

BUSINESS REPORT / COMPANIES



The National Business Initiative, Business Unity South Africa and the Boston Consulting Group have this week released a report showing that South Africa would need R3 trillion within the next 30 years to transition to ensure its power system reduces emissions of CO2. Photo: Bloomberg

SA needs R3 trillion to become a net zero emissions economy

By Dineo Faku  Aug 16, 2021



South Africa would need R3 trillion within the next 30 years to transition to ensure its power system reduces emissions of CO2.

That's according to a report by the National Business Initiative (NBI), Business Unity South Africa (BUSA) and the Boston Consulting Group (BCG).

The Power Sector Decarbonisation Report looked into ways for South Africa to decarbonise its

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The report found that by exploiting its renewable energy sources including solar and wind, South

Africa could fully decarbonise its power sector, while stimulating economic growth.

“Transitioning South Africa’s power system to net-zero would require the deployment of approximately 150GW wind and solar capacity by 2050 – this is almost four times the total capacity of South Africa’s coal power plants today – and an investment of about R3 trillion within the next 30 years, requiring significant expansion and upgrade to the transmission and distribution infrastructure,” said the report.

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Climate change whose consequences are extreme weather patterns including heat waves and droughts is one of the biggest global challenges.

NBI chief executive Joanne Yawitch, said results from the work to date showed decarbonisation was possible, but that the efforts must begin now.

“Timing is of the essence and there is no time like the present to create the regulatory and policy environment to support transitioning the economy. This is why business has committed to supporting South Africa’s commitment to find ways to transition to a net-zero emission economy by 2050,” said Yawitch.

Earlier this week, the UN’s Intergovernmental Panel on Climate Change (IPCC) showed that emissions of greenhouse gases from human activities are responsible for about 1.1°C of warming between 1850-1900. It also found that averaged over the next 20 years, global temperature is expected to reach or exceed 1.5°C of warming.

Greenpeace Africa Climate and Energy Campaigner, Thandile Chinyavanhu, said the IPCC report was a grim reminder of the terrible future that awaits us, if we do not tackle climate change head-on immediately.

The report affirms what many are already experiencing, climate change is evidently here and will get progressively worse; through increased incidents extreme weather events like heatwaves, drought and cyclones.

“South Africa is not a passive player in emissions; due to major emitters such as Eskom and Sasol we

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pass the long anticipated climate bill and propose more ambitious nationally determined contributions,” Chinyavanhu said.