

Lessons learnt at the recent Joburg Indaba: Create a singular goal and a long-term vision

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The growing popularity of the Joburg Indaba with its robust debate last week (4-5 October) was encouraging, while at the same time somewhat ironic.

The event, which focuses mainly on the status of the South African – rather than the African or international – mining industry, continues to grow in popularity and appeal, even though the sector is facing increasing difficulty in attracting local and international investors.

The irony lies in the fact that, perhaps, it is mainly thanks to the high levels interest that all stakeholders have in the speedy recovery of this sector, that the indaba attracted so much interest. As the country tries to win back credibility as a mining investment destination, four key issues became clear at the indaba:

1. In order to change the negative perceptions that international investors have of the country, it is crucial for industry, government and other stakeholders to work together. Currently, factors such as state capture and uncertain policies from the Minister of Mineral Resources Mosebenzi Zwane are keeping investors away. The sentiment indicated that unless all the stakeholders work together, this outlook is unlikely to change. A long-term vision is required on matters such as policy and regulatory framework, rather than short-term gains arising from political motivations.
2. A concerted effort should be made to bridge the rift between the SA Chamber of Mines and the Department of Mineral Resources. This rift, unfortunately, seems to be growing, as evidenced by the Chamber's boycotting of the event's opening dinner, in which Zwane delivered the keynote address. According to ANC Treasurer-General, Dr Zweli Mkhize, this rift can only be resolved through negotiation, rather than the courts that are unsuited to being policy makers. Yet, it is the courts to which the Chamber of Mines has turned given the breakdown in trust with the industry following the release of the latest version of the Mining Charter.
3. From the industry's perspective, the sector's empowerment model, as encapsulated in the latest version of the Mining Charter, is not helping as it does not have the backing of industry. The formulation of a new Charter requires consultation with industry in order to achieve legitimacy. This Charter should meet its stated aims, while achieving the policy and regulatory certainty necessary for investment purposes.
4. A struggling mining industry must constantly adapt to stay relevant in an evolving environment. This means that innovative technology and mechanisation cannot be ignored. The mining industry in SA must also adapt to the unpredictability and shorter peaks and troughs in commodity cycles.