

# RBPlat remains steady through a challenging year

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Source: [www.miningreview.com](http://www.miningreview.com)

Royal Bafokeng Platinum has reported a creditable 3% increase in milled tonnages of 2.375Mt, against a backdrop of complex challenges including the grave state of the global economy, the recession in Europe, weaker demand for PGMs, a fluctuating metal price, and not least, industry unrest.

Announcing the company's results for the year ended 31 December 2012, CEO Steve Phiri said that 2012 had been both a tough and a rewarding year.

"Aside from the global woes, at home the industry was plagued in the second half of the year by industrial unrest – and with serious consequences at some operations," said Phiri. "Fortunately for us, the impact at RBPlat was modest as compared to the rest of the industry – with production losses of 70,000t – and we believe this is mainly due to our policy of open engagement and, assisted by other parties, a peaceful resolution of the workforce's grievances," he added.

"Overall, employee productivity improved slightly, by 2% to 30t per employee, and we have designed our incentive scheme to promote productivity in the longer term."

Operating costs were impacted by mining inflation of above the CPI of 5.6%, and although RBPlat reduced operating labour by 8% over the previous year in line with its business optimisation strategy, labour represents a significant portion of operating costs at 62% (materials and mining 30%; utilities 8%).

According to Phiri, cost management will be a key success driver in 2013. "We will be reviewing our capital expenditure and reducing it where possible, provided it does not place business sustainability at risk," he said. "Cost management will be a major focus and we will need to improve efficiencies and control workforce numbers.

Phiri is confident that the company's strategic goals remain relevant, and that production levels and head grade can be maintained in line with forecasts. "Some of our projects have been put on hold due to our decision to defer certain capital expenditure," he said. "However, our BRPM replacement projects, the North shaft chairlift project and the Styldrift I expansion project are all progressing steadily and we have commenced a feasibility study for a stand-alone concentrator plant adjacent to Styldrift," he stated.