

# TRANSFORMATION

## Fact sheet



**MINERALS COUNCIL  
SOUTH AFRICA**



Anglo American Kumba Iron Ore

“The mining industry is a key contributor to the economy of South Africa.”

### QUICK FACTS

In 2018, the mining sector contributed:

**R22  
BILLION**



in taxes to South Africa

**R131  
BILLION**



in employee earnings

**453,543**



people employed

The mining industry is a key contributor to the economy of South Africa. The industry's contribution goes beyond economic inputs: through the Minerals Council South Africa (Minerals Council), the industry is committed to addressing legacies of the past and contributing meaningfully to policies that reflect the true demographics of the country, and creating a sustainable and prosperous mining industry. The Mining Charter is a vehicle through which the industry can achieve its transformation objectives.

The mining industry has played a critical role in South Africa's economic development for over 140 years, and has transformed South Africa into the most industrialised country in Africa. The industry remains a major contributor to the economy with significant contributions to employment numbers, export earnings, attracting foreign direct investment, creating gross domestic product (GDP) and contributing to significant transformation in the economy.

The Minerals Council is a key catalyst in the industry's transformation imperative and, as such, believes that beyond compliance, ongoing engagements with stakeholders, such as the Department of Mineral Resources, organised labour and communities, is necessary for collective efforts to contribute to an inclusive industry and to meet the country's development agenda.

The mining industry believes that investing in all the elements of the Mining Charter will help transform the industry in a more sustainable manner. It has gone beyond compliance on certain elements and will continue to advocate for sustainable growth, innovation and transformation in the sector.

The Minerals Council carried out a survey of mining industry transformation and community development performance among its members. Of the surveyed companies, which accounted for 70% of the industry by production in 2016, Historically Disadvantaged South Africans (HDSA) owned 39% (weighted average) of the equity, significantly above the 26% equity ownership 2014 target. This assessment is based on the principle of recognition of continued consequences of historic empowerment transactions.

## REPORTING ON MINING CHARTER COMPLIANCE

Transformation is not only a regulatory requirement but a business imperative. The Minerals Council acknowledges that socio-economic transformation is a journey. There is still a lot of ground to cover but the industry's commitment to transformation is evidenced in the table below which illustrates progress made during 2016 by the members surveyed against the 2014 Mining Charter targets.

Charter element	Description	Measure	Compliance target 2014	Minerals Council assessment
Ownership	Minimum target for effective historically disadvantaged South African (HDSA) ownership	HDSA ownership (%)	26%	39%
		Percentage of companies achieving target (26%)	100%	96%
Housing and living conditions	Conversion and upgrading of hostels to attain occupancy rate of one person per room	Percentage reduction of occupancy rate towards 2014 targets	100%	95%
	Conversion and upgrading of hostels into family units	Percentage conversion of hostels into family units	100%	94%
Procurement and enterprise development	Procurement spend from black economic empowerment (BEE) entity	Capital goods	40%	69%
		Services	70%	75%
		Consumer goods	50%	68%
Employment equity	Diversification of the workplace to reflect the country's demographics to attain competitiveness	Top management	40%	49%
		Senior management	40%	48%
		Middle management	40%	50%
		Junior management	40%	58%
		Core skills	40%	84%
Human resource development	Development of requisite skills, including support for South African human resource development (HRD)	HRD expenditure as percentage of total annual payroll	5%	5.5%



## CONTACT DETAILS

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