

**NATIONAL ASSEMBLY**

**QUESTION FOR WRITTEN REPLY**

**3443. Mr R W T Chance (DA) to ask the Minister of Small Business Development:**

Has she read the PricewaterhouseCoopers report on emerging companies released in Cape Town on 25 August 2015, which gives a detailed insight into the state of emerging technology-based companies in South Africa; if not, why not; if so, what lessons is she and her department taking from the report? NW4104E

**REPLY:**

The Minister has read the Pricewaterhouse Coopers report on emerging companies recently

released in Cape Town.

1. Overall, the report highlights initiatives that the department is already planning and implementing. For example, the report proposes that entrepreneurship should be taught from lower grades. This gives an impression that the authors are not aware of what government is doing in this regard. To be specific, the Department of Small Business Development works very closely with the Human Resource Development Council to implement recommendations of the Enabling Entrepreneurship Task Team, of which one of them is to introduce entrepreneurship education from Grade R to 12. This particular recommendation was approved by the Council of Education Ministers in 2014.
2. The report puts emphasis on partnerships by various stakeholders and the department agrees with this proposal. In fact, strategic partnerships with the private sector, State Owned Entities and the donor community are part of the strategic objectives of the department. As such the department has a clear plan to unblock the challenges faced by small businesses and co-operatives through implementing the following initiatives in line with the proposal of the PWC report indicated on page 97:
3. **Increase the size of the procurement pie**

The department is focusing on both the private and public sector’s procurement opportunities through using the Codes of Good Practice and the 30% set aside policy, respectively.

1. **Improve mentoring and networking structures to facilitate growth opportunities**

The department, through the Small Enterprise Development Agency (Seda), is implementing a programme of improving the quality of advice provided to SMMEs and co-operatives through a partnership agreement with Switzerland’s State Secretariat for Economic Affairs (SECO).

1. **Closing the funding gap**

The department is currently reviewing all funding instruments in order to identify gaps and improve the performance of funding institutions, in particular the Small Enterprise Finance Agency (sefa).

1. **Rapid implementation and follow-up execution by Government**

The department agrees with this recommendation from the PWC report and further states that additional budget would enable the department to move with speed in upscaling its plans.

1. **Our history allows for increased entrepreneurial opportunity**

The department has a bias towards rural and township enterprise development and this focus would allow for more previously disadvantaged entrepreneurs to participate in the economic mainstream.