**DEPUTY PRESIDENT: REPUBLIC OF SOUTH AFRICA**

Private Bag X 1000, Pretoria, 0001

# NATIONAL ASSEMBLY ORAL REPLIES THURSDAY, 20 AUGUST 2020

**(Submitted as written) DEPUTY PRESIDENT**

## 11. Mr V Zungula (ATM) to ask the Deputy President:

Whether, the 70% of government spend on established white owned businesses to the exclusion of black youth, particularly young black women who only get 30%, (a) is in line with the Government’s vision of stimulating and supporting rural and township economy through the implementation of empowerment models in building a capable State and (b) he has found that this lack of will to govern perpetuates this disparity which entrenches the existing inequality? **NO1953E**

## REPLY:

Whereas it is not evident from where the statistics cited in the question is derived from, whenever we have responded to questions in Parliament on the revitalisation of rural and township economies, we have emphasised the objective of ensuring that we transform townships and villages from labour and consumption reserves into thriving productive investment hubs that contribute to broader economic transformation of previously marginalised communities.

To achieve this, government policy seeks to bring Historically Disadvantaged Individuals and their businesses into the main stream economy. According to the National Treasury, it is not correct that 70 percent of government spend is allocated to established white owned businesses. The opposite is in fact true, where government spend has been used to transform the economy by sourcing from black-owned enterprises.

Further details on procurement by the state from these enterprises can be sourced from the Office of the Chief Procurement Officer in the National Treasury.

Failure to adequately empower women and capacitate youth compromises efforts and campaigns dedicated towards social cohesion and nation-building. In our effort to empower women and the youth, government’s approach is centred on promoting and supporting local businesses, whilst we emphasise the involvement of local communities.

The National Treasury will release statistics on these categories of business in terms of Preferential Procurement Policy Framework Act (PPPFA) Objectives at the end of September 2020 for the 2019/2020 financial year, and up to August 2020 for the current financial year. The National Treasury has commenced a process to modernise and automate public procurement system as part of strengthening the system.

This is to enhance oversight and reporting including addressing of fragmented procurement systems in the different spheres of government and entities running separate systems and insufficient standardised transactional data being centrally collected. It is intended that procurement will be better reported on including all spend across all of government by designated groups according to the PPPFA objectives frequently and regularly.

This will assist us in examining the spread of the procurement spend and categories of goods and services rendered and where possible, identify gaps and areas of the economy that requires further intervention. These interventions are critical if we are to promote inclusive economic growth and equitable employment opportunities.

This government remains steadfast in its commitment to implement legislation, policies, regulations and programmes which seek to redress the legacy of apartheid with a particular focus on black women and youth. Inequalities are indeed deeply entrenched and will require continued, purposeful action by all.

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