

MPBIASA Association Profile

Contact Person – Sobhuza Nonyane & Lot Mthobeni

Tel: + 27 11 902 9900, + 27 865 4231 & +27 11 234 7777/8888

Mobile: + 27 82 212 9498 & + 27 82 269 3357

Email: sobhuzamn@mpbiasa.com

Website: www.mpbiasa.com

Background

The 21st century has come to be regarded as **Africa's** century in relation to the exigencies that have come to be associated with the Mother continent 's developmental growth needs including, for example, to take visionary and bold initiatives to both utilize its known mineral resources to advance the goal of **Africa's industrialization** – i.e. as espoused by all **African Union (AU)** member countries, and thereby extricate itself out of the bondage of general under-development and specifically *under-industrialization* despite its known abundance of mineral resource deposits. The known abundance and diverse mineral resource deposits across the African economies represent strategic resource base which has exponential potential to set the **African** mineral-rich economies on the path to, in particular –

- ❖ Post-mineral extraction processing and beneficiation industrialization and downstream diversification.

The **African Mining Partnership (AMP)** represents notable, and recent, collective, combined and comprehensive developmental effort by key mineral-rich African countries such as, for example, **South Africa** in the quest towards stimulating localized (**African**) industrial mineral beneficiation industries. Countries such as **Mali, Ghana, Zimbabwe, Angola, Namibia, Madagascar, Senegal** and **Egypt** are the founding member countries of **AMP**. The **AMP** participating member countries focus on the development of the **Mineral Beneficiation Framework for**

Africa – i.e. the framework provides strategic focus towards stimulating and fostering localization of mineral beneficiation.

Africa's known endowment with diverse mineral resources continues to be the source of attraction to multi-national investors. Positioning the continent's mineral-rich economies as preferred investment destination for mining, as primary mineral extraction activity destination, is considered as a function of organizing and mobilizing the continent's under-developed mineral beneficiation industries around a shared vision for the development of post-mineral extraction processing and value chain beneficiation industries. With the passing of time, **Africa** continues to experience under-beneficiation of its extractable mineral resources and **South Africa** is poised to, namely –

- take the lead in the development of the continent's comprehensive and formative minerals beneficiation industries.

Mineral value chain beneficiation industries holds out exponential possibilities to foster the development, absorptive integration and mainstreaming of the continent's new generation of industrialists and fuel endogenous **African** industrial development and downstream diversification growth path.

The **African Union (AU)** has identified and prioritized industrialization of **African** economies as one of its key focus areas including, for example, promoting the development of post-mineral extraction and multi-tier beneficiation industries.

Localization of mineral beneficiation industrial development and downstream diversification is key towards fuelling the desired

industrialization of the continent – i.e. taking advantage of **Africa** 's known mineral-rich deposits to fuel industrial development in the (formative) mineral beneficiation industries particularly in relation to grossly insufficient availability of post-mineral extraction processing and beneficiation industrial infrastructure plants across the continent. It is this existing under-developed mineral beneficiation plant infrastructure which is at the core of **African** economies' mineral resources under-beneficiation. **MPBIASA** has identified and prioritized the development of mineral resource beneficiation industries across the African economies as the key frontier with regard to attracting fixed productive capital formation (industrial mineral beneficiation plant infrastructure) to mineral-rich **African** economies. **South Africa** 's **BENEFICIATION STRATEGY 2008** is considered as providing strategic opportunity for all of Africa 's mineral-rich economies in the development of the continent 's mineral beneficiation plant infrastructure backbone.

The **South African government (Dept. of Mineral Resources)** 's public policy proposition, as encapsulated by the '**THE BENEFICIATION STRATEGY FOR THE MINERALS INDUSTRY OF SOUTH AFRICA**' and led by the inter-departmental **Beneficial Strategy Task Team**, holds out the exponential potential for the creation of enabling public policy environment to drive the comprehensive off-take of the country 's beneficiation industry and thereby open multiple possibilities and opportunities for the post-mineral extraction and multi-tier downstream beneficiation across the diverse mineral streams. Again, the Department of Trade and Industry's **INDUSTRIAL POLICY ACTION PLAN (IPAP)** prioritizes mineral beneficiation as one of the key priority industries in its

effort to put the country on an inclusive economic growth path – i.e. not only in terms of expansive job creation but also in relation to, in particular, facilitating the promotion of transformative industry development which increasingly advances, namely

- the integrative absorption of (affirmable) industrialist interests at different stages of development including, for example, in the post-mineral extraction processing and beneficiation industries; and
- equitable and comparative participation in this post 2008, following the DME/DMR's public release of **THE STRATEGY FOR BENEFICIATION OF THE MINERAL INDUSTRY OF SOUTH AFRICA**, sunrise mineral processing and beneficiation industry

As a result of the historical origin of low levels of minerals beneficiation prior 1994 and into the last 15yrs of democratic economy, **Dept. of Mineral Resources'** public policy proposition on mineral beneficiation is identified by **MPBIASA** as heralding an era of state-led formative and take-off of mineral beneficiation industries which is expected to, in keeping with the democratic exigencies, promote and usher in equitable economic participation to include and benefit historically disadvantaged and affirmable aspirant, start-up and emerging industrialists – i.e. to participate in the emerging and comprehensive state-driven formative minerals processing and beneficiation industries.

INTRODUCTION

It is noteworthy to point out that **MPBIASA** 's Organizational Profile is formulated and developed such that it serves as an organic and developmental outline which lends itself to keeping up with the broad and strategic industry dynamism as heralded and effected by the contemporary public policy on localization of mineral beneficiation.

Minerals Processing & Beneficiation Industries Association of Southern Africa (MPBIASA) is registered as non-profit organization with the Registration **NO: 2009/012093/08**, an advocacy & lobby body which is open to membership from sector affiliates and/or companies in the post-mineral extraction processing and multi-tier downstream beneficiation industries ranging from, for example, primary minerals processing to tertiary and secondary multi-tier and downstream industrial beneficiation activities. That is, including such down-stream industrial plant processes as, for example -

Primary Minerals Processing –

For example –

- Washing plants
- Crushing
- Calcining

Tertiary/secondary beneficiation

- Electricity generation (Coal beneficiation) and renewable energy
- Smelting
- Foundry
- Furnace
- Refinery

Beneficiation Manufacturing

- Down-stream (mineral) **beneficiation manufacturing** of finished consumable products.

The Association is an organized industry lobbying body focused on contributing towards the transformation, development and growth of the (emerging sunrise) **mineral processing and beneficiation industries**. **MPBIASA** has Provincial Chapters in all the **SA**'s Provinces. Given the history of the **South African** mining industry the structure of the mining industry is of the nature and form that majority of **SA** mining companies' core mineral extraction interests are not only confined to the actual minerals extraction activities but understandably overlap into getting involved across various stages of minerals value chain processing and beneficiation.

- ❖ **SA**'s post-minerals extraction processing and beneficiation industry is without an overarching and *umbrella industry association* – i.e.

which brings together organized sector formations across multiple mineral-specific streams.

There is an existence of mineral-specific streams sector bodies which are more of stand-alone organized sector bodies including those which their formations was as a result of government developmental initiatives including those which their establishment originate from **SA** 's prior 1994 economy. Again, it is noteworthy to point out that even these organized mineral-specific stream bodies are without, notably, galvanized and common front to collectively champion and advance a shared vision (on industrial development consensus) of localized multi-tier downstream and/or value chain beneficiation. For example, in the mineral processing and beneficiation industry there is no umbrella industry body in the ilk of and equivalent to the ***South African Chamber Mines***.

- ❖ There are many and different reasons which led to the absence of such an organized, overarching and umbrella industry body in the mineral processing and value chain beneficiation industries.

The formation and establishment of Minerals Processing & Beneficiation Industries Association of Southern Africa (**MPBIASA**) came about as a result of collective and combined interest of the ***affirmable industry interest sector constituency*** particularly following the **SA** government's growing public policy emphasis on the promotion of, namely –

- ❖ Industrial mineral beneficiation and away from export of the country's raw mineral commodities.

MPBIASA's start-up membership is currently drawn from companies which operated in the mineral commodities trading sector and opportunistically migrating into the emerging state-driven and sunrise post-mineral extraction processing and beneficiation industries. That is to say the formation of **MPBIASA** is, by all accounts, an opportunistic organized initiative focused on and geared towards facilitating the development of multiple and affirmable industrialists in the post-minerals extraction processing and beneficiation industries. In keeping with the growing integration of the **SADC** economies and **Africa's** sunrise mineral beneficiation industry, **MPBIASA** is increasingly positioning itself to catalyze the formation of the **SADC-wide** regional **MPBIASA** as an instrument to facilitate the development and promotion of black industrialists entrepreneurs interests by taking advantage of the region 's known mineral deposits and current and future mining activities.

INTEGRATED and STRATEGIC INDUSTRY DEVELOPMENT FRAMEWORK

The **South African Mining Charter of 2004** – and since revised as the *Stakeholders' Declaration on the Strategy for Sustainable Growth and Meaningful Transformation of SA's Mining Industry 2010* - stipulates that, namely –

- ❖ Mining companies will be able to offset the value of the level of beneficiation (11%) achieved by the company against its

HDSA ownership commitments' – Source, Revised **South African Mining Charter 2010**.

The country's **THE BENEFICIATION STRATEGY FOR THE MINERALS INDUSTRY OF SOUTH AFRICA** has heralded a fundamental paradigm shift away from historical fixation relative to the (current) under-beneficiation of the country's mineral resources and more increasingly towards, NAMELY –

- The promotion of comprehensive minerals value chain beneficiation industries, as an emerging sunrise industry, and with exponential potential to foster possibilities and opportunities for absorptive integration of the affirmable **BEE** industrialists' entry into and business participation in the post-mineral extraction processing and value chain beneficiation industries.

MPBIASA's concept of **strategic growth partnerships (SGPs)** – i.e. as informed and guided by the middle road notion of **stakeholder capitalism**, between the long-established mining industry, as the primary mineral extraction industry, and the emerging comprehensive, formative and sunrise mineral value chain beneficiation industries is considered as contemporary developmental model of our time. Stakeholder Capitalism represents, by definition, harmonization and harnessing of what, in their purist forms, suppose to be competing interests but seeks to advance an altruistic and equitable distributive allocation of benefits –

i.e. a drift away from monopolistic ownership control of productive value chain assets and engendering of transformative change towards inclusive and equitable economic (enterprise) participation.

SA 's post-minerals extraction processing and beneficiation industries have historical origin of being an extension of mining companies which are involved in mineral extraction and generally overlap into participating in the minerals processing (and beneficiation) of their mining outputs.

The established and historical industry overlap by mining companies and/or vice versa – in some selected cases, into participating in the post-mineral extraction processing (and beneficiation) continue to stand out as representing –

- ❖ **SA** 'S history of monopolistic form of economic participation. As a result of this established history the distinction between mining companies' core minerals extraction and post-minerals extraction and beneficiation cannot be described as being blurred but more as an extension of mining companies' extended interest and commitment to local economic development.

This is identified as the reality of **SA**'s mining industry which developed, over the years of the absence of comprehensive public policy on mineral beneficiation. It is arguably this history of what could be described as somewhat of pockets of industrial mineral beneficiation and its attendant glaring extractive mineral export which contributed and/or continue to contribute towards, namely –

- ❖ current under-beneficiation of the country's, and **Africa's**, diverse mineral resources. Based on such historical primary mineral extraction (mining) and export mineral commodities to offshore markets, mining companies – in **SA** and across Africa – have always, and continue to, participated, by extension, in the post-minerals extraction processing and beneficiation.

The cardinal question which needs to be posed in the interrogation of the unfolding formative development, and transformation, of the country's mineral value chain beneficiation industries is the structural make-up of the composite relativity between mining, as the primary minerals extraction activity, and post-minerals processing and beneficiation, as a multi-stage industrial value-adding activity.

- ❖ That is, at what point mining (mineral extraction) ends and value chain beneficiation starts?

MPBIASA's position is that the evolving transformation and development of the country 's mineral beneficiation industry to facilitate, in particular, ***the integrative empowerment of and comparative business participation*** by affirmable industry interest sector constituency, as collective emerging industrialists, cannot be said to be complete unless this fundamental question is sufficiently collaborated and a consensus is forged – i.e. between organized mining and minerals processing and beneficiation industry body, such as **MPBIASA** - including the government.

VISION

MPBIASA's Vision is anchored on the strategic pillars and these are, namely –

- Contribute towards the transformation, development and growth of the minerals processing and beneficiation industries through organizing the various mineral-specific sectors into one overarching and umbrella industry-wide post-mineral extraction and beneficiation industry sectors;
- Galvanize and champion the multiple interests of industrialists at different levels of development in the minerals processing and beneficiation value chain industries.

MISSION

MPBIASA's Mission is to catalyze, facilitate and promote the utilization of **SA's**, and Africa's, mineral resources to focally drive the development of post-minerals extraction processing and beneficiation industries through, namely –

- Establishment of organized and dedicated business formations to champion and advance localization of industrial mineral processing and beneficiation across all mineral commodities;
- Systemically catalyze and advance **SA** 's, and **Africa** 's, post-minerals extraction processing and beneficiation industries; and
- Contribute towards building competitive minerals processing and beneficiation industry both in **SA** and across the African economies.

INDUSTRY UMBRELLA REPRESENTATIVE ASSOCIATION: Post-Mineral Processing and Value Chain Beneficiation Industries:-

SA is one of the leading globally competitive minerals-producing countries with a myriad of comparative advantages.

- The country 's post-minerals extraction processing and beneficiation industry is without an overarching and umbrella industry body as an equivalent to, for example, **South African Chamber of Mines**.

The absence of organized umbrella industry body as an industry-wide representative body which brings together mineral-specific stream sectors in the minerals processing and beneficiation industries is identified as mutually reinforcing in terms of an opportunity for both an opportunity in relation to, NAMELY –

- an opportunity to organize the industry in an effort to promote and uphold the interests of the comprehensive take-off of the mineral beneficiation industry – i.e. in keeping with government **(DMR)'s MINERAL BENEFICIATION STRATEGY**; and
- Also an opportunity for comprehensive development and transformation of the (sunrise) minerals beneficiation industry.
 - ❖ There is an existence of mineral-specific streams sector bodies which are more of stand-alone organized sector bodies including those which their formations were as a result of government developmental initiatives.

It is noteworthy to point out that even these organized and stand-alone mineral-specific streams bodies are fragmented. For example, in the mineral processing and beneficiation industry there is no umbrella industry body in the ilk of **Chamber Mines of South Africa**

- ❖ There are many and different reasons which led to the (current) absence of such an organized overarching and umbrella industry body.

The formation and establishment of Minerals Processing & Beneficiation Industries Association of Southern Africa (**MPBIASA**) came about as a result of collective and combined interests of affirmable aspirant, start-up and emerging industrialists particularly following the **SA** government's growing public policy emphasis on the promotion of industrial mineral

beneficiation and away from export of the country 's raw mineral commodities.

- ❖ **MPBIASA**'s start-up/maiden membership is currently drawn from companies which operated in the mineral commodities trading sector and opportunistically migrating into the emerging state-driven post-mineral extraction processing and beneficiation industries – i.e. as government stated public policy position increasingly does not support export of the country's raw mineral resources to offshore markets but promote development of localized minerals processing and beneficiation industries.

That is to say the formation of **MPBIASA** is, by all accounts, an opportunistic organized initiative focused on and geared towards facilitating the development of multiple and affirmable industrialists in the post-minerals extraction and beneficiation industries. In keeping with the growing integration of the **SADC** economies, **MPBIASA** is increasingly positioning itself to catalyze the formation of the **SADC**-wide regional **MPBIASA** as an instrument to facilitate the development and promotion of black industrialist interests by taking advantage of the region 's known mineral deposits and current and future mining activities of black informed and guided by an all-inclusive altruistic consideration for the collective and progressive economic empowerment of former

AIMS and OBJECTIVES

MPBIASA's formation and establishment is inherently based on two cardinal strategic scenarios whose objectives include, in particular –

- to champion **SA** 's emerging sunrise post-mineral extraction processing and beneficiation industries within the context of the country 's economic transformation and development exigencies and regulatory dispensation; and
- Continuously work at the economic opportunity to facilitate the integrative economic empowerment entry into and participate in the mainstream minerals processing and beneficiation industry sectors by, in particular, the ***numerical and affirmable organized industry interest sector*** and ***local mining community constituencies***;
- Contribute towards and facilitate the development and growth of a cadre of industrialists in the post-minerals extraction processing and beneficiation industry sectors;
- be on the forefront of the *thought leadership* drift towards the acceleration of developing **Africa's** post-mineral extraction processing and beneficiation industrial plant infrastructure backbone – i.e. in cahoots with **Africa** 's development institutions such as, for

example, **NEPAD** and **African Development Bank** and other international development institutions.

In its developmental efforts to contribute towards the development of SA's post-mineral extraction processing and beneficiation, **MPBIASA's** Aims and Objectives are the following, NAMELY –

- Serve as a ***projects sourcing services organization*** in the post-minerals extraction processing and beneficiation industry sectors;
- Advance and promote the entry and participation of the affirmable organized industry interest sector constituency in the post-minerals extraction processing and beneficiation industry sectors;
- Champion and promote the localization of (industrial) minerals processing and beneficiation of extractable minerals;
- mobilize and galvanize the post-minerals extraction processing and beneficiation industries into a single overarching/umbrella industry body as strong interest lobby body ;
- Promote development of minerals value chain industries;
- Champion and promote the localization of minerals value chain beneficiation through, for example, lobbying for partnerships with mining companies' Declaration Commitment N0:5 beneficiation project ventures; and.
- Engage locally based foreign mining companies and/or interests to invest in the development of industrial plants for processing and beneficiation – i.e. also promote exports in value-added products

Strategic Industry Positioning

MPBIASA continues to position itself, in the post-minerals processing and beneficiation services sector partner, as, in particular –

- Projects sourcing services Association by working with primary mineral extraction/ mining companies.

The Association's strategic exposure to identifiable pipeline of projects market opportunities is made possible through its cumulative lobbying advantage.

MEMBERSHIP

- ❖ **MPBIASA's** membership is free and per invitation and the Association has taken a decision not to accept membership fees particularly at this point of developing its internal organizational capabilities – i.e. required in the services offering to (paid) membership.

The Association 's view is that the development of internal organizational capabilities for comprehensive membership services offering is a function of organizational development investment – which currently the Association is not in a position to afford. This decision is to be reviewed

in the next three years from the date of the Association's inaugural launch.

❖ The Association 's start-up (invited) membership is comprised of, largely, companies, NAMELY –

- Which were formerly involved and operating in the (sunset) mineral commodities trading and recruited to migrate into the emerging sunrise mineral beneficiation industry; and
- Coupled with membership drawn from established junior minerals processing sector – i.e. companies with accumulated experience and expertise in the metallurgical industry and seeing **MPBIASA** the significance of organized industry lobbying advantage.

Membership is reviewable every 12 months and which is in consistent with the organization's Constitution – which is at its final stage of finalization.

MEMBERSHIP BENEFITS

MPBIASA, as an overarching umbrella industry association, is to serve as a dedicated industry-wide advisory & lobby group to advance the collective and combined interests of its members/affiliate member organization through, namely –

- Influence public policy to facilitate access to and ensure security of supply of locally extracted minerals as feedstock as to sustain and drive the development of local minerals processing and beneficiation plants – of member companies;
- Working with member companies to harness and harvest the forecast growth of opportunities in the sunrise mineral beneficiation industries across the mineral value chain;
- Agitating for public policy development in the interests of its membership;
- Seeking representation in related numerous forums to advance the aspiration and interests ;
- Promoting the inherent industrialist interests of **MPBIASA** member companies within both **SA** and across the African regional economic blocs;
- Facilitating strategic exposure to (identifiable) possibilities and opportunities to benefit the member companies.

MPBIASA's view, in relation to membership, is singularly focused on optimization of strategic exposure and access to mineral processing and beneficiation opportunities in ways that advance inclusive economic growth path such as, for example, integrative economic empowerment of local mining communities..

GROWTH STRATEGY

SA has always been without comprehensive mineral beneficiation public policy which (generally) led to the country's contemporary lack of definitive clarity of, for example –

- At what point does mining ends and (minerals processing and) beneficiation starts?

In the current industry relativity between the established mining and the under-developed minerals beneficiation industries, the line of distinction is (somewhat) currently blurred to, comparatively, the disadvantage of, largely, the emerging affirmable industry interest sector.

- It is **MPBIASA's** considered position that once there is all-stakeholders' consensus compact, the Association will offer a home and platform to affiliates/companies involved and participating in the minerals processing and beneficiation value chain industries.

Again, **MPBIASA** is fully aware that as long as the relativity between primary mineral extraction (mining) industry and emerging sunrise minerals beneficiation industries is not clarified, it will be somewhat difficult to recruit identifiable and potential members particularly lest these companies, which have contracts with mining companies, loose existing, for example, future (minerals processing) service contracts. This has emerged, out of **MPBIASA**'s interactive experiences emanating from early-stage project development, as inevitable reality in the absence of public policy clarity during the consultative activity processes on the **BENEFICIATION STRATEGY** period – i.e. in the short-to-medium term until the question of mineral beneficiation is inclusively agreed to and its relation to the mining industry is comprehensively clarified in much more details. In view of this, the notion of **stakeholder capitalism** seems to hold out the possibility for somewhat of the middle road in the context of **strategic growth partnership (SGP)** – i.e. consensual compact for inclusive economic growth path in which there is a distributive allocation of economic opportunities to include and benefit identifiable stakeholder interests.

Conclusion

The mineral value chain beneficiation industry holds out exponential potential, as the sunrise industry, for industrial development in the form of different sizes and stages of development of industrial plant infrastructure. The industry is comparatively poised to emerge as the leading catalyst and driver of development of industrial multi-tier beneficiation plants in mineral-rich localities.