



MEDIA STATEMENT

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CHAMBER OF MINES NOTES BUDGET SPEECH

Johannesburg, 21 February 2018. The Chamber of Mines welcomes the 2018/19 national Budget delivered today by Finance Minister Malusi Gigaba as a tough but necessary one that reinforces President Cyril Ramaphosa's drive to stabilise the economy and get crucial sectors of the economy back on track.

The government had to make a set of tough choices on fiscal policy, and while the tax policy measures announced today may be painful, the Chamber is of the view that these are necessary to stabilise investment ratings in order to encourage investment going forward. In due course government will have to take steps to incentivise higher levels of investment through greater tax competitiveness compared with South Africa's peers.

The Chamber welcomes the diagnosis on the difficult state of the mining industry, and the Minister's reinforcement of the commitment expressed by President Ramaphosa in his State of the Nation address last week to allow parties the space to engage as part of a co-operative, multi-stakeholder effort to address the policy and regulatory uncertainty that has afflicted the industry in recent years.

The Chamber is looking forward to working with all stakeholders including government, organised labour and representatives of mining communities in formulating a social compact that will ensure the future sustainability of the industry and will allow the mining industry to achieve its full economic and transformational potential.

The budget speech also reinforced President Ramaphosa's commitments to reviving the state-owned enterprises, whose decline due to poor governance and deep corruption have had serious impacts on the sustainability of the economy in general and our industry in particular.



Chamber members have indicated that should South Africa succeed in returning to the top 25% of mining jurisdictions in terms of regulatory attractiveness as outlined by the Fraser Institute, the country is likely to see an almost doubling of investment in the sector over the next four years. This would have profound positive economic consequences, including the creation of 150,000 new direct and indirect jobs.

All stakeholders must work together to develop a vision of what good looks like for the mining sector and agree to a social compact which will form the necessary foundation towards reviving and building a growing, vibrant and more transformed South African mining industry.

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