang, G. (2011). Supplier selection and order allocation based on fuzzy SWOT analysis and fuzzy linear programming. Expert Systems with Applications, 38(1), 334-342.   
McKay, P. (2012). UF Business Library: MSE: Master of Science in Entrepreneurship: Porter's Five Forces Analysis.