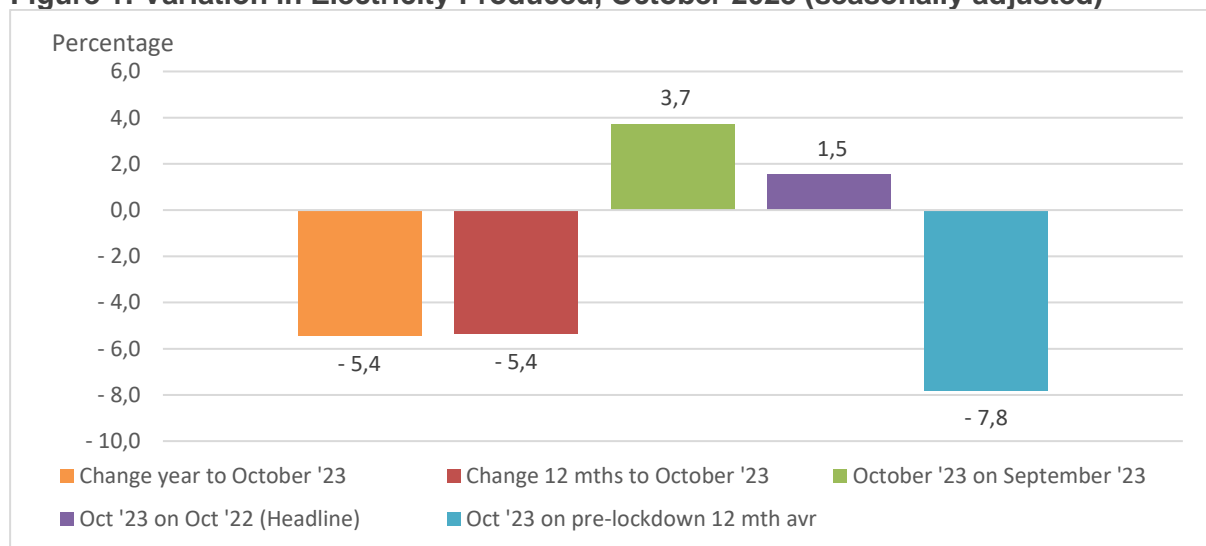


1 ECONOMY-WIDE ELECTRICITY SUPPLY

Economy-wide, seasonally adjusted electricity generation (production) **increased by 1.5% year-on-year in October 2023**. This marks the first positive year-on-year increase in electricity generation since August 2021. **Month-on-month**, seasonally adjusted electricity production was **3.7% higher in October** than in September.

Figure 1: Variation in Electricity Produced, October 2023 (seasonally adjusted)



Source: Statistics South Africa, Minerals Council

Year-to-October electricity production was 5.4% lower compared to the same period in 2022. Data suggests that overall electricity production will likely decline by around 5.0% in 2023 compared to 2022, based on the 12-month change to October.

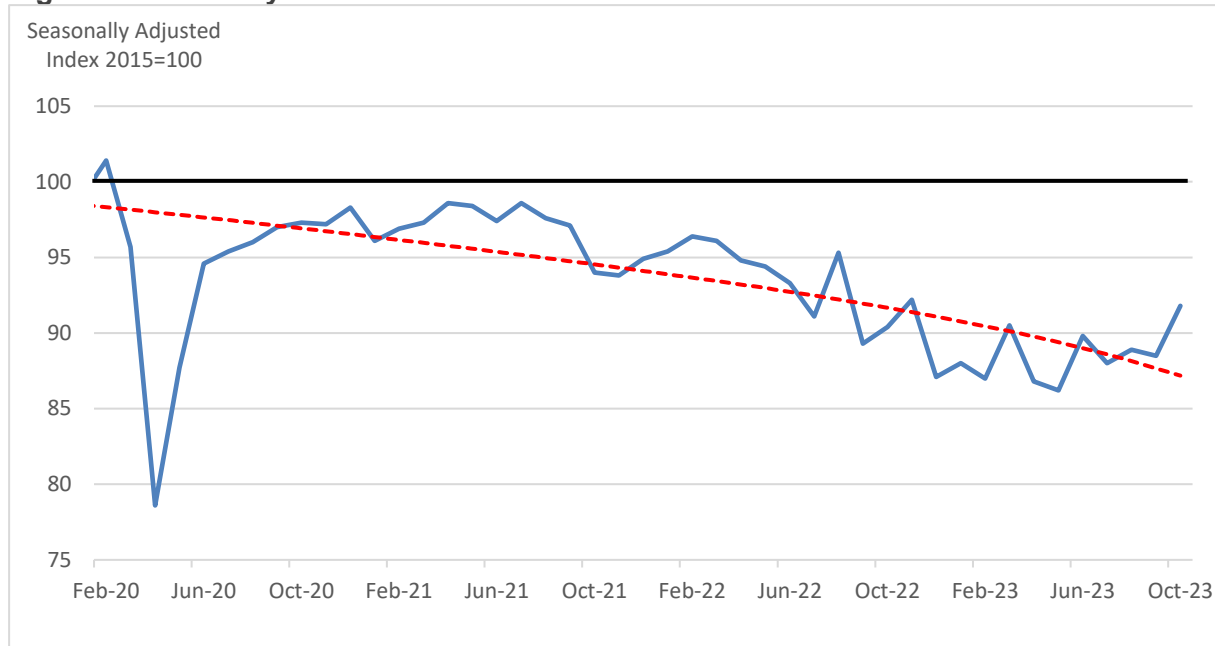
Table 1: Average Independent Electricity Producers' Production (GWh)

2019 (Pre-COVID) Monthly Average	2022 Monthly Average	October 2023	2023 year-to-October Monthly Average
1,977 GWh	2,183 GWh	2,536 GWh	2,480 GWh

- IPPs generated 2,536 GWh of electricity in October 2023. IPPs continue to bring more electrons onto the grid with the monthly average for 2023 up to 2,480 GWh. As is summarised in the table above, this is more than the average recorded in 2022 and pre-COVID.

The figure below illustrates seasonally adjusted electricity produced and available for distribution by *all producers* in South Africa. Notwithstanding the uptick in October, it shows the continued downward trend in production.

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



Source: Statistics South Africa, Minerals Council

2 ESKOM ELECTRICITY SUPPLY

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

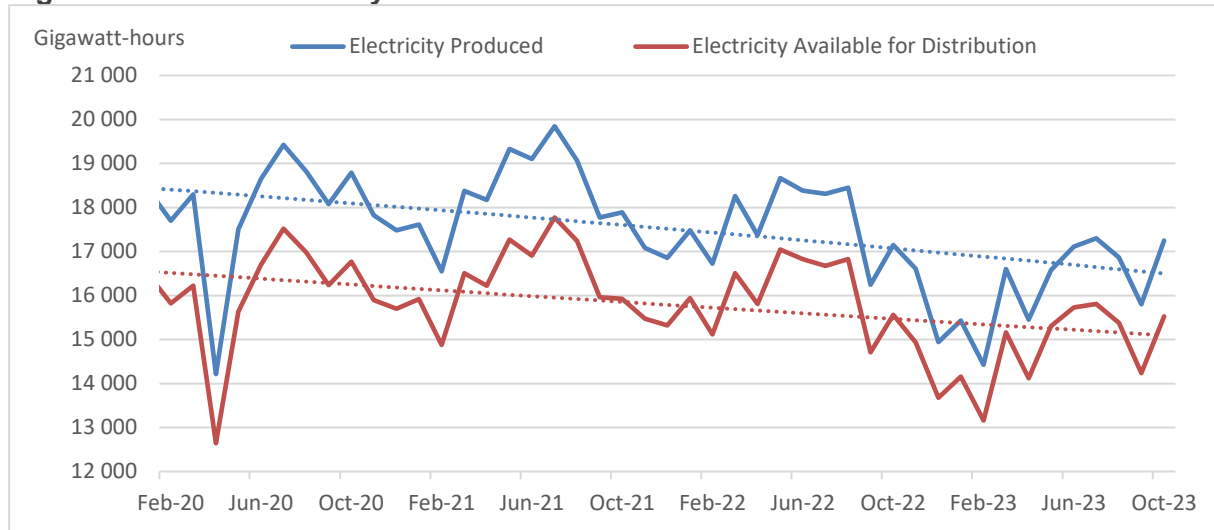
Table 2: Average Eskom Electricity Production (GWh)

2019 (Pre-COVID) Monthly Average	2022 Monthly Average	October 2023	2023 year-to-October Monthly Average
19,040 GWh	17,382 GWh	17,250 GWh	16,280 GWh

- Eskom generated 17,250 GWh of electricity in October 2023, bringing the monthly average for 2023 up to 16,280 GWh. This is summarised in the table above.
- The overall trend in electricity production remains most concerning. At current levels, the average monthly production will still be more than 1,100 GWh less per month compared to 2022.

Figure 3 below further illustrates the physical volume of electricity produced and available for distribution by Eskom – the difference between the two can mainly be attributed to the electricity consumed in power stations and auxiliary systems.

Figure 3: Eskom Electricity Produced and Available for Distribution

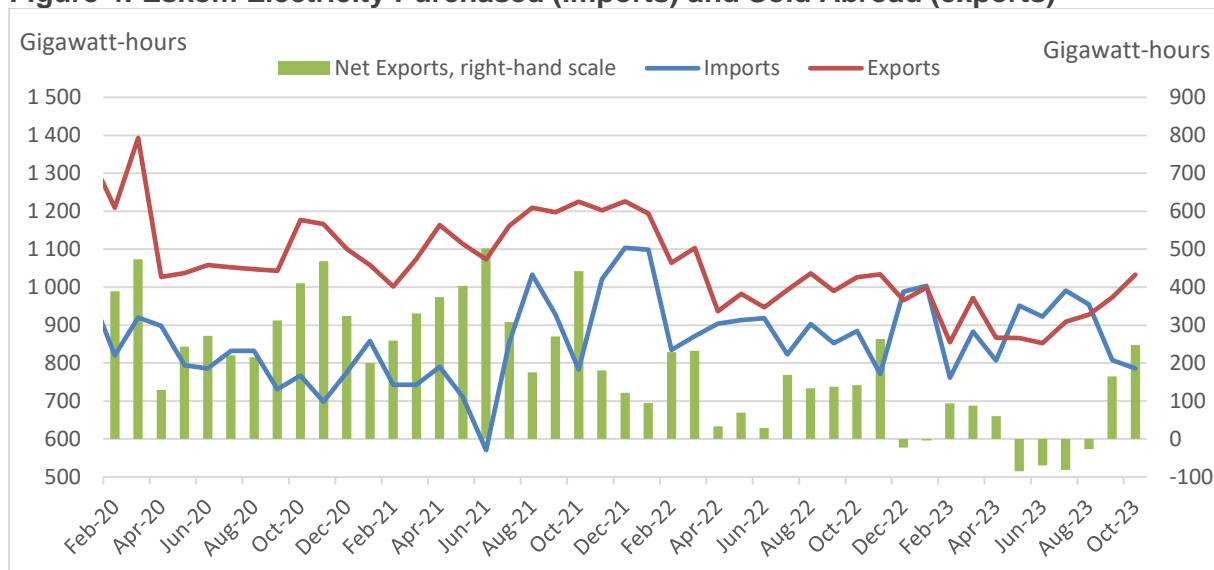


Source: Statistics South Africa, Minerals Council

We note in Figure 3 that the electricity produced by Eskom in October amounted to 17,250 GWh whilst the actual electricity available for distribution by the utility for October 2023 was 15,522 GWh. To date, Eskom has not had more than 16,000 GWh of electricity available for distribution from its generation side since August 2022. However, as mentioned, independent power producers added around 2,536 GWh to the grid in October which was then distributed to end-users. When accounting for electricity consumed at power stations and auxiliary systems, this brought the total electricity distributed by Eskom from both its own supply and third-party supply to 17,693 GWh in October.

Figure 4 below shows that in October 2023, Eskom imported 786 GWh of electricity while exporting 1,033 GWh. 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)

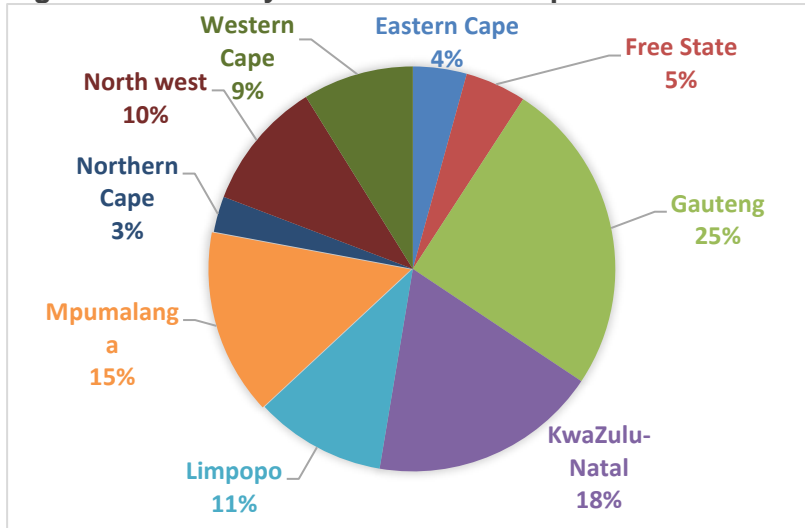


Source: Statistics South Africa, Minerals Council

3 PROVINCIAL ELECTRICITY SUPPLY

In terms of the actual distribution of the electricity generated, the figure below illustrates which provinces consumed which share of the total electricity generated in South Africa in October 2023.

Figure 5: Electricity Distribution Share per Province



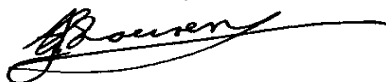
Source: Statistics South Africa, Minerals Council

Month-on-month, provincial electricity distribution increased by **8.0%** in October 2023. The **year-on-year** physical volume of electricity delivered to the provinces increased by **1.3%** in October 2023. This increase in electricity delivered to the provinces mostly went to Gauteng (25%), KwaZulu-Natal (18%) and Mpumalanga (15%).

CONCLUSION:

Economy-wide, seasonally adjusted electricity generation (production) **increased by 1.5% year-on-year in October 2023**. This marks the first positive year-on-year increase in electricity generation since August 2021. **Month-on-month**, seasonally adjusted electricity production was **3.7% higher in October** than in September 2023. In October 2023, both unplanned and planned maintenance were at a four-month low and the EAF stood at 58%. These factors contributed to increased electricity production in October which reversed the year-long decline. However, the EAF deteriorated sharply in November and December. This is expected to affect the production data; however, it will be mitigated by a low base effect from December 2022. For more details, see *Eskom_Year_2023_Update* attached.

Yours sincerely,



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