**THE NATIONAL ASSEMBLY**

 **QUESTION FOR WRITTEN REPLY**

**238. Mrs E N Ntlangwini (EFF) to ask the Minister of Trade and Industry:**

What has he found to have been the impact of loadshedding on economic production in the period 1 January 2018 to 12 February 2019?NW248E

**Reply:**

It is impossible to estimate with a significant degree of accuracy, what the impact of loadshedding has been until the production data for the period is released by Statistics South Africa (StatsSA).

Nevertheless, loadshedding is likely to have had a significant impact on Manufacturing and Mining production. There are a number of ways in which this happens.

They include plant shutdowns where production is substantially delayed. In some cases, this production can be recovered when power is restored, by the factory running an additional shift or working overtime, although this has a direct impact on the cost of production.

In sectors such as Food-processing, an entire batch of production may need to be discarded if there is an electricity interruption which prevents an important step in the production process from being concluded.

Under these circumstances, the loss to the firm and the economy can be calculated as the value of the inputs which have to be discarded, or, the potential market value of production and associated taxes which would have accrued to the company and government respectively had the production process been successfully concluded.

It is due to the likely significant impact on economic production, that the President of the Republic has assigned a high-level Cabinet team to oversee and advise on how best to strengthen Eskom and reduce the likelihood and incidence of loadshedding.