

# The elephant in the room

 By [Nicci Botha](#)

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Mining Charter? What Mining Charter? Mineral Resources Minister, Mosebenzi Zwane, flat out ignored the elephant in the room that the mining industry was most hoping he would address at the Investing in African Mining Indaba.



Mosebenzi Zwane, minister of mineral resources

The third iteration of the Mining Charter is on hold pending the outcome on a court case the Chamber of Mines has brought against the minister over a section requiring mines to be 30% black-owned in perpetuity, while a 1% levy on revenue that must be paid to black investors before other shareholder dividends and increased local procurement targets.

Instead he used his keynote address to commend the industry for returning to growth in 2017 and its contribution to the economy in the latter part of the year following a technical recession. He also highlighted the government's investment into geological mapping and emphasised its value to potential investors.

"Today's opening address by the minister lacked hard substance, which was unfortunate. The mining community wanted to hear direction and resolution to some significant issues in the SA context but nothing came forth in this morning's speech," said Jacques Barradas, partner and head of mining, Grant Thornton Johannesburg.

## Open-door policy

Waxing lyrical, Zwane said the "spring in mining is indeed blossoming into a summer". However, the minister should not take credit for the upswing, said Andrew Lane, Deloitte Africa mining lead. "That can be attributed to the increase in commodity prices. Given that South Africa's investor-friendly reputation has been slightly tarnished, it was hoped he would make an announcement on the Mining Charter."

Similarly, the minister deftly sidestepped a question regarding the Mineral and Petroleum Resources Development Act in the Q&A session later that afternoon, rather referring to his open-door policy. Zwane stated that he is open to a “bosberaad” and willing to engage with stakeholders.

“The minister mentioned that there is an ‘open-door policy’ to prioritise the promotion of good working relations with the right holders. We believe that the ministry needs to demonstrate this more visibly going forward, particularly with all stakeholders on issues such as the Mining Charter. The reaction to the minister’s unilateral implementation of the charter last year did not inspire confidence. In fact, we believe that foreign investor confidence was impacted by this implementation process, Barradas said.

Lane said the industry acknowledges and supports the government’s intent to diversify ownership and the importance of junior mining. However, the industry depends on the large mining companies for their capital and skills, and the investment environment should recognise this reality, otherwise they will seek friendlier recipients.

*The [Investing in African Mining Indaba](#) takes place at the Cape Town International Convention Centre from 5-8 February 2018.*

## ABOUT NICCI BOTHA

Nicci Botha has been wordsmithing for more than 20 years, covering just about every subject under the sun and then some. She's strung together words on sustainable development, maritime matters, mining, marketing, medical, lifestyle... and that elixir of life - chocolate. Nicci has worked for local and international media houses including Primedia, Caxton, Lloyd's and Reuters. Her new passion is digital media.

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