

## Experts urge Gov't to develop coal industry

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**L**ending minds in the coal industry have reiterated that robust steps must be taken to develop a world class coal industry that can attract global capital and major investment players in turn birthing rigorous industrialization in Botswana. This they say can help in job creation and further diversification of the economy.

This emerged during the Botswana Resource Sector Conference held at the GIOC this week. Latest prospect-ed reserves indicate that Botswana sits on over 200 billion tonnes of coal deposits of which contain different segments of grade value as per economically minable mineralization.

Already, a number of companies, mostly of Australian origin are on the ground exploring the economic mineralization of the coal deposits.

Andre Boje, Chief Executive Officer of Minergy, delivered a mouthwatering place on the development of Botswana's Coal Industry. Boje said though Coal was viewed as a non environmental source of energy its industrial value cannot go unnoticed, adding that it could be mined with environmental precautions in place. Boje said major mining companies in the world were making record profits from their coal

divisions. He further cited that the international price of seaborne thermal coal was at levels last seen in 2007.

He is of the view that with regional and international shortages, Botswana with its abundant untapped reserves was better placed to emerge as a major player in the Global Coal Industry.

"Botswana coal is high quality and economical to mine," he said. He also noted that the coal industry has acknowledged the impact of fossil fuels on the environment and have worked for decades on clean coal technology. According to Boje Carbon Capture and Storage (CCS), High Efficiency Low Emission (HELE) was some of the mining and coal utilization models that are regarded environmentally friendly. "Modern coal fired power plants using these technologies have reduced emissions to levels comparable to gas fired power plants," he said.

The International Energy Agency reported in their 2016 World Energy Outlook report that coal will remain the largest single source of electricity generation through to 2040.

Boje highlighted that coal still accounted for up to 41% of global electricity generation and 29% of primary energy demand. "There are 1,600 coal fired power plants either being planned or under construction in 62 countries which will, without older plant

decommissioning, expand the world's coal-fired capacity by 43%," he said, adding that coal will continue to play a major role in delivering energy access and security long into the future.

"All this aforementioned factors and facts about the global coal stands present a lucrative opportunity for Botswana which sits on top of one of the world's largest untapped reserve," he said.

The Minergy Botswana Chief also added that the abundance of coal presented lucrative opportunity for Botswana to engage more independent power producers and output excess power for regional and continental export hence generating revenue and creating much needed employment.

"The coal here is economical to mine. Government just needs to reduce bottlenecks and wipe off cumbersome processes which sometimes frustrate our capital mobilization efforts in the stock markets," he said.

Boje also noted that currently 620 million Africans rely on firewood, kerosene and charcoal for cooking, heating and lighting. "600,000 Africans, mainly women and children, die prematurely annually due to illnesses caused by this." He further added that Africa was facing alarming rates of deforestation due to firewood

extraction citing that Zambia alone loses 250,000 hectares annually.

"The situation in Zambia present yet another massive business opportunity for our coal - independent power producers, creating even more revenue on direct uptake, royalties and taxation," he said.

It also emerged that traditional and long time regional supplier of electricity, South African Power giant, Eskom, was reaching coal cliff with no green fields projects on the drawing board, further presenting a major opportunity for Botswana based power producers or direct export of Coal to South Africa.

Another Coal miner, Shumba Energy, represented by its Managing Director Mashale

Phumaphi revealed that significant deposits of the Botswana Coal reserves were high grade for industrial purposes apart from power production. He noted

that the Coal-Liquefaction proposition can materialize and create thousands of jobs for Botswana, boost government revenue through taxation and royalties.

"We are talking about a setup that will create thousands of jobs for skilled and semi skilled personnel in high volumes for this country," he said. Phumaphi added that other value chain business opportunities would emerge in the process wherever the plant would be set.

Botswana Government has since embarked through its fuel commercial entity, Botswana Oil Limited, on a robust investment wooing quest to attract capital for the multibillion pula plant. Government said the project would be too steep to fund from public treasury.

Phumaphi also added that Botswana Coal can birth various industrial processing businesses like production of petroleum reactants, uptake on steel production, cement manufacturing in turn creating more jobs from these various industries.

Government was urged to invest in the logistical infrastructure, moves to remove regulatory bottlenecks and accelerate approval timelines. It was also underscored that review of the coal industry tax structure to negate the logistical disadvantage to RSA coal exports was long overdue.



CHIEF EXECUTIVE OFFICER OF MINERGY: Andre Boje