



CHAMBER OF MINES  
of South Africa

# MEDIA STATEMENT

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## CHAMBER NOTES SONA 2017, AND WELCOMES COMMITMENT TO MINING INDUSTRY

**Cape Town, 10 February 2017:** The Chamber of Mines of South Africa has noted the State of the Nation Address (SONA) by President Jacob Zuma yesterday (9 February 2017), and has welcomed the commitment to ensuring that the mining industry is a priority area for South Africa. In particular, the President's recognition of the value of the CEO initiative which, working with the Minister of Finance and others, succeeded in staving off the feared rating agencies' downgrade of South Africa is welcomed.

Chamber of Mines CEO Roger Baxter noted that StatsSA's release of mining production data for 2016 confirmed the fear that the sector had continued to contract, with portions of the industry continuing to battle to be viable.

"The Chamber appreciates the President's resolve to finalise the passage and promulgation of the amendments to the Mineral and Petroleum Resources Development Act (MPRDA) as soon as possible. And we, like he, hope that the review of the Mining Charter can be resolved on a mutually satisfactory basis. In order to create a better platform for greater investment in mining, we need a predictable, competitive and stable mining policy and regulatory framework applied in a 'smart tape' manner."

The Chamber notes and appreciates the imperative expressed by President Zuma for the more rapid transformation of the South African economy, and quite rightly indicates that government has a primary role to play in that. The delivery of basic services, education and training at all levels, adequate healthcare, and the development of an environment conducive to economic development and growth are all critical to South Africa's future success. He is correct to state that social stability is dependent on achieving that. The challenge is to pursue that



goal in a manner that promotes transformation and competitiveness as mutually reinforcing concepts.

“The mining industry is committed to doing its utmost to support the laudable transformation goals. Indeed, we believe the industry has done more than most in that regard. We noted with particular interest President Zuma’s lament regarding economic concentration. We recall that in the 1980s the bulk of our industry was controlled by six major companies. Today, interestingly, the Chamber of Mines’ direct and indirect members number more than 100, spread across all commodities and sectors, and include many emerging miners.

“We note his wish for more black-owned and controlled mining companies. Again, we believe significant progress has been made.

“It is a challenge, however, to assume that the parts of the industry that are not black-owned are South African white-owned. The historical ‘rand lord’ structures no longer exist. More than 50% of the industry is owned by millions of South Africans through pension funds and investments, across all racial groups, including through the Public Investment Corporation and the Industrial Development Corporation. The bulk of the remainder is owned by foreign pension and other asset management funds, on whose investment dollars and rands we are very dependent.”

“2017 will be a critical year for South Africa and for the mining industry. We trust that the ‘green shoots of recovery’ within the mining industry - also mentioned by President Zuma - will be permitted to develop with appropriate forms of support of government“.

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