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Breezy Gwede full of promises

Minister tells sceptical Mining Indaba how well the government is doing

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Rob Rose and Tim Cohen



Mining minister Gwede Mantashe at the Mining Indaba in Cape Town. (Reuters/Esa Alexander)

The Mining Indaba kicked off in Cape Town this week, with its customary dose of cognitive dissonance. First up, the Minerals Council South Africa delivered a bracing message of how miners, choking in a cloud of regulatory confusion, are struggling to capitalise on the metals boom.

“The lifeblood of mining is exploration,” said CEO Mzila Mthenjane. “Without it the mining sector has no future. In South Africa, exploration expenditure was R781m in 2024, down from a peak of R6.2bn in 2006. This is deeply troubling.”

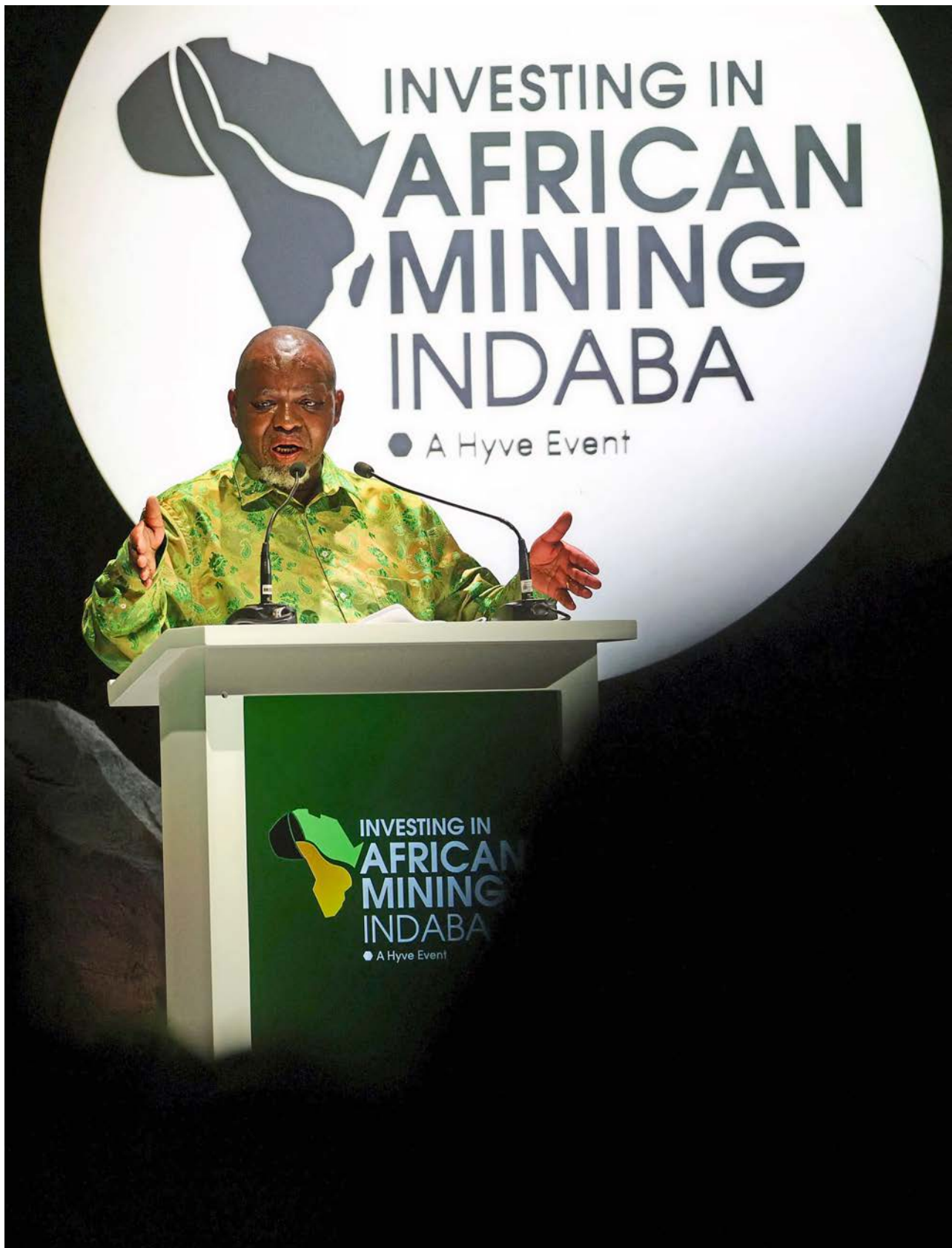
One reason is that the Mineral Resources Development Bill, meant to inject new life into the sector, has yet to be finalised, and last year’s draft only antagonised investors.

Paul Dunne, CEO of Northam Platinum and chair of the Minerals Council, said the bill, due to be finalised this year, “brings a high degree of uncertainty as to what the rules are”.

Throw in the fact that electricity costs have soared 900% for industrial firms since 2008, while Transnet is delivering 25% less coal to the Richards Bay coal terminal than in 2017, and it’s clear the industry is being thwarted by factors beyond its control.

“Transnet is simply not meeting its own targets,” said Mthenjane.

Yet hours later, mining minister Gwede Mantashe delivered a keynote address, sketching a picture of an industry in rude health.



Mutter, mumble: Mining minister Gwede Mantashe rattled off the usual promises. (Esa Alexander)

South Africa, he said, is “creating a regulatory framework that is more certain, more predictable and more transparent — one that attracts investment while ensuring that the benefits of our mineral wealth are shared equitably”.

Mantashe, wanting to illustrate that the state is far from being an obstacle, rattled through impressive figures: 358 prospecting rights and 32 mining rights were granted in a year.

The licensing system, he said, will be “fair, efficient and transparent”. Which is some promise, given that the cadastre system — meant to provide a digital portal of mineral rights and licences — was promised years ago and still isn’t operating.

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