

MINISTER OF ENERGY, DIKOBE BEN MARTINS:

**STATEMENT AT THE DEPARTMENT OF ENERGY STAKEHOLDERS AND MEDIA
BRIEFING SESSION**

PRETORIA

26 SEPTEMBER 2013

Programme Director

Deputy Minister of Energy, Ms Barbara Thomson

Director General of the Department of Energy, Ms Nelisiwe Magubane

Officials from the Ministry and the Department of Energy

Chairperson and Chief Executive Officers of State Owned Enterprises and Regulators

Distinguished Guests

Ladies and Gentlemen

We are pleased to welcome the stakeholders present, including members of the media.

ENERGY SYSTEMS

South Africa is endowed with coal, and will continue to use it wisely, the 20 year objective is to move to a dispensation where coal will contribute much less to the

primary energy needs, while gas and renewable energy resources like wind, solar and hydroelectricity will play a much larger role.

SOUTH AFRICA'S ENERGY PROFILE

- Over 70% of South Africa's primary energy drives from coal, as does more than 90% of electricity and a third of liquid fuels.
- The South African economy is electricity intensive, and as result it has a substantial Carbon Dioxide profile and contributes a disproportionately to climate change.

-The energy mining sector contributes to this.

- Adequate supply remains a key concern, especially for electricity and liquid fuels.
- While the 2009 recession has to a certain extent depressed demand, there supply-demand balance remains tight.
- Similarly the distribution of petrol, diesel and gas has also fluctuated.

One of the most successful achievements in the energy sector over the past 15 years has been the national electrification programme. In the early 1990s, 2 out of 3 South Africans did not have electricity; now nearly 88% of the population has access.

The price and supply of paraffin, liquefied petroleum gas and alternative household fuels, including sustainable supplies of biomass and renewable energy sources, are far from optimal, even though paraffin and liquefied petroleum gas prices are regulated.

Too many households rely on costly inferior fuels that also pose health risks.

The Department of Energy is responsible for policy making and the regulation of the energy sector, and carries out its mandate through continuous engagement with its 4 entities, other government departments, with state owned entities, and with the energy sector as a whole.

The nature of our task and responsibility is that we should ensure energy security in South Africa, which necessitates a robust exchange of information, expertise and ideas.

CONCLUSION

Within three years of its existence as the Department of Energy has made significant strides to create an enabling and predictable policy and regulatory environment. Going forward, we will continue with the efforts to capacitate the Department to ensure that it is able to meet its mandate.

Programme Director,

I now wish to ask the Director-General and others to make a detailed presentation highlighting the progress we have made since the beginning of the 2013/14 financial year.

I THANK YOU