



CHAMBER OF MINES
of South Africa

MEDIA STATEMENT

For immediate release

CHAMBER OF MINES SHARES CONCERNS RELATED TO JOB LOSSES IN THE MINING SECTOR

Johannesburg, 31 July 2017: The Chamber of Mines notes the statements by the National Union of Mineworkers (NUM) relating to job losses across the industry at a media briefing today. The Chamber shares these concerns and urges all stakeholders to work together to preserve the viability of the industry in order to save jobs.

The South African mining industry continues to be under significant economic and financial pressure. Between 2014 and 2016, the industry made an accumulative net loss of around R50 billion. Increasing cost pressures such as the steep increase in the price of electricity, increased labour costs and the increased cost of materials such as steel, combined with the continued decline in productivity for various reasons, including the inappropriate application of Section 54 stoppages have served to undermine the sector.

Under these circumstance, mining companies have been compelled to restructure to ensure their survival. Between 2012 and 2016, the industry lost around 70,000 jobs as it struggled to remain viable. This, despite the industry agreeing to and participating in discussions relating to the 10-point jobs declaration. It is unfortunate that the industry received little support from other stakeholders and was left to battle the crisis and try to remain viable on its own.

At the same time, continued regulatory uncertainty and the unilateral imposition of the DMR's Charter have served to detract investment in the sector, further exacerbating the already critical situation. In its current form, the DMR's Charter will further raise costs in the mining sector through direct and hidden levies, further jeopardising current operations and the



viability of new ones. As many as 100,000 direct and 200,000 indirect jobs could be at risk in the short to medium term.

Chamber CEO, Roger Baxter noted: “Our industry’s future, and its ability to continue to provide employment and benefits to employees, depends on the ability of its stakeholders (government, labour and mining companies) to actively consult each other and work together to create conducive policy, legislative and operating environment that facilitates transformation and realises the economic potential of the mining sector for the benefit of all South Africans.”

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