

14 October 2021



ASPASA VARIOUS AND IN THE NEWS

Dear colleagues,

Trust you are doing well. This year is certainly running at a tremendous speed, and we can hardly believe that the “Silly Season” is almost upon us. But, until then, herewith the latest for your information.

1. Attachment to this mail:

- ☐ An Invite to the Road Pavement Forum – 11 November 2021.

2. ASPASA In the News:



MINERS COMMIT TO SECURE SUPPLY OF BUILDING MATERIALS

Nico Pienaar, Director of ASPASA.

13 Oct, 2021
Nicholas McDiarmid

Surface mines and quarries that are members of industry association, **ASPASA**, have committed to support efforts of the construction sector to rebuild the industry and reverse the effects of ongoing Covid-19 lockdowns.

While the industry has been heavily affected by mine closures and restrictions as a result of Covid-19, it has committed to work hard to ensure sufficient building material supplies for contracts and to maintain pricing that is fair and sustainable for the industry.

“ASPASA members are focused on the longer-term goal of rebuilding the construction industry rather than profiteering from the material shortages. The pandemic will be with us for an extended time and it is our opinion that we have to get back to business as usual as possible,” says ASPASA director, Nico Pienaar.

CHALLENGES AND SOLUTIONS

He continues that building materials are crucial to ensuring a reliable construction industry and support the efforts of the country to rebuild infrastructure damaged in the recent riots.

During lockdown the industry faced challenges that related mainly to matters such as site closures, reductions in productivity and increased costs of compliance. However, this has changed with the evolving needs of the industry.

Nico suggests that the largest factors hampering the supply of materials at present are:

- Rapidly rising costs of most goods and services
- Container availability and transportation challenges
- A shortage of global raw materials
- Insufficient product testing capacity as a result of ramp up
- Use of illegal minerals on sites
- Allowing Mafia-style businesses to take hold
- Corruption
- Using unnecessary borrow-pits
- Not buying from reliable suppliers

“As a result, ASPASA strongly urges those responsible for developing, agreeing, and managing contracts, to consider adopting provisions in their contracts and ensure that we have an honest and trustworthy industry. In addition, the contractual challenges created by lack of product availability and inability to access approved products are likely to mean design changes are necessary.

RELIABLE, QUALITY, CONTRACTED SUPPLY

“We therefore encourage a collaborative approach to be taken to managing these risks and we invite all stakeholders in the construction industry to contact our members and find ways of ensuring sufficient supply for current and future contracts.

During these tough times we also encourage construction companies to use legal and reliable suppliers who are ASPASA members,” Nico concludes.

ASPASA welcomes Mining Charter changes

Empty

13 October 2021

Smaller scale surface miners have breathed a sigh of relief following a recent High Court ruling that removes clauses from the Mining Charter 2018 that had required topping-up of BEE ownership to 2018 Charter levels and affect existing mining rights.



Nico Pienaar, director of ASPASA.

According to Nico Pienaar of surface mining industry association, ASPASA, two clauses dealing with the continuous consequences of BEE were the sticking point in the endorsement of the policy document and led to fears of disinvestment.

The High Court's decision to remove the clauses will result in far wider acceptance of the Charter and dispel fears of constant watering-down of original shareholders stakes. This would have been particularly troublesome in smaller businesses where shares are often family-owned or held within the original founders' circles.

"ASPASA remains committed to ongoing transformation in the industry and is concerned with the sustainability and profitability of its member operations. It is however our duty to protect our industry and member's interests and the clauses in the Charter made it

almost impossible for smaller operations to comply.

"We align ourselves with the Minerals Council which also welcomed the judgment removing the clauses that deal with renewals of existing mining rights and the transfers of mining rights. It also sets aside requirements around procurement of goods and services and supplier and enterprise development which the Minerals Council argued contained unachievable targets for mining companies to meet.

"It also sets aside provisions in the 2018 Charter related to the Diamonds Act and Precious Metals Act to impose targets set out in the Charter on licence holders under those Acts. The provisions in the 2018 Charter related to mining companies not complying with ownership and mine community development requirement and thus being in breach of the MPRDA, potentially having their mining rights suspended or cancelled was also removed in the judgment."

Pienaar adds that ASPASA will continue to engage with its members and work closely with Government and The Minerals Council to engage stakeholder and work together towards fairer policies that are more likely to attract investment into the mining sector and the surface mining sector.

Kind regards,


Nico Pienaar
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