

Reinvigorating mining will bring growth

Leaders in the South African mining industry came together at the Joburg Indaba to discuss key issues around the current economic and regulatory environment. This included what must be done to invigorate the industry, encourage growth and employment by winning back investor trust and boosting foreign direct investment.



Minerals Council President Mxolisi Mgojo

“SA’s economic trajectory remains unsustainable: We need to implement reforms urgently to create a better life for all and there’s no better place to start than with the mining industry by creating a new paradigm that shifts us from merely sharing value to helping create enduring value for all,” said Mark Cutifani, Anglo American chief executive, who was inducted into the SA Mining Hall of Fame this week.

Modern mining

Embracing modern mining and new technology by navigating a transition that is sensitive to the financial and social complexities is critical, he says.: “Modern mining is the opportunity for SA to regain its competitive edge. The future of mining will be fundamentally different if we are going to be genuinely sustainable and SA has a leading role to play in the change that will take place globally.

“Technology is opening up opportunities for the industry to be more productive; it’s no longer about bigger trucks, but about being smarter, more precise, moving less waste material and having less physical impact.”

These new technologies, alongside new and better people management techniques, will help the industry in another challenge - its drive to achieve Zero Harm (Every mineworker returning home, unharmed, every day) according to Minerals Council President, Mxolisi Mgojo. This year has seen 35 mining deaths – down 87% since 1993.

Climate change

Seriti Resources CEO Mike Teke emphasised the need for parastatals to start operating optimally: “I am not a climate change denialist; we have major environmental issues in SA, but our challenge as a continent is that we will continue to use coal for a long time while we progress to new technologies.”

Anglo American Platinum CEO Chris Griffith said this challenge could be partially alleviated by allowing miners to generate renewable energy sources themselves: “We need Eskom to close down unreliable, expensive power stations and get investment into renewable power; Eskom needs to take drastic action – its sustainability is a key risk to our economy.”

He added that investors are sending the industry an important message: “They want return on their investments. They are incredibly critical of us and our ability to generate returns. They are sending clear signals that they want us to generate money, not volume.”

South32 COO Mike Fraser spoke to the enormous impact climate change will continue to have on the mining industry with the global shift towards a low-carbon economy: “We are already seeing the impact on our coal market in terms of export prices out of SA.

Social pressure

“We face a number of other challenges in terms of community unrest, social pressure and the availability of power. If we don’t manage these they will detract from us delivering. Last year we saw an escalation of protests outside mines and an increase in illegal mining activity. We cannot continue to do business this way. Unrest will become more frequent unless we find a way forward; we need to remain committed to finding sustainable ways to address the concerns of communities.”

With a direct contribution of mining to GDP of R350.8bn and direct employment for 456,000 people (Minerals Council SA), mining is a sector that should be helping grow the economy, not disposing of assets and downscaling operations, noted ENSAfrica Director, Ntsiki Adonisi-Kgame.

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