

SPEECH BY THE MEC FOR ECONOMIC DEVELOPMENT AND PLANNING, MR CRAIG PADAYACHEE DURING THE LAUNCH OF THE SMME BUSINESS WEEK

26 August 2008

Programme director
Executive Mayor of Mbombela Local Municipality, Mr Lassie Chiwayo
Leadership of SEDA
Representatives of ABSA
Representatives of different economic sectors
Ladies and gentlemen

We meet here during a very significant month in the calendar of the country. August is a month which is dedicated to celebration of achievements of women in our midst. It is a month in which we share in the life and career experiences of our mothers. It is also a time during which we emphasise a message, same way as we do throughout the year though, that as a nation we must recommit to ensuring that a girl child grows up in an environment that recognises a role that she must play in the development of the country.

We are therefore grateful that the organisers elected to host this SMME Business Week during this momentous month. This is very significant because the SMME Business Week on its own draws our attention to the real work that needs to be done if we are serious about steps that we take to ensure that we emancipate women from the shackles of poverty, unemployment and underdevelopment; it draws our attention to the real work that needs to be done if we are serious about steps that we need to take to ensure that the spectre of discrimination, patriarchal domination and hurdles to business opportunities are eradicated. It draws our attention to the maxim that **WE STILL NEED TO DO MORE**

Programme director, one of the founding objectives of SEDA is that the agency must “promote service delivery networks that increase the contribution of small enterprises to the South African economy

By its nature, this provincial SMME business week seeks to create awareness about the Small Business Development Support that is available in the Province. This SMME Business Week is also a confirmation that indeed there are opportunities in the province. Many of our people are taking advantage of these

opportunities. But again we know that there are many other people who, because of lack of information and access, are unable to reap the fruits of this democracy.

It is therefore important that we should increase the frequency and depth of interaction with the communities on economic opportunities in the province. This will go a long way in ensuring that we increase the number of entrepreneurs and new entrants into the economy. In no time we will realize that the future of our economy is in the hands of many of our people, whom when given a helping hand, will initiate projects that will make a difference in communities in which they choose to start their businesses.

Ladies and gentlemen, this SMME Business Week is also assisting us to communicate with the SMME sector because we believe that the sector has an even greater role to play in the provincial economy. The sector must help us ensure that we meet some of the Millennium Development Goals, namely the reduction of poverty and unemployment.

The Freedom Charter which was adopted in Kliptown on 26 June 1955 enjoins us to a common purpose of action on shared economic growth. We recall the Freedom Charter because it gives us a perspective on how we should distribute the economic wealth of the country. It says: "All the people shall share in the country's wealth."

To us this is neither a statement nor a principle. It is a foundation of the economic policy especially on issues of economic development and empowerment of our people. We say this because we know, as the Charter guides us, that all the people must enjoy equal rights and be afforded an opportunity to make contribution to the economic wellbeing of the country and in our case that of this province. It is therefore important that the various skills that our people have, sheer determination that is shown by some of our young people and women are recognized through financial and non-financial support to ensure that indeed they too make a contribution to the economic development and growth of the province.

Programme director, few months ago we indicated in our Policy and Budget Speech that the department has finalized, in conjunction with the Department of Trade and Industry, the process of identifying 10 products that will ensure that the SMMEs access the opportunities within government.

The rollout of Small Enterprise Development Agency's offices in the province has been accelerated and the impact thereof can be felt across the province.

We know that we have the ability to ensure greater impact and thus contribute to creation of new enterprises that will help emancipate our people from the shackles of poverty, unemployment and underdevelopment.

Ladies and Gentlemen, we shall continue to work together to ensure that the centres that were established by SEDA in the province are responsive to the needs of our communities, especially the willing entrepreneurs and emerging businesses in the province.

Partnership with the private sector is very important if we are to deliver our people from the shackles of poverty. The Government and private sector can and do complement each other on number of aspects which will ultimately help us to reach all our developmental goals. Not long ago, we saw the establishment of ABSA Enterprise Support Centre in Mbombela, Ehlanzeni District - a clear example of what these partnerships can do for small enterprises. We hope that this will spur all of us to see the value of partnerships in our quest to address common challenges of our time. We still express hope that similar kind of centres will be established in other districts of the Province.

Ladies and gentlemen, in 2007 we took a decision to review the SMME Strategy with a view to integrating all SMME support programmes at all levels of government.

The need for a review was necessitated by the realization that our strategy needed to address a number of critical areas such as:

- facilitation of small enterprises' access to procurement opportunities and tenders, especially government tenders;
- increasing access to services for SMMEs owned by youth, women and the people with disability through strategic partnerships with relevant organizations;
- improving integration and communication with provincial stakeholders in government, private sector, communities and labour through the establishment of Provincial Enterprise Advisory Council and
- Ensuring that we have a strategy that has focused attention on improving SMMEs access to relevant information through existing SMMEs support institutions among others.

To that extent, the Provincial Government, through the Department of Economic Development and Planning will endeavour to:

- ensure that there is alignment between local government economic development strategy as well as the department's;
- strengthen the support capacity of local government as regards economic development;

- support the implementation of economic development projects by local government and working with **the dti** seek to implement PROJECT KHULIS'UMNOTHO to capacitate particularly the Enkangala and Enhlazeni Districts.

As we have indicated before, we will need the collective resolve of all departments and stakeholders to implement the strategy in order to ensure that we achieve the objectives of the strategy.

Programme director, the department has set itself an objective to stimulate robust and sustainable economic growth that would lead towards the reduction of poverty, unemployment, and inequalities by 2014 in line with some of the objectives of the MDG.

In order for us to achieve all these, we have set in motion systems and processes to facilitate support and development of business enterprises. We have committed ourselves to continue to support SMMEs to participate in the export market through various development programmes that have been put in place- such as the exporter awareness campaigns and expos.

Part of our success in working with SEDA has been the number of enterprises that accessed financial and non-financial support during the past financial year.

In this financial year we undertake to ensure that:

- More SMMEs access business development support from the department and SEDA in the province;
- More retail financial intermediaries are supported in the province;
- We facilitate the establishment of more cooperatives and provide support to them

We shall do all these because we believe that it is important that the department facilitate the establishment of and supports the small businesses to ensure effective service delivery to SMMEs.

SEDA will also be supported to carry out its tasks within the framework of the memorandum of agreement that we have entered into with the agency.

In conclusion, let me thank the organizers of this important seminar for the wonderful work they are doing for the small enterprises and the communities of Mpumalanga.

We hope that everyone who is here with us today will find the information very useful and most important, make use of it. It is very important that we remember that the future of our province is in the thriving economy that benefits many and that we must facilitate support to SMMEs in order to ensure that economic growth results in more jobs.

Through properly structured business linkages, formalised to increase value chain benefits between BIG business and SMMEs we will begin to realize increased small business participation in the mainstream of the economy.

Programme Director, going back to my earlier remarks in recognition of this women's month, I would like add by recalling the noble words of President Nelson Mandela who once said, "the challenge now, for government, for women, and for men is to seize the opportunities provided by these new formal instruments, so that women can indeed play their rightful role in transforming our society, in generating sustained economic growth, in reconstruction and development.

Thank you very much for your time.

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Mpumalanga Provincial Government**