

Last round for former Irish coffee mine order



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IN 2002, when the mining charter was being negotiated, government officials said they did not want an industry that looked like Irish coffee – white cream on top and black coffee beneath.

Eight years later, when one looks at the position of chairman at the major mining companies, the so-called white cream is largely gone, especially for mining companies that have a strong local operational and investor base.

The transformation of the industry at the highest level is certainly under way.

Out of 13 major local companies with operations in South Africa, as well as a JSE listing, 11 have black chairmen or a senior black official. Anglo American has Godfrey Gomwe as its Anglo South Africa executive director and Xolani Mkhwanazi is BHP Billiton South Africa's chairman.

Neither Gomwe's or Mkhwanazi's positions have the power and standing of Anglo and BHP Billiton group chairman.

Both Anglo and BHP Billiton both have their primary listings offshore, so Anglo's chairman, John Parker, is British and BHP Billiton's chairman, Jacques Nasser, is an Australian.

At the time when Anglo was looking for a new leader last year – the government called for the new Anglo group chairman to be a black South African. However, this was ignored by Anglo and Parker was appointed to replace Mark Moody-Stuart.

In February, AngloGold Ashanti appointed former Reserve Bank governor Tito Mboweni as its chairman and in May Gold Fields appointed Mamphele Ramphele as its chairman.

Given that ANC Youth League president Julius Malema – backed by Cosatu – has been calling for the nationalisation of the mining industry one has to wonder if these two appointments in particular led added impetus to AngloGold and Gold Fields to appoint Mboweni and Ramphele as bulwarks against these calls.

Out of the 13 major companies, only two – Aquarius Platinum and Lonmin – have white chairmen. All of Lonmin's platinum production and most of Aquarius's platinum output is produced in South Africa. Lonmin's chairman is Roger Phillimore, who has UK and South African citizenship, while Aquarius Platinum's chairman, Nicholas Sibley, is British.

Exxaro Resources, Harmony Gold, Anglo Platinum, Impala Platinum, Northam Platinum, Kumba Iron Ore and African Rainbow Minerals (ARM) all have black chairmen. In contrast, out of 13 companies mentioned only one has a black chief executive – Siphso Nkosi of Exxaro Resources.

The transformation of the industry at the highest level is also reflected at the Chamber of Mines, where the chief executive is Mzolisi Diliza while Nkosi is president.

The rise of prominent black players in the mining industry has led to Patrice Motsepe, the chairman of both Harmony Gold and ARM, taking the limelight instead of the Oppenheimers.

The whole issue of transformation and the state's drive to get black people into the top positions in the mining industry raises the question about what kind of society South Africa is ultimately headed for?

When will the government and the general population reach that ultimate point of transformation?

Added to this are the political pressures on the mining industry to transform and from the number of black chairmen in place at major mining companies it would appear that it will almost become implicit that local mining companies need black chairmen at the head of their boards in order to function, especially at a political level, in the local environment.