



Silicosis could cost South African miners \$100 bln: RBC

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JOHANNESBURG (Reuters) - Lawsuits and claims resulting from the mine-related disease of silicosis could cost the South African gold industry \$100 billion, RBC Capital Markets has estimated.

This could deal another blow to an industry that is already grappling with rising costs related to wage demands and the capital requirements of running the world's deepest mines.

In early March, South Africa's top court ruled that lung-diseased miners could sue employers for damages.

The decision stemmed from a 2006 claim brought against AngloGold Ashanti, Africa's biggest gold producer and the world's third-largest, by Thembekile Mankayi, a miner who worked underground from 1979 to 1995 -- almost all that period under white-minority apartheid rule.

Mankayi, who was seeking 2.6 million rand in compensation, died shortly before the ruling.

In a research note, RBC Capital Markets noted: "Industry studies done in 1998 put the amount of silicosis sufferers very close to 300,000 people ... since AngloGold lost the first case, a new case has been lodged with a claim for almost 2.5 million rand for damages and suffering."

"Assuming for now that the number of potential claimants are likely to still be in the order of 300,000 people and assuming they can each claim for just 2 million rand, the implied damage to the gold industry could be \$100 billion," RBC estimated.