

## **BACKGROUND OF LEPHALALE MUNICIPALITY**

Lephalale Municipality is the second biggest municipality in the Limpopo Province. It covers 14 000km square kilometers. It has fifteen (15) wards and (78) seventy-eight voting stations. It is named after the local river, Lephalale River, which is a tributary of Limpopo River. This river has been the source of life to the people of this area from time immemorial. Lephalale Municipality is located in the north – western part of Limpopo Province and it borders Thabazimbi, Modimolle, Mogalakwena and Blouberg Municipalities. It is a gateway to Botswana with four international border posts to Botswana, namely Stockpoort, Groblersbridge, Zanzibar and Platjan.

There are three main economic activities in Lephalale, namely: Mining & Energy generation, Agriculture and Tourism. These economic activities are the driving forces towards sustainability of livelihoods. Lephalale Local municipality has been identified by Limpopo Employment Growth and Development Plan (LEGDP) as a petrochemical cluster and has attained the status of national development node.

The coal fields which boast more than 40% of the total coal reserve of South Africa are located in Lephalale. The Waterberg Coal Field is estimated to contain a resource base of 50 billion tons; of which 12.5 billion tons can be mined by opencast method (Coal is sufficiently close to surface that it does not require the sinking of a shaft). Exxaro's Grootegeluk Mine is situated 20 km from Lephalale Town, is an open pit coal mine which employs 3 200 people and produces 26Mtpa final coal products, using a conventional truck and shovel operation. This mine has an estimated minable coal reserve of 3 261Mt, and a total measured coal resource of 4 719Mt, from which semi-soft coking coal, thermal coal, and metallurgical coal can be produced.

Some 22Mt of annual production is power station coal, transported directly to Eskom's Matimba and Medupi power stations on a 7 km conveyor belt in terms of the existing supply contract. An additional 1,5Mtpa of metallurgical coal is sold domestically to the metal industry and others on short-term contracts.

Grootegeluk produces 2,5Mtpa of semi-soft coking coal, the bulk of which is railed directly to Mittal SA under a long-term supply agreement. Approximately 1Mtpa of semi-soft coking coal and thermal coal is exported through Richards Bay Coal Terminal or sold domestically.

The activities of the mines have positioned Lephalale local municipality to be on the verge of huge economic development related to mining and energy generation. This has been exacerbated by the construction of the 40 000 MW power station known as Medupi which, has been commissioned at various phases. Medupi is the largest dry-cooled coal-fired power station in the world.

It is against this background that Lephalale local municipality has crafted its vision to become one of the vibrant cities in the country as well as the energy hub for the continent. Our vision statement is **A vibrant city and the energy hub.**