

## **SPEAKING NOTES**

### **2020 SMART PROCUREMENT CONFERENCE**

**BY: MEC MAKALO MOHALE**

**DATE: 26 FEBRUARY 2020**

**VENUE: UFS**

**Programme Director  
HOD Dr. Mbulelo Nokwequ  
CEO of Smart Procurement  
Invited Guests  
SCM Practitioners  
SMMEs  
Government officials  
Members of the media  
Ladies and gentlemen**

Programme director, ladies and gentleman, we are gathered here today a day after the Premier has delivered the state of the Province Address where once again the determination of government to support SMMEs has been emphasised. This emphasis emanate from the ruling party`s pronouncement on its priorities for the 2020/21 financial year. Focus is placed on Investment, Jobs and inclusive Growth. The most direct and effective way to reduce inequality is to create employment and economic opportunities, particularly for young people and women. We reiterate that the creation of jobs is at the centre of our economic Agenda and it must remain the central priority for 2020”

We are the first to admit that too many people are unemployed, particularly among the youth and too many jobs are lowly paid and insecure. This is the product of economic exclusion as a result of discriminatory and oppressive practices of the white minority capital.

Programme director, many SMMEs do not survive long after their establishment. This could be attributed to various reasons. One of many challenges faced by SMMEs in the Free State is access to markets and while we can assist with funding and other support, we often don’t have enough available resources to provide the enterprises with leads they are looking for. The platform we have created today allows the ‘buyers’ from the

public and private sector to meet the SMME sellers in a highly interactive environment. It also provide SMMEs with a platform to meet suppliers with practical solutions to business growth.

Some of the objectives of this Procurement Conference are to assist participants and delegates with;

- How to do business with the Free State government and private sector
- SMMEs to secure contracts on site
- Networking opportunities
- SMMEs to meet procurement buyers
- SMMEs to have arranged meetings
- SMME to SMME link

Ladies and gentlemen, during 2020/2021 State of the Nation Address President Cyril Ramaphosa said, “to create a larger market for small businesses, we plan to design 1000 locally produced products that must be procured from Small, Medium and Micro enterprises.” This is a huge step in the right direction by government to ensure SMME development and sustainability.

Skewed procurement patterns in our country create a battlefield for survival. The scale of inequality and exclusion in South Africa is an important challenge that needs to be confronted. It cannot be business as usual when after 25 years since democracy, the black majority still remains largely outside of the mainstream economy.

One of government`s interventions in the drive to create conducive procurement environment is the Public Procurement Bill which will compel government departments to sub-contract a minimum of 30% of all contracts above R30 million to SMMEs. This is radical economic transformation and it should benefit the majority. The playing field should be levelled.

Programme director, buying or procuring locally by government, private sector and individually is very critical to the economic growth of this country and it should be

encouraged at all times. Procuring from SMMEs by big business is not a social responsibility programme, it is a business imperative.

Ladies and gentleman, there is no reason what so ever, why we cannot throw an economic life line to our SMMEs. In this province we have 23 local Municipalities and one Metro made up of 82 towns and 10 provincial departments as well as 28 national departments with footprint in the province. Provincial departments alone have a total budget of R6. 9 billion per annum. All these exclude the buying power of private sector ranging from retail, manufacturing, agriculture, mining, financial sector, transport, hospitality, energy, ICT, creative industry as well as academic institutions. The provincial government regularly procures goods and services which assist in day to day operation of the government. These include, but are not limited to:

- Construction material
- Crookery and cutlery
- Refuse plastic bags
- Cleaning material and detergent
- Fuel
- Animal Feed
- Toilet and disposal paper
- Linen and towels
- Service of fire extinguishers
- Laundry services/equipment and
- Uniform and protective clothes
- Repairs and maintenance infrastructure
- Travel and accommodation
- Communication

This is more than enough to sustain SMMEs in the Free State.

SMMEs however, have to raise their game in order to have access to this budget. They have to ensure that they become professional, they produce products of high quality which can compete locally, nationally and internationally and are priced competitively

In our quest to provide markets for SMMEs, this year we have brought along 15 winners of our now popular Tabalaza Pitching Programme to the conference. We expect some of Supply Chain Management Practitioners, buyers and participants to take keen interest into enterprises, services and products.

This way, SMMEs will receive the right tonic towards sustainability. We would like to look back within the shortest possible time with pride at the fruits of the seeds we are planting today. We do not expect you to disappoint us in this endeavour.

This is one of our commitment to transforming The Economy To Serve The People.

**I THANK YOU**