

2023 Investment Conference focuses on challenges, opportunities in mining

The recently held 5th South Africa Investment Conference brought together a panel of experts under the theme of 'Mining: A new partnership for growth', highlighting the challenges and opportunities in the mining sector.



Wits Mining Institute director Professor Glen Nwaila

Invited by President Cyril Ramaphosa's office to moderate the panel discussion, Wits Mining Institute director Professor Glen Nwaila said, "Despite the global economic challenges, South Africa has become more attractive to investors due to the surge in demand for raw materials, as witnessed by the eight-fold increase in South Africa's coal exports to Europe in the first half of 2022 and the rise in gold prices to \$2000 per ounce."

The panel discussion focused on three themes: high certainty investments, probable investments, and challenges and solutions. Kumba Iron Ore CEO Mpumi Zikalala addressed the need for the mining industry to become more environmentally sustainable while maintaining profitability and competitiveness. She also highlighted the importance of logistics and infrastructure for the mining ecosystem and the opportunities for large-scale mining companies to work with junior miners.

HyPlat CEO Dr Sharon Blair dispelled fears that electric vehicles would kill the platinum sector, saying that the hydrogen economy relies heavily on platinum as a catalyst in fuel cell technology. She also said that several new economies rely on the platinum group metal industry as part of their decarbonisation strategy.

Role of government

During the discussion, minister of mineral resources and energy Gwede Mantashe also addressed the challenges in attracting high certainty investments and the government's role in promoting a mining ecosystem that fosters innovation and growth in the sector. The minister also addressed the periodic changes in the South African Mining Charter and government's commitments to deliver measurable goals, such as continuous power supply, addressing illegal mining issues, promoting artisanal and small-scale miners, and ensuring policy certainty.

ESG chief executive at Sedibelo Resources Lael Bethlehem also shared her thoughts on the current state of ESG frameworks. She said that the current confusion on ESG frameworks poses a challenge for mines in complying with moving targets and goals. However, she believes that a single international body will soon be established to govern ESG targets, similar to what the Committee for Mineral Reserves International Reporting Standards does.

Sustainable energy transition

Meanwhile, Mike Teke, CEO of Seriti Resources, highlighted the strides his company has made towards a sustainable and responsible energy transition: "We have made a long-term commitment," he emphasised, citing the acquisition of Windlab Africa as an example of this commitment.

Teke also pointed out that banks, which previously stated they would not fund coal mines, are now key stakeholders of Seriti Green, a subsidiary of Seriti Resources focused on green renewable energy. This demonstrates the growing interest

in renewable energy and the shift towards sustainable investment practices.

While committed to decarbonisation research, Teke also emphasised the importance of the responsible energy transition that does not negatively impact local communities and the South African economy. This highlights the need for a just transition to renewable energy, where the needs and interests of all stakeholders are considered.



African Critical Minerals Summit set for November this year

17 Apr 2023



Skills development and investment

The panellists also addressed the challenges in creating local downstream industries and the need for scarce skills to create jobs. The issue of attracting and retaining talent, promoting diversity and inclusion in the sector, and the role of mining companies in promoting local economic development were also discussed.

Nwaila highlighted that during the conference, government officials also emphasised the importance of investing in local research, skills development, and innovation. "Universities, such as Wits, are key avenues to channel this innovation – which aims to improve the health and safety of mine workers using advanced technology; enhance the efficiency of mining and mineral processing by using people-centred technology; reduce energy consumption and minimise waste and equip mining professionals with the 21st Century skills to build resilient mines – into industry," said Nwaila.

He highlighted that the officials cautioned against relying solely on buying technology and innovation from other countries, as this does not always work for South Africa's export-oriented economy: "By investing in local research and development, the country can promote the growth of its own innovative industries and create a sustainable ecosystem for long-term economic success."

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