



# THE CHAMBER OF MINES OF NAMIBIA

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Leveraging the Role of Chambers of Mines in promoting  
Shared Value and Shared Benefits for broad based sustainable  
development

The case of the Chamber of Mines of Namibia.

Veston Malango, CEO.

8 February, 2017.



# Outline of Presentation

- 1) History & structure of the Chamber of Mines of Namibia (CoM).
- 2) Role of the Chamber of Mines (CoM)
- 3) Leveraging the Role of CoM in promoting the AMV Compact concept of shared value & shared benefits
- 4) Lessons for the rest of Africa



# History & Structure of the Chamber of Mines of Namibia (CoM).

- **Formed** in 1969, 48 years old
- **Purpose:** To protect & promote the interests of members
- **Governed** by the Constitution and Code of Conduct & Ethics
- **Mission Statement:** To effectively promote, encourage, protect, foster and contribute to the growth of responsible exploration and mining in Namibia to the benefit of the country and all stakeholders.
- **Vision:** is to be widely respected as a safe, environmentally responsible, globally competitive and meaningful contributor to the long term prosperity of Namibia
- **Core Values:**
  - Integrity
  - Transparency
  - Accountability
  - Compliance
- **Three Year Strategic Plan**



# Chamber Structure

## Council

## EXCO

## Committees:

- Exploration Committee – Mining Commissioner & Director: Geological Survey are members.
- Safety Committee – Chief Inspector of Mines is member
- Mining Consultative Forum – tripartite forum between industry, govt. & organised labour,
- Tax, Legislation Committees, etc.



# Role of CoM

- Protect & promote interests of members – Advocacy
- Industry voice to government & other stakeholders
- Promote investment climate – influence Policy
- Promote FDI at investment fora, e.g. Mining Indaba.
- Self Regulation: Code of Conduct & Ethics– CoM has teeth, can expel non compliant members
- Promote industry image to the public & all other stakeholders – create Ambassadors (Mining Expo & Conferences)



# Integrating the Mining Industry with Other Sectors of the Economy

## Side Stream Linkages

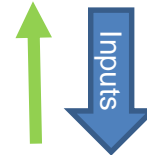
(Government/PPP responsibility)

- Infrastructure
  - Rail/Road
  - Ports
- Power
- Water
- Skills
- R & D
- Logistics
- Communications
- Financial Services

## Up Stream Linkages

Mining Inputs and Services

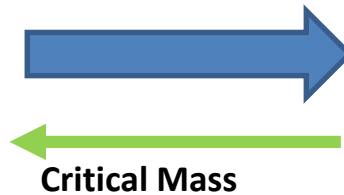
Critical Mass



**Mining Industry**

## Down Stream Linkages

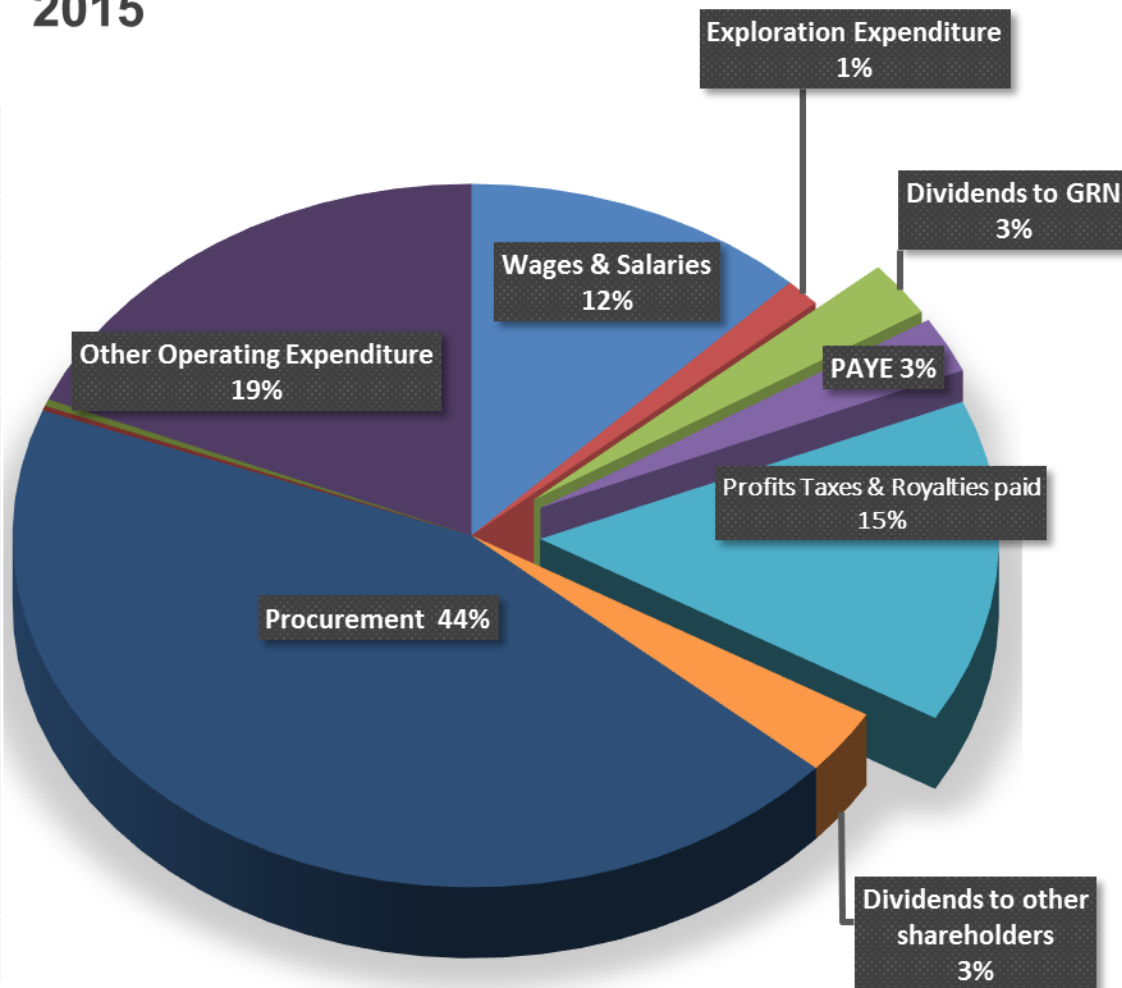
- Beneficiation
- Manufacturing
- Chemical
- Pharmaceutical
- Agriculture (agro – minerals)
- Construction (Cement)



# 1. Upstream Linkages

Mining industry generated > N\$25.28 bn  
in revenue during 2015

| Mining Industry Contribution (N\$ bn) |                        |
|---------------------------------------|------------------------|
| Wages & Salaries (Net)                | <b>3.088 (12%)</b>     |
| Exploration Expenditure               | <b>0.326 (1%)</b>      |
| Dividends to GRN                      | <b>0.639 (3%)</b>      |
| PAYE                                  | <b>0.654 (3%)</b>      |
| Profits Tax & Royalties paid          | <b>3.763 (15%)</b>     |
| Dividends to other Shareholders       | <b>0.770 (3%)</b>      |
| Procurement (Namibia spend)           | <b>11.198 (44%)</b>    |
| CSR                                   | <b>0.058 (&lt; 1%)</b> |
| Expenditure on Skills & Development   | <b>0.079 (&lt; 1%)</b> |
| Other Operating Expenditure           | <b>4.708 (19%)</b>     |
| <b>Total</b>                          | <b>25.284</b>          |



**Total Revenue to GRN: N\$5.056 billion**

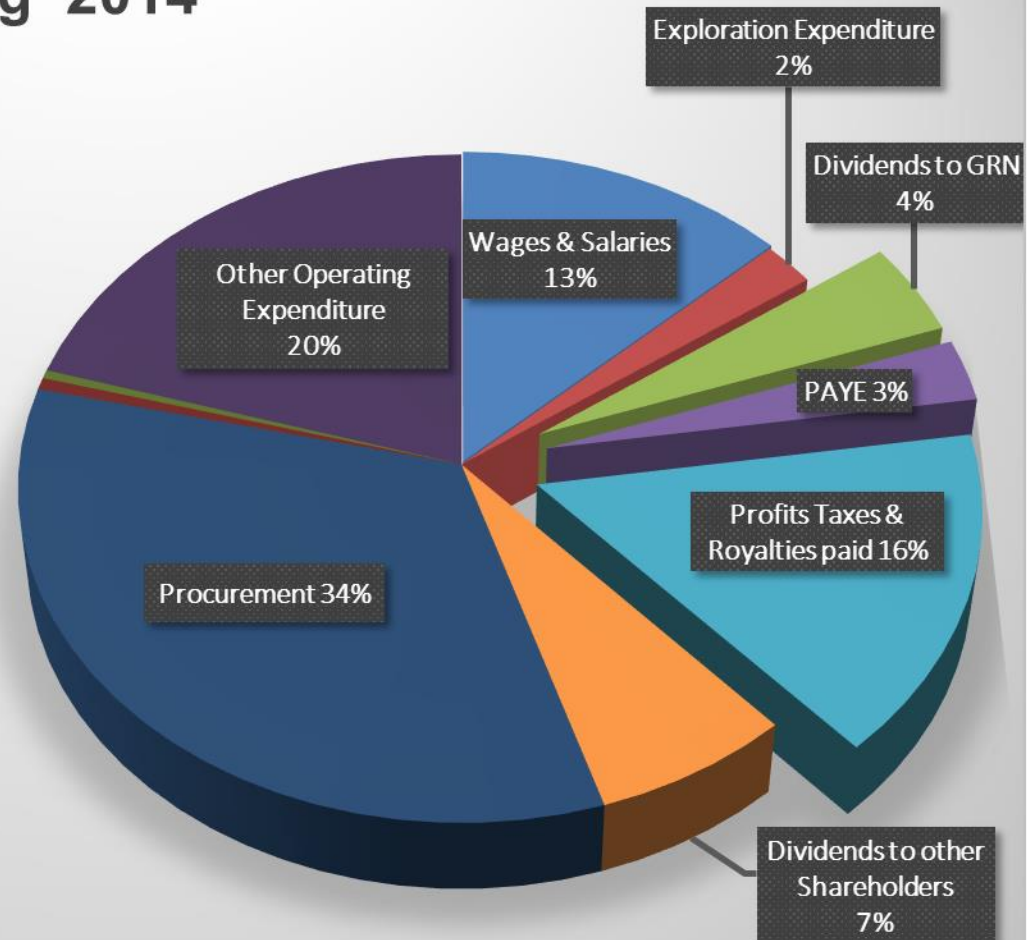
Source: Chamber of Mines of Namibia



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# Mining industry generated > N\$21.6 bn in revenue during 2014

| Mining Industry Contribution (N\$ bn) |               |
|---------------------------------------|---------------|
| Wages & Salaries (Net)                | 2.824 (13%)   |
| Exploration Expenditure               | 0.454 (2%)    |
| Dividends to GRN                      | 0.963 (4%)    |
| PAYE                                  | 0.641 (3%)    |
| Profits Tax & Royalties paid          | 3.393 (16%)   |
| Dividends to other Shareholders       | 1.479 (7%)    |
| Procurement (Namibian Spend)          | 7.255 (34%)   |
| Other Operating Expenditure           | 4.395 (20%)   |
| CSR                                   | 0.122 (1%)    |
| Expenditure on Skills & Development   | 0.086 (<1%)   |
| <b>Total</b>                          | <b>21.612</b> |



**Total Revenue to GRN: N\$5 billion**

Source: Chamber of Mines of Namibia



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# Summary of Mining Industry spend on local suppliers of mining goods, inputs and services

**2015**: N\$ 11.20 billion (44% of total industry revenue)

**2014**: N\$ 7.26 billion (34 % of total industry revenue)

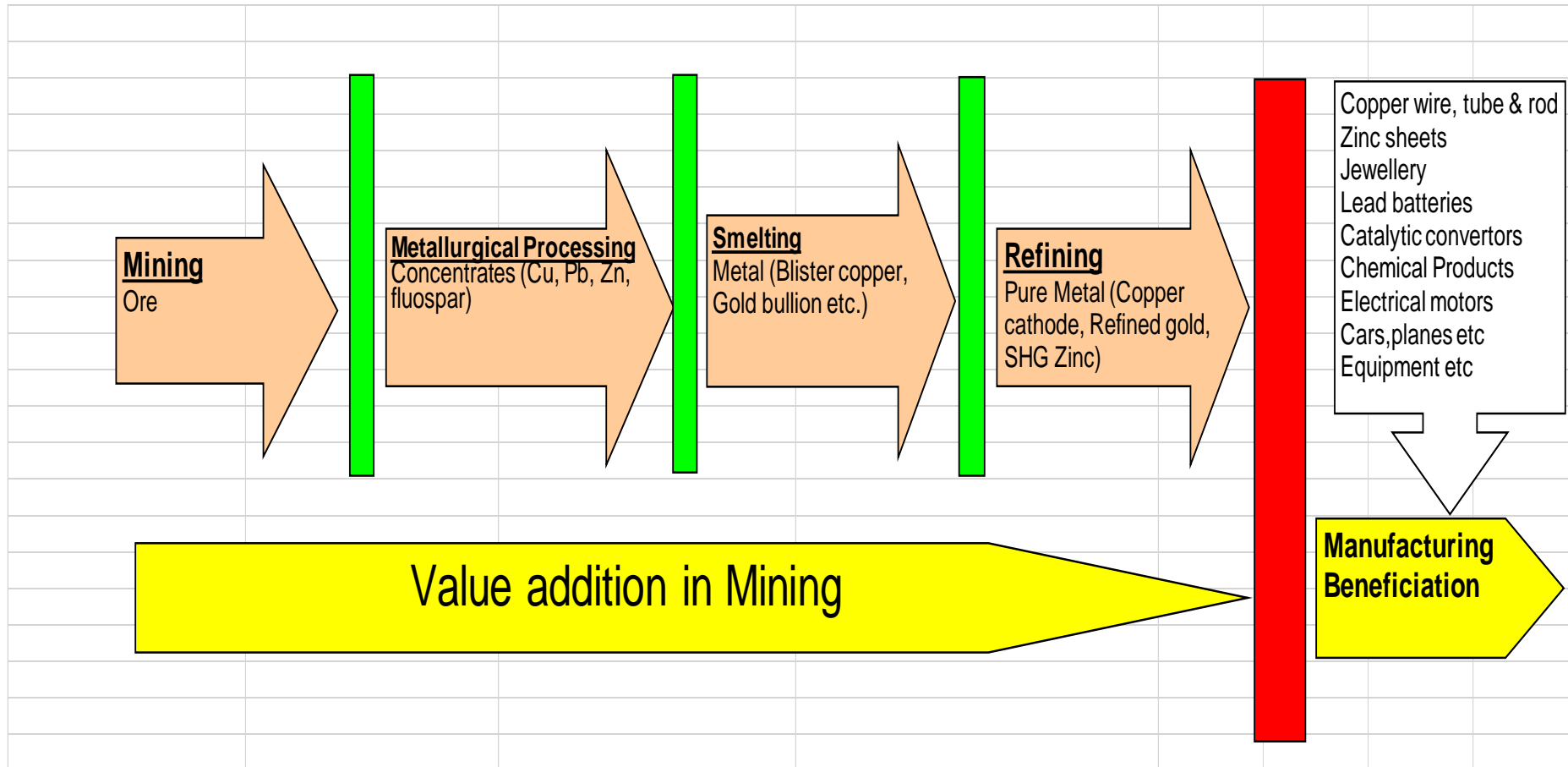
**Increase**: N\$ 3.94 billion

**% Increase 2014 to 2015**: 54.3%



## 2. Downstream Linkages

Joint Value Addition Committee



# 3. Side stream Linkages

## Infrastructure

### **Water:**

- Desalination plant built by mining company
- Some mines considering further investments into another desal plant
- Benefiting communities & other industries at the Coast

**Power:** Emergency power plants at mines

### **Housing**

- New shift of strategy

## Skills development

- Namibian Institute of Mining & Technology (NIMT)
- Expanded to Northern & Southern Campuses (3,600 students)
- 1% Training Levy -- NTA
- 95.5% of mining workforce Namibians, 4.5% experts



## 4. Growing the industry

- Win-win policy environment & favourable investment climate
- Building trust between govt and private sector -- Mutual trust
- Govt. & private sector working together
- Pulling in the same direction
- Consultations on new policy proposals (i.e. tax proposals)



# Investments made in Namibia's Mining Sector (2012 – 2016)

- Swakop Uranium's Husab mine: US\$ 2 billion – largest open pit uranium mine in the World
- B2Gold's Otjikoto gold mine: US\$ 400 million – second gold mine, reached full production in 2015.
- Weatherly's Tschudi copper mine: US\$ 80 million – Copper cathode production for the first time in the history of Namibia.
- Dundee Precious Metals Tsumeb Sulphuric acid plant: US\$ 240 million
- Namdeb Reinvestments
  - Red Area Complex: US\$ 14 million
  - Sendelingsdrif Diamond Mine: US\$ 33 million
- Debmarine SS Nujoma: US\$ 139 million
- Ohorongo Cement Plant Expansion: US\$ 10.7 million

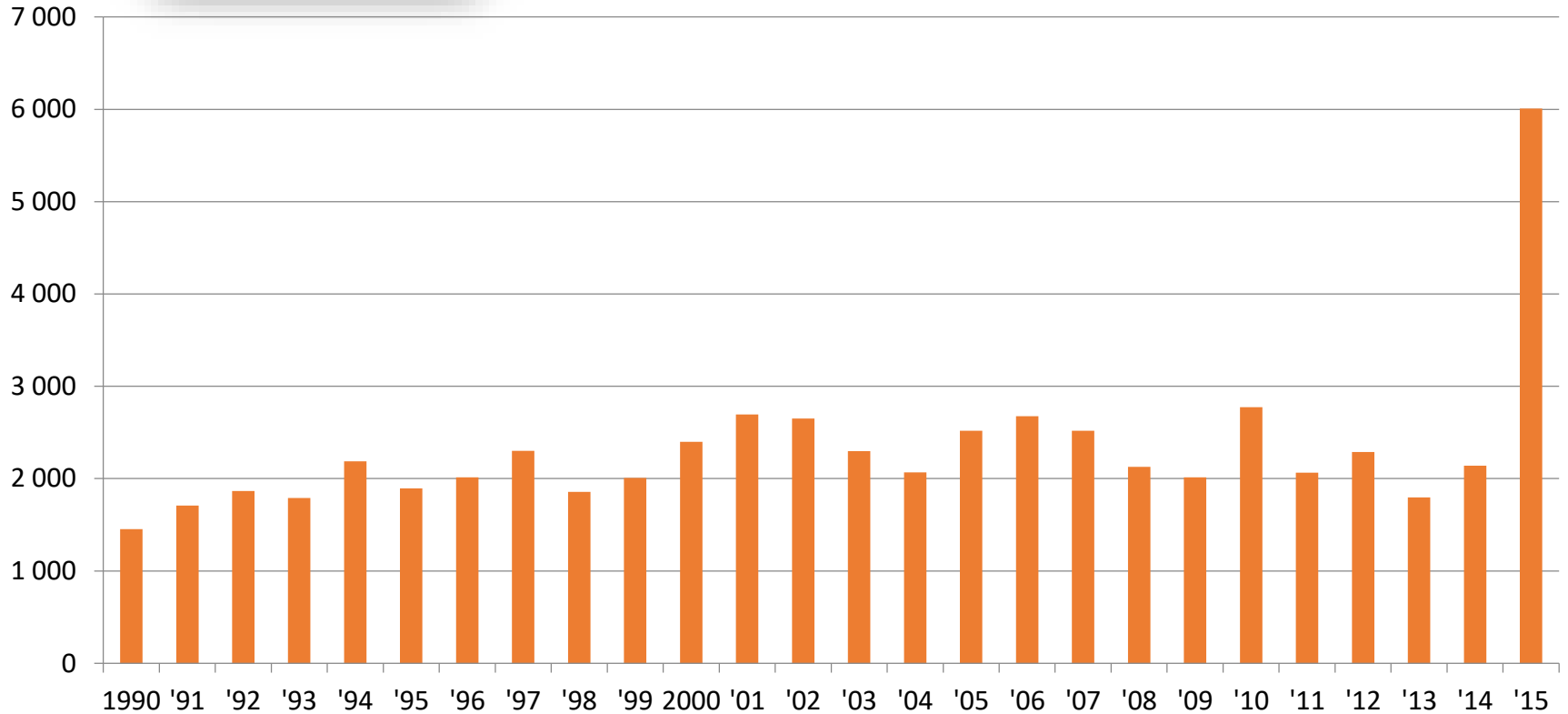
**Total Investment: US\$ 2.896 billion**

**( > N\$ 40 billion)**



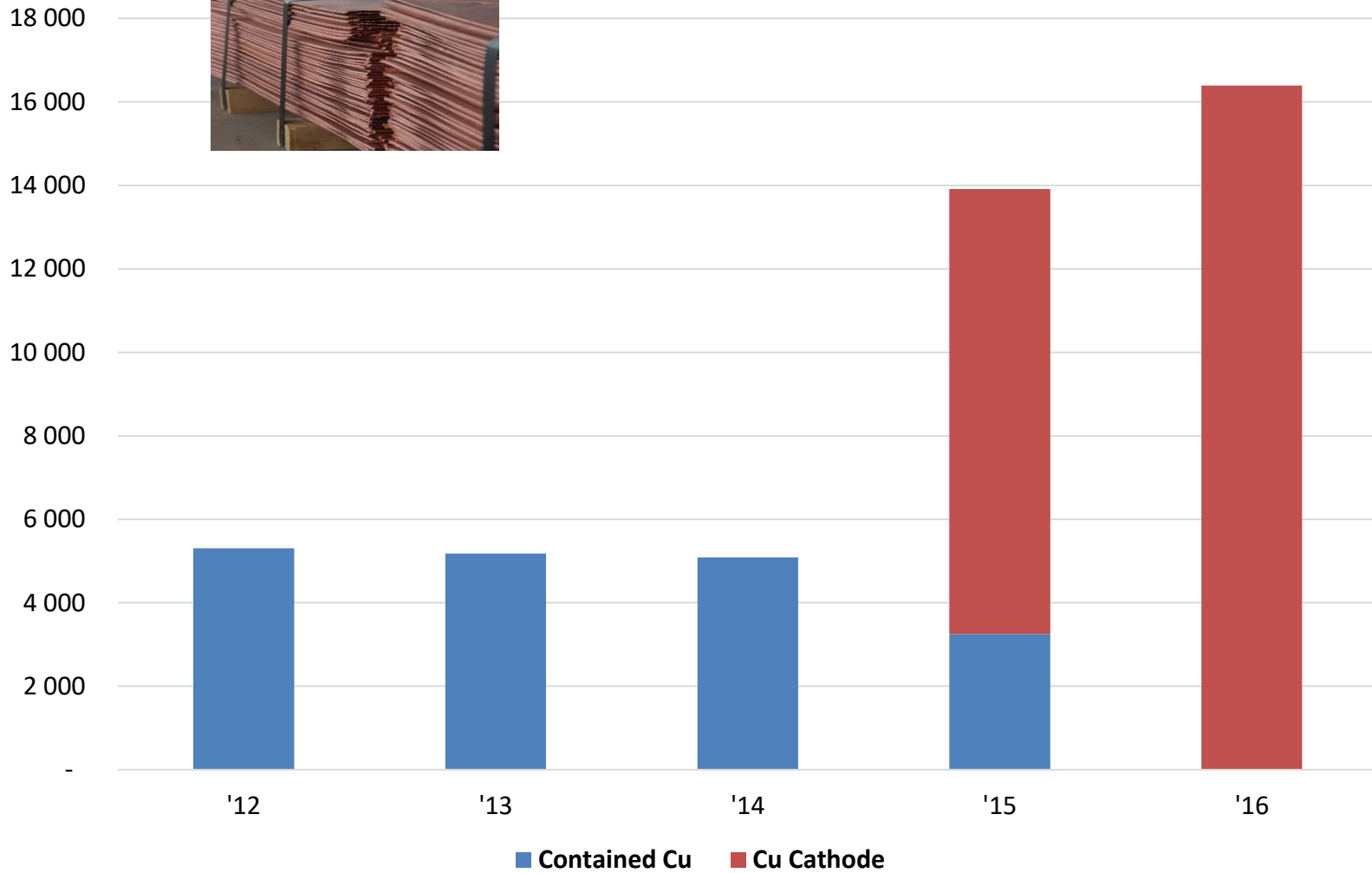


## Gold Bullion Production (Kg)



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# Contained Cu & Cu Cathode



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# 5. Mineral Value Chains – Regional Integration



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# Lessons for rest of Africa

- Effective Chambers can help African governments to optimise returns on mineral endowment – and contribute towards socio-economic development.
- Chambers should develop effective & mutual relationships with governments,
- Chamber members should adhere to national laws to earn respect and trust of governments.
- Private sector and governments should be pulling in same direction –to realise shared benefits under the AMV



**I thank you**

**[www.chamberofmines.org.na](http://www.chamberofmines.org.na)**



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