

# Mining Industry Upbeat on Commodities

**By Derick de Wit**

The Business Day of 4<sup>th</sup> August 2010 reported that Xstrata CEO Mick Davis was the latest head of a major global mining company to sound an upbeat note on the outlook for commodities, as he outlined plans to spend USD14bn on 15 projects over the next three years to grow output by 50%.

“There can be no doubt we are now entering the most intensive organic growth in our history,” Mr. Davis said on the front page Business Day article “Xstrata follows Anglo in upbeat commodities outlook”.

His comments follow similarly positive remarks by Anglo American CEO Cynthia Carroll last week. It remains to be seen just how South Africa will benefit from this sentiment as the country’s mining sector contracted 1% in the last 16 years, compared to worldwide growth of 5%. South Africa, in effect, missed the last commodity boom.

With demand for commodities growing after the setbacks of the latter part of 2008, followed by the financial crisis of 2009, the South African Government took cognizance that something was wrong with the mining industry. This resulted in the 2010 Mining Summit on the 30<sup>th</sup> and 31<sup>st</sup> March 2010, where, together with labour and the mining industry, roleplayers looked at ways of making South Africa a more attractive investment destination.

At Venmyn, we have seen an increase in activity in the mining sector and we are able to offer assistance in a range of niche products. We offer reports ranging from Feasibility Studies and Independent Valuations to Security Exchange related Competent and Qualified Persons Reports and Fairness Opinions.

For more information, please contact Derick de Wit at Venmyn.