

MEC KENETSWE MOSENOGI PRESENTATION TO NATIONAL COUNCIL OF PROVINCES ON PROGRESS MADE ON INTERVENTIONS TO MITIGATE THE IMPACT OF COVID 19 PANDEMIC ON SMALL BUSINESS DEVELOPMENT.

“Progress Made on Interventions to Mitigate the Impact of the Covid-19 Pandemic in Small Business Development”

**Hon Deputy Chairperson of the NCOP
Hon Chairperson of the NCOP
Hon Minister of Small Business Development
Hon MEC’s
Permanent delegates of the NCOP
Special Delegates to the NCOP**

I cannot over emphasis what my colleagues have said on the severe economic impact of the COVID-19 and subsequent lockdown. The Covid 19 pandemic presents us with the opportunity to assess the impact of the pandemic on the society as a whole, impacts on the poor and vulnerable, impacts on small business including informal traders, SMME’s, the prevailing business environment, develop and implement mitigation measures, support measures to build the resilience of the small business sector in the country and the North west province.

- This impacts included dramatic and sudden loss or reduction in demand for products and services that SMME’s renders or provides resulting in the decline in revenue and this severely affects their ability to function.
- The short term impacts amongst others resulted in liquidity shortages due to cancellations of orders and contracts.
- Low incomes result in small business to lay off workers as they are not able to pay salaries and or reducing their work period to link payments reduced work done.
- Liquidity and cash-flow challenges making business not to meet their financial obligations leading to business failure.

Three Pillars focus

1. Relief:

- a. Relief Fund to support informal traders and smme's (R40 million and R10 million for the creative industry), Our provincial entity North West Development Corporation (NWDC) is managing the relief fund on behalf of the provincial government working with NEDBANK

REGION	INFORMAL TRADERS		SMME'S	
AMOUNT	R10 Million		R30 million	
	Target	Applications received	Target	Applications received
Bojanala	1200		300	143
Dr. Kenneth Kaunda	1000		250	178
Dr. Ruth Segomotsi Mompoti	800		200	69
Ngaka Modiri Molema	1000		200	312

- b. Advocated for 10% part payment to smme's who have been contracted by the state but due to COVID-19 lockdown they could not start the work or had to stop before completion (or completion of a specific phase) which will have allowed the smme to invoice the department
- c. Provided payment holiday on rentals targeting smme's operating in government owned industrial parks
- d. Speed up the bridging finance facility to support smme's who have been awarded to provide essential services to government and private entities.
- e. Coordinated the Provincial database of SMME's producing PPE's in the Province. Working with the provincial treasury shared with all departments and encouraged the provincial departments to procure from this SMME's of course respecting the

2. Recovery

We have during the lockdown interacted with informal traders and smme's in specific economic sectors and our engagement are still ongoing which we hope to conclude by the end of September 2020. The conclusion of our engagement will be mainly to finalise the recovery plan, in our view it must be broadly consulted, be responsive to the needs of the individual smme's, informal traders in different sectors. Our recovery

