
South Africa needs billions for power infrastructure - Eskom

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South African state power utility Eskom needs to invest billions of dollars in electricity transmission and distribution lines over the next decade, but reaching a 2012 target of universal access may be tough.

Mr Kannan Lakmeharan MD at the utility's system operations and planning division said that Eskom estimates it will need to spend at least 300 billion rand over the next decade on power infrastructure. But lack of funding and proper skills may make it difficult for the government to hook up all South Africans to the grid as planned by 2012, up from the 70% connected at the moment.

Mr Lakmeharan said that "It's a difficult target it will require significantly higher investment in distribution networks in Eskom and in the municipalities."

He added that "We also need to make sure that we have enough skills to execute the program. That's another major concern."

Electrification of the biggest economy in Africa is a major priority for the country's new President Jacob Zuma.

But Eskom which supplies some 90% of the country's power has already been struggling to meet rising demand after neglecting to invest in capacity and infrastructure for years.

The utility, which has been rationing power since a near collapse of the grid last year rolled out a ZAR 385 billion expansion program to boost capacity but is battling to raise all the funds needed for the new power station build, especially in the face of a record ZAR 9.7 billion loss.

(Sourced from Reuters)

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