

**NATIONAL ASSEMBLY**

**QUESTION FOR WRITTEN REPLY**

**DUE TO PARLIAMENT ON FRIDAY, 22 MAY 2020**

**757. Mr M G E Hendricks (Al-Jama-ah) to ask the Minister of Small Business Development:**

**(1) With reference to the total number of 16 000 applications which were received from businesses that applied for the Covid-19 Relief Fund of which 600 loans were granted, what are the names of the companies that received the 10 highest loans in each province;**

**(2) what number of (a) stores were saved and (b) new jobs does her department envisage will be created;**

**(3) (a) what number of applications for the Covid-19 Relief Fund were received from each metropolitan area and (b) how did her department go about in aligning the granting of loans to the hardships caused by the Covid-19 pandemic;**

**(4) whether it was not possible to grant smaller loans so that more of the 16 000 applicants could benefit; if not, why not; if so, what are the relevant details;**

**(5) what plans does her department have in place to assist the remaining 15 400 applicants, where the companies are either on the verge of closing down or in dire need of start-up funds? NW959E**

**REPLY:**

1. The amount of loans approved for SMMEs ranged from as little as R13 200 to R500 000. The applicants had applied for salaries, rent and utility payments. Due to the Protection of Personal Information Act (POPI), we are unable to share the details of the companies that received the highest loans in each province.
2. (a) We have recorded to date with respect to clients that have signed legal agreements with **sefa** R53 million in the wholesale and retail trade: repair of motor vehicles, motor cycles and personal and household goods; hotels and restaurants sector. Generally, the retail stores would be included in this category. There were 154 SMMEs in this category and 1,533 jobs were maintained.

(b) It is not possible to create new jobs in this current situation. All businesses are locked down. We can only maintain jobs and possibly create them after the lockdown period has been lifted.

1. a) The information was captured per town and not according to metropolitan area.

b) We created a scorecard, which sought to pre-qualify SMMEs based on the criteria that was established for COVID-19 Business Relief applicants. Based on the output of the scorecard, the SMME will be approved.

1. The loans are meant to provide relief to businesses, which are experiencing difficulties during the COVID-19 lockdown period. As the period of the lockdown was not known, it was decided that we provide 3 months relief depending on the circumstances of each applicant which has now been reduced to 2 months to try and cover as many people as possible. With respect to consideration to provide smaller amounts, this would have invariably not provided the required relief to some of the businesses. There are businesses that carry huge monthly costs, i.e. rent, salaries, and utilities, in excess of R100,000, which could not be satisfied by providing a fraction of their costs to cover their total cost structure. We hereby submit that all possible means were made to spread the rand evenly to accommodate as many SMMEs as possible.
2. The ability of the institution to provide further loans to the remaining SMMEs, which have not been provided with loans under the COVID-19 Business Relief Fund, depends upon receiving appropriate allocation for this purpose. Just to emphasise with the Relief Funds that are being provided are not start-up funds but are for existing businesses to assist them to pay operational costs for few months