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Department:
Trade, Industry and Competition
REPUBLIC OF SOUTH AFRICA

NATIONAL COUNCIL OF PROVINCES

QUESTION FOR WRITTEN REPLY

QUESTION NO. 174

Mr V Gericke (Western Cape: EFF) to ask the Minister of Trade, Industry and Competition:

What policies are in place to assist South African manufacturers to retain some of the mineral wealth in the country for (a) processing and (b) exporting as the country's mineral resources are being exported to international destinations for processing and imported back to the country?

REPLY:

- (1) South Africa has in the past two decades introduced a number of policies to support mineral beneficiation and the creation of value-added industries, employment creation and development of local expertise in processing minerals. These policies, such as the Mineral and Petroleum Resources Development Act 2002 (MPRDA), Mining Charter, Industrial Policy Action Plan (IPAP) and the National Development Plan all work towards a sustainable mineral processing industry that contributes positively to the Growth Domestic Production (GDP) of the country.
- (2) More recently, Government has established Special Economic Zones (SEZs) and Industrial Parks to boost manufacturing, exports and employment in value-add industries. The roll-out of SEZ programme include support to mineral beneficiation working closely with the Department of Minerals Resources (DMR). The Department is also engaging various investors on beneficiating critical minerals in the country.

- (3) The Green Hydrogen Commercialisation Strategy (GHCS) approved by Cabinet in October 2023 outlines the commercial opportunity, development approach and action plan for a viable GH2 industrial sector. A domestic and global green hydrogen markets (GH2) present a significant overarching commercial opportunity for South Africa to build resilience and sustainability into existing fossil fuel enabled industrial, mining and agricultural sectors while developing new value chains to drive growth and development, employment, improve energy security and to transition to a lower carbon economy and society.
- a. Opportunities includes ammonia production, green steel production, aviation fuel exports, green methanol production, fertiliser production, decarbonisation of the mining industry and green ammonia and -methanol based fuels for shipping.
 - b. Manufacturing of equipment (electrolysers, fuel cells) domestically and abroad will promote the uptake of Platinum Group Metals (PGMs), processing and further beneficiation of locally mined PGMs into higher value components.
- (4) Lastly, there has also been the Precious Metals Act of 2005 that regulates mining, processing and trading of precious metals like gold, silver and platinum towards ensuring the country benefits from its natural resources.
- (5) The imminent review of the MPRDA as well as policies on Critical Minerals will further advocate for higher levels of mineral beneficiation in the country and the creation of new value chains.

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