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Afreximbank's EVP highlights Africa's mineral wealth as key to industrial development

AFREXIMBANK

Speaking at Mining Indaba, Kanayo Awani, EVP of Afreximbank, emphasised that Africa's rich mineral resources are crucial for the continent's industrial development, social progress, and economic prosperity. In her address, themed "Redefining Critical Minerals – Critical for Who?", Awani outlined the paradox of Africa's abundant mineral wealth contrasted with its limited local benefits due to inadequate infrastructure, unclear policies, and insufficient financing.

She urged for increased investments in value addition and processing facilities to elevate Africa in global value chains, creating jobs and fostering a skilled workforce.

Highlighting successful examples, she praised Botswana's diamond industry, South Africa's advancements in fuel cell technology, Ghana's lithium production management, and Namibia's ban on exporting raw lithium, all leading in value addition efforts.

"The paradox lies in the fact that whilst our continent is a treasure trove of resources, the benefits of these resources often flow outside our borders, leaving local communities and economies deprived," she said.

"For a continent that is endowed with such vast quantities of natural resources, the state of development across its length and breadth remains a puzzle."

Strategic partnerships

Awani also detailed Afreximbank's numerous initiatives, including their partnership with the AfCFTA Secretariat to establish a $10bn Adjustment Fund to support African countries in the AfCFTA and a $500m concessionary finance window to achieve the Sustainable Development Goals by 2030.

Other key initiatives mentioned were the DRC-Zambia battery precursor manufacturing special economic zones Initiative aimed at the battery electric vehicle value chain, a project preparation facility for Nigeria's first floating liquefied natural gas facility, and the development of African Quality Assurance Centres for international trade compliance.

She pointed to the potential to broaden these quality assurance centres to include mineral certification, reducing dependency on overseas certification, and highlighted the local content mining services programme aimed at job creation and inclusive growth.

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How private investment can turn South Africa's freight challenges around

Transnet's Network Statement signals a crucial turning point for South Africa's rail transportation sector, boldly inviting the private sector to take a leading role in its recovery. If implemented effectively, this initiative can significantly boost operational efficiency and provide a much-needed economic stimulus in a country where GDP growth has stagnated below two per cent for nearly a decade. However, we must scrutinise its transformative potential before we start celebrating.

The poor performance of bulk logistics is costing the South African economy at least R1 billion per day. In the mining sector, many companies are switching to road transport, increasing costs four-fold compared to rail.

Our national roads are buckling under the strain, just a drive along the N4 highway to Mpumalanga or the N3 route to Durban reveals a sea of cargo trucks that now dominate these routes, putting communities at risk of accidents.

Years of underinvestment in maintenance have also left South Africa's ports among the worst in the world when assessed on vessel time in port, according to the World Bank

These issues have had a significant impact on our economy. Between 2021 and 2023, South Africa lost out on an estimated R98 billion in coal and iron ore exports due to freight logistics constraints, according to a Minerals Council report. In agriculture, issues at Cape Town's port cost apple and pear producers close to R1bn per year.

Although the near- and long-term impact of Transnet's renewal project on the economy remains uncertain, new opportunities are emerging for mining sector players. But tough choices have to be made to get back on track.

Unlike public-private partnerships in the energy sector – where the state takes on the role of investor or buyer of private services — Transnet's approach is firmly focused on private sector participation (PSP).

This model creates a space for private players to invest in and contribute to the rail and port network, offering stakeholders a real opportunity to deliver meaningful change.

Private sector participation drives solutions

South Africa has a strong historical precedent for successful public-private partnerships (PPPs), most recently demonstrated in the energy sector.

Since South Africa introduced PPPs in 1998, over 35 large-scale projects worth more than R90m have been initiated. Notably, the transport sector has seen the largest PPP projects,

accounting for an estimated R65-70bn in spending on initiatives like the Gautrain Rapid Rail Link.

Recent partnerships with Transnet have already made collaborative projects more feasible. For example, a five-year agreement is already in place with Sasol to deliver ammonia to customers, with Sasol funding the maintenance of the fleet for Transnet.

However, where these improvements came about through partnerships, the new Network Statement and Transnet's ambitions now call for companies to invest in and operate parts of the rail network, a distinct departure from what has been done in, for example, the energy sector.

Transnet's renewal approach leaves it up to freight-dependent sectors – like mines – to decide just how involved they would like to be.

These positive shifts in the rail sector mean mining companies have a pool of emerging opportunities to leverage.

They must now consider an appropriate level of participation in the rail revival, which applies to both financial contributions and operational involvement needed to achieve the desired results. Participation can come in the form of individuals or forums for the good of the corridor or industry.

On the lower end of the spectrum, companies can start affecting ancillary railway services; with increasing investment, they can impact critical operations or decide to become an end-to-end provider.

The more involved mines get, the easier it becomes to mitigate risk from an underperforming network. This deeper involvement will require specialist expertise and large-scale investment.

For these players, rail investments will also impact various stakeholders, some of whom may have conflicting interests. This emphasises the importance of consensus and buy-in when getting involved in rail through finances or operations.

Mines need to consider how their ambitions align with the national objectives of job creation and economic growth as they participate in the revival of the rail network with Transnet.

Overall, PSP has the potential to revitalise South Africa's rail transportation sector and boost economic growth. With a supportive legal framework, effective governance, and operational models, along with public sector investment and stability, the payoff could be significant.

But before success is declared, mines must tread carefully; balancing their appetite for investment with the need to build consensus with stakeholders and use collaborative approaches to minimise exposure.

GTMI GLOBAL TAILINGS MANAGEMENT INSTITUTE

Global Tailings Management Institute launched to make mines safer for all

One of the biggest storylines at Investing in African Mining Indaba 2025 was the Global Tailings Management Institute (GTMI) launch. GTMI is aimed at transforming the management of mine tailings facilities worldwide. Founded through a collaboration between the International Council on Mining and Metals (ICMM), the United Nations Environment Programme (UNEP), and the UN-backed Principles for Responsible Investment (PRI), the GTMI is a multi-stakeholder governed organisation that will drive safety and sustainability in the mining industry and help ensure zero harm to people and the environment by promoting responsible tailings management throughout the lifecycle of mine tailings facilities. The institute will oversee the implementation and compliance of the Global Industry Standard on Tailings Management (GISTM), a framework established to prevent catastrophic tailings dam failures.

Adam Matthews, chief responsible investment officer at the Church of England Pensions Board and representative of the PRI, says South Africa was chosen as the GTMI's headquarters because the country offers a combination of technical expertise, regulatory advancements, and a mining industry already engaged in implementing the GISTM.

"South Africa has many tailings facilities and companies committed to the standard, it's also a nation with technical capacities both in the geotechnical and academic space that we can draw upon," he explained

OceanX shows how AI is transforming marine research

Ocean exploration NGO OceanX took a detour around Africa as an opportunity to demonstrate how artificial intelligence can solve real-world scientific challenges through its implementation aboard the advanced research vessel OceanXplorer. According to science programme director Mattie Rodrigue, integrating AI into their operations has fundamentally transformed marine research capabilities. "AI has been a complete game changer," she said.

Before deploying any assets into the deep, the OceanX team employs a systematic approach that begins with acoustic mapping – using sound waves to create detailed images of previously unexplored underwater environments.

This initial step allows researchers to build a comprehensive picture of marine ecosystems before sending out expensive equipment.

"This is how we go to an area that no one has ever seen before and put a picture of the ecosystem together layer by layer just by using sound," Rodrigue explained.

This practical application of technology optimises research efficiency and ensures operational safety in unknown territories.

Actually useful AI

The most significant AI implementation comes in the form of real-time species identification.

OceanX team has trained specialised AI models to automatically classify marine life from live video feeds captured by remotely operated vehicles (ROVs).

Mantashe classifies coal as critical mineral

Mantashe classifies coal as c"Africans must share the country's wealth in every country on the continent... this gathering is precisely about having discussions about Africa's mineral wealth," Mantashe said.

The minister was particularly harsh on the idea of African poverty, using South Africa as an example where when gold

followed by gold – and therefore, on that part of employment and export, it is a critical mineral."

Bedrock of the economy

"Not only is South African mining going from gold mining to a whole range of industries, but it also remains the bedrock of our economy, an attractive sector for new and greater investment."

mining was in decline, the industry pivoted to other minerals.

"These minerals are more than just clay, they do many other things... we looked into seven countries who define critical minerals in their own way and we developed our organic definition of critical minerals," he explained.

"In our assessment, coal is one of the critical minerals because it is the second biggest employer, after PGM and

On the subject of investors, Mantashe wants organisations to be more honest and transparent.

"Every company wants to invest to make money, so don't tell me that you want to create jobs," he says.

"You want to make money, and in the course of making money, you will employ people."

Unitrans drives efficiency and sustainability in mining with performance-based vehicles

The mining sector has faced many opportunities and challenges over the past few years. While some mining houses have thrived with rising prices and increased demand for certain commodities, others have grappled with declining markets, oversupply and logistical constraints.

These challenges have led many mining companies to experience dips in revenue and profits, driving them to seek innovative solutions to improve efficiency, productivity and profitability.

Against this backdrop, adopting Performance-Based Standards (PBS) vehicles has emerged as a game-changer for the sector, offering unparalleled efficiency, safety and sustainability benefits. With their advanced engineering and customisable designs, PBS vehicles address the unique demands of key mineral sectors, including copper, lithium, heavy mineral sands and uranium.

“The advantages of PBS vehicles are undeniable," says John Kettlewell, chief operating officer of the Mining Division at Unitrans. "Their success lies in matching the right vehicle to the right operation. Each vehicle is designed to perform tasks with maximum productivity, safety and sustainability. This tailored approach ensures the specific requirements of each mineral are met, enabling optimised payload capacities."

"Bulk material handling in mining is inherently complex, with challenges often tied to the physical and operational demands of moving massive quantities of materials efficiently and safely," says Kettlewell.

PBS vehicles can transport up to 140 tonnes, enhancing payload capacity. This capability reduces trips, alleviates congestion at loading and offloading areas and lowers carbon footprints. By optimising vehicle configurations and achieving higher payloads, Unitrans has achieved over 20% reduction in fuel consumption per tonne hauled and a 54% decrease in the number of vehicles required for a mining operations customer.

closure confirmed, but hope floats in steel market

ArcelorMittal South Africa (Amsa) has confirmed that it will cease long steel production by April this year after discussions with government failed to prevent the plant's closure. The shutdown, set to impact 3,500 direct and indirect jobs, comes after multiple warnings of a bleak outlook for the broader metals sector in 2025. Amsa will begin shutting down its blast furnaces in the first week of March, with final steel production expected in late March or early April.

The company's long steel operations, which produce fencing material, rail, rods and bars for the construction, mining and manufacturing sectors, will be fully wound down and placed into care and maintenance by the second quarter of 2025.

"The structural elements leading to the wind-down of the long steel business remain unaddressed despite extensive discussions," Amsa said in a company statement.

"We were unable to avoid what will be a significant negative impact on the economy."
The steel giant blamed the closure on weak domestic demand, competition from local scrap metal recycling mini-mills, and imports from China.

Operations losses from the long steel business doubled to R1.1bn in 2024, contributing to a wider headline loss of R5.1bn, up from R1.89bn the previous year.

Industry facing multiple headwinds
The closure comes as the Steel and Engineering Industries Federation of Southern Africa (Seifsa) released its State of the Metals and Engineering Sector Report 2025, painting a concerning picture for the industry.

According to Seifsa COO Tafadzwa Chibanguza, the sector faces "a variety of headwinds both locally and globally" including heightened geopolitical tension, low economic growth, and slow implementation of necessary economic reforms.

Full-year estimates for 2024 show the sector's production declined by 1.4%, while employment increased by only 0.5% to 362,210 people.

Exports fell by 6.3% and imports decreased by 6.9%, with the sector's GDP expanding by just 1.1%.

African markets offer hope

Despite the challenges, Seifsa pointed to African markets as a potential bright spot, accounting for 41% of the sector's exports.

The IMF has forecast growth of 4.1%-4.2% for Africa, outpacing other regions.

"Despite the challenges of intra-African trade, the continent still presents considerable opportunity for the sector," Chibanguza said, citing increasing private capital flows and a young demographic profile.

To place the sector on a sustainable growth path, Seifsa recommended three key initiatives: developing a comprehensive metals and engineering policy with bold ambitions, creating a demand-pooling structure to identify and prepare viable projects, and fast-tracking the public-private partnership framework being considered by the National Treasury.

NORTHAM PLATINUM HOLDINGS LIMITED big solar thrust to save R700m a year, much more to come

The area south of the metallurgical complex at Northam Platinum's Zondereinde platinum group metals (PGM) mine in Limpopo has been cleared for the construction of the first of the Johannesburg Stock Exchange-listed company's 80 MW solar power farms.

Each year, this facility will produce 220 000 MWh of secure behind-the-meter electrical energy, reducing annual carbon emissions by 220 000 t and reducing energy costs by 15%.

Clean, green electricity will flow from this plant on 170 ha towards the end of this calendar year.

Northam plans to halve the R2.6-billion a year that it spends on power, amid recently having clinched two further renewable-energy agreements, these being 140 MW from a wind farm, close to Sutherland, in the Western Cape, and another 80 MW of wheeled solar power, both scheduled to be operating in 2027.

By then, 900 000 MW, or 60%, of energy used at Northam's operations will be renewable, and the group's carbon intensity will have been reduced by 60%.

In today's terms, Northam will save around R700-million a year into perpetuity – "and we don't plan to stop there", Northam CEO Paul Dunne said during the company's presentation, covered by Mining Weekly, of dividend-yielding results for the six months ended December 31.

Northam is progressing other renewable-energy projects in a dynamic and rapidly changing technological and legislative environment. These include additional solar and battery storage initiatives.

"We're actively pursuing other initiatives to further reduce our environmental impact and assist with cost control. As an aside, it's also worth noting the accumulation of stock next to the smelt house.

RMB: Shaping SA's Energy Future Through Innovative Financing of Transmission Infrastructure

Keith Webb, Senior Investment Banker for Infrastructure Sector Solutions at RMB

In the heart of South Africa's economic transformation lies the intricate challenge of overhauling its energy market.nt Banker for Infrastructure Sector Solutions at RMB

In support of this transformation, FirstRand, through its investment banking arm Rand Merchant Bank (RMB), and the funding markets in general have extensive experience in structuring and arranging funding in both the Power and Public-Private Partnership (PPP) sectors.

As South Africa pivots towards a more sustainable, reliable energy future, RMB's role in supporting the roll-out of electrical grid transmission capacity becomes pivotal.

The recently unveiled 2024 Transmission Development Plan (TDP) sketches an ambitious path for the nation's electrical grid. It's a plan that demands substantial investment - an estimated R85 billion for capacity expansion and R18 billion for refurbishments in the next five years,

with projections suggesting a doubling for the period 2030-2034.

This plan is about redefining how energy is transmitted across the country, ensuring that the power from the high renewable resource areas in the country reach users at peak wind and solar times and the grid remains stable and resilient during peak load times.

RMB is committed to supporting the National Transmission Company of South Africa (NTCSA's) role in creating a robust electricity market through a suite of financial tools. Our approach includes offering credit support, liquidity products and hedging instruments designed to smooth the financial pathways for electricity trading, ensuring that NTCSA can manage the financial ebb and flow of such an extensive project.

When it comes to funding the TDP, we envision multiple models.

The current model where the NTCSA undertakes Engineering, Procurement, and Construction (EPC) work on its own balance-sheet is well understood and has been recently supported by NERSA approving a ring-fenced revenue line for transmission services. This could allow RMB to raise the necessary funds for NTCSA to undertake transmission projects directly.

Alternatively, an Independent Transmission Project (ITP) model would involve funding for private entities to build, own, operate, and eventually transfer transmission lines to NTCSA, based on a competitive procurement process. This approach has been successfully undertaken in South Africa through REIPP and PPP procurement processes although this requires contingent balance-sheet support from the procurer (likely NTCSA in this case) through committing to a long-term obligation to pay for the Transmission Service Agreement.

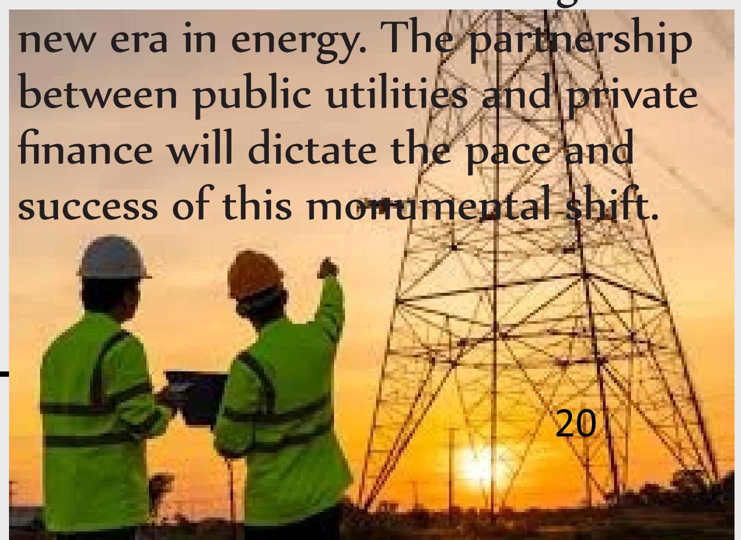
In both the above instances, it is likely that as NTCSA gets established it would require a suitable guarantor to enable it to raise substantial funding. Credit support mechanisms, reminiscent of those used in early REIPP stages where a credit-worthy guarantor provided guarantees covering NTCSA's obligations under EPC or TSA agreements, would be required. While ring-fencing revenue streams is essential for NTCSA to meet its financial obligations, both on and off its balance sheet, addressing the chronic issue of municipal arrear payments and debt is crucial to ensure their role as distribution networks in the new energy landscape.

Finally, RMB has funded a substantial amount of grid investment through the "Self-Build" model where Independent Power Producers have built their own Collector Networks and Main Transmission Substation (MTS) connections. This model has already facilitated over 1 500 MVA of MTS connections, which are transferred to NTCSA upon completion, with costs recovered through electricity tariffs or through a reimbursement mechanism should other parties connect to the shared infrastructure.

The benefits of this Transmission Development Programme are manifold.

It promises to bring the lowest-cost renewable generation capacity from high-resource areas into the grid, ensuring efficient transmission to users across the country. This not only supports a manageable transition for the economy but also fosters local industrialisation through the procurement of towers, cabling, transformers, and by engaging local companies for EPC contracts and maintenance services.

In conclusion, RMB's strategic involvement in funding South Africa's transmission infrastructure is more than just financial backing; it's an investment in enabling the new era in energy. The partnership between public utilities and private finance will dictate the pace and success of this monumental shift.

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