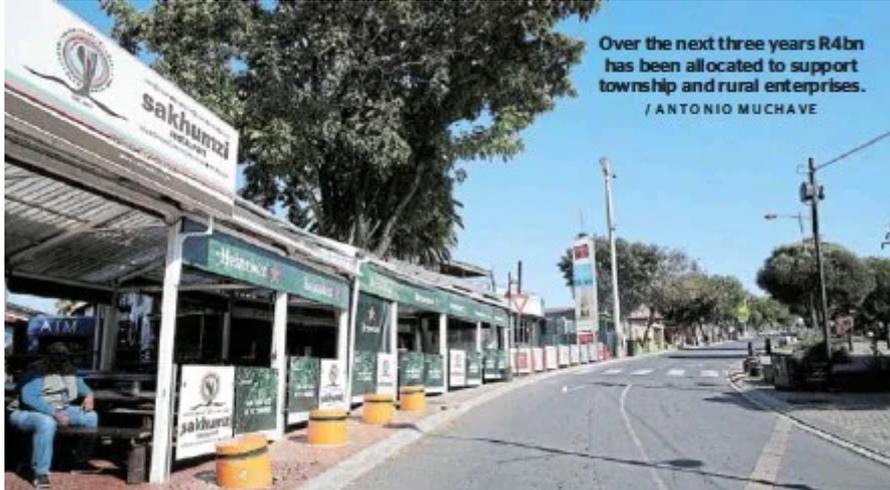


Lick the wounds and keep fighting

State urged to make good on budget promises

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Budget swells warchest to sustain the assault on coronavirus while administering doses to get a ravaged economy steady on its feet



The business community has welcomed finance minister Tito Mboweni's increased support

small' for enterprises but called for more urgency in implementing the plans.

Yesterday Mboweni announced that the department of small business development will get R4bn over the next three years to support township and rural enterprises. This is part of the government's efforts to rebuild the economy battered by the Covid-19 pandemic lockdown.

Mboweni also announced that R540m would be set aside for the establishment of the Tourism Equity Fund to support the sector's recovery. The fund will enable black businesses to acquire stakes in other enterprises, support expansion of existing tourism business and development of new ones.

Another boost to business was the commitment that the government would finalise 1,409 land claims at a cost of R9.3bn. Land Bank has been allocated R7bn to help it service its debts after it defaulted on its loans last year.

Mboweni said Land Bank "plays a significant role in social and economic development by advancing loans in the agricultural sector".

CEO of the Tourism Business Council of SA (TBCSA), Tshifhiwa Tshivhengwa welcomed the support for the sector.

"We need to wait for the detail of the budget. At this stage what we have is a high-level announcement... As a sector we have welcomed the establishment of an equity fund but it is not a recovery fund... Those black entrepreneurs that want to get into business or buy more stakes elsewhere should be able to use that fund."

Tshivhengwa said the government still needed to reconsider its lockdown regulations as they are hampering the recovery of the sector.

“We need regulations to be less strict in terms of start and stop. We don’t have much room due to the curfew and the limit on alcohol sales. We should never do that again. We do not need to be doing those types of things, they are not conducive for growth,” he said. TBCSA estimates that the tourism sector has shed 300,000 jobs due to the lockdown.

Black Business Council CEO Kganki Matabane welcomed the support for small business but said Mboweni could have said more on the public procurement bill. “We want public procurement to be used to grow the economy. The minister mentioned the bill but did not put a timeline. This is not helpful because if there is not timeline it could be next year or any other time,” Matabane said. He lauded the government for giving money to Land Bank. “This is important for us because currently when you go to the Land Bank, they tell you there is no money. This money should help to ensure that black farmers, emerging farmers and young farmers are able to get funding,” Matabane said. He said economic recovery could only be achieved if the government implements all its plans as promised.