

MEDIA STATEMENT

National Transmission Company South Africa provides update on Mozal, Mozambique, aluminium smelter new electricity supply agreement negotiations

Wednesday, 17 December 2025: National Transmission Company South Africa (NTCSA), a subsidiary of Eskom Holdings SOC Ltd, confirms that it remains committed to concluding a new electricity supply agreement with the Mozal aluminium smelter in Mozambique, in a manner that safeguards the NTCSA's financial stability and protects South African electricity consumers from unintended cost impacts. The long-standing supply agreement between the parties has been in place for more than 20 years, and all parties were aware that the new agreement is due on 15 March 2026.

To remain globally competitive, the Mozal smelter requires an electricity price that is significantly lower than the direct cost of supply.

"It has become clear that this arrangement is not sustainable for the NTCSA going forward. As such, a mutually beneficial solution, developed collaboratively with stakeholders in both Mozambique and South Africa, is essential to support regional industrial activity, while ensuring the NTCSA's financial sustainability and fairness to South African electricity consumers. The NTCSA will continue engaging with stakeholders in both countries to explore the feasibility of such an arrangement," said the NTCSA Chief Executive Officer, Monde Bala.

The Negotiated Price Agreements (NPA) policy mechanism provided by the National Energy Regulator of South Africa (NERSA), does not extend beyond South Africa's borders.

"The NTCSA remains available and open to finding a solution for the Mozal smelter. We have consistently indicated, over the past year, an appropriate price range for the supply of electricity to secure a new supply agreement with our valued customer," concluded Bala.

The NTCSA remains committed to supporting industrial operations within a lawful and economically sustainable framework that balances the needs of industry with the rights of all customers. Safeguarding households and small businesses from unintended cost impacts remains central to Eskom's mandate.

The NTCSA will provide further updates as and when developments arise.

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