



WELCOME ADDRESS BY DEPUTY MINISTER SWARTS – DANISH GREEN HYDROGEN INVESTOR ROADSHOW AUGUST 2023

Good morning ladies and gentleman,

I welcome all of you to Copenhagen this morning for the start of the Green Hydrogen Investor Roadshow to Denmark. As we explore the possibility of building relations and strengthening ties between companies in Denmark and South Africa over the next week, let us not lose focus on the importance of decarbonisation to the world and the role that Green Hydrogen will play in that decarbonisation. Across the world, we have seen the devastating impact of climate change particularly on the poorest and most vulnerable. In South Africa, we have experienced the loss of life and destruction of livelihoods from worsening floods, fires and droughts. African economies are losing between 3 and 5 per cent of their GDP per annum due to the effects of climate change. For the sake of our continent and the world, we need a dramatic increase in global mitigation ambition to keep the world on the 1.5-degree pathway.

In order to limit global warming to less than 1.5 degrees, it is estimated that green hydrogen needs to make up approximately 10-20% of the global energy mix by 2050 as the leading vector in decarbonising hard-to-abate sectors such as maritime, aviation, long haul transport and steel and cement manufacturing.

South Africa's commitment to tackling climate change is long-standing and unwavering. It is borne out of the understanding that although developing economies have made little contribution to global warming, we must all contribute our fair share to addressing it. Our Nationally Determined Contribution, submitted in 2021, sets out an ambitious emission reduction trajectory that is compatible with the Paris Agreement but it requires international support for its achievement. Our updated Nationally Determined Contribution commit South Africa to an ambitious target of reducing its emissions within a range of 420 to 350 megatonnes of carbon dioxide equivalent (MtCO₂-eq) by 2030.

South Africa's Just Energy Transition Investment Plan (or JET IP) for the initial period of five years (being 2023 to 2027) gives effect to the historic Just Energy Transition Partnership forged at COP 26 between the government of South Africa and the governments of France, Germany, United Kingdom, United States, and the European Union forming the International Partners Group.

In late 2022, the South African Cabinet endorsed our national Just Energy Transition Investment Plan as the basis for our pathway towards a low carbon and climate resilient society. According to the plan, South Africa will need approximately US\$ 98 billion over the next five years to enable a just transition and achieve the ambitious targets we have set out in our Nationally Determined Contribution. The plan includes a portfolio of investments across three priority sectors being the electricity sector, new energy vehicles and green hydrogen.

The majority of this funding will flow in the form of project financing and hence the need for investment roadshows like this. The aim not only to market South Africa as a credible green hydrogen production hub but also to provide the opportunities for developers to find strategic funding, technology and off-take partners. We wish you all well over the next 4 days and trust that strategic partnerships will be formed and strengthened.

Tak skal du have (pronounced: 'tak skul du hay')