

Enterprise around Mining

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Bundesanstalt für
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State of the Market – the Example of Copper



*data: SNL, 2016

OPEX* 2014 in million USD – Study Focus

Economies of Scale matters

	S-UG	M-UG	L-UG	S-OP	M-OP	L-OP	Total
South Africa	785	3.926	14.135	524	1.571	5.235	26.175
Zambia	160	481	1,890	64	128	481	3.204
Mozambique	11	76	133	8	38	114	379
Madagascar	27	27	-	54	432	-	540
Total	984	4.510	16,158	649	2.169	5.829	30.298

*incl. costs for labour and energy – ca. 40 %
of the total value

Local Companies in Need for an Upgrade

In Southern Africa, SMEs hardly participate in the extractive sector. They usually lack:

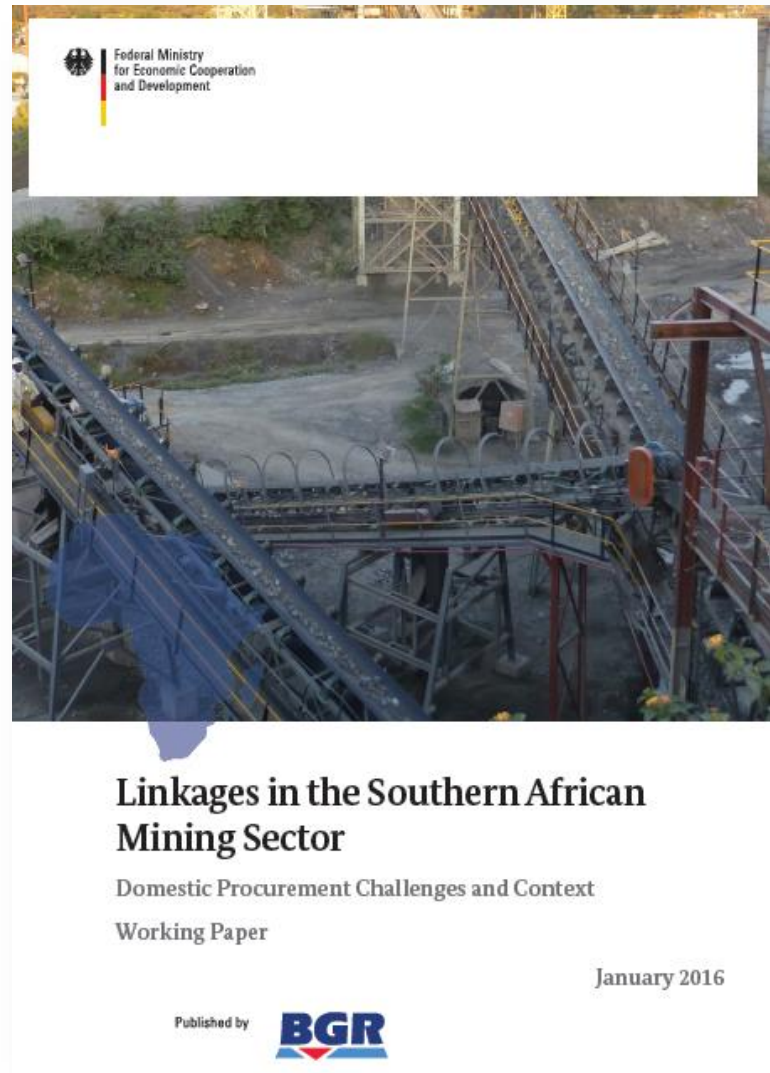
- Technology
- Investment capital
- Reputation
- Product certification

Supplier Development Programs address grass-roots companies, not the mid- to high skill sector where the bulk of added value is generated

Concluding Remarks

- Local content is a political priority
- Wide spread of policies
- Lack of instruments for practical implementation
- Missperception of where added value is generated

Thank you.



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