**National of Assembly**

**Question No: 886**

**886. Mrs M O Clarke (DA) to ask the Minister of Transport:**

1. Whether his department will offer any form of Covid-19 financial or other relief to small businesses; if not, why not; if so, what are the relevant details;

**Response**

It is unquestionable that the Covid-19 pandemic has brought about and at some point exacerbated the challenges faced by the country and the world in totality. Thus, it is necessary that integrated solutions are found and implemented to navigate through the Covid-19 virus and its impact to the overall society. As such the South African Government is providing leadership by putting in place the integrated mechanisms to help to directly and indirectly deal with this unprecedented pandemic and its impact to the economy. This is exhibited by stimulus package announced by our President and is further unpacked below.

In general and currently, the Department is not intending to create a special Covid-19 financial relief fund for small businesses in the transport sector because these entities registered through the Companies and Intellectual Property Commission (CIPC) are eligible and qualify to apply to existing Government Covid-19 relief programmes. However, the Government will, through the Department of Small Business Development (DSBD) provide relief to all SMMEs. This financial relief is provided through the R500billion Covid-19 relief financial interventions highlighted in the preceding paragraph. It is intended to provide business owners particularly of small enterprises with funding or payment relief and opportunities to help them navigate and thrive through this tough time.

These programmes are and not limited to:

* Unemployment Insurance Fund (UIF) Covid-19 relief fund is to benefit all employees and employers including small enterprises functioning within the transport sector. This is an emergency relief for employers to be able to pay employees who have been temporarily laid off as a result of the COVID-19 lockdown measures;
* The Department of Small Business Development (DSBD) Covid-19 relief fund is for businesses, which are negatively affected, directly or indirectly, due to the Coronavirus pandemic. It is important to note that the creation and existence of this Department is to put in place mechanisms that will create an environment in which small enterprises across the economy of South Africa inclusive of the transport s sector operate in a fair and conducive environment;
* The DSBD Business Growth Resilience Facilities is for enterprises geared to take advantage of supply opportunities resulting from the Coronavirus pandemic or shortage of goods in the local market.
* SMME Relief Finance Scheme. This is a soft-loan funding for businesses negatively impacted by the COVID-19 virus for all businesses with a turnover of less than R300 million; and
* Small Enterprise Finance Agency (SEFA) Debt Restructuring is for businesses that are currently Sefa-funded are able to apply for a moratorium on loan repayments if the COVID-19 virus has negatively affected them.

An exception is with the Taxi Industry as you are all aware that it provides public transport for approximately 60% of passengers. As part of the relief measures for small businesses in distress, taxis financed by the National Taxi Finance administered by SEFA will be granted a 3 months repayment holiday. The dire effects of the lockdown on the taxi industry is noted and intergovernmental consultations on a Taxi Industry Relief Efforts are at an advanced stage. The Departments of Transport, Small Business Development, Employment and Labour, Trade Industry and Competition as well as National Treasury have agreed to support the industry and are currently looking at various modalities of assistance. At the time the lockdown was declared, we were in the process of finalizing our plans for the hosting of the National Taxi Indaba, which will be held sometime later this year. The aim is to address a number of critical economic issues confronting the industry. Among the key issues to be considered by the Indaba is a sustainable economic empowerment model for the taxi industry. This will include a public transport-funding model, which must include a possible subsidy regime, in which the taxi industry is a full participant. It is of paramount importance to note that the SANTACO, the governing structure of the taxi industry in the country under the governance of the Department, announced a R3.5 billion relief funds to help cushion the industry through the Covid-19 pandemic.

In view of the above Government interventions, it is important for Government to pool limited resources to ensure most enterprises are cushioned through these tough and unprecedented times. All Government interventions should aim towards providing integrated Covid-19 financial reliefs. In addition, it is vital to avoid duplicating efforts and ensure that double dipping by individuals and enterprises is avoided at all cost. Secondly, the Department will continue to support efforts of creating a conducive environment for small enterprises in the transport sector. Thus, the legislation of Government including the Broad-Based Black Empowerment (B-BBEE) Act 53 of 203 as amended will be applied to help small enterprises and to facilitate transformation of the transport sector. I must acknowledge that not all these Covid-19 virus relief funds may be enough. In the next phase, Government must look at options to increasing these financial support mechanisms to rebuild and stimulate the economy.

(2) whether the Covid-19 financial or other relief will only be allocated to qualifying small businesses according to the Broad-Based Black Economic Empowerment Act, Act 53 of 2003, as amended; if not, what is the position in this regard; if so, (a) on what statutory grounds and/or provisions does he or his department rely to allocate Covid-19 financial or other relief only to small businesses according to the specified Act and (b) what form of Covid-19 financial or other relief, if any, will be made available to other small businesses?

**Response**

For more details, see question 1 response above. Of course, my Department would like to emphasize that the Constitution of the Republic of South Africa and supported by laws such the B-BBEE Act will be implemented to create an inclusive growing economy and to transform the transport sector particularly the aviation, road freight and maritime industries. The Covid-19 crisis provides an opportunity for the Department to work towards speeding-up the process to re-instituting the Transport Sector B-BBEE Council to facilitate transformation of the transport sector so that equal opportunities are created for black women, black people with disabilities and black youth. The process to re-institute the Council is at the advance stage. The Council will spearhead the implementation, monitoring and evaluation of B-BBEE and transformation in the transport sector. It is important to note that Government will not compromise the provision of the constitution and will continue to ensure compliance to relevant legislation.

Let me take this opportunity to provide my total support to my colleague, the Minister of Tourism, Ms Mmamoloko Kubayi-Ngubane in support of the Black Business Council for implementing the B-BBEE Act 53 of 2003 as amended even though there are some distractors in the country. The intention of this Government is to achieve the envisioned 2030 goals set by the National Development Plan that 9 out of 10 new jobs will be generated by micro, small and medium businesses. Hence, all our efforts should make use of every opportunity inclusive of the Covid-19 crisis to transform the overall economic society of South Africa and create a conducive environment for micro, small and medium enterprises to help or economy.