



**economic development
& tourism**

MPUMALANGA PROVINCE
REPUBLIC OF SOUTH AFRICA

Nokuthula Simelane Building, No. 7 Government Boulevard,
Riverside Park Extension 2, Nelspruit, 1201
Private Bag X 11215, Nelspruit, 1200
Tel. 013 766 4271/4132/4148

MEDIA STATEMENT

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Attention: Journalists, News Editors and Executive Producers

FOR IMMEDIATE RELEASE

MEC NGOMANE CLARIFIES THE CONFUSION AROUND SPAZA SHOP OPERATIONS DURING THE LOCKDOWN PERIOD

Mbombela – Finance, Economic Development and Tourism MEC, Mr Pat Ngomane, would like to clarify that only spaza shops with valid operating licenses which were issued by municipalities where they operate, prior to the lockdown period, would be allowed to operate during this period. This follows what seem to be confusion, when spaza shop owners previously operating without a permit, started flocking to their respective municipalities to apply for the permit. However, this is only applicable for shops selling goods classified as essential.

“In a Statement I released this past Sunday, and even in various radio interviews, I clearly indicated that only spaza shops selling goods classified as essential, will be allowed to operate during the lockdown period, provided they already possess operating permits obtained from their respective municipalities. I further stressed that those who were operating pre-lockdown, were already illegal, and will unfortunately not be allowed to operate during this period”, clarified MEC Ngomane.

It should further be clarified that the Department of Economic Development and Tourism is not the licensing authority for businesses in Mpumalanga, as this function was duly delegated to all municipalities.

In terms of the Mpumalanga Business Act (Act No. 2 of 1996), local municipalities have been appointed by the Member of the Executive Council (MEC) responsible for economic development in the Province (in this case, the MEC for Finance, Economic Development and Tourism), as Licensing Authorities to issue licenses of business in their areas concerned. The Department’s role is thus only to ensure that local municipalities comply with the provisions of the Act.



“I must emphasise that Spaza shops must comply with the health and hygiene measures applicable to COVID-19, such as providing hand sanitisers for their customers, and ensuring appropriate social distancing. Any spaza shop found operating illegally by the police, will be directed to close, and the owners would be fined or imprisoned as prescribed in the gazetted regulations for the lockdown period”, emphasised Mr Ngomane.

MEC Ngomane further advises owners of illegally-operating spaza shops to correct their business status, in order to enable them to benefit from various government funding schemes for small businesses and cooperatives.

“I implore all spaza shop owners who have been operating illegally, to correct their business status. If they had been operating legally, they would now qualify to benefit from the government scheme established specifically to assist spaza shops during this lockdown period”, concluded the MEC.

This is against the backdrop that Small Business Development Minister, Ms Khumbudzo Ntshavheni, had yesterday unveiled spaza shops-specific assistance scheme aimed at assisting spaza shop owners during the lockdown period. The Minister indicated that the scheme will support all properly registered spaza shops, even those owned by foreign nationals.

Amongst others, the Scheme will provide spaza shops with seed capital and money to buy stock. Participants will get bulk buying discounts from pre-selected wholesalers, as well as access to basic business tools, including speed points. It also offers business support, including book-keeping assistance, to the spaza shop owners. For a spaza shop to benefit, it must comply with the following conditions, amongst others:

- Possess an operating or trading permit obtained from their local municipality;
- Register with the SA Revenue Service (SARS), the Unemployment Insurance Fund (UIF) and the Companies and Intellectual Property Commission (CIPC). (The Minister, however, stressed that this does not mean that spaza shops will necessarily start paying tax), but that they needed to be legally registered;
- Be owner-managed;
- Have a bank account;
- Comply with sanitation requirements, including that their counters are disinfected regularly.

Details about when applications will open will be announced by the Minister of Small Business Development tomorrow, Thursday 02 April 2020.

#END#

***Issued by the Department of Economic Development and Tourism
For enquiries, contact Dr Mohau Ramodibe on 060 989 4678***

