



MINISTRY  
SMALL BUSINESS DEVELOPMENT  
REPUBLIC OF SOUTH AFRICA

**KEYNOTE ADDRESS BY MINISTER OF SMALL BUSINESS  
DEVELOPMENT, MS. STELLA-NDABENI ABRAHAMS  
AT THE MEDIA BREAKFAST FOR THE SEDFA LOGO LAUNCH AND  
CELEBRATION OF THE WINNERS OF THE PRESIDENTIAL MSME  
AWARDS  
10 DECEMBER 2024**

Programme Director Mr Lawrence Maleka

Deputy Minister of the Department of Small Business Development, Ms Jane Sithole

The DG of the Department Ms Thulisile Manzini

The Chairperson of the Board of SEDFA, Ms Nonzuzu Makanda

Board members of SEDFA that are in attendance

Acting CE and SEDFA management

DDGs in attendance and senior Government Officials

Our stakeholders in the small enterprise development sector

The winners of the Presidential MSME Awards and our guests.

The members of the media

Good morning.

We are drawing close to the conclusion of the campaign to prevent, combat and advocate against the scourge of gender-based violence against woman and children. We reiterate the call to make this a living part of our lives throughout the year in our daily lives. It will not end until you and I rise to defend and protect against this cancerous behaviour.

The celebration of entrepreneurial talent and recognition of the efforts of individuals who break barriers and pierce the proverbial economic ceiling has a rich history in our

country. Before the imposition of colonialism in our country and continent Africans had developed mining and the use of smelters to produce artefacts and gold products traded both locally and internationally, countries like Ghana, and the ancient cities of Mapungubwe and Timbuktu in Mali, served as trading posts and commercial hubs for civilisations such as China and India. The Khoe people in the Cape shores are known to have traded with the Portuguese, the English and the Dutch before colonialism and settlement.

When we gather here to recognise the talented businesswomen and men, we are reminded that, you carry the DNA of our forerunners in business, particularly in the Black community. Leaders of the South African Native National Congress, later known as the African National Congress, were drawn from the early educated classes and from businessmen and women who had initiative and started their own businesses across notable industries in those years. They participated in industries such as mining, agriculture, livestock, the hotel and leisure industries and property services. It was so, that discrimination and racial segregation contributed towards the restriction of their full participation in the economy. As a result, they had to participate in the liberation struggle to attempt to undo this injustice that legally stifled their entrepreneurship and prevented them from full participation in the economy.

The story of African Merchants is not fully told in historical terms, and we are challenged to research it properly and locate these astute economic trail blazers their rightful places in the efforts to ensuring inclusive economic growth. You, who we honour today continue the lineage started by the Richard Maponya, Sam Motsuenyane, Gloria Serobe, Gibson Thula and many others.

The economic imbalances in this country are largely man made and have nothing to do with talent and the use of skills and people's abilities. Had it not been for pervasive racial discrimination of both the colonial and apartheid eras, we should imagine the massive scale and nature of businesses that would have developed in this country involving both Black and White entrepreneurs. This does not suggest that these would have succeeded because all business face the same problems of poor planning, unfortunate investments and bad management. It does mean that given equal opportunities and the same level of resources, the possibility exists that they would have thrived and become great.

Today is indeed a day of celebration. First, we celebrate the launch of the new SEDFA logo, and second, we celebrate the winner and first and second runners up in the Presidential MSME and Co-operative Awards.

Programme Director, The 3<sup>rd</sup> Quarter data released last week by StasSA shows that we need to do more to ensure more South Africans participate in productive economic activities. Entrepreneurs and MSMEs are increasingly recognised as the drivers of innovation, growth and employment. Growing the small enterprise share of the economy will also reduce inequality and put a greater share of the country's wealth into the hands of black ownership, of women, of youth, and those living in townships and rural areas.

The National MSME and Co-operatives Summit we held two weeks ago set what we think is a realistic target of 1 million new MSMEs and co-operatives by 2030. At the current average jobs of 3.6 jobs per MSME, this will create 3.6 million new jobs.

Our Summit also took stock of where we are as a small enterprise support eco-system. It is now just on two years since we launched our National Integrated Small Enterprise Development Strategic Framework or NISED as we call it, which was adopted by Cabinet in November 2022. This is the country's third iteration small enterprise development strategy, which corrects our previous two national strategies which were very inward focused on government. The NISED corrects this by taking an ecosystem approach, enabling various public and private actors to collaborate in a focused, targeted, and coordinated manner.

We have achieved much since the launch of NISED.

We have put active measures in place the R350 billion MSME credit gap, including developing the MSME and Cooperatives Funding Policy which has recently been approved by Cabinet. This policy will enable the establishment of an alternative credit information system, a movable asset registry to address the problem of insufficient fixed collateral, as well as a Fund of Funds which we are working on with the DTIC and National Treasury.

We committed to establishing 110 incubators, which we have surpassed in partnerships with the private sector, universities and TVET Colleges. This is a good start, but we know we can do much better to make these incubators more impactful, especially by integrating support to link entrepreneurs to markets and to financial support.

We have amended our enabling legislation, the National Small Enterprise Act, which enables the establishment of the Office of the Small Enterprise Ombuds. The shortlisting of the Ombuds is currently with Parliament.

The amended National Small Enterprise Act has also enabled the establishment of our new one-stop-shop small enterprise agency, the Small Enterprise Development and Finance Agency (SEDFA), whose new logo we will later unveil.

The new entity brings together the Small Enterprise Finance Agency, the Small Enterprise Development Agency, and the Co-operative Banks Development Agency into one entity. Much work has been done getting SEDFA ready for business, redefining its governance, its strategy, its structure, and its new instruments and offerings. I have been consistent in my demand that the new entity must be more than just the sum of its parts.

There is no other government entity or company that has SEDFA's mandate and can offer the services and products across all MSME and co-operative segments. It is only SEDFA which has the mandate to provide seamless and integrated services across the pre-investment, investment, and post-investment space. This is SEDFA's unique value proposition, and which will make it a game-changer in the small enterprise support eco-system.

At the same time this mandate is daunting and will require SEDFA both to rapidly acquire new capabilities, most importantly digital platforms, as well as form strategic partnerships with others in the small enterprise eco-system.

Today marks another historic moment in the development of SEDFA – the launch of its new brand. I think you will agree when you see the new logo that SEDFA is establishing itself firmly in the centre of the broader small enterprise support eco-

system which its aims to leverage. The focus is on supporting all segments of small enterprises, from informal micro enterprises through to high growth tech startups and highly competitive export- oriented manufacturing enterprises. The emphasis is on sustainability – of the enterprises supported as well as SEDFA itself.

Today we give identity to SEDFA in officially revealing the exciting new logo, which should not be seen as just a SEDFA brand but a symbol that will bring together all role players in the small enterprise ecosystem.

Programme Director, the other reason for gathering here today is to take forward the commitment we made at the National Presidential MSME Awards which we held on the evening of the 22<sup>nd</sup> November, in the company of His Excellency President Ramaphosa. There we recognized the winners across various award categories. Today we want to again recognize the winners, but also the first and second runners ups across the various award categories who rose to the top across pitching competitions in 54 districts, in provincial pitches in all 9 provinces, and then in the national pitching competition.

The evaluation criteria included innovation, market potential, scalability, and alignment with provincial and national economic goals. The winners and second and third runners up we have with us today across all categories received the highest scores from numerous expert panels and independent adjudication panels. Auditing of the results were conducted by an independent auditor.

Their victory is thoroughly deserved and echoing the President, I congratulate them on their excellence and innovation. To quote the President: “Small Business including in townships or cooperatives in rural areas, whether they are well established or just starting out... these businesses are integral to the future of our economy. The broad range of the enterprises represented in these awards showcases the dynamism and versatility of this sector.”

Programme Director,

Innovation and entrepreneurship will change the trajectory of this country, and we all need to get behind our entrepreneurs. This includes doing more to promote

entrepreneurial culture and education, and it is indeed encouraging to see more high school students, TVET and university students seeing entrepreneurship as a preferred career choice.

Countries with higher levels of entrepreneurship tend to be more innovative, adaptable, and resilient. This is even more important considering the uncertain global context in which we find ourselves.

As I conclude, Programme Director, let me thank all those who made this event possible. On the Awards, I would like to thank all the judges and adjudication panels, as well as the generous sponsors, and the SEDFA and 22-on-Sloane teams.

On the SEDFA logo, I would like to thank the logo designers, the SEDFA Board under the leadership of Nonzuzo Makanda, the Acting CE Nkosikhona Mbatha and your executive team, as well as the department under DG Thulisile Manzini.

I would also like to thank all eco-system stakeholders, including the media, for joining us this morning as we make history.

Working together as we are, we can only go from strength to strength.

I thank you.