

strategy&

Part of the PwC network

South Africa Economic Outlook

Navigating energy disruptions, water shortages and extreme weather events

Energy action plans, water strategies and weather impact mitigation are key to business preparedness

26 March 2025

Ten key messages from this report

South Africa Economic Outlook February/March 2025



1

The World Economic Forum (WEF) Global Risks Report 2025 identified energy supply shortage, unemployment, water supply shortage, poverty and inequality, and economic downturn as South Africa's top risks in 2025-2026. From a global perspective, the biggest risks are state-based armed conflict, extreme weather events and geoeconomic confrontation.

2

The outlook for the South African economy is more positive now than it has been for several years. However, there are several key risks to this outlook that business leaders are concerned about. Recognising these domestic and international risks, understanding their impacts on local companies and having the right tools to respond is essential.

3

The WEF Global Risks Report 2025 survey was conducted six months after load-shedding was suspended in March 2025. The C-suite likely remained concerned about electricity due to continued large volumes of unexpected generation breakdowns. Energy concerns were further elevated by jet fuel supply disruptions and the risk of a gas shortage from mid-2026.

4

Businesses facing electricity disruptions and gas shortages need an energy action plan. This includes implementing energy efficiency measures, investing in renewable energy solutions, using power generators with alternative fuel sources and conducting an energy audit to identify opportunities for efficiency and cost savings.

5

Nearly half of all water supply systems (WSSs) across the country are performing poorly or at a critical level. One of the key challenges to maintaining water infrastructure is money: non-revenue water increased from 42% in 2014-2015 to above 46% in 2021-2023. Operational risks and financial strain are some of the impacts businesses are experiencing as a result.

6

To mitigate water supply risks, businesses can recover, recapture, and reuse water, implement backup systems and harvest rainwater and greywater. Conducting a water risk and usage baseline assessment is crucial for developing a water strategy. Collaborating with the public sector can address infrastructure and related service delivery challenges.

7

South Africa's water stress ratio of 67% in 2021 is significantly higher than the 40% level seen in the early 2000s, indicating potentially negative effects on the sustainability of natural resources and on economic development. Improved natural capital management could result in water making a larger contribution to the country's labour productivity.

8

Recent extreme weather events in South Africa include droughts, floods, hailstorms, heatwaves and wildfires. For example, severe droughts adversely affected the mining industry in 2015-2017. Nearly half (44%) of South Africans believe that disruptions from extreme weather events will impact their ability to do their job.

9

Identifying risks across climate change scenarios is crucial for business preparedness. Assessing business vulnerability to climate change involves evaluating exposure and sensitivity of assets and operations. Adaptation planning requires a comprehensive approach to this vulnerability considering technological, nature-based, and behavioural solutions.

10

PwC is working with diverse South African clients to help mitigate the adverse impact of energy disruptions, water shortages and extreme weather events on their operations. We look at energy action plans, water strategies and extreme weather mitigation as some of the relevant approaches.

About this document

The recently released World Economic Forum (WEF) Global Risks Report 2025 captures the perspectives of more than 10,000 global business leaders. Based on data sourced from the WEF's Executive Opinion Survey (EOS), the report reflects the views of executives about the risks facing the world now and in the near future.

In the latest EOS, respondents were specifically asked to identify the five risks most likely to pose the biggest threat to their country in the next two years. South Africa's C-suite respondents identified the following top five risks for 2025-2026:

- Energy supply shortage
- Unemployment, or lack of economic opportunity
- Water supply shortage
- Poverty and inequality
- Economic downturn

From a global perspective, the biggest risks identified are state-based armed conflict, extreme weather events and geoeconomic confrontation.

For South African business leaders, recognising these domestic and international risks, understanding their impacts on local companies and having the right tools to respond is essential. That is the focus of our analysis in this document: a combined February and March 2025 edition.

In this report, we provide the following analysis:

- Energy disruptions: Pressure on electricity, jet fuel and gas supplies require company action plans ([page 5](#)).
- Water shortages: Businesses need water strategies as half of water systems perform poorly or are critical in condition ([page 7](#)).
- Extreme weather events: Companies must prepare for physical impacts from droughts, floods and wildfires ([page 10](#)).
- How we can help ([page 11](#)).

PwC is a strategic partner of the WEF. Through this partnership, we contribute our people, capabilities and technology to help build trust in society and solve some of the world's greatest challenges.



Macroeconomic forecasts (26 March 2025)				
Baseline scenario	2023	2024	2025F	2026F
ZAR/USD	18.45	18.32	18.65	19.15
Consumer price inflation (%)	5.9	4.4	4.2	4.4
Repo rate (end-of-period)	8.25	7.75	7.25	7.00
Real GDP growth (%)	0.7	0.6	1.0	1.2
Unemployment rate (%)	32.1	31.9	32.2	32.5
Probability weighted average	2023	2024	2025F	2026F
ZAR/USD	18.45	18.32	18.64	19.13
Consumer price inflation (%)	5.9	4.4	4.3	4.5
Repo rate (end-of-period)	8.25	7.75	7.23	7.03
Real GDP growth (%)	0.7	0.6	1.1	1.3
Unemployment rate (%)	32.1	31.9	32.2	32.4

Please sign up [here](#) to receive future editions of this report by email.



While much of the current economic analysis on South Africa looks at global uncertainties, there are several key domestic risks to the economic outlook that business leaders are concerned about. This includes, among others, disruption to electricity, jet fuel and gas supplies, water shortages and extreme weather events. These factors risk negative impacts on economic activity, increased cost of production and reduced food security. It is imperative for South African businesses to assess their risk exposure to these elements and mitigate accordingly.



Lullu Krugel, PwC South Africa Chief Economist

Energy disruptions: Pressure on electricity, jet fuel and gas supplies require company action plans (1)



South Africa Economic Outlook February/March 2025

Summary: Despite the suspension of load-shedding a year ago, business leaders still viewed energy supply shortages as a major risk for 2025-2026 when surveyed in September-October 2024. Beyond electricity, energy concerns extend to jet fuel and gas shortages, with increased dependency on imports. Disruption caused by diverse energy supply challenges highlight the need for robust energy strategies and action plans to ensure business resilience.

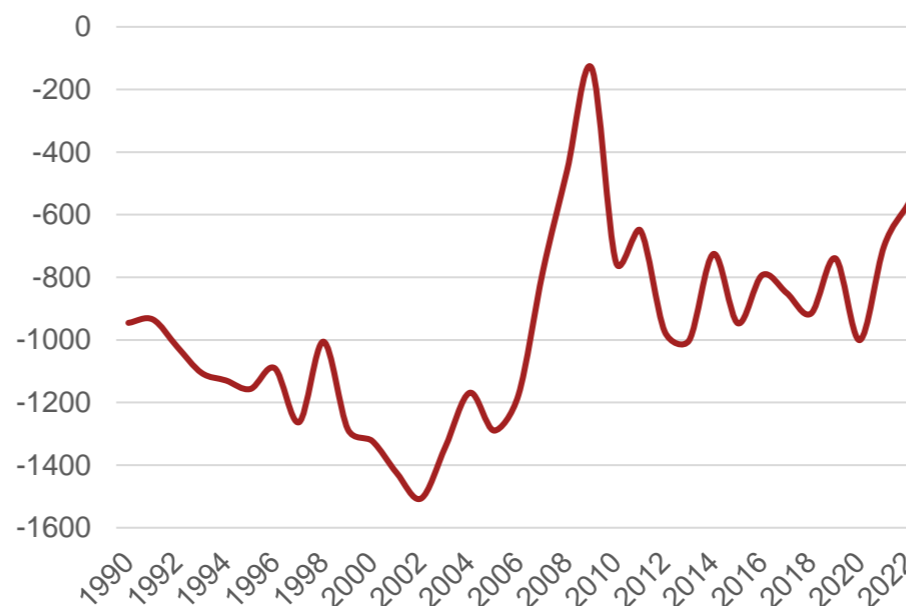
Not just load-shedding: jet fuel and gas supplies add to the economy's energy challenges.

South Africa was without electricity load-shedding for most of the past year. This was achieved under Eskom's Generation Recovery Plan which resulted in the suspension of planned power cuts in March 2024. Nonetheless, South African business leaders identified energy supply shortages as their primary risk factor for the economy during 2025-2026. The Global Risks Perception Survey (GRPS) underpinning the WEF report was conducted during September and October 2024. In other words, half a year after load-shedding was suspended, business leaders were not convinced that planned power cuts were a thing of the past. And justifiably so: for most of the load-shedding-free period, Eskom's unplanned outages were on average nearly 12,000 MW. This indicates a lingering and large burden of unexpected breakdowns—about a quarter of installed capacity. The sporadic return of load-shedding in 2025 so far up to Stage 5 again highlights the unpredictability of electricity reliability.

We do, however, believe that wider considerations about the energy market contributed to the high ranking of energy supply in the South African responses to the GRPS. Specifically, local business leaders were also concerned over the supply of jet fuel and gas during 2025-2026. South Africa has grown more dependent on imported fuels (including jet fuel and gas) and equipment for supplying energy. According to data from

PwC's Net Zero Economy Index 2024, oil and gas accounted for 26% of South Africa's energy mix in 2023, up from 22% in 2020. This reflected the increased usage of alternative energy sources such as diesel in the generation of electricity at household, commercial, retail and industrial levels as investors in these technologies tried to avoid load-shedding on the national power grid. South Africa's net energy imports nearly halved from -1,001 petajoules in 2020 to -565 petajoules in 2022 (latest available data), with a smaller negative number indicating that the country is a declining net exporter of energy. This, in turn, is due largely to rising energy-related imports. One petajoule is equivalent to 278 gigawatt-hours (GWh) of electricity or the equivalent content of about 24 million liters of petrol.

Figure 1: Net energy imports (petajoules)

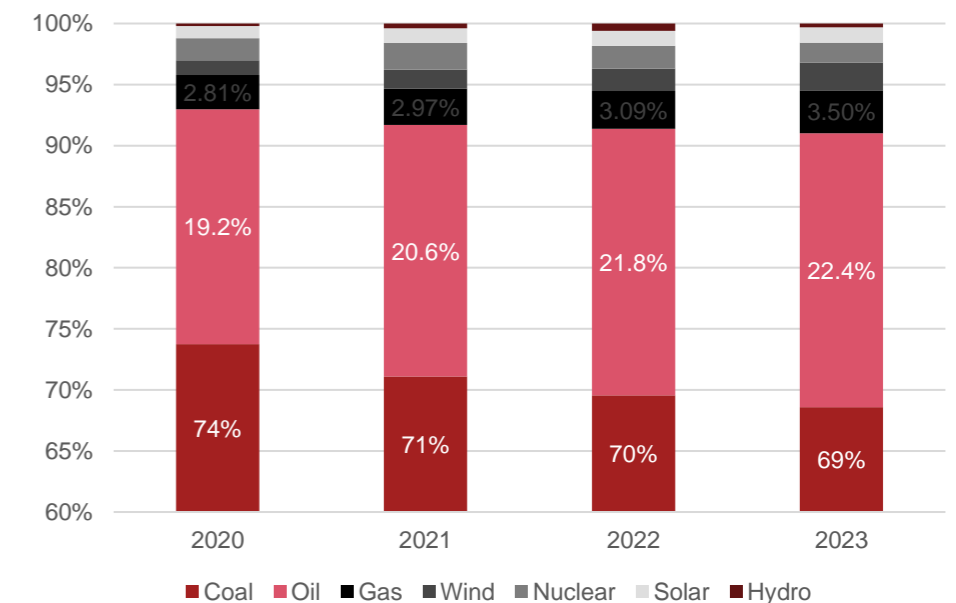


Source: International Energy Agency (IEA)

Solar and wind energy (generated largely by imported capital equipment) increased their share in the energy portfolio from 2% in 2020 to 4% in 2023 in a similar move away from coal-fired power. Combined, these sources of energy (oil, gas and renewables) with their large import footprint increased their contribution to the energy mix from 24% in 2020 to 30% in 2023—and likely even more in 2024 and 2025. In turn, locally

produced coal accounted for 69% of the country's energy mix in 2023, down from 74% in 2020. This has made South Africa more import-dependent and vulnerable to external supply disruptions for fuels and equipment to power its homes and businesses.

Figure 2: Energy source mix (% of total)



Source: PwC's 'Net Zero Economy Index 2024'

In October 2024, i.e., overlapping with the GRPS, the South African Revenue Service (SARS) was made aware of the rising risk of jet fuel (also known as aviation kerosene) shortages at South African airports. The problems were caused by regulatory delays related to licensing for fuel importation and storage. In response, SARS granted special permission for the importation of jet fuel from 21 October 2024 until 20 October 2025. Still, shortages could not be avoided completely, and instances of shortages in recent months have resulted in disruptions to commercial flight schedules at OR Tambo and Cape Town international airports. This is partly attributed to a decline in domestic fuel production and increased dependency on imported fuel products. Local jet fuel production declined from 43,100 barrels per day (bpd) in 2014 to just 23,400 bpd in 2024 as the number of producing refineries declined from five to just two. (Continues on next page.)

Energy disruptions: Pressure on electricity, jet fuel and gas supplies require company action plans (2)

South Africa Economic Outlook February/March 2025

Summary: South African companies facing electricity and gas shortages need an energy action plan. Since load-shedding began, many have reduced dependence on public power and imported hydrocarbons. A comprehensive energy strategy includes energy efficiency measures, renewable energy investments, and alternative fuel generators. An energy audit is crucial to identify efficiency opportunities and cost savings, ensuring reduced reliance on traditional energy sources.

(Continued from previous page.)

Another problem with jet fuel supply is disruption due to infrastructure and equipment failures. This was a factor at OR Tambo International Airport in December 2024 (failure in the main fuel valve) and Cape Town International Airport in January 2025 (damaged power cable).

It has been known for several years that South Africa could face a gas shortage from 2026. This is mostly due to an expected decline in gas supply from Mozambique's Pande-Temane fields. Owned and operated by Sasol, these fields are anticipated to reach the end of their life cycle in the short term. Sasol said in August 2023 that it would no longer supply natural and methane-rich gas to industrial users and traders in Mpumalanga, Gauteng and KwaZulu-Natal from mid-2026. Sasol has since extended this end-date to mid-2027 and also made a pact with the government and Eskom (announced in September 2024) to work together to avoid the looming 'gas cliff' in South Africa.

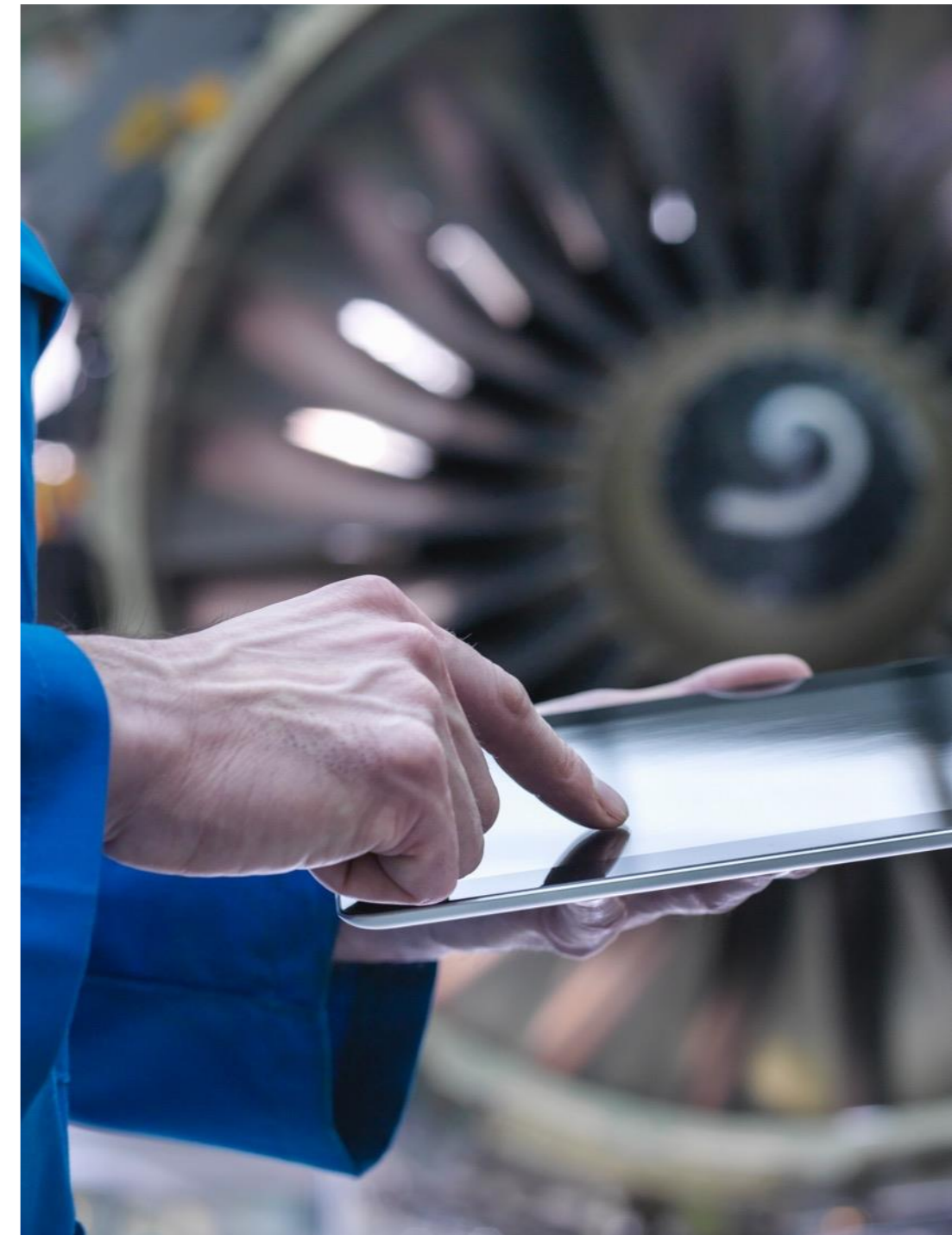
However, business leaders remain concerned. Avoiding the 'gas cliff' requires facilitating, expediting and aggregating the demand for imported liquified natural gas (LNG) gas. To this end, the Industrial Gas Users Association Southern Africa (IGUA-SA) created the non-profit gas aggregator GasCo to help the country transition from a fragmented LNG market to a consolidated and structured market enabling secure and long-term gas supply and infrastructure development.

How can South African companies effectively respond to the energy challenge?

Companies facing electricity disruptions and gas shortages need an energy action plan. Since the inception of load-shedding, many organisations have taken action to reduce their dependence on public sector-supplied power and imported hydrocarbon products like gas. In order to effectively reduce the adverse impact of these energy challenges on an organisation, a comprehensive energy strategy is required. Such a plan could include the following elements:

- **Implement energy efficiency measures:** Replacing old, energy-intensive machinery with more efficient models will reduce real-world consumption needs of both electricity and gas. This includes energy-saving measures such as LED lighting and smart thermostats.
- **Invest in renewable energy solutions:** Installing solar panels to generate electricity independently from the grid can significantly reduce reliance on Eskom and other providers for energy products. Wind energy is also an option if points of operation are located in areas with high wind potential.
- **Power generators using alternative fuel sources:** Invest in power generators using e.g., hydrogen, biomass fuel or landfill gas to ensure continuous operations during power outages and gas shortages. These and other systems could require battery storage systems to store excess energy generated from renewable sources for use during outages.

Building an energy action plan requires an energy audit: a critical tool for businesses to identify opportunities for energy efficiency and cost savings. This kind of audit looks at current energy usage and identifies opportunities for implementing changes that reduce reliance on, and costs associated with, the company's energy portfolio.



Water shortages: Businesses need water strategies as half of water systems perform poorly or are in a critical condition (1)



South Africa Economic Outlook February/March 2025

Summary: Nearly half of South Africa’s municipal water supply systems (WSSs) performed poorly or at a critical condition in 2023 due to multiple reasons. These systems are experiencing increasing levels of non-revenue water, i.e., water consumed that does not earn WSSs any income. Operational risks, financial strain and supply chain disruptions are some of the adverse impacts that the country’s businesses and other organisations are experiencing as a result.

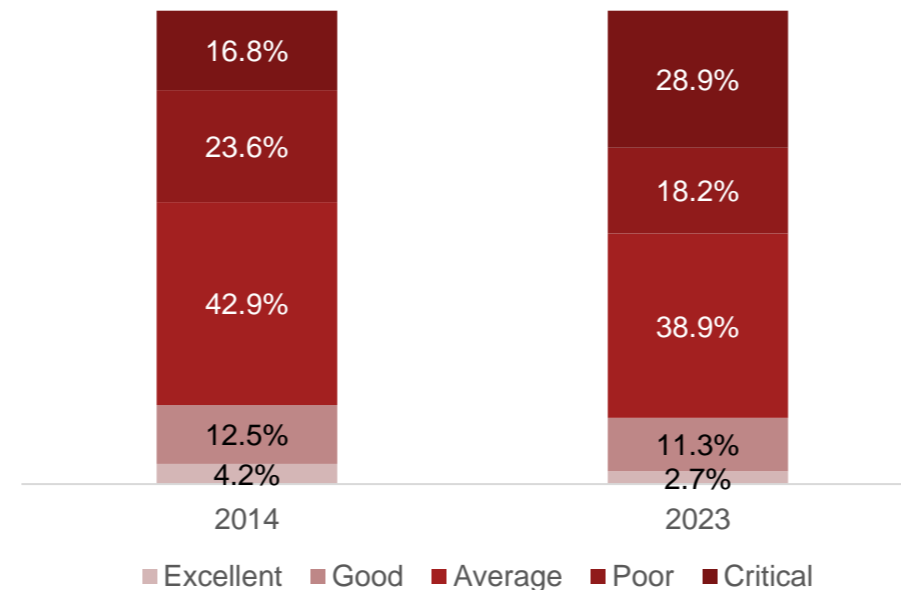
Water stress: South Africans consume 35% more water per capita than the global average.

The deterioration of water supply in recent years appears to have accelerated in 2024. President Cyril Ramaphosa warned in January 2025 that water security “poses a similar if not greater threat to the quality of life and economic prospects of all South Africans” compared to load-shedding. South Africa is considered a water scarce country and ranks as one of the driest countries in the world, receiving an annual average rainfall of less than 500 mm—which is significantly less than the global average of 850 mm. Water availability is further exacerbated by over-consumption, aging infrastructure, inadequate maintenance, pollution and extreme weather. South Africans consume 35% more water per capita than the global average of 234 litres of water per person per day. This puts additional strain on limited supply, especially in regions where there is demand-driven water scarcity.

However, natural supply and over-consumption are not the only constraints. The reliability of water distribution and treatment infrastructure is another substantial contributor to South Africa’s water supply risk. The Department of Water and Sanitation’s Blue Drop Report 2023 (latest available) found that nearly half of all water supply systems (WSSs) across the country received unacceptable quality assessments: the share of municipal WSSs

performing poorly or at a critical level increased from 40% in 2014 to 47% in 2023. This carries increased risk to acute human health bacteria or pathogens in drinking water supply. Furthermore, the department’s Green Drop 2023 Progress Assessment Tool (PAT) report revealed that approximately 64% of all wastewater treatment works are nearing failure.

Figure 3: Performance of municipal WSSs



Source: Department of Water and Sanitation

One of the key challenges to maintaining water infrastructure is money, or the lack thereof. The No Drop Report 2023 revealed that non-revenue water (the difference between the amount of water injected into the water-supply system and the actual amount of water billed to customers) increased from around 42% in 2014-2015 to above 46% in 2021-2023. At present, this number is either stagnating at high losses or is on the upward trend across WSSs. This means that almost half of all clean and treated water intended for consumers does not generate revenue – whether due to physical losses (such as leaks), apparent losses (such as meter inaccuracies or illegal connections) or authorised but unbilled consumptions (such as free basic water).

Company financials and consumer inflation could be pressured if water tariffs increase significantly this year

Operational risks, financial strain and supply chain disruptions are some of the adverse impacts businesses are experiencing due to water challenges. First and foremost, water-intensive industries such as agriculture, mining and manufacturing may experience the most immediate disruptions. Mining companies, for example, rely on water for many processes, from extracting ore to processing this into metals. The scarcity not only impacts production for mining companies but also generates tension with surrounding host communities. These communities rely on municipal water supply, but often rely on mining companies’ assistance with water and other infrastructure development. From an agricultural perspective, reduced water supply and associated above-inflation increases in tariffs puts pressure on farm production and food security. Unsurprisingly, water supply makes only a limited contribution to labour productivity in South Africa—see Box 1 on [page 8](#).

The [January 2025 edition of this report](#) noted concern at the South African Reserve Bank (SARB) about the adverse impact that higher water tariffs could have on the overall inflation outlook in 2025. Each year, the country’s 144 Water Services Authorities (WSAs) independently set their water tariffs. There is no comprehensive public data set covering all WSAs, making it challenging to track water price increases for each authority. However, data from Statistics South Africa indicates that water prices have consistently increased above the inflation rate since 2017. Research published by the central bank in 2023 indicates that cost drivers for these above-inflation increases include slow growth in infrastructure grants; high growth in employee remuneration, bulk water and electricity costs; and high growth in debt impairments.

(Continues on next page.)

Water shortages: Businesses need water strategies as half of water systems perform poorly or are in a critical condition (2)



South Africa Economic Outlook February/March 2025

Summary: To mitigate water supply risks, businesses can recover, recapture, and reuse water, implement backup systems and harvest rainwater and greywater. Conducting a water risk and usage baseline assessment is crucial for developing a water strategy. Collaborating with the public sector can address infrastructure and related service delivery challenges. Improved natural capital management could result in water and biodiversity making a larger contribution to the country's labour productivity

(Continued from previous page.)

How can South African companies effectively respond to the water challenge?

Considering the impact of a water supply shortage risk on business continuity, there are several immediate actions that business can take to prepare and reduce the adverse impact. For example, businesses can start recovering, recapturing and reusing water. Other options include implementing backup water systems on the municipal feed as well as rainwater and greywater harvesting to increase supply. However, understanding and consideration for municipal by-laws and associated processes are critical to ensuring regulatory compliance. Beyond this, there are collaborative mechanisms that businesses can leverage to help municipalities address the infrastructure challenges in their area of operations, such as through funding or resource contributions.

As a point of departure, quantifying the overall risk relative to the water usage baseline of a business will be critical in understanding the extent and type of preventative measures to be taken. Thereafter, a strategy can be developed to ensure that the correct measures are identified and planned for. To understand the baseline and identify vulnerabilities in water supply chains, operations and infrastructure, businesses should conduct a water risk and usage baseline assessment. Further, the baseline can be benchmarked against industry best-practices and regulatory

requirements to understand the relative risk and performance. Using input from the baseline assessment, businesses should develop or enhance their short-, medium- and long-term water use strategy. Considerations should be made for recycling and reuse where possible, such as introducing on-site greywater,

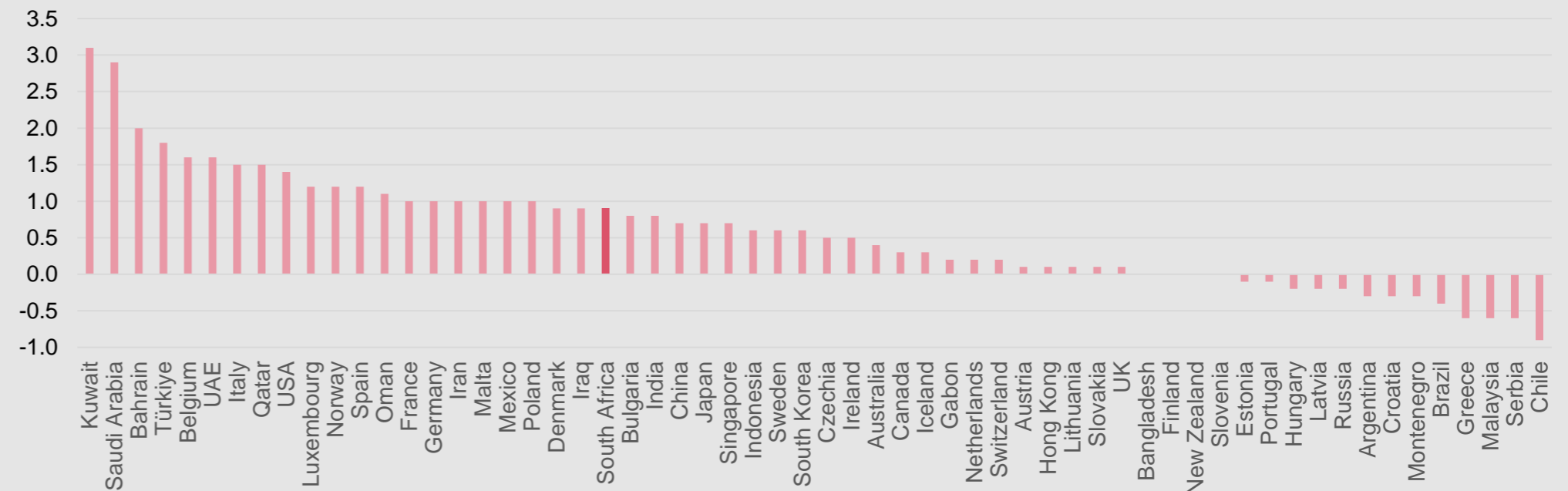
wastewater treatment and rainwater harvesting to reduce dependency on municipal supply. Business collaborations, such as industrial symbiosis where companies share and reuse treated water, can also reduce reliance on municipal water supply, whilst strengthening the ease of doing business.

Box 1: Water and labour productivity

The [Strategy& Middle East Ideation Centre's Productivity Potential Index \(PPI\) 2025](#) is a modern economic indicator that uses machine learning to estimate country-specific productivity drivers. There are key differences in the primary drivers of productivity across different types of economies: South Africa's productivity is strongly determined by human capital, logistics and institutions, which are currently also among the country's biggest economic challenges. The PPI incorporates data for water stress, natural capital per capita and exposure to pollution to assess the contribution of natural resources to productivity.

Water stress is measured as total freshwater withdrawn by major economic sectors as a share of total renewable freshwater resources, after considering environmental water requirements. South Africa's latest water stress ratio of 67% in 2021 is much higher than a level near 40% in the early 2000s, indicating negative effects on the sustainability of the natural resource. According to our calculations, based on data in the PPI 2025, water supply contributes 3% to South Africa's labour productivity. In monetary terms, as reflected in Figure 4, the contribution is \$0.90 towards a hypothetical hourly wage of \$29.30/\$.

Figure 4: Contribution of water supply/stress to labour productivity (US dollar per hour worked)



Source: PwC calculations based on data from Strategy& Middle East Ideation Centre



South Africa is challenged by deteriorating water supply due to several factors, including over-consumption, aging infrastructure, inadequate maintenance, pollution and extreme weather. Businesses need to understand the risk of water shortages to their operations and take appropriate action to reduce this risk. This could include recapturing and reusing water, installing backup water systems on the municipal feed, as well as rainwater and greywater harvesting. It is also important to consider collaborative mechanisms that businesses can leverage to help municipalities address the infrastructure challenges in their geography.”



Nino Manus, PwC South Africa Water Management Leader

Extreme weather events: Companies must prepare for physical impacts from droughts, floods and wildfires

South Africa Economic Outlook February/March 2025

Summary: Extreme weather events like droughts, floods, hailstorms, heatwaves, and wildfires have caused significant economic disruptions in recent years. These occurrences impact businesses across all industries by reducing water supply, damaging infrastructure and increasing operational costs. South African companies must identify risks, assess vulnerabilities and plan adaptations to mitigate these effects and ensure resilience.

Nearly half of South Africans fear the impact of extreme weather events on their jobs.

South Africa has certainly seen many extreme weather events over the past decade. These include: droughts in the Western Cape (2015-2018, which led to the 'Day Zero' water crisis in Cape Town) and Eastern Cape (2018-2021); recurring severe floods in KwaZulu-Natal (2017, 2019, 2022 and 2023); unseasonal hailstorms in Gauteng (2020 and 2024); snowstorms in the Free State (2021); +40°C heatwaves in Limpopo (2020), North West (2020) and the Northern Cape (2021 and 2024); and wildfires in Mpumalanga (2020 and 2024), to name but a few.

In the [June 2024 edition of this report](#), we looked at the risks posed by climate change factors—specifically extreme weather events like heat stress and drought—to the production of essential commodities like food products and the metals used in producing construction materials, electronics and batteries. A lack of water would, for example, undermine water-intensive mining operations, including ore extraction, mineral processing and dust control. Droughts have already affected mining in South Africa, with the industry having faced a severe drought in 2015–2017, when water scarcity led to mine closures and job losses. Elsewhere the North West province had 425,000 hectares of land destroyed by fires in 2024, with an estimated economic loss of R3 bn—including cumulative, latent and unobserved costs.

The impact of extreme weather on a business is not hard to envision. Let's take, for example, a large factory producing light commercial vehicles—there are several such facilities in South Africa. Drought conditions would reduce municipal water and ground water supply; floods could cut off road access to the facility; hailstorms would damage finished vehicles parked outside waiting for shipment; heatwaves could require increased cooling within the factory; and wildfires would endanger the lives of staff living nearby. This results in under utilisation of available productive capacity, delays in logistics, the financial cost of physical damage to stock, increased energy usage and disruption to staff availability. On the last point, the [January 2025 edition of this report](#) reviewed data from [PwC's Global Workforce Hopes and Fears Survey 2024](#) that indicated nearly half (44%) of South African respondents believe that disruptions from extreme weather events will impact their ability to do their job. From both these analyses we can see that extreme weather events are a threat to jobs in South Africa, this year and into the future.

Let's think about the influence of extreme weather from another perspective: the impact on accounting and financial statements. Companies need to consider the importance of climate-related risks to their strategic decision making and how these risks are disclosed—as required by accounting standards—to stakeholders and regulators. For example, physical assets like buildings that have been directly impacted should be assessed for damage when safe to do so. This could result in a reduction in asset value to below the carrying value. If inventory has been destroyed or is no longer in a saleable condition, companies would need to write this off to profit or loss. Where agricultural assets are impacted (the area has been flooded or the access route for harvesting has been significantly damaged), it is likely that the assets will be written off, or there will be a reduction in the fair value less costs to sell, with the loss recognised in profit or loss. The nature and amount of a material loss should be disclosed in the financial statements.

How can South African companies effectively respond to the extreme weather challenge?

Firstly, identifying physical and transition risks across different climate change scenarios is crucial to prepare for future uncertainties. Physical risks can hit businesses through a direct impact to their assets (e.g., damage to infrastructure) and/or influence productivity (through e.g., increased downtime and lower efficiency due to increased heat experienced by the workforce). Transition risks are similar to existing risks businesses already monitor such as policy changes, technological advancements and market shifts. The only difference being the lens the business assesses these through, namely the shift to a low-carbon economy. Understanding these risks is the start of a holistic response to the risks posed by extreme weather events.

The next step is determining how vulnerable a business is to a changing climate. This involves evaluating the exposure and sensitivity of assets, infrastructure, operations and business strategy to such events. For example, a business may have a high risk of flooding of its distribution centre in the future, but the site has already been experiencing some of these impacts and started implementing measures to address this, meaning it is less vulnerable to future flooding impacts. As businesses have limited resources to address climate impacts, this process helps identify critical vulnerabilities and prioritise areas for intervention.

Thereafter, designing the best adaptation solution for the most vulnerable areas of a business requires a comprehensive approach. This approach should consider various options beyond technological solutions and include looking at nature-based and behavioural solutions. Businesses need to evaluate the feasibility, cost-effectiveness, and potential benefits of each solution, while at the same time monitoring for potential maladaptive options. These are solutions that appear to mitigate a potential climate hazard (e.g., barriers to prevent flooding), but that could increase the vulnerability of the surrounding community (e.g., flood waters diverted that damage surrounding infrastructure).



Economics services and contacts.



South Africa Economic Outlook February/March 2025

How we can help.

PwC is working with diverse South African clients to help mitigate the adverse impact of energy disruptions, water shortages and extreme weather on their operations. Here are some of our approaches:

- **Energy action plan:** Companies facing electricity disruptions and gas shortages need an energy action plan. This includes implementing energy efficiency measures, investing in renewable energy solutions like solar and wind, and using power generators with alternative fuel sources. Conducting an energy audit is crucial to identify opportunities for efficiency and cost savings, reducing reliance on public sector-supplied power and imported hydrocarbons.
- **Water strategy:** To mitigate water supply shortage risks, businesses can recover, recapture, and reuse water, implement backup systems and harvest rainwater and greywater. Collaborating with municipalities can also help address infrastructure and related service delivery challenges. Conducting a water risk and usage baseline assessment is crucial for developing a short-, medium-, and long-term water use strategy.
- **Extreme weather mitigation:** Identifying physical and transition risks across climate change scenarios is crucial for business preparedness. Assessing business vulnerability to climate change involves evaluating exposure and the sensitivity of assets and operations. In turn, adaptation planning requires a comprehensive approach considering technological, nature-based and behavioural solutions.

Our services

The PwC South Africa Strategy & Economics team is a specialised unit of economists who serve our clients in a variety of ways. Our services include:

Measure your impact on the economy and society

- Economic Impact Assessment (EIA)
- Socio-Economic Impact Assessment (SEIA)
- Regulatory Impact Analysis (RIA)
- Environmental, Social and Governance (ESG)
- Total tax contribution
- Localisation calculations

Make decisions about risk and investment

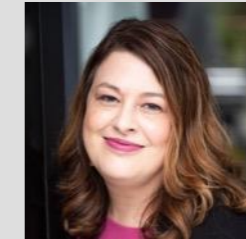
- Macroeconomic research
- Market entry analysis
- Country and industry risk assessments
- Commercial due diligence assistance

Plan for future economic scenarios

- ESG scenario planning
- Economic and political scenario planning
- Industry and macroeconomic modelling
- IFRS 9 audit assist

Please visit our website to learn more:

<https://www.strategyand.pwc.com/a1/en/solutions/purpose-led-economics.html>



Lullu Krugel

Partner and Chief Economist

lullu.krugel@pwc.com

+27 82 708 2330



Dirk Mostert

Director

dirk.mostert@pwc.com

+27 82 800 9326



Salome Ntsibande

Senior Manager

salome.ntsibande@pwc.com

+27 72 210 1013



Christie Viljoen

Senior Manager

christie.viljoen@pwc.com

+27 82 472 8621



Xhanti Payi

Senior Manager

xhanti.payi@pwc.com

+27 82 072 9461