



the dtic

Department:
Trade, Industry and Competition
REPUBLIC OF SOUTH AFRICA

THE NATIONAL COUNCIL OF PROVINCES

QUESTION FOR WRITTEN REPLY

QUESTION NO. 173

Export/import trading

Ms M Kennedy (Limpopo: EFF) to ask the Minister of Trade, Industry and Competition:

(a) How water and electricity crisis have impact on export and import trading and (b) how is his department addressing such issues? CW232E

REPLY:

- (a) Domestic firms have been affected by electricity supply issues and in some cases declining service-delivery in areas such as water supply. While disruptions in the supply of these services impact manufacturing in general and affect production at large, with regards to exports the most direct impact is in the area of perishable products. Export councils, who are partially supported by the department, have previously indicated that the two most important factors that affect the quality of perishable products destined for export markets are time and temperature control.

Products at container depots affected by load shedding, require diesel-powered generators for cold chain maintenance and operations which cannot be halted. Additionally, there may be a build-up of the reefers (cold storage containers) prior to loading as they need to be cleaned with high pressure hoses, which requires electrical power. Cold stores are also affected by electricity supply disruptions, which impact container-truck waiting times, having a knock-on effect on the export load schedules as well as booking times at the ports.

These impact on time and temperature requirements and may result in reefer rejections by the Perishable Produce Export Control Board (PPECB) at the cold stores, which can further lead to either compromised shelf-time or spoilage of the perishable products.

- (b) The Presidency and Operation Vulindlela (OV) are coordinating a 'whole of Government' response to the electricity and water supply challenges that South Africa is facing. In terms of electricity, Government has implemented a number of measures which have resulted in significant private-sector investment in utility-scale, commercial-scale and household-scale solar power generation. Some investments in wind power have also been unlocked. In addition to new electricity generation capacity, Government has also prioritised the development of 'wheeling' regulations which has also contributed to new electricity generation, while Eskom has also implemented a much tighter organised maintenance plan which has led to a substantial reduction of load-shedding.

The Department of Trade, Industry and Competition (**the dtic**) champions the Energy One Stop Shop (EOSS) as response to energy supply issues. Through the EOSS, **the dtic** is supporting Independent Power Producers to bring their energy projects online by unblocking bottlenecks they are facing at Competent Authorities at a National, Provincial and Local level. The EOSS also assists State Owned Enterprises (SOEs) such as ESKOM to unlock challenges with regards to servitudes at Municipal and Provincial levels, as well as addressing delays of applications to roll out infrastructure projects (new substations, transmission lines etc.).

In addition, through the Critical Infrastructure Programme (CIP), the department aims to leverage investment by supporting infrastructure that is deemed to be critical, thus lowering the cost of doing business. The programme aims to leverage investment by supporting infrastructure, agro-processing projects, state owned testing facilities, South African film and television studios and cinemas, state-owned industrial parks, strategic feasibility studies and projects that alleviate dependency on the national grid, water and sanitation networks deemed critical or of a strategic nature, thereby lowering the cost of doing business.

the dtic Group continues to support this strategic area of work including through introducing energy efficiency standards, provision of industrial finance to firms setting up electricity generation projects, and providing financial support to firms to upgrade machinery and technology to become more energy and resource efficient, and ultimately more globally competitive.

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