

Small business can stimulate economic growth, job creation

Focusing on small medium and micro enterprises (SMMEs) and cooperatives can trigger growth, create jobs and build a more inclusive economy, says President Cyril Ramaphosa.



Source: [Unsplash](https://unsplash.com)

“As a country, we need to get behind our entrepreneurs and SMMEs and strengthen the eco-system that supports them,” the President said.

The country’s first citizen was speaking on Friday night at the second National Presidential SMME and Cooperatives Awards in Johannesburg.

The president told delegates the ceremony was pressing given the current volatile global times.

“Our prospects for a faster and more sustained recovery after Covid-19 have been set back amidst continued supply chain disruptions, high inflation and depressed market demand.

“Governments are under pressure to stimulate the economy and to provide more social relief, but with reduced fiscal resources.”

This is the reason he is of the view that SMMEs can stimulate growth and job creation.

He told guests he was encouraged by the work being done by the Department of Small Business Development since the launch of the third iteration of the country’s SMME strategy almost a year ago.

The National Small Enterprise Development Strategic Framework aims to use resources within the broader ecosystem to build practical partnerships that enable entrepreneurship and SMME growth.

The government is establishing a new one-stop small enterprise agency that will bring together the Small Enterprise Development Agency (Seda), the Small Enterprise Finance Agency (Sefa) and the co-operatives Banks Development Agency (CBDA).

The strategic framework calls for concrete partnerships and actions in four areas. These include tackling the red tape and regulatory burdens that frustrate SMMEs.

“The Department of Small Business Development is also streamlining business licensing processes, with the Businesses Licensing Amendment Bill soon to be gazetted.

“But there is much more to be done. We know some of the frustrations which tech start-ups in particular have with foreign exchange controls that impede inward flows of venture capital, and affect the local registration of intellectual property.”

The other areas of focus entail addressing market concentration and enabling market access, especially for SMMEs owned by women, youth and other underserved communities; access to finance and entrepreneurship support.



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“If we get this right, we can change the country’s fortunes.”

The current administration, he said, has set a target of establishing new 100 small enterprise incubators. To date, the state has established 110 with another 11 under development.

“It is encouraging that the number of people engaged in entrepreneurial activity has significantly increased.”

Citing the Global Entrepreneurship Monitor, he said the working-age population involved in business start-ups in South Africa increased from 6.5% in 2001 to 17.5% in 2021.

“This clearly reaffirms what our National Development Plan envisioned, the creation of 11 million jobs by 2030 with nine million of these coming from small enterprises.

“We just need to scale up our interventions to create a conducive environment for SMMEs, and onboard other eco-system partners, especially the private sector, to play their part.”

He told the entrepreneurs in the room that citizens depended on their innovation and entrepreneurship to create the opportunities that would enable them to get the much-needed jobs.

“Congratulations to the winners and the runners-up. You have gone through a rigorous selection process and thoroughly deserve to be here. It is your dynamism and drive that will revitalise our economy and improve our global competitiveness.”

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