

Speech
Premier of the Province of KwaZulu-Natal TW Mchunu
during the KwaZulu Natal Mining Indaba
at the Black Rock Hotel Newcastle
on 18 April 2018

- **Programme Director;**
- **Minister of Mineral Resources Mr Gwede Mantashe;**
- **Minister of Small Business Ms Lindiwe Zulu;**
- **MEC for Economic Development, Tourism and Environmental Affairs, Mr Sihle Zikalala;**
- **Mayor of Majuba District Councillor Dr Musa Ngubane;**
- **Director General of KwaZulu Natal Dr Nonhlanhla Mkhize;**
- **Special Advisors;**
- **Representatives of Organized Labour;**
- **Representatives of the Business;**
- **Members of the Media;**
- **Distinguished Guests;**

Good Morning!

Programme Director,

I wish to start by expressing my appreciation at the opportunity to be part of such an important occasion. It is fitting that we hold this event in this wonderful venue that is situated in what is indeed historically, one of KwaZulu Natal's greatest mining towns.

Mining has for centuries played an integral part in the lives of African society, whether as holder of value or as a key activity driving the construction of artefacts that were for everyday use or special occasions.

Evidence of this is to be found in the hills of Mapungubwe along the Limpopo River. We are told that the ancient city of Mapungubwe in the Northern part of South Africa was home to the largest known kingdom in the African sub-continent.

This kingdom is said to have traded gold and ivory with China, India and Egypt as far back as 1200 to 1300 AD. There are even several gold findings located in the area which are evidence of early gold smelting with the largest amount of artefacts from the royal family indicating clear organisation and authority.

Programme Director,

For a number of years Africa has had an ambivalent relationship with mining. In many African countries mining has brought unending conflict and political instability and untold misery to millions.

Mining has also seen political leaders being assassinated or their countries isolated because upon freedom, they dared to interfere with the supply of certain strategic minerals to the international market.

For decades this has been described as a “resource curse” because the availability of raw materials has often been a strong motivator for external involvement, and the focus on mineral extraction especially during the colonial period. After independence, Africa has retained strong economic links with the West through continued dependency on commodity exports.

In this regard the April 2016 IMF Regional Economic Outlook for Sub-Saharan Africa entitled ‘*Time for a Policy Reset*’ says and I quote:

“About half of sub-Saharan African countries are net commodity exporters and, unlike other regions, the importance of extractive commodities exports has risen since the 1990s, putting the region among the world’s most commodity-dependent regions, broadly at par with the Middle East and North Africa region. As a consequence, though higher extractive commodity prices have in part supported the strong growth of the past decade or so, the region’s exposure to commodity price volatility has also increased—a trend that is coming to haunt these countries now”.

Clearly because of this relationship, no less a great figure as the late Mwalimu Julius Nyerere, who was President of Tanzania famously declared in 1978 that mining had to stop until Africa was ready to engage in our own terms when he said and I quote:

‘We will leave our mineral wealth in the ground until we manage to develop our own geologists and mining engineers...’

Programme Director,

Today many African countries are focusing on the management of raw material exports which are becoming critical for the continent’s economic development and renaissance.

Growing global demand for Africa’s natural resources continues to offer Africa great prospects of increased exports over the next few decades as the industrialised nations increase engagement in pursuit of mineral exploitation.

Given the reality of this mutual need, the challenge for Africa is to put in place measures to direct, control, and effectively manage its relationship for its own maximum economic benefit.

Already, Africa is seen as the fastest growing source of oil and natural gas for the US and European market. This means continued economic growth in the developed world will result in increased and more intense competition for African resources.

Programme Director,

Yet it was not always so. It took men and women to create the necessary vision for a future that was yet to dawn.

One these is Pixley ka Isaka Seme the founding president of the ANC who spoke eloquently about the prospects of Africa in the world.

He said the future of the continent of Africa was bright and soon Africa would rise and I quote:

“The regeneration of Africa means that a new and unique civilization is soon to be added to the world. The African is not a proletarian in the world of science and art. He has precious creations of his own, of ivory, of copper and of gold, fine, plated willow-ware and weapons of superior workmanship. Civilization resembles an organic being in its development- it is born, it perishes, and it can propagate itself. More particularly, it resembles a plant, it takes root in the teeming earth, and when the seeds fall in other soils new varieties sprout up. The most essential departure of this new civilization is that it shall be thoroughly spiritual and humanistic -indeed a regeneration moral and eternal!”

Programme Director,

In our way, as part of Pixley ka Isaka Seme’s dream, we are taking several steps as a province to create the environment that is necessary for the growth and development of KwaZulu Natal. Among others we have been guided by the Freedom Charter which states that

“The People shall share in the Country’s Wealth! And that the national wealth of our country, the heritage of South Africans, shall be restored to the people; The mineral wealth beneath the soil...shall be transferred to the ownership of the people as a whole”:

It goes on to say and I quote:

“All other industry and trade shall be controlled to assist the well-being of the people; All people shall have equal rights to trade where they choose, to manufacture and to enter all trades, crafts and professions”.

For this reason, we have put measures in place to build a Province that can contribute to the realisation of our Country’s vision as advocated in the National Development Plan (NDP) and the 14 Outcomes of the Medium Term Strategic Framework (MTSF).

We adopted our Provincial Growth and Development Plan (PGDP) which is closely aligned to the National Development Plan and which we are seeking to implement fast towards “***A prosperous Province, with a healthy, secure and skilled population, living in dignity and harmony, and acting as a gateway to Africa and the World***”.

One of the greatest challenges we face however is to grow an inclusive economy and to create jobs given the concrete challenges for economic growth. We project a 2020 economic target of 1%, but believe that we should be aiming for 3% growth, and more in order to begin to create new jobs.

Programme Director,

We are however very clear that this is simply not enough given the challenges facing our young people and the grinding levels of poverty among some in our community.

The economy must grow.

New businesses must be built.

Jobs must be created.

The Radical Economic Transformation of all sectors must open opportunities especially for our young people and women who are bearing the brunt of economic hardships.

Mining Indaba

With regard to the mining sector, in 2015 we were part of the Small Scale Mining Imbizo held in Richards Bay. At this event a number of resolutions were taken which are still relevant here today.

Firstly, a need was identified for a regulatory framework and the gathering undertook to:

- develop a framework for supporting small-scale miners to promote the sector and also to ensure compliance with regulations;
- ease doing business for small scale miners;
- identify and reduce regulatory constraints to the growth and development of small-scale miners;
- improve access to information and data will be improved;
- facilitate communication with communities in order to promote small scale mining.

Secondly, in order to encourage further investment in small-scale mining in the province, the Imbizo resolved on the following areas:

- Increased access to geological information especially as it concerns mineral deposits suitable for exploitation on a small scale;
- Facilitating the purchasing of equipment for small scale miners;

- Assistance regarding mineral processing technology;
- Training and skills development in respect of small scale mining, mineral processing and beneficiation by the relevant authorities;

Thirdly, with regard to access to funding it was resolved that:

- government will develop a new framework for financial and non-financial support for small scale miners;
- The Department of Mineral Resources and the Department of Small Business Development (DSBD) will work with relevant financial institutions to increase access to finance for compliant and viable small scale miners;
- Government to explore mechanisms for funding of feasibility studies for small-scale miners. This means supporting projects from Grassroots to the Bankable stage.

Fourthly, there was also a resolution on Access to Local and International Markets. This includes facilitating availability of allocation for small-scale miners at the Richards Bay Coal Terminal.

Fifthly, very importantly, we took a resolution on Promoting women and youth in small scale mining with the Office of the Premier tasked to facilitate a process to establish a Provincial Forum for Youth in Mining.

Programme Director,

Ladies and Gentlemen,

A Mintek study commissioned by Trade and Investment KwaZulu-Natal (TIKZN) on the extent of mineral resources in the province, found that nearly 20 farms had been identified as having high potential for coal-mining.

KwaZulu-Natal remains the poor relation when it comes to the coal-mining industry, with only 4% of the remaining reserves of coal in the country, while the Free State had 14%, Limpopo 34% and Mpumalanga 48%.

Historically, the plummeting of the amount of coal mined in KwaZulu-Natal since 1982 from 25-million tons a year to 2,5-million has easily been the largest and most catastrophic. As a result thousands of jobs were lost and communities decimated with hardly any replacement industries in most of the areas.

Ladies and Gentlemen,

In percentage terms our manufacturing sector has served as the bedrock of our economy and compared to mining, has sustained us and created new employment opportunities albeit on a scale that can still be improved.

We however believe that our strong manufacturing sector is precisely an advantage, as with the upswing in global markets, this sector can assist in the achievement of our ambition to become an African hub for local beneficiation and the export of value-added products including from the mining sector.

It may also improve our prospects for broad-based, sustainable growth and socio-economic development which the Mining Vision sees as follows:

- the use of resource rents to develop physical and social infrastructure;
- the collateral use of the high-rent resource infrastructure to open up other resource potential such as in agriculture;
- downstream value addition, i.e. beneficiation of the raw materials both for export and domestic manufacture;
- upstream value-addition by supplying domestically produced capital goods and services to the mining industry; and,
- technology and product development as mining develops new technologies that are relevant to local conditions.

Isilo SamaBandla

We look forward to continued collaboration with our colleagues in local government. In particular, we cannot achieve this without municipalities where there are mining operations such as Zululand, UThungulu, UMzinyathi, Amajuba, Sisonke, ILembe and eThekwini where small-scale mining is taking place.

As we integrate these into the Provincial Growth Development Plan they must also ensure they include their mining plans in their Integrated Development Plans.

Last but not least, I wish to pay special respects to His Majesty Isilo SamaBandla for continuing to guide and lead us on this and other matters.

There are significant mining activities in the province which take place in land under AmaKhosi and by extension His Majesty Isilo SamaBandla.

We will continue to engage His Majesty in the development of KwaZulu Natal as we mine, farm, beneficiate, manufacture goods and services in our province in order to ensure uniform development of both our rural and urban areas and the creation of a better country, a better Africa for all.

BIOGRAPHY OF MINISTER GWEDE MANTASHE

GWEDE MANTASHE was born in the village of Lower Cala in the Eastern Cape. He cut his teeth as an activist in the Student Christian Movement (SCM). Comrade Mantashe holds a Master's degree from the University of Witwatersrand (WITS), acquired in 2008.

Minister Mantashe joined the migratory labour force to eke out a living in the mining industry. Beginning his mining experience at Western Deep Levels mine in 1975 as a Recreation Officer and, in the same year, moved to Prieska Copper Mines where he was Welfare Officer until 1982.

In 1982, he moved to Matla Colliery where he co-founded and became the Witbank branch chairperson of the National Union of Mineworkers (NUM), a position he held until 1984. He was then elected NUM Regional Secretary in 1985. In recognition of his skills, comrade Mantashe became the NUM's National Organiser from 1988 to 1993 and its Regional Coordinator between 1993 and 1994.

From 1994 to 1998, he served as the Assistant General Secretary of the NUM, whereupon he was elected as the first worker General Secretary at the union's congress in 1998. He relinquished his position as the General Secretary of the NUM in May 2006 at the union's 12th National Congress.

In 2006, after leaving the NUM, he was appointed as the Executive Manager: Strategic Initiatives at the Development Bank of Southern Africa (DBSA) where he was the Chairperson of the Technical Working Group of the Joint Initiative for Priority Skills Acquisition (JIPSA) for a period of two years.

Comrade Mantashe was elected Chairman of the South African Communist Party (SACP) in 2007, and also served as a member of the Party's Central Committee. At the 52nd National Conference of the ANC in Polokwane, December 2007, he was elected as the Secretary General of the ANC.

In 2012 at the 53rd National Conference of the ANC in Mangaung, he was re-elected as the Secretary General of the ANC, a position he held until the 54th National Conference of the ANC in Nasrec, where he was elected National Chairperson of the ANC.

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