

Concerns on Impala Platinum restructuring plans

Impala Platinum's announcement to restructure the company is disconcerting considering the high unemployment rate in the country as reflected in the latest Stats SA survey, says Mineral Resources Minister, Gwede Mantashe.



Gwede Mantashe, minister of mineral resources

“Now is the time to work collectively and make our country prosper, and desist from behaviour that is careless and without foresight,” he says.

On Thursday, Implats announced that its board of directors had approved the next phase of the implementation of Impala Rustenburg's strategic transformation.

“This followed the recent completion of a strategic review aimed at restoring the Impala Rustenburg operation to long-term sustainability and profitability,” the company said.

Job losses

The plans, which will be implemented over a two-year period, are expected to result in about 13,000 job losses. Impala Rustenburg's mining footprint will be reduced from 11 to six operating shafts.

“The ministry, once more, urges Implats to reconsider its actions and return to the process we all agreed upon. Now is the

time to work collectively and make our country prosper, and desist from behaviour that is careless and without foresight,” the ministry says.

According to the minister, the department was still at the beginning of engagements with Implats wherein the company was encouraged to consider different options of saving jobs and keeping their operations working.

“We have consistently maintained that only an industry that does not regard workers as a valuable asset behaves in this manner. Implats actions are a display of arrogance, hence they can go against the grain at the time when the president of the republic is calling on all of us to put shoulder to the wheel in turning around our country's economic fortunes,” Mantashe says.

Task team

Department of Mineral Resources Director-General, Advocate Thabo Mokoena, has established a task team to consider in greater detail Impala Platinum's restructuring plans.

“Government is of the view that as far as possible retrenchments should be considered only as a last resort, after all other possible options have been considered,” Mokoena said.

Only option

Implats CEO, Nico Muller, said the only option for conventional producers today is to fundamentally restructure loss-making operations to address cash-burn and create lower cost, profitable businesses that are able to sustain operations and employment in a low metal price environment.

“While employee rationalisation is inevitable in a restructuring process of this nature, due care will be taken to ensure that job losses are minimised as far as possible through a range of job loss avoidance measures.

“This major transformation will be phased over a two-year period to ensure that we are able to mitigate the various implementation risks and socio-economic impacts,” Muller said.

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