

**SPEECH BY Ms DIPUO PETERS, MP, MINISTER OF ENERGY OF THE
REPUBLIC OF SOUTH AFRICA AT THE BUSINESS ROUNDTABLE:
STATE HOUSE, BANQUET HALL, ABUJA, NIGERIA, 14 NOVEMBER
2009**

Chairperson

Your Excellency Deputy President Motlanthe

Your Excellency Vice President Jonathan

Ministers, Deputy Ministers, and Ministers of State

All protocol observed

We are grateful that the Deputy President of our Republic - a democratic and free South Africa - has invited us to join him during this occasion of the celebration of the 10th anniversary of the special relationship and bond that binds our two peoples.

Occasions such as these always bring back memories of the period around 1975 when the government of this Republic decided to “back the liberation movement of our country” and allowed it to join SWAPO in establishing a diplomatic presence here.

This was done during the period when the *apartheid* regime seemed invincible and when any association, real or perceived, with the liberation movement would have elicited a vicious response from countries who had decided that the people of our country could not be supported in their noble cause to attain freedom.

Little is known in our country, and even here in Nigeria, that a major turning in the events leading to the un-banning of the ANC can be traced back to the visionary leadership of the Nigerian people.

It was through the efforts renowned multi-lateralists such as Chief Emeka Anyaoku - who assumed the mantle of secretary general of the Commonwealth at the crucial moment of the negotiations between the ANC and the apartheid regime - who played a major role in the eventual demise of apartheid.

In fact, it was the through the persuasive powers of Chief Anyaoku and the people of Nigeria that the government of the then Rhodesia and the liberation movement accepted the reality that the Zimbabwean land question should be put on the back burner so that the *apartheid* regime would then be persuaded

that the liberation movement of South Africa was made up of a leadership that did not have horns and that they were dealing with eminently reasonable people who would not introduce the land question as a stumbling block in the period leading to the conclusion of the CODESA negotiations.

However the important virtues of the liberation movement have to be willfully translated into real and tangible post *apartheid* dividends for the population of the two countries.

We must be inspired by the words of William Butler Yeats and change them around and allow the falconer (this time) of greater economic independence to hear and respond positively to the falcon that has been brought about by the political kingdom in both our countries.

We collaborated with each other very well on the issue of the project for the renewal of the continent of Africa and now the time has come to extend that collaboration to ensure that we deliver that which our two peoples expect: genuine economic growth and development and improvement of the standard of living of their life.

South Africa and Nigeria are among the two biggest economies on the continent and should steer the economic development of Africa. This can only be done by you businessmen and business women of this continent. The trade between the two economies has grown and is now more than R24 billion. We can do better than this. We need to move beyond the telecommunications industry and take advantage of the vast opportunities that are presented by the field of energy especially oil and gas, renewable energy, and power generation.

In South Africa for instance we have initiated a major refinery project through our national oil company, PetroSA. This project is aimed at building a 400 000 barrels a day project in the port of Ngqura (Coega) in the Eastern Cape. This presents real opportunity for meaningful involvement by Nigerian companies either as suppliers of crude oil or as investors in the project. Both countries need more refined products and Coega is capable of meeting the product gap.

Working together on this project has some advantage than one. It can assist us harmonization of fuel specifications. For

instance in our country, we are reviewing the following: our product specifications so that they are in line with global standards; the pricing of products to accommodate fair return for investors and ultimately ensure the supply of affordable prices to the consumer. Of crucial importance is the review that we are currently conducting on our strategic stock throughout the entire value chain in order to ensure the security of supply.

Another specific area that presents opportunities is LP Gas . LP Gas has to be addressed as a matter of urgency as both countries have the potential to use this product to enhance our thermal applications and build indigenous LP Gas companies that can be able successfully to compete with those from the developed north.

We are looking at LNG as a source of electricity generation as well as a source of the production of high quality fuels and chemicals. This is possible as Nigeria has more than 82 TCF of proven gas reserves. This can be used for the creation of inter-trade between our two countries.

It is our humble belief that Nigeria has the potential to generate about 40 000 MW of electricity from the gas that is currently being flared.

In South Africa, we have set ourselves a target of having an installed capacity of 10 000 Giga Watt Hours of electricity drawn from renewable energy sources by 2013. Renewable energy includes solar, wind, hydro, and biomass. For instance, solar lighting of billboards, water heating, street lights are opportunities that you can take advantage of as we have abundant resources that can be exploited.

The regulatory framework needs to be conducive to your participation and investment in the two economies. We are confident that we have established a regulatory framework that ought to result in the presence of a plethora of companies that are involved in these projects. We have a chance to work together to build a sustainable and formidable renewable energy sector in our two countries.

Renewable energy has a dual impact on our two economies. It helps us to reduce our carbon footprint. This is crucial particularly as we head for Copenhagen in December where a new global deal will be signed. We have to work together to reduce global Green House Gas emissions by, at least, 5% of the level of the period 1998-2012.

It will be essential that we also work together on the implementation of hydro projects and replicate them not only to produce electricity but also to become a breeding ground for skills transfer in both maintenance and operations. We can together ensure that local opportunities improve livelihoods of local communities. We can also collaborate in the area of Solar Water Heating.

Accordingly, Your Excellencies, I am humbly proposing that we convene - here in Abuja – a technical working of experts from our two countries that can look at these issues and conduct a feasibility study on these issues.

We have to move beyond (merely) expressing sentiments of peace and development in our continent that has drawn inspiration from the vision of our forebears. We have to use the relative strength of our two economies to build our two countries and make them even better than those that we have inherited.

We need to remember this old age statement that, “we did not inherit the world from our forefathers but rather we borrowed it from our children.”

We specifically have an obligation to use the current global economic slowdown - not to complain or engage in mindless game of political gamesmanship and brinkmanship - but rather to use it as an opportunity to build and modernize our infrastructure so that we can leave for our children a continent that they can be proud of.

I thank you.

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