

Keynote Address by the Minister of Energy: Honorable Dipuo

Peters, MP

Theme: “Reaching a Destination on the Road to Transformation”.

At Melrose Arch, Melrose Johannesburg

Thursday the 3rd of November 2011

CEO of TOTAL - Mr. Jean-Dennis Royère;

Chairperson of Tosaco – Mr. Mkhuseleli Faku

Honoured Guests;

Ladies and gentlemen.

It is indeed a pleasure for me to celebrate with you an achievement of 25% equity in Total SA by a Broad Based Economic Empowerment consortium, Tosaco. The objective of government policy as stated in the Energy White Paper of 1998 is to, “achieve sustainable presence, ownership or control by historically disadvantaged South Africans of a quarter of all facets of the liquid fuels industry across the value chain”. Your effort in implementing the legislative requirements of Energy White Paper and the Liquid Fuels

Charter is much appreciated. This places us on a firm footing towards the attainment of a goal of fundamental transformation of the economic landscape of the country.

As you may remember, the Honorable President Zuma confirmed that Black Economic Empowerment (BEE) remains a key policy of government. Delivering his budget vote speech in Parliament, the president stressed that BEE was necessary to bring about meaningful changes in the structure of the local economy. The President said “We need Black Economic Empowerment to address the monopoly domination of our economy, which remains an obstacle to the goals of economic transformation, growth and development”. Recent and current global events point to an ever growing impatience with inequality by citizens of a number of countries. Joblessness is increasing as a result of renewed fears over global economic turmoil.

The economic crises in Europe are taking their toll, to some extent, on our own country as our trading partners. The appetite for exports from many of our countries is decreasing as affordability has now become an issue. Indications are that the levels of job creation in our own country are being impacted to some extent by the ongoing crises in Europe.

In light of the global crisis, good news has been hard to come by. I, therefore, am delighted that there is an area of policy that has delivered tangible results. I would like to indicate that Total has a way of doing things, which may not be easily understood. The growing commitment of this company in some of the least developed parts of the country is increasingly evident with the growing number of service stations in the semi-rural areas.

I would like to indicate that, the Report on the compliance with the Liquid Fuels Charter is going to be submitted to Cabinet after which it will then be released to the public. I applaud your company Total in collaboration with Tosaco, the empowerment partner, on the efforts taken towards the achievement of the objectives of the Liquid Fuels Charter. Having reached 25% of ownership equity in Total South Africa through a Broad Based Black Economic Empowerment consortium is a clear indication of your company's commitment the country's vision of redressing the imbalances of the past. This couldn't have come at an opportune time than when we have just celebrated the 10th year anniversary of the signing of the Liquid Fuels Charter and subsequently conducting the audit process of compliance to the Charter.

Tosaco has become one of the first BBEE consortia to own an unencumbered stake in the local operations of an international oil major with a presence in South Africa. The partnership depicts good governance and transparency within your company whereby a good model was used to achieve a deal that ensures genuine ownership. The appointment of Tosaco members to the Total board also shows your dedication towards skills transfer and meaningful representation by previously disadvantaged South Africans. I hope these members will be given meaningful roles within your board in order to assist my Department to steer the fuel industry towards achieving security of supply for South Africa.

This indeed is a contribution by our industry to the implementation of the Government's overall vision of creating 5 million jobs by 2020 which requires a combined effort by all sectors in the Economy. I hope your company will continue in the same determination towards the achievement of other aspects of the charter such as female participation, procurement, skills development as well as enterprise development to ensure a fully transformed energy industry.

As you may all be aware, we are going on with cleaner fuels, which is aimed at achieving a better environment and improved health of our citizens. We are also currently looking at beefing up strategic stocks in order to have enough liquid fuels supply during emergency periods. I would also like to take this opportunity to invite you to take part in the upcoming COP17 as industry players to collaborate with experts from all over the world in making liquid fuels cleaner for sustainable development.

In conclusion I believe Total and Tosaco will have a mutually beneficial working relationship which may extend to other facets of the fuel value chain.

I thank you!

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