

## **MEDIA STATEMENT**

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### **ESKOM'S PROBLEMS ARE NOT COAL RELATED AND THE SOCIAL MEDIA CAMPAIGN TO STOP SOUTH AFRICAN COAL EXPORTS IS DEVOID OF FACTS AND IS DEEPLY WORRYING.**

**Johannesburg, 20 January 2023.** The Minerals Council South Africa notes with concern a social media campaign that wants to stop coal exports through Richards Bay Coal Terminal to purportedly alleviate Eskom's loadshedding.

This campaign is not based on any facts and instead relies on outright fallacious allegations that Eskom's inability to keep South Africa adequately supplied with electricity is allegedly because of the country exporting coal.

This is the wrong diagnosis of the challenges Eskom confronts. Eskom's low energy availability factor, which is the cause of loadshedding, is because nearly half of its coal-fired power station fleet is out of operation due to a high number of breakdowns and planned maintenance. Eskom is not short of coal and continues to receive all the coal it expects from its contracted suppliers.

Eskom's national spokesperson, Sikonathi Mantshantsha, has confirmed today the power utility has 31.8 days-worth of stockpiled coal at its power plants against a required minimum of 20 days. Further, Eskom receives contracted and expected deliveries of coal continuously.

Eskom's problems are fundamentally due to its ageing coal-fired power station fleet, the frequent breakdowns and poor reliability of certain power stations. The problems have nothing to do with any shortages of coal. It is recommended that the protagonists who are calling for a curtailment in coal exports should rather focus on helping Eskom improve the reliability of the power station fleet.

Any calls to disrupt coal exports will result in:

- disrupted mining operations and potential job losses if the disruptions are protracted
- uncertainty among international investors
- damage to the perception of South Africa as a reliable source of commodities
- legal challenges for coal exporters unable to fulfil contractual obligations
- reduced taxes and royalty revenues flowing to the state

In its 2020/21 Integrated Report, Eskom indicated that it burnt 105 million tonnes of coal. The utility's stated intention of decommissioning 24,100MW of coal-generated electricity beyond 2030 will reduce Eskom's coal demand to below 50 million tonnes annually. The export market is critical to maintain jobs in coal mining, which employs 91,000 people, and thousands more

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people employed in rail, road and port logistics jobs. In 2022, South Africa exported coal worth R215.5 billion.

**For further queries:**

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