

## **MEDIA STATEMENT**

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### **MINERALS COUNCIL SOUTH AFRICA LOOKS BACK ON A JOB WELL DONE IN A CHALLENGING YEAR, AND MAPS THE WAY FORWARD**

**Johannesburg, 31 May 2023.** The Minerals Council South Africa has come through another testing year in 2022, but it has engaged its stakeholders in a solutions-driven, constructive manner, which delivered results as it aligns the industry for a greater and more meaningful role in society, Minerals Council President Nolitha Fakude says.

At the Minerals Council's 133<sup>rd</sup> Annual General Meeting on Wednesday, Ms Fakude and outgoing CEO Roger Baxter outlined the challenges and successes the membership organisation had during 2022. They positioned the Minerals Council and its members as drivers of transformation and social upliftment in a troubled local economy.

"The value we add and share as an industry comes in many forms and not just financial. Through our total economic contribution, we have enabled local companies to grow and thrive by being very deliberate about procuring from local suppliers in our host communities; those owned by black South Africans and those owned by women and young people," says Ms Fakude.

The mining industry is a major contributor to EESG, which is economics, environment, social and governance contribution to society.

The mining and quarrying sector spent R504 billion in 2022 on buying goods and services. The mining industry strives to allocate 60-80% of its annual procurement expenditure on HDSA-empowered companies, which includes black-owned, women-owned and youth-owned companies.

The industry grew employment to nearly 469,000 during 2022 from 460,000 the year before. Mining industry employees' earnings of R174 billion were substantially higher than R165 billion before. The sector spent more than R5 billion on human resources development, with a further R1.7 billion paid to the skills development levy.



The industry spends more than 1% of its net profit after tax on community development projects annually. Mining companies often implement social development initiatives before they start production or selling products.

The industry's procurement spend, enterprise development projects, and education and training through Social and Labour Plans that underpin mining rights are the ideal mechanism to improve our host communities' lives and create sustainable livelihoods beyond the lives of mining operations.

Partnerships, industrywide learnings and improvements in technologies were fundamental drivers of the record safety performance during 2022 when the industry recorded its lowest number of fatalities. "Still, this means that 49 people did not go home to their families in 2022, and our quest for zero fatalities must continue," says Mr Baxter.

"As I prepare to end my term as CEO of the Minerals Council, this remarkable milestone is one that I regard as really important but that the leadership journey to zero harm must continue," he says, noting that in 1992 when he joined the then-Chamber of Mines 551 people died on the mines that year.

The Minerals Council helped shape the national discourse to enable the most substantial structural reform in the past two decades in the energy sector with government removing the cap on the size of embedded energy projects. The Government has eventually accepted our view that the future of new power generation should rest with the private sector, he says.

The Minerals Council invested significant effort with members engaging government and Transnet on the country's rail and ports crisis. President Cyril Ramaphosa has announced the National Logistics Crisis Committee in which the Minerals Council and its members will play a major role. The mining industry accounts for 80% of Transnet Freight Rail's annual revenue and half of Transnet's group revenue.

"While the Minerals Council and its bulk commodity members are in regular engagement with Transnet's Board, Executive and management on four key export channels, the challenges with logistics affect the entire economy and pose a risk as severe as - if not more severe than - Eskom," Mr Baxter says.

“We need urgent and consolidated action from the Government, Transnet and business to stabilise Transnet’s performance and to rapidly bring private sector participants into the rail sector as outlined in the National Rail Policy White Paper. Private sector concessions at the ports to manage the transshipment of products is essential to addressing bottlenecks in our exports and imports.”

The Minerals Council will work with Business Unity South Africa and Business Leadership South Africa within structures set up with the Government to address crime and corruption that is rapidly eroding the fabric of our society.

Mzila Mthenjane was appointed as the new Minerals Council CEO, replacing Roger Baxter who has served in a leadership role for nine years and at the Minerals Council and previously the Chamber of Mines for a total of 30 years. He joins the Minerals Council from Exxaro Resources, where he is Executive Head: Stakeholder Affairs.

“Mzila is no stranger to the intricacies of mining and, more crucially, the stakeholder engagement processes at both national and international levels. He is a strong culture fit, highly competent in stakeholder management and building sustainability strategies. With this, Mzila is well placed to support the Minerals Council’s strategy especially within the EESG agenda,” says Ms Fakude.

The Minerals Council is pleased that Paul Dunne (CEO, Northam Platinum), Themba Mkhwanazi (CEO, Bulk Commodities, Anglo American) and Peter Steenkamp (CEO, Harmony Gold) have agreed to their reappointment as Office Bearers, ensuring continuity at the Minerals Council during the change in CEOs.

Joining the Office Bearers is Dr Nombasa Tsengwa, CEO of Exxaro Resources, bolstering and deepening the level of industry expertise at a time of increased focus on the mining’s economic, environmental, social and governance (EESG) matters.

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