2014 Minerals Yearbook

SWAZILAND

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The Mineral Industry of Swaziland

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The mineral industry of Swaziland was dominated by iron ore production. Other mineral commodities produced included clay for bricks, coal, and crushed stone. The mineral industry was not a significant contributor to the country's gross domestic product (GDP), contributing less than 1% to the GDP. The country's nominal GDP was estimated to be about $3.4 billion in 2014.[1] The value of mineral exports decreased by 46.6% in 2014; the reduction of exports of iron ore was a large contributor to the decline. Iron ore exports, which accounted for 3.3% of total exports, were valued at about $45.8 million, which was a decrease of 60% compared with that of 2013. There was an overall decrease in mineral production owing largely to lower commodity prices and internal Government issues (Central Bank of Swaziland, 2014, p. 6.; Ministry of Finance, 2015, p. 4, 15; Sithole, 2015, p. 12; Workman, 2015).

The Mining Department of the Ministry of Natural Resources and Energy is responsible for the administration of the mineral sector. The mineral sector is regulated by the provisions of the Diamond Act No. 3 of 2011, the Explosive Act No. 4 of 1961, the Mines and Minerals Act No. 4 of 2011, and the Mines and Quarries (Safety) Regulations. The 2014/2015 budget included $2.2 million to go toward implementing legislation and to encourage investment in the mining sector (Ministry of Finance, 2014, p. 15; Ministry of Natural Resources and Energy, 2015).

Production

Owing to a midyear shutdown of operations in 2014, iron ore production decreased by about 52% compared with production in 2013. Additionally, coal production decreased by 31% in 2014 compared with that of 2013. Data on mineral production are in table 1.

Structure of the Mineral Industry

Tibiyo Taka Ngwane, which was a Swazi national organization, held a 25% interest in the larger mining operations in Swaziland for the Swazi people. Stone was quarried and crushed at various sites for use in domestic construction projects. A lease for the mining and processing of gold was granted to JACOB and Company for the Pigg's Peak gold mine at Lufafa. Anthracite coal from the Maloma Mine was shipped to South Africa by Maloma Colliery Ltd., which was a joint venture of Carbonex (Proprietary) Ltd. (a subsidiary of Chancellor House (Proprietary) Ltd. of South Africa), 75%, and Tibiyo Taka Ngwane, 25% (Tibiyo Taka Ngwane, 2013).

The locations and capacities of the principal mining operations in Swaziland are listed in table 2.

[1]Where necessary, values have been converted from Swazi emalangeni (SZL) to U.S. dollars (US$) at the average annual exchange rate of SZL10.8=US$1.00 for 2014.

Commodity Review

Metals

Iron Ore.—The joint venture among Salgaocar Swaziland (Proprietary) Ltd. (a subsidiary of the Salgaocar Group of Companies of India), 50%, iNgwenyama, 25%, and Tibiyo Taka Ngwane, 25%, recovered iron ore from the Ngwenya Mine tailings dumps, which were located 2 kilometers (km) north of Ngwenya. The Ngwenya open pit mine most recently had operated from 1964 until 1977. The iron ore, which contained about 44% to 50% iron, was trucked to Mpaka, transferred to rail cars, and subsequently deposited at the docks at Maputo, Mozambique, for shipment to China. In August 2014, owing to unpaid debt to the Kingdom, operation of the Ngwenya Mine ceased and the Government ordered all trade of iron ore to stop, leaving a stockpile of greater than 100,000 metric tons of iron ore at Maputo, Mpaka (table 2; Kimbell, 1966, p. 785; Stevens, 1981, p. 1124; Geological Survey and Mines Department, 2006, p. 13; Swaziland Review, 2014; Swazi Media Commentary, 2015).

Industrial Minerals

Diamond.—Continued delays by Roux Consolidated Investment (Proprietary) Ltd. on the expected redevelopment of the Dvokolwako diamond mine, which was located about 50 km northeast of Mbabane, resulted in the Government canceling Roux Consolidated's mining license in November 2012. The 20-year mining license had been issued in 2008. In 2013, the Government received five bids from other companies competing for the right to reopen the Dvokolwako diamond mine for exploration and mining, which Trans Hex Ltd. of South Africa had closed in 1996. In 2014, the Government completed the requirements for the Kimberley Process Certification Scheme and was expected to award a mining license in 2015 (Coakley, 1998; Magagula, 2013; Kingdom of Swaziland, 2014; Nkambule, 2015).

Outlook

The Government has set a goal of minerals contributing 4% to the country's GDP by 2018. To this end, four new quarry mines were being established near Lavumisa, Nhlangano, Pigg's Peak, and Sicunusa. A number of inactive mines could reopen, including aggregate, coal, diamond, and gold mines. There was no evidence of the Ngwenya Mine reopening, and as such, there was no expectation that iron ore exports would resume in 2015. The low level of exploration and development in the recent past, the high level of HIV/AIDS infections (which adversely affected an estimated 27.7% of the Swazi population aged 15 to 49), and the lack of infrastructure were expected to continue to constrain

Swaziland's mineral resource development and production (Dlamini, 2014; UNAIDS Secretariat, 2014; Mbingo, 2015; Ministry of Finance, 2015, p. 15; Nkambule, 2015).

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TABLE 1

SWAZILAND: PRODUCTION OF MINERAL COMMODITIES[1, 2]

(Metric tons unless otherwise specified)

Commodity[3]		2010	2011	2012	2013	2014
Aggregate, crushed stone	cubic meters	304,544	206,341	308,440	292,703 r	310,659
Clay for bricks	do.	35,535	35,584	36,000 e	36,014 r	37,417
Coal, anthracite		145,903	121,050	152,284	257,090 r	177,931
Iron ore, gross weight		-- e	79,553	1,032,230	1,258,560 r	603,251

[e]Estimated; estimated data are rounded to no more than three significant digits. [r]Revised. -- Zero.

[1]Table includes data available through October 2, 2015.

[2]Data are for the fiscal year that begins on April 1 of the year stated.

[3]In addition to the commodities listed, modest quantities of crude construction materials (sand and gravel), kaolin, pyrophyllite (talc), and soapstone were produced, but output was not reported quantitatively and available information was inadequate to make reliable estimates of output.

TABLE 2

SWAZILAND: STRUCTURE OF THE MINERAL INDUSTRY IN 2014

(Metric tons)

Commodity	Major operating companies and major equity owners	Location of main facilities	Annual capacity
Aggregate, crushed stone	Camdel Construction (Proprietary) Ltd.	Kwalini Quarry, Matsapha	NA
Do.	Mbabane Quarry (Proprietary) Ltd.	Mbabane Quarry, Mahamba	NA
Bricks	Langa Brick (Fortis Enterprises Ltd.)	Mpaka	640,000
Do.	Mangweni Bricks	Kwalini Quarry, Matsapha	NA
Coal, anthracite	Maloma Colliery Ltd. [Carbonex (Proprietary) Ltd., 75%, and Tibiyo Taka Ngwane, 25%]	Maloma Mine at Maloma	500,000
Iron ore	Joint venture of Salgaocar Swaziland (Proprietary) Ltd. (Salgaocar Group of Companies), 50%; iNgwenyama, 25%; Tibiyo Taka Ngwane, 25%	Ngwenya Mine, 2 kilometers north of Ngwenya[1]	1,500,000

Do., Ditto. NA Not available.

[1]Operations ceased in August 2014.