



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

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

SONA DEBATE

13 February 2024, Cape Town

Speaker of the National Assembly, Ms Nosiviwe Mapisa-Nqakula

Chairperson of the National Council of Provinces, Mr Amos Masondo

Your Excellency, President Cyril Ramaphosa

Honourable Members

Let me to start by reminding the **apartheid denialists** on my left on what we have been dealing with over the past 30 years.

When consolidating the apartheid government, an **apartheid master artisan**, Hendrik Verwoerd said, “*we are building a system with deep roots that no future government will ever undo*”.

Many people who criticise our government, including some in this parliament, argue that we **must have done everything within 30 years** and never refer to the atrocities of the apartheid government.

They conveniently forget that this country was **colonised for 342 years**, during which the apartheid government was in charge for 46 years.

Throughout that period, the **bastion of apartheid** – mining sector – was the roughest when it came to apartheid policies.

Since South Africa, attained democracy in 1994, government’s efforts were aimed at **achieving the dream of transformation** with a particular focus on ownership, management, and procurement, hence we enacted the **Mineral and Petroleum Resources Development Act (MPRDA)** in 2002 and **introduced the Mining Charter in 2004**.

During the State of the Nation Address, the **President reported on the work done to transform all economic sectors**, more so the mining sector. Unfortunately, some members of this house cannot see progress even if it hits them in the face.

When we did a research two years ago, we discovered that at least nine major mining companies that were studied **did not have less than 50% black managers** at all levels of management. **Procurement** initiatives have created business people who

are not necessarily seen as part of the mining sector but have developed on the back of mining.

Some ultracrepidarians, in and outside this house, questioned the **figures of black ownership in the mining sector** as quantified by the President, with one of them suggesting that it is less than 10%.

It would help for people to do research on these things before they express their opinions. If they spared sometime and studied the industry, they would know that **Seriti** and **Thungela** are black-owned mining companies, and that **Exxaro** is more than 30% black-owned. Therefore, the coal sector is largely black owned and managed.

They would also know that in the **Manganese sector**, the **African Rainbow Minerals (ARM)**, **Kalagadi Manganese**, and **Ntsimbintle Holdings** are black-owned mining companies.

In the **Gold sector**, Harmony with ARM as its main shareholder means that we have substantial black ownership in the sector. And lastly, in the **Platinum Group Metals (PGM)** sector, **Nkwe Platinum**, **Ivanhoe**, and **Palabora Mining Company** also have a considerable black ownership representation.

If you look into all these companies, you can see that there is practical progress being made. If one adds these and say it is less than 10%, then I cannot even talk of their mathematics, I can only talk of their **arithmetic being flawed**.

Cognisant of the fact that new mines are born out of exploration, we have established **South Africa's exploration fund** to accelerate exploration and discoveries of new minerals, support junior miners and empower them to meaningfully participate in the exploration and extraction of the mineral endowment that our country is blessed with.

We firmly believe that South Africa holds significant quantities of minerals needed for the transition from a high to a low carbon economy which informs our view that our mining industry is a sunrise industry.

Having appointed a service provider for the design, implementation, and maintenance of a **mining licensing system – cadastral system** – we are optimistic that the system will soon help us accelerate the processing of prospecting and mining licenses, and subsequently do away with the historical backlogs.

Illegal mining is a criminal activity that forms part of the many economic related crimes that are afflicting our society. Whereas we appreciate the work done by the specialised police task team and the army, we must strengthen laws on convictions and sentencing of illegal miners.

For its part, the Department of Mineral Resources and Energy (DMRE) continues to **seal derelict and ownerless mines**. Since 2019, the department, through Mintek, has closed and sealed 251 derelict holdings and shafts.

Despite the obstacles set out by the apartheid government, guided by the Constitution, this government continues to strive for a **national democratic society** in which the people enjoy **equal rights** and have **equal access to basic services**.

Like **Tintswalo's family**, many of our people who were denied **access to electricity pre-1994**, have access to electricity today. Since 2019, we have successfully connected 777 776 households to electricity, taking us to over **92% access to electricity**, marking a significant increase from the **34% recorded in 1994**. Given this progress, we are optimistic that we will achieve universal access to electricity in the near future.

As part of government's concerted efforts to secure reliable energy supply, government introduced the Independent Power Producer Procurement Programme. Since the launch of the programme in 2011, the DMRE has, through the IPP Office, procured a total of **13 266.9 MW** from **140 IPPs** whose technologies are based on renewables, diesel, and battery energy storage. Of this capacity, **7 362.2 MW** from 95 IPPs are currently connected to the grid and supplying the much-needed electricity.

The remaining 45 IPPs with a combined capacity of **5 904.7 MW** are either in construction, preparing to reach commercial close or have failed to reach commercial close.

Under the 6th administration, **5 939 MW** from 46 IPPs were procured resulting in:

- 150 MW from 3 IPPs connected to the grid;
- 1 587 MW from 15 IPPs currently under construction and expected to supply electricity to the grid from September 2024 onwards;
- 1 360 MW from 10 IPPs are preparing to reach commercial close; and
- 2 842 MW from 18 IPPs failing to reach commercial close.

In addition, the current administration has issued **Requests for Proposals (RFPs)** for the procurement of a combined **7 615 MW** from **Bid Window 7** of renewable energy, Bid Window 1 of **gas-to-power**, Bid Window 2 of **battery energy storage**. An additional **5 616 MW** worth of RFPs for **Bid Window 8** of renewable energy and the 3rd Bid Window of **battery storage** are planned to be issued by the end of the current financial year.

Following NERSA's concurrence to the ministerial determination for the procurement of **2 500 MW of nuclear capacity**, and the subsequent gazetting of this determination, government is finalising the procurement processes of this capacity.

All these efforts and many others are aimed at **undoing the apartheid system** against a drive by many in the opposition benches.

In closing honourable speaker, allow me to take this opportunity to appeal to all South Africans, including members of this house, to **engage one-another honestly** in search of better mutual understanding and strengthen fragile human connections across conflict barriers.

I thank you.