

New mining talk

Mountain Summit changes shape of discussion

SINCE SA's new mining legislation was enacted several years ago and the mining charter put in place, the transformation question has dominated relations between the government and the industry.

Why it was that the industry failed to capture the full benefit of the strongest commodities boom the world has yet seen, was never on the agenda during the boom. And as boom turned to bust, the industry also found itself coming under attack from Mineral Resources Minister Susan Shabangu for its failure to meet the black ownership and job equity targets set for the charter's first five years.

But there has been a change in the dialogue of late and that was clear in the agenda of the Mining Summit in the Drakensberg last week.

Significantly, the summit, which brought government, business and labour together, was not just about how to transform the industry but also about how to make it more competitive and ensure it could grow and create jobs. That was amply evident in Shabangu's remarks at the end of the meeting. She talked about the industry repositioning itself as "the most meaningful contributor to SA's growth and socioeconomic development".

This shift seems due largely to the work of Migdett, the Mining Industry Growth, Development and Employment Task Team, established in December 2008 as the full impact of the global crisis began to hit SA. Migdett aimed to help

the industry weather the crisis and save jobs, and also to position the industry for longer-term growth and transformation. The Department of Mineral Resources credits it with having contained job losses in the industry to about 50 000 — half the 100 000 at first feared. And, importantly, it was in the tripartite Migdett that much of the preparation for last week's summit was done.

Not that the outcome of the summit was by any means sweetness and light. It's clear there still are some bitter disputes and some difficult issues to resolve.

On competitiveness, the summit agreed to draw up more detailed action plans in areas such as infrastructure, regulations, productivity and skills. And the deadline for the review of the mining charter is June, with Shabangu expecting a final set of proposals on a new charter. And here, though there was some agreement, the issues are far from resolved. Shabangu's officials were quick to confirm that there was no intention to raise the target of 26% black ownership of the industry by 2014. But they want to see a new target in future because 26% wasn't "meaningful transformation".

This is ambitious, to say the least. Though many empowerment deals have been done, the global market crash put many of them under water, and the industry failed to meet the target of 15% by last year. The summit has now agreed that more clarity is needed on what "black ownership" means.