



Mining Industry Inclusive Procurement and Enterprise and Supplier Development (ESD) Progress Report 2023/24

Fundiswa Ndaba
April 2025



MINERALS COUNCIL
SOUTH AFRICA



Participation of Member Companies

42

Member companies were targeted

29 member companies were not targeted

- Smaller mines or those that do not normally participate
- Member companies that are either head offices, not operational or associations.

Member Companies Submissions

69%

29 out of 42 member companies targeted **submitted** data for analysis

85

29 member companies collectively hold eighty-five (85) **Mining Rights Holders**

Total Procurement Spend MC2010 & MC2018 and Purchases as per Statistics South Africa 2021 & 2022



R107bn
Total Procurement Spend

Total Procurement Spend
as reported in the MCSA's Mining Industry Transformation Report for 2019, based on the MC2010 and excludes Non-Discretionary Procurement.



R271.5bn
Total Procurement Spend

Total Procurement Spend
as per MC2018: This figure excludes non-discretionary expenditures which includes spend on buildings, roads, utilities (electricity and water) land rates and fuel.



R367.4bn
*Purchases

Purchases
for the mining and quarrying sector as reported in the Statistics South Africa report on annual financial statistics 2022.



R450.5bn
*Purchases

Mining Charter 2018 Procurement Scorecard - Industry View

R271.5bn
TOTAL PROCUREMENT SPEND

Mining Goods 45% **R121.7bn**

Services 55% **R149.8bn**

70%
TARGET

15
COMPLIANCE TARGET

15
ACHIEVED



80%
TARGET

20
COMPLIANCE TARGET

19.84
NOT ACHIEVED



	TARGET	ACHIEVED	POINTS	
HDP	21% R25.6bn	46.8% R56.9bn	5 POINTS	
Women / Youth	5% R6.1bn	10.9% R13.2bn	5 POINTS	
BEE Compliant	44% R53.5bn	68.6% R83.4bn	5 POINTS	

	TARGET	ACHIEVED	POINTS	
HDP	50% R74.9bn	54.3% R81.3bn	5 POINTS	
Women	15% R22.5bn	14.5% R21.7bn	4.84 POINTS	
Youth	5% R7.5bn	6.3% R9.4bn	5 POINTS	
BEE Compliant	10% R15bn	61.6% R92.3bn	5 POINTS	



Mining Goods

46%

R43.7bn

70%
TARGET

15
COMPLIANCE TARGET

15
ACHIEVED



	TARGET	ACHIEVED	POINTS	
HDP	21% R9.2bn	42.4% R18.5bn	5 POINTS	
Women / Youth	5% R2.2bn	11.7% R5.1bn	5 POINTS	
BEE Compliant	44% R19.2bn	64.1% R28.0bn	5 POINT	

Services

54%

R51.5bn

80%
TARGET

20
COMPLIANCE TARGET

17.86
NOT ACHIEVED



	TARGET	ACHIEVED	POINTS	
HDP	50% R25.7bn	49.7% R25.6bn	4.97 POINTS	
Women	15% R7.7bn	10.5% R5.4bn	3.51 POINTS	
Youth	5% R2.6bn	4.4% R2.3bn	4.38 POINTS	
BEE Compliant	10% R5.1bn	49.1% R25.3bn	5 POINTS	

Mining Goods

43%

R20.6bn

70%
TARGET

15
COMPLIANCE TARGET

15
ACHIEVED



	TARGET	ACHIEVED	POINTS	
HDP	21% R4.3bn	48.6% R10.0bn	5 POINTS	
Women / Youth	5% R1.0bn	9.5% R1.9bn	5 POINTS	
BEE Compliant	44% R9.1bn	69% R14.2bn	5 POINTS	

Services

57%

R27.4bn

80%
TARGET

20
COMPLIANCE TARGET

19.85
NOT ACHIEVED



	TARGET	ACHIEVED	POINTS	
HDP	50% R13.7bn	56.5% R15.5bn	5 POINTS	
Women	15% R4.1bn	14.5% R3.9bn	4.85 POINTS	
Youth	5% R1.4bn	5.1% R1.4bn	5 POINTS	
BEE Compliant	10% R2.7bn	66.4% R18.2bn	5 POINTS	

Mining Goods

57%

R22.4bn

70%
TARGET

15
COMPLIANCE TARGET

14.9
NOT ACHIEVED



	TARGET	ACHIEVED	POINTS	
HDP	21% R4.7bn	48.7% R10.9bn	5 POINTS	
Women / Youth	5% R1.12bn	4.9% R1.10bn	4.9 POINTS	
BEE Compliant	44% R9.9bn	83.4% R18.7bn	5 POINTS	

Services

43%

R17.1bn

80%
TARGET

20
COMPLIANCE TARGET

20
ACHIEVED



	TARGET	ACHIEVED	POINTS	
HDP	50% R8.5bn	64.0% R10.9bn	5 POINTS	
Women	15% R2.6bn	19.1% R3.3bn	5 POINTS	
Youth	5% R0.85bn	5.0% R0.85bn	5 POINTS	
BEE Compliant	10% R1.7bn	84.3% R14.4bn	5 POINTS	

Mining Goods

53%

R17.4bn

70%
TARGET

15
COMPLIANCE TARGET

15
ACHIEVED



	TARGET	ACHIEVED	POINTS	
HDP	21% R3.7bn	58.4% R10.2bn	5 POINTS	
Women / Youth	5% R0.8bn	17.2% R3.0bn	5 POINTS	
BEE Compliant	44% R7.7bn	71.1% R12.4bn	5 POINTS	

Services

47%

R15.8bn

80%
TARGET

20
COMPLIANCE TARGET

19.61
NOT ACHIEVED



	TARGET	ACHIEVED	POINTS	
HDP	50% R7.9bn	61.4% R9.7bn	5 POINTS	
Women	15% R2.4bn	13.8% R2.2bn	4.61 POINTS	
Youth	5% R0.8bn	5.4% R0.9bn	5 POINTS	
BEE Compliant	10% R1.6bn	71.5% R11.3bn	5 POINTS	

Mining Goods

31%

R3.7bn

70%
TARGET

15
COMPLIANCE TARGET

15
ACHIEVED



	TARGET	ACHIEVED	POINTS	
HDP	21% R0.8bn	40.5% R1.5bn	5 POINTS	
Women / Youth	5% R0.2bn	13.8% R0.5bn	5 POINTS	
BEE Compliant	44% R1.6bn	57% R2.1bn	5 POINTS	

Services

69%

R8.1bn

80%
TARGET

20
COMPLIANCE TARGET

12.82
NOT ACHIEVED



	TARGET	ACHIEVED	POINTS	
HDP	50% R4.0bn	63.4% R5.1bn	5 POINTS	
Women	15% R1.2bn	4.5% R0.4bn	1.50 POINTS	
Youth	5% R0.4bn	1.3% R0.1bn	1.32 POINTS	
BEE Compliant	10% R0.8bn	86.5% R6.9bn	5 POINTS	

Mining Goods

27%

R2.9bn

70%
TARGET

15
COMPLIANCE TARGET

15
ACHIEVED



	TARGET	ACHIEVED	POINTS	
HDP	21% R0.6bn	54.1% R1.6bn	5 POINTS	●
Women / Youth	5% R0.15bn	10.5% R0.3bn	5 POINTS	●
BEE Compliant	44% R1.3bn	73.9% R2.2bn	5 POINTS	●

Services

73%

R8.1bn

80%
TARGET

20
COMPLIANCE TARGET

20
ACHIEVED



	TARGET	ACHIEVED	POINTS	
HDP	50% R4.0bn	70.8% R5.7bn	5 POINTS	●
Women	15% R1.2bn	29.6% R2.4bn	5 POINTS	●
Youth	5% R0.4bn	38.6% R3.1bn	5 POINTS	●
BEE Compliant	10% R0.8bn	71.8% R5.8bn	5 POINTS	●

MINING GOODS

53%

R4.6bn

70%
TARGET

15
COMPLIANCE TARGET

15
ACHIEVED



	TARGET	ACHIEVED	POINTS
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HDP	21% R0.9bn	27.3% R1.26bn	5 POINTS	●
Women / Youth	5% R0.2bn	10.7% R0.5bn	5 POINTS	●
BEE Compliant	44% R2.0bn	50.5% R2.3bn	5 POINTS	●

SERVICES

47%

R4.1bn

80%
TARGET

20
COMPLIANCE TARGET

18.56
NOT ACHIEVED



	TARGET	ACHIEVED	POINTS
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HDP	50% R2.1bn	52.9% R2.2bn	5 POINTS	●
Women	15% R0.6bn	16.9% R0.7bn	5 POINTS	●
Youth	5% R0.2bn	3.6% R0.14bn	3.56 POINTS	●
BEE Compliant	10% R0.4bn	62.3% R2.6bn	5 POINTS	●

Mining Goods

26%

R6.16bn

70%
TARGET

15
COMPLIANCE TARGET

15
ACHIEVED



	TARGET	ACHIEVED	POINTS	
HDP	21% R1.3bn	46.3% R2.9bn	5 POINTS	●
Women / Youth	5% R0.3bn	12.0% R0.7bn	5 POINTS	●
BEE Compliant	44% R2.7bn	55.5% R3.4bn	5 POINTS	●

Services

74%

R17.7bn

80%
TARGET

20
COMPLIANCE TARGET

17.56
NOT ACHIEVED



	TARGET	ACHIEVED	POINTS	
HDP	50% R8.9bn	37.1% R6.6bn	3.71 POINTS	●
Women	15% R2.7bn	19.1% R3.4bn	5 POINTS	●
Youth	5% R0.9bn	3.8% R0.7bn	3.85 POINTS	●
BEE Compliant	10% R1.8bn	43.8% R7.8bn	5 POINTS	●

OTHER INCLUDES: Exploration, Zinc, Copper, Vanadium

Enterprise and Supplier Development – Quantitative Findings

Enterprise and Supplier Development Spend CY2023
R1.8bn

Enterprise Development
R279.4m (15.2%)

Supplier Development
R1.6bn (84.5%)

1,372 unique
beneficiaries
(61.3%)

**Spend Category
Split:**

36.2% Women-
owned and
controlled

18.9% Youth-owned
and controlled



867 unique
beneficiaries
(38.7%)

**Spend Category
Split:**

31.9% Women-
owned and
controlled

17.4% Youth-owned
and controlled

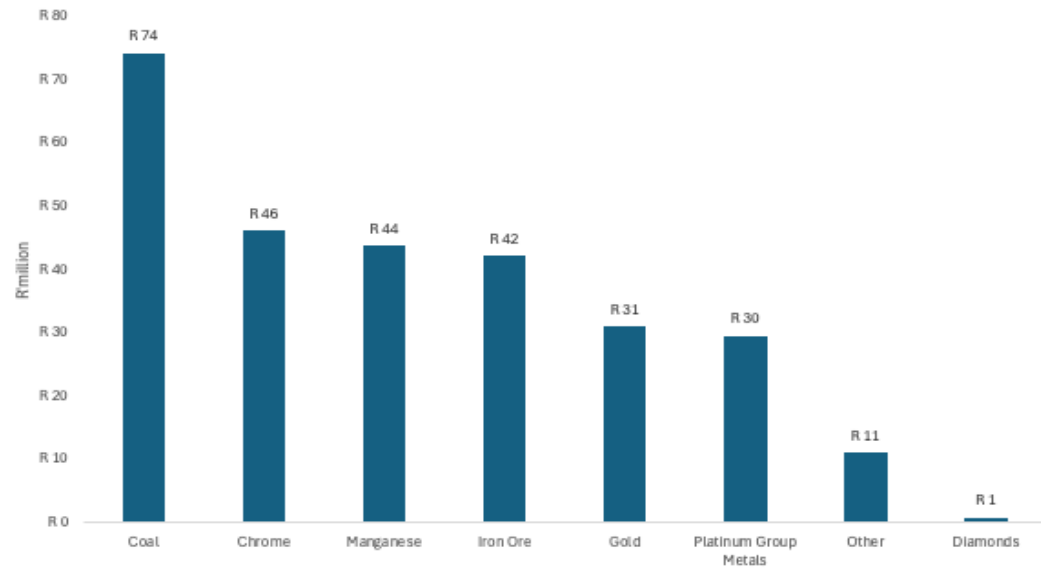


Enterprise and Supplier Development Spend – Commodity View

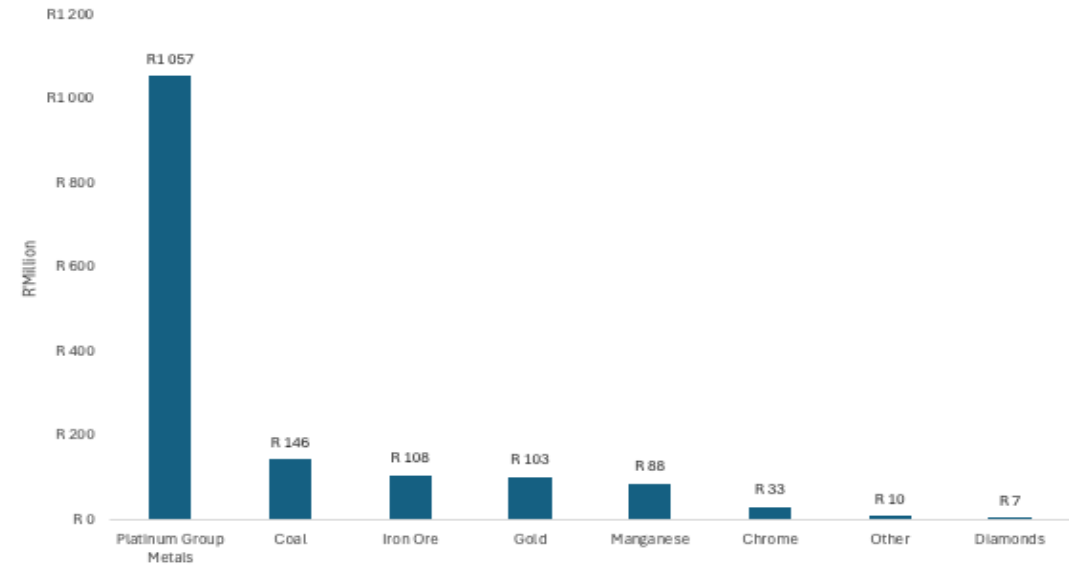
Enterprise Development
R279.4m (15.2%)

Supplier Development
R1.6bn (84.5%)

ED Spend per Commodity



SD Spend by Commodity



- The highest spend on supplier development was from PGM's at over 68.1% of total SD spend
- This is reflective of the revenue spend by commodity, which also shows that PGM's generate the highest revenue compared to other commodities
- However, PGM's spent the third lowest amount (10.6%) on enterprise development, with coal having spent the highest (26.6%) in this case
- Coal spent the second highest on supplier development (9.4%)
- The lowest spend for both supplier (0.5%) and enterprise (0.3%) development was from diamonds, as was the case for procurement spend



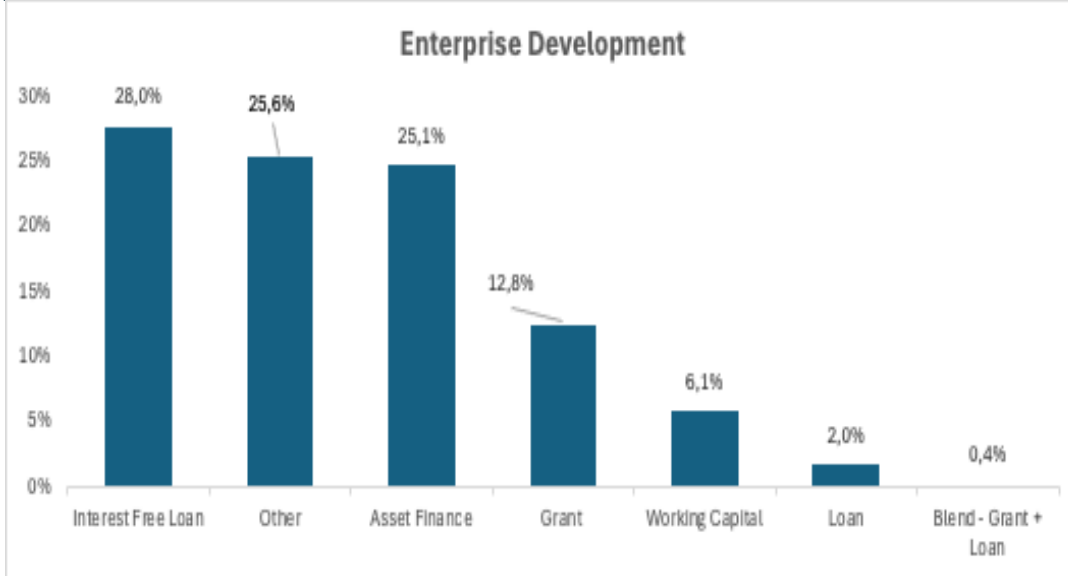
Enterprise and Supplier Development Spend – by Development Activity

Enterprise Development	R' Amount	%	Supplier Development	R' Amount	%
Asset Purchase	R7 607 617,70	2.7%	Asset Purchase	R56 313 576,51	3.6%
Education & Training	R77 238 781,61	27.6%	Education & Training	R40 915 091,20	2.6%
Financial Support	R155 288 297,55	55.6%	Financial Support	R1 329 982 846,28	86.7%
Infrastructure Development	R1 178 775,70	0.4%	Infrastructure Development	R659 463,75	0.0%
Operational Support	R6 263 059,44	2.2%	Operational Support	R88 010 666,14	5.7%
Professional Support	R1 094 222,49	0.4%	Professional Support	R1 077 357,26	0.1%
Not Specified	R30 722 953,70	11.0%	Not Specified	R34 408 801,61	2.2%
TOTAL	R279 393 708,19	100%	TOTAL	R1 551 367 802,76	100%

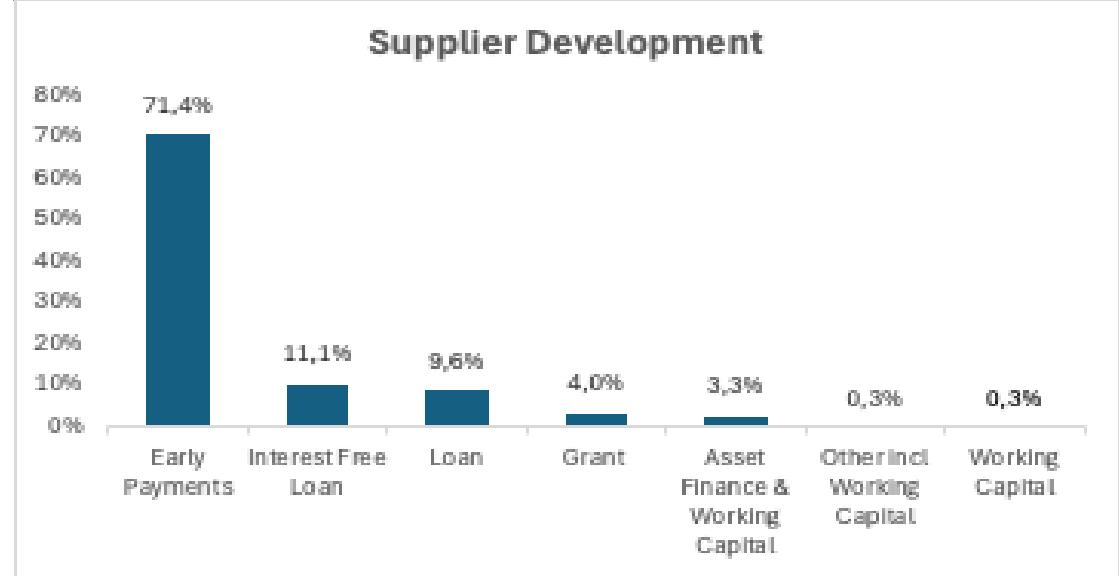
Further analysis of the spend for both enterprise and supplier development spend shows that the highest amount was spent on **financial support** in both cases, with 86.7% of supplier development spend and 55.6% for enterprise development

Financial Support – by Development Activity

Enterprise Development R155.3m (55.6%)



Supplier Development R1.3bn (86.7%)



- The highest amount spent on financial support under supplier development was for **early payments (71.4%)**, followed by **interest free loans (11.1%)**
- Interest-free loans ranked highest at 28% for financial support offered to enterprise development beneficiaries, with 25.1% spend on asset finance
- This financial support also included blended financial support (loan + grant) assistance with SARS payments, diesel loan accounts and UIF payments, albeit in small amounts

Feedback from ESD Beneficiaries Focus Group Sessions

Additional focus group sessions were conducted for beneficiaries of the various ESD initiatives

- Feedback on Programme Experiences: Many expressed gratitude for the opportunities but also pointed out areas for improvement
- Benefits of Participation: These included improved business skills, increased confidence in quoting and pricing, expanded business networks and business growth
- Challenges in Application Processes: Beneficiaries mentioned that it often took months to get approvals and the paperwork required could be overwhelming
- Funding and Financial Support: Beneficiaries emphasised their difficulties obtaining the necessary capital to grow their businesses and fulfil contracts
- Programme Impact on Business Growth: Such as expanding their operations to multiple provinces, increasing their workforce and securing larger contracts with mines
- Post-Funding Support: Several participants pointed out that post-funding support is inadequate, leading to business stagnation
- Access to Market and Other Suppliers: Small businesses struggle to secure contracts or integrate into the broader market even after receiving funding or support, which can result in significant barriers to their long-term success
- Mentorship: Strong emphasis was placed on more effective mentorship and continuous monitoring
- Collaboration between Stakeholders: There was a strong call for better collaboration between mining companies, government bodies and financial institutions to create a more supportive environment for small businesses

Suggestions for Improvement

- ✓ Reduce the complexity and duration of the application processes
- ✓ Provide more targeted training that matches the specific needs of businesses
- ✓ Enhance access to funding with quicker turnaround times
- ✓ Offer long-term contracts which ensures stability and enables businesses to plan

Feedback from Interviews with External ESD Experts, Thought-leaders and Implementation Partners

Challenges:

- Compliance vs. Impact
- Barriers to SME Participation, including operational and financial barriers
- Financial and Operational Support
- Mentorship, Coaching and Capacity Building
- Sector-Specific ESD Strategies
- Limited Opportunities for SMME Contracts
- Inconsistent SMME Growth



- Companies are more focused on achieving a percentage of net profit after tax as part of regulatory requirements. This approach prioritises meeting minimum thresholds and targets, rather than ensuring tangible benefits for SMMEs
- Many SMMEs struggle to access traditional financial institutions due to the lack of financial history and assets
- Mentorship and coaching are crucial to helping SMMEs navigate business challenges and align with market demands
- There is a need for innovation and regional strategies, such as initiatives which align ESD efforts with local supply chain resilience
- SMMEs often operate from contract-to-contract, leading to unstable revenue streams and inconsistent growth

Desktop Research – Benchmarks from Other Parts of the World

ESD concept is not unique to South Africa, there have been similar initiatives across the Globe, often driven by legislation aimed at **localisation, minority groups and indigenous people**, and referred to as **“inclusion and diversity programmes in supply chain”**.

- **Australia’s Indigenous Procurement Policy:** Aimed at increasing the participation of Indigenous businesses in government procurement processes, with Mandatory-Set-Aside (MSA). Mandates that for certain contracts, particularly in remote areas, government agencies should first consider indigenous businesses before opening the procurement to other suppliers.
- **The UK Social Value Legislation:** Aims to transform public procurement by integrating social, environmental and economic considerations into the procurement process. One of the key objectives is to support local and small businesses and help them by recognising the social benefits they provide.
- **The US Diverse Supplier Programmes by Corporations:** Programmes that promote supplier diversity for minorities and women
- **Accenture’s Collaborations with Local Entities and Government in the Middle East**

Consolidated Recommendations



Shift focus from compliance to impact



Enforce more long-term contracts to comply with MC2018



Collaboration amongst mining companies and other economic sectors



Invest in development



Address Gender Based Violence and Discrimination of suppliers (esp. WOBs)

Thank you

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