

NATIONAL ASSEMBLY

QUESTION FOR WRITTEN REPLY

QUESTION NUMBER 2067 [NW2333E]

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Mr P D Dexter (Cope) to ask the Minister of Finance:

Whether the National Treasury has been informed of companies in the mining industry who fear that the levying of a carbon tax may add as much as 10% to the cost structure of already struggling mining companies; if not, what is the position in this regard; if so, how does he intend ensuring that (a) the proposed carbon tax does not affect investment in the mining sector and (b) this increase in costs does not affect jobs?

NW2333E

REPLY:

Yes, the National Treasury is aware of various estimates made by mining and other companies on the impact of any carbon tax that may be imposed. Such information is the direct result of requesting public comments to the discussion document published by the National Treasury on 13 December 2010, entitled, *“Reducing Greenhouse Gas Emissions: The Carbon Tax Option”*. The National Treasury has received 70 written submissions on the said discussion paper, and also engaged with various companies on the impact of a carbon tax, including the Chamber of Mines and individual mining companies.

It should be noted that any estimate made by a company or sector (or analyst) on the impact of a carbon tax relies on a host of assumptions that they make, and hence should be treated with some caution. After taking into account the various comments and inputs, the National Treasury intends to publish later this year a revised policy paper that will elaborate on design options, and allow for a second round of comments, before a final proposal is made. It is only once this final proposal is announced that one can assess the full impact of a carbon tax, and also consider the opportunities available for innovative companies within any sector.

(a) and **(b)** Not applicable