

JOGMEC International Symposium, Japan

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Distinguished representatives of JCOAL and JOGMEC, colleagues from government and industry, ladies and gentlemen - it is a great privilege to join you here in Japan. On behalf of the Minerals Council South Africa and the South African mining sector, I would like to thank JOGMEC for the invitation, and for the opportunity to continue the conversation we began at last year's symposium.

The Minerals Council's private-sector members account for 90% of South Africa's mineral production by value from ca15 minerals that our country produces. The mining industry contributes 6% to national GDP, generating more than 40% of South Africa's exports and employing 474 000 people. Women constitute close to 20% of the workforce.

The Minerals Council champions the mining sector to create a competitive regulatory and operating environment to encourage investment and growth to fully unlock the potential in South Africa's vast mineral endowment and capability for the benefit of the country and the world.

South Africa and Japan have enjoyed a long-standing economic relationship - including through mining, minerals, energy, technology and investment - with total trade between our two countries worth more than \$9 billion annually. As the global energy system changes, I believe there is an opportunity to deepen our relationship that already extends over 100 years.

The theme of this symposium **“Contributing to Stable Coal Energy Supply”** is particularly relevant to South Africa. Our country is undergoing a significant transformation of its largely coal-based electricity sector to include renewable energy, policy reform and the introduction of an electricity trading system, while simultaneously confronting a fundamental challenge - transitioning towards a lower-carbon economy, while driving energy security, affordability, economic growth and employment to achieve social prosperity and human advancement.

This challenge has become even more important in a world increasingly exposed to geopolitical tensions, supply chain disruptions and market volatility, all of which have highlighted the importance of stable and secure energy supply. South Africa's recent

experience with frequent electricity shortages reinforces this reality - reminding us that reliable energy is not a luxury, but a fundamental necessity for economic growth and stability and industrialisation. Encouragingly, South Africa's energy security has improved, supported by stronger electricity-system performance, and no load-shedding for more than a year.

Directing attention to South Africa's coal reserves, the country remains a major coal-producer and possesses one of the world's largest proven coal reserves. Coal continues to underpin the country's energy system for electricity generation and serves as a key feedstock for synthetic fuel production.

Importantly, South Africa's coal-dependency is not misaligned with the global context. According to the International Energy Agency, global coal demand continued to grow in 2025, increasing by 0.4%, or around 30 million tonnes. While the pace of growth has slowed, coal remains the single largest source of electricity generation globally, demonstrating its resilience and continued importance to electricity supply and energy security.

South Africa has estimated coal reserves of approximately 53.2 billion tonnes, sufficient to meet national requirements for more than a century at current production rates. However, production from some of the traditional Mpumalanga coalfields is gradually declining as mature mines approach their end of life. This places increasing strategic importance on developing new coal resources to ensure domestic energy security, industrialisation, investment and growth, as well as to meet regional and international demand needs.

The Waterberg coalfield, located North-West of South Africa in Limpopo Province, represents the next major frontier for our coal industry. Containing an estimated 40% of coal resources, it hosts some of the largest remaining undeveloped coal deposits and is expected to play a central role as reserves in older coalfields are depleted. Realising this potential will require significantly greater investment in exploration to improve geological knowledge, convert resources into mineable reserves and identify new commercially viable projects.

Equally important will be the mobilisation of capital to develop new mines and the supporting rail, water and energy infrastructure required to unlock the Waterberg's potential. However, access to finance for coal projects has become increasingly constrained by global divestment from coal and uncertainty about its future role in the energy mix. This calls for innovative financing models - *such as those introduced by JOGMEC at our seminar in South Africa earlier this year* - greater participation by domestic financial institutions, and a stable and predictable policy and market environment that encourages responsible private-sector investment.

Unlocking this will be critical for South Africa to leverage its substantial coal endowment to support development ambitions.

South Africa's coal industry also provides close to 90,000 direct jobs, with about 85% of coal-mining employment concentrated in Mpumalanga, a province which produces approximately 83% of the country's coal and hosts 12 of Eskom's 15 coal-fired power stations. Its economic and social footprint is considerably larger. Our research into the Just Energy Transition indicates that one coal worker may support as many as five to ten dependants, meaning that changes in the industry can affect hundreds of thousands of livelihoods. Coal also supports contractors, local businesses, rail and port infrastructure and municipalities that depend on the industry for economic activity and revenue.

At the same time, South Africa recognises the global imperative for climate action and is committed to transitioning towards a progressively lower-carbon economy. Renewable energy is growing rapidly, and mining companies have become significant investors in renewable electricity, driven by the need for energy security, competitive electricity costs and to meet their decarbonisation commitments.

We therefore see solar, wind, battery storage, gas where appropriate, nuclear and other emerging technologies playing increasingly important roles alongside existing energy sources. For South Africa, the Just Energy Transition is not simply about reducing coal use or replacing one technology with another. It is about building a diverse and resilient energy system and deploying least-cost technologies appropriate to our circumstances, while strengthening energy security and supporting economic growth.

Most importantly, the transition must work for our people. It must deliver reliable and affordable energy, while creating sustainable jobs and alternative economic opportunities as coal's role evolves. Research into clean coal technologies and carbon capture and storage will enable coal to hold the promise of sustainable livelihoods in the country.

A Just Energy Transition must therefore be just in practice, and in principle, ensuring that workers, communities and broader society are not left behind or worse off. The important question here is how we responsibly manage diversification of our energy sources, while progressively building the energy system of the future – of course recognising that coal will remain part of South Africa's energy future. Coal also remains central to many other countries that depend on South African seaborne supplies, both on the African continent and especially Asian markets. Such countries continue to require thermal coal to support electricity

generation, industrial activity and energy stability, and in the case of Japan, energy security. Therefore, continued investment into the South African coal base remains critical to ensuring that our resources respond to both domestic needs and international demand.

In addition, coal-fired generation cannot be retired faster than reliable replacement generation, transmission infrastructure and storage can be developed. Doing so would place South Africa's energy security, industrial competitiveness and economic growth at risk, and introduce unprecedented vulnerability to our national security. As we decarbonise our economy, we cannot afford to replace one energy crisis with another.

The human dimension of this transition is also important. South Africa faces an unemployment rate of approximately 33%, while unemployment among young people aged 15 to 24 is about 61%. More than five million young people cannot find work. Almost half of our working-age population is between the ages of 15 and 34. This young population is one of our country's greatest assets.

The South African government has identified mining as one of the three high-priority sectors to drive economic growth and job creation in the short term, with an urgent focus on removing administrative, operational and regulatory investment constraints. Mining is central to South Africa's ambition to reindustrialise its economy, with diverse mineral resources to support existing industries and develop new ones, while unlocking the country's significant potential in critical minerals.

For our young people, this presents an enormous economic opportunity. Investment across the energy value chain of coal (and broader mining) to new generation, transmission infrastructure, mineral processing and emerging technologies can create new skills, industries and pathways into productive employment.

Thus, our transition must be measured by the tonnes we produce, the energy security we maintain and the jobs, skills and industries we create. Using our now more reliable coal fleet as a basis for a diverse energy system, coupled with South Africa's young population, we can catalyse transformation of South Africa's economy.

The Russia–Ukraine conflict, constrained oil and gas exports through the Strait of Hormuz, and the resulting disruption of global energy markets have brought into focus the need for utilising existing resources while diversifying for resilience. This is particularly important for countries such as Japan, which depend significantly on imported energy resources. In 2025,

Japan imported approximately 3.6 million tonnes of coal from South Africa, an increase of about 12% from the previous year.

The Minerals Council continues to engage with Japanese trade delegations. As we work with government and industry partners to improve the performance of our rail network and increase the movement of coal to our ports, South Africa has significant potential to increase its exports to the Japanese markets.

Moreover, our relationship with Japan must extend beyond simply the supply of commodities. Japan brings considerable expertise in advanced energy technologies, energy efficiency and lower-emission solutions, while South Africa has world-class mineral resources, a sophisticated mining sector and significant renewable energy potential. This creates considerable scope for deeper cooperation between our two countries. We aim to explore technologies that can reduce emissions from existing energy systems, improve efficiency and support the responsible use of our resources.

Importantly, many of the technologies that will underpin the future energy system are mineral intensive. Mining will therefore remain fundamental to the global energy transition. For South Africa, our ambition is to develop more of the mineral value chain within South Africa's industrialization ambitions through processing, beneficiation and manufacturing. This would strengthen our industrial base, create employment and contribute to more resilient and diversified global supply chains and local infrastructure development imperatives.

The experience of recent years has reinforced a fundamental reality that energy security is national security. Countries need diversified energy sources, resilient supply chains and reliable infrastructure to protect their economies and sustain industrial development. At the same time, the global response to climate change requires us to transform the way in which energy is produced and consumed.

In our view, these are not competing agendas, and we aim to pursue the energy transition while maintaining the security, reliability and affordability of energy.

Coal's role will evolve over time, with the transition needing to be carefully managed so that the transition is orderly, economically sustainable and responsive to both South Africa's development and international market demand needs.

Ladies and gentlemen, the opportunity before us is to bring our respective capabilities together. The transition will not happen overnight, nor will every country follow the same pathway. What matters is that we move forward with a clear understanding of our national circumstances, while working together towards our shared global objectives.

Thank you