



MINISTRY
SMALL BUSINESS DEVELOPMENT
REPUBLIC OF SOUTH AFRICA

Address By Minister Of Small Business Development, Ms Stella Ndabeni-Abrahams, On the occasion of the NAFUPA SA Traditional Year opening Gala Dinner

14 April 2024 (DURBAN ICC)

Programme Director;

Chairperson of Nafupa, Ms Dolly Sengane;

Secretary General of Nafupa, Ms Rebecca Nxumalo;

Distinguished guests;

Ladies and gentlemen;

I am honoured and privileged to have been invited to deliver this keynote address to the National Funeral Practitioners' Association of South Africa's traditional year opening gala dinner.

In my view, there are three key industries which epitomise black ingenuity, innovation and entrepreneurship. These are the taxi industry, football and the funeral industry. These have become symbols of black and township economic power. They have shown resilience over the years and survived against all odds. We have a collective duty to support them and ensure that these industries do not slip through our collective fingers.

Ladies and gentlemen, death may seem a grim business, but for many entrepreneurs, it is and can be a path to wealth and job creation, especially in our villages and townships. Some of the most successful entrepreneurs in our townships and villages are pioneers or key players in these industries.

The words “death” and “funeral” conjure up images of pain, loss and grief. In many of our communities, a conversation about death and funerals can be an extremely uncomfortable and difficult one. It is even harder and more awkward for others to discuss death in the context of business and making money. It is even more awkward to regard distraught and grieving families as customers.

To its credit, your industry has assisted to demystify funeral business. Increasingly, it is no longer a taboo subject nor a topic to be confined to closed doors. The public must acknowledge that the funeral industry is conducting a legitimate business. It is delivering one of the most crucial and indispensable services to our communities.

I wish to commend you and your members because the funeral industry has been an exemplary and responsible corporate citizen in many respects. Very often when communities knock on your doors in the midnight with the request to help bury indigent families, you always respond with love and compassion. For, you understand that you are citizens of a society that is still grappling with the triple challenges of poverty, inequality and unemployment. You appreciate that we are a nation that is painfully emerging from the ugly legacy that we all are trying to eradicate.

We are proud of the service that our funeral practitioners provide. Many of you, almost without exception, bury our people with dignity and honour. You consistently demonstrate sensitivity and respect for our culture and traditional practices that need to be observed during the mourning period up to the day of the funeral.

It is to your eternal credit that you have generally striven to ensure that the departed are always treated with respect and that even the poor and indigent families have the possibility of giving their loved ones a dignified farewell. For you, it is not only about making money. You are rendering a dignified service to families that are grieving.

Your is not an easy task. Many of us have little idea about the challenging and arduous you go through, including striving to present the body of the departed as close as possible to the way their loved ones would want to remember them, and giving them a dignified and humane service. You also have additional responsibility of giving comfort and strength to the bereaved families.

Yours is the most competitive, but largely unregulated industry. The figures that I came across say there is an estimated 70,000 undertakers and 15,000 funeral parlours in the country at the moment. Legitimate businesses tend to be subjected to unfair competition from informal and mostly illegal operators with predatory pricing.

I am informed that the funeral services industry in South Africa has been growing at around 12% annually. The bulk of the industry is made up of small businesses serving local communities. A significant number of these are operating informally and with no code of conduct or standards.

Here is another issue that all of us need to confront. Funerals, especially amongst the black community have become expensive and lavish events. Funerals are now places and platforms to display opulence and crass materialism. Our funerals have become more of a fashion parade and less an occasion to bid farewell to our loved ones. This trend disturbing practice was disturbed by Covid where we saw only close family members attending funerals. Unfortunately, after the lifting of Covid restrictions, the trend returned. Together with the funeral industry, we have a collective duty to reverse this counter-productive trend.

We are aware that your situation is no different to many small businesses who daily grapple with lack of capital to expand or scale up their operations. We are also painfully aware that your businesses have been suffering as a result of unreliable electricity supply as well as the huge cost of electricity. As you are aware, government has been working very hard to reduce the problem of loadshedding. The positive results are there for all of us to see.

Skills training is imperative to ensure that these businesses remain sustainable. There is a need to equip funeral parlours owners with a deeper knowledge of the regulations that govern small businesses and funeral businesses in particular.

We are alive to some of the challenges you encounter in your relationships with other big players in the industry including insurance companies who may undermine or take advantage of your position as a small business.

Working with the funeral industry, we need to find ways of ensuring that both government and the industry work together to ensure that small and

emerging funeral practitioner are supported and benefit from government support.

As a department, we are keen to have a formal engagement with NAFUPA and other players in the industry to reflect on a number of challenges and to determine what we can do in partnership to take your industry to a higher trajectory. I am of the view that government has a moral duty to protect legal and legitimate players and to protect the public from shady operators who have no code of conduct and standards of doing business.

I would like to request that NAFUPA to urgently have a meeting with the department to develop a formal working relationship and to ensure that the funeral industry becomes part of sectors that benefit from government's array of support programmes. Our support entails financial and non-financial interventions.

As the Small Business Development Ministry, our priorities for the term of government that is ending were framed around economic recovery especially following the devastating COVID-19 pandemic and economic transformation (faster and more inclusive growth). We paid particular attention on supporting enterprises from under-served communities, including black-owned, women-owned, youth-owned and PWD-owned MSMEs and co-ops, and with a spatial focus on townships and marginalised rural areas.

This policy approach is captured in the National Integrated Small Enterprise Development Strategic Framework (NISED). In terms of this strategy, priorities for the DSBD portfolio over the term revolved around (1) reducing red-tape and regulatory barriers faced by MSMEs and co-

operatives; (2) addressing market concentration and barriers to entry for MSMEs and co-operatives, (3) addressing the R350 billion MSME credit gap, (4) providing entrepreneurship and business skills development support especially through incubation; and (5) building internal capacity and leveraging partnerships to achieve greater scale and impact.

The following are some of the key interventions of the department and its agencies:

The Township and Rural Entrepreneurship Programme (TREP) which supports businesses including bakeries and confectionaries, butcheries, clothing and textile businesses, taxi and auto maintenance and repair, and trade.

The Informal and Micro Enterprise Development Programme (IMEDP) supports informal businesses with start-up operational equipment, with the aim of supporting those who are interested in formalizing and upscaling to fully-fledged formal enterprises.

Youth Challenge Fund (YCF) a financial and non-financial support fund aimed at stimulating innovation amongst youth start-ups to enable them to acquire digital capability in order to participate fully in the digital Industrial Revolution - 4IR and beyond.

Incubator programme through Seda, where we partner with local TVET Colleges to support start-ups.

Localisation and market access support - Developed the localisation policy framework in 2020 where products manufactured, and services

rendered by small businesses were introduced to private sector supply chains to access market opportunities.

Small Enterprise Manufacturing Support Programme (SEMSP) aimed at building and supporting SMMEs participating in the manufacturing value chain as part of South Africa's localisation strategy.

Shared Economic Infrastructure Facility (SEIF)- We have redesigned our Shared Economic Infrastructure Facility to focus more on Product Markets, which provide business infrastructure, including renewable energy supply, but also bring in market access, business support and access to finance for beneficiaries. We are currently developing and rolling out 9 product market projects.

Township Economy Revitalisation The objective of project is the formulation of the National Township Revitalisation Policy to addresses the economic challenges and obstacles facing the development of township economies.

On the legislative and policy front, our interventions include:

- **The National Small Enterprise Amendment Bill** which is currently in Parliament. Among other things, the Bill seeks to improve support to small businesses by creating a Small Enterprise Development Finance Agency (SE DFA) which will consolidate government support for small enterprises, offer financial and non-financial assistance, business advice, investment support, facilitation, and incubator services. The Bill also proposes the establishment of the Office of the Small Enterprise Ombud Service which will serve as an

impartial mediator in disputes, especially for small enterprises, without the need for costly litigation processes. The Small Enterprise Ombud Service will promote accessible and affordable justice for small enterprises.

- We are also amending the outdated Businesses Act and have developed a **Business Licensing Policy** which has just been gazetted for public comment. The policy suggests ways to streamline and strengthen the business licensing system in the country, including tackling the issue of unfair competition by illegal foreign traders. We plan to take the Business Licensing Amendment Bill to Parliament early in the 7th Administration.
- On access to finance and addressing the MSME credit gap, we recently developing the MSME and Co-operatives Funding Policy. The policy was gazetted for public comment, and we are now taking the final policy back to Cabinet for approval.

The Micro, Small and Medium Enterprises are the cornerstone of local economic development and are drivers of economic growth and job creation in many developing economies.

I thank you