

South Africa and Germany sign declaration of intent for green hydrogen

Minister in the Presidency responsible for Electricity Dr Kgosientsho Ramokgopa and German Vice Chancellor Robert Habeck have signed a joint declaration of intent to establish the South African German Hydrogen Task Force. The green hydrogen economy has been billed as a new frontier for clean energy as it emits low carbon emissions with a global potential of about \$300bn in exports.



Green hydrogen illustration. Source: Freepik

South Africa holds approximately 80% of the world's platinum group metals (PGMs) and 40% of the world's platinum and palladium supplies which are key components in the production of hydrogen – making South Africa potentially a key player in the future of the market.

Cooperation between the two countries aims to link South African developers in the green hydrogen market with off takers in Germany looking at additional funding for projects and cooperation in creating projects in South Africa that are commercially viable that can meet international green hydrogen demand and supply.

“The purpose of the joint declaration of intent is the establishment of a South African-German Hydrogen Task Force that will assist to drive the commercial viability of green hydrogen projects, industry and infrastructure in South Africa and Germany,” said the Ministry of Electricity in its media statement.

Deal won't cost SA anything

According to the ministry, the Joint Declaration of Intent is neither legally binding, nor does it have financial implications for South Africa.

“Its sole purpose is to create a South African-German Hydrogen Task Force within the framework of the South African-German Energy Partnership,” continued the ministry.

Government has already drawn up plans for a Hydrogen Valley which is expected to run from Limpopo, through parts Gauteng and Kwa-Zulu Natal. This valley will establish opportunities for projects which will kick-start hydrogen initiatives in hubs with the aim of boosting economic growth and job creation.

The declaration was signed during the Bi-National Commission between South Africa and Germany held on Tuesday and paves the way for the formulation of a task force that aims to:

- Formalise the bilateral exchange of information and assessments on upscaling green hydrogen in the respective countries.
- Support the establishment of lighthouse projects, resulting in recommendations for the political dialogue.
- Facilitate market access and promote trade of green hydrogen and power-to-X (PtX) products between South Africa and Germany.
- Promote the creation of a network between government, industry, and research institutes from both countries.



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Hydrogen task force

The task force will act as a platform for knowledge and information sharing about building and upscaling a green hydrogen economy in South Africa and Germany.

It will also identify key challenges to be tackled to support the development of the South African and German value creation chain including assisting grey hydrogen producers in their transition from grey to green hydrogen, supporting manufacturers of electrolyzers and other critical components to identify business opportunities.

“The country’s investment strategy aims to position South Africa as a key preferred African investment destination by attracting and facilitating quality foreign and domestic direct investment into the country, in a well-coordinated manner, anchored by quality institutions and robust economic infrastructure networks,” the ministry explained.

Green hydrogen is one of the five 'Big Frontiers' in President Cyril Ramaphosa’s country investment strategy and an important endeavour in advancing the National Development Plan (NDP) target of 30% of gross fixed capital formation (GFCF) to gross domestic product (GDP) by 2030.

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