

Rising to new heights

While much will be made of the historic December 2013 announcement of the appointment of the first black woman in history to chair

the JSE, shareholders in the company that runs the market will be nervously assessing the track record of Nonkululeko Nyembezi-Heita. The announcement that Nyembezi-Heita would vacate her position

as CEO of Arcelor Mittal South Africa (Amsa) on 18 February came a day before the JSE announcement was made.

She has served the JSE board since 2009 and succeeds Humphrey Borkum, who held the job for 11 years.

“It was a surprising announcement,” conceded Peter Leon, head of the Mining Law Practice at Webber Wentzel.

The reason for surprise is pretty clear when one analyses the outgoing Amsa CEO’s track record. Nyembezi-Heita oversaw an 80% slide from peak to trough in the share price during a controversial tenure during which the group lost the considerable iron ore pricing advantage it had when it failed to convert its old order mining rights to new order rights in April 2009.

The company notice announcing her imminent departure was sufficiently warm to suggest that she is leaving of her own accord with sufficient notice for a successor to be named while she remains in charge. Chairman Mpho Makwana paid tribute to her contribution to the group during “an exceptionally challenging period”. He did not differentiate between the external issues, such as a collapse in steel demand brought about by the financial crisis and the own goal of losing the most lucrative iron ore supply agreement in the world during her tenure. To her credit, however, Nyembezi-Heita, being touted at the time of writing as a potential future Eskom CEO, stuck around to fix the mess with Kumba and only announced her resignation once a final supply agreement had been agreed. Had she bailed any earlier it would have made any future high-level employment difficult.

It was also during her tenure though that Amsa became embroiled in an unseemly and contentious attempt to regain the right, which the Constitutional Court has now ordered should revert to Kumba Iron Ore. When it seemed that the previously unknown, Gupta-connect-



**Nonkululeko
Nyembezi-Heita**