



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

**BUDGET VOTE SPEECH BY THE HONOURABLE
DEPUTY MINISTER OF MINERAL RESOURCES AND
ENERGY**

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**ON THE OCCASION OF THE BUDGET VOTE OF THE
DEPARTMENT OF MINERAL RESOURCES AND ENERGY,
16 MAY, CAPE TOWN**

The right and left brain theory suggests that brain is divided into two hemispheres and each hemisphere is responsible for different cognitive functions with left hemisphere associated with linear thinking and preference for objective facts while right hemisphere is associated with non-linear thinking and a preference for subjective experience and emotions.... **the importance of balanced thinking.**

It is true that we cannot build the new epoch without understanding the old. **“Hide nothing from the masses of our people ; tell no lies; expose lies whenever they are told, mask no difficulties; mistakes, failures claim no easy victories”**- Amilcar Cabral.

There has been systemic exploitation and exclusion through unequal distribution of political, economic and ideological power that has been so deeply embedded in our society from 1652. Unequal power structures played a central role during SA's long colonial period from 1652- 1910 and trend continued during the period of segregation and apartheid from 1910-1994 when power was entirely monopolised by whites with devastating consequences for blacks. No other political organisation fought against white domination and democracy except for the oldest liberation movement the ANC.

Hon members' transition from apartheid to an inclusive democracy did not occur without loss of blood. Eventually; when we assumed power in 1994 the inherited social injustices resulted in the democratic government inheriting a rather contradictory legacy with inherent major socio economic problems including high levels of unemployment; poverty; lack of opportunities and high levels of crime and violence. The ruling party is making strides in turning around the tides.

Hon members' Our manifesto stipulates that we aim to transform the economy to ensure that it serve the people as a whole. It is worth noting that the MPRDA builds on the ideals of the Freedom Charter and henceforth the minerals beneath the soil are held in the custody of the State on behalf of the people as a whole.

Our laws including the framework of the Mining Charter seeks to achieve the historic goals of dismantling the barriers of socio-economic development across the spectrum of race, gender and class.

As the honourable Minister Gwede Mantashe has indicated before, transformation of the mining and energy sectors, as well as growth and development, will be central in this period hence the importance amongst others of increasing mining through exploration. Indeed, it must concern all of us that exploration with the potential to resolve our energy security needs is continuously hampered by prolonged litigations from environmentalists who do not internalise the totality of the socio-economic challenges we face as a country.

Programmes linked to SOE's

Over the past financial year, all State-Owned Enterprises under the oversight of the DMRE received unqualified audits opinions.

The Council for Geoscience, which is amongst institutions pivotal in the implementation of our exploration strategy is seized with the process of geo-mapping of key minerals. **The targeted mapping is progressing well and the on-shore coverage has now reached 11.5% with further targets of 16% for the current financial year.**

The research on Carbon Capture Usage and Storage that is conducted by CGS will make a huge contribution in the decarbonisation of our industries. This project was initiated as a partnership with the World Bank and I am confident that our partners will continue to support the programme.

Nuclear

Nuclear energy policy directs that nuclear shall form part of the country's strategy to mitigate climate change. This is because nuclear is recognised as a clean energy source that has baseload. Furthermore, nuclear has been demonstrated globally to be an energy source that contributes to economic growth and technology development through investment in infrastructure, creation of jobs, and further development of highly skilled workers.

To advance the implementation of 2500 megawatts of Nuclear New Build Programme the Department recently completed a Procurement Framework. This will ensure that the procurement of the 2 500 megawatts of nuclear energy is completed by 2024 to ensure the security of energy supply.

The Department will continue to exercise oversight on the Eskom implementation of Koeberg Nuclear Power Station Long Term Operation to ensure security of energy supply for an additional twenty years.

Worth noting is that Koeberg is the most reliable plant within the Eskom fleet and continues to stabilise the national electricity grid. Therefore, the country should continue to support Eskom's implementation of Koeberg Nuclear Power Station Long Term Operation because its success is important for the energy security of the country.

NECSA, in collaboration with the Department and other key stakeholders, is implementing a Multipurpose Research Reactor (MPR) project that will replace our globally renowned SAFARI-1 nuclear research reactor by 2030. Once the Feasibility Report is finalized it will enable the MPR project to be shovel ready. The new Multi-Purpose Reactor (MPR) project will ensure that South Africa remains in the top range of radioisotope producers in the world well into the future.

The **NRWDI** has started with project development work for the establishment of the Centralised Interim Storage Facility (CISF) for the storage of used nuclear fuel. A draft Feasibility Report was completed and is currently being subjected to an Independent Gateway Review. Once the Feasibility Report is finalised it will enable the Central Interim Storage Facility project to be shovel ready.

We have taken note of global developments where the European Union has taken a positive stance on the inclusion of nuclear and gas in their green taxonomy. The United Kingdom and United States of America also included nuclear in their green hydrogen strategies.

As a country, we should learn from these global players and include nuclear in our green taxonomy as well as green hydrogen strategies to enable investment in the nuclear space which will ensure that it plays a pivotal role in the country's Just Energy Transition.

With regards the **Central Energy Fund (CEF) Group**, central to some of its core initiatives is addressing some structural energy challenges through strategic partnership, acquisitions, infrastructure refurbishments and repurposing and the consolidation of asset classes to create a foundation for long term commercial sustainability to improve the country's

strategic positioning in relation to security of energy supply. Key amongst these include the following:

- **Brown field acquisition**
- **ACWA Redstone Project 25% shareholding**
- **Acquisition of 50% BP storage facility in the Western Cape**
- **Acquisition of 60% stake in an LPG import terminal**
- **Coega LNG Developments**
- **Jet Fuel**

As an operator, PetroSA will manage the Jet fuel tank terminals and supply aviation fuels.

Mintek

During the year under review, a total of 200 women were trained in open cast small scale mining under the Mining Qualification Authority. The women trainees were from the provinces of Limpopo, Northwest, Mpumalanga, Kwa-Zulu Natal, Free State and the Northern Cape.

On Derelict and Ownerless Mines

During the year under review, a total of 95 holings were closed in the Gauteng province. Sixty-five (65) of these holings were in the Krugersdorp area.

Asbestos: two (2) mines were rehabilitated in the year under review which were Lagerdraai mine in Limpopo and Riries mine in Northern Cape.

Commercialisation

During the year under review, the Mintek-produced HIV test kits passed the validation test by 100%. The clinical trials were completed in March 2023.

Transformation and empowerment

Empowerment of those previously disadvantaged remains important part of the minerals and energy sectors. In order to address the imbalances of the past and stepping further in effecting transformation agenda: We will also work towards approving and launch of a Draft Mining Sector Youth Strategy; Youth in Energy Strategy, Mining Sector Women Empowerment and Gender Equality Strategy. We will monitor the implementation of Energy Sector Empowerment and Gender Equality Strategy and Gender Frameworks.

Hon members' we are observing the behaviour of DA leaders who are clutching desperately at straws, pretending that the decline of Western imperialism is not happening. Their premier in the Western Cape acts like the province is a sovereign state with its own international relations policy. As the majority we are rejecting the so-called "Washington Consensus", which prescribed privatisation of SOEs, deregulation, contracting out of public services, and attacks on wages. Our government advocates a mixed economy with a balance of public and private ownership playing complementary roles in economic development.

I thank you!