



CHAMBER OF MINES
of South Africa

MEDIA STATEMENT

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CHAMBER OF MINES REJECTS UNILATERAL IMPOSITION OF THE DMR'S CHARTER ON THE INDUSTRY

*Chamber will pursue declaratory order
Will serve interdict to suspend implementation of Charter
and to take DMR Charter on review*

Johannesburg, 15 June 2017: The Chamber of Mines of South Africa notes the publication today of the Department of Mineral Resources' (DMR) version of the Reviewed Mining Charter.

The Chamber rejects the unilateral development and imposition of the DMR's Charter on the industry, and is of the view that the process that was followed by the DMR in developing its version of the Reviewed Mining Charter has been seriously flawed.

Unlike previous Charters, where stakeholders in the sector worked together to produce a stakeholder-agreed charter, the DMR chose from the outset to produce and publish its own draft in April 2016, without engaging the industry in its conception, or even in structures such as the tripartite Mining Industry Growth Development and Employment Task Team (MIGDETT). In fact, MIGDETT has been dormant for over a year, prior to the Chamber receiving an invitation to attend a meeting at 09:00 this morning, with less than 24 hours' notice.

The Chamber reiterates its full support for and commitment to meaningful transformation in the mining industry. A great deal of progress has been made by the industry on transformation, but the journey is not yet over. By way of example, Chamber members have achieved ownership empowerment levels of 38% on average (compared to the 26% target set out by the Mining Charter). The value of empowerment transactions since 2000 amounts to over R205 billion in 2014 money terms. The value of meaningful economic value transfer between 2000 and 2014



amounts to R159 billion. Currently, more than 50% of management positions are occupied by historically disadvantaged South Africans.

Chamber of Mines President Mxolisi Mgojo comments that, “The lack of meaningful engagement with the industry, and collective engagement with all stakeholders, has been most disappointing.

The industry *is* committed to transformation and would have been happy to negotiate with government and other stakeholders on new terms and targets for the period ahead. Transformation should be implemented in a way that is sustainable, with practical and rational targets. Transformation and competitiveness goes hand in hand.”

“It would be irresponsible of the industry to accede to unworkable targets and unnecessary institutions that are not founded in reality, or that do not have the interests of the industry at its heart. We are committed to being part of a process that arrives at an outcome that is aimed at simultaneously transforming, growing and sustaining the industry.

“The Chamber and its members are in concert, and will be resolute in defending our industry in the interests of the industry, and the country. We are exceedingly disappointed that the Minister has chosen not to use the traditional forums that have been in place for over a decade to engage meaningfully.”

Prior to its publication in the Government Gazette today, the Chamber and its members had not had sight of the actual Reviewed Mining Charter since the April draft was published in 2016.

The Chamber will now be studying the contents of the DMR’s Charter to evaluate its potential impacts, and will respond accordingly.

The Chamber has advised its legal counsel to pursue the declaratory order relating to continuing consequences, which it has previously suspended in the interests of trying to reach a sensible agreement with the DMR. Further, the Chamber will seek an interdict to suspend the implementation of the Charter and to take the DMR Charter on review.

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