



CHAMBER OF MINES
of South Africa

MEDIA STATEMENT

CHAMBER OF MINES NOTES BLOOMBERG ARTICLE DETAILING PROPOSED TARGETS FOR SPENDING ON LED

Clarifies alternative proposal

Johannesburg, 29 August 2016. The Chamber of Mines notes the article published by Bloomberg today detailing, among other things, information on proposed targets for spending on Local Economic Development (LED). The Chamber confirms that it has proposed an alternative approach to the target of 1% of revenue proposed by the Department of Mineral Resources (DMR) in its proposed Charter 3 published in April.

The mining industry prefers here a profit-based target to ensure that charter obligations do not push marginal mines into deeper financial difficulties with predictable consequences for production and jobs. Hence the Chamber can confirm it has proposed a profit-based target. This profit-based approach is similar to that implemented by National Treasury on royalties in 2008. That system has served the industry, the fiscus and the workforce well.

An engagement process is currently taking place with the DMR. The Chamber of Mines does not intend engaging further on this or on other charter discussion matters at this stage with other parties not involved in the engagement process.

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