



MINERALS COUNCIL
SOUTH AFRICA

#MakingMiningMatter

PROBLEMS AND POTENTIAL: THE MINING INDUSTRY TODAY

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President, The Minerals Council South Africa

Mining Indaba, 3 February 2020

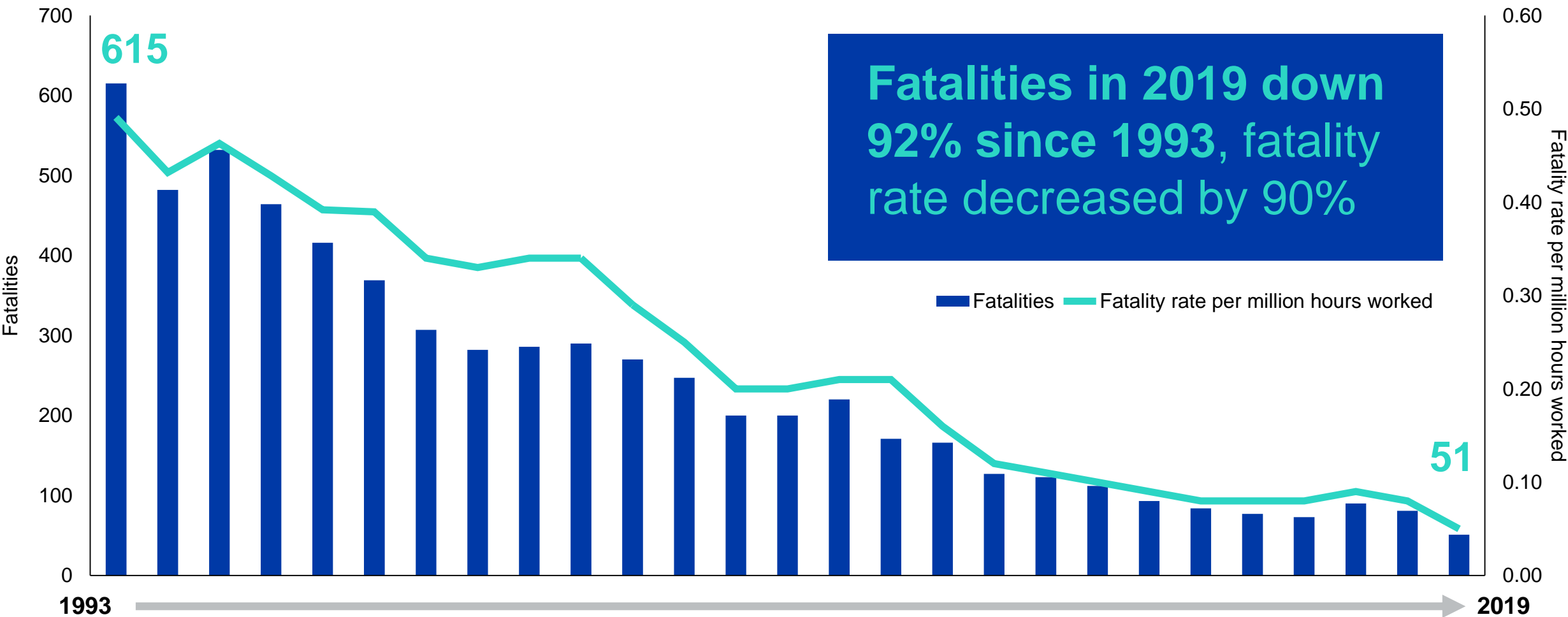


PRESIDENT RHAMAPHOSA'S 10 VALUE-ADDING PRINCIPLES

- 1 Foster **inclusive growth** in operating areas
- 2 Partner with local governments to improve **infrastructure**
- 3 Invest in the **living conditions** of mine employees
- 4 Invest in **education and training**
- 5 Partner with **training colleges**, develop curricula and provide **work experience**
- 6 Embrace **beneficiation** to create employment and improve demand
- 7 Invest in the **health and safety** of mine employees
- 8 Provide **internships** for young people and **business opportunities** for SMMEs
- 9 Prioritise the development of **women**
- 10 Include employees in **company shareholding** structures

SAFETY PERFORMANCE: 1993 TO 2019

Fatalities and fatality frequency rate







Source: DMRE

KHUMBUL'EKHAYA

- A result of the CEO Heartfelt Conversations held in January 2019
- Developed and led by CEO Zero Harm Forum
- Driving and sustaining mining industry's pursuit of Zero Harm

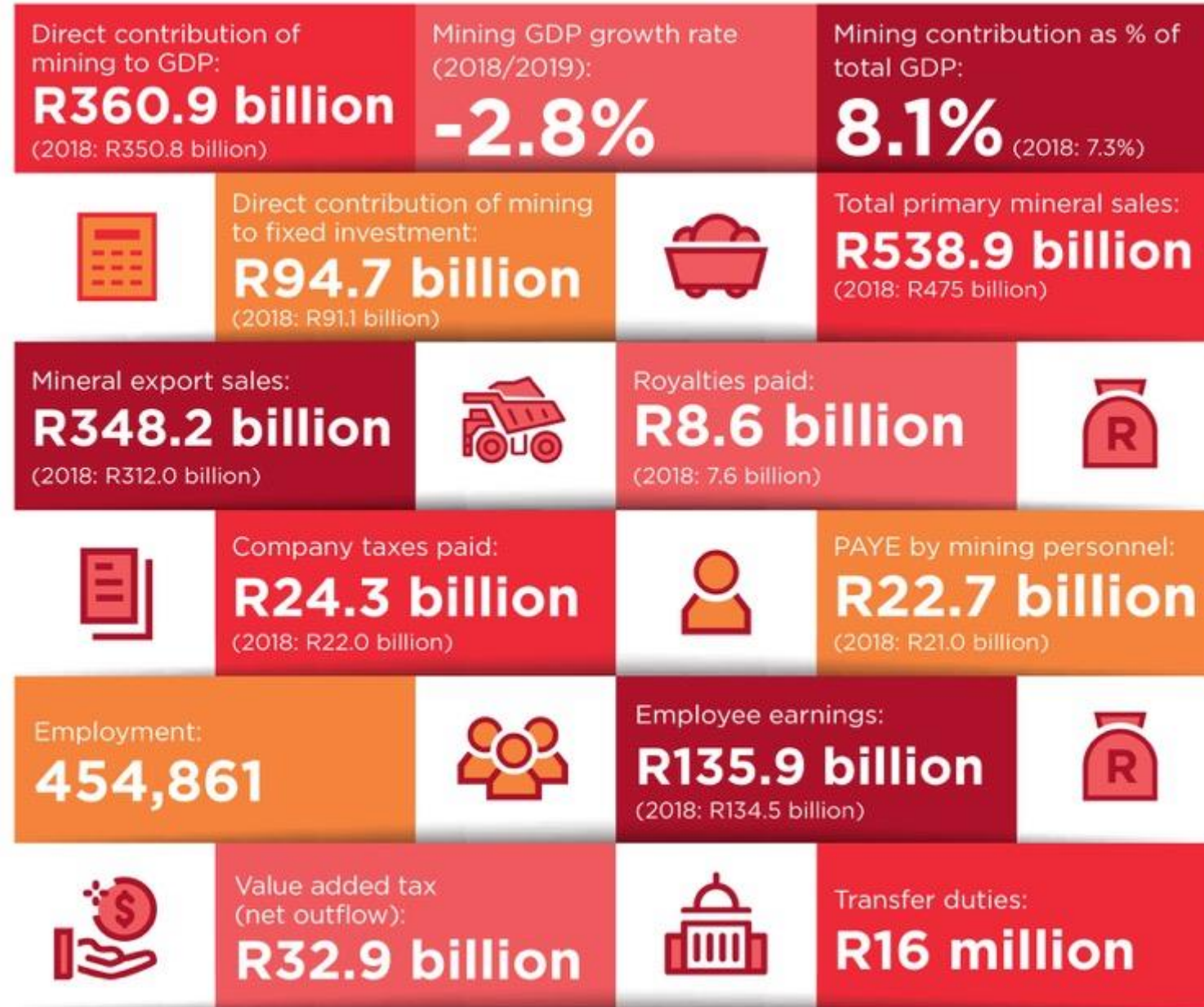
Four critical drivers of Khumbul'ekhaya

	Promote a holistic approach to the elimination of fatalities
	Develop a system of understanding occupational deaths in and beyond employment
	Adopt methods for more effective and competitive training, for example through centralisation and modernisation
	Adopt globally leading practice to learn better and faster from others



Nguni word for
“remember home”,
because we recognise that
fatalities have the greatest impact
on loved ones at home

MINING CONTRIBUTION IN 2019



FOSTERING INCLUSIVE GROWTH

Inclusive growth incorporates almost all other challenges



Government over the past 25 years:

- implementing social transfers
- extending education, healthcare, water and electricity to previously underserved communities



Over the years, the mining industry has made serious efforts towards inclusive growth

Transformation reports highlights progress made in implementing the Mining Charter

But the extent of growth, including inclusive growth, has been constrained

These are essential for a more equal and more economically inclusive society

HINDRANCES AND SOLUTIONS TO INCLUSIVE GROWTH



Hindrances

- International financial crisis in 2008 **hit commodity prices** badly
- Industry confidence also affected by:
 - **Previous government**
 - Insecurity of **mining rights**
 - **Regulatory uncertainty**
- Today, despite healthier commodity prices, we have the **Eskom** crisis



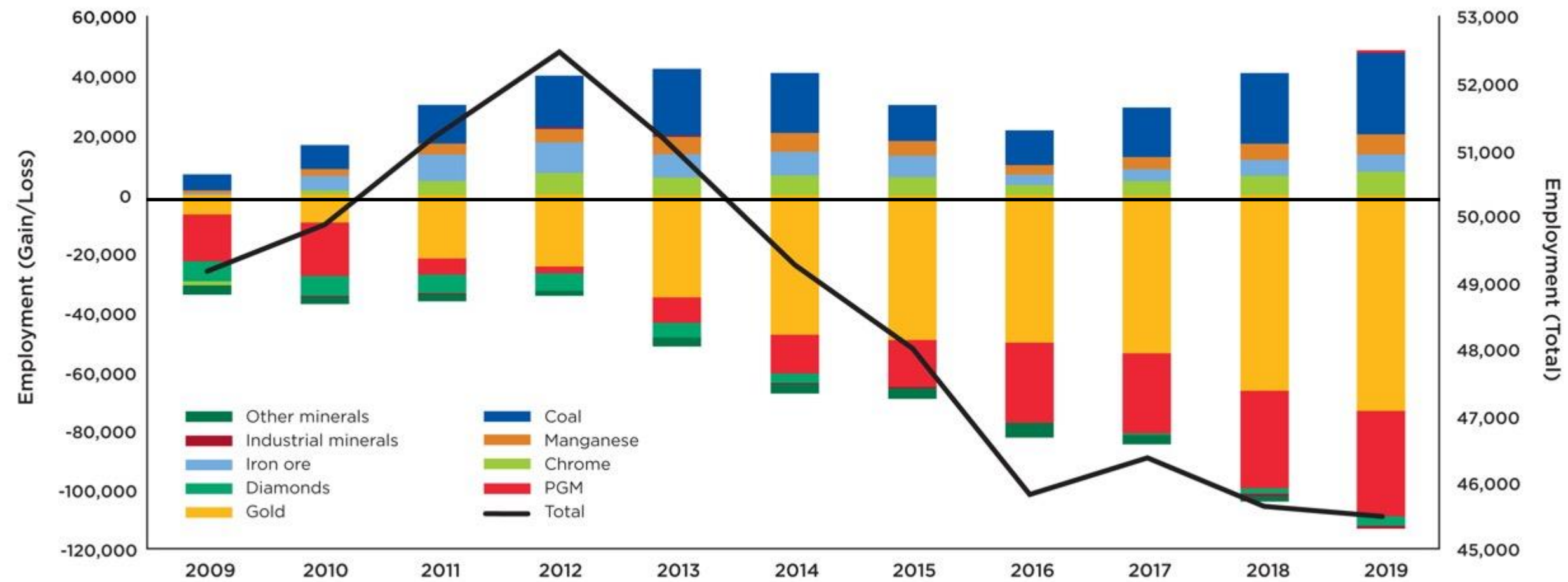
Solutions

- Government committed to **remedial action** and **optimising growth**
- **Redistributive policies**
- Local economic and infrastructure **development**, HR development and **training**, the advancement of **women**
- **Local beneficiation**

Most sustainable basis of
inclusive growth is employment

**This must be the
priority**

EMPLOYMENT: 2009 TO 2019



THE POWER CRISIS

Minerals Council: Help, Eskom is downscaling the mining industry

Dec 12 2019 21:30 Marelise van der Merwe

fin24

The Minerals Council of South Africa has called for "urgent action" by Minister Gwede Mantashe over the impact of stage 6 load shedding on the mining industry, which represents 90% of the country's electricity demand. The council said it welcomed the Minister's call for "an industrial policy" to the development of a mining industry that can meet electricity demand.

Calling the situation "desperate", the council said it welcomed the Minister's call for "an industrial policy" to the development of a mining industry that can meet electricity demand.

Eskom looks to private power



SA's Ramaphosa signals Govt may turn to private sector to alleviate power crisis

By Mariam Isa - December 11, 2019



South African mines grind to halt as floods deepen power crisis

Helen Reid

5 MIN READ



SA mines shut operations because of Eskom

09 December 2019 - 21:07

BY ALLAN SECCOMBE

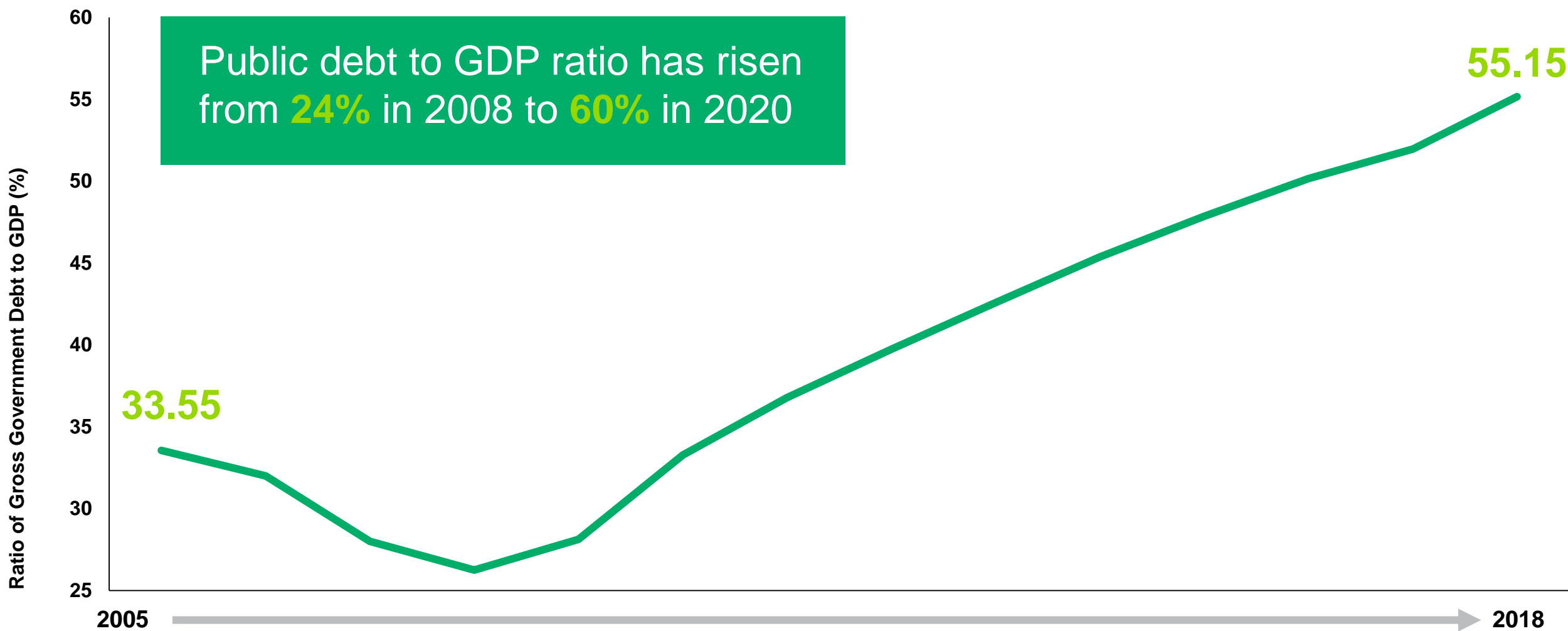


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POTENTIAL ELECTRICITY PROJECTS

No	Company	Type	MW	Project lead time (in months)
1	Sibanye	PV (50MW) licensed	200	9
2	Anglo American Platinum	PV No license	75	28
3	South Deep	Diesel Generation	23	0-12
4	South Deep	PV	40	9
5	Exxaro	PV	3	9
6	Orion	PV	38	9
7	Vedanta	PV	200	0-36
8	Harmony	PV	30	0-12
TOTAL			609	

SOUTH AFRICA'S FISCAL SITUATION



POLICY SHIFTS ADDRESSED IN THE NATIONAL TREASURY PAPER



Fixing the education system



Modernising transport and telecommunications infrastructure



Eliminating unnecessary red tape, especially for small business



As more labour-intensive forms of mining phase out, labour-rich tourism and agriculture to be further developed



Industrial policy interventions should use incentives, not punishment, to encourage investment

WHERE WE STAND



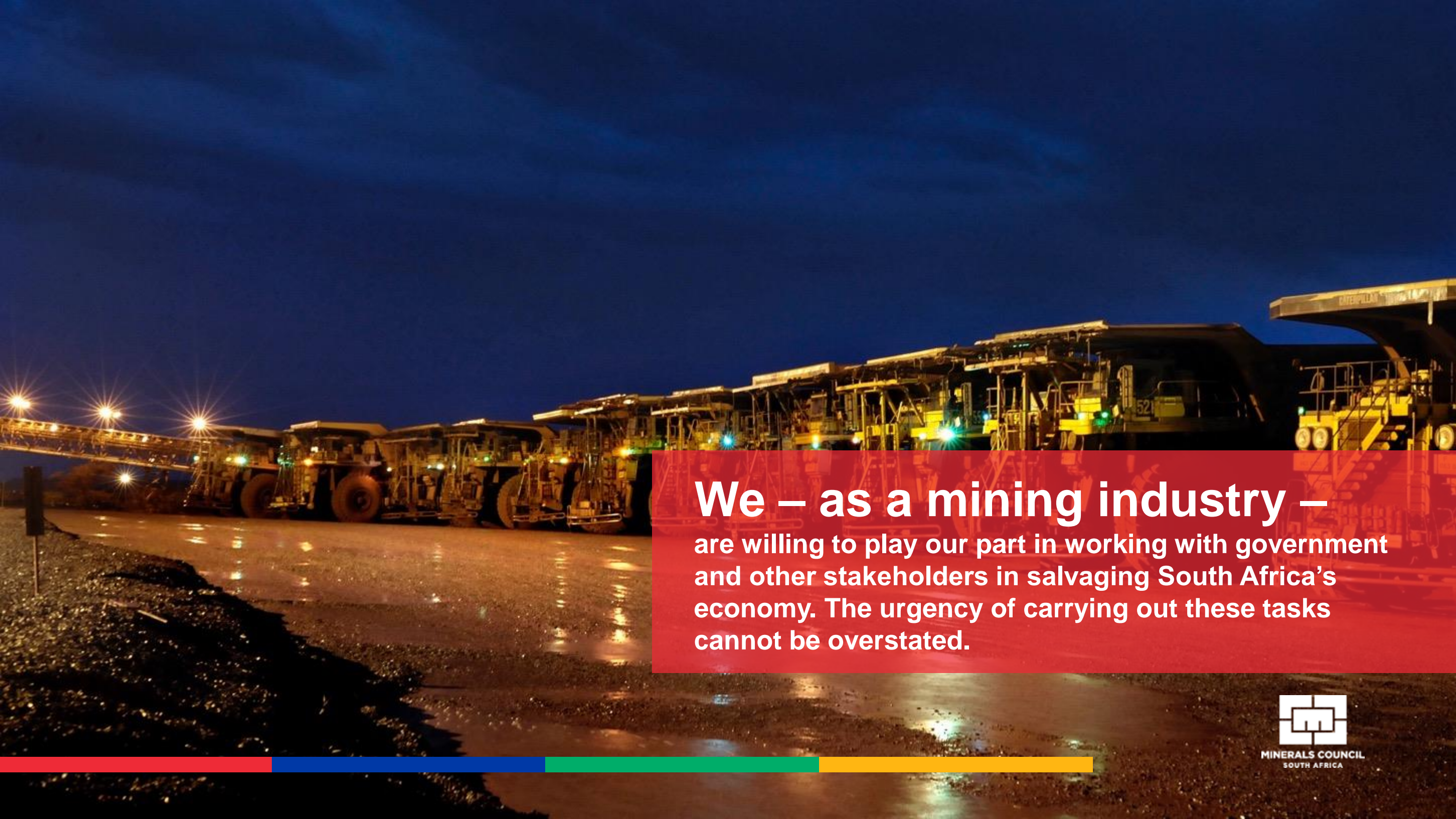
Macroeconomic
policy shifts need
active implementation



- Credibility of criminal system needs to be **rehabilitated**
- Responsibility lies with **SAPS** and National Director for **Public Prosecutions**



- Regulatory issues need **resolution** for investor confidence to return
- **Land expropriation**
- Recognition of consequences of **past transactions**



We – as a mining industry –
are willing to play our part in working with government
and other stakeholders in salvaging South Africa's
economy. The urgency of carrying out these tasks
cannot be overstated.

THANK YOU

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