

## **MEDIA STATEMENT**

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### **128TH ANNUAL GENERAL MEETING OF MEMBERS OF THE MINERALS COUNCIL OF SOUTH AFRICA**

#### **Publication of Integrated Annual Review**

#### **Address by President Mxolisi Mgojo, and by CEO Roger Baxter**

**Johannesburg, 23 May 2018:** The Minerals Council South Africa (formerly the Chamber of Mines of South Africa) today announced the publication of its Integrated Annual Review and Financial Statements for the year ended 31 December 2017. The reports may be accessed on the Minerals Council website at [www.mineralscouncil.org.za](http://www.mineralscouncil.org.za)

Today's 128<sup>th</sup> annual general meeting, was addressed by the Honourable Minister of Mineral Resources, Gwede Mantashe.

In his address, Minerals Council President Mxolisi Mgojo, reflected on the recent regression in safety performance of the industry, and asked all members present to observe a minute's silence to remember those colleagues who had died in the industry as a result of mining-related accidents. He re-committed the Minerals Council and its members to doing all they can in its quest for Zero Harm.

Mr Mgojo also announced the change of name from the Chamber of Mines of South Africa, to Minerals Council South Africa, and unveiled the organisation's new identity.

Excerpts from the addresses by the Minerals Council President and CEO appear below. The full addresses may be found at [www.mineralscouncil.org.za](http://www.mineralscouncil.org.za)

#### **EXCERPT FROM THE PRESIDENT'S ADDRESS:**

For us – as a mining industry, and indeed as ordinary South Africans – 2017 was indeed the worst of times, for most of the year. But the year ended on a positive note for South Africa's mining industry with the election of a new ruling party president, who a few weeks later was elected President of the country, and his subsequent appointment of Honourable Minister

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Mantashe as Minister of Mineral Resources along with several other highly competent appointments elsewhere in cabinet's economics cluster. These moves opened up new possibilities, not only for the mining industry but for South Africa as a whole.

The past year has also been an important one for the Chamber of Mines. It was one in which we as the industry found our voice, and stood up to be counted.

It is not this organisation's strategy to run to the courts or seek public battles with government. That the issues around the Mining Charter came to that was clearly a last resort by the Chamber. As an organisation, we are fully committed to the transformation of our industry and – arguably – this industry has done more than any other to transform. But we could not stay silent when the wheels of the state were actively working against the sustainability of the industry and the interests of companies, employees and communities, and many millions of South Africans who are the ultimate owners of mining companies.

The Chamber strongly stood its ground, including publicly expressing its concern that it had lost confidence in the previous Minister to lead the DMR. We stood firm on our values and our principles and, in the long run, this stood us in good stead as it became evident that the previous administration had been involved in unscrupulous means of dealing with the industry, and with society at large.

The reality of mining in South Africa in the past few years, and today, is that this remains an industry in crisis. The country was ranked 47<sup>th</sup> out of 91 mining jurisdictions in the Fraser Institute Survey for its investment attractiveness. In the past three years greenfields investment has largely been placed on hold, and in 2016 real mining GDP was smaller than that recorded in 1994. These are staggering facts that show us very clearly that mining is not living up to its true economic or transformational potential.

That said, the Minerals Council and the mining industry are ready and willing to play their part in working with government and other stakeholders to revive South Africa's mining sector. In fact, it is our quest to reposition the South African mining sector as South Africa's

pre-eminent industrial sector. This we seek to do through the creation of a competitive and transforming industry that realises the country's mineral wealth for the benefit of South Africa.

Our overriding objective is to press the "reboot" button with stakeholders. We want to work together to build a positive policy, regulatory, investment, innovative and operating environment. We envisage a growing, vibrant, competitive, innovative, productive and transforming mining sector that can materially contribute to realising the National Development Plan's vision of higher, more inclusive, economic growth. We want South Africa to emerge into an investment destination of choice for mining.

Mr Mgojo's full address may be viewed at <https://bit.ly/2rYXwXp>

**Excerpt from Chief Executive's address:**

In his address, Minerals Council CEO, Roger Baxter, noted that:

A major focus of our work in 2017 related to the development of a new Mining Charter and resistance to the efforts of former Mineral Resources Minister, Mr Zwane to impose on the industry and on the country a charter that, if implemented, would have seriously damaged the industry and the national economy.

In February this year, Minister Zwane was replaced as Mineral Resources Minister by Mr Gwede Mantashe in the country's new President's first cabinet reshuffle. This was followed by a commitment by President Cyril Ramaphosa to engage on a new charter.

The new charter is being developed through a process of negotiation between all stakeholders. Reaching an outcome that all parties can live with and defend has not been and will not be an easy process. The reality is that there are many divergent perspectives of the industry, but we believe that the ultimate outcome must be – as was the case in 2004

and 2010 – a mutually agreeable one that takes account of broader transformational competitiveness and sustainability imperatives.

We remain committed to playing our part and continue to participate in the two technical task teams established by Minister Mantashe – one on transformation and the Mining Charter and the other on competitiveness and inclusive growth – as well as the Committee of Principals – with a view to developing a new Mining Charter that will facilitate the further transformation and sustainability of the industry. But simply fixing the MPRDA amendment bill and the Mining Charter will not alone help South Africa get back into the top 25 investment destinations. Significant work will need to be done by all the stakeholders to rebuild trust and to work in a mutually collaborative fashion in the national interest.

Going forward, we as the Minerals Council South Africa will continue to support and promote the South African mining industry and will continue to work towards ensuring that mining matters, for our employees and their families, our shareholders, our neighbours and communities, for our customers and suppliers, and the users of our products, and for the nation as a whole.

Mr Baxter's full address may be viewed at <https://bit.ly/2kgHEeU>

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