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Investing in African Mining Indaba 2026

## **Welcome to the Minerals Council's State of the Mining Nation and Facts & Figures 2025 launch**

Good morning to everyone and welcome to the Minerals Council South Africa's first media briefing of the 2026 Investing in African Mining Indaba.

We will discuss the State of the Mining Nation, and our CEO, Mzila Mthenjane, will lead us through this topic. We also launch our well-regarded Facts & Figures 2025 Pocket Book. Bongani Motsa, our Acting Chief Economist will analyse the economic contribution mining has made to the South African economy last year and will break down that contribution into our key minerals and exports. Needless to say, we are living through volatile and uncertain global socio-political and economic times.

Since we last met at this same venue at the same time last year a lot has happened in our industry. I must stress that while some of the activities, which are happening at a national level and are important for the mining sector, are positive and improving sentiment towards South Africa Inc, there are others which are not achieving the outcomes we would like to see.

At the Minerals Council we believe in **Forging Partnerships for Growth**. We cannot achieve the growth we want for the mining sector alone. It is only through pragmatic and constructive cooperation and collaboration with our stakeholders – and, fundamentally, to have a shared vision of what our sector can be -- that we can realise the full potential of South Africa's mineral endowment for the benefit of all our citizens.

The mining sector is the foundation of the South African economy and we employ nearly half a million people, with powerful multipliers up and down the value chain of suppliers to the sector and those using the minerals we produce. Our direct suppliers alone employ more than 400,000 people. If we combine that number with mine employees, we estimate that at least 3.5 million people's livelihoods depend on mining. We are a people-centric sector.

We are hosting a media briefing here tomorrow morning on health and safety performances last year, with the results showing demonstrable progress in our journey towards Zero Harm, a target we believe is achievable. It is our primary focus in the Minerals Council and among our member CEOs and their teams.

As the Minerals Council, together with our business partners in Business Unity South Africa, Business for South Africa and Business Leadership South Africa, and along with our counterparts in the Government and state-owned companies, we have collaborated at the highest levels to address what were crises in electricity supply, rail and port logistics and crime and corruption.

I'm happy to report that electricity supply has stabilised – and Mzila will address this point in a few minutes, -- meaning that the broader economy is now functioning without the constant disruption of loadshedding. For business continuity, particularly in the mining sector, this is important for safety, productivity and costs. However, on the subject of electricity costs, tariffs for large industrial users like mines, smelters and refineries have increased by more than 900% since 2008. This has resulted in smelters closing or suspending operations because they are simply no longer globally competitive.

The agreement with Eskom that electricity for the ferrochrome industry is cheaper is an important recognition from the government after many years of talking that our sector cannot compete globally or add value to our minerals with the current level of tariffs.

We acknowledge that this relief for the smelters is a relatively small intervention in an economy that is at best stagnant and simply not growing anywhere near fast enough to create jobs and make significant inroads into unemployment. We need cheaper electricity for all businesses and much more of it to revitalise our economy. This will support the government's vision of reindustrialisation and adding value to our extraordinary mineral wealth.

Key to lowering costs is a faster roll out of renewable energy projects and the urgent construction of about 14,000km of transmission lines. The private sector's capital and skills are fundamental to achieving cheaper electricity, lower carbon emissions and long-term sustainability of supply. The regulatory reforms we've seen so far are welcomed but we cannot afford to lose focus or be distracted. We must maintain the pace of structural reform.

Rail services have shown a positive upward trend after bottoming out in **2022** at 149 million tonnes. But we are nowhere near the 250 million tonnes Transport Minister Barbara Creecy has set to truly stimulate our economy. It is only through an expedited process to bring in private sector operators on the railway lines that we will get there.

Crime and corruption remains a concern, but the increased focus through the public-private partnership in Operation Vulindlela under the Presidency is gearing up to specifically tackle this scourge that damages our international standing, investor sentiment and strangles investment to the detriment of all South Africans.

We are not able to say much more than we have already about the Mineral Resources Development Bill and the revision we are anticipating after extensive talks with the Department of Mineral and Petroleum Resources.

What we must reiterate is mining really does matter.

It is important that we succeed. We are succeeding despite all the constraints I've outlined, but we can do better.

We appeal to everyone in the Government of National Unity: please understand and recognise that the mining sector is the foundation stone of our economy. It is so important. We can do a lot with it if we promote mining in a positive fashion.

With those few words, let me hand over to Mzila and the State of the Mining Nation.

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