NATIONAL

Transnet in R10bn export coal deal

Contract with empowerment miner to help develop Waterberg

Lisa Steyn

Mining & Energy Writer

Transnet has signed a R10bn deal to rail export coal to Richards Bay in a move that will help unlock the coal potential of the Waterberg in Limpopo.

The state-owned logistics company signed a 10-year contract on Thursday with Ledjadja Coal, a fully empowered subsidiary of JSE-listed ResGen, to haul 3.6-million tons of export coal from its Boikarabelo coal mine to the Grindrod Terminal at Richards Bay. ResGen is also listed in Australia.

Its largest shareholder is the Public Investment Corporation, which holds a 14% stake.

As Mpumalanga coalfields production dwindles, the Waterberg region is becoming the next focus for prospective coal miners as it has significant reserves. Until now, however, logistics have been a key hurdle to mining investment in the area.

"Once there is this critical mass in the area we believe others will want to go there too," said Mike Fanucchi, Transnet's chief customer officer.

"I believe and hope it will give further momentum to investment in the area and the region."

Fanucchi said the deal would lso open up an opportunity for Botswana coal to be exported through SA.

Boikarabelo is one of several new mines proposed for the Waterberg, but is the most advanced as it is fully funded and permitted. The project cost is an estimated R7bn, of which R2bn has already been spent on

infrastructure. The transportation agreement with Transnet was a con-

dition that had to be met for the

project to reach financial conclusion. The 3.6-million tons of export coal is in addition to the 3-million tons top be produced

for the local market. Boikarabelo's first coal production is expected in the second quarter of 2022.

ResGen interim Leapeetswe "Papi" Molotsane said securing the railway capacity was a milestone for the company, and would result in economic benefit for the Lephalale area as it would create 700 permanent jobs and 3,000 during

The project has credit approval for R4.2bn from a syndicate of three lenders. One is the government's Industrial Development Corporation, and the other two have yet to be announced

As the world moves to reduce carbon emissions amid mounting climate-change concern, Molotsane acknowledged it was a challenge to secure funding for the project as banks grow reluctant to fund new coal.

"It's a worldwide trend," he said. "If you look at the country's coal requirements, the fact that the bulk of our electricity is generated from coal, we will probably still require coal, as a country, for some time to come."

Transnet announced plans to expand the Waterberg coal line to unlock coal-mining opportunities in Limpopo in 2016.

The SOE has since completed the first phase of the Waterberg project, and it has started on the second and third phases which, once completed, will ensure there is adequate rail capacity for Boikarabelo and other mines to move their coal from the region.

steynl@businesslive.co.za

MINERAL WEALTH AND SOCIAL ILLS

Women go unseen in shadow of SA mining

Lisa Steyn

n the first day of every month, hundreds of women descend on the centre of the small coal-mining town of Carolina

"It is like a parade of women. At all the ATMs they queue waiting to get their child-support grants. This tells you our state as a town," says Bonisile Fortunate Shongwe, who runs the Carolina employment business and training centre, a non-profit organisation.

The women of Carolina, and others towns like it, are surrounded by mineral wealth but they derive little economic benefit from it. Instead they are the recipients of all the social ills which come with living, but not working, in the shadow of the mines

Shongwe's centre has helped place almost 1,000 people into jobs in mining. Fewer than 20 of those were women, she says.

"I deal with a lot of women who come here day-to-day, crying that they cannot get employment."

The SA mining industry's workforce is about 13% female, with the percentages being higher in more senior positions, and lower in the less skilled ones. When it comes to working underground, women have a slim chance of making the cut.

Nomonde Nkosi, a founding member of Womandla, a nonprofit community organisation that lobbies on behalf of women in Carolina, says economic opportunities have greater societal impact when given to women. "A lot of the young guys get opportunities. Once they get paid, they turn up to work drunk or they do not go to work at all," she says. "Imagine it was a woman who could have had that



opportunity? They would not risk losing the work. A woman thinks of home first. She ensures the family is provided for."

Shongwe points out that most of the households in the area are headed by women. "Where there is no income, there are up to 10 people who are suffering."

Thuthula Balfour, head of health at the Minerals Council, says there are a number of factors that make it difficult to have a lot of female employees working underground on a mine.

In conventional gold and platinum mines potential employees need to pass strenuous tests of strength, stamina and ability to work in humid

It is hoped that new technoloperate trucks," Balfour says. ogy and innovation will unlock employment opportunities for women at mines and will also in Carolina. "When I send CVs benefit male employees who

For now, more mechanised mining industries, like coal, offer more employment opportunities for women. "For example, there are a lot of women who

suffer the effects of working

with back-breaking equipment.

IN CONVENTIONAL **GOLD AND PLATINUM** MINES POTENTIAL **EMPLOYEES NEED TO PASS STRENUOUS TESTS OF STRENGTH**

"We are risk averse, so we are very good drivers. But that has not been the case

through, it's a given that a male

will be hired over a female. Even when the females are more qualified," says Shongwe. Nkosi says mines often tell her they do not want to hire women because of the risk that

they will fall pregnant and go on maternity leave, resulting in lost production. Shongwe says companies also do not want to hire women at the risk of having to deal with issues like sexual harassment. Balfour agrees this is a chal-

lenge and notes that the Mine Health and Safety Council has a Limpopo. /Geoff Brown. © Sunday Times

Mine in

Balfour says the Minerals man's work: Council is developing a strategy Workers mark for women on mines as companies need to adapt.

the rockface Womandla says the problem at Dishaba extends to procurement where Thabazimbi women are unable to land contracts to supply critical materials and services.

Balfour, however, says the government's new mining charter, and even the one before it. does call for women-owned and controlled businesses to be provided with more opportunities in procurement.

Balfour says a lot gets done through social labour plans, some of which specifically target women for enterprise development with the aim of procuring goods and services from them.

Though not directly aimed at women, initiatives such as early learning development centres can also have a positive impact on mothers as children can go to school from a young age.

Women in mining areas are meanwhile exposed to a range

"You'll find that women stay in abusive relationships because they don't have income and the men take advantage of that.

Many women are in love with men working on the mines but when the mine packs up, so do they. They leave them with kids, sometimes with HIV. So you see how women here are affected by mining," says Nkosi, who notes the level of rape in the area is also incredibly high.

"They call us angry feminists because of the fights we have even with the mining bosses just to have women employed.

"We only want to do what is right for our community, and that is for women to also benefit from these minerals. steynl@businesslive.co.za

ZIMBABWE

Tackle corruption to get more support, says EU

Kevin Samaita

EU ambassador to Zimbabwe Timo Olkonnen on Thursday President Emmerson Mnangagwa's administration to tackle corruption if it wants financial support from the bloc.

Speaking during a ministerial dialogue between Zimbabwe's government and the EU Olkon-

nen also urged political reforms. The talks are expected to eventually lead to a resumption of direct financial aid to Zimbabwe's struggling economy.

"We are looking at exchang-

ing views on economic development, human rights, rule of law and democratisation, development impact and the humanitarian situation. The EU wishes to support Zimbabwe's economic and reform agenda. But urgent reforms, including the fight against corruption, are indeed

necessary. These reforms can pave the way for a further strengthened relationship between Zimbabwe and the EU based on shared values.

The EU encouraged Zim babwe to pursue "inclusive national dialogue" in the wake of differences between Zanu PF

party and the opposition MDC.

On Wednesday, police beat up MDC members and innocent bystanders who had gathered in Harare to listen to opposition leader Nelson Chamisa speak.

division that works on improv-

ing women's safety and security

on mines. For example, it is

advisable that where at all possi-

ble, women must work in

groups. "Mining is a microcosm

of SA where women experience

gender-based violence, rape,

ground in SA does translate to

what can happen underground."

WOMEN ARE OFTEN

NOT HIRED BY MINES

BECAUSE OF THE RISK

PREGNANT AND GO

ON MATERNITY LEAVE

THEY WILL FALL

"What happens above

even murder," she says.

Zimbabwe's acting foreign affairs minister July Moyo thanked the EU for upgrading its

dialogue with Harare to the ministerial level this year after two decades of a diplomatic tiff with Mugabe. "This was the first ministerial meeting we have had with the EU for a long time. It was positive and we also asked them to remove sanctions they have imposed on us," he said.

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FROM PAGE 1

Cautious Bank keeps repo rate on hold

rising global economic risks outweigh the mitigating factors of low domestic growth and outcomes," inflation Siphamandla Mkhwanazi, FNB senior economist.

The decision was seen as a tough call for the central bank after consumer inflation surprised on the downside and has been within the 3% to 6% target range for 30 months.

However, the MPC expects inflation to accelerate in 2020 and average 5.1%.

This was the last monetary policy decision of 2019.

The decision came after the dismal medium-term budget policy statement in October that outlined a dramatic deterioration

in government debt levels and a bigger budget deficit. "Very clearly the fact that the

ratings agencies reacted in the manner that they had reacted suggests that they have concerns about the MTBPS (medium-term budget policy statement).

"If the ratings agencies have a concern, those will then begin to factor into the country risk premium," Kganyago said in response to a question after the Bank's announcement.

The Bank targets future inflation when determining policy, and MPC members said current projections did not support a case for an immediate rate cut.

But the central bank had



months the period during which consumer inflation has been within the 3% to 6% target

missed an opportunity to support a stagnant economy during a period of benign inflation, said Imraan Valodia, dean of commerce. law and management at Wits University.

ADVISORY PANEL

"We badly needed a drop in the rate," said Valodia, who is also a member of President Cyril Ramaphosa's economic advisory panel.

"I take some comfort from the fact that the committee was divided, perhaps they will drop

the rate at the next meeting." Inflation expectations measured by the Bureau for Economic Research, showed that

expectations for headline infla-

tion are down slightly for 2019 to 4.6%. from 4.8%.

Expectations for 2020 remain unchanged at 5% and eased from 5.2% to 5.1% for 2021, reaching the lowest levels since 2007.

The bank had not seen evidence that inflation would continue to slow and the impediments to growth were structural in nature, said deputy governor Fundi Tshazibana.

That the MPC was split may be a signal that at the next meeting there might be quite a vigorous debate particularly if the rand remains fairly firm and the oil price remains under control". said Nedbank chief economist Dennis Dykes. / With Odwa Mjo

FROM PAGE 1

Effort to turn SA Express around fails

accounts are prepared on a going-concern basis, the auditor-general said that due to the renegotiation of certain liabilities he was unable to confirm the "adequacy of management's use of the going-concern basis

of accounting". In reply to questions on Thursday, SA Express spokesperson Mpho Majatladi disputed that SA Express was not a going concern, and said that the directors were satisfied that the com-

pany was solvent. "The accounts do not show that SA Express is not a going concern. In fact, they show that

the company is solvent," said Majatladi

"According to the balance sheet, assets exceed liabilities by R426m. The board of directors regularly reviews the goingconcern status, and acts accordingly," she said.

Majatladi said that the threemonth grounding had made it a difficult year for SA Express.

"However, a new board and a new management team has progressively been appointed since then. They have worked tirelessly, first to end the grounding and then to return the airline to sustainability," she said.

R591m loss at SA Express,

according to 2018/2019 annual report, which **Business Day**

Botswana; OR Tambo and Bulawayo in Zimbabwe: and three return flights to Luanda in Angola. Rival airline SA Airlink has objected to the granting of these routes on the grounds that SA Express has not tabled its

authorised by the Air Services

Licensing Council to fly three

new regional routes between

Cape Town and Gaborone in

audited financial statements. A spokesperson for the council said that it had rejected

Airlink's complaint. Airlink has since served

In October, SA Express was papers on the council, indicating that it intends to take the decision on a judicial review.

The council said on Thursday that it would defend its decision vigorously as "the audited financial statements is a not the only requirement for granting of routes, but the safety and reliability to operate a safe and reliable operations as well as the

The government has hinted that it intends to consolidate its airline businesses into one but so far has not acted on

this intention.

statement of accounts".