



**small business  
development**

Department:  
Small Business Development  
REPUBLIC OF SOUTH AFRICA

**ADDRESS BY THE MINISTER OF SMALL BUSINESS DEVELOPMENT, MS  
STELLA TEMBISA NDABENI, ON THE OCCASION OF DELIVERING NCOP  
BUDGET VOTE ON SMALL BUSINESS DEVELOPMENT**

29 July 2025

**Department of Small Business Development NCOP Budget**

Honourable Chairperson of the NCOP

Ministers and Deputy Ministers Present

Members of the Select Committee on Economic Development and Trade

Deputy Minister, Director-General, and senior managers of the Department of Small Business Development

Board members and officials from the DSBD entity, SEDFA

Ladies and gentlemen, entrepreneurs

**Introduction**

Today, we gather here to table the Budget Vote of the Department of Small Business Development before the National Council of Provinces, as part of our constitutional duty and commitment to accountability before this legislature. I do so while addressing this esteemed House on a matter that lies at the heart of South Africa's future, the promise and power of small businesses and entrepreneurs.

Across the length and breadth of our country, from the red soil of Limpopo's villages to the coastal hamlets of the Eastern Cape, from the bustling townships of Soweto and Umlazi to the rural main streets of Kuruman and Bushbuckridge, lives a spirit of enterprise that is distinctly South African. It is resourceful. It is resilient. And it is radiant with untapped potential.

These are not just places on a map. They are the heartbeat of our economy, where informal traders, homegrown manufacturers, spaza shop owners, agro-processors, and artisans rise each morning with one goal: to build a better life for their families, and a stronger South Africa for us all.

And today we are joined in this House by living proof of that entrepreneurial spirit; small business owners who are not just surviving, but innovating, creating jobs, and expanding the boundaries of what's possible.

Let me recognise a few:

- Mr Mubeen Ebrahim of **Wonder Snacks**, a popcorn manufacturer whose products now sit on the shelves of major retailers.
- Mr Nigel and Christlyn Jacobs from **Jacob Jams**; a jam manufacturer run by the Jacobs family and supported through branding, raw material support, and mentorship.
- Ms Ntombi Nonxuba from **Rise Apparel**; a woman-led safety wear and uniform manufacturer.
- Mr Abdul Rashid Ebrahim from **Argon Steel**; a dynamic steel production enterprise leveraging blended finance.
- Mr Neville Mains from **Good Old Printing**, driving pharmaceutical packaging innovation.
- Mr Ebrahim Camroodien Jnr from **Camdene Trading**, representing tourism in our communities.
- Mr Xola Klaas, Mr Wanga Tshonti and Mr Yalwa Melikhaya from **Kuboooo Events Contin**, producing school uniforms and corporate wear.
- Ms Fayroza Dalvie from **Lucky Tissue**, a growing black-woman-owned tissue manufacturer; and
- Mr Gregory Benny from **G&S City Boards**, crafting quality furniture and expanding local production capacity.

Their presence is not symbolic but reminds us that small businesses are not asking for handouts, but for recognition, access, and the tools to thrive.

Yet, for too long, these entrepreneurs, especially those in our villages, rural towns, and townships, have stood on the margins of opportunity, too often excluded from the formal circuits of capital, markets, and policy attention.

We have resolved, Honourable Members, as the Small Business portfolio, that this must change. And it must change now.

Noting the profound challenges that plague small businesses, today we boldly and unapologetically commit to bringing them to the centre of our national economic agenda. This is not a rhetorical statement, but an acknowledgement that it is in their success that we will unlock shared prosperity, inclusive growth, and a more just economic order.

This, Honourable Members, will be demonstrated in the programmes that I will present to you in the Budget Vote.

Chairperson

In the past week, we hosted a highly successful StartUp20 Engagement Group meeting attended by 350 entrepreneurs and representatives from the entrepreneurship support eco-system, from South Africa and other G20 countries. We also hosted the inaugural Global SME Ministerial Meeting in partnership with the international Trade Centre, attended by ministers, deputy ministers and senior officials from 62 countries, including 28 from Africa.

These international platforms provide a useful mechanism to benchmark where we are at a country, with regards MSME and startup policies and support measures. What was evident across both meetings is that many of the challenges our MSMEs face are common across most countries, as are many of our policy instruments – blended finance, credit guarantees and the like.

Almost all countries have prioritised MSME development at the centre of their country's growth strategies, recognizing them to be more resilient, adaptive and

innovative than large corporates. This is especially important in the current moment, of trade protectionism and the rise of unilateralism.

Most countries reflected that we still have some way to go to where budgets reflect this prioritization. We must recognise that Governments everywhere will have a bigger role to play to derisk private sector investment in underserved areas and segments, to provide more grants for high-risk innovative startups, and to invest in market intelligence and market activation to diversify trade.

Chairperson,

We have used our modest budget to optimise the impact on MSMEs, especially those from townships and rural areas. The logic is bringing more MSMEs into the mainstream economy will unlock economic growth and take us towards that MTDP target of above 3% growth.

Our contribution as a department towards achieving this above 3% growth is to support more than 1 million MSMEs and co-operatives with financial and non-financial support over the MTDP.

This we will do through SEDFA's Development Fund and Commercial Fund and through a range of other programmes and instruments which are implemented through both SEDFA and us as the department.

**Over the MTDP period we will:**

- Finance just under 620 000 MSMEs through our **SEDFA's** Development Fund.
- Finance another 34 000 MSMEs through **SEDFA's** Commercial Fund, targeting high growth scalable MSMEs.
- Finance just under 7000 MSMEs through credit guarantees with banks and non-bank financial intermediaries.
- Provide just under 560 000 MSMEs with pre-investment support, including entrepreneurship support, training, incubation support, formalization support, as well as assistance in the financial application process; and

- Provide just over 180 000 MSMEs with post-investment support, including coaching and mentoring, business skills training and contract management to ensure our investments are safe.

Chairperson, these numbers take us well beyond our 1 million MSME target for the MTDP. In fact, they indicate that we will support 1.1 million MSMEs and co-operatives over the MTDP period.

So how will these budgets be disaggregated provincially, and what do we have planned for the year ahead?

The **Development Fund will be** focused on micro and small enterprises, including informal businesses transitioning to formalisation. This year we are targeting to disburse R792 million in financial support through our Development Fund. Over the MTEF this will amount to R2.95 billion.

As announced in my Budget address, this includes R300 million for Women Entrepreneurs, and R300 million for Youth Entrepreneurs.

We will not use historic patterns of funding flows to determine targets for the provincial breakdown of disbursements. SEDFA will intensify pre-investment support in underserved provinces to develop a funding pipeline.

Rural provinces like the Eastern Cape and Limpopo are targeted to each receive R118.8 million for 2025/26; KZN R102.96 million; the North- West R95.04 million; Mpumalanga and the Northern Cape R79.2 million each; the Western Cape R71.28 million; Gauteng R71.28 million, and the Free State R55.44 million.

Gone are the days where such a large proportion of SEDFA disbursements go to Gauteng and Cape Town.

These disbursements will support 94 500 MSMEs across the country during 2025/26. Over the MTEF, we will through the SEDFA Development Fund support 53 000 MSMEs in each of the Eastern Cape and Limpopo Provinces; more than 42 000 MSMEs in the North-West; and more than 35 000 for each the Northern Cape and Mpumalanga.

No-one can say we are under-targeting the poorer, under-served provinces.

The **SEDFA Commercial Fund** on the other hand will target more established small and medium enterprises, with high commercial viability and prospects for scalability.

The **Commercial Fund** will this year disburse R261.36 million, and just under R1 billion (R975.15 million) over the MTEF, supporting a total of 19 600 MSMEs.

Gauteng and KZN receive the highest disbursements of the Commercial Fund because of their advance pipelines for funding ready MSMEs and based on our baseline, but the share of the more rural provinces does increase over the outer years of the MTEF as pre-investment support delivers higher numbers of commercially viable MSMEs in the deal pipeline.

**Credit Guarantees** will also be used to leverage capital from banking and non-bank financial institutions for both the Development and commercial Funds. Through Khula Credit Guarantee, the value of credit guarantees taken up by MSMEs will be R985 million.

For the **Township and Rural Entrepreneurship Programme**, we will empower local businesses to drive economic growth and job creation in historically disadvantaged areas. As mentioned in the Budget Address in June, we have allocated R543 million through SEDFA for the 2025/26 financial year. We have also allocated additional monies of R150 million for rural and township women, and R150 million for township and rural youth, bringing our 2025/26 TREP allocation to R843 million. These additional monies come from the Women's Fund and Youth Fund I announced in the Budget Address last month.

Chairperson,

We will also roll out **Asset Assist** which provides township and rural MSMEs with assistance for productive assets and working capital, allocating R206 million for 2025/26 and R630.5 million over the MTEF. The Asset Assist Programme (AAP) is designed to enable MSMEs to access production equipment, thereby improving productivity, product quality and competitiveness. To ensure equitable reach across all nine provinces, the DSBD will adopt the District Development Model (DDM) as the implementation framework. We will issue a call for applications in this 2<sup>nd</sup> quarter to disburse funds in the 3<sup>rd</sup> quarter.

On the **Spaza Shop Support Fund**, we have now received over 10 000 applications for funding, most of which are from spaza shop owners in the process of meeting compliance requirements, and who require pre-investment non-financial business support to enable them to become eligible for financial and infrastructure support.

Our **Co-operatives Development Support Programme** will receive R100 million for 2025/26 and R61.3 million over the MTEF. This programme now integrates both financial and non-financial support for co-operatives.

For the **Craft Customised Sector Programme**, we have allocated R12.38 million 2025/26 financial year, to support creative entrepreneurs in Limpopo, the North West, the Western Cape, Gauteng, the Eastern Cape and KZN.

We will also continue to roll out the **Informal Micro Enterprise Development Programme (IMEDP)**, which provides vital tools and equipment for informal sector businesses. Here we will over the MTEF support informal businesses in **50 townships and rural areas across 50 districts**, also targeting traditional authorities. The budget allocation for the IMEDP for 2025/26 is R36.7million and R112.4 million over the MTEF.

This year we will target **15 districts**.

The final programme I would like to talk to Chairperson, is our **small business hub and infrastructure programme** for entrepreneurs and MSMEs. These will be spread

across the country, aligned to local industrialisation opportunities, and will integrate the financial and non-financial services we offer as a portfolio.

Our budget allocation for the MTEF is R958.7 million, allocated for small business hubs, and for building new enabling small business infrastructure as well as refurbishments.

This year we have allocated R310 million for small business hubs and business infrastructure and will target infrastructure in 15 districts.

SEDFA will also contribute R253 million over the MTEF, for among other things to support **50 internet service providers (ISPs) across 50 districts** who will provide the necessary affordable quality broadband to small enterprises and communities in rural areas.

Honourable Members,

Despite our modest budget, we mean business. We will provide just on 500 000 MSMEs and co-operatives with financial and non-financial support over the MTEF.

Chairperson,

I hereby present our 2025/26 financial year budget of **R2.918 billion**. This budget is primarily directed towards transfers and subsidies, which account for 84% or R2.450 billion, with the remaining 16% or **R468 million**, spread between compensation of employees at R265 million, with goods and services accounting for R197 million and capital at R6 million.

Of the R2.450 billion for transfers and subsidies the SEDFA receives R1.908 billion (77.9% of the transfers and subsidies).

The department manages the remaining R542.6 million accounting for 22.1% of the total transfers.

I thank you.