



the dtic

Department:
Trade, Industry and Competition
REPUBLIC OF SOUTH AFRICA

THE NATIONAL ASSEMBLY

QUESTION FOR REPLY

QUESTION NO. 2106, EXTENSION OF ORAL REPLY

Mr S H Mbuyane (ANC) to ask the Minister of Trade, Industry and Competition:

Noting that the Competition Commission released their report on measuring the levels of concentration in the South African economy in November 2021, wherein it was recommended that considering the financial constraints of the Government in funding small-, medium- and micro-enterprises, the Government should ensure that the private sector financial institutions close that gap and fund small businesses owned by previously disadvantaged individuals, particularly those in the agro-processing and manufacturing sectors, what measures has his department adopted to date to ensure the implementation of the specified recommendation? NO2383E

REPLY

The findings of the Competition Commission report are taken up in a number of ways. They include the following:

1. Market Inquiries/investigations in terms of the Competition Act.
2. Considerations applied during the assessment of merger applications.
3. Support for SMMEs through financing packages.
4. Measures to strengthen the competitiveness of smaller firms.
5. Promotion of supplier development funds and partnerships.
6. Measures in masterplans.

the dtic and its entities, the Industrial Development Corporation (**IDC**) and National Empowerment Fund (**NEF**) offer a range of funding instruments for the support of SMMES as grants and loans.

the dtic provides support to emerging exporters, to show-case their products at international exhibitions, funding to develop emerging black film makers through the Film and TV incentive as well as emerging black aquaculture farmers.

Other cost-sharing grant funding is available to SMMEs operating in the research and development field . The funding for these incentives is structured to encourage collaboration between industry and academia that will result in the development of pioneering prototypes ready for commercialisation.

A recent report to the Portfolio Committee highlighted the work of the dtic-group on township economies.

Additional resources are mobilised through supplier funds, such as:

- i) Shoprite establishing a R350 million development fund to develop independent retails, spaza shops, micro caterers and micro farmers.
- ii) Heineken to establish a R400 million Supplier Development Fund, and procure R4.7 billion from Historically Disadvantaged Persons.
- iii) Pepsico has made R300 million available as a development fund to develop the capacity of emerging farmers, R100 million contribution for enterprise development and R200 million for educational programmes in partnership with universities.
- iv) Coca-Cola has contributed R240 million to a localization fund and will increase volumes of sugar procured from black sugarcane farmers.
- v) Implats will contribute R50 million for regional enterprise development that will benefit women and youth owned businesses.
- vi) Mediclinic will for a period of five years will ensure procurement of R2.5 billion from small and black owned enterprises.

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