

8 October 2025

**Topic: Trade-offs between growth and transformation: can we achieve both at the same time?**

**Paul Dunne, President**  
**Minerals Council South Africa**

Good morning everyone and thank you Bernard for inviting me to address the important issues of growth and transformation on behalf of the Minerals Council South Africa.

Our members account for 90% of our country's annual mineral production and collectively we believe that the growth of the mining industry and the transformation of the economy are not mutually exclusive but are rather inextricably intertwined. We can't have one without the other and we need a stable predictable regulatory environment that promotes both.

A mining industry that attracts local and international capital for the development of new mines and the expansion of existing operations will create more employment opportunities, attract new entrants, and multiply all the benefits that the mining industry delivers for the country.

As a reminder for the audience, the mining industry employs 465,000 people in relatively well paid jobs. These jobs represent decent work and come with a high economic multiplier effect. The industry spends about R7 billion a year on training and skills development. Our programmes are focused on employees and community members and provide for grass roots transferable skills.

Mining is so much more than just digging minerals out of the ground. Companies have extensive Social and Labour Plans, which uplift communities through enterprise and supplier development programmes, as well as large investments in infrastructure, schools and healthcare facilities. In many cases, mining operations take place in remote parts of the country and are the only source of jobs and income. Often, mining companies step in to provide services and infrastructure that failing or dysfunctional municipal governments are not delivering.

Mining matters to our economy too. It accounts for 6% of gross domestic product and R800 billion worth of exported mineral products representing 45% of total exports.

Corporate tax payments amounted to R43 billion, contributing 14% of total corporate tax collection.

Mining companies make up 32% of the JSE Top 40 by market capitalisation. “Mining matters” is not just a slogan, it is a fact!

It is critical for mining companies and investors, throughout the value chain, to have a pragmatic, stable regulatory environment that attracts investment rather than discourages it by onerous, globally uncompetitive policy.

It is our considered view that the proposed Minerals amendment Bill in its original form does not encourage or sustain the growth and investment that the mining industry needs to realise its full potential to create employment, to stimulate the economy and to fulfil its social mandate. Council has submitted a detailed document outlining our concerns and we remain constructively engaged during this consultation phase. We do, however, expect somewhat of a protracted period before a redraft emerges, potentially extending into the new year.

The mining industry has made significant contributions to transformation to address the historical injustices of the past. These contributions were made despite the industry facing headwinds of a difficult operating and regulatory environment, which has reduced the contribution of mining from historic levels.

Minister Gwede Mantashe has often said on public platforms, that the mining industry is the most transformed sector in our economy, and we agree.

Our 2019 study reviewed progress made on Mining Charter 2010. The respondents represented about 70% of total sector production and achieved 39% HDSA shareholding against the 26% target. Ownership was broad-based, employees owned a total weighted average of 7.5%, community members owned 9.4% and HDSA entrepreneurs owned 22.3%.

The mining sector spends in excess of R3 billion annually in Social and Labour Plan projects and commitments, building houses, schools, roads, bridges, clinics, water and sanitation infrastructure.

An Employment Equity study undertaken in 2023, of members representing about half of the industry's workforce, showed that in many occupational levels, targets were met and exceeded and that, overall, the industry was close to achieving most targets.

Women now comprise about a fifth of employees, which is heartening considering that before 1994 – women were legislated out of the underground work force. A degree of stigma and even superstition has been overcome, and we are better off for it

Given the contribution that mining makes to the national economy, to employees and communities, it's NOT difficult to understand why the Minerals Council is so emphatic about the need for a regulatory and operating environment that attracts investment and encourages and sustains growth.

It costs R20 billion and 10 years to build a decent sized mine. Very few mining companies have that type of money lying around on the balance sheet. Companies need to operate in an environment that allows them to attract capital in the form of debt or equity to fund projects. Providers of capital will not put their money into risky environments where their returns are threatened by regulatory uncertainty, crime and

corruption and failing infrastructure. At the very least, the cost of capital increases significantly rendering projects unviable that otherwise would proceed.

This is the fundamental starting point of all our discussions with Minister Mantashe and his colleagues, as well as other government departments. The mining industry has been severely constrained during the past three decades by regulatory uncertainty, weak administrative processes, unnecessary delays in licensing authorisations, as well as the severe repercussions that state capture has had on electricity supply and costs, and rail and port disruptions.

The mining industry has enormous untapped potential in the minerals we already mine and the minerals of the future, provided we can unlock exploration and attract investment. The Minerals Council will not relent in lobbying and advocating for the best possible regulatory and operating environment to realise this potential for the benefit of our shareholders, employees, communities and the broader economy. We are fully engaged with government on the legislative issues at hand including the proposed amendment bill and the Chrome export tax issue. It is extremely important for both investment and job creation that rational outcomes prevail, and not inappropriate policy responses to misdiagnosed problems.

Can we achieve growth and transformation at the same time? Of course we can, but we must ensure an enabling policy framework that attracts and retains the capital to be able to do so.

Mining is a very people centric industry and we are deeply connected to the fabric of society at ground level. It is important that we succeed!

Thank you for listening.