



# Energy and Natural resources industry

The Energy and Natural resources sector are enablers for economic growth and stability. The National Development Plan 2030 envisages that adequate investment in energy infrastructure will promote economic growth and development. In addition to that it sings praises of the country's richness in terms of natural resources acknowledging that it is has some of the world's most substantial mineral deposits, including coal and natural gas.

South Africa gets energy locally from biomass, such as wood and dung, natural gas, hydro-power, nuclear power, solar power and wind. Gold remains the most important mineral. South Africa is the world's largest producer—and reserves are large.

The South African energy supply is dominated by coal which constituted 69% of the primary energy supply in 2016, followed by crude oil with 14% and renewables with 11%. Nuclear contributed 3% while natural gas contributed 3% to the total primary supply during the same period.

Though the country is rich in minerals and energy, there has been decline in production in natural resources. Government policy on Energy and Natural Resources support for the development, demonstration and implementation of renewable energy sources for both small and large-scale applications. Despite the ongoing economic challenges, the sector has always been resilient as it has adapted, evolved, and changed to meet ongoing significant challenges.

The South African energy sector is dominated by coal, which is plentiful and cheap, and is ranked among the lowest energy costs in the world. While the abundance of mineral resources account for a significant proportion of world production and reserves.

## Key questions for leaders in the Energy and Natural Resources Sector:



Can you identify cash management and other strategies needed?



Can software be capitalised?



Is provision for obsolete stock sufficient and valuation of inventory appropriate?



How to maximise tax incentives?



Can your company increase market share through incremental acquisitions?



Are you compliant with governments requirements?

### How can we help?

Our SNG Grant Thornton professionals combine industry knowledge with technical experience to provide the right course of action; whether it is strategy development, exploring potential long or short-term business plans, identifying business risks and potential obstacles. With our forward-thinking approach, we can help you identify the growth of your company, whether it is local or regional.

## Contact us

Should you have any queries, please do not hesitate to contact our ENS industry team.



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