

**DEPARTMENT: PUBLIC ENTERPRISES**

**REPUBLIC OF SOUTH AFRICA**

**NATIONAL ASSEMBLY**

**QUESTION FOR WRITTEN REPLY**

**QUESTION NO.: PQ 704**

**QUESTION:**

**704. Ms J Tshabalala (ANC) to ask the Minister of Public Enterprises:**

(1) What are his department’s current initiatives that are intended to address the instability of community structures in Richtersveld that impacts negatively on the operations and effectiveness of Alexkor;

(2) whether, besides the mining strategy that seeks to address the lower diamond production that impacts negatively on Alexkor’s balance sheet, there are any plans to diversify Alexkor given the diamond price volatility; if not, why not; if so, what are the further, relevant details?  **NW842E**

**REPLY:**

1. The task of normalising the functioning of Richtersveld community structures is that of the of the Department of Agriculture, Land Reform and Rural Development (DALRRD). This question is therefore best directed to the Minister of DALRRD.
2. The Richtersveld region has seen continued decline in the diamond industry in the area. De Beers West Coast and Transhex operations have depleted their resources and closed. Alexkor on its own cannot be the saviour of the region.

Alexkor was established as an alluvial diamond company and that will be its mandate until the diamond resource is deemed unviable or the State exits the business, as was envisaged by the Deed of Settlement with the Richtersveld Communities agreed in 2007.

An interim board appointed in January 2022 has been tasked to ensure in the short term:

* Financial Sustainability
* Operational Effectiveness; and
* Restoration of Governance

 The economic viability of the Richtersveld will require all stakeholders including the communities, the municipalities, provincial and national government to work together in developing an economic development plan for the Region. Projects like the development of Boegoebaai Port and the Green Hydrogen Special Economic Zone are an example of what is needed to diversify economic activity in the region.

 The District Development Model driven by the Department of Cooperative Governance and Traditional Affairs (COGTA) could be a platform for achieving the objective of mitigating the eventual run out diamond mine operations.