



# MEDIA STATEMENT

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For immediate release

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## 127<sup>TH</sup> ANNUAL GENERAL MEETING OF MEMBERS OF THE CHAMBER OF MINES

- *Publication of Integrated Annual Review and Financial Statements*
- *Mining matters for the growth, transformation and development of South Africa*
- *Industry committed to drive a progressive and transformative agenda*

**Johannesburg, 24 May 2017:** The Chamber of Mines today announced the publication of the Integrated Annual Review and Financial Statements for the year ended 31 December 2016. The reports may be accessed on the Chamber of Mines website at <http://www.chamberofmines.org.za/industry-news/publications/annual-reports>

### Chief executive's review:

In the chief executive's review, Chamber of Mines CEO, Roger Baxter noted that:

"Mining has played a vital role in the economy for over a century and a half. In 2016, the mining industry contributed R304 billion towards South Africa's gross domestic product (GDP), representing 7.3% of overall GDP. If the indirect multipliers and induced effects are considered the overall contribution to GDP is about 17%. Mining directly contributed R93.3 billion to fixed investment, while R3.7 billion in royalties and R12.5 billion in taxes were paid to the South African government. The taxation contribution does not include the R6 billion contributed to skills development or the other levies and tax contributions the industry makes to the country. Mining remains a significant contributor to employment, with 455,109 individuals employed directly by the sector at the end of 2016. This represents just over 5.4% of all employed nationally. In total, these employees earned R120 billion in 2016, and contributed around R18 billion to the fiscus in terms of Pay As You Earn (PAYE) tax. Total employment in the economy attributable to mining is about 1.3 million people, demonstrating the huge multiplier effects of mining.



In 2015, the industry made an aggregate loss of over R30 billion as it grappled with cost pressures, falling global prices and production challenges (including the negative impact of inappropriate Section 54 safety stoppages). In 2016/17, the green shoots of recovery, spurred by an improvement in some mineral prices has helped provide some recovery to the sector, although some components are struggling. At current prices over half of the platinum sector is marginal or loss-making, which is a significant challenge for the country.

“This industry has contributed greatly to the South African economy and its people. It has also done this at a cost – to people and to the environment – sometimes intentionally, sometimes not. This is an industry that, today, must recognise its past and address the legacies that it has to bear. It is also an industry that must look forward to ensuring that future legacies are positive, value-accretive and responsible. The Chamber has accelerated its efforts in dealing with legacy issues and great progress is being made. The Chamber and its members remain committed to inclusive growth and meaningful economic transformation in the sector.”

**President’s address:**

In his address at the end of his three-year tenure as President of the Chamber of Mines, Mike Teke noted that:

“As I come to the end of my three year tenure, I want to thank Roger Baxter and his team for their incredible determination and support. The Office Bearers and the council members have all provided solid and irreplaceable leadership for the industry, and have supported the Chamber and the industry in ways beyond measure.

“I am proud to have presided over the Chamber leadership at a challenging time for our country. We have stood resolute in our desire for achieving growth and transformation and governance outcomes that are in the national interest. We must have the courage and fortitude to continue pushing for what is right in our country and to get the South African dream, as encapsulated in the NDP, back on track.

“We as an industry are committed to drive a progressive and transformative agenda to enable mining to regain its lost glory as a key industrial sector for our economy. Mining really matters for the growth, transformation and development of South Africa.”

In conclusion, Roger Baxter said: “It falls to me to sincerely thank outgoing Chamber President, Mike Teke, for his three and a half years of inspired and astute leadership, and its Vice Presidents, Andile Sangqu and Neal Froneman, for their unstinting support and guidance during the year. Thanks must also go to Graham Briggs, who retired as Vice President in May 2016. As always my thanks go, too, to the Chamber Council, to our executive team and the Chamber’s entire staff for all the progress we have made in the period under review. We welcome the new Office Bearers, and look forward to their support and counsel.”

Mike Teke’s full address may be viewed at <http://www.chamberofmines.org.za/industry-news/publications/presentations/send/7-2015/429-address-mike-teke-127th-agm>

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