

**MINISTRY OF ENERGY**

REPUBLIC OF SOUTH AFRICA

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**2142. Mr M M Dlamini (EFF) to ask the Minister of Energy:**

With reference to his statement on 1 June 2018 in which he stated that the two coal Independent Power Producers (IPPs) would give rise to at least 5 000 jobs during construction (details furnished), (a) where did he obtain this figure and (b) can he verify it, as the figures provided by the coal IPPs are different? NW2297E

**Reply:**

In terms of the Request for Proposals (RFP) for coal IPPs, the preferred bidders bid the following in terms of job creation:

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| --- | --- | --- | --- |
|  | Project 1 | Project 2 | Total |
| Jobs during Construction (person years)\* | 7 943 | 2 377 | 10 320 |
| Jobs during Operations (person years) | 10 678 | 4 626 | 15 304 |
| Total jobs in person years | 18 621 | 7 003 | 25 624 |

\*(Person years: 1 job = 12 person-months and 1 person-month = 160 working hours)

The quantification of job creation is calculated in terms of the above formula stipulated in the RFP. If one were to assume the Construction period to be 4 years with the Operations period being 30 years, the total direct jobs during Construction would be equivalent to having approximately 2 580 people working for 4 years during Construction and approximately 510 people working for 30 years during Operations. However, since jobs are provided in job years as per the RFP, the figures are likely to be understated given workers who are employed for less than one year, especially during the construction phase.

Furthermore, these job numbers directly associated with the coal IPP plants do not include the indirect jobs created as a result of the new mine which one of the Projects will be dependent on as well as the jobs created in relation to the discard coal supply which the other Project will be utilising. The job numbers further exclude indirect job creation in respect of factors such as manufacturing and limestone supply.

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| **Approved / Not Approved** Mr J T Radebe, MPMinister of EnergyDate: |