

**NATIONAL ASSEMBLY**

**QUESTION FOR WRITTEN REPLY**

**DUE IN PARLIAMENT: FRIDAY, 13 MAY 2022**

**1499. Ms B Mathulelwa (EFF) to ask the Minister of Small Business Development:**

**What measures has her department put in place to support small businesses in townships in order to counter the narrative that spaza shops owned and/or run by foreign nationals are taking over businesses owned by South Africans? NO1813E**

**REPLY: I have been advised by the department as follows**

The Spaza Shop Support Programme as implemented by the Small Business Development Portfolio (the Department of Small Business Development [DSBD], the Small Enterprise Development Agency [Seda] and the Small Enterprise Finance Agency [**sefa**] is linked to a broader process of value chain development within the retail space of spaza shops that are owned by South Africans. This includes the concurrent linking up of beneficiaries with wholesalers, bulk buying arrangements done through South African Spaza Support Associations, access to SMME products at wholesalers by South African-owned spaza shops through localisation efforts of the DSBD and its entities as well as the formalisation and strengthening of these South African-owned spaza shops by working with municipalities and the Banking sector.

Secondly, the DSBD has facilitated the participation of relevant public sector and private sector role-players in the development and strengthening of spaza shops that are owned by South Africans by providing access to the tools developed by these role-players. This equips South African spaza shops to become more competitive within the areas in which they operate.

Thirdly, the Department is reviewing the Businesses Act no.71 of 1991 with the intention of amending the legislation to provide for norms and standards, a common business licensing framework and better protection for South African informal traders including spaza shops. The proposed amendments would also include provisions for the Minister to issue regulations and directives necessary for the effective implementation of the Act.

In addition to the above the DSBD is assisting with the transitioning of informal spaza shops to formality by providing assistance with regulatory requirements and instruments such as company registration and compliance with tax and labour legislation through Seda. This transition allows South African spaza shops to gain access to opportunities for growth and sustainability within the mainstream economy as described under the first point above.

Through all these efforts, the DSBD can capture and record South African spaza shops into a single database that allows the state to monitor and regulate the trends within the retail space that is occupied by spaza shops while at the same time providing support to South African spaza shops as described above.

As of 31 March 2022, non-financial support was provided to 10 574 Spaza shops through Seda. Furthermore, through **sefa** we approved and disbursed funding to 5 907 Spaza shops to the value of R36 945 500.00 which facilitated 6 633 jobs.

**STELLA NDABENI-ABRAHAMS**

**MINISTER: DEPARTMENT OF SMALL BUSINESS DEVELOPMENT**