

## ChromeSA welcomes negotiated electricity pricing concession

ChromeSA notes the finalisation by the Department of Energy of a short-term framework for negotiated pricing agreements, which will allow companies negatively affected by the high costs of power to negotiate lower electricity tariffs with those entities who supply their power.

This welcome move by government will provide critical support to our colleagues in the ferrochrome industry who have highlighted the desperate impact that escalating power costs have on their ability to compete in global markets. A fair deal as regards the cost of electricity has always been central to securing the future of the South African ferrochrome industry, given that power costs are a large component of their cost structure.

ChromeSA has always been very clear that both the source of and the solution to the serious challenges facing the ferrochrome industry are found in South Africa's uncompetitive electricity costs. We reiterate our central point that any other possible solution to these challenges – for instance the proposed chrome ore export tax – would at best be an exceptionally short-term one. In addition, the unforeseen consequences of the imposition of such a tax would do significant damage to the chrome ore export sector, without any long-lasting benefits for the ferrochrome sector.

We welcome this move by the Department of Mineral Resources and Energy and urge government to focus on relieving the pressures placed on the ferrochrome industry by electricity prices.

### NOTE TO EDITORS

ChromeSA (Anglo American Platinum, Assore, Bauba Resources, Implats, Northam Platinum, Sail, Sibanye-Stillwater, Siyanda Resources and Tharisa) is an independent Chrome Ore Producers Group representing primary and UG2 chrome ore producers

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