



CHAMBER OF MINES
of South Africa

MEDIA STATEMENT

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WHAT DOES THE MINING INDUSTRY CONTRIBUTE TO THE SOUTH AFRICAN ECONOMY?

ADDRESS BY CHAMBER OF MINES PRESIDENT AT THE JOBURG INDABA

Johannesburg, 5 October 2017: “The Chamber remains committed to finding workable solutions in the national interest. But, no single grouping can do this alone.” This was the message in the address by Chamber of Mines President, Mxolisi Mgojo, in his address at the Joburg Indaba on *What does the mining industry contribute to the South African economy?*”

“Simply stated,” he said, “mining *is* the flywheel of the South African economy. When mining does well, it lifts many other sectors, those who supply inputs into the industry and through the significant export revenue it brings back into the economy. The converse is also true – when mining struggles, most other economic sectors also feel the pain.

“In speaking of the industry’s role as the historical foundation of the South African economy, we cannot forget the part it played in shaping our society. We need to be frank and acknowledge that our predecessors were party to the development of many of the ugliest features of our society, some of which remain with us today.

“We recognise the continuing socio-economic legacies of this history. That was why, 20 years ago, the industry began talking to government about how best to remedy these. We were – and remain – supportive of the new mineral rights regime that transferred the ownership of mineral rights to the custodianship of the state, and were integrally involved in the development of the first Mining Charter, aimed at achieving “*a shared vision of a globally competitive mining industry that draws on the human and financial resources of all South Africa's people and offers real benefits to all South Africans.*”



“We are not there yet. We only need to look at the state of some mining towns and the composition of our workforces to know that the legacies have not been fully overcome. Similarly, we must acknowledge that South Africa is no longer viewed as a favoured mining investment destination.

“But this doesn’t mean there has been no progress, particularly in the transformation of the industry to better represent and benefit more South Africans.

“There is material and significant progress in the transformation journey, even as we acknowledge that there remains a long way to go.

“To get mining back on track requires ethical leadership, good governance, and policy and regulatory certainty. But it also requires a statutory and regulatory regime that, while continuing the ongoing transformation journey based on realistic targets and a properly negotiated outcome, that the sector also needs to be competitive to attract investment and grow.

“Chamber leaders are working hard at developing ideas on what a new charter could look like. And we are not talking only to ourselves. We are talking to civil society organisations; we are talking to the unions; we are talking to political and government leaders (apart from those we are dealing with through the courts). We know that real consultation, engagements and partnerships are the key to a sensible transformation journey and outcomes.

“And while in recent years we have not seen progress in respect the other part of the original charter’s vision – the development of a globally competitive mining industry – we are working hard at this too.

“The connections and commitments made during the Mining Phakisa process have been strengthened and have grown. The old COMRO campus in Richmond – now designated as a mining innovation precinct – has more than 50 full-time occupants focussed on making the industry safer, more efficient and more people-centric. Collaboration with government and quasi-government bodies is strong, although regrettably this does not involve the DMR.

“We, as the Chamber of Mines, representing our members, remain committed to African Mining Vision. And, as the Chamber, representing a significant portion of the industry, we will hold government to account and, in parallel, ensure that our own performance on governance is beyond reproach. We *will* hold our own members to account through our Chamber Membership compact, and

ensure our own house is in order. At the same time, we will continue to call for ethical leadership and good governance in government, SOEs and in particular in the DMR. We will engage key stakeholders on this journey and where necessary turn to the courts to ensure outcomes that are in the national interest.

“As the leadership of the Chamber we have drawn a firm line in the sand regarding our opposition to unethical leadership, bad governance and state capture. And we are doing what is necessary to ensure better outcomes for our sector and our country.”

The full address may be viewed here <https://goo.gl/3gkbAq>

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