

# Lonmin must still build housing for more than 11,000 employees

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Lonmin, the world's third largest platinum miner, has to build accommodation for 11,500 of its employees, but the weak platinum price is working against major housing investment, CEO Ben Magara said on Friday, 20 January.



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Lonmin has 33,000 people working on its mines near Rustenburg, of which 25,000 are its employees. It has built accommodation for more than half of those, with 11,500 still "in need of decent accommodation," he said.

Lonmin has converted its single-sex hostels and has built apartments near those hostels. It has also donated land to the government to build houses, he said.

"We are 50% of the way there and the rest of our employees are living in areas where we feel they deserve better," Magara said at a media briefing. "But we need to be profitable."

"We unfortunately cannot build as fast as we want to because the platinum price is not there," he said.

The apartment programme, which cost R500m over five years, entailed building accommodation on vacant land near the

converted hostels, where there were bulk services such as water and sewage and for which Lonmin did not need permits to build.

Lonmin is engaged in talks with the Association of Mineworkers and Construction Union to determine what exactly was needed for the 11,500 employees living in substandard conditions in informal settlements around its mines.

It plans to take the outcome of this engagement to the government to prove its intentions to provide its employees with housing, after President Jacob Zuma singled the company out for failing to comply with the obligations around its mining rights.

There has been a threat that Lonmin could forfeit its mining rights if it fails to meet its housing obligations.

Magara was clear that Lonmin could not build the housing for 11,500 people alone and needed assistance from the government and other parties.

*Source: BDpro*

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