



REMARKS: CEF GROUP COO, MR SIFISO MSABALA AT THE FRANK DIALOGUE STAKEHOLDER ENGAGEMENT

South Africa Must Turn Energy Potential into Energy Security Through Infrastructure, Strategic Capability and Coordinated Execution

Cape Town, South Africa – The Central Energy Fund (CEF) Group has called for a renewed national focus on strategic energy infrastructure, energy sovereignty and coordinated implementation, warning that South Africa's greatest energy challenge is not a lack of resources, but an inability to consistently convert opportunities into reliable national energy capability.

According to Sifiso Msabala, CEF Group Chief Operations Officer, South Africa possesses abundant energy resources, including coal, significant solar and wind potential, prospective gas reserves and opportunities for regional energy integration. However, the country continues to face energy affordability challenges, infrastructure constraints and exposure to global market disruptions.

"South Africa does not lack energy resources, opportunities or investor interest. What is holding us back is our inability to consistently translate policy, resources and investment opportunities into integrated infrastructure, reliable supply and strategic national capability," said Sifiso Msabala.

Msabala said energy security should no longer be viewed purely as a policy objective, but as a lived reality that affects fuel prices, electricity affordability, transport costs and the cost of doing business across the economy. He cautioned that access to international energy markets should not be mistaken for true energy security.

"A country is secure when it has sufficient infrastructure, strategic stocks, diversified supply routes, domestic capability and the institutional capacity to respond effectively when international markets become disrupted," he said.

Strategic Infrastructure Remains Critical

Msabala emphasised that energy sovereignty extends beyond ownership of natural resources and requires investment in the infrastructure necessary to convert, store, transport and

distribute energy. He noted that South Africa has not retained sufficient assured access to strategic fuel storage, terminal and logistics infrastructure, limiting the State's ability to respond independently during supply disruptions.

He further highlighted the need for integrated infrastructure planning across electricity, liquid fuels and gas sectors.

"It is not enough to have fuel available internationally if you cannot store or distribute it. Equally, it is not enough to generate electricity if you cannot transmit it," said Msabala.

Domestic Refining Capacity Requires Urgent Attention

The CEF Group COO warned that the decline in domestic refining capacity has increased South Africa's dependence on imported petroleum products, exposing the country to international price volatility, freight costs, exchange rate fluctuations and geopolitical risks.

While acknowledging the important role played by international traders, Msabala said government must carefully consider the long-term implications of diminishing domestic production capability.

"There is a fundamental difference between choosing to import because it is commercially attractive and being forced to import because domestic alternatives no longer exist. South Africa should reassess the strategic importance of restoring competitive and sustainable domestic refining capacity," he said.

Strategic Petroleum Stocks Are a National Security Instrument

Msabala said strategic petroleum stocks must be treated as a critical component of national resilience and security of supply.

He welcomed progress on the Draft Strategic Stocks Policy but stressed that policy alone would be insufficient without corresponding investment in storage, logistics, financing and governance mechanisms.

"A country cannot claim to have strategic fuel reserves simply because storage tanks exist within its borders. The critical question is whether the State has the product, the access and the authority to act when the country needs it," he said.

A More Integrated Energy System Is Required

On electricity, Msabala said South Africa should move beyond measuring success solely through installed generation capacity and instead focus on building a reliable, affordable and integrated power system. This requires continued investment in transmission infrastructure, energy storage, flexible generation technologies and a diversified energy mix.

He also highlighted the importance of developing a coordinated gas and LPG economy to support industrial competitiveness, energy diversification and household energy security.

Investment in LNG import infrastructure, gas-to-power projects, pipelines, LPG storage and distribution networks would be essential to unlock broader economic and developmental benefits.

Government and Industry Must Work Together

Msabala said South Africa's energy challenge is increasingly one of execution rather than policy formulation. He called for stronger coordination between energy planning, transmission investment, ports, gas infrastructure development and industrial policy.

While recognising the vital role of private-sector investment, he said government must retain strategic capabilities and maintain ultimate responsibility for national energy security.

"The private sector must be allowed to do what it does best: innovate, invest and operate efficiently. But government cannot outsource its ultimate responsibility for national energy security," said Msabala.

Building an Energy-Secure Future

Msabala said South Africa should prioritise integrated energy planning, strategic infrastructure development, domestic refining capability, strengthened petroleum reserves, expanded transmission networks and accelerated gas and LPG infrastructure programmes.

"What is holding South Africa back is not a shortage of energy resources or investment opportunities. It is our inability to consistently turn those opportunities into functioning infrastructure and national energy capability. We need competitive markets, international partnerships and private-sector investment. But we also need a State that retains the capacity to protect the country when markets are disrupted. Energy sovereignty means ensuring that South Africa is never left without options," concluded Msabala.

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