

**NATIONAL ASSEMBLY**

**QUESTION FOR WRITTEN REPLY**

**DUE TO PARLIAMENT: FRIDAY, 9 JUNE 2023**

**“2080. Inkosi B N Luthuli (IFP) to ask the Minister** **of Small Business Development:**

**(1) Whether her department has the exact figures of the total number of small-scale businesses that have had to close shop due to load shedding; if not, (a) why not and (b) how is her department able to assess the (i) total amount and (ii) kind of assistance small‑, medium‑ and micro‑enterprises (SMMEs) need to tackle issues related to load shedding; if so, what are the relevant details;**

**(2) (a) on what dates has her department consulted with SMMEs when designing projects to tackle issues and/or challenges that they are faced with since her appointment as Minister of Small Business Development and (b) what measures have been put in place to record the data emanating from the consultations for use of her department in its assessments?” NW2352E**

**REPLY:**

1. The department acknowledges the impact of load shedding across country which has led to some SMMEs closing down their operations while others decline in performance. The Small Enterprise Agency (**sefa**) conducted a dipstick survey on SMME’s it has funded to try and understand the impact of loadshedding on their operations. From the results of the survey, there was no client that indicated that they closed their doors permanently due to loadshedding. However, businesses showed that they experienced adverse effect of loadshedding on their businesses. Many clients, especially those in the manufacturing sector indicated that they are losing production while others have lost revenue.
2. The standard procedure followed when designing funding instruments is to conduct research to understand what else is offered in the market for an example, in designing the latest loadshedding relief scheme (Power Purchase Products), offerings from the Department of Trade Industry and Competition (**the dtic**) – through the National Empowerment Fund (NEF), Department of Mineral
3. Resources (DMRE), Department of Forestry, Fisheries and the Environment (DFFE), and National Treasury were consulted. Furthermore, the relevant industry bodies and/or business formations such as Council for Scientific and Industrial Research (CSIR), Technology Innovation Agency (TIA) were consulted in order to design products that are needs based. The meetings normally take place virtually, so the recordings of these meetings are kept as evidence of these consultations.

Generally for other instruments the Department does conduct site visits to engage with the affected enterprises for example when the provinces of KwaZulu Natal and Eastern Cape were affected by loadshedding as the Minister together with officials we visited the SMMEs to see and also find out directly from them what kind of support they require for them to recover and get back to operation. Also the Provincial Roadshows which we hosted across the country in the last financial year played a very critical role in relooking at the existing instruments and adjusting them to fit with the needs of small enterprises. The Roadshows reports were recorded and are kept in the Department.