

Government working on energy relief package for small businesses

The Department of Small Business Development is working on an energy relief package for the small, medium and micro enterprises (SMMEs) with stakeholders to alleviate the devastating impact of load shedding on small businesses.



Source: [Pxabay](#)

SMMEs are particularly hit hard by continued power outages as many cannot afford alternative power sources such as generators. They are forced to pause trading during load shedding.

As a result, some small businesses resort to selling perishable goods such as meat and vegetables at low prices, to avoid them rotting away, which affects their much-needed income.

This has prompted minister of small business development Stella Ndabeni-Abrahams to work together with her team to find solutions that could lessen the impact of load shedding on small businesses.

The minister has instructed the Small Enterprise Development Agency (Seda) as well as the Small Enterprise Finance

Agency (Sefa) to work in consultation with different stakeholders within and outside government on an energy relief package.

“Our aim is to find immediate solutions that can be urgently effected to avoid disastrous consequences, such as the closure of small businesses and job losses in the SMME sector. This sector is still recovering from the ruinous effects of Covid-19. We cannot afford to lose more businesses and jobs,” Ndabeni-Abrahams said on Tuesday, 18 January.

Sefa conducted a research study on the impact of load shedding on its funded clients, and the following were key findings:

- Most respondents indicated that they are highly reliant on electricity for their operations;
- About 71% of respondents indicated that they are negatively impacted by load shedding; and
- The majority of the respondents will require an alternative power source to continue with their operations.

The details of the package, the criteria and avenues for the application for the relief will be announced soon.

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