

# De Ruyter's resignation as Eskom CEO a regrettable blow to the economy, says Prof Parsons

Andre de Ruyter's resignation as CEO of Eskom is a regrettable blow to Eskom and the economy, commented North-West University Business School economist, Professor Raymond Parsons, following the announcement made on Wednesday, 14 December. This comes at a critical stage in SA's energy crisis, he said.



Source: Siphwe Sibeko/Reuters

De Ruyter is the 11th leader to have left the company in just over a decade. His last day as Eskom CEO will be 31 March.

During 2022, South Africa experienced the most load shedding to date, reaching up to Stage 6 power cuts in recent months following multiple breakdowns at its aging coal-fired power plants.

De Ruyter's resignation "elevates the level of uncertainty around the outlook for Eskom as well raising the risk of future senior management losses at that entity", said Parsons.

"It has been widely recognised that the combination of a lack of energy security and the persistence of Eskom load shedding has been the biggest single threat to SA's economic performance. Business-related solutions have been urgently needed to stabilise the electricity supply in SA," he said.



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## Possible load shedding for up to a year

Eskom COO Jan Oberholzer warned last month that planned maintenance could cause load shedding lasting up to a year,

with several maintenance projects underway. This includes maintenance of Koeberg Power Station's Unit 1 over six months, which the utility says is unavoidable and critical to ensure that it continues to operate safely.

"This loss of capacity, temporary as it is, will make for a very challenging summer season," Oberholzer said in a statement.



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### 'Serious systemic factors'

With de Ruyter Eskom's 14th CEO since 2007, Parsons said, "This turnover at the top itself is testimony to serious systemic factors persisting around the governance and politics of Eskom – apart from the obvious long-standing maintenance and capacity problems of an aging electricity infrastructure. There have been just too many mixed messages from government on energy policy in general and on Eskom's role in particular.

"De Ruyter's resignation as CEO of Eskom in present circumstances is, therefore, a confidence-sapping development for an economy that presently needs its momentum to be underpinned by stability at Eskom. Business and investors need to be reassured – and confidence rebuilt – on the road ahead now for Eskom," says Parsons.

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