



Press Release

21 August 2020, Johannesburg

Coal can play a central role in rebuilding COVID-19 hit SA economy

Coronavirus (COVID-19) has had a devastating impact on the South African economy, which already had record high unemployment. However, Vuslat Bayoglu, managing director of investment company Menar, has argued that the coal mining sector, could aid reviving the economy.

He was speaking during a panel discussion with other coal industry stakeholders, as part of the virtual Coal Industry Day, on Thursday (20 August 2020) on sustainable strategies for coal producers.

“Menar plans to invest R7-billion in greenfield projects in the next two years and create over 5 000 jobs. With support from government, labour, communities and industry, we along with other coal miners could be an integral part of economic rebuilding efforts now and post-COVID-19,” stated Bayoglu.

The coal industry is already a significant employer in the South African economy, employing over 92 200 who received R27.9 billion in salaries collectively in 2019.

He also noted that while it was imperative to adhere to environmental laws and regulations, some environmental lobby groups lacked balanced appreciation of the state of the South African economy. “The green energy lobby has become like a cult, which sees no nuance in the discussions regarding the need to address South Africa’s energy needs alongside its environmental obligations,” he said.

He also raised concerns about the risks to mining investment posed by community unrest. “Community unrest has increased the costs of investment, and has served as a moral hazard to communities by heightening investor risk. To date, the state and mining industry have yet to develop a coherent plan involving all mining players to manage community relations.”

The government’s supposition, based on the Mining Charter, is that community empowerment projects and shareholding would be good for community stability. There were many instances where mining companies had done all the right things, such as sourcing the majority of their



MENAR

services from communities, employed locals and contributed to local development initiatives. However, they still experienced major community unrest challenges.

Bayoglu stated that licensing was becoming increasingly difficult. “The Department of Mineral Resources and Energy is very efficient in granting rights, but these are often challenged or reversed by the Department of Environment, Forestry & Fisheries, which caused delays and cancellations of projects. In addition to jobs, new mines will bring economic and social benefits to host communities, including social labour plans, local economic development projects, bursaries, learnerships, internship, and the like.”

Menar’s subsidiaries are Canyon Coal, with operations in Mpumalanga and Gauteng; Zululand Anthracite Colliery in KwaZulu Natal, Kangra Coal in Mpumalanga and Sitatunga Manganese in the Northern Cape.

www.menar.com

For more information, contact:

Menar Corporate Communications Department
Siphiwe Tame
Tel: +27 11 783 7996
Email: pr@menar.com