



**small business
development**

Department:
Small Business Development
REPUBLIC OF SOUTH AFRICA

JOINT MEDIA STATEMENT

TO: PRINT AND ELECTRONIC MEDIA HOUSES

FROM: KGANKI MATABANE (BBC CEO) AND LINDOKUHLE MKHUMANE (ACTING DG: DSBD)

SUBJECT: THE BLACK BUSINESS COUNCIL AND THE DEPARTMENT OF SMALL BUSINESS DEVELOPMENT AGREE TO STRENGTHEN WORKING RELATIONSHIP

DATE: 15 May 2020

The Black Business Council (BBC) and the Department of Small Business Development (DSBD) held a virtual meeting on Friday, 08 May 2020. The Department of Small Business Development was led by Minister Khumbudzo Ntshavheni while the Black Business Council was led by its President, Sandile Zungu.

The meeting discussed amongst others, the relieve measures implemented by the DSBD in response to the coronavirus (covid-19) pandemic, the Small Business Master Plan and strengthening the working relationship. The parties acknowledge the critical role that the National Development Plan (NDP) envisaged for the Small, Medium and Micro Enterprise Businesses (SMMEs) sector and the severity of the impact of the Covid-19 disaster on the sector.

Minister Ntshavheni briefed the meeting about the various schemes of the DSBD that are intended to benefit SMMEs and mitigate against the knock-on effect of job losses including the directive to also use the opportunity to transform the ownership patterns of the economy. The meeting agreed that redress of historical injustices that excluded participation of majority South Africans in the ownership of the economy remain a principle of the Constitution of the Republic of South Africa. The BBC urged the Department to ensure that the principles of BBBEE are embed in the current work of supporting SMMEs. The BBC further assured the Minister of its support for her push for socio-economic transformation of the economy to benefit all.

The BBC expressed its appreciation of the extra R2 billion to support SMMEs as announced by the State President but emphasized the need to allocate more funds to support the work of the Department in supporting SMMEs, more so when the economy is starting to re-open as majority of small businesses may not be able to re-open without the active support of government. Minister Ntshavheni implored the BBC to encourage their members and the SMMEs at large, to register on the national SMMEs portal <https://smmesa.gov.za/> as part of developing a comprehensive SMMEs portal for the country which will also strengthen

government planning and guide critical resource allocation, the call which the BBC gladly accepted to support.

The parties agreed that the covid-19 crisis has exposed the country's unsustainable reliance on imports in the supply of critical medical goods such as Personal Protective Equipment (PPE) for medical personnel. The BBC urged the Department to fast-track its work in supporting SMMEs to manufacture PPEs in the country for self-reliance and thus committed to work for the restrictions on import of certain medical goods and supplies that could easily be produced locally. Minister Ntshavheni expressed the commitment of government on the active promotion and support of localisation and re-industrialisation but also as a cornerstone of the Small Business Development Master Plan towards a productive economy. Minister Ntshavheni informed the meeting that the Small Business Master Plan which the Department is developing will be shared for public comment before approval by Cabinet.

The BBC also raised concerns about the criteria for accessing the R200 billion National Credit Guarantee scheme as announced by the National Treasury and the banks. The observation is that this scheme excludes majority of SMMEs as it is only targeting existing clients of the banks and those that are deemed good customers whilst excluding micro enterprises that are the majority of the over 2 million SMME sector. The BBC expresses strong views that the Scheme should also not be used to prop-up the banks' non-performing current loans. The BBC proposed that the Authorised Financial Services providers should be added on the Scheme to provide the services under the scheme in addition to the banks. Minister Ntshavheni committed to convey the concerns with Minister of Finance and Cabinet.

In his concluding remarks, Mr Zungu remarked that "we should take advantage of the crises and use the opportunity created to come out of it in the new normal, an inclusive economy that is underpinned by socio-economic transformation and a high level of localisation" concluded Zungu

Minister Ntshavheni concluded by quoting President Ramaphosa when saying "we are resolved not merely to return our economy to where it was before the corona virus, but to forge a new economy in a new global reality...we will forge a compact for radical economic transformation that ensures that advances the economic position of women, youth and persons with disabilities that makes our towns, villages and rural areas vibrant centres of economic activity".

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Issued jointly by: The Department of Small Business Development and the Black Business Council (BBC)

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