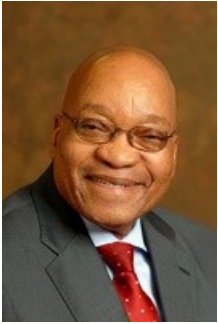


SONA: Cape Chamber of Commerce and Industry comments

The Cape Chamber of Commerce and Industry welcomed President Zuma's commitment to a growth rate of 5% by 2019 and improved service delivery but has concerns about how this is to be achieved.



"Business stands ready to do the necessary and we look forward to engaging with government on how some of the obstacles to growth will be removed," said Janine Myburgh, President of the Chamber.

"In particular we welcome the overtures to business and the opportunities for co-operation. This is going to be essential if we are to achieve the economic growth the country needs."

The Chamber said, however, that it would be a mistake to look to Nuclear power as the answer to South Africa's energy problems. Eskom was already rationing electricity supplies to the mines and to the big industrial users and relief was needed sooner rather than later.

Eskom: Too much debt

She pointed out that it took a long time to build nuclear power stations and most of the costs were incurred during construction. "This means borrowing enormous sums of money to finance nuclear builds. Eskom is already in financial trouble because it has too much debt. Adding to the debt bundle will not help and with the country's credit rating on the slide, financing nuclear power would be almost impossible."

"In addition, paying for nuclear power stations will see money leaving the country and we already have a growing balance of payment problems."

Peter Haylett, chair of the Chamber's Industrial Focus Portfolio Committee, said investing in gas power stations made more

sense as capital costs were much lower and they could be built in two to three years compared with eight to 10 for nuclear power stations.

"We can obtain gas from Angola and Mozambique until our own gas sources are developed and this means that the money we spend on gas stays in the regional economy and much of it will come back to us as neighbouring countries buy our goods and services. Money spent on nuclear plants will leave this country for distant shores and not much of it will come back to us," he said.

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