



**MINERAL RESOURCES AND ENERGY
REPUBLIC OF SOUTH AFRICA**

**AFRICA ENERGY WEEK
CAPE TOWN
9TH – 12TH NOVEMBER 2021**

Secretary General of APPO

Secretary General of OPEC

Fellow Ministers

Ladies and Gentlemen

It is a great honour and pleasure to welcome you to Cape Town, South Africa, and, therefore, this important energy conference.

It has often been said in the past that *we live in interesting times*. Those in the know would be aware that the turn of phrase, though it sounds optimistic, in essence, spells disaster. No other time than today is our continent, Africa, confronted with the most daunting a task.

From early in 2020, Africa and the world were confronted with the global pandemic of Covid-19. For developing economies such as most of those of our countries, coupled with our common challenges, the devastation brought on by the pandemic has been untold. As if to rub salt into our wounds, the wealthy and advanced economies elected to hoard the vaccines. Hence our President, His Excellency, Cyril Ramaphosa, called it vaccine apartheid.

Brothers and sisters,

As our economies make a slow recovery from the pandemic, the global imperative of climate change is thrust on us. There is no doubt in anyone's mind, that our world, big and small countries alike, confront unpredictable and, often, unprecedented climate changes, that adversely impact lives and livelihoods.

It would be amiss of anyone of us to ignore the geopolitical and technological environment in which the debate on climate change, and the just energy transition discourse, occurs.

Globally, one summit after the other, certain industrialised countries refuse to jettison their use of fossil fuels. What had been pitted as global agreements lay hollow, as these countries keep postponing the deadlines of when they will shut down their coal mines and oil and gas industries, respectively.

On the other hand, there are emerging economies, whose economic development appetite have driven them to invest more in fossil fuels, in particular coal. All these countries are motivated by national interest. For the industrial economies, it is to maintain their leadership in technology, and more. For the developing economies, theirs is to catch up with the rich ones.

The sad reality of this situation is that there has been preoccupation with Africa. Yet our Africa is the least polluter compared to the other continents. This is a sign of encirclement. Africa is being encircled by the rich and powerful. Our continent, collectively, and her individual countries, is made

to bear the brunt of the heavy polluters. We are being pressured, even compelled, to move away from all forms of fossil fuels – including resources such as gas, which have been regarded as key resources for industrialisation.

Africa must cease the moment. We must, indeed, ***“Position(ing) Africa Oil and Gas at the forefront of global energy growth.”***

As the continent, we come from far on issues of oil and gas, or hydrocarbons, as they are collectively termed.

Back then, in the aftermath of the oil crisis in the 1970’s, the development of Africa was brought to its knees due to the high oil prices.

After the creation of the OPEC Fund for International Development in 1976, to assist developing countries with the challenge of the balance of payments, it was the African countries of Algeria, Nigeria, Gabon and Libya who pioneered an African solidarity solution. These four countries spearheaded the resolve that 4% of their oil produce would be reserved to assist non-oil producing African countries with their balance of payments challenges.

Today requires a resolve on solidarity that is as solid as this one. The creation of the African Free Trade Area is such a promise, but one that will need to be fulfilled by all of us, in solidarity.

As South Africa, we have a clear energy policy encompassing all sources of energy, the Integrated Resource Plan 2019, as a projection of energy infrastructure builds towards the year 2030 and beyond. While we are

committed to low carbon emissions – even net zero emissions, we do so within the reality of the energy that guarantee national economic growth, development, and industrialisation.

In this context, all energy sources, concomitant technologies and minerals for low carbon emissions, and an industrial complex sensitive to our development needs, constitute the most appropriate agenda for a just energy transition. In our case, this debate should not further entrench the urban labour reserves that are the legacy of our past. Therefore, the present must not enslave us further.

My African brothers and sisters,

Let us confront our present challenges in a similar fearlessness as was evident in the formation of the African Petroleum Producing Association, later African Petroleum Producing Organisation, in 1987.

Through solidarity between and among us, as Africans, we will overcome. History beckons on us. It re-affirms that the development of Africa can at best be piloted by the continent itself. This is what other regions of the world do.

Let us make the formation of the Africa Energy Investment Corporation, AEICorp, as a finance arm to raise capital for investment in oil and gas, a reality.

As we seek to transition to a net zero future, the continent should look into the role of mineral resources like the platinum group metals, raw earth, and many others that abound in our countries.

The Green Hydrogen market presents a huge opportunity for Africa to position itself as a global competitor in future green energy markets. Countries such as South Africa and Zimbabwe possess global reserves of platinum, which can help the continent to spearhead fuel cells production. South Africa has for the past 15 years spearheaded the development of hydrogen and fuel cell technologies through the Hydrogen South Africa research, development and innovation programme led by the Department of Science and Innovation. It is one example that demonstrates that as Africa we can take charge of our energy development trajectory.

South Africa is rich with coal. Other African countries are endowed with oil and gas. Africa must invest on research and development in the exploration of these resources towards a clean environment. Therefore, our investment in this kind of research is not anti-renewables, as others would have it. Developed nations must invest in our humble, yet noble, endeavours in these areas. Africa, like industrialised nations, requires the same cutting-edge technologies.

The idea that development must take into perspective events across time on the history of pollution cannot be ignored and constitutes a valid case for equity between developed and developing countries.

Part of the challenge is the duality of oil and gas, and how these interlink through comparative pricing. As a continent we must continue to utilise the platforms of the Gas Exporting Countries Forum (GECF) and the Oil Producing Exporting Countries (OPEC), to tackle the oil and gas challenges going forward. Though some countries have indicated the intention to cease the financing of hydrocarbons, we must utilise what we

have and collaborate with those still keen to operate in all the upstream, midstream and downstream business chains of the sector.

Let me conclude by saying, a good example of mutually beneficial collaboration can be seen from the South African Regional Gas Project which was supported by governments of South Africa and Mozambique, the World Bank International Finance Corporation and Sasol.

Our aspirations for long-term partnership between Mozambique and South Africa can be seen in our collaborative effort of the two governments to acquire the 30% shareholding of the pipeline from Sasol.

On LNG, you may recall that we announced Coega as the preferred site for the LNG import infrastructure. This was informed by the dire need to develop other parts of our country but also because of its proximity to the major gas find of Totalenergies.

Coega is also home to an existing Open Cycle Gas Turbine plant that will be converted from diesel to gas when the import infrastructure is completed. A Request for Information for Gas Aggregation, the floating storage and regasification plant was issued by the three partners last week. A Request For Proposals will be issued early in the new year after the evaluation of information that will have been received from potential investors.

The Virginia Gas Project will also see first commercial LNG production in the country in February 2022. At full field development LNG production will be at 500 tonnes per day enough to substitute diesel use of at least 5

000 trucks per day reducing greenhouse gas emission from transport by more than 30% while saving the country's balance of payment.

South Africa welcomes the commitments made recently to invest in renewable energy. This adds impetus to our commitment to a just energy transition and meeting the challenges of climate change.

For Africa to succeed, we must speak with one voice on the energy front. We must assert ourselves or risk a repeat of the mistakes of the past wherein structural adjustment regimes saw the underdevelopment of the African continent. By asserting our continental and national interests, the intention is never to undermine global consensus, rather this is the natural right that all regions of the world reserve.

Brothers and sisters,

Through African solidarity we can achieve more as we are ***“Positioning Africa Oil and Gas at the forefront of global energy growth.”***

I thank you!