

South Africa



In contrast to South Africa's vocal fossil fuel lobby, an overwhelming quiet majority (95%) in business support renewable electricity as a source of sustainable jobs and long-term economic growth.

Among business leaders in South Africa who want their government to prioritise new investment in renewables, 86% support phasing out coal from electricity generation by 2035. At present, around 80% of the country's electricity generation derives from coal,¹ making South Africa the fourth largest per capita emitter from coal-fired electricity in the G20.² Policy decisions will be critical in the next decade as South Africa plans retirements of its old and unreliable coal fired power plants to reduce costs, air pollution, and greenhouse gas emissions. To date, the government has been reluctant to close coal plants, citing energy security concerns, and has not yet committed to a phase-out pathway by 2050. Last year, for example, state-owned electricity utility Eskom and the government backtracked on

the decommissioning of various aging coal plants, citing energy security concerns.³ However, a landmark court decision in December 2024 against new coal-fired electricity generation ruled that the government's decision to procure 1,500MW of new coal-fired electricity under its 2019 Integrated Resource Plan was unlawful on constitutional grounds.⁴

Business's hesitancy about a prolonged reliance on coal aligns with wider public attitudes. Over three in every five (62%) South Africans approve of efforts to shift from coal to renewables.⁵ Part of this support derives from concerns over surcharges on exports to the European Union under the bloc's new carbon tax, which could limit the competitiveness of South African businesses

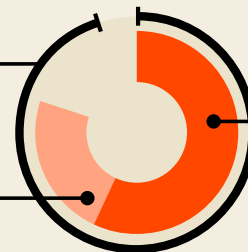
Do you think your government should transition away from fossil fuels to a renewables-based electricity system?

NET: Yes

95%

Yes, within
10 years
23%

Yes, within
5 years
57%



¹ <https://ember-energy.org/countries-and-regions/south-africa/>

² The ranking, which relates to coal-related GHG emissions in 2023, places South Africa behind Australia, South Korea, and China on a per capita basis. <https://ember-energy.org/latest-insights/g20-per-capita-coal-power-emissions-2023/>

³ <https://www.reuters.com/sustainability/south-africa-miss-2030-emissions-goal-it-keeps-coal-plants-burning-2023-11-09/>

⁴ The ruling reflected and reinforced trends already observed in South Africa, where businesses have pulled out of developing and financing new coal plants. Given the ruling, the key challenge for South Africa's transition is for the new National Transmission Company of South Africa to unlock the pipeline of 134 GW of renewable energy and storage, rather than the national utility maintaining and extending the life of existing coal plants. <https://www.ntcsa.co.za/south-africa-renewable-energy-grid-and-survey/> <https://cer.org.za/news/press-release-court-rules-no-new-coal-fired-power>

⁵ Public Perceptions and Attitudes Relating to Climate Change and the Just Transition in South Africa: Results from a 2023 nationally representative survey. https://pcccommissionflo.imgix.net/uploads/images/800900_F-HSRC-PCC-Just-transition-report-09B.pdf

and negatively affect international trade.⁶ However, due to the country's long-standing reliance on coal-fired electricity, business attitudes towards coal remain ambivalent. For instance, many executives still see coal as a source of energy security (64%) and stable electricity prices (55%). This view should however be contrasted with trends on the ground: steep electricity prices that have far outpaced inflation—with more hikes scheduled for the years ahead⁷—and chronic underperformance of Eskom's new and old coal plants that has led to ongoing power cuts in recent years, costing R260 billion since 2007.⁸

Electricity policy

In the short term, South Africa is on course to augment the role of fossil gas to “ensure system adequacy”⁹, contrasting with the 74% of executives who would rather the government invest in renewables over gas.¹⁰ In addition, almost eight in ten (79%) of those polled would rather see the government replace coal with new renewables, grids and storage, rather than use gas as a stopgap. At present, solar and wind comprise only 12% of total electricity production, which is

below the G20 average (15%).¹¹ According to business sector respondents, a renewables-based power system would have the effect of creating new jobs (76%), making electricity prices more stable and affordable for all (72%), and enhancing public health and safety (70%) – all of which line up with the country's long-standing development priorities.

Business ‘Asks’

Eight in ten (80%) senior executives would rather the government prioritise renewable electricity investments over new fossil fuel financing. The government's 2023 investment plan for its Just Energy Transition Partnership marks a welcome push in this direction;¹² its initial goal of mobilising US\$8.5 billion from international donors over a five-year period expanded to pledges worth US\$13.8bn by late 2024.¹³ Yet, business executives are anxious to see more specifics on the government's roll-out plan.¹⁴ The upcoming new national climate plan provides an opportunity—and one that other G20 countries will be watching closely in light of South Africa's current presidency of the bloc.¹⁵

Top benefits to your country for transitioning away from fossil fuels (% who chose the following)

Create new jobs

76%

Stable, affordable electricity prices for all

72%

Improve public health & safety

70%

⁶ <https://africanclimatewire.org/2023/07/sa-calls-cbam-policy-coercive-and-ldcs-call-them-beggar-thy-neighbour-instruments/#:~:text=The%20South%20Africa%20government%20has,create%20policy%20in%20this%20space.>

⁷ <https://codera.co.za/historical-eskom-electricity-tariffs-increases-in-sa/> State-run electricity utility Eskom requested a 36% increase for 2025/2026 but only received 12.7%. Prices for the next two consecutive years are due to increase by 5.36% and 6.19%, respectively. <https://www.reuters.com/world/africa/south-africas-eskom-wins-approval-tariff-increase-127-2025-01-30/#:~:text=Companies,lower%20than%20requested%20tariff%20increases.>

⁸ https://cms.novaeconomics.co.za/wp-content/uploads/2023/10/Updated_Eskom_CoLS_ESSA_presentation_2024.pdf

⁹ See Stakeholder Engagement 2024 Review 2024 in <https://www.dmre.gov.za/mining-minerals-energy-policy-development/integrated-resource-plan/irp-2023>

¹⁰ Ibid

¹¹ <https://ember-energy.org/countries-and-regions/south-africa/>; <https://ember-energy.org/countries-and-regions/g20/>

¹² <https://www.climatecommission.org.za/south-africas-jet-ip>

¹³ https://justenergytransition.co.za/wp-content/uploads/2024/12/Just-Energy-Transition_Progress-Report-v2.pdf

¹⁴ Constrained transmission is now holding back the rapid deployment of the renewables pipeline, despite lingering loadshedding, and recent renewables auctions have suffered due to insufficient capacity for projects to connect. <https://www.bloomberg.com/news/articles/2024-12-23/constrained-south-africa-power-grid-curbs-green-project-awards>

¹⁵ <https://g20.org/g20-south-africa/g20-presidency>