

**MEDIA RELEASE**  
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**Biofuels another opportunity for SA to be a clean energy global leader**

The recent report by leading global investment bank, Goldman Sachs brings into sharp focus South Africa's performance and achievements in the 20 years since democracy and the unfinished business and new priorities that lay ahead. Like the National Development Plan (NDP) and various Government policies, the report places significant emphasis on developing South Africa's energy, environmental and infrastructure outlook on a sustainable basis.

South Africa's Renewable Energy Independent Power Producer Programme (REIPPP) which closed its third bid window to a value of R44 billion, has already received global acclaim by the UN-backed Ren21 initiative rating South Africa the 12<sup>th</sup> most attractive investment for renewable energy globally. This is a most notable achievement in a relatively short period of time since the REIPPP was commenced with.

Indeed there is much to be positive about South Africa's future, which Mabele Fuels shares and is committed to playing a meaningful role in. One such distinctive opportunity for South Africa to leapfrog to a cleaner energy future with ample socio-economic and environmental benefits, is through the development of a sustainable biofuels industry.

Over the past 5 years Mabele Fuels has worked closely with Government via the Department of Energy on the development of a biofuels regulatory framework to give practical effect to the implementation of Government's 2007 Biofuels Industrial Strategy . South Africa's strategy for a sustainable biofuels industry addresses concerns, which arose in the first phases of developing the global biofuels industry. The South African biofuels strategy consequently excludes food crops for use in biofuels production to avert risks in terms of food security. Maize, for example, a popular food crop is banned for use as a biofuels feedstock in South Africa. A further example of South Africa's commitment to a sustainable biofuels industry is the preference of low irrigation crops as feedstocks for biofuels so as to minimize water usage.

Recently the Ministry of Energy promulgated 1 October 2015 as the effective commencement date of regulations, which introduce mandatory blending of petrol with bio-ethanol This has provided much welcomed regulatory certainty to Mabele Fuels as a pioneering biofuels investor committed to developing biofuels as a nascent industry in South Africa with significant potential for enabling catalytic rural and agricultural job creation and economic development.

Studies based on a 2% level of blending of bio ethanol and petrol, reveal that the biofuels industry will produce up to 25 000 jobs in the agricultural sector alone. The development of biofuels manufacturing infrastructure will necessitate billions of Rands in investment into rural economies where these facilities and associated infrastructure will be located.

According to Mabele Fuels Joint CEO Zahir Williams, the company is looking forward to working with Government on the urgent finalisation of outstanding biofuels regulations that will enable it to commence construction of a world class bio ethanol manufacturing plant in the Free State Province.

Mr Williams believes that currently South Africa faces significant challenges to alleviate poverty and accelerate economic development. Within this context, the development of a sustainable biofuels industry represents a unique opportunity for socially-responsible investment that unlocks significant job creation potential, contributes to a cleaner environment and long-term future energy security and diversification.

**NOTE TO EDITORS:**

*Mabele Fuels is a South African company owned by Black Economic Empowerment groupings, emerging farmers, local investment institutions and private investors. Its business is the manufacture of fuel-grade ethanol from grain sorghum for sale in the South African bio fuels market. Grain sorghum is cultivated in South Africa's traditional summer grain areas, like the eastern Free State and eastern parts of the North West provinces, which receive summer rainfall. It is an ideal crop for bio fuels because it can withstand droughts and works well on fallow soil.*

*Mabele Fuels is at an advanced state of readiness to commence construction of a large-scale bio ethanol refinery (158 million litres per annum) in the Bothaville area of the Free State province. The project has enjoyed strong Government support and recognition. Mabele Fuels is expecting imminent Government approval to enable immediate implementation of its refinery construction program, for completion before the 1 October 2015 effective date of the mandatory bio fuels blending regulations. On 30 September, the Minister of Energy promulgated 1 October 2015 as the commencement date for the coming into effect of mandatory blending of petrol and diesel with bio fuels. There has since been significant public discourse and debate about the matter, which is likely to continue into the future as the local bio fuels industry develops toward this vision. There remains however a number of misconceptions, misperceptions and unanswered questions about the bio fuels industry and grain sorghum in particular as bio fuels feedstock. This is due to a lack of informed understanding and reliable information about the strategic benefits and opportunities of bio fuels to South Africa's energy and economic future.*

[www.mabelefuels.com](http://www.mabelefuels.com)

**MEDIA ENQUIRIES:**

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