



mineral resources

Department:
Mineral Resources
REPUBLIC OF SOUTH AFRICA

**Address by the Deputy Minister of Mineral Resources, Mr
Godfrey Oliphant, at the Southern African Liaison Office
Workshop, 16 March 2016, Pretoria**

Dr Showers Mawowa and Ms Molly Dhlamini, SALO Stakeholder Liaison Manager

H.E Judith Macgregor, The British High Commissioner, South Africa

Mr Roger Baxter, Chief Operations Officer, Chamber of Mines of South Africa

Mr Vic Van Vuuren, Director, International Labour Organisation (ILO)

Mr. Fumani Hoveni, Deputy President, Global Business Roundtable, (GBR, South Africa Youth Chapter

SALO Board of Directors

Distinguished guests

Ladies and gentlemen

Good morning

I first would like to thank SALO for inviting me to this 'Extractive Futures' dialogue series. It is indeed a great pleasure and honour to address distinguish audience like yourselves who endeavor to make Africa a better place for all who live in it by influencing the current thinking and debates on foreign policy.

The month of March is commemorated as Human Rights Month in our country. This must also be a time where more emphasis is placed on protecting and promoting human rights. I would like to emphasize the fact that the South African government endeavors not only to protect and promote the human rights of its citizens but also those of non-South Africans. As a country, we have at heart what our Supreme Law, the Constitution, asserts. It proclaims that everyone is born with inherent dignity, value and worth.

The Constitution, as you all might know, is the 'new democratic' South Africa's response to the negative effects on our past.

Dr Pregis Govender who is the Deputy-Chairperson of the South African Human Rights Commission explains Apartheid as a crime against humanity, was a political, military, economic and social system that denied human rights on the basis of race. She also is

of the view that it systematically formalised the theft and exploitation of land, mineral, natural and human resources that had begun centuries before. I urge all of us to in our everyday work to protect and promote human rights, especially those of society's vulnerable groups.

I have been invited here today to focus on the African Mining Vision and Investment Promotion in South Africa. I would like to reiterate the country's support for the African Mining Vision and the pillars supporting its action plan.

Ladies and gentlemen,

The African Mining Vision (AMV), as you all might know, was adopted by Heads of State at the February 2009 AU summit following the October 2008 meeting of African Ministers responsible for mineral resources development. It is Africa's own response to tackling the paradox of great mineral wealth existing side by side with pervasive poverty. This vision is crucial in the development of this continent because of the 54 countries we have, 46 have mineral resources of commercial importance.

Africa produces over 10% of the world's minerals by value but remains poor despite a continuous and profitable history of mining that dates back to colonial times. Mining in Africa should accelerate socio-economic development which in turn eradicates poverty, inequality and ultimately improve the living standards of communities.

The African Mining Vision is holistic; it requires us to think outside the 'mining box' in order to ensure the integration of mining into development policies at local, national and regional levels. This is where organisations like SALO should foster partnerships with government in order to make this vision a reality. As a country, we support growth in Africa through regional integration and direct investments. The Ernst and Young Africa's Attractiveness 2014 survey reveals that South Africa has been at the forefront of growth in intra-African and broader emerging market investment, and was notably the single largest investor in Foreign Direct Investment projects in Africa in 2012. Our trade with Africa has grown significantly particularly in the Southern African region absorbing value added and capital goods.

Programme Director

The South African government has established necessary building blocks for regional and international partnerships to ensure an orderly development of the mining sectors, which benefits investors and African communities. We further support a number of African countries with geological mapping and generation of related geo-scientific knowledge necessary to decipher the real mineral development potential and attraction of necessary investment.

South Africa is the richest country in the world in terms of proven mineral resources. The country will continue to mine for the next 100 years plus. We have just discovered the new rocks which are in the process of mining development and will assist the country to move forward in significant way. South Africa has more knowledge, experience and expertise in the mining industry and mining stakeholders do invest a lot in the South African Mining industry. Council for Geoscience had 100 years of mining data and also much experience.

We must not forget to address the environmental aspect in the mining industry as a critical aspect.

I would like to take this opportunity to invite you to the upcoming 2016 International Geological Congress (IGC) to be held in Cape Town. The Congress will provide an opportunity to create and harness geoscience research partnerships; advance fundamental and applied research in the earth sciences globally, as well as serve as the foundation for many future initiatives in research and mineral and petroleum exploration.

As a country, we are privileged to be a founding member and an inaugural chair of the Kimberley Process Certification Scheme. I wish to acknowledge SALO for the partnership we had during the Kimberley Process in 2013. The Kimberley Process (KP) is a joint governments, industry and civil society initiative to stem the flow of conflict diamonds – rough diamonds used by rebel movements to finance wars against legitimate governments. To date illicit trading of diamonds has been significantly reduced from approximately 4% in 2003 to well below 0.4% of total annual sales.

Ladies and gentlemen

South Africa, last month, was the host to the Annual Investing in Mining Indaba. The Conference is the world's largest gathering of mining's most influential stakeholders and decision-makers vested in African mining. It is expected that the conference will provide exposure and, present a platform for the country to set the developmental tone and promote mining investment. As government, we successfully managed to promote the country as a competitive investment destination of choice. We further engaged the industry in an investment dialogue that will focused on South Africa's mining industry in relation to investment, innovation, competitiveness and sustainability. Various issues impacting on mining where deliberated upon. These include the referral of the Mineral and Petroleum Resources Development Bill back to Parliament by President Jacob Zuma. The referral is to ensure that when the Bill is eventually assented, it passes Constitutional muster.

MPRDA and the Mining Charter were implemented in 2004 which address among other issues of beneficiation, procurement, living conditions of workers, 26% black management in the mining companies and so forth. We are currently in the process of evaluating compliance as at the end of 10 year agreed upon which ended in December 2014. Report in this regard should available by the end of March 2015,.

The issues of Mine, Health and Safety are also critical, the government, labour and industry have committed to achieving the 2014 Mine Health and Safety Summit agreements which includes among others zero harm, zero fatalities campaigns.

For the last five months of 2014, we have conducted mining commercial workshops in the Northern Cape and North West which focusing on procurement and enterprise development in the industry as per the provision of the mining charter. We are encouraged by the commitment made by the participating companies to "live the charter". We will continue this journey in other provinces to ensure cooperation and compliance by mining companies.

To address the issue of ex-mineworkers, the government has build *One Stop Shop service centres* in the following areas: Umtata (EC), Carletonville (Gauteng) and in the process of building one in Kuruman and Kimberly (Northern Cape) and Burgersfort (Limpopo) before the end of the year- 2015.

Another prominent issue deliberated at the Indaba was the President-led Framework Agreement for a Sustainable Mining Industry. This Framework Agreement is a forum between government, business and labour. The forum has already made progress in implementing some projects as per the action plan. Some of the projects that have been implemented are:

- Mine Crime Combating Forums have been established in the North West, Limpopo, Free State, Mpumalanga, and Gauteng provinces.
- There has been progress in terms of the revitalisation of mining towns with a total of R2.1 billion ring-fenced for housing and R290 million approved for informal settlement upgrading in Mpumalanga, North West, Gauteng, Northern Cape, Limpopo and the Free State.
- Government, the mining sector and the Banking Association of South Africa signed a Social Contract for the development of sustainable human settlements.
- Mining towns are also being assisted with the implementation of the 'Back to Basics' municipal service delivery strategy.

South Africa remains a competitive business and investment destination of choice. Our country is the last frontier country for petroleum development including off-shore oil and gas as well as shale gas prospects. The country presents a number of unparalleled opportunities, a six-week long process aimed at accelerating the economic development of the county's ocean economy, including the petroleum industry revealed that potential offshore resources are estimated at 9 billion barrels of oil and about 600 trillion cubic feet of gas.

Ladies and gentlemen

We as from 8 December commenced with the rollout of the “One Environmental System”, which will see the streamlining of the licensing processes for mining, environmental authorizations and water use. The System will drastically reduce the number of days it takes to start a mining operation in the country, thus contributing to keeping South Africa an attractive mining destination. The System will make it possible mining authorizations to be issued within 300 days maximum at the most.

Exploration holds the key to the future of the mining industry; South Africa has in this regard identified a need to refocus our energies to restore our eminence in exploration activities and investment. Mineral Resources Minister Advocate Ngoako Ramatlhodi, at the 2015 South African Investment Seminar at the Prospectus for Developers Association conference in Toronto, Canada on 1 March 2015 said “since the bulk of our known resources and reserves were uncovered using conventional exploration techniques and methodologies, we are mindful of the importance of research and development (R&D) to exploration.”

Ladies and gentlemen

Like any other industry, mining has challenges. As we might all be aware, South Africa, particularly the mining sector, has been under severe scrutiny and pressure due to the current electricity challenges. However, I would like to assure you that the South African government is working hard to resolve these challenges and to provide the soundest possible operating environment to continue to innovate and succeed in a way that will make.

We, through the President-led Framework Agreement for a Sustainable Mining Industry, have decisive steps in returning relative stability to the sector, following protracted labour challenges. We are also proactively engaging with both investors and labour unions, in the mutual interest of the industry and the economy. Minister Ramathlodi met last month with with CEOs of companies in the coal and platinum sectors. This clearly shows that we are committed in finding lasting solutions to current challenges in the sector.

As we meet today, I urge and encourage you all to fully utilize this time to interact and make meaningful contribution under the theme “Extractive Futures” Dialogue.

I thank you.