

Chamber of Mines expresses concern about electricity crisis

The Chamber of Mines has expressed its concern about the uncertainty of electricity supply to the country.



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Mike Teke, president of the Chamber, noted that this will further harm economic growth that is so desperately needed. The Chamber is concerned that the announcement of stage three of power shortage by Eskom and the resultant rolling load-shedding will have a negative impact on the mining sector and consequently the whole economy.

"Although the mining sector contributes only about 7% to the GDP, its non-production has a direct impact on upstream and downstream industries related to the mining sector that contribute a further 10% to the GDP. Production stoppages that are caused by continuous cuts to electricity supply will hurt the industry and the economy as a whole," said Teke.

Join forces

"This is the time when all industries need to join forces with Eskom to address the electricity supply challenges that the country is facing. The mining industry is willing to engage with Eskom to find solutions that will help improve electricity supply. I am concerned that in the mining sector the cost of resuming production is much higher than just cutting electricity supply to a mine," he said.

The mining industry has already reduced its electricity demand by 10% to assist Eskom to improve its desperate need to improve the electricity reserve situation and avoid a complete black out. A request to further reduce electricity demand will have a negative impact on the performance of the mining sector as a whole.

The leadership of the sector has invited the senior executives of Eskom to engage with it in order to find medium to long term solutions to the electricity supply situation.