

South Africa should not rush move away from coal, Mantashe says

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South Africa must manage its transition away from coal-fired power generation systematically and not rush a switch to renewable energy sources, mining and energy minister Gwede Mantashe said on Thursday, 7 October.



Minister of mineral resources Gwede Mantashe speaking at the 2020 Investing in African Mining Indaba conference in Cape Town. Reuters/Mke Hutchings

"I am not saying coal forever..., I am saying let's manage our transition step by step rather than being emotional," Mantashe said when asked how China's pledge to not build new coal power stations abroad would affect South Africa.

"We are not a developed economy, we don't have all alternative sources," he added, speaking at the Joburg Indaba virtual mining conference.

South Africa aims to cut coal's share of the energy mix to less than 60% by 2030 from around 75% now, while increasing the share of wind and solar power to around 25%.

The minister pointed to China's own energy needs as an example of what could go wrong if a transition is attempted too quickly. "Xi Jinping is now increasing the import of coal, as we talk now, for China," he said.

Ahead of next month's COP26 climate conference, Mantashe said he is supportive of "green financing" to support South Africa's energy transition, if it can be secured.



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Investors sought to help Eskom move away from coal

State power utility Eskom, Africa's biggest greenhouse gas emitter, has been pitching to investors for billions of dollars of concessional financing to help it move away from coal and embrace cleaner energy sources. It hopes to announce a deal at COP26.

Pressure on coal-fired power generation is rising globally and Eskom CEO Andre de Ruyter said funding, insurance and technology are all becoming "constrained" for new coal power stations.

Mantashe warned again of the economic risks of phasing out coal, saying "we must not collapse our economy because we are greedy of green funding".

The coal mining sector had 91,459 direct employees last year according to the industry body Minerals Council.

Speaking at the same conference, Eskom's de Ruyter said the electricity sector is the quickest and cheapest to decarbonise, and that the utility has an opportunity to pursue viable renewable energy projects. South Africa has some of the best renewable energy resources in the world, he said, citing the famously windy Cape coast in particular.

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