

MEDIA STATEMENT

THE MINERALS COUNCIL SOUTH AFRICA URGES A SPEEDY RESOLUTION TO THE DAMAGING TRANSNET STRIKE THAT IS NEGATIVELY AFFECTING THE WHOLE OF SOUTH AFRICA

Johannesburg, 13 October 2022. The Minerals Council South Africa urges a speedy resolution to the strike affecting Transnet's rail and port network which is costing the country, businesses, and the mining sector billions of rands in lost trade, taxes and economic activity, damaging an already fragile economy.

The Minerals Council understands the challenges facing Transnet's employees in term of the rising cost of living. We urge the trade unions and Transnet to find a rapid resolution to the strike in the national interest.

The Minerals Council, whose members account for more than 80% of Transnet's rail business and 50% of the group's income, is concerned that the strike is damaging exports and imports, threatening not only mining companies but the country's fragile economy at a time when 44% of people are unemployed.

According to our estimates, bulk mineral exporters are losing R815 million worth of exports per day because they are unable to rail and load 357,000 tonnes of iron ore, coal, chrome, ferrochrome and manganese onto ships daily.

On average, South Africa exports about 476,000 tonnes of bulk minerals a day worth R1.06 billion. We estimate that just 120,000 tonnes of minerals worth R261 million are being exported daily. Major mineral export harbours are operating at between 12% and 30% of their daily averages.

The damage caused by the strike is not just the immediate impact but the longer-term consequences of having to catch up on delayed exports and imports, which will have a ripple effect on business and broader society. The long-term reputational damage to South Africa as a reliable supplier to global markets must be considered by all parties.



The Minerals Council is deeply concerned that the labour action at Transnet will compound the losses our bulk mineral exporting members are already experiencing because of Transnet struggling to meet targeted annual tonnages on its rail network and throughput at ports.

The Minerals Council estimates an export loss of R50 billion on an annualised basis this year for iron ore, coal, chrome, ferrochrome and manganese exporters as measured by delivered tonnages against contracted rail tonnages. This compares to a loss of R35 billion in 2021 based on the same metric.

In contrast, R151 billion could be gained in additional exports, with the concomitant benefits of employment in mining increasing by 40,000 jobs to 500,000, the fiscus benefiting from improved tax revenue and higher revenues for Transnet if all rail and ports systems were optimally and efficiently run at design capacity.

For further queries:

Allan Seccombe

Head Communications

Tel: 064 650 4636

Email: aseccombe@mineralscouncil.org.za

Web: www.mineralscouncil.org.za