

# Press Release

## For immediate release

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#### **Yet another commodity boom might pass us by**

The unexpected uptick in commodity prices should provide a great boost to South Africa's mining industry, says the Institute of Race Relations (IRR) in a paper published yesterday.

"Retrenchments, other types of cost-cutting, and restructuring have taken place. New entrepreneurs are coming to the fore. Even though vast quantities of minerals have been extracted from beneath the South African veld in the last 150 years, South Africa is still far more richly endowed with non-oil reserves of resources than any other country. It should be all systems go for the mining industry."

Yet if there were to be another great commodity boom, South Africa might lose out as it did in the last one between 2002 and 2012, thanks to the increasingly hostile political environment in which mining had to operate.

The paper, written by John Kane-Berman, a policy fellow at the IRR, reports that various executives in the mining industry see great opportunities ahead, but are also extremely worried at the continued hostility of politicians. The former head of one major mining company believes it will take 20 years before mining once again becomes a good investment in South Africa.

"Despite the efforts of the industry to meet empowerment and other requirements, the government seems to be escalating its demands. This is a warning that further concessions to these demands will not satisfy the government, but merely encourage it to pile on new demands," Kane-Berman says. Some mining executives now suggest that appeasement has gone far enough.

"Although the mining industry is being challenged to deal with the legacy of its past, in which it had a symbiotic relationship with the apartheid system, current policies pursued by the Department of Mineral Resources have created a whole new legacy of immense damage not only to mining but to the economy as a whole. Remarks by the minister and his deputy at the recent mining indaba in Cape Town suggest that they still fail to appreciate the damage they are doing," Kane-Berman said.

The mining industry is now at a crossroads, as the IRR's paper points out. "It needs to be defended against a hostile government. For another commodity boom to pass us by would inflict harm on a great number of people. These range from migrant workers in the Eastern Cape to hundreds of small entrepreneurs in mining towns whose livelihoods depend on a vibrant mining industry. This would be a tragic and unconscionable waste, not only of the country's rich resources but also of its human potential."

Download the *@Liberty* report [here](#).

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