



**MINISTER STELLA TEMBISA NDABENI SPEAKING NOTES FOR THE EC
LEGISLATURE
22 AUGUST 2025**

Madam Speaker

Premier and MECs

MPLs

Business representatives

Entrepreneurs, and a special greeting to our women and youth entrepreneurs

It is always good being back in my home province, the Eastern Cape.

Madam Speaker,

This year we are hosting the G20 Presidency under the theme Solidarity, Equality and Sustainability, having taken over the presidency from Brazil. This is the first time an African country is hosting the G20 Presidency, and we are using our presidency to champion the developmental issues of the Global South and Africa in particular.

Africa is the future of global consumption demand, given our population growth and youth dividend. It is the future of global entrepreneurship.

By 2025, Africa's population will be 1.5 billion. By 2030, African consumer spending will be USD 2.5 trillion driven by a new middle class of 650 million people. Artificial Intelligence is busy revolutionizing African systems of production and consumption. We are witnessing a digital economic revolution in Agri-tech, in E-commerce and

Fintech, in Health-tech and Edu-tech with a profound impact on Africa's human capabilities.

Our future as South Africa is inter-twined with that of the continent. The future will only belong to Africa if we address current challenges of high public debt and lack of capital. Africa has 18% of the world's population but receives only 3% of global capital. To address this, we have established a G20 cost of capital commission and have prioritized the issue of Africa's public debt.

Last month as DSBD we hosted the Startup 20 midterm meeting, attended by startup eco-system players from the various G20 countries. We also hosted the Global SME Ministerial Meeting, attended by ministers and delegates from over 60 countries, including more than 25 from African countries.

As a department, we have brought the G20 to the Eastern Cape, hosting the G20 Eastern Cape Provincial launch in Gqeberha on the 29-30 April 2025, in which we showcased the oceans economy and township economies as core drivers of growth. The province also hosted the Digital Economy Working Group earlier in the same month.

Madam Speaker,

As we promote global solidarity, we must take stock of current risks related to heightened levels of geopolitical volatility and the shift towards unilateralism and protectionism. The United Nations Secretary-General refers to the current global context as a *world of impunity, of inequality and of deep uncertainty, all fraying at the seams of our global order*.

Serious headwinds are blowing our way. The US tariffs will especially affect provinces like the Eastern Cape, with industries like the automotive and citrus highly affected.

Madam Speaker,

The Eastern Cape has slipped from the 4th largest provincial economy to the 5th, being overtaken by Mpumalanga. The Q2 Quarterly Labour Force Survey by the Statistics South Africa few days ago has the province's official unemployment rate at 39.3%. In the first three months of 2025 alone, approximately 83,000 jobs were lost, primarily in productive sectors such as agriculture, tourism, and manufacturing.

We need to join hands across the spheres of government and with the private sector to turn things around.

We all know the Eastern Cape as the province of untapped potential – two SEZs, three ports, four universities, and a solid agricultural and manufacturing base.

So why is the province not growing faster? How do we restore the Eastern Cape to its rightful place? We are the home of legends, of liberation struggle luminaries and visionaries. Can the Eastern Cape again become the home of visionaries, this time delivering economic freedom to our people?

As DSBD we recognise that MSMEs, including co-operatives, are the engines of growth and job creation.

The NDP suggests that 9 million of the 11 million jobs we need by 2030 should come from MSMEs.

Currently, the country's 2.7 million MSMEs contribute 66% of all jobs. To meet the country's jobs targets, we need to double the number of MSMEs.

To realize this target, DSBD is busy with a number of strategic initiatives. We are busy with policy reforms. We recently amended the National Small Enterprise Act and are busy setting up the Office of the Small Enterprise Ombuds to address unfair practice including non-payment to MSMEs. We have also developed a Business Licensing Policy together with the Business Licencing Amendment Bill to streamline business licencing processes. We are also finalizing our Township and Rural Economic Revitalization Policy, which is intended to turn these dormitory spaces into vibrant economies. We have also just completed the National Entrepreneurship Strategy, as

well as the Incubation and Business Development Services Policy to set standards for incubation and business development support.

Last year we developed the MSME and Co-operatives Funding Policy to address the R350 billion credit gap. This policy advocated for a Fund of Funds and we are working with the DRTIC on the R100 billion Transformation Fund.

Through our agency SEDFA we provide blended finance, credit guarantees, wholesale lending, and direct lending to underserved MSMEs and co-operatives who would otherwise not access capital. Especially those owned by women and youth.

Over the last term of government, SEDFA disbursed R5.3 billion to 528,752 women-owned businesses across the country, through both Direct and Wholesale Lending channels. Of the total disbursements, R3.18 billion (or 60% of total disbursements) was disbursed to women-owned businesses operating the rural towns and villages, indicating our commitment to financial inclusion.

Through our Youth Challenge Fund, we have disbursed R204 million to 72 youth-owned enterprises in this province since its launch in November 2021. This resulted in the creation and sustenance of 1 300 jobs.

Through the Township and Rural Entrepreneurship Programme (TREP), we have disbursed over R132 million to 452 youth-led enterprises in the past three years, creating and sustaining 2 057 jobs.

Going forward, as a department our contribution to the country's 3% plus MTDP growth target is to support more than 1 million MSMEs and co-operatives with financial and non-financial support over the 5- year period.

Over the MTDP period we will:

- Finance just under 620 000 MSMEs through 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.

Madam Speaker,

We will support 1.1 million MSMEs and co-operatives over the MTDP period.

We will especially target women and youth entrepreneurs and have established two funds: R300 million for Women Entrepreneurs, and R300 million for Youth Entrepreneurs.

This year through SEDFA's Development Fund, we will disburse R118.8 million for the Eastern Cape for 2025/26. Through this fund, we intend to support 53 000 MSMEs.

We are allocating R837 million for TREP, and we are hoping the Eastern Cape develops a funding pipeline to tap this fund.

We also have instruments like 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 for the country as a whole.

We have the Spaza Shop Support Fund, we are implementing with DTIC, capitalized at R500 million.

We have the Co-operatives Development Support Programme which provides both financial and non-financial support for co-operatives.

We have the Craft Customised Sector Programme to support creative entrepreneurs in Limpopo, the North- West, the Western Cape, Gauteng, the Eastern Cape and KZN.

We have the Informal Micro Enterprise Development Programme (IMEDP), which provides equipment to informal enterprises.

We have our small business hub and infrastructure programme for entrepreneurs and MSMEs. This is allocated R958.7 million over the MTEF, 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 including in the Eastern Cape.

I encourage you to apply for these funds and support your entrepreneurs apply. We want to align these disbursements with local industrialization and local economic development opportunities, as identified by local stakeholders in government and business.

We encourage you to open up public sector markets in line with the new Public Procurement Act, and work with the private sector co-create new markets for MSMEs, especially those owned by women and youth.

Madame Speaker,

Let us ensure that the women and girls in this gallery and across the entire province are the principle beneficiaries of our support. Women own less than one fifth of the economy and this must change.

As the Legislature you should not approve of any budget which does not prioritise women and youth. Legislatures have the power and authority to summon any department and private sector doing business in the province to account on what they are doing to economically empower women and youth. This us use this power to achieve economic freedom for our people.

Echoing President Ramaphosa words, “When women prosper, we all prosper. When women rise, we all rise”.

I thank you.