

THE MINERAL INDUSTRY OF

SWAZILAND

By Philip M. Mobbs and George J. Coakley

Mining was a small but important factor in Swaziland's economy, accounting for about \$17.6 million,¹ or less than 2% of the kingdom's gross domestic product, which was estimated to be \$1.1 billion (Central Bank of Swaziland, Annual report—97-98, accessed November 27, 1999, at URL http://www.centralbank.sz/report98/ar98_4.html; World Bank, September 22, 1999, Swaziland at a glance, accessed November 26, 1999, at URL <http://www.worldbank.org/data/countrydata/countrydata.html>). Mining employed fewer than 1,000 workers in Swaziland; an additional 1,000 Swazis processed timber that was exported to mines in South Africa, and 10,000 to 15,000 Swazis were employed in South African mines. Wage repatriation from miners in South Africa contributed to the Swazi economy; however, the collapse of international gold prices and subsequent downsizing of the South African gold mining labor force resulted in layoffs of a number of Swazi miners.

In 1998, the Investment Promotion Bill of 1997 became law. The legislation, part of the Swazi Economic and Social Reform Agenda, was to promote local and foreign investment in Swaziland. The Swaziland Investment Promotion Authority, a proposed one-stop service center for investors, was expected to open in 1999.

Asbestos, coal, and crushed stone remained the country's main mining products. The Swazi Geological Survey and Mines Department was exploring for diamond near Hhelehhele, about 60 kilometers south of Dvokolwako. Southern Era Resources Ltd. of Canada discontinued exploration activity on the Daisy and the Piggs Peak gold licences. The Government's Mineral Negotiating Committee was evaluating applications to reopen the Dvokolwako diamond mine and the Mpaka coal mine. An estimated 30 million metric tons of coking coal remained at the Mpaka Collieries, which had the capacity to produce 165,000 metric tons per year (t/yr). The sole coal producer, the Maloma Mine, switched from open pit to underground operations during 1999 and was producing at a rate of 480,000 t/yr of high-quality anthracite (James Hall, May 13, 1999, Coal leads the way as Swazi mines crank up mineral output, Business Day Online (Johannesburg), accessed June 18, 1999, at URL <http://www.bday.co.za/99/0513/world/w9.htm>).

¹Where necessary, values have been converted from Swazi emalangeni (E) to U.S. dollars at the rate of E5.30=US\$1.00 for 1998.

An Environmental Impact Assessment and Comprehensive Mitigation Plan was prepared for the Swaziland Greenstone Quarry by Michael Lee Enterprises (Pty.) Ltd. of Taiwan. The proposed green chert operation was in the Malolotja Nature Reserve in the Hhohho region.

Production of chrysotile asbestos from the Bulembe Mine, valued at \$10.7 million, was the country's major commodity by value followed by coal at \$4.6 million and crushed stone at \$2.3 million. The production of crushed stone for road building and construction stone decreased slightly during 1998. Stone production in 1999 was expected to increase with the approval for construction of the Nhlanguano-Lavumisa highway, the Ngwenya-Mbabane highway, and the Siteki-Mhlumeni road and continued work on the Mbabane-Manzini highway and the Maguga Dam.

Swaziland's electrical generation capacity and grid have been a problem for industrial development. In 1998, the Government signed an agreement with the Danish Cooperation for Environment and Development (DANCED) for the establishment of a Swazi National Energy Policy. The 2-year DANCED project was to begin in early 1999. The electricity generation capacity in Swaziland totaled about 60 megawatts installed in a number of coal and diesel and/or fuel oil thermal plants. Capacity was fueled by petroleum products and supplemented by electricity imported from South Africa. In 1999, power will also be imported from Mozambique with the connection to a 400-kilovolt transmission line transiting Swaziland.

Major Sources of Information

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Geological Survey and Mines Department

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TABLE 1
SWAZILAND: PRODUCTION OF MINERAL COMMODITIES 1/

Commodity 2/		1,994	1,995	1,996	1,997	1,998
Asbestos, chrysotile fiber	metric tons	26,720	28,570	26,014	25,888	27,693
Coal, anthracite	thousand metric tons	228	172	129	203	410
Diamond	carats	76,100	75,000	75,000	--	--
Stone, quarry products	thousand cubic meters	185	114	221	456	453

1/ Reported data from Swaziland Geological Survey and Mines Department. Includes data available through November 30, 1999.

2/ In addition to the commodities listed, modest quantities of crude construction materials (brick clay, sand and gravel) and pyrophyllite are produced, but output is not reported quantitatively, and information is inadequate to make reliable estimates of output levels.