

SWAZILAND

By a Special Contributor

The mining sector presently accounts for under 2% of the kingdom's total GDP and about the same proportion of Swaziland's total export earnings, estimated at Li6.96 billion (US\$810 million) in 2001. Asbestos mining ceased in 2001, leaving coal and quarrying of aggregates as the only current activities. As the Lilangeni (plural emalangeni=E), which is pegged at par with the South African rand, is forecast to depreciate by a further 35% against the US dollar in 2002 and the bulk of Swaziland's foreign trade is with South Africa, both imports and exports are expected to contract this year compared with 2001.

There is at present no stated mineral resources development policy, although attention is being paid to the diversification of existing operations. In a bid to revive interest in the country's mineral resources, the government has secured a small grant from China to pay for the drafting by consultants of a new mining policy. Plans are also in hand to develop legislation specific to small-scale mining.

There remains a fundamental distinction under prevailing constitutional arrangements between the state and government on the one hand, and the 'Swazi Nation' and monarch (presently King Mswati III) - on the other. Minerals are vested in the king, in trust for the Swazi Nation, with mining royalties paid to Tibiyo Taka Ngwane, a trust established by the late King Sobhuza II; its stated goals are to complement government national development programmes by fostering self-sufficiency and increasing Swazi formal sector employment, using its internally-generated resources to invest in virtually all economic sectors.

While the Commissioner of Mines is responsible for receiving applications for prospecting licences and mining rights, these are passed on to the Minerals Committee

chosen by the king for evaluation, while a similarly-constituted Negotiations Committee ensures that lease terms provide for optimum utilisation of natural resources. The king grants mineral rights and approves specific conditions after consultation with the Committee, which advises on issues pertaining to mineral exploration and exploitation but has no legislative powers. The Department of Geological Survey and Mines is responsible for day-to-administration of the minerals sector. The country is 100% mapped at a scale of 1:5,000.

Production of chrysotile asbestos from the Bulembu mine on the northwestern border with South Africa ceased altogether in 2001, due to declining revenues as a result of a sustained fall in the global fibre price and market uncertainties caused by compensation claims against producers by former employees. Production had been declining for several years and in 2000 underground mining was suspended by the mining company, Havelock Asbestos, and operations restricted to the recovery of fibre from mine tailings for export (mainly to South East Asia customers). Other adverse factors included operational difficulties at Bulembu and the prospect of continued weak prices due to reported dumping of fibre stocks on the world market in anticipation of a European Union (EU) ban on asbestos from 2005.

The decision in 2000 by the UK House of Lords to allow some 3,000 South African mineworkers suffering from asbestosis to sue their former employer, Cape plc, for compensation in the British courts led to a decision by several hundred Swazi former miners to take similar action against Havelock. This may prove difficult as the company is in the process of being liquidated. In July 2002, a parliamentary committee visited the mine to report on the environmental threat from waste

dumps at the mine, including the leakage of asbestos into the Nkomazi river, which could impact adversely on the large Magugu Dam project. The committee, which will submit a report to the Ministry of Natural Resources and Energy, aimed to establish whether the liquidation process would undermine the mining company's obligations to rehabilitate the surrounding area and to determine the cost implications of a rehabilitation programme.

Production of high-quality anthracite by Maloma Colliery in the south has continued but the product is no longer sold on the open market. The colliery closed temporarily in mid-2001 due to financial problems but was subsequently reopened by a joint venture of South Africa's Xstrata (with a 75% interest) and the government (25%). The anthracite is used as feedstock for Xstrata's chrome smelting operations in South Africa and production is below the average 30-40,000 t/mth extracted in 1998-2000. The mine has sufficient deposits for at least further 25 years' mining. There continues to be some interest in reopening the Mpaka mine, where only 5 Mt were extracted prior to closure several years

ago, and the 30 Mt of remaining coking coal reserves would be sufficient for some 30 years' mining.

Stone quarrying is the only other activity carried out at present, with two quarries at Kwalini and Tonkwane producing aggregates mainly for local road construction. Quarrying for sand and soapstone also takes place, subject to rigid controls under the Mineral and Environmental Authority Act of 1992. Exploration for gold in the northwest of the country has virtually ceased after earlier possibilities of mining proved uneconomic.

The Barberton greenstone belt is exposed in the far northern parts of the country, and the northwestern Pigg's Peak area contains numerous former small gold workings. Deposits of green chert in the Malolotja/Ngwenye area have not been exploited because of environmental implications. Other known minerals include kaolin, talc and silica, but despite past investigations to determine the viability of mining these resources, no recent activity has taken place.