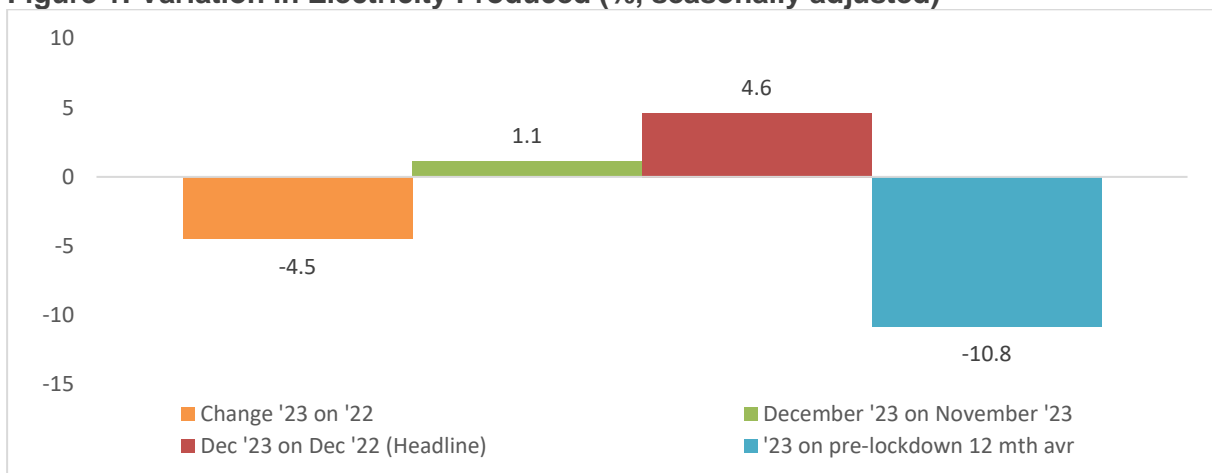


1. ECONOMY-WIDE ELECTRICITY SUPPLY

Economy-wide, seasonally adjusted electricity generation (production) **increased by 4.6% year-on-year** in **December 2023**. **Month-on-month**, seasonally adjusted electricity production was **1.1% higher in December** than in November 2023.

Full-year electricity production in 2023 was 4.5% lower than in 2022. This was slightly better than our estimated 5% decrease, driven by improved electricity production in October and December. These months marked the only two positive year-on-year increases in electricity production since August 2021. Overall, average electricity production in 2023 was still 10.8% lower compared to pre-pandemic levels in 2019.

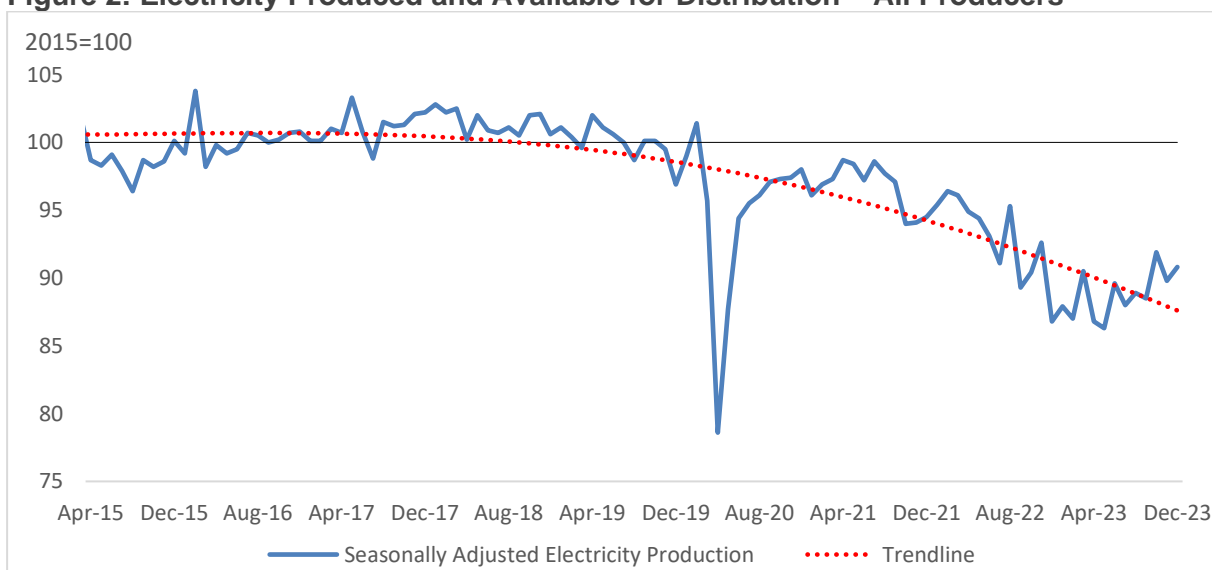
Figure 1: Variation in Electricity Produced (% , seasonally adjusted)



Source: Statistics SA, Minerals Council

Figure 2 below illustrates the downward trend in total electricity production. However, this is being driven by a deterioration in Eskom's performance while private sector electricity generation is on the rise (see Table 1).

Figure 2: Electricity Produced and Available for Distribution – All Producers



Source: Statistics SA, Minerals Council

Table 1: Average Independent Power Producers' Production (GWh)

2019 (Pre-COVID) Monthly Average	2022 Monthly Average	December 2023	2023 Monthly Average
1,912 GWh	2,100 GWh	3,170 GWh	2,380 GWh

Comparing Eskom's electricity available for distribution to the total electricity distributed allows us to measure the contribution of Independent Power Producers (IPPs). IPPs generated 3,170 GWh of electricity in December 2023. IPPs continue to bring more electrons onto the grid with the monthly average for 2023 at 2,380 GWh. As is summarised in the table above, this is more than the average recorded in 2022 and pre-COVID.

2. ESKOM ELECTRICITY SUPPLY

When we consider the actual GWh of electricity produced by Eskom we note the following in the table below:

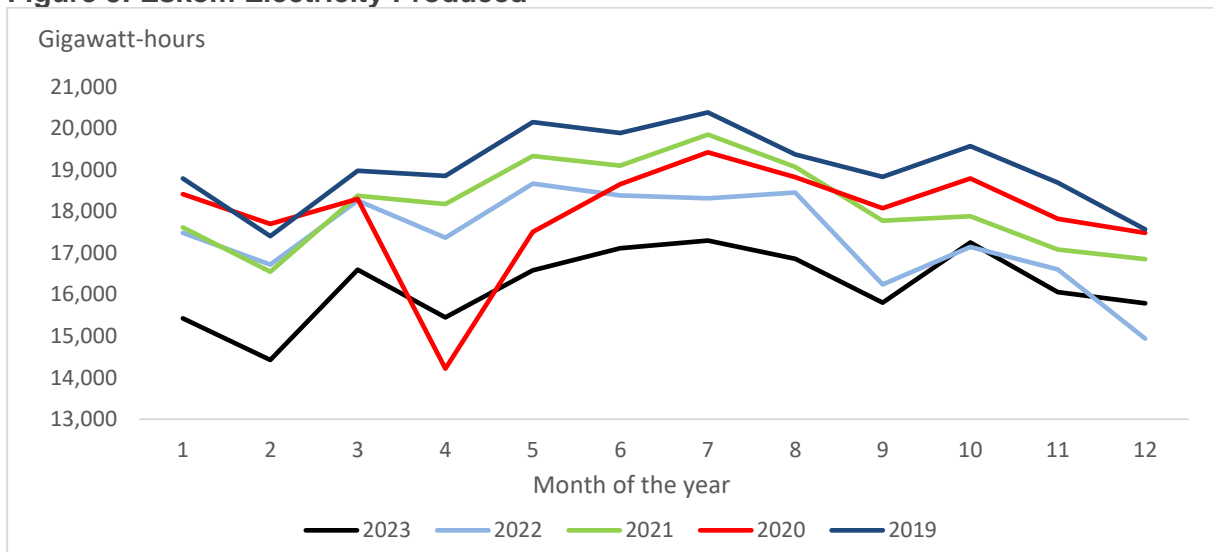
Table 2: Average Eskom Electricity Production (GWh)

2019 (Pre-COVID) Monthly Average	2022 Monthly Average	December 2023	2023 Monthly Average
19,040 GWh	17,382 GWh	15,792 GWh	16,221 GWh

Eskom generated 15,792 GWh of electricity in December 2023. The full-year monthly average for 2023 was 16,221 GWh, a deterioration from the average recorded in 2022. The overall trend in electricity production from Eskom is a major concern, as it has lost 705 GWh of electricity generation per year since 2019.

Figure 3 below illustrates the physical volume of electricity produced by Eskom over various periods. 2023 was the worst in terms of electricity production with a yearly decline of around 705 GWh in the level of generation clearly visible.

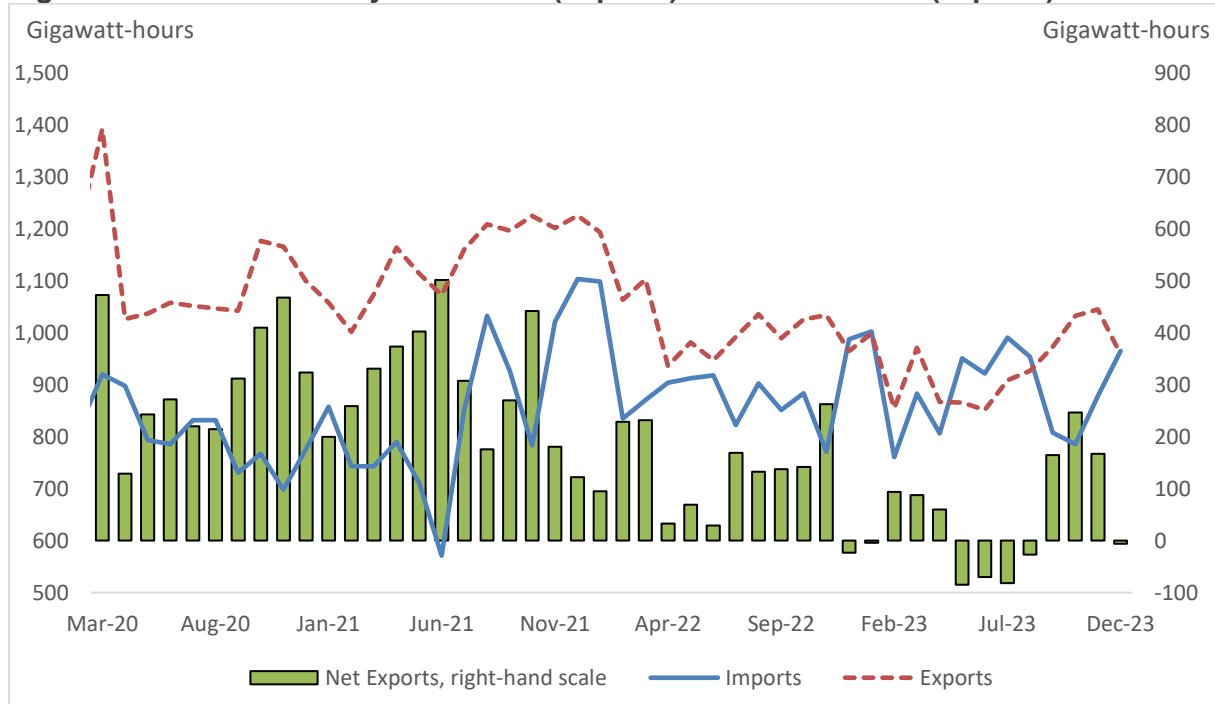
Figure 3: Eskom Electricity Produced



Source: Statistics SA, Minerals Council

Figure 4 below shows that in December 2023, Eskom imported 965 GWh of electricity while exporting 959 GWh. This made Eskom a net importer of electricity. The figure below plots the convergence of electricity imports and exports, a trend that has continued due to the utility struggling to match domestic supply with local electricity demand.

Figure 4: Eskom Electricity Purchased (imports) and Sold Abroad (exports)

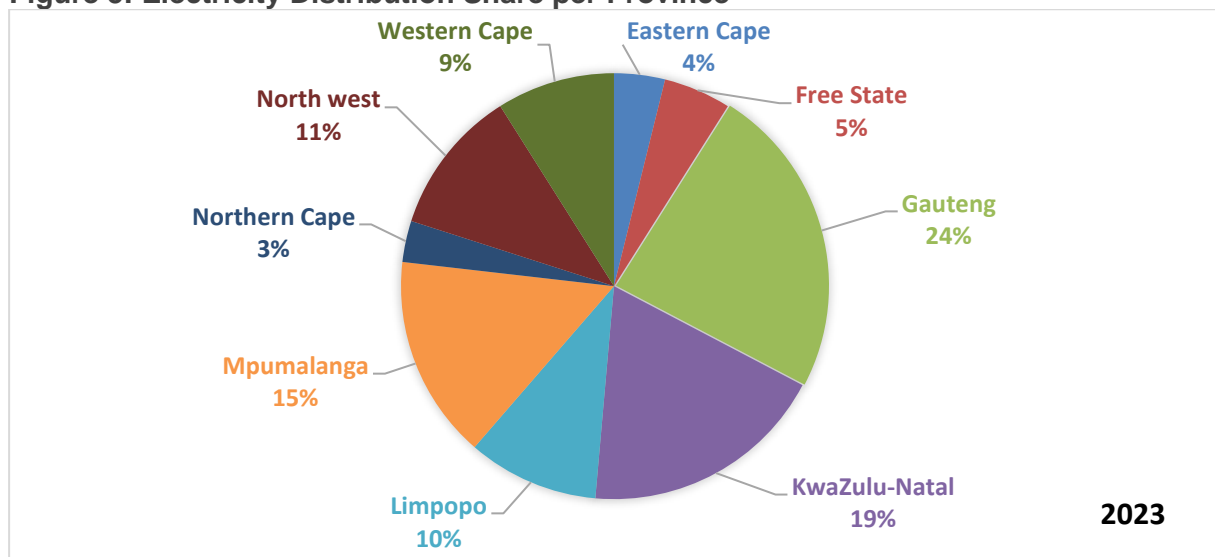


Source: Statistics South Africa, Minerals Council

3. PROVINCIAL ELECTRICITY SUPPLY

In terms of the actual distribution, Figure 5 below illustrates the average electricity consumption per province for 2023.

Figure 5: Electricity Distribution Share per Province



Source: Statistics South Africa, Minerals Council

Gauteng, KwaZulu-Natal and Mpumalanga accounted for 58% of total electricity distribution in 2023. This was followed by the North West and Limpopo at 11% and 10% respectively.

- END -

Yours sincerely,



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