

MEDIA STATEMENT

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MINERALS COUNCIL PRESIDENT REFLECTS ON THE URGENT MEASURES NEEDED TO RESTORE SOUTH AFRICA'S ECONOMY

Johannesburg, 27 May 2020: Minerals Council President Mxolisi Mgojo has called on all the leaders of the mining industry to commit to continuing to address the COVID-19 health threat with uncompromising vigour.

He was speaking at today's online Minerals Council Annual General Meeting.

Mr Mgojo said he believed that the industry had been implementing vigilantly the Standard Operating Procedure developed by the Minerals Council in consultation with the industry's health experts, and also the regulations developed by the Department of Mineral Resources and Energy.

He also paid tribute to "the very helpful and business-like engagements over the past few months with Minister Mantashe who, like his other colleagues in government, has had to balance economic survival with the health of the people of South Africa."

Turning to other matters, Mr Mgojo warned that while it was necessary to focus on the battle against COVID-19, "we cannot allow that obligation to reduce in any way our focus on the struggle to meet our better-known occupational health and safety challenges".

He noted the marked improvement in occupational health and safety performance in 2019, with fatality and injury rates down, along with incidences of the most common occupational diseases.

However, he drew attention to the challenges that face the industry and the country prior to the enforced reduction in economic activity from late March. He warned that Eskom's



financial challenges remained, and its operational performance would become vulnerable once a more normal level of economic activity resumed.

And he noted that Eskom's travails were only one of a range of causes of South Africa's broader economic crisis: "The new government was too slow in its first two years to get to grips with the structural changes that were, and are, needed. We now face a deep economic recession with reduced business activity, reduced employment and consequently, reduced state revenues, combined with the need for huge social and business support measures," he said.

The consequences of COVID-19, and the successive ratings agency downgrades, have made previously recommended economic restructuring measures even more urgent, he added.

"More than ever, these times demand co-operation, understanding and a united effort to rescue our industry, our country's economy and our population's overall health and welfare from the deepest crisis we and our world have seen in most of our living memory. We commit to doing our part in every sphere," Mr Mgojo concluded.

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