

Mining Charter: Just the catalyst to revive the industry

By  Danette Breitenbach

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Although the reviewed Mining Charter is a good start, speakers at the Joburg Indaba agreed that more needs to happen if the industry is to succeed.



Photo: Exxaro

After boycotting last year's event to protest the presence of then mining minister, Mosebenzi Zwane, Minerals Council South Africa's CEO, Roger Baxter, said in his keynote that Zwane's agenda threatened the industry. "We had lost confidence in the minister's ability to lead the Department of Mineral Resources (DMR). Since then revelations have vindicated our actions. With the election of President Ramaphosa, we welcomed the appointment of Minister Gwede Mantashe. He is the first mining minister who has actually worked in a mine. He moved swiftly and opened up engagement leading to a new dawn for the industry."

Creating stability

If the industry is to succeed it has to give investors certainty and consistency and the regulatory environment is key in achieving this. "The current relationship between industry and the government is one we have not seen in a while," says economist, Thabi Leoka.

"Now it is up to us, the private sector, to engage more openly with government and iron out what is stifling the industry."

The industry has a long and complicated back story, hence the hostility so often present. “History is the basis of much of our regulatory system, but now it must work to right the wrongs. It requires all of us to say we have the opportunity to regain the yellow jersey, be constructive and build so that in the years to come, our children and grandchildren will say, they did it for us,” said Mxolisi Mgojo, CEO of Exxaro.

In a panel discussion,, Sipho Nkosi, non-executive chairman of Talent 10, said that with seven mining ministers in a decade, it is no surprise that the sector is not stable. “The industry spent the last 10 years spending billions to create new entities, but if we look at the result and what is available today it is shocking.”

Fellow panellist Ian Cockrill, non-executive chairman, BlackRock World Mining Trust, added: “As long as the industry remains a hostage to its past, it will never be able to craft its future. If there is not a clear roadmap for the next decade then all the work done in the last few months will be in vain.”

Policy certainty will provide the means to catch up, but only if we take it further, said Deshnee Naidoo, CEO of African Base Metals and of Vedanta Zinc International, Konkola Copper Mines and Copper Mines of Tasmania. “We need to create a shared vision and then we need to embrace innovation in the way that Canada and Australia have.”

Getting a grip on technology

Technology is what will shape the next phase for the industry. However, adoption has been slower than in other sectors.

The answer is a fear of jobs, said Naidoo. “We can be a quick adaptor of technology, but fear of losing jobs stops this in its track. Yet, innovation will grow the industry and technology will change the nature of the jobs.”

The nature of our orebodies have also contributed to this. “While South Africa is blessed with minerals, they are in narrow stopes and flat line orebodies which are much more difficult to mine than an open pit gold mine for example.”

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.

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