



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

**REMARKS BY THE HONOURABLE  
MINISTER OF MINERAL RESOURCES AND ENERGY  
MR GWEDE MANTASHE (MP)**

**NORTH WEST MINING AND ENERGY INVESTMENT CONFERENCE  
30 MARCH 2023**

Programme Director,

Premier of the North West Province, Mr Bushy Maape

Deputy Minister of Mineral Resources and Energy, Dr Nobuhle Nkabane

Honourable MECs present

Executive Mayor of the Bojanala District and other Mayors present

Captains of industries

Members of the various business forums

Distinguished guests

Members of the media

This conference takes place at a time when our country has been plunged into difficulties due to upheavals and uncertainty in the domestic and global markets.

The protracted electricity disruptions (loadshedding) and the logistical bottlenecks on our railway network and port systems continue to inhibit our economic growth. Whereas the ongoing geopolitical dynamics continue to put pressure on the already high energy prices. All these challenges have a direct impact on the rising cost of living. The increases in food and energy prices, rising interest rates, and inflation have a compounding negative effect on economic recovery.

However, the task of creating an enabling environment for an inclusive economic recovery and reconstruction rests on the shoulders of all those in this hall and beyond, irrespective of their roles in society.

An inclusive economy is where businesses can thrive, where new and small businesses are able to emerge and flourish, where township and rural economies are able to grow, where black people in general and Africans in particular are able to advance at all levels and in all areas of the economy. It is therefore incumbent on all of us, government, business, communities, and labour to ensure that we put shoulders on the wheel to build this economy and create the much-needed decent jobs, reduce poverty, and close the inequality gap.

It is against this backdrop that the Department of Mineral Resources and Energy (DMRE) decided to convene these Mining and Energy Investment Conferences, not only to promote investments in these key sectors of our economy, but to also engage constructively and openly with all those concerned with the growth and transformation of our economy. The struggle for transformation and the creation of an inclusive economy affects all the institutions within the mining and energy sectors.

Statistics South Africa recently released its key findings for the fourth quarter of 2022, wherein the real Gross Domestic Product (GDP) decreased by 1.3%. According to the report, the mining and quarrying industry decreased by 3.2% and thus contributed - 0.1% to the GDP growth. Key to this negative contribution is a decrease in economic activities for the diamond, iron ore and Platinum Group Metals (PGMs) that this Province, the North West, is endowed with.

In January 2023, mining production experienced its twelfth consecutive month-to-month decline, recording a decrease of 1.9%. This is in part due to the domestic challenges that I mentioned earlier. At this stage, like never before, our industry needs to advance a commitment to working together as stakeholders on the reconstruction and recovery of the mining industry. The industry must be seen within the context of the changes and challenges facing all South Africans during these challenging times.

We therefore reiterate our appreciation of the efforts by the Minerals Council of South Africa and Transnet on working together to find lasting solutions to stabilize and improve the country's rail network and efficiencies at our ports. This spirit of collaboration will help us tackle the many tough challenges the mining sector faces.

The inaugural North West Mining and Energy Investment Conference held in January 2022 resolved on the gazetting of the exploration strategy for the mining industry in South Africa. Noting the progress made following the gazetting of the strategy and its implementation plan in April 2022, we are currently engaged in an intensive programme of mineral exploration particularly in the North West, Limpopo, and the Northern Cape Province. We are doing this because we are convinced that this is the new mining belt for our country where new mines can be opened on the back of the discovery of new minerals that have been proven to be critical for a just energy transition.

During the 2023 Investing in African Mining Indaba, we announced the formation of the R500 million exploration fund by the Council for Geoscience (CGS) in partnership with the Industrial Development Corporation (IDC) to enable junior mining and the emergence of new mines. This is deliberately intended to redress the past imbalances wherein the majority of South Africans were systematically marginalised and prevented from owning the means of production, and from meaningful participation in the mainstream economy.

As we brace ourselves to grow and transform the mining and energy sector, we must be conscious that this will not be an easy task. However, we must ensure that we are not detracted and derailed from growing a globally competitive and transformed mineral and energy sectors.

On Friday, 24 March 2023, we issued a request for bids for a customised mining license system aimed at enhancing efficiency and transparency in the application, granting and management of prospecting and mining rights. We believe the system will help us improve the accuracy and accessibility of the significant information needed by the industry to flourish. Moreover, the system is expected to assist in expediting the processing of applications and thus support the efforts by the Department to address the backlog in prospecting and mining applications.

South Africa's economic and reconstruction plan which is aimed at building an economy that meets the needs of all its citizens identifies energy security as a critical intervention for the maintenance of a stable economy and an important aspect of ensuring economic growth.

Noting that loadshedding is impeding our economic recovery, government resolved to immediately reduce the stages and frequency of loadshedding and ultimately end loadshedding in the short-to-medium term. There is no single path to resolving our energy challenges, hence government is engaged in a multipronged approach informed by the Integrated Resource Plan (IRP) 2019, which envisages the usage of an optimal mix of energy sources such as coal, nuclear, gas, solar, wind, hydro and energy storage.

Our approach is further guided by the need to improve Eskom's Energy Availability Factor (EAF) through adequate maintenance and servicing of existing coal-fired power

stations, the procurement of emergency or short-term power, the purchase of electricity across our borders, and improving skills capacity at Eskom.

In this regard, we are encouraged by the recent report by Eskom that there *have been notable gradual improvements in the EAF at six of their power stations, namely: Camden, Duvha, Matla, Lethabo, Matimba, and Medupi*. This shows progress from the commitments made in the Energy Action Plan aimed at improving the performance of Eskom's existing power stations.

Other notable improvements on the action plan include the reforms made to embedded generation where the licensing threshold has been removed. We are pleased that mining companies are increasingly leveraging on these reforms. Following Gold Fields' success in the construction of a solar plant to boost its energy reliability, Seriti is constructing a wind project in Mpumalanga, and Exxaro is constructing a solar plant to supply electricity to their Grootegeluk mine. Through these reforms, government has enabled policy and regulatory certainty, therefore, it is incumbent on individual companies to leverage on them. We hope to see more and more registrations in this regard.

The Department has, through the Independent Power Producer (IPP) office, issued a request for proposals inviting interested parties to bid in the procurement of 513 megawatts of battery storage under the Battery Energy Storage Capacity Bid Window. This is in line with the IRP 2019 and the energy action plan objective aimed at adding as much new generation to the grid as possible.

One of the greatest challenges facing our country in transitioning to a low-carbon economy is the need to move away from the divisive debates about single energy technologies to a view that embraces all technologies to enable economic growth. This is the time to move away from frivolous defiance, resistance, and protests against the development of alternative industries to power our economy, such as the upstream petroleum industry.

Our task as delegates to this Conference is to explore ways in which we can attract sustainable investments in South Africa's mining and energy sectors. During these two days, we expect constructive deliberations from all delegates which must help us and encourage us to build a sunrise industry. **I thank you.**