



#NotOurCharter

#FiveReasonsWhy

THE DMR CHARTER IS BAD FOR MINING, BAD FOR SOUTH AFRICA

1



The DMR's Mining Charter is **bad for investment and growth**, and all citizens – not just mining companies, employees and communities – will suffer as a result of its negative impact, including through the erosion of life savings (pension funds) of millions of South Africans.

2



The DMR's charter **provisions will raise costs** in the mining sector through direct and hidden levies, threatening the sustainability of current operations, and the viability of new ones. As many as 100,000 direct and 200,000 indirect jobs could be threatened in the short to medium term as a result.

3



In the absence of a **growing mining sector**, real empowerment will be limited by a shrinking 'pie', and current shareholders – including BEE shareholders, communities, employees and pension funds will not realise the true value of their investments. A large portion of the hidden levies will flow to an unaccountable fund, the MTDA, whose objectives and governance structures are undeclared. Communities, employees and companies will lose line of sight of the funds that are meant to improve social delivery and training and development.

4



The DMR's charter has **been unilaterally developed, without proper consideration of the views of key stakeholders**. While the DMR counts the Chamber as a single stakeholder, it in fact represents 90% of the mining industry by value, and the implementers of the Charter. By not taking into account any of the Chamber's serious concerns, the DMR has acted in bad faith.

5



The DMR's charter has been developed by a **department which lacks integrity, capacity and credibility**. The DMR's leadership team is facing allegations of corruption and state capture. Given that its charter aims to benefit 'black' persons naturalised after 1994, it appears as if the Minister is not operating on a mandate for the national interest.