

MEDIA STATEMENT

MINERALS COUNCIL SOUTH AFRICA CONCERNED ABOUT POTENTIAL CONSEQUENCES OF SECONDARY STRIKES

Johannesburg, 22 February 2019. The Minerals Council South Africa is deeply concerned about the potential consequences of AMCU's intention to embark on secondary strikes at mining companies where the union is recognised, particularly in the gold and platinum sectors.

At last count, 15 member companies had received notices of secondary strike action from AMCU with effect from the night shift of 28 February to around 7 March 2019.

It is well-known that the gold and platinum industries in particular have been facing a number of challenges including poor commodity prices, continually rising input costs and operational challenges where the depth of operations continue to increase while grades continue to decline:

- In 2018, on an all-in-cost basis at prevailing prices, 71% of gold mining operations were either marginal or loss making, while more than 50% of PGM production was unsustainable.
- Strike action will only serve to further undermine the sustainability of an industry on which so many lives depend.
- Not only would this be to the detriment of the industry and the people directly employed by it, but the impact would be felt throughout the economy and on the country as a whole for many years to come.
- Since 2007, jobs in the gold sector have declined by almost 40%; since 2017 employment in the gold sector has declined by 10%.

Minerals Council, CEO, Roger Baxter, notes: "The mining industry has the potential to be a key driver of the economy and change. It is unfathomable that AMCU would willingly call for secondary strikes in an industry that is already in jeopardy. This would undermine employment and the livelihoods of millions of dependants. Employees and their families, and indeed the country as a whole, stand to lose so much should the secondary strikes occur."

The companies are considering the notices and will do everything in their power to avert such a strike, including legal recourse.

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