

PRIMARY SECTOR

Primary Sector

- Mining
- Oil and Gas

Primary Sector: Resources

South Africa's Primary Sector/ Resources includes the sectors: Mining with sub-sectors Coal, Gold, Platinum, Diamond, Metal and Minerals Mining as well as Mining Finance; and Oil and Gas with sub-sectors Oil and Gas Exploration and Production, Services, and Oil-Integrated

The following are South Africa's top empowered companies as researched by 'Top Women in Business and Government'

Key

*Companies with an asterisk and page number are featured in 'Top Women in Business and Government'.

Mining

Coal Mining

Atlantis Mining SA cc
Delmas Coal (Pty) Ltd
Eyesizwe Coal (Pty) Ltd
Protea Speciality Chemicals

Gold Mining

Aflease Gold & Uranium Resources Ltd
Randgold & Exploration Company Ltd

Platinum

*Anglo American of SA Limited - pg 76
Anglo Platinum Ltd
Impala Platinum Holdings Ltd
Northam Platinum (Pty) Ltd

Diamond Mining

*Dyondisani Women in Mining and Minerals Investment Holdings (Pty) Ltd - pg 77
Marathodi Resources (Pty) Ltd
SA Teemane Company (Pty) Ltd

Metals & Minerals Mining

*Kumba Resources Ltd - pg 78, 80
Mvelaphanda Resources Ltd
Witkop Fluorspar Mine (Pty) Ltd
Yokogawa South Africa (Pty) Ltd

Oil & Gas

Oil & Gas – Exploration & Production

Engen Petroleum Ltd
National Petroleum Refiners of SA (Pty) Ltd
Petro SA (Pty) Ltd
Petroleum Agency South Africa
Vukani Petroleum and Energy Institute
Wearcheck Africa

Oil – Integrated: Sponsored by BP Southern Africa (Pty) Ltd

Afric Oil (Pty) Ltd
*BP Southern Africa (Pty) Ltd - pg 70, 72
Calulo Investments (Pty) Ltd
*Chevron South Africa (Pty) Ltd (Caltex Retail Brand) - pg 74
KZN Oils (Pty) Ltd
Nu Star Lubricants cc
Total South Africa (Pty) Ltd



In Vogue: Hard Hats



Resources, empowerment, women

South Africa's mineral wealth is widely known and the mining and minerals sector of the economy is its largest sector, followed by manufacturing; oil and gas (liquid fuels); chemicals; agriculture and tourism. The department of minerals and energy is headed by minister Buyelwa Sonjica, who recently took over the portfolio from the now minister of water affairs and forestry, Lindiwe Hendricks, and is tasked with policy-formation and implementation for the primary/resources sector as well as driving transformation across the sector.

Mining, Oil and Gas

The South African **Primary or Resources** sector encompasses the following sub-sectors:

- **Mining:** Including Coal, Gold, Platinum, Diamond, Metal and Mineral Mining as well as Mining Finance, and
- **Oil and Gas:** Including Oil and Gas Exploration, Production, Services, and the industry's Integrated Services.

Minerals AND...

The mining industry in South Africa continues to play a strategic role in the country's economic growth and development and in 2004 accounted for 6.6 percent of the gross domestic product (GDP). However, if the indirect multiply effects of the industry, i.e. backward linkages such as transport and professional services, and forward linkages such as power generation, among others, are added to this, the industry's contribution is closer to 16 percent.

According to the South African Chamber of Mines Facts and Figures 2004 (F&F 2004) Report; South Africa mines approximately 60 minerals from some 700 mines and quarries, exporting to 100 countries across the globe. As the world's largest producer of platinum group metals (pgm), gold, chromium, ferrochrome, vanadium, manganese and vermiculite, South Africa's mining sector directly employed an average of

457 371 workers in 2004 and it is estimated another 200 000 workers are employed in associated industries.

According to F&F 2004, "The industry grew by 4.2 percent in 2004 mainly as a result of the 15.9 percent increase in pgms production combined with good growth in diamonds (up 11 percent), coal (up 6.2 percent) and iron ore (up 3.6 percent)," with the non-gold mining sector growing by 7.6 percent.

Accounting for 9.9 percent of the country's total fixed investment; the industry's fixed investment reached R22.3-billion – showing growth of 3.7 percent – while accounting for 14 percent of the total investment from the private sector. Capital projects to the value of R90-billion have also been approved from 2004 to 2008.

In 2004, the mining industry was once again a substantial foreign exchange earner, representing 29.3 percent of the country's total merchandise exports, contributing an approximated R90.3-billion to SA's exports. When adding beneficiated minerals, i.e. steel, chemicals from coal and ferro-alloys, says the F&F 2004 Report, "the minerals cluster accounts for more than 50 percent of total merchandise exports". Further, the total figure for local mineral sales saw an increase of 6.3 percent to some R125.2-billion (2004), whereas 2003 recorded only R117.8-billion.

South Africa's role in world mineral reserves, production and exports (2004)

Commodity	Reserve Base				Production			
	Unit	Mass	%	Rank	Unit	Mass	%	Rank
Aluminium		-	-	-	kt	820	2.6	8
Alumina-silicate	Mt	51*	37.4*	1*	kt	165	298	2
Antimony	kt	200	5.1	5	kt	5.3	4.7	2
Chromium (shipping grade)	Mt	200	11.1	-	kt	8000	47.1	1
Coal	Mt	49	10.2	-	Mt	246.6	5.3	5
Copper	Mt	13	1.4	14	kt	102.5	-	-
Fluorspar	Mt	80	16.7	2	kt	235	4.8	4
Gold	t	36000	40.7	1	t	342	13.9	1
Iron Ore Content	Mt	1500	0.8	-	Mt	40	3.2	8
Lead	kt	700.0	0.5	-	kt	36.0	1.1	-
Manganese	Mt	4000	78.4	1	kt	1800	16.4	2
Nickel	Mt	12	8.6	5	kt	40.7	2.9	10
PGMs	t	70000	87.7	1	kg	266	-	1
Phosphate Rock	Mt	2500	5.0	3	Mt	2600	1.9	3
Silicon Metal		-	-	-	kt	140	3.0	8
Silver	kt	10	-	-	t	80	0.4	20
Titanium Minerals								
Ilmenite	Mt	220	16.9	3	Mt	1130	23.5	1
Rutile	Mt	24	18.4	-	Mt	152	38	2
Uranium	kt	298*	9.6*	4*	t	887.2	-	-
Vanadium	kt	12000	31.6	2	kt	20	45.5	1
Vermiculite	Mt	80	40.0	2	kt	183	41.3	1
Zinc	Mt	15*	3.3*	6*	kt	32	-	-
Zirconium	Mt	14	19.0	2	kt	302	35.1	2

Key: Mt=Megaton / Kt=Kilaton / t=ton

*2003 data – no new data are available, Source: The SA Chamber of Mines: Facts & Figures Report 2004; Department of Mineral and Energy



Zanele Mbatha



Joyce Matlala

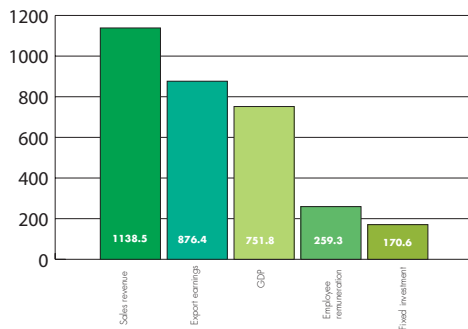
Committed to empowerment: Incwala Resources (Pty) Ltd: Zanele Mavuso Mbatha, deputy chair of SA's largest black-owned and controlled mining company and director, Joyce Matlala.

"The modest increase in mineral sales was mostly because of the 15.6 percent increase in the value of pgm sales, which has established itself as the country's largest mineral export at R33.3-billion; some notable increases in nickel sales up by 34.5 percent to R3.7-billion; a 42.6 percent increase in chrome sales to R1.6-billion; a 9.4 percent increase in iron ore sales to R4.6-billion; and a more modest 3.4 percent increase in the total value of coal sales (up to 27.6-billion)," says the F&F 2004 Report.

The sector contributes to economic growth and development in many associative ways, i.e. in 2004, the industry accounted for some seven percent of the people employed in the non-agricultural formal sector and nine percent of the total private sector non-agricultural employment, as well as for a substantial amount of the local energy supply and demand. F&F 2004 reports that "the industry consumed 32 620 848 megawatt hours," and provided approximately 110 million tons of coals for electricity generation through its coal mining sector. "This accounted for about 90 percent of the electricity generated in the country in 2004." Further, the industry plays a large development role regarding local infrastructure, i.e. "3000 kilometres of railway line, three ports and a large amount of bulk handling infrastructure at other ports, and is often the sole provider of certain social infrastructure including clinics, schools and social facilities."

Graph 1: The contribution of mining to 10 years of democracy expressed in 2004 real rand terms

Source: The SA Chamber of Mines: Facts & Figures Report 2004



Snapshot: Mining Facts

Gold

- SA remains the largest gold miner in the world
- Gold accounts for 10 percent of merchandise exports, 2 percent of the GDP and employs approximately 180 000 workers
- AngloGold Ltd; Gold Fields Ltd; The Harmony Gold Mining Company Ltd (which merged with African Rainbow Minerals Ltd (ARMgold) in 2003) lead the sector

Iron Ore

- SA's production of iron ore increase by 3.2 percent to 39.3mt (2004)
- Valued at R1.1-billion, local sales increased by 2.9 percent to 12.4mt
- Contributed a 9.9 percent rise in export earnings to R3.4-billion
- R4.6-billion: Value of SA's iron ore sales

Coal

- 5th largest hard coal reserves in the world, with 10.2 percent of the world's reserves (48.4 billion tons)
- In 2004, SA's saleable coal production grew by 3.2 percent to 246.6mt
- Valued at R27.9-billion, total coal sales were 245.7mt

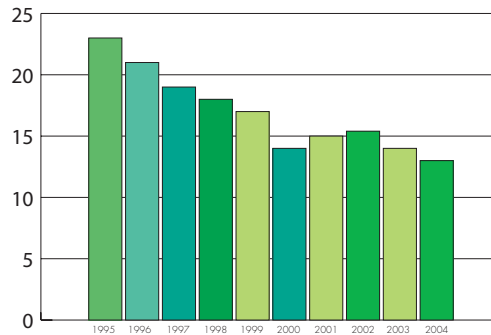
- Local sales increased by 7 percent, up from 167mt (2003) to 178.6mt (2004)

Diamonds

- SA is the world's 4th largest diamond producer, with total production valued at US\$1.05-billion
- In 2004, SA's officially recorded rough diamond production was 14 395Mct reflecting a 12.9 percent year-on-year increase
- The industry employs approximately 21 465 people, with 2 000 employed in the local downstream diamond cutting and polishing sector

Graph 2: South African gold production as a % of total world production

Source: The SA Chamber of Mines: Facts & Figures Report 2004



Platinum and PGMs

- 2004 saw a 7.7 percent increase in annual production to 286.7 tons, equating to 5.2 million ounces, compared with 2003's 266.2 tons
- Overall sales were valued at R33.3-billion with pgms the largest mining-related revenue earner
- Pgm exports accounted for approximately 8.1 of SA's total exports

...Energy

The energy sector is a key driver of the South African economy, comprising some 15 percent of the country's GDP and employing around 200 000 people. In 2003, South Africa was home to 15.7 million barrels of proven oil reserves producing approximately 194 600 barrels per day (bbl/d), of which about 165 000 are synthetic as well as one billion cubic feet (Bcf) of natural gas reserves. However, SA's oil consumption is 469 000 bbl/d resulting in the importing of 274 400 bbl/d. The country's crude refining capacity, according to the Oil and Gas Journal, is 519 547 bbl/d.

According to the Energy Information Administration (EIA) website, "South Africa is the world's sixth largest coal producer, producing 245.3 million short tons (mmst) of coal (2002)," with the province of Mpumalanga accounting for 83 percent of that production. Major players in the industry include Anglo American's Anglo coal; BHP Billiton's Ingwe Coal, local firms Kumba Resources, Eyesizwe Coal, Sasol Mining and Swiss company Xstrata Coal South Africa (XCSA). SA is also the third largest exporter of coal in the world, exporting some 73.7 mmst, although the country still only exports one third of locally produced coal.

In terms of consumption, in 2002, SA consumed 171.6 mmst of coal, of which 90 percent was used for "electricity generation and the synthetic fuel industry". The other coal consuming sectors include the non-synthetic fuels industrial sector, metallurgical industries and the merchant and domestic sectors.

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Championing women's rights in energy, former minister of minerals and energy, Lindiwe Hendricks.

Tough task – Fast-tracking gender empowerment in resources: Minister Buyelwa Sonjica



South Africa's "highly developed synthetic fuels industry," says the EIA "is supported by abundant coal resources and offshore natural gas and condensate production in Mossel Bay." Major producers include Sasol (capacity: 150 000 bbl/d) who is also the world's largest manufacturer of oil from coal, and the Petroleum and Gas Corporation of SA (PetroSA) (capacity: 50 000 bbl/d). Local oil production accounts for roughly 10 percent of domestic needs and production stems from the Oribi (PetroSA and Energy Africa); Oryx and Sable (PetroSA and Pioneer) oil fields.

"South Africa has the second largest refining capacity in Africa (519 547 bbl/d) – second only to Egypt," says the EIA, with its refined products though primarily sold within southern Africa, are also exported to the Indian and Atlantic basic markets. The country's downstream petroleum markets include major multinationals, i.e. BP, Shell, Caltex (Chevron Texaco), Engen (subsidiary of Malaysia's Petronas) and Total as well as domestic firms which include Naledi Petroleum and Afric Oil – both black-owned enterprises.

SA is also aiming to develop its natural gas capability and the development of regional gas fields is seen as an important future fuel source. South Africa produced 930 000 tons of natural gas, in addition to coal and liquid petroleum gas, in 2003, with 104 860 tons of associated condensate. According to the SA Yearbook, "The entire gas and condensate output is dedicated to PetroSA's liquid-fuel synthesis plant, and accounts for approximately 1.5 percent of total primary energy supply." South Africa's existing gas infrastructure runs from Sasolburg (Northern Free State), through the industrial areas of Vereeniging, Johannesburg and the East Rand, and from Secunda to Witbank, Middelburg, Newcastle, Richards Bay and Durban.

The Sasol Group of Companies dominates the sector with focused activities on diversified fuels, chemical and related manufacturing operations. Sasol's operations are supported by technology development, and oil and gas exploration and production; and the group is responsible for fulfilling or supplying 41 percent of South Africa's liquid fuel needs, providing in excess of 200 000 jobs, producing 23 percent of the country's 'required coal' (SA Yearbook), while contributing R34-billion to SA's annual GDP.

Precious commodities: Women in Resources

The empowerment charters for both the mining and liquid fuels sector were among the first to be finalised. The mining charter was formalised in May 2004 and empowerment deals took the sector by storm – to the tune of some R10-billion (2004 alone). Goldfields and Tokyo Sexwale's Mvelaphanda's BEE deal is valued at approximately R4-billion, while Patrice Motsepe's ARMgold empowerment transaction with Harmony and Anglovaal is estimated at R7-billion. New kid on the block, Incwala Resources and Tiso entered into a BEE deal to the value of R938-million.

The liquid fuels charter was the first formalised charter in SA, signed in November 2000. It set out a 25 percent ownership target to be reached within 10 years (by 2010). However, comments by the former minister of minerals and energy Lindiwe Hendricks revealed concerns that these targets may very well not be met. At the time, Hendricks said, "Progress of the six liquid fuels companies, excluding PetroSA, found that only one of the six companies was likely to be compliant with the liquid fuels charter by the 2010 deadline (Empowerdex)."

In terms of mainstreaming women into the sector, mining is lagging behind the other large economic sectors such as finance and ICT but representation is more comprehensive than in the liquid fuels sector.

Mmakau Mining, headed by chairperson Bridget Radebe, recently "acquired 7.5 percent of Impala Platinum's Marula operation for R158.5-million, raising the mine's BEE ownership to 22.5 percent", reports Mining Weekly Online. The article, written by Matthew Hill, goes on: "Mmakau joins Tubatse Platinum and the Marula Community Trust as BEE shareholders in Marula, each with 7.5 percent.

"The transaction was negotiated between Implants and Mmakau and BEE ownership at Marula now exceeded the five-year target of the Mining Charter, which stipulated 15 percent BEE ownership by May 2009."

This deal goes a long way in asserting women's business skill in what is traditionally considered a male-dominated industry.

The Businesswomen's Association Women in Corporate Leadership Census 2005 reveals that out of the largest 25 JSE-listed companies by market capitalisation only Harmony Gold Mining Company Ltd has female director representation, with just two out of 12 directors (or 16.7 percent) being women. According to the findings women director representativity relative to industry size is low in the resources sector, where just 8.7 percent of women are directors as a proportion of all directors in the sector. Standard Bank's Elisabeth Bradley holds a total of six directorships, with two in resources, i.e. AngloGold Ashanti Ltd and Sasol Ltd. Outside of the top 25: Mvelaphanda Resources' Nomazizi Mtshothisa acts as a director, but also holds two more directorships in addition to the one in the resources sector; Nobuhle Dlamini serves as a director for Northam Platinum Ltd (in addition to three other directorships).

Gill Marcus chairs Western Areas Ltd; BW Thuthukile Skweyiya chairs Afease Gold & Uranium Resources Ltd and Dawn Marole chairs Incwala Resources with 35-year old Zanele Mavuso Mbatha as deputy chair. Joyce Matlala is a director at Incwala.

Even more revealing is the fact that female executive manager representation rests at just over 11 percent.

The survey goes on: Out of a total of 76 SA companies, 25 percent or more have women executive managers. Both Thabex Exploration Ltd and Merafe Resources Ltd have two women executive managers out of seven and eight executive managers respectively. Out of the top 25 companies by market capitalisation, AngloGold Ashanti has 137 women executive managers out of a total of 1 021 (31.4 percent); Sasol Ltd has two out of 31 (6.5 percent); Anglo Platinum Ltd has two out of 33 (6.1 percent); Impala Platinum Holdings Ltd has seven out of 89 (7.9 percent); Gold Fields Ltd has 16 out of 248 (6.5 percent); Harmony Gold Mining Company Ltd has two out of 15 (13.3 percent) and Kumba Resources has 24 out of 224 (10.75 percent).

According to Justin Brown: I-Net Bridge, the sector employs 8 817 people of which 68 percent are black. Approximately 56 percent of top management within the sector are black people, i.e. directors while women continue to be underrepresented in the industry. Women currently comprise a mere 26 percent of the total industry workforce with just one percent at executive level.

* BP SA is the 2006 sector sponsor for the 'oil-integrated' sector in Top Women in Business and Government

Acknowledgements

- Sector Sponsor: BP South Africa pg 70, 72
- The South Africa Yearbook 2005/06
- The Department of Minerals and Energy
- PetroSA
- Chamber of Mines of South Africa
- The Businesswomen's Association of South Africa (BWA)
- South African Tourism
- Incwala Resources (Pty) Ltd (photographs)

