

## **MEDIA STATEMENT**

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### **REVISED: MINERALS COUNCIL COMMENTS ON MEASURES TO SUPPORT THE CHROME VALUE CHAIN**

**Johannesburg, 23 October 2020:** The statement issued by the Minerals Council South Africa on 23 October 2020 relating to a Chrome Ore Export Tax does not correctly reflect the position of the Minerals Council and is therefore retracted and replaced with below.

The Minerals Council notes the statement made by Cabinet in respect of interventions to support domestic ferrochrome production and its chrome value-chain sector. The interventions proposed include the introduction of an export tax on chrome ore, the usage of energy efficiency technologies for smelters, and the adoption of cogeneration and self-generation technologies.

The Minerals Council recognises that government is considering the plight of the ferrochrome producers. The critical component of competitiveness is the availability of a cost-effective and consistent electricity supply. The 523% increase in the electricity price in the last decade has resulted in Eskom's electricity price to large industrial customers becoming globally uncompetitive, forcing the closure or mothballing of over 40% of South Africa's ferroalloy production. This electricity price includes about a R10 billion annual cross-subsidy paid by large scale electricity users to other electricity users, which should immediately be addressed to provide some relief to the ferroalloy industry.

The Minerals Council is engaging with the DMRE, National Treasury and other departments on the matter.

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