

YOUR WEEKEND

Minister in Bay to lighten load of automakers amid electricity crunch



JOBS POSER: Electricity minister Kgosientsho Ramokgopa, centre, visits the VWSA plant in Kariega on Friday to find ways to lessen the effects of load-shedding. With him is VWSA group chair and MD Martina Biene and economic development MEC Mlungisi Mvoko

Image: WERNER HILLS

To reduce the effect of load-shedding for original equipment manufacturers (OEM) this winter, electricity minister Kgosientsho Ramokgopa visited the VWSA and Isuzu plants in Nelson Mandela Bay on Friday to devise a way to ensure continued production to protect jobs.

The visit forms part of continuous engagements with role players in the automotive industry on challenges caused by the load-shedding crisis.

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Addressing the media outside the VWSA plant, Ramokgopa said their main focus in the next 150 days was to lessen the effect of load-shedding to protect the economy.

“This is critical because we don’t want to get out of winter with our economy in a critical situation and our people out of jobs.”

He said the two-day visit to the province was to understand the effect of load-shedding on OEMs but also to work with them to find solutions.

“Our interest is to ensure that we protect jobs.

“The local economy, especially OEMs, are the major drivers of the Eastern Cape economy.

“We are also working with local municipalities and the OEMs to ensure there’s some degree of relief to protect jobs, allow production to continue, not let our export capacity be undermined and the contribution of OEMs to the national revenue does not diminish.”

Ramokgopa commended the municipality for efforts to reduce the load on the power grid by working with businesses to implement a 24-hour voluntary load-shedding project.

This allows companies to operate with fewer disruptions caused by daily outages.

According to the schedule, manufacturers – such as VWSA and Isuzu – operate on an eight-day rotational basis, with plants

off for one day on stage 5 load-shedding and two days on stage 6 and upwards.

VWSA gave presentations behind closed doors with Ramokgopa about what it was doing to lessen the effect of load-shedding.

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VWSA managing director Martina Biene said OEMs in SA met Ramokgopa four weeks ago to show him scenarios of how they could and could not operate due to load-shedding.

This year alone, Biene said, the company lost about 4,000 vehicle units and if stage 5 or above carried on, it would lose about 33,000 units by the end of this year.

“The maximum capacity in our plant is 161,000 units, which means we lose almost a quarter of overall units, which is a devastating situation.

“So when load-shedding gets to stage six that’s really dire for us.”

Biene said they had negotiated with the municipality to be on the voluntary load-shedding project, which meant they sent about 2,000 people home a day without pay.

“There’s nothing we can do to specifically prepare for winter, however, we’ve installed solar photovoltaics technology which operates when the sun shines.

“We are investing into another one worth R70m and that takes a long time to be set up — this one will only be operational [by the] end of 2024,” she said.

Mayor Retief Odendaal said the city was in a unique situation as up to 70% of the metro’s electricity was consumed by big business, which was already exempt from stages 1 to 4.

“There’s even more pressure now to accommodate the automotive industry, which contributes about 44% of our entire GDP.

“We will be addressing these issues with Ramokgopa directly and he’s undertaken to look at this issue to see how Eskom can accommodate the city.”

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Odendaal said one of the matters the metro needed assistance with was the 88,000 ripple control units for geysers installed in households.

Combined, when switched on the units can save the city about 44 megawatts daily, which is not recognised by Eskom.

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