

GOVERNMENT OF THE KINGDOM OF ESWATINI



MINISTRY OF NATURAL RESOURCES & ENERGY

PRESS STATEMENT

ESWATINI ELECTRICITY COMPANY TARIFF INCREASES FOR 2025/26 AND 2026/27

TARIFF APPLICATION PROCESS

The Government of the Kingdom of Eswatini notes the Eswatini Energy Regulatory Authority's (ESERA) decision on the Eswatini Electricity Company's (EEC) tariff review for financial years 2025/26 and 2026/27. The timely filing of the application by EEC is appreciated as it enabled adequate consultations with all the types of consumers ie. business, domestic users, commercial users and life-line users of electricity.

PUBLIC CONSULTATION

The Government of Eswatini observed with keen interest the active participation of the public and the submissions being made. We thank emaSwati for engaging peacefully in the process. Profound and sincere gratitude goes to the Commissioner of Police and his officers for ensuring peaceful engagements and safety was maintained throughout the consultation processes.

COMMENDATION OF ESERA

I wish to commend ESERA for the diligence and detailed analysis in the determination of the Tariff decision done in accordance with the legal provisions and Tariff Methodology. Ultimately, the Regulator announced the decision to allow the EEC average tariff increases of **14.67%** for the financial year 2025/26 and **10.91%** for the financial year 2026/27 against EEC request of **25.51%** and **27.06%** respectively

ECONOMIC SHOCK

Notwithstanding the confidence that the Government of Eswatini has on the determination by ESERA, the approved tariff increases remain a great concern, considering the prevailing economic conditions. Electricity price increases can be a financial burden on the citizens and businesses in the Kingdom. It is Government's view that this increase still presents a challenge on price shock at this stage. As His Majesty directed during the State Opening of Parliament, it is crucial that the economy is urgently revived and reasonably supported. Energy and electricity is a key driver to any economic recovery agenda. Electricity is actually not different from the air we breathe. Excessively expensive delivered service is as good as none delivery.

INTERVENTION AS SHARE HOLDER

His Majesty's Government, in her capacity as the sole shareholder of the Electricity Company, intensely considered the impact of the approved tariffs and resolved to explore measures to mitigate the electricity price shock such

that both businesses and individual emaswati are subjected to an average increase of 8% for the -year 2025/26 and 7% for 2026/27.

The Government of Eswatini, through the Ministry of Natural Resources and Energy, will engage with EEC to ensure that the funding gap as a result of this intervention is addressed and met in the most economic and prudent manner.

AUSTERITY MEASURES AND PRUDENCY

Whilst Government undertakes to ensure that the funding gap is addressed for EEC's ability to continue normal operations and to continue supplying reliable power of acceptable quality to the country, EEC is required to exercise more stringent austerity measures to ease the burden on consumers and this government intervention.

ACCELERATING NEW GENERATION CAPACITY PROJECTS

To mitigate the future tariff hikes as a result of importing power, His Majesty's Government will continue to support the new power generation initiatives and investments by Independent Power Producers (IPP's) to ensure national security of supply. We envisage that most of the pipeline generation capacity under procurement will be commissioned within the next the next 2 years, and this should reduce the cost of power from higher import costs. We implore all stakeholders to ensure that these projects are accelerated and look forward to our country being self-reliant in 4 years.

ENERGY SAVING

Electricity consumers are encouraged to avoid wasteful consumption of electricity and adopt demand side management practices and save power. This responsibility falls squarely in the hands of consumers and should go a long way in reducing unnecessary waste and high electricity bills.

PRECEDENT

His Majesty's Government wishes to affirm its commitment towards working with all stakeholders to safe guard and improve the Eswatini Economy and ensure an inclusive and growing economy where every LiSwati can thrive. That said, it is important that highlight this intervention is not intended to set a precedent nor to alter the decision of the Regulator but intended to assist Emaswati to recover from the already harsh economic conditions.

SMOOTHENING OF TARIFF VARIATIONS

It is worthy to add that the Ministry has asked the Regulator to undertake a review of the Tariff methodology to address the wide tariff variations through an improved mechanism of liquidation of the Regulation clearing account. This methodology once approved should assist in ensuring a smoothed tariff variation, limiting the erratic shocks.

CONCLUSION

In conclusion, I wish to express my sincere appreciation to Emaswati for their input during the public consultations, EEC and ESERA. More profoundly His Majesty's leadership and wise counsel and guidance given to us Cabinet at

all times. I thank the Honorable Prime Minister, Hon DPM and cabinet for a full support on this important matter of plight.

HRH PRINCE LONKHOKHELA

Hon. Minister of Natural Resources and Energy

05 February 2025