



**MINERAL RESOURCES AND ENERGY  
REPUBLIC OF SOUTH AFRICA**

**REMARKS BY THE HONOURABLE  
MINISTER OF MINERAL RESOURCES AND ENERGY  
MR GWEDE MANTASHE  
AT THE MINERALS COUNCIL OF SOUTH AFRICA  
ANNUAL GENERAL MEETING  
25 MAY 2022**

Programme Director,  
President of the Minerals Council South Africa, Ms Nolitha Fakude  
Executive members and representatives of mining houses  
Officials of the DMRE  
Ladies and gentlemen

Allow me to appreciate the invitation from the Minerals Council South Africa (MCSA) to participate in its 132<sup>nd</sup> Annual General Meeting (AGM).

Our participation is in line with our long-standing commitment to participate in regular and meaningful engagements with the industry to bolster our relationship.

The Minerals Council of South Africa is urged to continue playing its relevant role in the sector. We have observed with concern that the industry bargaining system is being dismantled by some companies who are taking the industry back to the pre-1983 period where workers were treated as just assets.

We cannot allow this to happen under our watch. The industry must appreciate that it is the workers who convert investments into wealth. They deserve to be treated with respect. I, therefore, appeal to the industry to appreciate that it is the responsibility of all of us to avoid long and acrimonious strike action. Our country and the economy face real challenges that require overcoming such obstacles to place it on a positive and upward trajectory.

#### **FRASER INSTITUTE ANNUAL SURVEY**

The 2021 Fraser Institute Annual Survey requires a detailed analysis by all social partners in the South African mining industry. We must, collectively, attend to the low rating of our country on investment attractiveness, attributable to external factors that adversely impact on the industry, that is, power outages (loadshedding), operational inefficiencies at ports and cable theft.

We must, equally, reinforce the work done on areas where we are doing well such as policy attractiveness and availability of skills and labour. We must be seen to be working and not merely responding to ratings.

The industry must do a detailed analysis of this report despite the flaws in the institute's research methodology.

## **JUST ENERGY TRANSITION**

When participating in this debate, the industry must appreciate that the debate should cover the journey from high carbon emissions to low carbon emissions. It is not about pitting one energy source or technology against the other. Ours is about securing reliable energy supply.

The sector must inform content of the just energy transition. It must discuss its approach to coal, as there is a growing need to invest in clean coal technologies to ensure exploitation and an efficient use of this critical mineral that we have in abundance.

The industry – especially the coal sector, should seek means to collaborate with the Council for Geoscience which is undertaking a research project on carbon capture storage in Mpumalanga. The results and outcomes of this project are critical to assisting the industry, and the country at large, of what needs to be done.

## **TRANSFORMATION**

Transformation is not just about the numbers, but it is about the content. The industry must discuss the role of black and female executives. We must meaningfully commit to ensuring transformation as a means towards economic growth and development in our country. In doing so, the industry must discuss its relations with the communities it operates in. We must, collectively, develop a coherent approach for the sector.

Alongside transformation is the need for competitiveness and support for emerging companies that are looking for opportunities.

## **CARE AND MAINTENANCE**

The industry must also discuss the issue of mines and shafts that are put under care and maintenance to sterilise opportunities. Such action not only contributes to a decline in production, but also to a decline in the sector's contribution to economic growth, and thus, deprives the country of the much-needed creation of employment opportunities.

Our law permits us to apply the use it or lose it principle in response to operations that deliberately sterilise deposits. We firmly believe that the country must explore, prospect and mine its mineral resources for the benefit of the people of South Africa. Therefore, operations under care and maintenance ought to be released to the companies that are looking for opportunities and are willing to mine.

## **TEMPTATION TO INSULT THE STATE**

We have observed a growing temptation to insult the state by strong and powerful mining executives. Such executives have no regard for the industry's international ratings and its relations with government which makes it difficult to process industry issues.

The industry must further discuss the role of business associations who also find it fashionable to insult government and the governing party - ANC, projecting them as speaking for the sector.

## **EXPLORATION**

Addressing the challenges facing our public electricity utility is key to our exploration strategy which has been gazetted. The industry is expected to continue to scrutinise and sharpen it towards implementation. What will not help is an approach that seems to want to distance itself, through public statements, from the process. The industry should ensure that it owns the strategy if it is going to be our collective effort for mining prosperity and national economic recovery.

## **CONCLUSION**

As I draw towards a conclusion, I appeal to the industry to make it its business to communicate a positive message about itself. It must state, without exaggeration, the challenges before us and propose reasonable solutions on how we should all overcome them.

I wish you well in your deliberations and look forward to the outcomes of this AGM.

**Thank you.**