

Kumba chief worried despite 'great results'

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KUMBA CEO Chris Griffith says that despite a "great set of results" he worries about issues such as the axing of more than 17 000 workers at Impala Platinum, the effects of the indigenisation drive in Zimbabwe and the nationalisation debate in SA.

Kumba Iron Ore yesterday delivered record results for last year on improved production and higher prices, cementing its role as a star performer in the Anglo American stable.

"When you try to lead a business in SA and worry about the

future security of the company, government owning 50% of Kumba ... and super taxes — all these things occupy one's mind," Mr Griffith said yesterday.

Kumba's health was overshadowed by court cases dealing with alleged fraud, and arbitration proceedings on mineral rights and ore supply to primary steel producer ArcelorMittal SA.

The African National Congress study into state intervention in mining has proposed mechanisms to influence the pricing of unbeneficiated minerals and "monopoly-priced" goods. It said, with reference to ArcelorMittal and

Kumba, that "iron ore should be classified as a strategic mineral and mining licences should obligate local sales at 'cost plus'".

It also proposed that Kumba parent Anglo American be "forced to reduce its share to below 50% in the public interest", possibly by an amendment to the constitution.

Mr Griffith said the government needed to be more "business friendly" and that infrastructure growth had not kept up with the country's economic needs.

"It seems there is not a lot of support for industry," he said.

He said there was political mistrust between the state and the

private sector, but they needed to leverage each other's strengths as the government could not fund all of SA's infrastructure needs.

Mr Griffith said there appeared to be a new drive in the right direction in government with the establishment of task teams, including the Presidential Infrastructure Co-ordinating Commission. He said he was also hearing the "right words" from Economic Development Minister Ebrahim Patel and Public Enterprises Minister Malusi Gigaba.

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