



SPEECH BY MINISTER OF SMALL BUSINESS DEVELOPMENT, MS STELLA NDABENI-ABRAHAMS, ON THE OCCASION OF MAYORAL BREAKFAST AT SAKHIWE LOCAL MUNICIPALITY

6 May 2024 (Cala Indoor Sport Centre, Sakhwe Local Municipality)

Programme Director;

MEC for Economic Development and Tourism, Mr Zolile Williams;

Mayor of Sakhwe Local Municipality, Boniswa Ponoshe;

Distinguished guests;

Ladies and gentlemen;

Today's event is a momentous occasion. I commend the leadership of Sakhwe Local Municipality under the stewardship of Mayor Boniswa Ponoshe for arranging this Mayoral Breakfast which is crucial for setting the foundation for a financially viable municipality.

What is happening here is an example of the kind of partnership which is needed to deepen the transformation of our country. It is a partnership of a community determined to take control for its own development and upliftment. It is also an example of a municipality that has taken responsibility to lead developmental initiatives that would address the legacy of our ugly past.

In many ways, what is happening this morning reminds me of the Masakhane Campaign during the early years of our democracy. The Masakhane campaign was anchored on the notion that with freedom comes responsibility, the responsibility of participation. It sought to build partnership, take collective responsibility and build one another.

Masakhane reminded us that each brick that is used to build a wall, each electricity connection to every house and each drop of water from a tap, is the result of many people's work and utilise our country's resources. The ANC government is putting massive investment into expanding access to basic service for all, including affordable service to indigents. However, we must accept that someone has to pay for these services.

In order to ensure sustainable provision of services to all people of this municipality, we all have a responsibility to pay for the services we use. If we do not pay for services, the resources need to provide these services will dry up. We appeal to those who can pay, to do so. This will ensure that, as a nation and municipalities, we are able to provide for the millions still without the basic needs. If we want to build a viable and sustainable municipality, we must all, as business, ratepayers, councillors, leaders and ordinary members of the community, take responsibility for the success of this municipality.

Like all other municipality, Sakhwe needs a thriving business sector if it is to thrive and have a sustainable revenue base. We need as many people as possible to have sustainable income so that they can pay for the services they use. This can only materialise if we prioritise small business development. Small businesses are the heartbeat of our economy and engine for economic growth and job creation.

The National Development Plan seeks to encourage all South Africans to become active citizens. It is expected that by 2030, 90% of the 11 million jobs will be created through small to medium enterprises. If we want to turn around our economic fortunes, we need to redirect our collective energies towards building and growing a small business sector.

It is exciting and encouraging to see that there is a universal appreciation that at the heart of any economic plan must be recognition of the role of small businesses and cooperatives. As a department, we proceed from the premise that financial and non-financial support for small businesses is critical to their growth and sustainability.

The DSBD portfolio has a number of programmes that seek to support SMMEs and Cooperatives throughout the country through financial and non-financial support to ensure that they are sustainable and competitive. Through our programmes, we work with small businesses and cooperatives to improve the quality of their products, assist local suppliers to expand production capacity (existing and potential); assist suppliers to reduce input cost and to facilitate market access for products (locally and internationally).

We are focusing on providing effective support to small businesses and to ease the regulatory and compliance burden on their part and to expand access to economic opportunities for historically excluded and vulnerable groups. We are doing all these things as part of our commitment to unlock the potential of SMMEs and Co-operatives.

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.

Some key legislative and policy interventions are currently underway. The National Small Enterprise Amendment Bill which is currently in Parliament as one of this terms priority legislation. Among other things, the Bill seeks to improve support to small businesses by creating a Small Enterprise Development Finance Agency (SEDFA) 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.

The vision of the Department of Small Business Development and its agencies is to create a vibrant culture of entrepreneurship and enterprise growth, where small businesses and co-operatives act as drivers of job creation and inclusive economic growth. Our collective mandate is to ensure the growth of our economy through the promotion and development of sustainable and competitive entrepreneurs, small businesses and co-operatives that contribute to job creation and economic growth. We are determined to support township and rural businesses with a series of targeted support interventions aimed at addressing the legacy of spatial exclusion faced by these businesses.

Ladies and gentlemen, this Mayoral Breakfast symbolises our pledge to build a working municipality. It symbolises our partnership to bring a better life to the people of Sakhwe. Let us all build it together and let us build each other.

In conclusion, let me express my appreciation to Mayor Ponoshe and your collective for invoking and reviving the spirit of Masakhane! Let us build together! Let us build each other!

I thank you