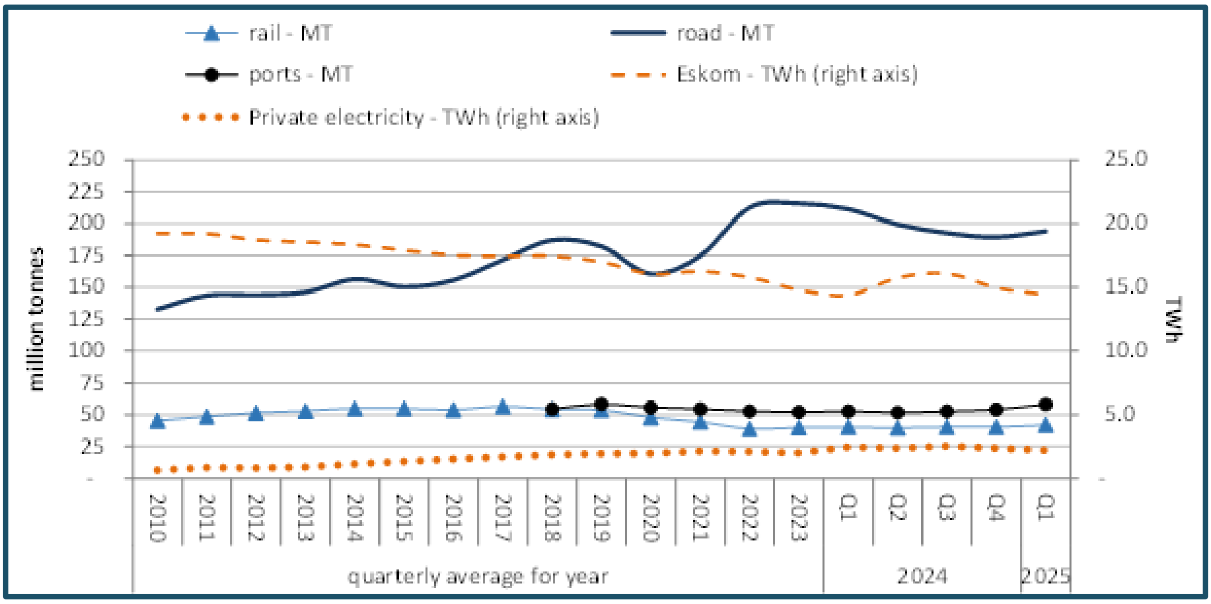
Infrastructure

In the first quarter of 2025, Eskom's electricity supply fell back to levels last seen a year earlier, but the tonnage carried on rail and road and through the ports recovered slightly. Both rail and electricity are well below their levels a decade ago, while road freight and private electricity sold to the grid have grown. Eskom's tariffs increased by around 10% above inflation in April 2025, adding to the cost burden especially on electricity-intensive producers.

In the first quarter of 2025, Eskom's supply to the national grid fell by 3.7% compared to the previous quarter. It dropped from 15 terawatt hours (TWh) in the fourth quarter of 2024 to 14 TWh a year later. The decline wiped out the gains made over the previous year. Private electricity supply to the national grid dropped 7% to 2.2 TWh. Overall, electricity supply through the national grid fell 4%. (Graph 10). The total electricity supplied to the grid in the first quarter of 2025 was 17% below the average quarterly supply in 2010.

Graph 10. Road, rail and ports tonnage carried (in million tonnes) and Eskom and other grid suppliers' electricity available (in TWh), 2010 to first quarter 2025



Source: Calculated from Statistics South Africa. Electricity generated and available for distribution. Excel spreadsheet from 2000; and Land Transport Survey. Excel spreadsheet. Downloaded from www.statssa.gov.za in May 2025. For ports, Transnet National Ports Authority. Port Statistics. Webpage. Accessed at https://www.transnetnationalportsauthority.net/Commercial%20and%20Marketing/Pages/Port-Statistics.aspx in May 2025.

The decline in the national supply in the first quarter of 2025 brought a return of loadshedding, albeit at much lower levels than in 2023. In the first quarter of 2025, there were 12 loadshedding incidents. That compares to an average of 135 a quarter from the first quarter of 2023 to the first quarter of 2024.[1]

Transnet's freight tonnage climbed to 42 million tonnes in the first quarter of 2025, a 4% increase over the first quarter of 2024. It was still 26% lower than its peak in 2017. Road freight climbed by

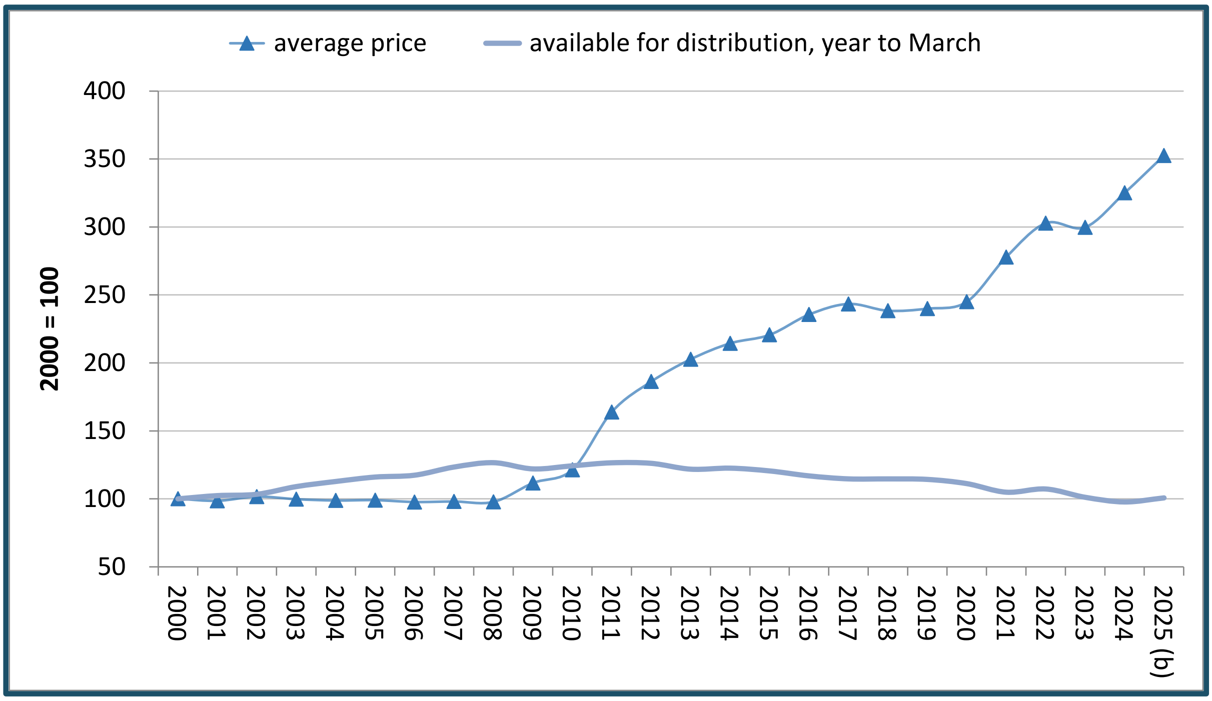
[1] Calculated from Eskomsepush. Eskomsepush loadshedding history. Spreadsheet. Accessed at https://docs.google.com/spreadsheets/d/1ZpX_twP8sFBOAU6t--Vvh1pWMYSvs60UXINuD5n-K08/edit?gid=863218371#gid=863218371 in February 2025.

almost 2.5% to 194 million tonnes. Still, that left it some 8% lower than a year earlier, continuing a gradual decline from 2023. The fall in road freight likely reflects slowing economic growth. Tonnage through the ports rose 8% in the quarter and 10% for the year, reaching 58 million tonnes for the first quarter of 2025. As a result, it equalled the quarterly average for 2019, the last year before the pandemic downturn.

Eskom's tariff increases continue to soar far above inflation. The latest rates came into effect in April 2025. The average increase approved by the regulator was almost 13%, or over 10% in real terms. Municipalities, which distribute electricity for most smaller businesses, were charged a real increase of around 9%. As Graph 11 shows, in constant rand Eskom's tariffs have risen around 250% above inflation since 2008. The impact has been particularly severe on energy-intensive industries. As discussed in the section on trade, higher grid electricity prices have been an important factor behind the mothballing of some ferrochrome smelters, resulting in a significant fall in exports.

Eskom's revenues climbed from 1.7% of the GDP in 2008 to 4.0% in 2024; the new increases will push them to almost 4.5%. The higher tariffs go principally to cover Eskom's escalating financing and diesel costs, due principally to delays and faults in its new Medupi and Kusile plants. In addition, the unit price of coal for Eskom has risen from a third to half of the export unit price over the past 15 years.

Graph 11. Indices of average price per kilowatt hour in constant rand (a) and Eskom electricity supplied to the national grid, 2000 = 100



Note: (a) Deflated using CPI. (b) Estimated based on announced average tariff increase as of April 2025. Source: Average tariff calculated from Eskom Annual Report figures for sales and revenue for relevant years, except for 2025. Electricity supplied from Statistics South Africa. Electricity generated and available for distribution. Excel spreadsheet from 2000. Downloaded from www.statssa.gov.za in May 2025.