

Shabangu assures mining students

JOHANNESBURG: Is the future of mining threatened in South Africa? Is the country about to lose its status as the continent's mining power house? And what is the government doing to address skills shortage in maths and science?



These were some of the questions Mineral Resources Minister Susan Shabangu had to field from a group of mining students at a mining conference at Wits University on Saturday, 27 July 2013.

Organisers said the conference aimed at giving students "first hand" experience of the dynamics taking place in South Africa's mining industry.

The mining sector remains the backbone of South Africa's economy contributing largely to the country's GDP. But the industry has been plagued by a number of challenges in recent months since wildcat strikes started in Marikana last year.

This resulted in 61% of gold mines and 59% of platinum mines reporting losses in profits and production.

But Shabangu, in an interactive question and answer session with the group of about 100 students, moved to allay their fears assuring them that they had a future in the industry.

"We are working with the mining industry to address some of the challenges that we have but one thing I can assure you of is that the future of mining in South Africa looks bright," she said.

She said there was a tendency by some to view the mining industry "through the prism of what happened at Marikana and to draw conclusions that do not have a bearing on the reality of the situation on the ground".

But Shabangu acknowledged some of the challenges that are still tormenting the industry including slow transformation.

"If we don't come up with a game changing plan, we are going to close shop in South Africa as a mining country. We have to make sure that we have the right skills and that we transform.

"I'm very passionate about the role of higher education institutions in making a contribution in our mining space"

The minister told the students that South Africa's mining industry needed to invest more in terms of innovation.

"Any successful country if you look at Japan and the rest, it's all about investment in that space, we can't continue to export raw material, we must be innovative, we can't continue to move forward without innovation."

She blamed the challenges facing the platinum sector to "recycling".

"20% of the platinum that is used in the world today is recycled and that is posing a problem for us because it means we are losing on 20%. This is a serious challenge for us,"

Shabangu said the current challenges facing the industry were not permanent.

The trends in urbanisation and industrialisation in China, India and other emerging markets, including Africa, will add almost three billion people to the world population by 2050.

"This massive window of possibilities will require significant quantities of minerals to support it. This gives concrete expression to the saying "if it can't be grown it has to be mined".

Other observers singled out union rivalry as the source of instability in the mining sector particularly the platinum belt.

But speakers at the Student mining indaba were adamant that despite the challenges the country's mining sector had a bright future.

"This is not the first time that the mining industry is experiencing problems. We had challenges in the past but we emerged stronger than before, there will be ups and there will be downs and ups again," said Gisele Gips Anglo American's Technical Development Manager.

"Mining touches every aspect of our lives and it will continue to do now and into the future," she said.

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