



KEYNOTE ADDRESS BY THE HONOURABLE MINISTER OF MINERAL RESOURCES, MR MOSEBENZI ZWANE (MP) ON THE OCCASION OF THE 2016 ANNUAL INVESTING IN AFRICAN MINING INDABA, 8TH FEBRUARY 2016, CAPE TOWN

Organisers of the 2016 Mining Indaba
Programme Director, Mr Jonathan Moore
Your Excellencies, Ministers and Deputy Ministers present
Leadership of organised labour
Captains of industry
Representatives of civil society and communities
Esteemed members of Parliament
Chairperson of the Portfolio Committee
Chairperson of the Select Committee
Members of the diplomatic corps
The investment community at large
Distinguished guests
Ladies and gentlemen

Sanibonani, molweni, dumelang, avuxeni, lotjhani, thobela, ndaa, goeie more, good morning – on behalf of the people of the South Africa, I hereby extend a warm South African welcome to all of you.

I would like to commend the organisers for doing such a remarkable job in putting together this event – you do indeed make us proud.

There is an ebb and flow to life. There are highs and lows. There are sunny days and gray days, summers and winters. The 2016 Mining Indaba comes at a time when the mining industry is in its winter season, a season which some have characterised as a crisis.

During my first four months in office, I have taken the time to understand the views of the industry. After much reflection, I am convinced that during our summer season, as an industry, we have failed ourselves in not preparing better for this winter.

Having said that, the question that we need to ask ourselves is this – what lessons can be learnt to ensure that as we move into the next season, our workers don't remain the ones worst affected by the winter.

During my engagements with stakeholders over the past few months, you have shared your views with me and we have had robust discussions. Through these engagements, I believe that I have gained an understanding of the pertinent issues facing the industry, issues that you, as stakeholders, consider to be essential to moving the mining industry into new and sustainable heights.

You have indicated to me that regulatory certainty is necessary.

I appreciate the importance of regulatory and policy certainty. I assure you that the democratic Government as led by the ANC has prioritised the processing and finalisation of the MPRD Amendment Bill as a matter of urgency in order to entrench the necessary certainty.

We are also in the process of reviewing the Mining Charter. It is an important transformation tool and its targets remain applicable beyond 2014. The social and labour plan commitments constitute a critical component of restoring and sustaining the dignity of mineworkers and communities.

You indicated that political stability is necessary.

We continue to deliver a stable democratic State, with the fifth consecutive Administration ushered in through another free and fair national election, in which the oldest liberation movement, the African National Congress, secured in excess of a 62% majority.

The stability of our democracy is sustained by our commitment to one of the most progressive Constitutions in the world, reinforced by prudence of monetary and fiscal policy, as well as respect for the rule of law, which has assisted us to navigate the changes in the global economy over the years. In terms of the Constitution, our legislation and the regulatory framework provide the highest order of protection of investment. In terms of the latest global competitiveness rankings, South Africa features favourably with regards to inter alia financial market efficiency, transport infrastructure and property rights - As government we will continue to create an enabling environment for investment and the ease of doing business in the country.

You indicated the importance of stable labour market conditions. In dealing with labour stability, we reaffirm that striking is a Constitutional right of workers. Together we have created a stable mining environment through the Presidential led Framework Agreement for a Sustainable Mining industry. There are now fewer disruptions in the industry, enabling operational activities to stabilise under the circumstances. However, we should take lessons from the protracted platinum strike in which there were no winners and ensure that such events are not repeated.

It is our view that the commitment of stakeholders to dealing with these matters will go a long way in addressing negative perceptions about the labour market conditions.

Ideologies and tactics employed by labour organisations in the sector may differ, but they remain the vanguards of the working class. This divergence of ideas should not find expression in any form of violence or intimidation. Focus should be on co-existence in a manner that advances our

development objectives including the betterment of working and living conditions of mineworkers.

You also indicated that job losses remain a concern.

Leaders in the industry convened under the auspices of the MIGDETT – the Mining Growth, Development and Employment Task Team MIGDETT and committed to a 10 point Declaration in an attempt to save jobs and ameliorate the impact of job losses. We intend to ramp up implementation of the contents of the Declaration to minimise the impact. I call upon captains of industry to deal with this matter responsibly, after proper consultation with all affected stakeholders, especially the workers.

Some of you indicated that restructuring was inevitable for the sake of ensuring sustainability for your businesses.

You indicated that empowerment and transformation of the industry was taking place at a very slow rate. Our quest for inclusive economic growth - including empowerment of women, the youth and other members of vulnerable groups - is designed to help us achieve the type of society where everyone has a better life. We will provide requisite support for this new generation of miners, which we anticipate will be characterised by junior to mid-tier mining companies.

Restructuring of assets must be done in a respectable and responsible manner that also assists in the empowerment of our people.

It is clear that research and development need increased support.

Government is investing in research and development throughout the mining, minerals and upstream petroleum value chain.

We are investing in the pre-competitive exploration phase in which the State through the Council for Geoscience is being resourced to apply latest technology in order to enhance exploration interest. Our goal is to substantially increase the share of the global exploration expenditure.

There is a perception that the mineral resources of this country belong to those who live near it.

We should collectively be able to ensure that all the people of South Africa benefits from the mineral resources of the country and once we have given rights to a particular right holder, we should be able to help them develop without any hindrances.

We will continue to advance the industrialisation of the country through the beneficiation of our minerals in line with the 9 point plan, which aims to sustainably and inclusively grow the economy of the country.

Ladies and gentlemen, the manner in which workers are treated has a profound impact on productivity – an unhappy worker cannot be a productive worker. People must be treated with dignity and respect.

You indicated that health and safety is of paramount importance. We have since made great strides in fighting fatalities in the workplace. Hence our lowest statistics in 2015. Our congratulations go to the following mining companies for going for more than 12 months without a fatality – De Beers, Exxaro, Sasol, Northam Platinum, Pilanesberg Platinum, African Rainbow Minerals, South 32, Aquarius Platinum South Africa, Total Coal South Africa, Kuyasa Mining, Coal of Africa, Eskom Ingula Pumped Storage,

Foskor, Rio Tinto Richards Bay Minerals, Lafarge, AfriSam, Petra Diamonds and Trans Hex Mining.

For those of you who are not part of the list of companies above, much more still needs to be done in ensuring that we reach our target of zero harm. The Department through its health and safety inspectors, the unions and the industry – lets all work together to achieve this goal. We have seen that it is achievable. We will be holding a Mine Health and Safety summit in November to review our current commitments.

Whilst we may be heartened by the health and safety performance achieved in recent times, we cannot be complacent. This year has begun with a series of tragic incidents, the most recent being the Lilly mine accident – our prayers continue to be with the miners and their families.

The quest to achieve zero harm in the mining industry remains a priority. We all have a joint responsibility to ensure the safety of our workers. The Department will continue to be hands-on in enforcing compliance to the Mine Health and Safety Act. We urge organised business and labour to take extra ordinary measures in protecting human life.

Skills development is a necessity for the sustainable development of the mining industry. In this regard, the Department is collaborating with the Department of Higher Education and Training and other stakeholders through the Mining Qualification Authority to continuously improve on the skills of the youth, mineworkers as well as communities in mining and labour sending areas.

You have indicated that diversification into other new areas of exploration is necessary.

South Africa has relatively good prospects for upstream oil and gas development including shale gas. We are encouraged by the level of interest expressed in in this emerging industry and government has already strengthened the regulatory framework relating to oil and gas development.

The African Continent is indeed the right address for investment directed towards mining and minerals development in line with the African Mining Vision.

South Africa is a member of the global community. Our bid to host the 35th International Geological Congress in 2016 was successful, and will be held from 27th August to the 4th of September 2016. All are invited to participate in this exciting work to ensure that this “World Cup of Geology” becomes yet another truly African experience for all participants.

I am optimistic that as investors and analysts present here, you will evaluate the investment prospects of the Continent appropriately and take a long-term and comprehensive view.

As Minister of Mineral Resources, I serve the people of South Africa. I will continue to execute this responsibility with due consideration and unwavering courage. As part of my open door policy, I commit to frank and robust engagement with you at all times. I am directed by the same will that mobilised efforts that resulted in the democratic dispensation we enjoy today.

It is that conquering spirit that inspires me today in facing our immediate challenges. As a unified people we have overcome the great evil of apartheid and united we face the triple threat of poverty, inequality and unemployment.

Ladies and gentlemen, I declare the 2016 Mining Indaba officially open.

I hope you will take some time, in between your engagements, to experience the beauty and the warmth of our country and enjoy the Mother City.

I thank you.