

**NATIONAL ASSEMBLY**

**QUESTION FOR WRITTEN REPLY**

**DATE DUE TO PARLIAMENT: FRIDAY, 26 NOVEMBER 2021**

**“2393.   Inkosi B N Luthuli (IFP) to ask the Minister of Small Business Development:**

**(1)       Whether she communicates with small businesses to find ways of boosting their productivity given the devastating effects of Eskom’s power cuts on small businesses; if not, what is the position in this regard; if so, what are the relevant details;**

**(2)       what (a) are the estimated losses that have been incurred by small businesses because of power cuts in 2021 and (b) intervention strategies has her department put in place to assist small businesses in this regard? NW2766E”**

**REPLY: I have been advised by the department as follows:**

(1) – (2) The Department of Small Business Development (DSBD) has a mandate to lead and coordinate an integrated approach to the promotion and development of entrepreneurship, Small, Micro and Medium Enterprises (SMMEs) and Co-operatives, and to ensure an enabling legislative and policy environment to support their growth and sustainability. This includes ensuring that the SMMEs and Co-operatives are kept productive, not only during the periods of the unfortunate Eskom’s power cuts, but as a standard support provided by the Department to the SMMEs and Co-operatives.

The ongoing widespread rolling blackouts were not anticipated, however, through messaging and support to SMME’s in this regard, the department seeks to communicate to all SMME’s of the impact of power outages to their businesses and encourage them to employ contingency arrangements and planning in accordance with the ESKOM’s power alerts schedules on outages.

In so doing, SMME’s will experience minimum disruption through proper planning until the electricity crisis is resolved by ESKOM and respective supporting departments.

The department has not done an estimate as it has not engaged in an exercise of assessing the impact of power outages to the SMME’s. Further, power outages not only affect the economic sector alone but South African society as a whole and it is not clear from ESKOM, DPE and DME when these outages will end.

The Department has in earnest started considering green energy interventions, which will assist SMMEs and Co-operatives to stay abreast amidst the power cuts, thereby boosting their productivity and sustainability. A partnership has been formalised in this area of work with the Department of Forestry, Fisheries and the Environment and progress being made towards the implementation of the planned interventions is reported as part of the Economic Reconstruction and Recovery Plan.

The DSBD’s agency, **sefa**, has also prioritised green industries (renewable energy, waste, and recycling management) as one of the sectors that the agency funds for qualifying business ventures.

The Minister for Small Business Development launched the Youth Challenge Fund (YCF) on 18 November 2021, which is a youth start-up programme co-designed by the DSBD and its entities, **sefa** and Seda to contribute towards resilient, green and inclusive economic recovery. One of the innovative sectors targeted as part of the YCF is the green economy – focusing on funding youth entrepreneurs that are in the business of energy, renewables and recycling.

Despite the constant communication with the SMMEs and Co-operatives, there has not been an indication, to DSBD, of the losses that they have incurred due to the Eskom’s power cuts. However, it is understood that small business owners do from time to time approach the Department of Public Enterprises (DPE), as Eskom is DPE’s entity, with an indication of the loss they incurred due to the power cuts; and DPE, working with Eskom, assists those small business where possible. It should be emphasised that DSBD’s support of small businesses is not limited to challenges faced by SMMEs and Co-operatives due to power cuts, which will be addressed through the green energy initiatives outlined above, but it's a holistic support.

**MS STELLA NDABENI-ABRAHAMS, MP**

**MINISTER OF SMALL BUSINESS DEVELOPMENT**