



**Ministry of
Mines and Energy**



**Ministry of Trade
and Industry**

PROGRESS OF JOINT VALUE ADDITION COMMITTEE (JVAC)

**PRESENTER: Mr Kahijoro
Kahuure
Chairman JVAC**

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BACKGROUND



- Value Addition is a cornerstone of Vision 2013 and;
- Major component of NDP4.

DRAFT REPORT 1



- To date the activities of the Committee are progressing well;
- Phase 1 of the study was completed in July 2014 and covered the following minerals:
 - ☐ copper,
 - ☐ diamonds,
 - ☐ gold,
 - ☐ iron ore
 - ☐ lead,
 - ☐ zinc and
 - ☐ uranium
- A public stakeholders' workshop was held at the MME auditorium on 7 August, 2014

OVERALL OUTCOME OF PHASE 1

- there are several opportunities for further value addition to minerals but firstly, the identified constraints and challenges should be addressed;
- The challenges to be addressed include power supply, water, skills and technology, lack of economies of scale and small local market base;
- The low hanging fruits have been identified as diamonds, copper and zinc;
- Furthermore, the report shows that downstream processing may in some cases be a low margin business. Gold refinery was cited;
- The report further states that downstream processing may not be as labour intensive as the extractive sector and generally demands high skilled workers ;

SUMMARY OF OBSERVATIONS ON EACH MINERAL BASED ON REPORT 1

Copper:

- *There is the possibility of expanding the existing Tsumeb smelter to house a copper refinery.*
- *However, the current volumes of copper concentrates would not warrant investments into a copper refinery.*

Diamonds:

- *there is definitely room to further develop Namibia's diamond cutting & polishing industry.*
- *highly skilled cutters and polishers are required in order to preserve and maximise the value of the diamonds.*

Gold:

- *investing in gold refineries in Namibia would be uneconomical.*
- *Gold mining companies do not generally invest in refineries because the return and profit margins of this business are much lower than those generated from gold mining activities.*
- *there is need to develop a jewellery industry in Namibia along the lines of a cottage industry in India or China;*
- *Further investigations required to inform policy option.*

Zinc:

Namibia already produces Special High Grade Zinc at the Skorpion zinc refinery;

Development of a galvanising industry in Namibia is possible, but would require a local steel industry (based on potential iron mining in Namibia), or steel imports.

Iron ore:

there are a number of promising iron ore prospects with an estimated potential of 3.2 to 4.7 billion tonnes in iron ore reserves

WAY FORWARD



- the Phase 2 draft report which covers: dimension stone, salt, phosphate, fluorspar, manganese, graphite, and silica sand;
- Stakeholders workshop planned for 9th June Ministry of Mines and Energy Auditorium;
- UNDERTAKE field visits to manufacturing plants in selected Countries to investigate what it would take for such investments to come to Namibia

IN CONCLUSION

JVAC agreed that:

- The report merely provides a general synopsis by indicating what can be done with available various mineral resources.
- Good indication that provides certain observations on possibilities of value addition for various mineral products that will enable Namibia to develop its VAS,
- THE COMMITTEE HAS NOTED ALL OPINIONS, COMMENTS AND INPUTS **BUT** AGREED THAT OTHER DETAILED, SPECIFIC ASSESSMENTS ARE NEEDED TO ENSURE THAT MAXIMUM BENEFIT FOR NAMIBIA IS ACHIEVED!

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THANKS!