



NUMSA is making submissions to NERSA in response to Eskom's tariff increase application
20 November 2024
Press alert

The National Union of Metalworkers of South Africa (NUMSA) is making oral submissions to the National Energy Regulator of South Africa (NERSA) in response to Eskom's application for a tariff increase. NUMSA rejects the Eskom's total revenue application of R446bn, R495bn and R537bn for the FY2026, FY2027 and FY2028 respectively.

For the Eskom customers, this will result in tariff increases of 36%, 12% and 9% for the FY2026, FY2027 and FY2028 respectively. And for the municipal customers, this will result in tariff increases of 44%, 3% and 11% for the FY2026, FY2027 and FY2028 respectively.

If NERSA approves this increase it will deepen the crisis for industries, particularly small to medium businesses by making electricity costlier. As the result of these unaffordable tariffs masked as cost reflective tariffs, we are likely to see more retrenchments and the worsening de-industrialisation of the country which will be very difficult to recover from.

These unfordable and uncompetitive tariffs are used as ammunition by employers to attack the workers through the cancer of retrenchments: Glencore, Mercedes South Africa (MBSA), Arcelor Mittal South Africa (AMSA), Ford Struandale, for example, are among the long list of companies, both big and small that will be affected by the tariff increase.

Additionally, we know that foundry owners, have indicated that Eskom's unsustainable tariffs will have a serious impact on their operations which may lead to plant closures due to the exorbitant tariff increases.

The high cost of electricity will deepen unemployment, poverty and inequality. It will make the cost of energy uncompetitive and this will have a negative effect on business, particularly small and medium sized businesses. It will strangle any possibility of entrepreneurship in townships and small towns and will destroy any prospects of growing our economy.

All NUMSA regions will be participating in the hearings which are taking place in all nine provinces of the country. The Regional Secretaries of the regions will be making submissions on behalf of the union at the various NERSA hearings taking place all over the country.

Below are the dates for the submissions per province:

- Western Cape 19/20 November - Cresta Grande, corner of Strand and Loop street, Cape Town.
- Eastern Cape 20 November – ETC Conference Centre Spondo street, Gqeberha.
- KwaZulu-Natal 21/22 November – Transnet National Ports Authority
- Free State 25 November – Bon Hotel Bloem Plaza, East Burger Street, Bloemfontein.
- Mpumalanga 27 November – Mbombela Civic Centre, 1 Nel Street, Mbombela.
- North West (Klerksdorp) 2 December – Protea hotel Barend and Margaretha Prinsloo Street, Klerksdorp.
- Gauteng 3/4 December – Eskom Academey of Learning, Midrand

The NUMSA General Secretary Irvin Jim will present the unions position on the NERSA Tariffs on the 3rd and 4th of December.

ENDS

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