

TRANSFORMATION

Fact sheet



**MINERALS COUNCIL
SOUTH AFRICA**

Formerly the Chamber of Mines of South Africa



Anglo American Kumba Iron Ore

“The mining industry is a key contributor to the economy of South Africa.”

QUICK FACTS

In 2017, Minerals Council members contributed:

**R19
BILLION**



in taxes to South Africa

**R126
BILLION**



in employee earnings

464,667



people employed

The mining industry is a key contributor to the economy of South Africa. The industry's contribution goes beyond economic inputs: through the Minerals Council South Africa (Minerals Council), the industry is committed to addressing legacies of the past and contributing meaningfully to policies that reflect the true demographics of the country, and creating a sustainable and prosperous mining industry. The Mining Charter is a vehicle through which the industry can achieve its transformation objectives.

The mining industry has played a critical role in South Africa's economic development for over 140 years, and has transformed South Africa into the most industrialised country in Africa. The industry remains a major contributor to the economy with significant contributions to employment numbers, export earnings, attracting foreign direct investment, creating gross domestic product (GDP) and contributing to significant transformation in the economy.

The Minerals Council is a key catalyst in the industry's transformation imperative and, as such, believes that beyond compliance, ongoing engagements with stakeholders, such as the Department of Mineral Resources, organised labour and communities, is necessary for collective efforts to contribute to an inclusive industry and to meet the country's development agenda.

The mining industry believes that investing in all the elements of the Mining Charter will help transform the industry in a more sustainable manner. It has gone beyond compliance on certain elements and will continue to advocate for sustainable growth, innovation and transformation in the sector.

The Minerals Council carried out a survey of mining industry transformation and community development performance among its members. Of the surveyed companies, which accounted for 70% of the industry by production in 2016, Historically Disadvantaged South Africans (HDSA) owned 39% (weighted average) of the equity, significantly above the 26% equity ownership 2014 target. This assessment is based on the principle of recognition of continued consequences of historic empowerment transactions.

REPORTING ON MINING CHARTER COMPLIANCE

Transformation is not only a regulatory requirement but a business imperative. The Minerals Council acknowledges that socio-economic transformation is a journey. There is still a lot of ground to cover but the industry's commitment to transformation is evidenced in the table below which illustrates progress made during 2016 by the members surveyed against the 2014 Mining Charter targets.

| Charter element | Description | Measure | Compliance target 2014 | Minerals Council assessment |
|--|---|---|------------------------|-----------------------------|
| Ownership | Minimum target for effective historically disadvantaged South African (HDSA) ownership | HDSA ownership (%) | 26% | 39% |
| | | Percentage of companies achieving target (26%) | 100% | 96% |
| Housing and living conditions | Conversion and upgrading of hostels to attain occupancy rate of one person per room | Percentage reduction of occupancy rate towards 2014 targets | 100% | 95% |
| | Conversion and upgrading of hostels into family units | Percentage conversion of hostels into family units | 100% | 94% |
| Procurement and enterprise development | Procurement spend from black economic empowerment (BEE) entity | Capital goods | 40% | 69% |
| | | Services | 70% | 75% |
| | | Consumer goods | 50% | 68% |
| Employment equity | Diversification of the workplace to reflect the country's demographics to attain competitiveness | Top management | 40% | 49% |
| | | Senior management | 40% | 48% |
| | | Middle management | 40% | 50% |
| | | Junior management | 40% | 58% |
| | | Core skills | 40% | 84% |
| Human resource development | Development of requisite skills, including support for South African human resource development (HRD) | HRD expenditure as percentage of total annual payroll | 5% | 5.5% |



CONTACT DETAILS

MINERALS COUNCIL SOUTH AFRICA

T +27 11 498 7100
E info@mincosa.org.za

MEDIA

T +27 11 880 3924
E mincosa@rasc.co.za

[@Mine_RSA](https://twitter.com/Mine_RSA)

www.facebook.com/Mine

5 Hollard Street, Johannesburg 2001
PO Box 61809, Marshalltown 2107

www.mineralscouncil.org.za