



PREMIER'S SPEAKING NOTES: NORTH WEST PROVINCIAL MINING AND ENERGY INVESTMENT CONFERENCE, 25 -26 JANUARY 2022 IN RUSTENBUG

Programme Director

Hon Minister Gwede Mantashe, Minister of Mineral Resources and Energy

Kgosi Moshi Mabe, Chairperson of the North West House of Traditional Leaders

Ms Kenetswe Mosenogi, MEC for Economic Development, Environment, Conservation and Tourism

Mr Sibusiso Mpanza, Administrator of the North West Province

Mr Mosweu Mogotlhe, Director General of the North West Province

CEOs and Representatives of the Mining Industry

All Officials of National and Provincial Government, and State Entities

And all those who have taken the time to join us today

Program Director

I am pleased to have the opportunity today to address this important conference which is geared towards promoting investment in the mining sector. This is coming at an appropriate time as our economy is currently emerging from the negative effects of the Covid 19 pandemic, and we need to take every opportunity for the growth and transformation of our economy, with a special emphasis on the critical area of job creation.

Economy

We are all aware that the Covid 19 pandemic has wreaked havoc with economies everywhere and the North West is no exception. Our provincial GDP contracted by 7,6% in 2020, although in 2021 there was a recovery from this low base and the Province is projected to achieve a growth of around 6,3%. The unemployment rate in the North West currently stands at 35,7% with youth unemployment at an all-time high of 63%. We believe however that we have turned the corner and are looking towards a period of slow but incremental economic growth with projections of positive growth in Provincial GDP of around 1,8% in 2022.

In building the economy of the North West we recognise that mining has a critical role to play. The North West is a mining province with over 300 active mines currently in operation. Mining comprises 29,9% of the provincial GDP, and 15% of the employment in the province. It should also be noted that mining in the North West contributes 24,4% of the national mining economy.

Platinum group metals are a major product of the mining sector in the North West as the province contributed 40% of the world's platinum and 55% of South African platinum production in 2017. The North West province also accounts for 70% of the stone and granite production, 32% of chrome and 20.7% of gold production in South Africa.

Other minerals produced in the province include diamonds, vanadium, slate, limestone, nickel, silica, manganese, phosphate, fluorspar and zinc. We are therefore a significant role player on the national mining stage.

Service Delivery

Today we have assembled here to forge stronger relationships between government and the mining industry to further the growth of this industry and to ensure that mining meaningfully contributes towards the development and transformation of our society as a whole. We realise that it is our responsibility as government to create an enabling environment within which industry can flourish and in so doing create the much needed jobs in our province.

To this end we have set up an Accelerated Service Delivery Programme for the North West Province in order to ensure that basic services are provided not just to our communities but also to business and industry in the North West. As a provincial government we are working together with the relevant national departments, entities and municipalities to ensure that a cooperative governance framework is in place so that the business sector can be well supported.

As part of this initiative we have recently set up an Interdepartmental Task Team on Water Provision in order that the challenges faced in terms of water provision are dealt with in an integrated and effective manner.

We need to recognise that the recent local government elections, and the installation of new councils has given us an opportunity for the improvement of service delivery within this sphere of government. We have already met with the new mayors as the North West Provincial Coordinating Council, and we are providing support as a provincial government in order to assist the new councils to address the challenges facing them towards improved service delivery

We are also engaging with the various components of business and industry in the province in order to set up constructive working relationships geared towards growing the economy and resolving issues of service delivery. One such engagement has been with the North West Chamber of Commerce and Industry (NWCoCI) and I am pleased to see the CEO of NWCoCI is part of this conference today. A Task Team has been set up out of that engagement in order to provide a channel for business to join hands with government in tackling issues of service delivery.

In this regard I should in addition mention that we are also participating in a Task Team set up by the Department of Water and Sanitation that is providing guidance for implementation of the upgrading of the Brits Water Treatment Works in order to increase the capacity of this facility from 60 Megalitres / day to 80 Megalitres / day. A number of mines in the area have offered technical and project management support for this project and are part of a Technical Sub-Committee in this regard.

I am going into some detail on these issues as this is all part of the provision of an enabling environment by government. It goes to the heart of building partnerships between government and industry, in this instance the mining sector, so that the enabling environment becomes a reality and economic growth and job creation can be achieved.

Social and Labour Plans

Today we have converged here as critical stakeholders to talk about how we can find ways to expand the mining sector to the benefit all the role players. The mining sector has a potential to grow and to create more jobs but also to change the lives of the communities where mining operations are taking place. While recognizing the investments made by mining companies, we must also ensure the meaningful development of mining communities and the implementation of Social and Labour Plans.

History shows us that a healthy relationship between the mining industry and mining communities is beneficial to all concerned. In this regard we would encourage both existing mining operators and potential investors to ensure that Social and Labour Plans are comprehensive in their construction as well as effective in their implementation.

It is important not to treat the requirement of Social and labour Plans as a tick box exercise. There is an expectation that these plans would cover a range of aspects including *inter alia* housing, water and sanitation in order to ensure that there is stability and a sense of belonging within mining communities.

We need to recognise in this regard that the mining industry in our country was constructed originally on the basis of an exploitive migrant labour system with serious negative impacts on communities both at the source and at the point of production within the mining industry. We are now operating within a new paradigm and it is critical that the status and wellbeing of mining communities should reflect this.

Beneficiation

Program Director. While we are supporting initiatives for the growth of mining production we are also exploring ways of expanding the beneficiation of minerals within the Province. Our program in this regard is aligned with the national mineral beneficiation strategy as driven by the national Department of Mineral and Resources and Energy.

As part of this initiative the Province is working together with the Department of Trade and Industry in implementing the Bojanala SEZ, which will seek to create a platform for mineral beneficiation among other industries. The Bojanala SEZ will serve as a key catalytic initiative to industrialize the region using mining and related opportunities as anchor projects. The Province is currently finalizing the application for the designation of the Bojanala SEZ.

I do realize that Government has been talking for some time about beneficiation of our minerals, and that there has been an overly long planning phase for the Bojanala SEZ. We are committed however to working on this issue in a collaborative manner in order to ensure that traction is achieved in the near future on this area of potential growth. In this regard I am pleased to note that there is session later in the program which will be focusing specifically on beneficiation.

Conclusion

Program Director. I do not want to pre-empt what will be presented on the potential for new investment in mining in the North West. Suffice to say that we are of the view, however, as the North West Government that there is indeed considerable potential for such investment in mining and its associated industries and that there is also considerable potential to bring new entrants into this sector of our economy. We stand ready to work with our colleagues in the National Department and with the industry itself to ensure that this potential is translated into reality.

I thank you.