

# CAPE Business News



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National Distribution

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Premier Fishing celebrates



70 years at the helm.

7

Syspro 4 recalibration tactics

Drives growth for manufacturers and distributors.



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PepsiCo commit to use 100% renewables

4.2 GWh annually by end 2023.



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## Chasing the pipedream?

Renewables have their part to play in South Africa's energy future, but are certainly not the panacea for base load generation, here or in any other part of the world, despite the misinformation peddled by their proponents as fact that they can and regularly regurgitated by the wishful thinkers.

The Editor asked Nick de Blocq, CEO of natural gas exploration company Kinetiko Energy for his opinion and got a healthy dose of common sense as a response!

"I read recently that if solar was to take over 100% of our electrical power needs in SA in a decade from now, then we need to plant 166 million panels between now and 2032. That's nearly 50,000 a day, every day. Quite apart from the conductor and distribution infrastructure that would necessarily accompany that, it is quite obviously a complete figment of the imagination. It is not going to happen....not even close!

### Face the facts

Here are some facts about so-called Renewable Energy that a lot of people do not know:

- Both wind turbines and solar panels are petroleum products. If you get rid of oil and gas, you get rid of those too.
- You need petroleum to mine the minerals, process the ore, manufacture the goods, transport and construct the products.
- Every panel and wind turbine represents an eventual, non-decomposable landfill element, even if they are somehow recycled once or twice.
- The construction of solar panels releases a toxic gas called nitrogen-trifluoride to the atmosphere. These molecules are too stable to break down and will be there forever, unlike methane (which is indeed a natural gas-based GHG) which decomposes over time.
- Wind and sun will never be reliable sources of energy as they depend fully on climatic conditions, and globally they have proven to supply, on average, no more than 20% of their installed capacity over time. It is no different in SA.
- The storage of power remains an unachievable challenge on a national, industrial, and global scale. The largest



Nick de Blocq.

manufacturer of batteries in the Western Hemisphere, Tesla's factory in Nevada, would require a collective output of 500 years of production to power the USA for one single day!

- There are not enough minerals on the planet to manufacture batteries to convert even half of the internal combustion engine vehicles in operation today into EVs, without even competing with solar for domestic and industrial power storage demand.

### The nuclear option

Every country that can, should be building nuclear power solutions, as this is the cleanest form of electrical energy we have today. And we should be investing in research to miniaturise nuclear towards a form that could be individually used in our cars and homes. I think this is becoming less "science fiction" and more "science". But between now and turning that key some decades down the line, the case for gas could not be stronger. One needs to look no further than the facts.

There is no other solution visible for some decades that has the capacity to substantially replace coal for both power, liquid fuels and thermal industry. And its decarbonising effect is immediately evident. Not that the carbon output from burning coal, diesel and heavy fuel oil is the most pollutive part of that process – it is more about the particulates; the nitrogen oxides, sulphur dioxides, ammonia and sooty ash. Gas negates all of that, with a

far superior calorific value.

The USA had a 28% growth in its economy over the last two decades, and a concurrent 32% drop in emissions, entirely due to replacing coal with gas. It's a no brainer! To clarify further, if (theoretically) we could replace all of SA's coal fired plants with gas today, we would over-subscribe our COP obligations immediately and forever! It is without doubt the green alternative for the other forms of fossil fuels. Having said that, as long as we need things like plastics, lubricants, cement, clothing, computers, phones, chemicals, medicines, etc. we will have to keep producing oil.

The "Just Stop" campaign is almost childishly naïve in that respect. They walk into a petroleum product (building) wearing petroleum products, throw a petroleum product at a painting, and use a petroleum product to glue their hands to the wall, and then pull out a petroleum product (phone) to read a statement that says "no petroleum!" Is this just irony? Or is it immature hypocrisy at its worst? You decide....

### On the KW Miller diatribe rubbishing Eskom

Where KW Miller gets it wrong in his scathing attack on Eskom is that there IS gas in SA, and what we cannot produce locally in terms of demand, we can import via virtual pipelines of LNG. Kinetiko operated Rights Holder in SA, Afro Energy, has a current 2C resource of 4.9 TCF, which will almost certainly grow as they add acreage under application. It is already within the top 10%-15% of onshore gas resources on the planet! For scale, Mossgas flowed profitably for 20 years on 1 TCF, and Sasol designed its 30-year production from the Pande/Temane fields in Mozambique to feed Secunda on a resource of 2.5 TCF. And Kinetiko is not the only one. Throw in Renergen, Rhino, Tungela, Bastion, Invictus and others into the mix, plus the massive treasure of gas under the Karoo, and it becomes easier to imagine that South Africa, like the USA has done, could become a self-sufficient energy producer and exporter with the right regulations in place, fiscal certainty, and appropriate investment in the private sector. Imagine the benefits of an inflow of sovereign revenue versus the current outward flood of our forex to procure imported content for our energy requirements? It doesn't have to be a dream!"

## W Cape Government cuts red tape to stimulate economic growth



Image credit: News24.

ANTON Bredell, Western Cape Minister of Local Government, Environmental Affairs and Development Planning, on Thursday 27 October 2022, granted an exemption to all municipalities in the Western Cape from certain provisions of the Western Cape Land Use Planning Act. The aim of the exemption is to encourage the integration of the public participation processes in the various laws that govern new developments.

"This is another action step of the Western Cape Government to cut red tape, creating an environment for the private sector to grow our economy and create jobs," Bredell said.

Recent studies have shown that developers who must obtain such a range of development approvals could easily wait up to six years before construction can commence. To address this challenge, the Premier established the Fixed Capital & Property Development Work Group (FC&PD) which identified several initiatives to reduce the overall regulatory burden of development applications. Integrating the various processes more effectively is one of the activities of the FC&PD.

"Ultimately the laws governing these sectors need to be streamlined for more effective integration, but, because amending laws takes so long, I have made use of the exemption mechanism provided for in the West-

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