



STATEMENT BY HON OBETH KANDJOZE, MINISTER OF MINES AND ENERGY, AT THE OPENING OF THE 5th MINING EXPO AND MINING CONFERENCE, HELD AT THE WINDHOEK SHOW GROUNDS

27th – 28th APRIL 2016



Director of Ceremonies

Hon. Ministers & Dep Ministers Present

Your Excellency's Ambassadors Present here

Permanent Secretary, Mr Simeon Negumbo

MD's and CEO's of Mining Co present here

President of the CoMines, Mr Kombandayetu Kapwanga

CEO of CoM and Team

Captains of the Mining Industry

Senior Government Officials and Staff of MME

Dear Exhibitors

Friends from the media present

Ladies and Gentlemen

Let me start off by extending my profound gratitude and warm welcome to all of you for having made it from across the many countries of the world and in particular from our continent to the fifth Mining Expo and Mining Conference and to what now has surely become part of your annual events on most of your calendars.

Namibia's mining industry has undoubtedly emerged from humble early beginnings through a long arduous history to one that has in recent years earned the country at one point as the number one best mining investment destination on the continent which reputation has now dropped back to number 4 best mining investment destination.

The world economy today and throughout much of 2015 has continued to experience declined commodity prices in all

categories of the mining industry. Developing economies throughout this period experienced a marked reduction in earnings as a result of low demand further creating revenue challenges. Contribution by the mining industry to our GDP is significant when compared to all other sectors of the economy.

The depreciation of the rand against the US\$, unfavorable political and economic developments in neighboring South African, Namibia's largest continental trading partner, the slowdown in the Chinese economy affecting all of us globally have greatly impacted the world economy and Namibia's mining industry in particular.

Despite the global down turn in the commodities markets the Namibian mining industry has shown remarkable resilience during this period and will continue to do so provided Government and the industry and all other stakeholders continue to exercise collective leadership and constructive engagement in the exercise of proactive policy enactment.

This government like all others before in the post-independence era assures you that it continues to listen to its partners and will endeavor to constructively engage and consult in the hope of creating mutual gain and value for all.

Having said much and engaged the industry extensively throughout the better part of 2015 on a number of important policy issues such as transformation, ownership and participation of local Namibians in the industry, the representation of indigenous Namibians especially both demographically and along gender lines in the management structures of the industry, poverty eradication and job creation and many more, extension of corporate social responsibility to all sectors of our country, the year 2016 is declared the year of implementation of the Harambee Prosperity Plan and I am very delighted at the mining industry profound contribution and your demonstration of goodwill and support towards this very noble course in the form of this plan.

Also during the course of 2015 visits to mining operations and during the first quarter of this year during the on-on-one meetings we have dealt with amongst other things the following important policy considerations:

(a) Joint Value Addition Committee and the work of that Committee under the stewardship of an Inter-Ministerial Committee. First draft, second and final drafts were submitted in Feb 2016. Left to do is an inter-ministerial committee meeting to consolidate comments and prepare a submission to the ministers

(b) NEEEF, Mining Charter and the new Terms and Conditions to Mining and Exploration licenses:

- NEEEF Framework – indeed I recognize just as well that some of the pillars of the framework are very similar to both the Mining Charter and the new terms and conditions. There is a clear realization that indeed the industry has some unique features that cannot be generalized to all other sectors for instance and due care through consultations will have to be exercised. Those considerations can be sensitized through constructive engagement and lie in the tax amendments cases government demonstrated its ability to listen and we all know the outcome of that engagement
- Mining Charter – be reminded that the mining charter is not a law but rather an industry mechanism establishing methodology. Government views this document as an industry advocacy document that may be used as a discussion document between Government and Industry towards an equitable NEEEF framework and Harambee Prosperity Plan
- License - Terms & Conditions
Delays in the issuing of licenses
Back log of all classes of licenses - +/- 500 licenses of types
New efforts in fast tracked processing of back log of licenses and so far that effort has processed 320 licenses for

approval reducing the back about 180. There after no back logs should ever occur as mandatory key performance indicator plus a move towards a public dissemination of progress reports to applicants on the status of their applications within a period of 30 days from application date. Directed through the CoM that all clients with long outstanding license applications should furnish the CoM and Office with such complaints as a way keeping in check ministry staff versus service delivery.

(c) Moratorium on Diamonds, Uranium and Phosphate

- Phosphate – work in progress and CCTED met on Feb 15, 2016 and is expected to deal with this matter and recommend to Cabinet for a decision
- Diamonds – current moratorium will come under review soon and at an appropriate moment information as to its status and following a due process will be disseminated
- Uranium - the processing of this moratorium for a decision is work in progress and all necessary efforts are being put in place to address the problem. So far initial work has been finalized in making a review possible pending an in depth assessment of the sector versus the grounds of why in the first place the moratorium was enacted.

(d) Security of Supply of Power and Water

- Security of Supply of Power – this is a matter dealt with very extensively and I dare say once more that there will not be load shedding events neither nor during the Harambee period. This is a key performance indicator in my performance agreement to HE the President.
- Extensive supply projects in all generation sources or modes are planned and those will be dealt with by the national utility during that session.

- The Ministry's involvement is at policy and leadership level and that leadership will remain intertwined with the National Integrated Resource Plan (NIRP) which plan is now under review and should be finalized soon.
- Water Supply and Mining Industry – ongoing discussions at Government level reviewing long term solutions of water supply to mines and the cost implications of current supplies to the industry. It is without doubt that current cost is USS& influenced and that is a concern. Industries effort to put own desalination plants is justified with such costs levels and will offer long term benefits to the country and not just to the sector alone.

(e) Minerals Bill – (Revision of the Minerals Prospecting & Mining Act 33 of 1992:

- Minerals Bill – stakeholder consultations scheduled for next month and then presentation to the Minister after which it will be submitted to legal drafters before submission to Cabinet. Also be assured that before final submission to Cabinet there will be one more round of public consultation seminars
- Minerals Policy of Namibia 2003 – policy to be reviewed and to take into consideration of the dynamics of the industry since 2003 and for that exercise to establish a committee that for that review

Despite all the external challenges and threats to the continued efforts to deliver value to all parties the industry has had positive developments such as the Debmarine investments of 2.3 billion dollars for the new state of the art mining vessel. The Tschudi Copper Cathode production, Dundee Precious Metals Sulphuric Acid Plant and of course the world's largest Uranium Mine and others alike.

In conclusion I would like to point out that this Expo and Conference provides an excellent opportunity for the industry players to exchange vital contacts, experiences, ideas and determine co-operation opportunities.

I further reiterate the Ministry's continued support to the mining industry and in so doing we encourage mutual consultations and good corporate governance. Indeed, the long-standing good cooperation between my Ministry and the Chamber of Mines is encouraging and a sign of a mature exploration and mining sector in Namibia.

Thank you