

# LEADERSHIP AND GOVERNANCE

## Message from the Minerals Council Acting President

### Mining must succeed for South Africa to succeed

*“Mining is not just about extracting minerals. It is about building a nation, creating opportunities, sustaining livelihoods and contributing to the long-term prosperity of South Africa.”*

As we reflect on the past year, it is evident that South Africa’s mining industry remains a cornerstone of economic stability and progress. Despite formidable challenges, the sector continues to play a pivotal role in job creation, foreign exchange earnings and industrial growth, reinforcing its position as a vital contributor to the country’s economic and social fabric.

Mining in South Africa has always been about resilience, innovation and people. Our industry operates in some of the most demanding and complex mining conditions in the world. Our members aim to manage sustainable



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mining operations in the world’s deepest mines beneath the surface, while navigating complex regulatory and policy environments above ground, and contending with the influence of global economic dynamics on mineral and commodities prices. In a spirit of collaboration and a shared commitment to contributing to the success of the South African economy through mining, we continue to adapt, invest and find solutions that enable us to grow and sustain this critical sector.

### Resolving industry challenges and constraints

Several critical challenges shaped our agenda in 2024, requiring decisive leadership and strong collaboration with government, regulators and other stakeholders.

One of the most pressing concerns has been illegal mining, a challenge that has escalated into an organised criminal enterprise, threatening lives, legitimate mining operations and the stability of surrounding communities. The Minerals Council has engaged extensively with government, particularly the Ministry of Police and the Department of Mineral and Petroleum Resources (DMPR), and supported interventions that improve enforcement, enhance security measures and protect South Africa’s mineral wealth from exploitation by criminal syndicates.

Of equal concern has been the impact of infrastructure constraints, particularly in electricity supply and rail logistics. The industry faced severe disruptions due to loadshedding restricting operations and reducing productivity. Through consistent engagement with Eskom, government and the National Energy Crisis

Committee (NECOM), we have played a critical role in driving policy changes that allowed mining companies to invest in self-generation and alternative energy solutions – an important step toward securing energy independence for the sector.

On the logistics front, inefficiencies at Transnet have severely impacted our ability to move bulk commodities to global markets. The Minerals Council has been at the forefront of advocating reforms, working with government and industry partners to accelerate much-needed improvements in rail and port capacity. The leadership changes in 2023 and 2024 at Transnet signalled a shift towards a more accountable and results-driven approach. While progress has been slow, we are beginning to see incremental improvements in operational efficiencies and intend to advocate an acceleration of resolutions to these critical logistical challenges.

### Water security as an emerging risk

Water security has emerged as a critical risk for South Africa’s mining industry, amplifying the urgent need for collaborative action and responsible stewardship. The growing pressures of water scarcity, compounded by climate change and ageing infrastructure, threaten operational continuity and community resilience in key mining regions. The Minerals Council remains steadfast in driving industry-wide water conservation and demand management initiatives, while proactively engaging with government to shape practical regulatory frameworks that balance sustainable water use with economic development imperatives. Our industry’s commitment to responsible water management is not only fundamental to mitigating this risk, but also to strengthening our social licence to operate and ensuring mining communities benefit from shared water infrastructure solutions.

### Health, safety and sustainability

As a people-dependent industry, amid these challenges our commitment to safety and responsible mining has never been stronger. The mining industry has made significant strides in improving health and safety outcomes, with fatalities and injuries continuing to decline, thanks to the collective efforts of industry leadership, government and labour. A defining moment in 2024 was the signature of Health and Safety Milestones for the next 10 years, reaffirming our commitment to achieving Zero Harm and ensuring that every worker returns home safely.

Environmental sustainability remains a critical focus area. As the world shifts towards a low-carbon economy, South Africa's mining sector is at the heart of this transition, particularly in critical minerals essential for renewable energy technologies. However, it is imperative that the just transition is managed pragmatically, balancing climate ambitions with economic realities. We must ensure that policy decisions do not undermine energy security, industrial competitiveness or job security – a stance that the Minerals Council continues to advocate in its engagements with policymakers.

## Transformation and inclusion

Transformation in mining is not just a compliance exercise; it is a business imperative. While we acknowledge the strides made in increasing female representation – now approaching 19% of the workforce – more must be done. The Minerals Council has commissioned a strategic review of our Women in Mining (WiM) programme, assessing the effectiveness of the seven foundational measures and identifying further interventions needed to drive meaningful change. The future of mining must be one where women thrive, lead and shape the industry's success.

Beyond gender diversity, the industry's role in uplifting mining communities remains a fundamental responsibility. Through Social and Labour Plan (SLP) initiatives, mining companies continue to invest in education, healthcare and infrastructure, supporting the development of thriving and self-sustaining communities. The Minerals Council remains committed to working with government and other stakeholders to scale these efforts and maximise social impact.

## Declining economic contribution of mining

Despite the vital role that mining plays in South Africa's economy, its contribution to GDP has declined over the years. This is not due to a lack of potential but rather the result of structural challenges, ranging from regulatory uncertainty to infrastructure constraints. While we cannot control global commodity prices, we can ensure that South Africa remains an attractive destination for investment and exploration.

The economic multiplier effect of mining is immense – each job in mining supports multiple dependents. The sector is among the largest earners of foreign exchange,

contributing significantly to South Africa's balance of payments and fiscal revenue. It is imperative that the right policies and investment climate are in place to unlock growth and long-term sustainability.

## Priorities for 2025 and beyond

As we move into 2025, the Minerals Council's focus remains on advocating investment, innovation and inclusivity. We must create an environment where capital investment in mining can thrive, where the workforce is empowered and protected, and where South Africa can take its rightful place as a leader in global mining conversations, particularly with the country set to host the G20 Summit later in 2025.

In my view, several key areas will define our path forward:

- We must advocate a regulatory framework that encourages investment and streamlines mining and exploration approvals.
- The country must make significant and urgent progress in energy security and logistics efficiency to unlock mining growth.
- We must be the voice for driving continued progress towards Zero Harm and ensuring that environmental policies are pragmatic and supportive of industrial growth.
- Progress in transformation and inclusion cannot slow down. We must strengthen efforts to increase female participation and workforce diversity while enhancing the social impact in mining communities.

None of this progress would be possible without the dedication and leadership of many individuals and organisations. On behalf of the Board, I would like to thank and recognise Nolita Fakude, who served as President with merit, and Peter Steenkamp, who played an instrumental role in the Minerals Council's leadership before his retirement. I also extend my appreciation to Roger Baxter, whose tenure as CEO set a strong foundation for the Minerals Council's continued success, as well as to our current CEO, Mzila Mthenjane, who completed his first full year at the helm and is leading complex industry matters with distinction.

Finally, I wish to acknowledge the unwavering commitment of our mining companies, industry leaders and employees – the men and women who make this sector what it is. Their dedication, skill and resilience

ensure that mining continues to be a pillar of South Africa's economic and social landscape.

## Why mining matters

At its core, mining is not just about extracting minerals. It is about building a nation. It is about creating opportunities, sustaining livelihoods and contributing to the long-term prosperity of South Africa. For mining to thrive, we must remove the barriers that stand in its way, such as overregulation, infrastructure bottlenecks and policy uncertainty.

Mining must succeed for South Africa to succeed. As we move into 2025, we must continue to work together to ensure that the full potential of this industry is realised, for the benefit of all South Africans.

**Paul Dunne**  
Acting President

