

Government to provide R1.4bn to finance over 90,000 entrepreneurs

President Cyril Ramaphosa has announced funding initiatives for small businesses with the intention of creating jobs and growing established small businesses.



Delivering the State of the Nation Address (Sona) on Thursday, the president said the government plans to provide R1.4bn to finance over 90,000 entrepreneurs.

In addition, the government in partnership with the SA SME Fund is working to establish a R10bn fund to support SMME growth.

“Government is looking at the possibility of providing R2.5bn for the fund and for the balance of R7.5bn to be raised from the private sector,” President Ramaphosa said.

He was addressing a Joint Sitting of Parliament in the City Hall, Cape Town.

This year, the government will finalise amendments to the Businesses Act to reduce regulatory impediments for small, medium and micro enterprises (SMMEs) and co-operatives and make it easier for entrepreneurs to start businesses.

He said the licensing of the PostBank would lay the foundation for the creation of a state bank that will provide financial

services to SMMEs, youth- and women-owned businesses and underserved communities.

“As the National Assembly considers the Postbank Amendment Bill, the Postbank is reviewing its service offerings so that it can provide a viable and affordable alternative to the commercial banks,” the president said.

In an effort to address the challenge of youth unemployment, the Employment Tax Incentive has been expanded to encourage businesses to hire more young people in large numbers.

“Last year I announced that we would be seeking to reduce red tape so that we can rid our country of the unnecessary bureaucracy that often holds us back.

“The red tape reduction team in the presidency under Siphso Nkosi has been working with various departments to make it easier to do business.

“It has taken a collaborative approach, working with departments and agencies in areas such as the mining rights system, tourism transport operator licenses, visas and work permits, early childhood development and the informal sector,” the President said.

The red tape reduction team was established to improve the business environment for companies of all sizes through a dedicated capacity in the Presidency to reduce red tape.

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