



Member of the Executive Council
Economic Development, Tourism and Environmental Affairs
FREE STATE PROVINCE

Deputy Minister of Trade and Industry: hon. Elizabeth Thabethe
Director General of Trade and Industry: Mr Lionel October 12, 2011
Private Sector and academic institution partners
Government officials
Members of the Media
Ladies and Gentlemen

Deputy Minister, we are indeed honoured to have this opportunity of hosting the DTI Annual Small Business Summit 2011. The Summit is appropriately themed propelling Small Micro and Medium Enterprises support as an engine for growth and employment.

This is line with the focus on job creation in President Jacob Zuma's 2011 State of the Nation Address. The Government has committed to making employment creation the main criterion for economic policy. The New Growth Path acknowledges that the recovery of economic growth between 1994 and 2008 did not lead to an adequate reduction in unemployment and inequality or mitigate the emissions intensity of growth.

In order to promote economic development enablers and barriers must be addressed. Micro economies are all too often overlooked in the search for major economic stimulus, lessons learned clearly indicate that the role of the small, Micro and Medium Enterprises is very vital in the overall economy and can be a significant enabler for inward investment. Economies across the world have looked at small to medium enterprises to curb unemployment.

The Free State government, while tackling economic growth and unemployment, is faced with the task of fast tracking the economic emancipation of previously disenfranchised man, women and youth of the province by creating an environment for building sustainable businesses. We have taken initiatives in the past to develop SMMEs, some of these businesses development initiatives includes a strategic involvement with the Flemish Government, the ILO, the LED programme initiated by the Free State University and the setting of business support structures in all the municipalities to assist SMMEs. Despite all these initiatives, sustainable businesses are still not a true statistical representation of demographics and psychographics of the Free State Province, which is mirror image of the national phenomena of business ownership. The challenge to move the previously disadvantaged from a consuming sector is further enforced by unequal distribution of resources, government procurement policies, inaccessible grants, traditional funding models, lack of business skills, inability to identify and maintain sustainable competitive advantage, lack of meaningful support and mentorship programmes and access to profitable markets to mention a few factors.

OFFICE OF THE MEC

34 Markgraaf Street
Bloemfontein 9300

Website:
<http://www.detea.fs.gov.za>

Private Bag X20801
Bloemfontein 9300

e-mail : malakoanem@detea.fs.gov.za

Tel. +27 51 400 4904/4703

F ix. +27 51 400 4709

It is estimated that the failure rate of small medium and micro enterprises is between 70% and 80%. Millions of Rands are being lost in business mentors because of essentially avoidable mistakes and problems. It is maintained that often the ideas are good and the people behind them are competent, but they do not have a clue of how to run a business and have no underlying appreciation a business fundamentals. Problems encountered by small businesses are numerous and can be described amongst others as being environmental, financial or managerial in nature.

It is for this reason that I believe measures of intervention must be informed by this reality and pursue realistic methods of SMMEs development that must target specific sectors and businesses that are likely to grow and survive. Therefore, a wholesale approach will never succeed.

If we focus on the following, we might be able to reduce the levels of failures and create new job opportunities in the process e.g.

1. Hook at the provincial and municipalities tender award patterns and whether they support SMME growth
2. Review current SME support programmes and introduce fresh and effective interventions.
3. An implementation plan that will be facilitated by an experienced business consultant.
4. Put in place monitoring and evaluation mechanisms to change impact from time to time.
5. Link to access profitable markets.

The Free State's Vision 2030 has identified seven pillars, which together will improve the quality of life in the province. On the pillars points out to the globally – competitive private sector, which will reflect large, medium and small enterprises driven by innovation, creativity and entrepreneurship.

Programme Director it is my wish that this Summit can draw inspiration from one of the greatest entrepreneurs the world has known in recent times. Steve Jobs the former Chairperson of Apple who unfortunately passed on last week, this is a man who was fired by his own company only to be employed a few years later.

Steve and his business partner Woz, started the Apple Company in the garage of his parents when he was 20 years and in ten years the company had grown from just 2 of them in a garage into \$2 billion, 4000 employees. What should inspire all of us from him is particularly the speech he delivered at the Stanford University in 2005. He said “I didn’t see it then but it turned out that getting fired from Apple was the best thing that could have ever happened to me. The heaviness of being successful was replaced by

the lightness of being a beginner again, less sure about everything. It freed me to enter one of the most creative periods of my life. I am pretty sure that none of these would have happened if I had not been fired from Apple. It was awful fasting medicine but I guess the patient needed it." The most important part of Steve's speech is when he says, "if you live each day as it is your last, someday you will be certainly be right." What we need to ask ourselves at this point in time is, "if this was the only and the last opportunity I have to make a difference and turn my fortunes around what would I contribute to this summit?"

A great friend of mine sent me this message this morning. I asked God, "how do I get the best out of life?" God said: "Face your past without regrets. Handle your present with confidence and prepare for the future without fear."

Ladies and Gentlemen please join me in welcoming our Deputy Minister of Trade and Industry and invite her to address us.

I thank you