



2015 Minerals Yearbook

SWAZILAND [ADVANCE RELEASE]

THE MINERAL INDUSTRY OF SWAZILAND¹

By James J. Barry

Mineral production in Swaziland was limited to clay (for bricks), coal, and crushed stone. Additionally, modest quantities of sand and gravel, kaolin, pyrophyllite, and soapstone were produced. There has been no iron ore production, which had been the largest contributing commodity to Swaziland's mineral industry, since August 2014. Because of the lack of iron ore production, no iron ore was exported in 2015, whereas iron ore exports in 2014 were valued at \$36.2 million and those in 2013 were valued at \$73.3 million. Imports of minerals and mineral fuels accounted for about 22% of the total value of imports. In 2014, the mineral industry of Swaziland was not a significant contributor to the country's gross domestic product (GDP), contributing less than 1% to the GDP. As there was even less mineral production in 2015, the contribution of the mineral industry to the GDP was likely even smaller than in 2014. The country's real GDP growth was 1.7% in 2015 compared with 2.4% in 2014 (International Trade Centre, 2015; Dlamini, 2016, p. 8).

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 Government was exploring ways to modernize the country's regulatory framework (Dlamini, 2016, p. 28; Ministry of Natural Resources and Energy, 2016).

Production

Compared with the previous year, crushed stone production increased by 55% and coal output decreased by 11%. Data on mineral production are in table 1.

Structure of the Mineral Industry

Tibiyo Taka Ngwane, which was a sovereign wealth fund held by the royal family, had a 25% interest in the larger mining operations in Swaziland. The shares owned by the royal family were held in trust for the Swazi people. Stone was quarried and crushed at various sites for use in domestic construction projects. 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%. The locations and capacities of the principal mining operations in Swaziland are in table 2.

¹In a diplomatic note sent on May 18, 2018, the Swaziland Ministry of Foreign Affairs and International Cooperation requested that the United States Government change the name of the country from 'Swaziland' to 'Eswatini'. The U.S. Board on Geographic Names approved the change on May 25, 2018.

Commodity Review

Metals

Gold.—SDZ Holdings LCC of the United States was the majority owner (50%) of Lufafa Mine Pty Ltd. (formerly Jacob and Company Swaziland Pty Ltd.). In early 2015, Lufafa Mine was granted a 25-year mining license for the Lufafa gold mine near Piggs Peak. The mine was estimated to contain resources of about 7,800 kilograms of gold. About 75 Swazi nationals were working at the site, where an access road was paved and equipment was seen entering and leaving the site. The mine was expected to start production in early 2016 (Mbingo, 2015, 2016).

Iron Ore.—Throughout 2015, the Ngwenya Mine remained closed and no iron ore exports were reported for the country. In August 2014, owing to unpaid debt to the Kingdom, operations at the Ngwenya Mine ceased and all trade of iron ore was ordered to stop by the Government, leaving more than 100,000 metric tons at Maputo and Mpaka and elsewhere in stockpiles. The former owner of the mine, SG Iron (formerly Salgaocar Swaziland) disputed the debt with Swazi King Mswati III and alleged that SG Iron would have been able to continue operating had exports not been halted. Based on these claims, a lawsuit for \$1.5 million was filed in September 2015 against King Mswati III (Rooney, 2015a, b).

Industrial Minerals

Diamond.—The Government had continued to express its desire to reopen the Dvokolwako diamond mine. It received at least six bids from companies competing for exploration and mining rights. Additionally, the Government had taken steps to develop a diamond sector in Swaziland beyond the mining of diamond, including refining, cutting, and polishing operations (Nkambule, 2015; Simelane, 2015).

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TABLE 1
SWAZILAND: PRODUCTION OF MINERAL COMMODITIES^{1,2}

(Metric tons unless otherwise specified)

Commodity ³		2011	2012	2,013	2014	2015
Clay, for bricks	cubic meters	35,584	36,000 ^e	36,014	37,417	37,000 ^e
Coal, anthracite		121,050	152,284	257,090	177,931	158,205
Iron ore, gross weight		79,553	1,032,230	1,258,560	603,251	--
Stone, crushed, aggregate	cubic meters	206,341	308,440	292,703	310,659	480,311

^eEstimated; estimated data are rounded to no more than three significant digits. do. Ditto. -- Zero.

¹Table includes data available through April 26, 2016.

²Data are for fiscal year that runs from April 1 to March 31.

³In 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 2015

(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	Maloma Colliery Ltd. [Carbonex (Proprietary) Ltd., 75%, and Tibiyo Taka Ngwane, 25%]	Maloma Mine at Maloma	480,000
Iron ore	Venture among Salgaocar Swaziland (Proprietary) Ltd. (Salgaocar Group of Companies), 50%; iNgwenyama, 25%; Tibiyo Taka Ngwane, 25% (ownership in dispute)	Ngwenya Mine, 2 kilometers north of Ngwenya ¹	1,500,000

Do., Ditto. NA Not available.

¹Operations at Ngwenya Mine ceased in August 2014.