Glencore Coal – Goedgevonden Colliery

SA Industrial Development Strategy

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Portfolio Committee on Trade, Industry and Competition
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MINERALS COUNCIL
SOUTH AFRICA

About The Minerals Council South Africa

- The primary advocate and representative of the South African mining industry.
- Our Purpose: to co-create an enabling environment for mining to thrive
- Guided by a Membership Compact - a compulsory code of ethical business conduct
- Diversified:
  - Represent major, Juniors and Emerging mining companies
  - Combined with 3 Association represent over 250 companies
- Free services to industry relating to mine health and safety through MOSH
- Free helpdesk for all – Junior and Emerging Miners Desk
- Local, Regional and International links with BUSA, MIASA, ICMM

The Minerals Council South Africa represents C.66 members or 90% of South African mineral production by value. Its members have interests in a wide range of minerals with many companies mining several minerals.

15	Platinum group metal (PGMs)	4	Iron ore
13	Coal	3	Copper
12	Chrome	3	**Associations**
11	Other commodities	2	Corporate
7	Manganese	2	Phosphate Rock
8	Gold	2	Mineral Sands
5	Mining contractors	2	Zinc
5	Diamond	1	Clay

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SA mining has been at the centre of industrial development

SA Mining is Responsible for:

- 1928: ISCOR
- Infrastructure: Transport & Logistics
- 1923: Eskom
- 1887: JSE
- Explosive manufacture
- 1898: Jo’burg

Comment

Critical minerals can also catalyse a new era of SA industrialisation.

A cross-sectional view of the relevance of mining

1995: Top 10 SA export earners		R bn	% share of total exports (R)
Rank	SA: Total exports	101	
1	Precious metals	37	37,1
2	Iron & steeel	10	10,0
3	Mineral fuels	8	8,3
4	Nuclear related equipment	4	3,9
5	Ores	3	3,4
6	Inorganic chemicals	3	2,9
7	Pulp	2	2,3
8	Edible fruit	2	2,3
9	Vehicles	2	2,2
10	Paper	2	2,1

2000: Top 10 SA export earners		R bn	% share of total exports (R)
	SA: Total exports	209	
1	Precious metals	67	31,9
2	Iron & steeel	19	9,0
3	Mineral fuels	19	8,9
4	Vehicles	12	5,7
5	Nuclear related equipment	11	5,5
6	Ores	8	3,6
7	Aluminium	6	3,0
8	Electrical machinery	4	2,2
9	Inorganic chemicals	4	2,1
10	Edible fruit	4	1,9

2005: Top 10 SA export earners		R bn	% share of total exports (R)
	SA: Total exports	317	
1	Precious metals	77	24,3
2	Iron & steeel	38	12,0
3	Mineral fuels	32	9,9
4	Vehicles	27	8,5
5	Nuclear related equipment	21	6,8
6	Ores	15	4,6
7	Aluminium	11	3,4
8	Edible fruit	8	2,5
9	Inorganic chemicals	8	2,4
10	Electrical machinery	6	1,8

2010: Top 10 SA export earners		R bn	% share of total exports (R)
	SA: Total exports	663	
1	Precious metals	146	22,0
2	Ores	72	10,8
3	Mineral fuels	65	9,8
4	Iron & steeel	59	8,9
5	Vehicles	58	8,8
6	Nuclear related equipment	44	6,6
7	Edible fruit	16	2,4
8	Aluminium	15	2,2
9	Electrical machinery	15	2,2
10	Articles of iron or steel	12	1,8

2015: Top 10 SA export earners		R bn	% share of total exports (R)
	SA: Total exports	1 028	
1	Precious metals	181	17,6
2	Vehicles	117	11,4
3	Ores	107	10,4
4	Mineral fuels	99	9,7
5	Nuclear related equipment	73	7,1
6	Iron & steeel	70	6,8
7	Edible fruit	37	3,6
8	Electrical machinery	27	2,6
9	Aluminium	20	1,9
10	Beverages, spirits and vinegar	16	1,6

2020: Top 10 SA export earners		R bn	% share of total exports (R)
	SA: Total exports	1 394	
1	Precious metals	324	23,3
2	Ores	217	15,6
3	Vehicles	135	9,7
4	Mineral fuels	105	7,5
5	Nuclear related equipment	80	5,8
6	Iron & steeel	64	4,6
7	Edible fruit	63	4,5
8	Aluminium	26	1,9
9	Electrical machinery	25	1,8
10	Miscellaneous chemical products	25	1,8

2025: Top 10 SA export earners		R bn	% share of total exports (R)
	SA: Total exports	2 073	
1	Precious metals	430	20,7
2	Ores	313	15,1
3	Vehicles	271	13,1
4	Mineral fuels	166	8,0
5	Edible fruit	107	5,2
6	Nuclear related equipment	105	5,1
7	Iron & steeel	62	3,0
8	Aluminium	43	2,1
9	Electrical machinery	42	2,0
10	Beverages, spirits and vinegar	29	1,4

Comment

1. In 2025 mineral and mineral-related exports amounted to ~R1 trillion, representing 49% of total SA merchandise export earnings.

Are the ‘industrial’ depts well-resourced?

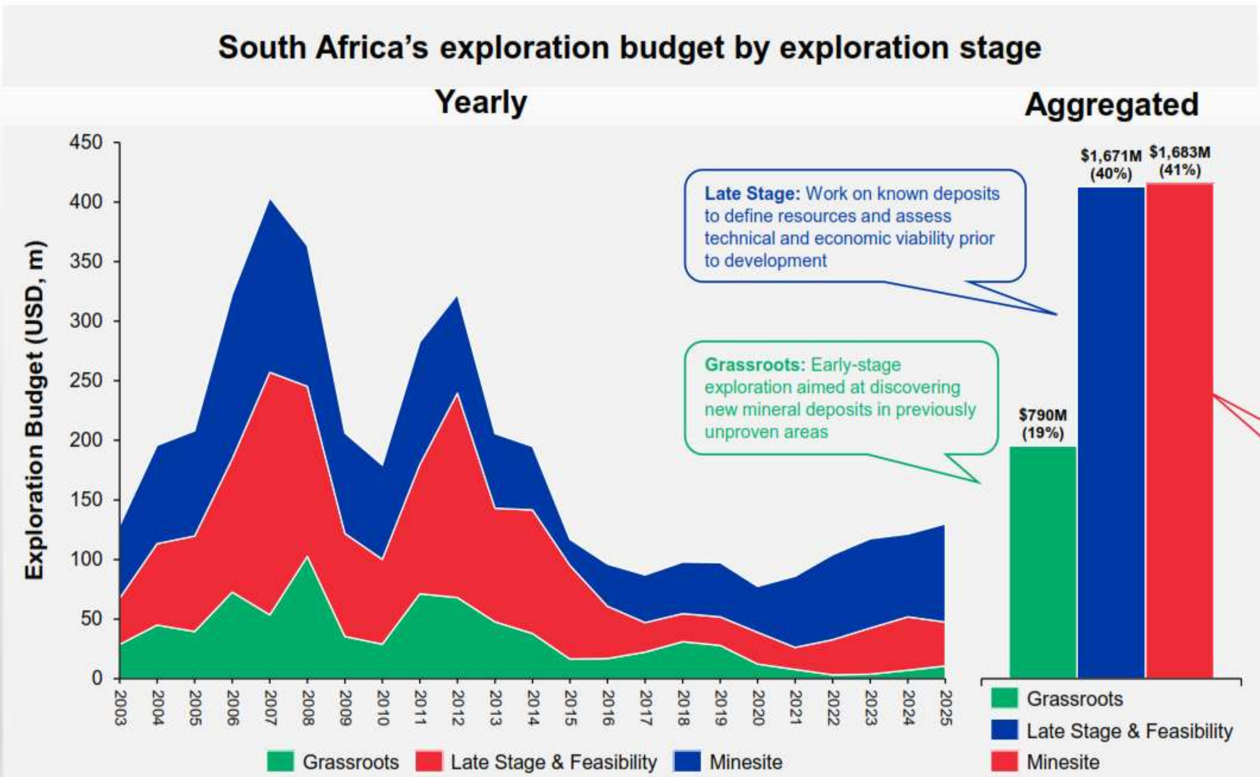
Budget vote per department 2026 (R bn)	GDP contribution & share of government revenue
DMPR R2.9	6.9%; 0.16%
DoT R102	7.9%; 5.6%
Agri R7.8	3.1%; 0.4%
DTIC R11	13.6%; 0.6%

<u>Consumption vs Investment</u>:

1. Dept. of Social Development’s budget by far dwarfs (R302 bn) DTIC, DMPR, and DAFF (collectively R21.7 bn).
2. DTIC, DMPR and DAFF represent sectors that make up **23.6%** of SA’s GDP and yet receive **1.2%** of total govt revenue.
3. SA national budget directed towards consumption than investment.

Unlock exploration to unleash critical minerals potential

While we commend the inclusion of critical minerals we need seriously consider unlocking exploration expenditure



Key takeaways

- South Africa has a mature mining industry
- Grassroots exploration has been under pressure, signalling significant exploration and growth is not taking place in South Africa
- Investment is mostly driven by major miners expanding existing mining operations

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Source: StatsSA, PWC, Minerals Council

Alignment with other government departments

1. National Treasury (NT) does not believe that manufacturing, mining and utilities can create more jobs. For the NT, construction and tourism should be at the centre of industrial and economic policy.
2. Our Minister (DMPR) Mr Mantashe has said publicly that they were not consulted. This is in respect of linking the granting of mining licence to beneficiation, as well as the export tax/quota to accessing certain incentives.

Treasury chief: limited scope for manufacturing to create new jobs

Tourism and construction sectors will create more jobs, says Duncan Pieterse

Positives…

1. There are four – not many – areas of focus in each of the three pathways. Pathways are:
    i) Decarbonisation of energy-intensive industrial sectors
    ii) Diversification of products and markets
    iii) Digitisation and technology-enabled industrialisation
2. Incentives: The proposal to re-institute Section 12I which was a tax incentive designed to boost industrial development and skills training
3. Acknowledgement of declining budgets (in real terms) for the DTIC. This is not just a DTIC problem but a problem with real sector departments (DMPR and Agriculture).
4. Affordable tariffs for intensive energy users/beneficiators.

Have Problems With…

1. Mining licence applications and approval to be linked to beneficiation (pg 9)
2. How do we promote beneficiation when beneficiation is to be embedded in mining licencing decisions?
3. Problem statement is wrong (Section 1.3). The aim of industrial policy is to solve our problems. You can never finance a sustainable industrial policy with foreign savings/capital. (National savings are key – IDC, DBSA)

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Have Problems With…

6. What does “reshaping mining incentive structure” mean? What are the incentives referred to?
7. Completely disagree with “incentives should be conditional on meeting transparent and measurable outcomes such as jobs, exports, supplier and enterprise development (SED).
8. The Automotive Production and Development Programme (APDP) is punted as a success story? Would China consider it a success? Car assembly of international brands is not a success. Success is when we manufacture our brand(s).
9. SEZs: Have not worked for diamonds. De Beers wrote a letter last year asking the DTIC to fulfil their promises.

Have Problems With…

10. Chrome export tax and quota for the chrome industry. (NPAs for the chrome sector.)

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Minerals Council Proposals:

1. Cheap power for energy intensive sectors
2. Incentives for exploration
3. Export restrictions on primary mining will not catalyse beneficiation
4. Incentivise beneficiation/manufacturing
5. Look to regional economic integration for bigger and stronger markets

Expedite Private Sector Participation in the Following Value Chains:

Electricity

Logistics

Water

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Anglo American Platinum – Dishaba Mine

Thank you

#MiningMatters

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