



Building on **local businesses**

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One of the key community relations programmes at the Palabora copper mine in South Africa is the Business Linkage Centre project. This activity is conducted under the auspices of the “empowerment charter” for the South African mining industry. The goal of the charter is to create an industry that will reflect the promise of a non racial South Africa and promote black economic empowerment.

The Palabora programme aims to provide working opportunities for local black economic empowerment companies in the greater Ba-Phalaborwa region. These companies supply goods and services to the programme’s sponsors, Palabora, Foskor Limited and Sasol Nitro and Ntsika, a government enterprise in the Department of Trade and Industry. The programme is a partnership of these major Phalaborwa based companies, and provides opportunity in four ways.

First, the programme assists “empowerment companies” to identify and develop their ability to provide the partners with goods and services in a manner that is sustainable, independent and competitive. Second, collaboration between the three sponsoring businesses is facilitated to increase their spend with empowerment companies. Thirdly, the programme identifies potential business opportunities and assists the empowerment companies to exploit them. Finally, these activities ensure the companies adhere to mining charter provisions applicable to procurement.

The Business Linkage Centre has been highly successful. Between January and October 2004, over 250 businesses registered with the centre’s database for acceptance onto the programme. One third of Palabora’s total procurement expenditure during this time was with black economic empowerment companies. Approximately 60 of them benefited from the programme by supplying goods and services. Many of the other companies in the database benefited from other services provided by the Business Linkage Centre, such as training, developing business plans, financial support and help with expanding business opportunities.

These activities included:

- Assisting small, micro and medium businesses and black empowerment companies to establish their own businesses with counselling, business advice and training;
- Assisting businesses with tendering and market linkages;
- Providing capacity to existing businesses to maintain market share with possible expansion;
- Promoting new market opportunities for local businesses;
- Working with and encouraging networking of other organisations active in the same industry.

This particular project closed in May 2004, however, a Business Advice Centre still operates and was recently renamed the Entrepreneurial Information Centre.



Above: Bags being produced for Palabora’s output of vermiculite.

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