

# Bristow pulls no punches on mining's short-sightedness

 By Nicci Botha 7 Feb 2017

Randgold CEO, Mark Bristow lambasted mining companies and the government equally in their failure to work together and to come up with long-term plan to weather the unpredictability of the industry.

Speaking at the [Investing in African Mining Indaba](#), Bristow started off by asking the question: "Where do we go and how we get there together?"



He then quoted the French saying that translates into: 'The more things change the more they stay the same', pointing at the mining industry and the government's inability to recognise the cyclical nature of the commodity prices.

"What I remember of the supercycle is that no one saw it coming, and no one saw it ending," he said.

He then questioned why no real value was created during the good times. "In the peaks, mining companies are chasing profitability and then they are struggling to survive in the troughs. It's the industry's reckless behaviour in the supercycle that left them with major debt."

## Myopic behaviour

He said that this kind of behaviour has driven the industry into a pattern of not looking beyond the next quarter. In addition government and industry plans are based on much higher commodity prices than are being experienced currently. "In fact all commodities are trading lower than before the supercycle."

He said the government was equally guilty in its reluctance to manage the cycle, by also reaping the benefits in the good times through mining codes, but not supporting the industry when things go bad. "There is a need for a constructive government/industry partnership, not one where one is mimicking the myopic behaviour of the other."

"We need to unlock continent's wealth," Bristow said. "While Africa is still place to go for gold resources, investors retreat to safer hunting grounds due to restrictive mining codes and political instability."

## Changing the short-term mindset

He explained that the lower quality of gold reserves elsewhere is making investors come back to Africa.

“Is the industry leadership capable of changing short-term mindset? The biggest single threat to sustainability is the non-replacement of depleted reserves,” he said.

The only way to halt decline is not to engage in dubious deals and to cut through the swathe of legislation to achieve the long-term goal of sustainable, profitable mines. “I would like to reinforce that we need to work together to build new mines and show investors Africa is the place to be,” Bristow concluded.

*The Investing in African Mining Indaba conference takes place at the CTICC from 6-9 February 2017.*

## ABOUT NICCI BOTHA

Nicci Botha has been wordsmithing for more than 20 years, covering just about every subject under the sun and then some. She's strung together words on sustainable development, maritime matters, mining, marketing, medical, lifestyle... and that elixir of life - chocolate. Nicci has worked for local and international media houses including Primedia, Caxton, Lloyd's and Reuters. Her new passion is digital media.  
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