

MEDIA STATEMENT

MINERALS COUNCIL PRESIDENT REFLECTS ON INDUSTRY'S TRANSFORMATION

2018 A SECOND WATERSHED OF MINING INDUSTRY

Johannesburg, 3 October 2018: Minerals Council president Mxolisi Mgojo today told delegates at the Joburg Indaba that in many ways, 2018 will be seen as a second watershed of the mining industry, the first being the promulgation of the MPRDA and the first Mining Charter in the period 2002 to 2004.

A central feature of the 2018 watershed has been the development and now the publication of the third iteration of the Mining Charter. Mgojo said that the Minerals Council broadly supports the recent gazetted Charter, which is the product of substantial engagement. However, the Minerals Council remains concerned about two key issues on which it will be engaging the Minister. He also acknowledged Mineral Resources Minister Gwede Mantashe's engaging approach in his interaction with the industry in the development of the Charter.

"The Mineral's Council understands that no negotiation process can end with all parties being satisfied with all aspects of the final product. The critical issue, however, is whether the charter strikes a balance in the national interest that will not discourage the much-needed capital investment while effectively promoting transformation," Mgojo said in his keynote address.

"This is among the core questions that the Minerals Council has been considering as it prepares a detailed response to the new Charter, and where it may have potential remedies in respect of these," he said.

"It is also clear that, in respect of certain provisions, the implementation guidelines that still need to be developed will be crucial in determining the ultimate impact of the new charter on transformation, development and growth of the industry. The Minerals Council hopes to be consulted on their content in the period ahead," he said.



Reflecting on the impact the Charter has had on the industry in the 14 years since the Charter was first introduced, Mgojo noted that while the mining industry was still a long way from achieving the vision of articulated in the first charter – “an industry that will proudly reflect the promise of a non-racial South Africa” – it has been an effective tool for addressing at least some of the industry’s legacies.

“The enormity of the apartheid legacy in mining means that we need to understand the continuing pressures for more transformation and higher targets in the Charter,” Mgojo said, adding that this was the delicate balance that industry, government and other stakeholders needed to reach as the Charter was developed in its third iteration.

He said this is the balance that we as a country need to consider today. “Will our legacy be an industry that will continue to shrink, and become less impactful in its contribution to GDP, in employment, and as a purchaser of goods and services, and in its investment in communities? Or will it be an industry that is competitive and able to grow, and therefore make a meaningful contribution as it transforms.”

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The full version of this address may be found at:

<http://www.mineralscouncil.org.za/downloads/send/19-latest/639-minerals-council-president-reflects-on-industry-s-transformation-2018-a-second-watershed-of-mining-industry>

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