

Loadshedding bad for business

According to a BDO survey on the impact of loadshedding on businesses, 97% of respondents reported that the uncertainty about the future of electricity supply in South Africa impacts negatively on investor perceptions of the country.



© Uten Phonjamrern – 123RF.com

In addition, 56% of respondents said that loadshedding had a negative effect on their operating costs, with 51% reporting that their service delivery was negatively impacted.

"We noticed the effect it was having on our business and were curious to see the impact it had on our clients' businesses," says BDO South Africa CEO, Mark Stewart. "Although we have generators at all our offices, if these don't operate, our office systems are impacted and our staff cannot work efficiently and effectively. In addition, the burden placed on the already congested roads of our cities is exacerbated during loadshedding, and this means staff sometimes arrive late for appointments - which is not good for a company that prides itself on exceptional client service."

Competitiveness affected

A further 44% of respondents said that they felt their company's competitiveness was affected by loadshedding. This is further enhanced by the IMD's 2015 world competitiveness rankings in which South Africa fell one place to 53rd out of 61 countries as government and business efficiency deteriorated. IMD World Competitiveness Center director Professor Arturo Bris said South Africa's challenges included deteriorating education and high youth unemployment, corruption, lack of capacity in electricity generation and distribution, and an insufficient supply of skilled engineers and technicians.

"In a country where we are already struggling to attract foreign direct investment, loadshedding further detracts from our competitiveness. We need to start investing in alternatives to keep the lights on, businesses operating smoothly and potential investors confident in our country," said Stewart.

Of the respondents, 41% experienced loadshedding a few times a month and 19% of respondents a few times a week, with 85% saying that it lasted between two and four hours.

Deadlines pushed

Metorex, base metal mining company and BDO client, said: "ICT systems, SLAs and deadlines are consistently being pushed to the limits with the interruption of our power supply at our corporate offices, where we run a centralised service centre for the group. The impact is significant with our other operations based in China, DRC and Zambia and the delivery of these core services to them."

Construction giant WBHO said that they feel the effects of loadshedding in the cost of unproductive labour and equipment. Of the respondents, 74% have taken action by either purchasing generators or investing in UPS systems to ensure continued operation of their businesses during load shedding; 54% of the respondents expressed a keen interest in exploring renewable energy alternatives.

[Download the survey results.](#)

For more, visit: <https://www.bizcommunity.com>