



CHAMBER OF MINES
of South Africa

MEDIA STATEMENT

CHAMBER OF MINES RESPONDS TO TREASURY'S INCLUSIVE GROWTH ACTION PLAN

Johannesburg, 13 July 2017: The Chamber of Mines welcomes the statement issued by National Treasury today relating to the Government's Inclusive Growth Action Plan as per the announcement by Finance Minister Gigaba at the ANC's Policy Conference last week.

The Chamber confirms that its Office Bearers and CEO met with Minister Gigaba on 11 July 2017 to discuss the crisis facing the mining sector, and the specific challenges and issues that need to be resolved to help the industry back onto its feet. Challenges affecting the viability and investment attractiveness of the sector were discussed, including issues relating to policy uncertainty, the release of the damaging DMR's Reviewed Mining Charter, the delays to the finalisation of the MPRDA amendment bill, the impact of illegal mining on the sector, the trust breakdown between the DMR and the industry, as well as concerns regarding red tape and allegations of state capture. It was agreed with the Minister that further engagement is necessary as a struggling mining sector has a material dampening effect on the whole economy, including the ability of the Treasury to collect tax revenue.

The 11 July meeting was held after Treasury's Inclusive Action Plan had been developed, and it is the Chamber's hope that further substantive ideas will be discussed and potentially added to the action plan related to creating policy certainty and to improve investor confidence, among other things.

The Treasury Action Plan as it currently stands does not address the critical challenges facing the mining sector. The sector is in crisis, with 70,000 jobs lost over the past five years and declines in net and gross investment over the past two years.

The mining industry's own regulator appears to have done little to assist the mining sector through its extended viability crisis. The inappropriate application



of Section 54 mine stoppages, delays in approving Section 11 transfers, delays in mine licensing processes and lingering policy uncertainty as a result of the unilaterally developed DMR Reviewed Charter and delays to the finalisation of the MPRDA Amendment Bill have all detracted from investment.

Ultimately, all these issues will need to be addressed if South Africa is to realise the true economic and transformational potential of the country's mining sector.

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