

ROLE OF THE MINING INDUSTRY IN THE DEVELOPMENT OF THE BLUE ECONOMY: A CASE FOR SOUTH AFRICA



**WORKSHOP FOR THE PROMOTION OF SUSTAINABLE DEVELOPMENT OF AFRICA'S
DEEP SEABED RESOURCES IN SUPPORT TO AFRICA'S BLUE ECONOMY
PRETORIA, SOUTH-AFRICA
*16 – 18 May 2019***



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BACKGROUND: SOUTH AFRICA'S OCEANS

- 3900 Kilometer of Coastline, including the islands of Marion and Prince Edward
- An Exclusive Economic Zone (EEZ) of 1,5 million km²
- The EEZ is more than the land mass of 1,2 million km²
- Potential to double the EEZ with further continental shelf claim (Fig 1)
- In March 2014, the RSA Cabinet approved the piloting of the Malaysian Big Fast Results (BFR) methodology
- The method is named 'Operation Phakisa' in South Africa
- OP was first implemented by the Department of Environmental Affairs (DEA)
- OP aims to unlock the potential of South Africa's Blue Economy
- The Blue Economy has a potential to contribute up to R177 billion to South Africa's (GDP) gross domestic products by 2033
- Potential for over 1 million jobs
- 2010, the Blue Economy contributed approximately R54 billion to SA GDP
- Accounted for approximately 316 000 employment



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BACKGROUND: SOUTH AFRICA'S OCEANS (cont...)

- The Department of Mineral Resources (DMR), through Petroleum Agency SA (PASA) issued an exploration license in 2014 for offshore oil and gas exploration
- The Brulpadda block in the Outeniqua Basin was licensed to a consortium led by French oil giant Total
- The area is 175 km offshore off the coast of Mossel Bay
- In 2019, Total after deep-sea exploration drilling discovered about 1 billion barrels of global resources, gas and condensate light oil as per press release.
- To put that in perspective, South Africa's total refinery capacity is 700 000 barrels of oil per day
- The Blue Economy has a potential to contribute up to R177 billion to South Africa's (GDP) gross domestic products by 2033

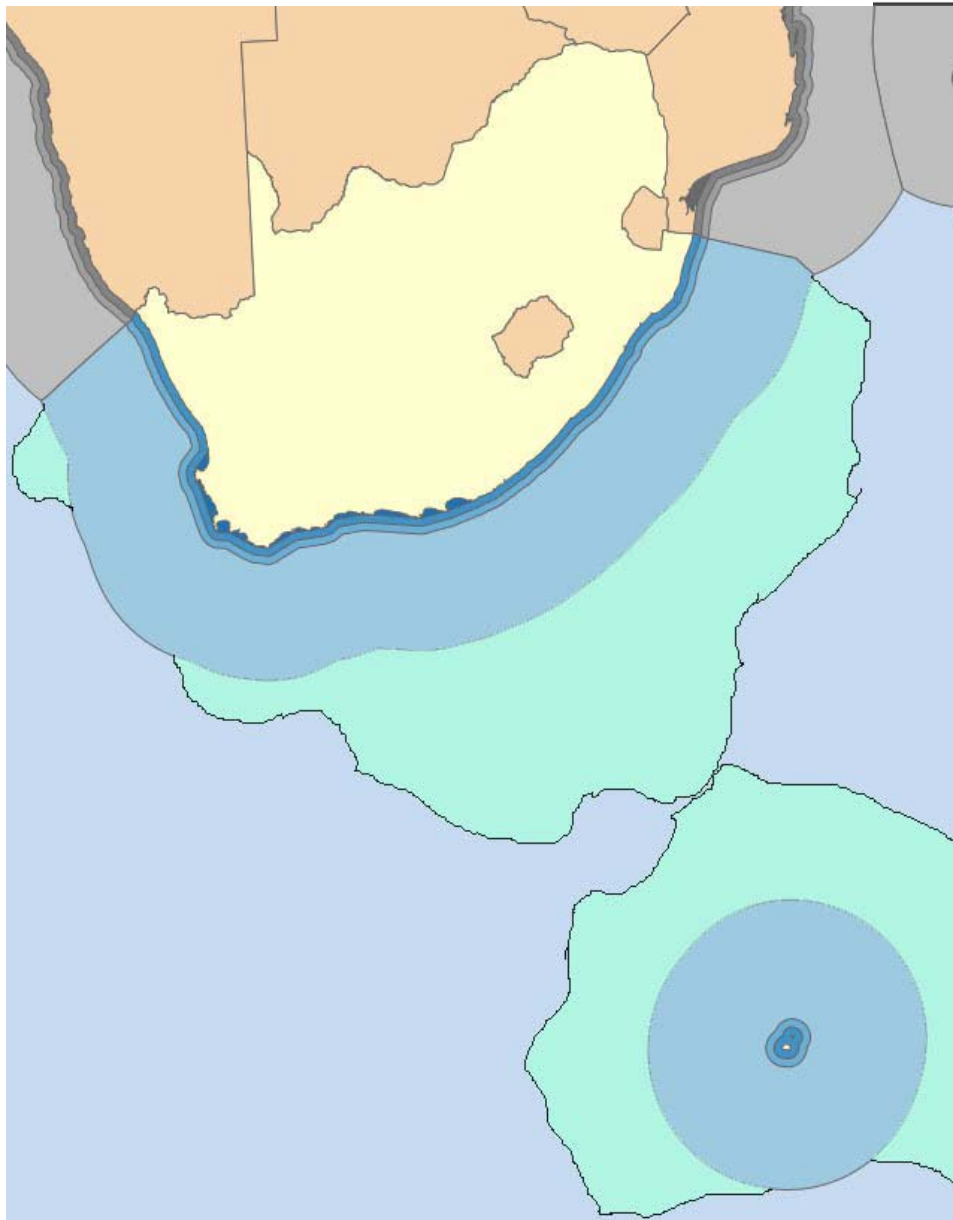


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SOUTH AFRICAN COASTLINE WITH EEZ

Land mass EEZ Extended continental shelf claim



Land size:

1.2 mn km²

EEZ size:

1.5 mn km²

- South Africa is responsible for managing an oceans space that is greater than the land territory
- The extended continental shelf claim will double the size of its ocean geography

Figure 1: South Africa's coastline which is more ocean space than land, and our ocean will increase should the extended continental shelf claim be successful (Courtesy of PASA).

SOUTH AFRICAN COASTLINE WITH EEZ

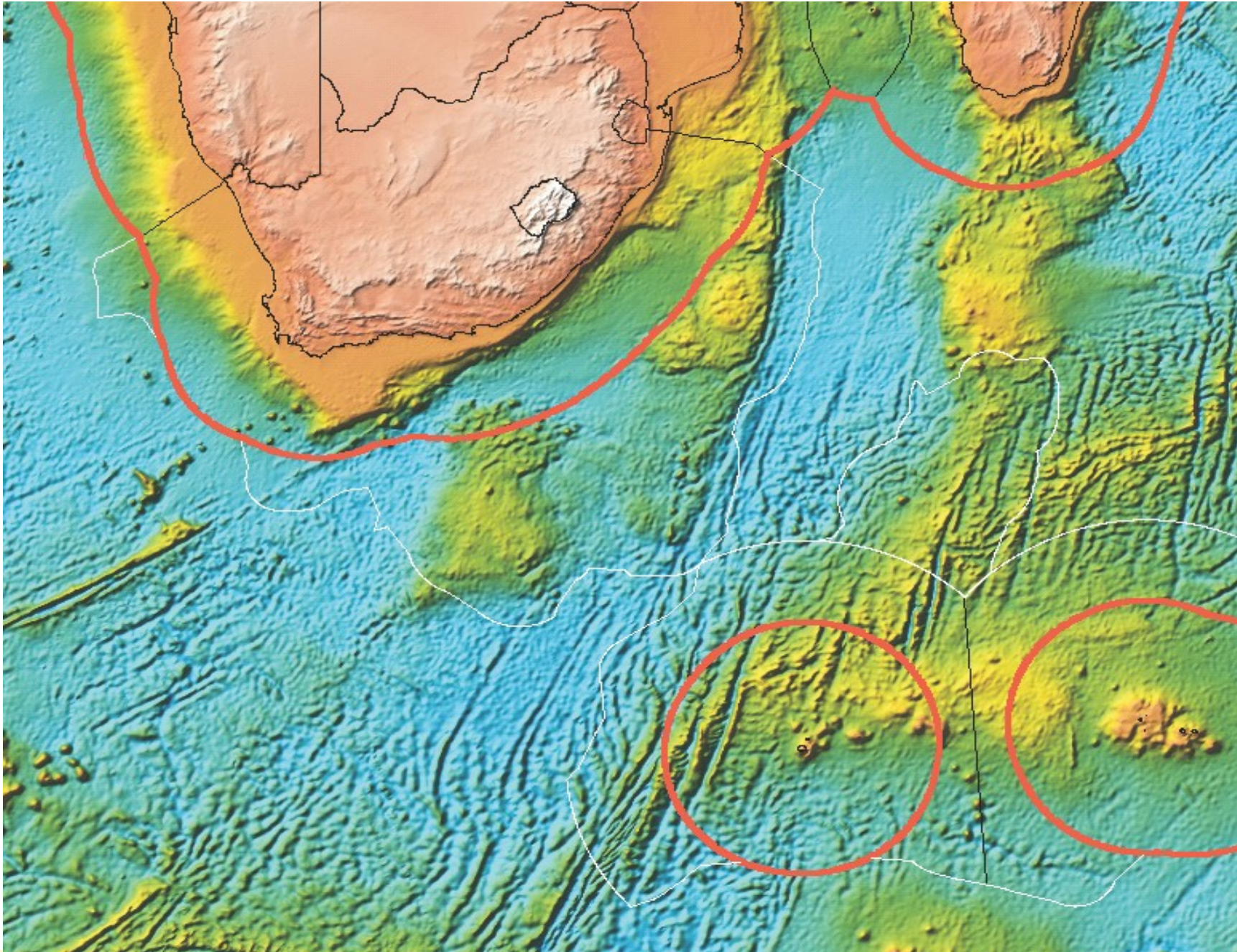
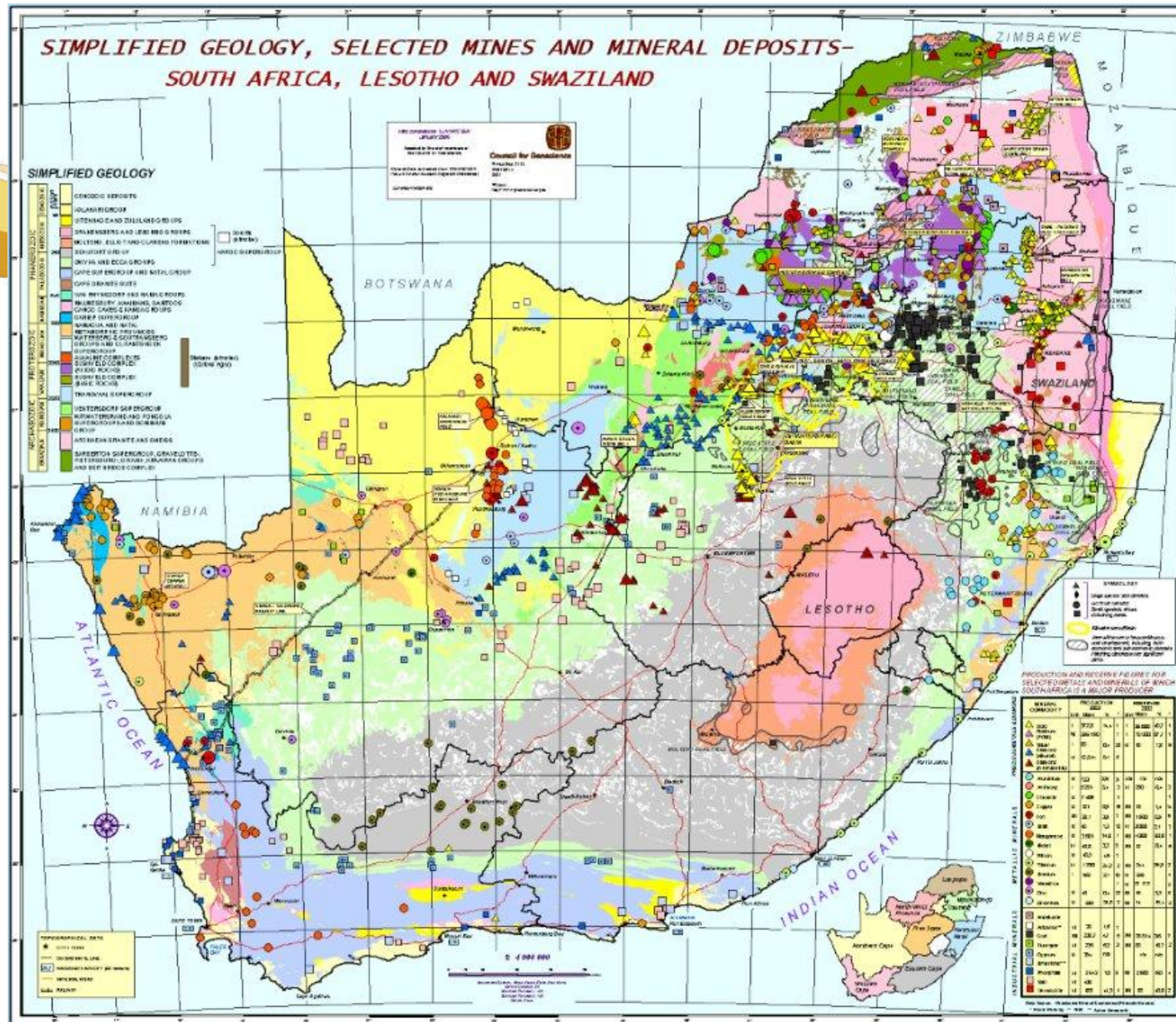


Figure 1. Extended Continental Shelf Project (ECSP) geographic areas of interest for potential South African coastline extension.

<https://www.petroleumagencyrsa.com/index.php/home-14/extended-continental-shelf-project>

MINERAL OCCURENCES IN SOUTH AFRICA



Data adapted from Council for Geoscience SAMINDABA database: <http://www.geoscience.org.za>

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THE SOUTH AFRICAN PORTS

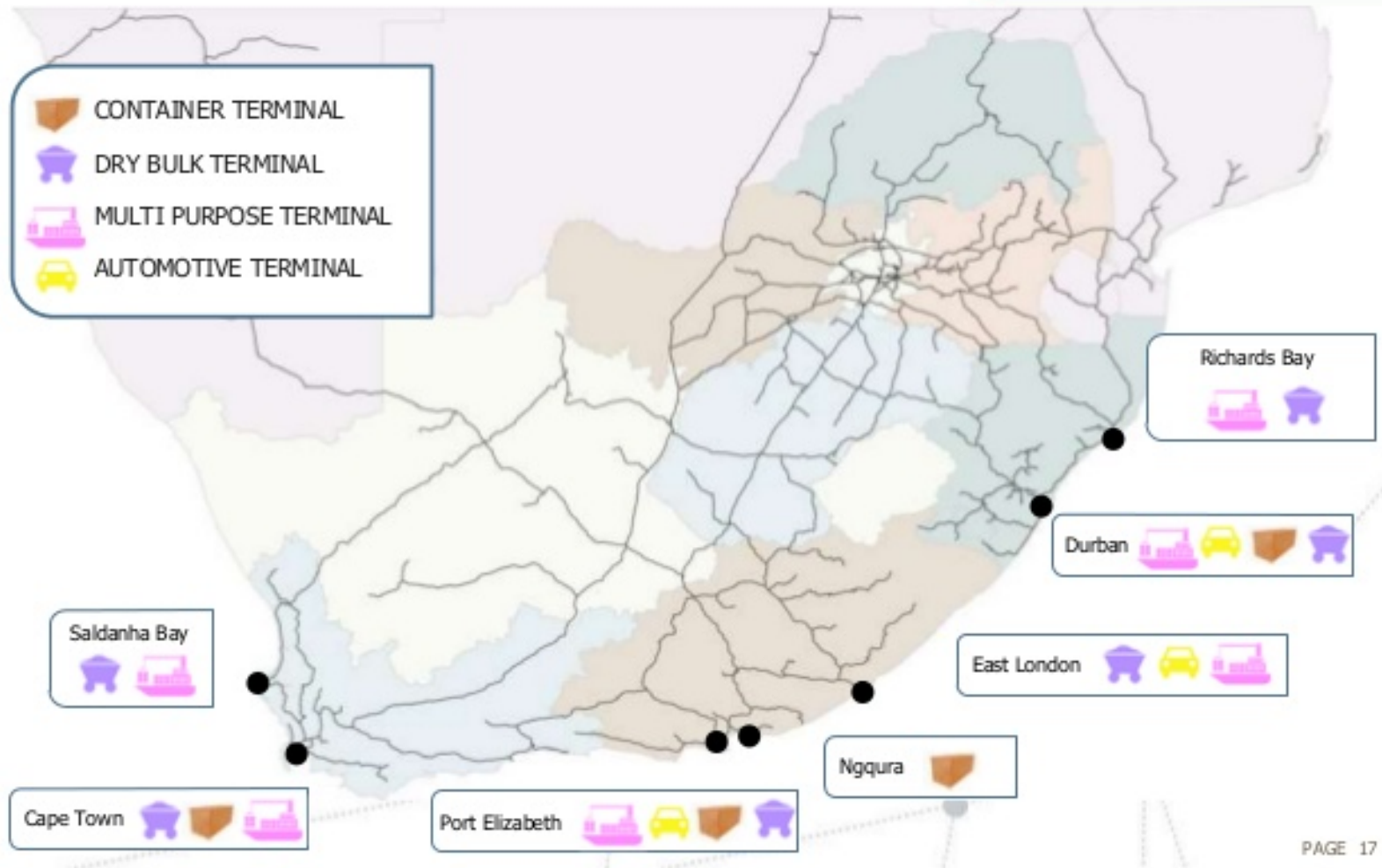
TRANSNET PORT TERMINALS

An integrated system of complementary regional ports and rail corridors

TRANSNET



delivering freight reliably



Picture courtesy of Transnet Port Terminals (TPT)



BULK MINERALS EXPORTS

Transnet Port Terminals' (TPT) mineral bulk operations:

- Richards Bay,
- Port Elizabeth and
- Saldanha.

These ports service the following commodities:

- 13 core commodities, including coal and woodchips – Richards Bay
- Iron ore and steel products – Saldanha
- Manganese – Port Elizabeth

Location	Annual capacity	
	Bulk	Break-bulk
Richards Bay	21 mtpa	7.4 mtpa
Saldanha	58 mtpa	3.0 mtpa
Port Elizabeth	5.5 mtpa	0.9 mtpa

Data adapted from Transnet: <https://www.transnet.net/Divisions/Pages/TPT.aspx>



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BREAK-BULK COMMODITIES

Commodities handled at each break-bulk terminal are as follows:

- **Niche Container Business, abnormal cargo, steel commodities and project cargo – Durban Ro-Ro**
- **Project cargo, neo-bulk, timber, steel coils and other steel products – Durban Maydon Wharf**
- **Break-bulk and containerised cargo, including motor vehicle components, chemicals, textiles, fruits, sugar, timber and scrap – East London**
- **Timber, steel, cement- Cape Town**

LOCATION	ANNUAL CAPACITY
Durban Ro-Ro	0.4 mtpa
Durban Maydon Wharf	1.2 mtpa
East London	0.21 mtpa
Cape Town	1.2 mtpa

Data adapted from Transnet: <https://www.transnet.net/Divisions/Pages/TPT.aspx>



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THANK YOU

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