

Xolobeni mining issue should be resolved to attract investment

Mineral Resources Minister Gwede Mantashe says the issue of Xolobeni mining development needs to be resolved sooner rather than later, as delaying it further would be best for attracting investment.



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The minister said this when the economics cluster responded to oral questions at the National Assembly on Wednesday afternoon.

His remarks come amid a debate that was sparked when an Australian mining company was granted a licence to mine in the area.

“Let me talk a little bit about Xolobeni. The issue of Xolobeni has been on the table since 2002.

“No decision was taken or executed. It is my commitment... that the issue must be concluded sooner... rather than leaving it hanging from 2002 to 2018 for 16 years. It is a bad way of dealing with investors,” Mantashe said.

The EFF’s Yoliswa Yako had initially asked Mantashe if during his meeting with Mineral Commodities Limited in Australia any talks were held with a view of fast-tracking mining development in the Xolobeni area in the Eastern Cape.

In his response, Mantashe said a South African delegation went to a mining summit called Africa Down Under, which is the equivalent of the Mining Indaba in Australia.

“So we went there and our message was very simple: South Africa is a good investment destination. In the process, we talked to various mining companies and not particularly only about Xolobeni. There is no commitment we have made about Xolobeni.

“We made a commitment that South Africa is a good investment destination, particularly mining. Therefore, in that process of meeting various mining companies, we encouraged them to come and invest,” he said.

Team set up to stimulate performance of mining sector

Meanwhile, Mantashe was also asked how the newly gazetted Mining Charter would achieve its objective of stimulating the economy, creating regulatory certainty, sustainable growth and a competitive and transformed mining industry.

“The gazetting of the Mining Charter has removed one of the most pronounced sources of policy and regulatory uncertainty, which led to the Fraser Institute rating SA number 81 of 91 countries when it comes to policy certainty.

“This has had an impact on the investment attractiveness of South Africa. We understand that the removal of uncertainty on its own is not sufficient, hence the setting up of the team working on competitiveness, sustainability and transformation, directly (sic) and working together with the sector, focusing on mining and contributing to the economic performance of the sector.”

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