

Council pokes holes in recovery plan

Government criticised for not placing emphasis on improving competitiveness

By **Kabelo Khumalo**

The Minerals Council South Africa, formerly the Chamber of Mines, has hit out at President Cyril Ramaphosa's economic reconstruction and recovery plan for not placing enough emphasis on improving the country's competitiveness.

Ramaphosa's blueprint centred around massive infrastructure programme, promoting greater local procurement for industrialisation and on public and social job-creation processes.

Minerals Council CEO Roger Baxter said Ramaphosa's plan does not adequately address in detail the issues that drive competitiveness and investment, including foreign investment.

"We fully agree with President Ramaphosa that we need to take extraordinary measures towards a speedy and sustainable economic recovery. This will require active public-private engagement. If the COVID-19 pandemic has showed us anything, it is that various segments of our society can come together in service of a



Minerals Council CEO Roger Baxter

greater goal," Baxter said.

"But it is critical that we have a frank conversation on the real structural and institutional issues impeding competitiveness and growth at the national level and to develop detailed plans on how to unlock these constraints."

The council is in discussion with the Department of Mineral Resources over solutions to constraints to unlock the potential of the exploration and mining sectors in the country.

"We firmly believe that, with the right interventions, we could grow exploration to 3% of global expenditure within five years and mining could contribute upwards of 10% to South Africa's gross domestic product [GDP], and in so doing, grow GDP overall and help lead the economic recovery."

FNB chief economist Mamello Matikinca-Ngwenya said mining output remains constrained by unreliable energy supply, rising operational costs and declining capital infrastructure investment and global competitiveness. "However, we are emboldened by recent developments in the regulation of self-generation of electricity and exploration that will certainly bolster investor confidence within the sector. Additionally, higher commodity prices may incentivise miners to expand operations."