



**Key Note Address by the Minister of Energy, Ms Dipuo Peters, MP**

**Dinner Engagement with the Private Sector on Energy Efficiency Organised by  
the National Business Initiative**

**25 September 2012, 18h30**

**Programme Director;**

Chairperson of the Parliamentary Portfolio Committee on Energy, Honourable, Mr Siza Njikelana;

Chief Executive Officer of the National Business Initiative, Ms Joanne Yawitch;

All Chief Executive officers of various Businesses, State Owned Enterprises and members of the Business Community;

Distinguished Guests;

Ladies and Gentlemen.

Good Evening,

It is my pleasure and privilege to participate in this important gathering and address you on this very important matter of Energy Efficiency.

In line with the 2012 international year of *Sustainable Energy for All* campaign of the UN Secretary General, this initiative is supported by the following three pillars:

1. Ensuring universal access to modern energy services,
2. Doubling the rate of improvement of energy efficiency, and
3. Doubling the share of renewable energy in the global energy mix.

This campaign, which South Africa is supporting, is emphasizing that we cannot discuss Energy Efficiency in isolation without addressing the other two very important aspects of access to energy and renewable energy. For this evening's function, I will concentrate only on the topic of Energy Efficiency.

This National Business Initiative platform with respect to Energy Efficiency comes at a time as I begin with my road show to intensify the efforts on Energy Efficiency Campaign Drive for the Country and it is therefore appropriate that I start in this round with the private sector. As private sector, you are the largest users of energy, but also the most vulnerable from an economic point of view. You need, as much as the rest of the country, an uninterrupted long term reliable supply of energy, hence an energy efficiency initiative is of critical importance for business. However, on the other hand, you are also well placed to help lead such a campaign given your market access, an extensive value chain of employees, suppliers, customers, and access to the media.

In March 2012, I joined the Minister of Trade and Industry, Honourable Dr Rob Davies, in launching the Industrial Development Report based on a study commissioned by the United Nations Industrial Development Organisation (UNIDO) which emphasises

Industrial energy efficiency for a sustainable wealth creation, while capturing environmental, economic and social dividends. Industrial energy efficiency is a key foundation for greener industry worldwide and I believe it is time that we all *walk the talk*.

Programme Director;

Many of you have extensive experience in your companies in advertising campaigns to market your services, products and brand names. The same principles that you use to sell new products through researching and marketing, can be used to promote, market and implement the concept of Energy Efficiency to improve your brand and corporate reputation. This becomes necessary for you to remain competitive, not only in the local market, but also internationally, where there is an increasing drive towards a low carbon economy, which is also rapidly expanding into the emerging markets.

Addressing you today as the Energy Efficiency Leadership Network, our common campaign goal is simple: **Save energy and use less by manufacturing (producing) more**. In order to make the principle of saving energy a way of living, Government and Eskom have launched the 49M campaign to make energy efficiency more relevant to the role we are expected to play as individuals or citizens of the country.

Our experience of load shedding in 2008/9 confirms the fact that we cannot afford to be faced with a similar experience in the future and the damage it has caused our economy and reputation of our businesses to not deliver on promised deliveries.

Energy efficiency is not only about saving energy, but also to decrease our carbon emissions and carbon footprint as a country, but also as business. In this regard I must say, I was impressed in going through the Carbon Disclosure Report that National Business Initiative shared with me in 2010. The steps are indeed commendable. It is interesting for me that this contribution made by Business was done without an obligatory act in place.

Ladies and Gentlemen;

In the latest Global Competiveness report released by the World Economic Forum, South Africa is ranked at 52 out of 144 countries, remaining the highest-ranked country in sub-Saharan Africa and the third-placed among the BRICS economies.

For a developing economy such as South Africa, we need to build on our economic ranking while striving to take into account the social and environmental impacts on the way we do business and enhance economic prosperity as pillars of sustainable development.

Following the launch of the Energy Efficiency Leadership Network at COP 17, I am pleased to hear that major corporations have taken the lead in making a public pledge to a continuous improvement towards energy efficiency. I strongly believe that this commitment from the level of Chief Executives is crucial to be built into the vision, mission and strategic or business plans of your respective businesses.

By attending today's gathering, I can see that you are further embracing the responsibility of ensuring that this vision is translated into tangible outputs that we will all be proud of giving testimonies about the future. Energy Efficiency is an important pillar to sustaining your business while enhancing economic competitiveness.

Programme Director;

Our expectation as Government is that Business leaders implement energy management systems that will ensure appropriate leadership and championing of energy efficient processes, effecting behavioural change in your operations and among your staff across all value chains, of investing in energy efficient product development.

We also anticipate that this will require resource allocation and action plans that are measurable in terms of what improvements need to be undertaken or structural adjustments to be made.

I am pleased to learn from the National Business Initiative that some companies are leading the way in taking a more holistic approach to integrate their focus on energy with carbon management, water management and restructuring their businesses accordingly, while others have seen the opportunities for the creation of new business development and innovation.

Our expectation is also that you will take advantage of the skills development opportunities that are offered through the Energy Efficiency Leadership Network and initiatives that Government is embarking on such as the Industrial Energy Efficiency project which is a joint initiative of the Department of Energy, Department of Trade and Industry and UNIDO. In addition to this, the Department has started with the establishment of an Energy Efficiency Target Monitoring System Project through the support from the Swiss Development Cooperation. We appreciate the continuous support we receive from our international partners to help us ensure that we can monitor the efforts and we make and realize the benefits.

I have also taken note of Exxaro supporting the Energy Efficiency Research Chair of the Energy Efficiency Hub at the University of Pretoria, which SANEDI is part of. It is very important that we invest adequately on research and development so that we can improve our processes continuously. It would be difficult to address the barriers or challenges around technological change without increasing our R&D investment and enhancing our innovation ability.

These efforts are strengthening the work of SANEDI on its mandate as the country's national energy development institute.

I am aware that there is a lot that is happening in your space on energy efficiency and I urge you to share with us the good work that you are doing.

Ladies and Gentlemen;

Government is in continuous engagement and discussions with industry through yourselves, BUSA, NEDLAC and other stakeholders on a number of policy issues and regulations to enhance and direct the implementation of energy efficiency measures which also resulted in the New Growth Path discussions that led to the signing of several accords such as, Green Economy Accord, Local Procurement Accord and National Skills Development Accord. I want to request the National Business Initiative through its members to be more active in the implementation of these accords.

In line with this, I want to announce that the Department of Energy is in the process of obtaining Cabinet approval to make public the *Second Review of the National Energy Efficiency Strategy* for comments. However, I must concede that at times some of these engagements have been very robust, lengthy and have resulted in delays in the promulgation of these policies.

As at times we had to go back to the drawing table in order to remain relevant, realistic and practical. But I must say, it is better to have a robust engagement during the stakeholder consultation process and to reach consensus although on a longer timeframe than anticipated, but I believe it will ensure ease of enforcement and implementation.

Programme Director;

We are at a point where we can now gazette the Regulations on the Income Tax Allowance of the Energy Efficiency Savings, Section 12L, which addresses tax allowance aimed at large investments for upgrades, expansions or new facilities that exceed R30 million and R200 million respectively.

I am happy to give you progress that both my colleagues, the Minister of Trade and Industry, Dr Rob Davies and the Minister of Finance, Mr Pravin Gordon have concurred with me to publish these regulations and we are awaiting the State Law Advisor regarding this final draft. Once again I appreciate the contribution of business through National Business Initiative in shaping these two abovementioned documents.

We understand that policy measures give direction and confidence to the market in their own decision making processes. It is the responsibility of Government to create that certainty so that business is able to put together their short, medium and long term plans as part of regular planning.

I believe that a lot more can be achieved if we continue to work together as partners and see the benefit of a voluntary initiative such as the Energy Efficiency Leadership Network in addition to a collective effort which may well allow companies to aim for greater ambitions than those of basic requirements.

I wish to emphasize that as a leading developing economy, we have obligations to measure ourselves against other countries, hence we allow ourselves to be measured through international benchmarking in terms of global agreements and commitments. At the same time, we have to keep the lights burning while promoting efficiency, focus our efforts on developing new and green sectors of our economy, provide stimulus that will support our socio-economic imperatives such as job creation, deal with youth unemployment, alleviate poverty and skills development amongst others. Let us address these issues in an integrated way in order to measure and verify our progress at a national scale.

Ladies and Gentlemen;

In conclusion, I want to take this opportunity to thank the National Business Initiative for collaborating on the establishment of this network, to thank the companies who recognize the need to take the lead and set the tone for other companies and even Government institutions to follow in implementing some of these initiatives.

I would like to affirm Government's commitment in working with you towards this common goal.

I wish you all the best in this initiative and I look forward to a continuous future engagement to share both your success stories and challenges.

I thank you.