

Dames: award bulk of R390bn nuclear contracts locally

While firms from France, the United States, Japan, South Korea, China and Russia have been lining up for years for a chance to win a contract with South Africa's R390 billion plan to build six nuclear plants to power Africa's biggest economy, Reuters reports that Brian Dames, chief executive of local electric utility Eskom said that South Africa wants to see its own firms eventually being awarded the bulk of these contracts.

"This is a key objective for us," Dames said at a National Union of Mineworkers nuclear energy seminar.

South Africa, which has the only nuclear plant on the continent, wants to build up the capability of its construction and manufacturing firms through the nuclear contract, putting pressure on foreign builders to procure more from local companies. "Our view is we should do this in partnership with national players. We don't have to do this alone but majority ownership should remain in South Africa," Dames said. While the first of the nuclear power units might only secure 35 percent localised content, the country wants to see that rise to about 70 percent by the time the final plants are built.

South Africa is operating on razor-thin electricity margins and needs the power to grow its energy-intensive industries. According to Reuters, the energy-hungry country plans to build six new nuclear power plants, providing 9,600 megawatts (MW) of power, or about a quarter of current capacity. The first electricity is expected to come online in 2024.

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