OPENING REMARKS FOR THE FLUORSPAR CONFERENCE BY MR THABANE ZULU (DIRECTOR GENERAL OF THE DEPARTMENT OF ENERGY) ON BEHALF OF MINISTER OF ENERGY

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Programme Director,
National, Regional and Global players in the Fluorspar Industry,
Distinguished guests,
Ladies and gentlemen,
Greetings to you all.

It is my pleasure to welcome you all to the opening of the 2018 Fluorspar Conference. I am hopeful that this Conference bringing under one roof global players in the fluorspar industry will bring forth sustainable approaches to this niche market, help unlock investment, create partnerships and eradicate challenges and constraints currently faced by the industry.

Ladies and gentlemen,

Minerals including fluorspar are a strategic national asset. Proudly so, South Africa ranks amongst the wealthiest global mining jurisdictions endowed with energy and non-energy mineral wealth including fluorspar. However, a considerable amount of South Africa's mineral resources are exported as raw ore or only partially processed. It is upon this basis that the government of the republic of South Africa developed a minerals beneficiation strategy to support economic growth so as to create jobs and grow this important industry. Lucrative opportunities for upstream and downstream processing of minerals exists and I urge the industry role-players to leverage on these opportunities towards radical socio-economic growth and transformation.

The South African minerals beneficiation strategy seeks to transform the industry from being largely resource-based to knowledge-based, boost downstream industries and create skilled jobs. This strategy is aligned to the broader national programmes which amongst others include the National Development Plan (NDP), the National Growth Plan (NGP) which seeks to create an inclusive economic growth by encouraging more labour absorptive economic activities and further recognise mineral beneficiation as one of the priority growth nodes for job creation.

The Energy Security Programme, Government's Industrialisation Policy which is administered by the Department of Trade and Industry and the Advanced Manufacturing Technology Strategy are amongst the initiatives that the South African government has adopted as part of ensuring that the South African beneficiation strategy is indeed realised.

Government's industrialisation policy calls for a paradigm shift in mineral development, strategic investment in assets to maximise long term beneficiation projects, enhance value of exports, increase sources for consumption of local content and create opportunities for sustainable jobs. In our value and context, minerals are therefore a critical input to the country's industrialisation programme which is intended to accelerate manufacturing in South Africa for local consumption and export purposes.

Ladies and gentlemen,

In particular, South Africa is in this space with other global players, particularly China and Mexico as having the world's largest reserves of fluorspar. Fluorspar is commonly known as fluorite, which is a calcium fluoride mined from the Earth's crust, a by-product of limestone quarrying and also a by-product of various chemical processes, such as the production of phosphoric acid, refining petroleum or enriching uranium for fuel purposes.

It is therefore important to note that fluorspar mineral plays a major role in the nuclear industry. The mineral is used in the production of hydrogen fluoride, through a chemical reaction between sulphuric acid and the fluorspar mineral. Fluorspar is therefore a critical feedstock for the uranium conversion stage – a predecessor stage of uranium enrichment in the nuclear fuel cycle. It is in that context that it is also used in other areas such as steel production, in iron and steel casting, primary aluminium production, glass manufacture, production of enamels and cooking utensils, welding rod coatings, cement production and in high performance lenses for telescopes, cameras and microscopes. It is within this context that South African entities such as Necsa and Pelchem have taken this particular product in a very serious manner in terms of business strategy development.

Ladies and Gentlemen,

Allow me the pleasure to share with you a snapshot of South Africa's fluorochemical capability –

- Uranium conversion started at the former Atomic Energy Corporation (now Necsa) during the 1960s.
- The African Explosives and Chemical Industries (AECI) acquired the fluoride technology in the 1970s and stopped producing hydrogen fluoride around 1984.
- In 1985, Necsa commissioned a hydrogen fluoride plant which went into commercial operation in 1992.
- Subsequently, in 2006, the Fluorochemical Expansion Initiative was adopted as a national initiative.

In a nutshell, South Africa should be recognised as having a fully-fledged nuclear fuel cycle capability stationed at the Pelindaba Site and this was abandoned post 1994.

In conclusion, you are all welcome and the decision to hold this conference in our soil was a great initiative, there is a lot of experience that can be shared amongst global players who might have come to this conference. This conference will be a great space for people to engage and share their experience including the South African government perspective on Upstream Industry. There is therefore a need to leverage on this skill that you have developed to support the national beneficiation strategy towards realisation of industrialisation and localisation goals that the country has set for itself. There is vast opportunity for investment and partnership in the fluorochemicals industry.

I would therefore like to take this opportunity, on behalf of the Minister to wish you a very fruitful conference and progressive deliberations.

I THANK YOU!