

Senegal "better than SA" in mining terms

By [Brendan Ryan](#)

11 Jul 2013

Despite its drawbacks, Africa is the world's best region for finding viable new gold mines, with Senegal being the most highly rated destination while SA is far less attractive, says Randgold Resources chief executive Mark Bristow.



At a media presentation in Johannesburg on Wednesday (10 July), Bristow said Randgold's two key measures for the overall ranking of countries were geological opportunity and political stability.

The group also applied a "fiscal competitiveness model" to assess the attractiveness of developing an identical mining project in various countries.

Senegal came out top on both measures while SA fell into the third out of four categories in terms of overall ranking and was ranked 17th in terms of the competitiveness model.

"SA is setting a bad example for the rest of Africa through the inept management of the strategic partnership between capital, labour and government," Bristow said. "The quota system here forces you to employ incompetent people," he said.

Improve efficiency

"How do you improve the efficiency of the economy like that? In Mali, there is no black economic empowerment policy but we have no expatriate workers on our mines.

"Everything has become blurred in SA and it is criminal to force companies to mine platinum at a loss because they are penalised for past policies," he said.

Bristow said conditions in countries such as Colombia "make Mali look like a walk in the park",

He said the culture in South America was different from Africa and was more socialist. "Countries like Mali have a background that is almost communist but, at the end of the day, they realise there is a requirement to deliver profitable investments."

He also cited the influence of "North American valuations" in driving up the cost of mining projects in South America.

Bristow said miners should stick to the regions in which they had a competitive advantage. "We know how to operate in Africa while others do not," he added.

"Look at what happened to African Barrick (a separately listed subsidiary of Barrick Gold that mines in Tanzania. You bring a bunch of Yanks into Africa and they know squat. Even the Chinese have struggled here," he said.

"We watched African Barrick all the way down but it still does not measure up to our investment criteria to take it over," he said.

Source: Business Day via I-Net Bridge

For more, visit: <https://www.bizcommunity.com>