

Review of the Mining Industry for 2006 & 2007

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THE CHAMBER OF MINES
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1. Highlights for 2007

- Creation of NDTC and provision of 16% of Namdeb production to local diamond cutting & polishing factories
- Langer Heinrich commissioned (March 14, 2007) as second uranium mine in Namibia.
- Weatherly International takes over Ongopolo Mining & Processing Ltd.
- Weatherly renames & splits Ongopolo into Weatherly Mining Namibia & Namibia Custom Smelters.
- Skorpion exceeds nameplate production of 150,000 t for the first time ever.
- Bullish market conditions for most minerals on the international markets
- Increased Foreign Direct Investments in exploration and mining



2. Performance of the mining industry in 2006 & 2007

- a) Bumper turnover: N\$13.8 billion in 2007, an increase of 13% over 2006 (N\$12.2 billion).
- b) Corporate tax & royalties paid: N\$1.4 billion in 2007, an increase of 5% over 2006 (N\$1.3 billion).
- c) Wages & salaries paid: N\$1.3 billion in 2007, an increase of 28% over 2006 (N\$1.1 billion)
- d) Permanent employees: 7,901 in 2007, an increase of 3% over 2006 (7,691)



2. Performance of the mining industry in 2006 & 2007 (ctd.)

- e) Fixed investment (FDI) of N\$ 3.2 billion in 2006, contributing 26.5 % of total Namibia's FDI of N\$ 12.2 billion.

- f) Exploration Expenditure reached N\$ 482 million^{R1} in 2006, the highest level since independence.



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R1

Unfortunately we only asked members for the number of bursaries they provided NOT the amount of money they were spending on training and skills development. Perhaps we should incorporate this request next time.

Robin, 14/05/2008

3. Challenges ahead

- a) Skills shortages at all levels: artisans & professionals.
- b) Energy costs: fuel & power
- c) Security of uninterrupted power supply
- d) Water for the fast growing uranium industry
- e) Labour relations



4 Way forward

- a) Increase investments in skills development by both Private & Public Sectors. Prompt GRN disbursement of resources to VTCs, Polytechnic & UNAM.
- b) Review Immigration Act to resolve problems of quorum for ISB ~ enable skills imports
- c) Grant 3 year work permits to critical skills instead of 1 year. South Africa is granting 5 year w/permits & skills are migrating from Namibi
- d) Create enabling environment for large scale manufacturing of finished products based on our mineral production ~ job creation opportunities



4 Way forward (ctd.)

- e) Increased investments into power generation rather than reliance on outside power sources (reduce vulnerability)
- f) Mining industry to assess cost saving measures in production processes.
- g) Namwater to accelerate investment into desalination plant, to follow UraMin's current construction of the plant at Wlotzkasbaken
- h) Mining industry & MUN to continue to strive for harmonious labour relations



Thank you

Further information on Chamber of Mines
website.

www.chamberofmines.org.na



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