

MEDIA STATEMENT

CHAMBER OF MINES NOTES DMR STATEMENT

Unilaterally designed Charter will destroy investment and jobs to the benefit of select few

Johannesburg, 8 August 2017: The Chamber of Mines notes the media statement issued by the Department of Mineral Resources (DMR) on Monday, 7 August 2017 announcing the late filing of the department's answering affidavit to the High Court in response to the Chamber's urgent application to interdict the implementation of the DMR's Reviewed Mining Charter.

The Chamber notes the aggressive nature of the statement, and also the manner in which the statement makes judgments that are properly the province of the High Court. We will seek to limit our comments to matters of fact and of public policy.

The DMR in its statement continues to claim that the Chamber is opposed to transformation. This is simply not true, and the ongoing changing of the face of the industry over many years demonstrates that. The Chamber's only proviso is that real transformation must be implemented with due regard to what is achievable bearing in mind the realities of the situation the industry faces.

In contrast, the transformation advocated by the DMR in its Reviewed Charter is designed to benefit the interests of a select few while killing any appetite for investment and leading to further job losses in an industry that has already experienced a significant reduction in employment levels over the past few years.

The DMR's Reviewed Charter is designed to extract billions of rands in revenues annually from mining right holders into an agency controlled solely by the Minister of Mineral Resources. This agency has no governance in place and the irresistible conclusion is that its purpose is not to benefit transformation. There is no transparency or, indeed, any indication as to who will ever have the opportunity to access these funds, and how the funds will be applied in a publicly accountable manner. This is further an unconstitutional attempt to collect an additional tax.



Claims that the DMR and the Chamber have met on 17 occasions between April 2016 and March 2017 are misleading. The DMR disingenuously confuses the meetings held to resolve the declaratory order court process to resolve the issue of continuing consequences of previous black economic empowerment transactions, which was started long before the first draft of the unilaterally developed Reviewed Charter was published by the DMR, with actual discussion about the Reviewed Mining Charter. According to the Chamber's records and detailed notes from each meeting, only two meetings in 2016 were related to non-ownership aspects of the Reviewed Mining Charter. In each of these meetings the DMR only listened to the Chamber's inputs without providing input or taking these into account. During 2017, the Chamber met with the DMR on six occasions where some non-ownership elements were discussed, but the primary focus was on the declaratory order court application.

The DMR then published another version of its Reviewed Charter on 15 June 2017, which was substantially different to the version published previously. Again, this was the first time the Chamber had sight of the document which contained substantive provisions never before discussed between the parties. This cannot honestly be described as consultation. This is unilateral determination.

The DMR's Reviewed Charter will not serve the interests of South Africa. It is aimed at benefitting a select few, will destroy investment, lead to further job losses and will cause irreparable damage to the mining industry.

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