

# Building a sustainable future in a changing landscape

 By [Danette Breitenbach](#)

22 Sep 2016

Modernisation, beneficiation and community development are key elements that have to be addressed if the South African Development Community (SADC) is to be sustainable in what is a changing landscape.

While the SADC region has significant quantities of minerals, and these are the drivers of the member country's economies, the mining sector is experiencing the same problems as its counterparts worldwide.

With increasing energy demand, fluctuating precious metals markets, a shifting exploration landscape, subdued commodity prices and a gradual - not steep - recovery forecast, among others, the region will still have to find answers if it is to survive, never mind be sustainable.

The inaugural SADC Africa Mining Conference explored these opportunities through the insights from various industry experts.



© belchonock [123rf.com](#)

## Modernisation

The industry is in a tough place, concurs Roger Baxter, CEO of the Chamber of Mines of South Africa. He believes the big challenge is that we continue to use conventional mining methods while we view modernisation as a threat; one that will do away with people. The answer, he says, is far more complicated than that and if we are to realise the potential of the SADC region we will need to migrate to modernisation.

“Modernisation holds massive cost benefits and will mean that mining can contribute to the economic development of region as a whole. If we modernised we would have 11 large gold mines and nine platinum mines that could be mined safely.”

However, without it what we have is a rapidly depleting resource that is costly but with declining jobs and limited export opportunities.

In fact the opposite is true. With modernisation, bigger ore bodies can be mined, job losses will be slowed down, skills will be developed, investment will flow in, and, if we manufacture the technology here, it will further mitigate job losses. “While this will take time - about 20 years - the impact on growth will be significant.”

## **Beneficiation**

Charles Siwana, CEO of the Botswana Chamber of Mines, says mining companies need to position themselves into the lower quartile of the cost curve. He acknowledges that this is an easy statement to make, but a difficult one to carry out.

Next he says we need to tackle the infrastructure constraints we face, such as power interruptions. “Both the private and public sectors need to make themselves attractive to attract FDI. The private sector must indicate its ability to have a sustainable business that yields high returns, while governments must facilitate a conducive environment for such funds.”

The biggest opportunity for the region, in his opinion, is to beneficiate its raw materials instead of exporting them. “Africa has a history of exporting its raw materials and then importing the beneficiated goods back at a higher price. This has to stop.”

He adds that this will also help to close the gap when commodity prices do rise.

## **Mining communities**

Mining community development is not succeeding, despite legislation and the intent of policies, with the benefits not being seen by the supposed beneficiaries.

So says Deepa Vallabh, director: cross border mergers & acquisitions: Africa & Asia, Cliffe Dekker Hofmeyer. She has counselled mining companies for 17 years and, in her experience, the social labour plan (SLP) of many mining companies is a tick-box exercise, not a strategic plan for long-term sustainable development.

Government shares her view that community development is not working. “If the community is not seeing the benefit or correlation then it means it is not working and this includes mining communities that form part of the equity structure. When mines have sustained losses no dividends are paid. To properly benefit communities, long-term investment is needed.”

Given the above, she says there are other questions that also need to be asked. “When it comes to community development, what is the end goal of that community... do they want to stay there, or is it about developing skills that will take them to urbanised areas?”

If urbanisation is key for our future growth, she asks, why are we continuing to develop communities as if they are going to live there forever? It will only be there for as long as the life of the mine.”

## **ABOUT DANETTE BREITENBACH**

Danette Breitenbach is a marketing & media editor at Bizcommunity.com. Previously she freelanced in the marketing and media sector, including for Bizcommunity. She was editor and publisher of AdVantage, the publication that served the marketing, media and advertising industry in southern Africa. She has worked extensively in print media, mainly B2B. She has a

Masters in Financial Journalism from Wits.

- Mining sector must work together for the country - 12 Oct 2021
- Manganese a rising star - 15 Sep 2021
- SA mining industry in transition - 27 Sep 2019
- Let's work together, then we can mine - 13 Jun 2019
- Report outlines the highs and lows of SA mining - 9 Oct 2018

[View my profile and articles...](#)

For more, visit: <https://www.bizcommunity.com>