

MEDIA STATEMENT

The Minerals Council is concerned with South Africa's poor Fraser Institute Ranking

Johannesburg, 4 May. The Minerals Council is concerned that South Africa remains poorly rated as a mining investment jurisdiction in the latest [*Fraser Institute Annual Survey of Mining Companies 2022*](#) .

In the survey released on Thursday, South Africa is, for the second consecutive year, ranked in the bottom ten global mining jurisdictions, placed 57 out of 62 in the overall Investment Attractiveness Index compared to last year's position of 75 out of 84 jurisdictions. Last year was the first time the country ranked in the bottom ten.

The survey captures the mining industry's perceptions of the investment potential of global mining jurisdictions based on mineral potential and government policies. The Fraser Institute uses 15 standard questions on policy factors, which are rated on a scale of one to five to determine whether they encourage or discourage investment in a mining jurisdiction. Governments can assess or validate the impact of their policies or use the survey to improve mining related policies to attract more investment.

South Africa is ranked lowly in the Investment Attractiveness Index, which is weighted 60% by mineral potential and 40% by policy perceptions. In 2020 and 2019, South Africa ranked 60 out of 77 jurisdictions and 40 out of 76 respectively.

In the Policy Perception Index, South Africa slipped to 53 out of 62 from 65 out of 84 jurisdictions the year before. In the Mineral Attractiveness Index, it ranked 41 out of 47 jurisdictions compared to 77 out of 84 a year earlier.

The Survey noted South Africa slipped sharply in its policy score because of concerns about infrastructural constraints (electricity and rail) and the availability of skilled labour. Respondents flagged regulatory duplication and worries about the administration and enforcement of existing regulations to also be a deterrent to investment.

"The Minerals Council is due to meet the Department of Mineral Resources and Energy about the surveys and to engage on each of the 15 areas of the survey to address the underlying causes and propose potential solutions," says Roger Baxter, CEO of the Council.

"It is disappointing that South Africa remains poorly perceived as a global mining jurisdiction, but there are fundamental problems in our country that need to be addressed. The Minerals Council continues to work with the DMRE, other government ministries, the Presidency and business organisations to create an investment-friendly environment to encourage sustainable, inclusive growth," he says.



“There has been encouraging progress in energy reforms with the establishment of the National Electricity Crisis Committee (NECOM) and the government implementing significant reforms to enable greater private sector investment in electricity generation.

“On the rail side, the Minerals Council has been working closely with Transnet to stabilise rail operations and the Council welcomes the recent announcement by President Ramaphosa on the establishment of the National Logistics Crisis Committee (NLCC) to address the rail and ports crisis. The Minerals Council is in talks with the government about addressing the crime and corruption challenges the sector is facing and to address the red-tape issues holding back investment in exploration and mining,” he says.

The Minerals Council has noted the DMRE has issued a request for proposals for a new cadastral system to replace its dysfunctional SAMRAD system. It is critical to have a transparent, off-the-shelf, proven, online cadastral system to encourage investment in exploration and to expedite the processing of prospecting and mining right applications.

For further queries:

Allan Seccombe

Head Communications

Tel: 064 650 4636

Email: aseccombe@mineralscouncil.org.za

Web: www.mineralscouncil.org.za