

Getting off the grid

 By [Nadia Rawjee](#)

3 Aug 2015

As a business owner running a niche consulting firm, I know first hand what down time ensues when Eskom decides to cut the lights. I also know what that's like when your 2,000-ton capacity cold storage goes down due to load shedding or stolen copper cables.

The biggest obstacle to growth

The stress and strain is intense and for that time business simply stops - phones ring but sales people cannot process orders, production must be kept to a minimum not to release the cold air that is trapped behind the industrial doors... its chaos. The downtime leads to lowered profits and cash flow for the month and business slides down a slippery slope as you try your best to have the least possible effect on your bottom line.



©Scott Betts via [123RF](#)

The IMF has recently stated that South Africa's power supply crisis poses the biggest obstacle to growth. The uncertainty surrounding both energy supply and prices are impacting the manufacturing sector. Whilst many industrial areas have so far avoided power cuts, it is unclear when this may change and negatively impact productivity and input costs. These uncertainties put added pressures in terms of planning and growth for companies in an already difficult economic climate and the energy problem is not expected to go away for at least the next decade.

With this manufacturers are increasingly encouraged to invest in off-grid, self-generation energy solutions to shift reliance away from the national grid and volatile electricity tariffs and enable firms to regain control over energy-reliant processing systems. Energy efficiency comes with a combined strategy in off-grid solutions and the utilisation of advanced machinery with a reduced dependence on electricity for output.

Adapt or become obsolete

At the manufacturing Indaba it was stated that the top five intensive energy users who are not allowing the current situation to dictate their futures invested R26bn in energy solutions. Most manufacturers will have to look at investment and funding strategies to execute solutions and while there are high initial costs up-front, this expenditure is amortised over time and provides long-term competitive advantages where many manufacturers who do not plan for the worst-case scenario may in fact be put out of business.

Energy Efficiency is supported by DTI grants and it would be prudent to investigate and apply for such subsidies in order to lessen the financial burden of these solutions.

Between February and May 2015, the department processed 169 claims worth R441 million, with 359 claims, worth R1-billion, having been disbursed during the 2014/15 financial years for the fund, which caters for energy efficiency programs for industry. Energy Efficiency is a must for South African companies based on the high increases in electricity prices - the choice is to adapt to the reality of the South African Energy Supply or simply become obsolete.

ABOUT NADIA RAWJEE

Nadia Rawjee is the Managing Director at Uzenzele Holdings. Nadia Rawjee has experience in industries ranging from FMOG to manufacturing and mining because of family interest and her involvement in an influential African network called Intra Business Network. Her skills lie in business analysis, business modelling and accessing developmental funding. She has a BCom degree in Finance and a BCom degree in Economics and Econometrics from the University of Johannesburg.
» Getting off the grid - 3 Aug 2015

[View my profile and articles...](#)

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