

DEBATE ON BUDGET VOTE NO 31: MINERAL RESOURCES
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South Africa accounts for over ten percent of world gold production, and is the leading producer of precious metals such as gold and platinum as well as of base metals and coal. It is the world's fourth largest producer of diamonds. This is something to be proud, but can we really be proud?

The mining industry is also South Africa's biggest employer, with around 460 000 employees and another 400 000 employed by the suppliers of goods and services to the industry.

Currently, more than 70% of the mining industry's labour force is black, while less than 5% of managerial positions are held by black people. Targets had been set by the government that by 2009 all mining companies were expected to have forty percent of managerial positions held by previously disadvantaged South Africans. That has not worked as the charter proved to be inefficient. It is disappointing to note that only ten percent of the mining sector had been acquired for black citizens. That is a disappointing failure.

We now have reports that a new mining charter will be endorsed next month to increase black ownership. The question is how will we ensure that the new charter does not fail where the previous agreement had failed? The willing buyer, willing seller scenario obviously does not work in any sector, and therefore how will these goals be attainable?

The statements by the Director General of Mineral Resources that all South African mining companies must sell at least twenty six percent of their assets to black investors by 2014 is very impressive; but we

need to desist from putting unattainable targets without proper plan and just expecting stakeholders to comply.

UCDP supports budget vote.