

DIALOGUE BETWEEN FOREIGN NATIONALS AND LOCAL TRADERS

ADDRESS BY MEC MOSEBENZI ZWANE

VENUE: PRESIDENT HOTEL

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PROGRAMME DIRECTOR

TOWNSHIP TRADERS

DIFFERENT BUSINESS ASSOCIATIONS

MEMBERS OF THE MEDIA

LADIES AND GENTLEMEN

Last week the nations of the world commemorated 25 years of the release of President Nelson Mandela from prison and the unbanning of liberation movements. His ideals have changed the world, especially South Africa and we will always draw from them to make our country even better. In the honour and memory of this great statesman revered the world around as a vital force for in the fight for human rights and racial equality we should uphold the ideals he lived for- reconciliation, social cohesion and nation building.

Programme Director in our celebration of the 60th Anniversary of the Freedom Charter, the Government has declared the year 2015 “The Year of Freedom Charter and Unity in Action to Advance Economic Freedom. It is the year of going the extra mile in building a united, democratic, non-racial, non-sexist and prosperous South Africa.”

Our initiative today takes courage from the principles and values borrowed from the wisdom and magnanimity of the Freedom Charter, a timeless monument of courage, nationhood and justice which was authored by all our people, black and white. We must continue to build understanding, tolerance and reconciliation, and together fight racism, tribalism, Afrophobia, xenophobia, homophobia and all related intolerances.

We further want this dialogue today, to form a firm foundation for our preparation for Africa Month to be celebrated during May this year. During this time all South Africans are called upon to embrace our compatriots across mother-Africa, and the Diaspora.

The theme for this month-long celebration of our Africanness will be - "WE ARE AFRICA – opening the doors of learning and culture from Cape to Cairo".

Programme Director, this dialogue today should elicit deep from within us, the values of commitment to fellow human beings and brotherhood. We should, among others work together towards ;

- Restoring and anchoring values enshrined in the Constitution, including respect for human rights and accepting accountability for one's being and actions.
- Respect human dignity and equality
- Improve material well-being and economic justice

Ladies and gentlemen, Small Businesses and township businesses are critical for local economic development. We also have to acknowledge that Foreign traders have also become an integral part of this equation.

The available body of research indicates that the pre-2000 landscape of South Africa's township business was dominated by small, mainly informal businesses referred to as *spaza* or tuck shops. Research made shows that there is a need for this business to be attended to or given the attention it deserves.

Speaking during the state of the nation address last year President Jacob Zuma said; "Over the next five years, we will prioritise support to small business, as well as township and informal sector businesses in particular, thus using the SMME development programme to boost broad-based black economic empowerment."

On Thursday President said, "Small business is big business. Government will set-aside 30% of appropriate categories of State procurement for purchasing from SMMEs, co-operatives as well as township and rural enterprises."

In support of the President, Premier Ace Magashule said during the State of the Province Address, "Hon Speaker, this term of government must give effect to our undertaking to achieve radical economic transformation through;

- A sustainable inclusive economic growth rate for the Free State;
- Much higher levels of employment creation and
- A more rapid reduction of inequality, including de-racialization of the economy.
HA RE HLASELENG BOFUMA LE TLHOPEHO."

Ladies and gentlemen there is no doubt therefore that the Government has made commitment to support to small business particularly township trade. It is in your hands. I am sure that you will agree with me when I say we do not have the luxury to quarrel and finally end up fighting over the source of all our survival.

We may not agree on certain principles and issues but we agree that we find ourselves in the situation we are, both local and foreign traders not because of our own making. Our socio economic and political circumstances have placed us where we are as informal and survivalist business. This is our livelihood. We have to find each other and co-exist lest we all perish. I call on all involved, particularly our local traders to “Know their area and claim their space”

To respond to some of these challenges, the Free State Government came up with a very progressive programme, “Jwale ke Nako ya Kotulo” aimed at the smallest business in our township, taxi ranks, pavements, backyards and garages.

The Micro Enterprise Support Programme seeks to eliminate red tape and ease the entrance of township businesses into the economic safety net. It is further aligned to the objective of government which is high economic impact projects for long term sustainable results whilst supporting and uplifting informal and micro enterprises. More than 300 businesses have been assisted with financial and non-financial support through this programme around the Free State.

Programme director, the recent past our Country, the Continent has witnessed some of the most abhorable incidents all in the name of survival. Businesses belonging to Bangladeshis, Pakistanis, Somalis and Ethiopians were attacked and looted. Whilst the criminal element took advantage of a very unfortunate incident, local traders accuse the foreign counterparts of ‘stealing’ their livelihood.

Foreign traders among others are accused of the following;

- Selling cheap and outdated goods
- “Boxing” local traders between their businesses
- Unregulated trade
- Not abiding with municipal by laws like health prescripts
- Violating banking and Tax laws
- Not employing local and
- Exploiting their landlords

On the other hand , the foreigners' successes is attributed to:

- They understand the market, therefore respond to the daily needs of their customers, resulting in better packaging and extending credit where needed
- They are better stocked.
- They take the trouble to get to know their consumers.
- They open longer hours.
- They buy in bulk so that they get discount.
- They work together and have one big supplier.
- They help each other if they are short of products and transport all goods together.

Having said that, I am confident that our local informal traders can benefit from the business experience, knowledge and skills of their foreign counterparts, if they can find a way of working together. We need to unite to create jobs and end violence today.

Spaza shops account for 9.2% of home-based employment, according to figures from Statistics South Africa, and are a significant contributor to township livelihoods. The researchers say that "foreign shops appeared to have positioned their business to compete directly with established South African businesses".

The National Informal Business Upliftment Strategy (NIBUS) which was developed in 2012 and 2013 seeks to uplift informal businesses and render support to local business associations and municipal Local Economic Development offices to deliver and facilitate access to upliftment programmes. The strategy says government should help SMME's with infrastructure, financial and non financial support services which is something that my department is currently doing.

For the strategy to realise its objectives, there must be cooperation between, DESTEA, Department of Trade and Industry (dti), municipalities particularly in relation to Local Economic Development (LED), COGTA and Business Associations.

Ladies and gentlemen, all this in conclusion bring us to important requirement of survival - know their area and claim the space. Be the first ones to take an initiative, take opportunities where available and begin to be the drivers of economy in your province. Working together we can turn around the economic landscape of the Free State Province.

I conclude by calling all of us here in joining me in saying the African Union Anthem as a new beginning in building the Africa that we all will be proud of.

African Union Anthem - Let Us All Unite and Celebrate Together

Let us all unite and celebrate together
The victories won for our liberation
Let us dedicate ourselves to rise together
To defend our liberty and unity

O Sons and Daughters of Africa
Flesh of the Sun and Flesh of the Sky
Let us make Africa the Tree of Life

Let us all unite and sing together
To uphold the bonds that frame our destiny
Let us dedicate ourselves to fight together
For lasting peace and justice on earth

Let us all unite and toil together
To give the best we have to Africa
The cradle of mankind and fount of culture
Our pride and hope at break of dawn.

God Bless Afrika!!!!

I thank you.