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PROCEEDINGS OF THE NATIONAL ASSEMBLY MINI PLENARIES

Members of the mini-plenary session met at Committee Room M46 at 10:00.

The House Chairperson, Ms Z Majozi, took the Chair and requested members to observe a moment of silence for prayer or meditation.

APPROPRIATION BILL

Debate on Vote No 36 - Small Business Development:

The MINISTER OF SMALL BUSINESS DEVELOPMENT: Hon House Chairperson, Ministers and Deputy Ministers present, members of the Portfolio Committee on Small Business Development Director-General and senior managers of the Department of Small Business Development board members and executives of Sedfa, distinguished guests, ladies and gentlemen, fellow

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South Africans, my dear princess up there, Sinako Ndabeni, fellow entrepreneurs, good morning.

2026 is a special year in the South African calendar. On 16 June 2026, we will commemorate 50 years since the 1976 Soweto Uprising, which profoundly changed the country's socio-political trajectory and set in motion processes of mass mobilisation which ultimately brought the apartheid state to its knees.

On 9 August, we will also commemorate 70 years of the Women's March - a defining moment in the anti-apartheid struggle - in which more than 20 000 women marched to demand the repeal of the Pass Laws, on a slogan, "You strike a woman, you strike a rock". We owe our political freedom to those youth and women. It is incumbent on us as today's leaders to ensure that this political freedom translates into economic freedom, especially for youth and women who bear the brunt of unemployment and inequality.

It is also 30 years since we adopted the Constitution of the Republic of South Africa, which laid the foundation for dignity, equality, freedom, and economic participation for all

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our people. Budget Vote 36 gives practical expression to Section 22 of the Constitution which guarantees freedom of trade, occupation and profession. It is about expanding opportunity, restoring dignity and building an economy in which every South African – emphasis, South African – regardless of geography, gender, age or social background can add value and participate meaningfully.

The National Development Plan, NDP, is clear that growth and jobs will come from small enterprises – just under 90% of new jobs and upward of 60% of new economic value. The evidence is clear: Small enterprises are the largest employer in this economy. They are the entry point into economic participation for the majority of South Africans. They are where first-generation entrepreneurs build generational wealth. They are where transformation happens.

As the DSBD portfolio, we have a target of supporting one million MSMEs and co-operatives in this seventh administration. I must say we are on track. During the past financial year, we supported 288 123 MSMEs, with 117 134 enterprises receiving financial backing and 170 989

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enterprises benefitting from non-financial intervention and development.

Hon members, we meet at a time of global uncertainty. Geopolitical tensions, supply chain disruptions and rising costs continue to reshape the global economy. These pressures are felt most acutely by small businesses, farmers and entrepreneurs across our towns, townships and rural areas. This reality reinforces a simple truth. We must build a resilient locally anchored economy capable of withstanding external shocks.

At the same time, disruptions bring opportunities for entrepreneurs who provide innovative solutions to the challenges we face. I see this everyday as I interact with entrepreneurs from the dusty streets of Kuruman to the industrial heartland of Ekurhuleni. Today I will speak largely to numbers, to what we have achieved, what we are planning and the budgets we have allocated. However, behind each of these numbers is a South African entrepreneur.

I wish I had more time to introduce you to the entrepreneurs that we serve. As many do not believe that we do serve

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entrepreneurs. I will just touch on two, Ms Mahapa Raisibe Matlhako, who runs a wholly black, youth and woman-owned manufacturing company in Robertsville, in Roodepoort.

She manufactures personal hygiene products, soap, health and wellness items with an uncompromising commitment to quality and safety. She is currently a private label manufacturer for Boxer Super Stores producing three types of soap. Try it, hon members, so that you can support a small business.

However, fulfilling a contract at national retail scale requires capital that a young black woman manufacturer, however talented, could not access. The Sedfa stepped in through its Small Enterprise Manufacturing Support Programme, providing R13,8 million, which helped here to create 32 new jobs. That is not just enterprise development; that is supply chain transformation. This is what a young woman in Roodepoort is delivering – with Sedfa behind her.

Hon Members, allow me to also mention Ms Thenjiwe Tsabedze, a black woman who acquired the Protea Hotel in Mahikeng and renamed it to Indalo. Indeed, the new owner is a black woman entrepreneur, backed Sedfa and other financial institutions to

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the tune of R80 million. I must say, this is not a small moment.

A black woman now holds the title deed to a property that, under a different political order, she could never have entered through the front door. Now she signs the contracts. Now she sets the vision. Now she employs the staff and shapes the guest experience. I wish I had time to share many of these good stories because there are many of them.

This financial year is anchored around our priorities that we have articulated in this House: A five-year term of government which represents continuity, building from what I tabled last year. We continue with reforms to reduce red tape and improve the ease of doing business. We commend the Minister of Finance for increasing the compulsory VAT registration threshold from R1 million to R2,3 million. This is a major victory for small businesses across the country.

This will ease the cost of doing business for MSMEs, as continually pushed by His Excellency President Cyril Ramaphosa. In his opening address at the recent national LED

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Summit which we hosted with Salga and Cogta, he said, and I quote:

MSMEs must not be burdened by long winded administrative processes. MSMEs just want to trade and must be allowed to trade. They must not be taken from pillar to post to register or licence their businesses. We must make it easy to start and operate a business.

This year our Department of Small Business will introduce a one stop shop digital platform for business licencing, giving effect to what the President has directed us to do. We will continue pushing for reforms. Five of the 25 pieces of legislation will be dealt with in this financial year, working with the departments that are responsible for those pieces of legislation. We continue to reduce administrative burdens to MSMEs.

We have finalised consultations on the Business Licensing Bill and will soon bring this Bill before Parliament and the NCOP. While we wait for Parliament to finalise the appointment of the Small Enterprise Ombuds, we have appointed minimum staff

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in the ombuds office and have established a complaint register.

Entrepreneurs continue to play a critical role in South Africa's townships and rural areas, despite the many constraints they face, including access to finance, security concerns, the lack of business infrastructure and competition from illegal foreign owned businesses and large retailers and supermarkets encroaching on local markets.

To support township and rural enterprises, we have developed the Township and Rural Economic Development and Revitalisation Policy. We will also be scaling our offerings as the DSBD portfolio for Township and Rural Entrepreneurship Programme, Trep, building on the successes of 2025-26 where we disbursed more than R829 million to over 111 000 MSMEs through the Trep. The funding limit of Trep, which used to be R1 million has now been increased to R3 million to broaden access and deepen impact. This year we have allocated R710 million.

Another significant intervention we are making in the township and rural economy is that of Asset Assist Programme. Members know that it is a grant-based intervention to support small

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and micro enterprises which cannot afford to take on debt with productive assets, equipment, machinery and operational capability. Last year we supported 938 MSMEs to the value of R190 million. This year we have allocated R215 million to provide a minimum of 860 MSMEs.

The Informal and Micro Enterprise Development Programme, IMEDP, provides equipment and productive assets to informal micro enterprises. Last year, we are pleased to report that we supported 2 940 beneficiaries. This year we plan to support 3 000 micro enterprises with an allocation of R53,5 million.

Our Spaza Shop Support Fund, which we implement together with the DTIC, supports spaza shops with stock acquisition, formalisation, compliance and operational sustainability. To date we have supported 1 316 to the fund to the value of R79,6 million. This year we will exhaust the budget with the balance of R70,4 million as we have allocated R150 million to the fund.

The R350 million is with DTIC, not Small Business Development. We continue to provide both financial and non-financial support to co-operatives, with a target of supporting 50 co-

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operatives in the 2026-27 financial year. An amount of R63,5 million has been allocated.

The other key instrument is the provision of Business Infrastructure Support Programme, BISP, to MSMEs, where we supports industrial parks revitalisation and provides equipment, energy solutions and shared production infrastructure for MSMEs and co-operatives.

Last year 36 applications were approved for equipment and machinery support, 11 applications for built infrastructure and 9 MSME hubs for refurbishment and repurposing. We identified and prioritised these hubs together with sub-national spheres of government. I will provide more specifics on the projects in the Budget Vote that I will table to the NCOP.

This year we will allocate R314,3 million to BISP, supporting 10 Hubs and Shared Infrastructure Facilities to a minimum of supporting 50 MSMEs. Without business infrastructure, there is no access; without access, there is no growth. There can be no doubt amongst hon members, that we are committed to economic

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redress and undoing the legacy of apartheid's spatial inequality.

Ladies and gentlemen, hon members, besides townships and underdeveloped rural areas, the other legacy bequeathed upon us by apartheid is a highly concentrated market with very high barriers for new entrants. I know some among us today choose to ignore this fact. We have been active in addressing market failure. That is why, through Sedfa, we funded sustainable doctor and nurse-led MSMEs in township and rural areas creating jobs for unemployed healthcare professionals while improving health access for communities.

We funded construction sub-contractor development, building the pipeline of black-owned contractors for South Africa's infrastructure programme. We funded inclusive technology deals, supporting MSMEs that are service providers and connectivity enablers in their own communities, extending digital access to rural and township areas that commercial providers have not reached. Last year we placed 250 products on shelves and facilitated domestic contracts or purchase orders for 293 MSMEs. We supported 2 809 businesses with local market readiness and 890 with export readiness.

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This year we will intensify our efforts. Government has promulgated the Public Procurement Act and associated regulations. As the DSBD portfolio, we will provide incubation support, standards and quality assurance and financial support, including supplier guarantees, as we partner with departments and state-owned companies to build their MSME supplier capabilities.

We continue our work with *Proudly South Africa*, as we will implement a re-engineered Small Business Exporter Development Support Programme which is more outcomes focused. This year we will facilitate domestic and international market access for 3 730 MSMEs and co-operatives. This will strengthen local manufacturing, promote import substitution and position South African enterprises to compete globally. We must move from being a nation that consumes to a nation that produces. South African MSMEs must not just participate in the economy; they must lead it.

We are currently implementing the MSME and Co-operatives Funding Policy and are scaling up our financial offerings. Last year, through Sedfa, we provided finance to black-owned enterprises that received R2,3 billion; rural enterprises were

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injected with R1,2 billion to stimulate regional economies; women-led businesses were empowered with R1,2 billion; youth-owned enterprises received R501 million; whilst township economies were revitalised with R383 million.

This year we are going bigger and tailoring our financial products for niche sectors and constituencies. We are done with doing everything that we see. These, I know, there is an hon member that will talk to. We have recently launched the *Imbali for Her* programme, which will expand affordable finance and business support for women-owned enterprises. We are putting R300 million for this year.

As announced last year, the Youth Entrepreneurship Fund has been revitalised, and we will launch it during the Youth Month in order to support young entrepreneurs. A R150 million that goes to the Creative Sector Fund will be launched in the second half of the year, providing essential funding for our creative entrepreneurs.

The redesigned R100 million Inyamazane Fund for Military Veterans, is scheduled for launch in July 2026. A R300 million Tia-Sedfa Innovation Fund will be launched to commercialise

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innovative ideas for scalable growth. We continue to partner with the Department of Mineral and Petroleum Resources to create a fund to support the co-ordinated and impactful development of artisanal and small-scale mining. Through Khula Credit Guarantee, we will provide supplier and credit guarantees to the value of R1 billion. We have begun transforming not just who receives finance, but who provides it.

The approval of R70 million in new facilities to four new black-owned MFIs in this past financial year brings the total number of black-owned MFIs on Sedfa's books to eight. We made much progress on the National Entrepreneurship Strategy as we reported the Incubation and Business Development Services Policy brings long-overdue co-ordination, standardisation and quality to enterprise support. These are not just policies; these are instruments of transformation that must translate into measurable outcomes on the ground.

During the past year, we supported 29 497 entrepreneurs with intensive training and mentorship, and 53 769 individuals were reached through entrepreneurship awareness programmes. We also launched the Northern Cape Agricultural Incubator, which

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employs 200 people as we speak. We invested R78 million towards the establishment of 30 food market squares linked to the R2 billion Mpumalanga Fresh Produce Market. These food market squares are projected to create more than 426 jobs through supporting 120 MSMEs.

We are working to scale support for MSMEs in the professional space, and this year will be establishing a medical incubator and manufacturing hub. No toothbrush has been produced in South Africa; we are going to make that difference. This year, we will formalise 11 000 informal enterprises. Last year we hosted both the Global SME Ministerial Conference and the Startup 20 Summit, which exposed many of our business to 66 countries that were let by the policy makers.

This aligns of course with the work that we do, as we believe that it is important that we must digitise, whether we are talking about infrastructure or service, it is important that we continue on digital transformation. OneSedfa responds to this. OneSEDFA is an integrated digital platform that introduces alternative credit scoring and combines funding, business development support and credit guarantee services into a single digital ecosystem, to improve turnaround times

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and track the progress of applications in real time. It has been launched.

We have also developed the *MyCBI* digital banking platform, a purpose-built platform meant to assist Co-operative Banking Institutions in underserved areas. Hon members, a fragmented ecosystem will always produce fragmented outcomes. That's why we are developing the National MSME One-Plan. We have hosted the National LED Summit which was attended by some of the members.

With your permission, House Chairperson, I hereby present the department's budget allocation for the 2026-27 financial year, amounting to R3 036 billion. Of this amount: R2 154 billion is allocated to transfers and subsidies; R277,1 million is allocated to compensation of employees; R597,2 million is allocated to goods and services; and R7,8 million is allocated to capital expenditure.

The Sedfa receives R1 899 billion of the transfers and subsidies allocation. This Budget Vote reflects our commitment to measurable impact, ensuring that public resources translate

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into more supported businesses, more jobs created and a transformed economy with higher levels of inclusion.

As I am about to exit the stage, allow me to remind hon members, quoting from Charlotte Mannya Maxeke, who said, "This work is not for yourselves. Kill that spirit of self. Do not live above your people but live with them. If you rise, lift others with you."

Let's do the same for our entrepreneurs; they need the support starting from this House and every family member.

If we are to reclaim the economy of this country, we must all be united in tackling the challenges that are faced by entrepreneurs. I thank you, Madam Chair.

Ms M C DIKGALE: House Chairperson, greetings to the Minister and the Deputy Minister of Small Business Development, hon members and fellow South Africans. To achieve true economy liberation, we must deliberately improve access to finance and technology infrastructure capabilities. This is the only way to help our micro, small, and medium enterprises, MSMEs, and

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co-operatives seize urgent opportunities for upscaling and innovation in niche sectors.

It is widely understood that MSMEs are the undisputed engine room of the South African economy. Globally, small businesses account for nearly 70% of total employment. Here at home, our MSMEs contribute over 30% to our gross domestic product and sustain roughly 60% of all private sector jobs. As we advance economic transformation, supporting our small businesses, informal traders and co-operatives is not merely an economic choice. It is a national mandate to achieve a better life for all.

Our strategic emphasis on the critical role of MSMEs arises from long-standing policy direction of the African National Congress. The ANC remains resolute in prioritising labour-intensive investment that emphasise small businesses' development. Our structural approach is guided by explicit policy resolutions designed to dismantle monopolies and unlock the economic potential of our people.

Our 55th National Conference mandate effectively mandated the state to strengthen policies that address the historical lack

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of credit and capital access for women, youth and black-owned enterprises. We are intentionally using state procurement and competition policy to challenge highly concentrated ownership patterns.

The MSMEs and Co-Operatives Funding Policy, which was gazetted to eliminate ecosystem fragmentation, this framework unifies private and public sector financiers. It focusses heavily on blended finance solutions for unserved and underserved areas like our rural communities and townships.

In line with our commitment to build a capable, efficient state and streamlining funding mechanisms, we successfully merged Small Enterprise Development Agency, Seda, and Small Enterprise Finance Agency, Sefa, into a single entity, the Small Enterprise Development and Finance Agency, in short, we call it Small Enterprise Finance Agency, Sedfa. This single window agency removes bureaucratic fragmentation, creating a smooth pathway for entrepreneurs to access financial and non-financial support under one roof.

We acknowledge the feedback from our communities. For too long, entrepreneurs have faced a maze of complex loan

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requirements, high collateral hazards and restrictive municipal bylaws. The state is actively leading national dialogues to strip away local red tape and enforce the constitutional right to trade. Trading is a fundamental right, not a privilege.

We are moving away from restrictive compliance to an enabling framework that includes movable asset registries, simplified legal winding up processes and aggressive enforcement of the 30day payment rule to protect small business cash flows. We cannot build a prosperous South Africa if our township and rural economies remain marginalised.

We call upon all government departments, municipalities and private sector partners to implement the MSMEs and Co-operatives Funding Policy completely. Let us fund our small businesses, reduce their regulatory burdens and buy their products. When we support an MSME, we are not just funding a business, we are building a nation that works.

We cannot talk about technological readiness without fixing the underlying financial infrastructure that isolates small businesses. The transformation of the financial sector by

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government is imperative. We must ensure comprehensive access to finance to accelerate the development of MSMEs and co-operatives. Our strategy moves beyond basic grants to build an integrated financial ecosystem.

On expanding financial instruments, we are working directly through Sedfa and other state agencies to expand access to blending funding, micro loans and other guarantees. With regard to protecting cash flows, we are actively enforcing the timely payment of small suppliers to maintain their revenue streams and healthy balance sheets. In terms of infrastructure support, we are expanding the asset assist and business infrastructure support programme to systematically boost both MSMEs and co-operatives. For example, Lucky Letswalo from Limpopo Province received assets through asset assist. During our oversight visit, we observed that he received the assistance he requested.

Concerning township retail capital, we are accelerating the disbursement of the Spaza Shop Support Fund with proper efficiency and due diligence measures to protect public funds while unlocking local micro-retail potential. We call on municipalities to ensure they support entrepreneurs by

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providing business licences for their enterprises. Currently, obtaining business licences for spaza shops remains a barrier.

Modernising our township and rural businesses is an economic necessity. By combining financial transformation with technological infrastructure, we are transforming our co-operatives from survivalist entities into competitive, digitised industries. Let us approve and fund these infrastructure mandates to build an inclusive, modern economy.

On behalf of the African National Congress, we state categorically that the days when opportunities to establish businesses and to trade were a privilege for a few are over. We are breaking those barriers to create a thriving economy and a country that truly belongs to all, with equal opportunities. As the ANC, we are unapologetic in our support for this budget Vote. Thank you.

Ms M C MAFAGANE: Hon Chairperson, hon members and all officials in the House, the MKP calls for a people-centred economy – one built not for elites and connected interests, but for township entrepreneurs, rural co-operatives, street traders, microenterprises, women, persons living with

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disabilities and young people struggling daily under harsh economic conditions. Budget Vote 36 allocates significant resources towards small, medium, and micro-sized enterprises, SMMEs, co-operatives and informal businesses. Over R6,9 billion will support financial and nonfinancial programmes while expenditure rises from R2,9 billion in 2025-26 to R3,3 billion in 2028-29.

Importantly, 71,7% of the budget is directed towards SMMEs support. Over R6,9 billion, representing 63,3% of allocation, will be transferred to the Small Enterprise Development and Finance Agency, Sedfa, the consolidated small business support agency expected to provide financial, business support and digital services to the Township and Rural Entrepreneurs Programme. However, budgets must not only sound good on papers. They must change the lives of our people on the ground.

As the MKP we believe that township and rural economies are real engines of job creation and economic liberation. Yet, these communities continue to suffer from lack of finances, collapsing infrastructure, exclusion from procurement opportunities and over-regulation. We therefore call for this

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budget to decisively shift economic powers towards townships, rural communities and informal sectors where the majority of our people live and trade.

Programme 3 allocates R533,7 million, which is meant to drive co-operative and micro-enterprise development. Yet, government admits that only 50 co-operatives will be supported, despite sufficient funding South Africa having more than 125 000 registered co-operatives. This is not progress. It is a policy failure. The reduction of asset assist allocation disadvantages struggling small businesses and informal traders, hon Minister. At a time where communities need support to survive and create jobs, government should be increasing support, not reduce it.

The MKP further edges this government to adopt uMkhonto weSizwe Party township and economic empowerment Bill to transform township economies through direct state intervention and increased township ownership, reduce unemployment, promote local ownership through quotas and licencing controls. History has shown that industrialisation begins with small firms before expanding into large industries. Countries such as South Korea and Japan has built strong economies through state

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intervention, localisation and support for SMMEs integrated into industries support chain. Across Africa, countries including Zimbabwe, Botswana, Nigeria, Ghana, Kenya and Uganda have reserved sectors of informal trading for their own citizen to protect livelihoods for building local entrepreneurs. It is not a big problem when South Africa seeks to protect this informal sector, informal transport services, informal trading, street trading, local manufacturing hubs, marketing vending, car washes, food stores and other township economic activities for our locals. We are merely protecting and transferring the economy back to our people. These sectors are survival economies for millions of poor South Africans and must be reserved. It must be served as entry point into ownership and economic participation for our people.

Street trading, spaza shops and key township economy activities must be unapologetically reserved for South African citizen by birth only. At the same time, these sectors must also be protected from domination by white monopoly capital interest that continues to manipulate pricing, monopolises supply chains against ordinary people. The township economy cannot be a battlefield where poor South Africans are squeezed

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out by both corporative monopolies and unfair market practises while governments stand by and watch.

South Africa cannot grow while small businesses are suffocated by bureaucracy. Entrepreneurs still face delayed approvals, expensive compliance requirements, inconsistent municipal bylaws and lack of access to finance. We therefore call upon the government to centralise and standardise municipal bylaws, reform supply chains to provide affordable bulk buying finance, invest in digital licencing and compliance system, enforce 30-day payment compliance across all departments and state-owned enterprises, SOEs.

The MKP believes that economic inclusion cannot succeed without restoring fairness and order within the economy. Government fails to properly enforce immigration and business compliance law, undermining local businesses and creating unfair competition in vulnerable sectors. We therefore call for stricter enforcement of compliance requirements and propose an increase to the outdated minimum foreign business investment threshold of five million, set in 2002, to 35 million in line with inflation and economic realities.

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This budget must become a budget for women, youth and people living with disabilities. This group remain excluded from access to capital, digital skills and markets. A portion of Sedfa funding must therefore be directed specifically to youth-owned, women-owned and persons living with disabilities enterprises.

We must invest in township innovation hubs, fintech adoption, e-commerce platforms, incubation programmes and export ready SMMEs if South Africa wishes to compete in the modern economy.

In conclusion, the MKP supports a developmental state that empowers communities, build local industries, support co-operatives and restore economic dignity to ordinary South Africans. But Minister, we cannot support this budget that makes promises while failing to produce meaningful changes. We cannot support the budget that reduce support for struggling businesses while unemployment continues to rise. We cannot support this budget that leaves townships and rural economies on the margins while economy ... [Time expired.]

Ms E L POWELL: Hon House Chairperson, the DA supports measures that genuinely make it easier for South Africans to start,

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grow and sustain businesses. We support reducing red tape, improving market access, expanding access to finance and creating an enabling environment for entrepreneurs. Behind every small business in this country is the relentless ferreting of an owner who has long stopped expecting help from government.

We must also be honest about why so many small businesses continue to fail. South Africa does not suffer from a shortage of plans, frameworks, strategies, advisory councils or state entities. We suffer from a shortage of economic growth, institutional competence and functional government. Nowhere is this more visible than in municipalities.

The report before us contains an important admission. It notes that as of March this year, only 18 700 out of approximately 81 000 spaza shops were fully licenced. That means the tens of thousands of entrepreneurs remained trapped in bureaucratic limbo, unable to access funding or formal support because municipalities cannot process applications effectively. This is a direct barrier to economic participation.

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The DA agrees that ease of doing business must become a key national priority. But unlike the ANC, we believe that the solution is not simply more bureaucracy. You see, the ANC's instinct is to centralise. The report repeatedly calls for more functions, more powers, more co-ordination mandates, more structures and more state control within the department.

Yet after more than a decade of this department existing as a standalone entity, the report itself admits that support remains fragmented, outcomes remain poorly measured, municipalities remain dysfunctional and businesses are overregulated. We must ask an uncomfortable question. If a department dedicated entirely to small business development still cannot produce a coherent and measurable ease of doing business framework after 12 years: Why does this department exist? The truth is this department shouldn't exist, but it does due to ANC largesse.

The DA believes that government should stop trying to micromanage entrepreneurs and start removing the obstacles that stand in their way. It really is that simple. A DA government would focus relentlessly on reducing the cost, complexity and time involved in doing business. A DA

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government would accelerate the roll-out of one-stop shop opportunity centres where entrepreneurs can register businesses, interact with the SA Revenue Service, Sars, access licencing support and obtain regulatory guidance through a single streamlined process. We would digitise and simplify permitting systems, particularly for informal traders and township entrepreneurs. We would implement e-registration systems for informal trading based on successful models already being used in DA-run governments like the City of Cape Town. We would introduce a comprehensive review of red tape across all spheres of government, including municipal bylaws, licencing requirements, procurement barriers and overlapping regulations that suffocate small enterprises before they can even begin to start trading. Crucially, we would introduce genuine accountability. The DA would insist on measurable outcomes.

How many businesses survived? How many jobs were created? How long did permits take to process? How much did compliance costs decrease? How many entrepreneurs successfully transitioned from informal survivalism into sustainable enterprise? Because essentially, these are the only metrics that matter.

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Entrepreneurs do not ask government to build their businesses for them. They ask for functioning infrastructure, reliable electricity, safe streets, reasonable regulations, efficient government and a state that gets out of their way. The DA believes that small business policy should be built around enabling growth, not micromanaging decline. Economic growth comes from trusting citizens, empowering entrepreneurs, reducing barriers to entry and building capable governments that enable commerce instead of obstructing it. This is the approach that the DA will continue to champion in this Ministry. I thank you.

Ms B MATHULELWA: Commander-in-chief, commissars and fighters, hon Chairperson, the EFF rises to reject the illusion that this budget will meaningfully transform the lives of the majority of our people. While the department speaks the language of integration, innovation and entrepreneurship, the reality on the ground is that people in townships and rural communities remain locked out of the genuine economic participation. The so-called support for small, medium and micro enterprises, SMMEs, is overstated.

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Mphathiswa, iingxelo malunga neSebe lezeMpilo zibonakalisa ukuba malunga nama50 enkampani ezibonelela ngeenkonzo kwizibhedlele eMpuma Koloni azikahlawulwa. Ezinye kwezi nkampani zilinde iinyanga okanye iminyaka ukuze zibe ziyahlawulwa. Enye ingxelo ibhengeze ukuba ama40 ubuncinane beenkampani ezityikitye isivumelwano sokubonelela ngezempilo zityalwa amaR600 million lisebe. Amaxwebhu kaNondyabo kwiphondo laseMpuma Koloni aqinisekise ukuba amasebe ezempilo nelezemfundo aqalise inkqubo yokuqokelela amanani eenkampani ezingekahlawulwa. Loo nto ibonakalisa ukuba umgaqo wokuhlawulwa kweenkampani ezihambisa iinkonzo, zingaphelanga iintsuku ezingama30 awuthotyelwa.

Ngomnyaka wama2024 iSebe lezeMpilo eMpuma Koloni laye lavakalisa ukuba lityala iinkampani ezibonelela ngeenkonzo imali emalunga neR4,8 billion.

English:

The EFF is deeply concerned about the failure to prioritise co-operatives. Out of more than 125 000 registered co-operatives, only 50 will be supported this year, according to your report, Minister. This is not merely inadequate, it is an insult to the principle of collective ownership and to the

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millions of poor and working-class people who could use co-operatives to build local economies, create jobs, produce goods and reduce dependence on big businesses.

The issue of red tape also remains unresolved. The department speaks about reducing bureaucracy, yet the report itself admits that some indicators are unclear, poorly defined and incapable for properly measuring progress. Minister, you cannot claim to resolve red tape when you cannot even define it, measure it, or prove whether the lives of small businesses owners are actually improving.

There is also no serious commitment to transformation through procurement. A budget that does not decisively redirect state procurement towards black-owned, youth-owned, women-owned, township and enterprises will simply produce the same patterns of exclusion.

Without the aggressive implementation of the public procurement in favour of the historically excluded businesses, this budget will continue to recycle inequality while pretending to support transformation.

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IsiXhosa:

I-EFF ibisoloko iyimele ngamandla ngamandla into yokuba urhulumente kufuneka abe udlala indima enkulu ukuguqula uqoqosho. Oko kuthetha ukuba ibekhona inkxaso ejoliswe kumashishini asezilokishini nasezilalini. Kufuneka kubekwe imigaqo enyanzelisa ukuthengwa kweempahla neenkonzo kwiinkampani zabantu abantsundu. Kufuneka kwakhona kuququzelelwe ukusungulwa kwamashishini (informal traders) ngokusemthethweni. Ookopolotyeni mabandiswe ngamandla njengeenqwelo zokukhulisa uluntu. Ukungakwazi ukuxhasa oosomashishini abasakhasayo kubonakala ikukufeda kurhulumente nokuswela intshisakalo yokuguqula impilo yomntu ontsundu.

Isebe alikwazi ukuyinceda into ebelingakhange likwazi ukuyiseka. Ekugqibeleni, olu hlahlomali luqhubela phambili isimo esikhoyo sokuhlupheka komntu ontsundu. Olu hlahlomali alujonganga kutshintsha impilo yomntu ontsundu. Njengangoku, alunaqhingana lokuvala umsantsa wokungalingani eluntwini kwaye alukutshabalalisi ukuvalelwa kwabantu abantsundu ngaphandle kwezoqoqosho. Ukuba eli sebe alinikwa imali yohlahlomali eza kuxhasa oosomashishini abasakhasayo, malivalwe lingabikho.

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Chairperson, the EFF rejects this budget because it lacks urgency, ambition and the concrete plan to place small businesses, co-operatives, informal traders at the centre of the economic reconstruction. A department that speaks about entrepreneurship while thousands of service providers remain unpaid by the state cannot be trusted to lead real transformation.

We therefore call for the decisive intervention to ensure that every service provider across South Africa, in all sectors, is paid within ... [Inaudible.] Thank you very much, Chair. [Time expired.]

Ink B N LUTHULI: Chair, the IFP recognises the critical role that small businesses, co-operatives, informal traders and the township enterprises play in driving economic growth and job creation in South Africa. At the time when unemployment continues to devastate millions of households, especially amongst the youth, small enterprises remain one of the few realistic pathways towards the economic participation and self-reliance.

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The small business enterprises in our country faces a difficult economic climate and there is an urgent need to reduce the red tape, strengthening the institutional co-ordination and increasing support for the township and rural enterprises. However, we believe that government support remains fragmented, overly bureaucratic and disconnected from the reality facing ordinary entrepreneurs.

It's been observed that small business support service and budget remain scattered across the different departments and spheres of government resulting in duplication inefficiency and confusing for entrepreneurs seeking support.

We agree that government must urgently centralise and streamline support mechanism for such small businesses and not enforce to navigate a maze of institutions simply to access assistance. We are we are particularly concerned about the barriers facing co-operatives and informal traders. Funding application processes remains excessively bureaucratic and difficult for rural and township co-operatives to navigate.

Many emerging businesses simply do not possess the financial records compliance documents and technical capacity demanded

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by government programmes. The government cannot claim to support entrepreneurship whilst administrative efficiencies continue to suffocate small businesses before they can even begin operation.

We further welcome the efforts to improve market access through procurement opportunities for small enterprises. However, an intervention must produce measurable outcomes. Support programmes cannot merely count how many people attend training access while failing to measure whether their businesses survive and create sustainable employment. South Africa does not lack entrepreneurial talent. [Time expired.]

Ms S M PETERS: Hon House Chair, hon Minister and hon members, small businesses are not just part of the economy; they are the economy of our communities. In townships, rural villages and informal settlements small enterprises are the source of survival for many families. They create jobs where government has failed, and they provide hope where poverty continues to deepen.

Yet despite this important role, many small businesses continue to struggle to survive. Entrepreneurs are still

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facing major barriers when trying to access funding. The systems are often too complicated, too slow and too disconnected from the realities of informal traders and emerging businesses.

Many young people with innovative ideas are unable to secure financial support because they lack collateral networks or administrative capacity. Our people are not living in policy documents; they are living in communities where unemployment remains high, small businesses are struggling and poor communities continue to suffer because of weak enforcement and poor regulation.

The report itself highlights concerns such as weak performance indicators, fragmented support systems and limited accountability. The PA believes government cannot continue measuring success only by the number of meetings held or plans drafted while communities see little real improvement. We must measure how many businesses survive, how many permanent jobs are created and whether communities are seeing real economic growth.

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The PA is also deeply concerned about reports of expired and unsafe food being sold in working class communities such as Reiger Park, Eldorado Park and Geluksdal. No business should be allowed to profit from selling unsafe food to poor communities. This is a health issue, a dignity issue and a governance issue.

The PA therefore supports stronger inspections, better law enforcement and stricter consequences for businesses that place profit above the safety of our communities.

South Africans do not need more beautifully written plans; they need functioning support systems, fair opportunities, safer communities and government programmes that produce measurable results. The PA supports this budget, but we will continue to demand accountability, measurable delivery and real economic impact for ordinary South Africans. Thank you.

Ms L M NGOBENI: Hon House Chairperson and members, as South Africa prepares to commemorate the 50th anniversary of the June 16 Uprising next month, we must ask ourselves a painful question. What freedom do young people have when they remain locked out of the economy?

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The youth of 1976 fought for dignity, opportunity and a future. Yet, 50 years later, millions of South Africans still wake up every morning without jobs, without opportunities and without a clear path into the economy. Therefore, Vote 36 is simply an administrative vote but a jobs vote and a dignity Vote.

In a country where unemployment remains amongst the worst in the world, small business development cannot be treated as a side issue in the government. It is one of the few practical levers we have to fight poverty, unlock growth and create work at scale.

The committee report raises several important concerns. It correctly recognises that APPs must be living documents and not paper exercises designed to tick boxes while communities see no change. It also calls for government to address the fragmentation of small business support across departments to open procurement opportunities properly to small enterprises and co-operatives and to reduce the evermoving issue of red tape that continues to suffocate entrepreneurs.

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The real test is not whether the department can produce better plans; the real test is whether ordinary South Africans actually feel the difference, because right now too many young people are excluded from the economy before they even begin. Minister, young people are told to hustle, but the moment they try they are met with the system that blocks them at every turn. The slow licensing, impossible compliance burdens, procurement systems designed for insiders and layers of bureaucracy the favour the connect and the established over ordinary entrepreneurs trying to survive.

Government tells young people to hustle when government itself stands in their way. In many communities, the danger goes even deeper than poverty, it becomes a matter of survival. We have seen the tragic kidnapping of Mazwi Kubheka, a painful reminder that many small business owners operate in environments plagued by criminality, extortion and lawlessness. Small business owners are not only fighting bureaucracy, in many cases, they are fighting fear itself.

A government that is serious about supporting entrepreneurs must also ensure that they are protected, because no young person should have to risk their life for simply trying to

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build a business and provide for their families. That is why this report's findings on spaza shops is so important. Municipal delays in issuing licenses are not a minor administrative inconvenience; it is direct attack on economic survival in townships, informal settlements and this report notes that by March this year, fewer than 19 000 of nearly 81 000 registered spaza establishments had fully been license. This is why a campaign that we call a spaza for locals matters.

As Action SA we will support this budget because we support the fact that small businesses, particularly that are South African owned, must be supported properly not just by speaking. We are also hoping that the issue of compliance and the issue of the multidisciplinary effort to ensure that compliance is adhered to at every level. The capital investment can happen and that this spaza mafia can be dealt with, we are hoping that this department will make major strides in making that happen. I thank you.

The DEPUTY MINISTER OF SMALL BUSINESS DEVELOPMENT: House Chair, to greetings to the House, and all protocol observed.

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On 4 November South Africans have the opportunity to choose local policies that will shape their lives for the next five years. If we are serious about supporting small, medium and micro enterprises and the informal economy we must put red tape reduction at the heart of every local government's agenda. It is time to stop speaking about red tape reduction as a slogan and start implementing it as a measurable government responsibility.

House Chair, allow me to table four red tape reduction reforms every government agency and local government should implement. There ease of doing business must become a performance target to every government agency and municipality. It cannot be that applications pileup in someone's office for two years without any consequence. Municipal managers and government officials should be measured on clear turnaround times when it comes to trading permits, business licenses, rezoning, land use approvals, informal trading applications, complaints resolved and supplier payment performance.

These do not require a new legislation; they require a political will. A will to take action in the best interests of our small businesses. A national municipal red tape score card

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with public dashboards would show which government agencies and which municipalities are enabling small businesses and which ones are holding them back. We cannot keep on pointing a finger at everyone else but ourselves when implementation fails.

Small business development is our business. The national portal red tape must also be established. This department must launch a national red tape portal. Talking about red tape reduction while creating more red tape with more regulations, more strategies, more Bills, more policies and more frameworks isn't helping small businesses. This must be supported by municipal red tape hotlines. Small businesses must be able to report unnecessary permits, duplicated forms, harassment, conflicting bylaws, delays, corrupt officials and politicians. Municipalities cannot repeal outdated laws if they do not know which regulators are suffocating entrepreneurs.

Thirdly, we must take support where businesses are, not where the cameras are. Mobile business support units must be rolled out in townships and rural areas and informal trading spaces. The Small Enterprise Finance Agency, SEFA, and municipal support services cannot remain inaccessible to the very

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entrepreneurs they are meant to serve. We cannot speak about economic inclusion while informal traders remain locked out of the system. That is not economic inclusion; it is economic sabotage.

Thirdly, government must pay suppliers on time. This 30-day payment must be treated as a strategic economic intervention, not just a compliance checkbox. Late payments destroy business faster than lack of funding could ever do. As a department, we must lead a national "pay small business first" model with automatic escalation systems, penalties for persistent late payments and public reporting of municipal payments performance. It is not nearly enough to just say our department paid suppliers within 30 days, so the rest of government is not our responsibility. That type of narrow and silo mentality has already cost many small businesses their survival.

Cutting red tape in real time means putting a laser focus where it matters most. The time for rhetoric is over. Small businesses do not need another promise, another legislation, another Bill, another policy, another strategy, another regulation or another framework. They need permits processed.

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They need their permits processed when they go to where these permits need to be obtained. They need their invoices paid, bylaws simplified, and support brought closer to where they operate.

We have a responsibility to create conditions where small businesses are not merely surviving, but are empowered to grow and succeed, not just for a connected few, but for every entrepreneur with potential. It is time to stop talking about red tape reduction, and start delivering it ...

The HOUSE CHAIRPERSON (Ms Z Majozi): Hon Deputy Minister?

The DEPUTY MINISTER OF SMALL BUSINESS DEVELOPMENT: ... because small businesses need action, not promises ...

The HOUSE CHAIRPERSON (Ms Z Majozi): Hon Deputy Minister?

The DEPUTY MINISTER OF SMALL BUSINESS DEVELOPMENT: We will continue to put small businesses in the frontline without any fear or favour. I thank you.

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The HOUSE CHAIRPERSON (Ms Z Majozi): Hon Deputy Minister, I have been calling you because there was a hand. I wanted to recognise the hand before you leave the podium ...

[Interjections.] ... Yes, that is why I was calling you to pause so that we take the point of order. You don't have time, but I will give you five seconds. Come back. I had been calling the hon Deputy Minister to pause so that I take a hand of an hon member for a point of order, and then we continue. There was a point of order while you were on the podium. I will use my privilege and give you 10 seconds ...

[Interjections.]

Ms L M NGOBENI: House Chair, on a point of order.

The HOUSE CHAIRPERSON (Ms Z Majozi): Hon Deputy Minister, you are requested by me ... [Interjections.]

Ms B MATHULELWA: This Deputy Minister must resign as a Deputy Minister ...

The HOUSE CHAIRPERSON (Ms Z Majozi): Hon member, please. Hon Deputy Minister ... [Interjections.] ... No, no, no, don't direct me on how to direct this House. I am using my

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discretion to call you back on the podium. I am requesting you to do so. I don't want any engagement.

Hon Deputy Minister, can you please come back because it might be something that we must rule on now in this Budget Vote. According to the Rules, we cannot defer any ruling on the Budget Vote; it must be ruled upon in this House. That is why I am asking you to come back to the podium so that we take the point of order and hear what it is and we will rule upon that so that we proceed with the business of the day.

The DEPUTY MINISTER OF SMALL BUSINESS DEVELOPMENT: Hon House Chair ...

The HOUSE CHAIRPERSON (Ms Z Majozi): I did not give you an opportunity to speak. Can you please mute your mic.

The DEPUTY MINISTER OF SMALL BUSINESS DEVELOPMENT: I am no longer on the podium.

The HOUSE CHAIRPERSON (Ms Z Majozi): Hon Deputy Minister, I am asking you to come back to the podium. I am now cautioning you.

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The DEPUTY MINISTER OF SMALL BUSINESS DEVELOPMENT: I have left the podium.

The HOUSE CHAIRPERSON (Ms Z Majozi): Hon Deputy Minister, I am asking you to come back to the podium because if there is a matter that needs any ruling, then it will need us to rule upon it now. It is not ... Hon Deputy Minister, I have been calling you but you did not listen to me; you kept on speaking ... [Interjections.] ... Exactly! Then I am offering you an opportunity to come back to the podium because you are saying you did not hear me. So, I am offering you that opportunity to come back to the podium and then we take the point of order that has been raised and then we proceed with the business of the day. If you are not willing to do so, then I will request the hon Deputy Minister to leave Chamber. If you do not want to come back to the podium, I will request you to leave.

Ms L M NGOBENI: Hon House Chair? House Chairperson?

The HOUSE CHAIRPERSON (Ms Z Majozi): Hon members, please, I am still dealing with this issue now.

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Ms L M NGOBENI: House Chair, we have been raising our hands
...

The HOUSE CHAIRPERSON (Ms Z Majozi): Hon Ngobeni ... Hon
members, please. Hon Ngobeni ... [Interjections.]

No, hon members! Hon members, please. Hon Ngobeni?

Ms L M NGOBENI: I am waiting for the delinquents to leave ...
[Interjections.]

The HOUSE CHAIRPERSON (Ms Z Majozi): Hon members, can I take
the hand, please.

Ms L M NGOBENI: Hon House Chair, this meeting must record what
just happened. It must record it because you have an
accounting officer who is a Deputy Minister, and of course
this is a mini plenary and she can say whatever she wants to
say and she can campaign as much as much as she wants, but the
members are raising concerns because she is an executive in
that office. That is why we are calling for Deputy Ministers
to be abolished because this is ridiculous.

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When hon Mathulelwa was raising her point of order, you kept on calling her name. I was looking at her face, and she was laughing at hon Mathulelwa. She wanted to finish her speech because she was at the end of that thing, and then she walked back to her desk. This is what we are talking about in terms of the Government of National Unity, GNU, disaster and that they are always putting us in the middle of their disrespect and their issues.

Members in this committee are proper members of this committee, and if they are raising their hands, the so-called people who say we abide by the rule of law must abide. This particular Minister must be held in contempt of this meeting and of disobeying your ruling as the House Chairperson. Let this meeting recognise that. We hope that when you have your one-on-one with your Deputy Minister, please let her know how to behave because you have been in Parliament for a long time. When points of order are raised, she must sit down and not disrespect the meeting. Thank you, House Chair.

The HOUSE CHAIRPERSON (Ms Z Majozi): Thank you, hon Ngobeni. I will definitely have a report that will be submitted so that we deal with the issue at hand. Hon Mathulelwa, you will not

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get an opportunity to say your point of order, but I don't know if you still want to raise that point of order and then we take it and we proceed.

Ms B MATHULELWA: House Chairperson, for record purposes as well, we wanted to call her to order because she was out of order. To criticise what she should have done. Meaning she is deliberately not delivering services to small businesses because she wants to come here and grandstand while our people are struggling out there.

Please record that the EFF is also requesting that this Deputy Minister resigns with immediate effect. If she does not resign, her salary must be taken away from her and be given to those entrepreneurs for three months. Thank you, House Chair.

The HOUSE CHAIRPERSON (Ms Z Majozi): Thank you very much, hon Mathulelwa. We will definitely have the report written. With regard to resignation, it honestly does not rely on this House. However, hon members, I would love that we now proceed with the business of the day. I will now call on hon Sapo.

Ms H O MKHALIPHI: House Chair, if I may find ...

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The HOUSE CHAIRPERSON (Ms Z Majozi): Hon MkhaliPhi?

Ms H O MKHALIPI: Why is the member of the DA still here because his colleagues have walked out with the Deputy Minister?

The HOUSE CHAIRPERSON (Ms Z Majozi): No, hon MkhaliPhi, you are out of order.

Ms H O MKHALIPI: I am just curious.

The HOUSE CHAIRPERSON (Ms Z Majozi): He is here because he is a member of this House and he has decided that he wants to be part of this debate.

Ms H O MKHALIPI: Okay, I understand. The centre is not holding there.

Mr H C C KRÜGER: House Chairperson, she must withdraw.

Ms L SAPO: Hon Chair, I have never seen such a useless Deputy Minister in my life.

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The HOUSE CHAIRPERSON (Ms Z Majozi): Hon Sapo, can you please withdraw the word "useless." It is unparliamentary to say a member of the House is useless.

Ms L SAPO: Thank you very much, hon Chair, I have never seen such a ...

The HOUSE CHAIRPERSON (Ms Z Majozi): No, please withdraw first. I want you to withdraw first before you continue with undeserving or ... [Interjections.]

Ms L SAPO: I withdraw, Chair.

The HOUSE CHAIRPERSON (Ms Z Majozi): Thank you.

Ms L SAPO: Hon Chair, as we draw closer to the commemoration of the Youth Month, I stand here representing a hopeless and frustrated young person who lives in deep rural areas of the Eastern Cape, who has not only lost hope of finding permanent employment, but who has also lost hope in finding opportunities to develop her business ideas because of the government's complex systems. I agree with you, hon Minister. We cannot talk about true freedom while the majority of young

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people and women remain locked out of the mainstream economy. The ANC has lost the ability to maintain that small businesses are not mere survivalist initiatives. They are the primary engines of job creation, inclusive economic transformation, and community resilience. And this is what the DA hate.

Our core task today is to accelerate the economic liberation of our people by providing enough support for small, medium and micro enterprises, SMMEs, and co-operatives. It is for that reason that we advocate for a deliberate focus to be given to businesses established by women and youth in townships and rural areas.

Hon Minister, we welcome the allocation set aside for the Youth Challenge Fund and Women Fund. Investing in women and youth in our townships and rural areas is not a social welfare programme. It is a practical and strategic economic investment in the future of South Africa. When we empower a woman or a young entrepreneur in a village, we are building a sustainable enterprise, creating local jobs, and guaranteeing real economic growth. And this is what the DA hates.

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Our path is guided by a clear political mandate. The ANC's 55th national conference resolution demands the radical revitalization of the township and rural economy. The ANC will welcome the allocated funds directed to the Township and Rural Entrepreneurship Programme, TREP. This will assist us in systematically dismantling the structural exclusion of apartheid spatial planning, and this is what the DA hates. Our townships and villages are not just zones of consumption; they are thriving hubs of production and innovation. Through collaborative initiatives with other government departments, old and abandoned factories such as Dimbaza Industrial Parks in Buffalo City are being converted into booming township clusters, and this is what the DA needs. These spaces are now occupied by local youth manufacturing clothing, furniture, and consumer electricity. Our Black entrepreneurs are benefiting, and jobs are being created. And this is what the DA hates.

As the ANC, we call for the strengthening of the Co-operative Development Support Programmes. While we are happy with the targets set for this financial year, we will be happier when these targets are achieved. During our oversight visits, we were exposed to some women-led agricultural co-operatives. These co-operatives are surpassing incubation and production

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targets. They are moving from basic farming into advanced agro-processing, securing the supply chain directly in major national retail supermarkets. This is worth being supported, nurtured, and expanded. Minister, we do not doubt your capacity to implement these programmes. You have a capable director-general supported by fairly young deputy director-generals, DDGs, who seem to have a willingness and passion for the growth and development of small businesses. When young minds are given an opportunity to be at the helm of the decision-making, we expect to see a difference. Small, medium and micro enterprises, SMMEs, are the only sector that are capable of creating massive jobs. Let them not fail. As the ANC, we support this budget. Thank you, Chair.

Rev K R J MESHOE: Chairperson, hon members, the ACDP notes the allocation of R3,12 billion to Small Business Development in the 2026-27 estimates of national expenditure. This is a significant amount, but the portfolio committee has warned that the new Small Enterprise Development and Finance Agency, SEDFA, must not hide persisting problems. The ACDP said last year that the assist programme was failing and the department relaunched it later last year, but the immense R1 trillion SMME credit gap is still not solved, where neither

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beneficiaries nor impacts are clearly accounted for. The department must exercise proper oversight and secure effective stewardship of this programme, or it will remain another failed intervention. The claim that about 165 000 SMMEs were supported is still not clear, and many questions if the numbers are true, whether they reflect genuine, sustained support rather than just overlapping registrations.

The committee has asked the department to cut red tape and make things easier for business, particularly small businesses, with which we heartily agree. But entrepreneurs still face too much form-filling and delays. There are over 140 000 spaza shops and informal outlets that are valued at a staggering R200 billion annually, employing millions of people and growing faster than supermarkets. Yet just 6% of spaza shops are believed to be owned by South Africans. Spaza shop ownership for South Africans is surely the heart of small business development. Yet, despite new digital mapping initiatives to digitize and monitor the spaza shop sector, it still leaves Parliament without the ownership data needed for proper oversight. The ACDP repeatedly urges the government to exercise proper recording oversight. When statistics are lacking, comparative analysis is impossible, and

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accountability by Parliament is undermined. For the ACDP, we care greatly about small businesses. It is not only about money; it is about kingdom building, giving families work, restoring dignity, and showing justice and stewardship in our economy.

Lastly, the ACDP urges the government to emulate what countries such as Botswana and Zimbabwe have done by reserving some economic sectors, such as street trading and spaza shop ownership to local citizens, which we believe will greatly help to reduce the high unemployment we are facing in our country. The ACDP further calls on the government to introduce more health inspectors to ensure that those who rely on spaza shops, particularly in the townships, have access to clean, healthy food. Shops that sell expired food should be banned; they should lose their licenses. Fines are not working because those with money will pay the fine and continue selling expired food and rotten food to our people. We love our people, we love their health, and the government must do more ... [Time expired.]

Mr N L S KWANKWA: Minister ...

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IsiXhosa:

... benikhe nagcwala indawo yonke apha kweli limiweyo nisithi nibhalisa iziphaza emva kokuba zazithengisele abantwana nabantu bethu ukutya okudala nokubolileyo esingakwaziyo nokuba kuvela phi. Ezinye iintlobo zokutya ezenziwa emva kwezindlu kusetyenziswe izithako esingazazi nokuba bezithathwe kweliphi ilizwe. Aba somashishini abahlawuli nerhafu le yokuthengisa, kukwaxheleyakhe akabuzwa.

Iingcali neengcungela zithi abantu baseMzantsi Afrika abaneziphaza bakumyinge we6 ekhulwini kuphela abathe bafumaneka ukuba ngoosomashishini beziphaza. Le mali ibiza kuxhasa aba somashishini bezi ziphaza inikwe oobani xa ngaba nifumene inani eliphantsi kangaka? Uninzi lwabantu abashishina ngeziphaza basuka kumanye amazwe. Yintoni ebangela ukuba bahlale aba bantu bezi ziphaza abangene eMzantsi Afrika ngokungekho semthethweni? Ukuya phaya kooGugulethu naseMdantsane la maSomaliya nabanye abantu abasuka kwezinye iindawo balala kwezi ndawo bathengisela kuzo. Aba bantu bathengisa ukutya okunamagama angaziwayo nokuba avela phi na.

Kuyafuneka ukuba le nkqubo yolu bhaliso iqatshelwe, kuqinisekисwe ukuba eli shishini liya buyela ebantwini bakuthi

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abantsundu. Ingxaki esinayo, yeyokuba le mali siyayifaka kwezi ziphaza ukukhulisa uqoqosho lwasezilokishini. Kwakhona abantu banikwa izibonelelo ngurhulumente ezi bajike bathenge ngazo kwezi ziphaza. Aba somashishini bathatha le mali ...

English:

... as remittances to other countries on the continent, which then becomes a problem because ...

IsiXhosa:

... loo nto ithetha ukuba uqoqosho ezilokishini luya kusoloko luqhwalela ngalo lonke ixesha.

Ndisayithetha nangoku into yokuba uNondyebo edibene norhulumente akakwazi ukuninika i-R3 billion kolu hlahlomali lweli sebe. Yimalana nje encinci le baninike yona ekubeni kwakuthiwe imali yokuxhasa amashishini asakhasayo ngamaR350 billion. Xa ujonge le mali, iza kungena kula qumrhu enu, niyifumeneyo ifana nje nethontsana kwezi ngxaki zingaka zeli sebe. Kuyafuneka ukuba noosomashishini babucala basondezelwe kufutshane ngakumbi ukuze baqinisekise ukuba oosomashishini abasakhasayo bayayifumana inkxasomali xa besenza izicelo.

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Njengokuba siye asayinanza nganto ibhanki karhulumente (state bank) abantu bethu baseza kubana bephoxwa kwezi bhanki sinazo ezingasokuze zibakhathalele kuba zona zilegeka emva kwengeniso kuphela.

Okokugqibela, kuyafuneka iqwalaselwe le nto yesebe ukuba liyawahlawula kwangethuba kusini na la mashishini asakhasayo. Ndikhumbula kolunye uhlahlomali olwagqithayo, nizingomba izifuba ngelithi nibahlawula kwangethuba oosomashishini abasakhasayo. Sithi ke kubalulekile ukuba sithi rhoqo ukumjonga urhulumente ukuba uqhuba njani kuba naye urhulumente uyawabulala la mashishini asakhasayo ngokungahlawuli kwangethuba. Xa ndisithi urhulumente ndibhekisa nakoomasipala na kakade. Enkosi. [Kwaphela ixesha.]

Xitsonga:

Tat S M GANA: Mutshamaxitulu ...

IsiZulu:

Asithi, cha, sihlalo, abafana bazobuya nayo e-Mbombela ngoMgqibelo.

English:

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Minister, for every spaza shop owned by a foreign national, there's a South African involved, and there's a South African who benefits. Rise Mzansi believes that small businesses are not a side issue in our economy; they are the economy of millions of South Africans. As I said, when we look at the spaza shop space and the industry, we must also look at the South Africans who benefit from that. Because there are South Africans who have become landlords, renting out their garages, their old shops and space to survive the rising cost of living. When we reduce this debate on spaza shops to slogans instead of facing the economic realities, then there are South Africans that we end up not seeing. Because many South Africans have turned their properties into sources of income, as unemployment is high and the opportunities are limited. For us, as Rise Mzansi, we believe that this form of township enterprise and income generation must be recognised, must be supported and developed further. We have a new generation of black property owners who receive rental income, and they deserve the support.

The second issue that I want to raise is the funding of small businesses. So, there's over R2 billion that is set aside to support small enterprises through both financial and

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nonfinancial means. But we must ask a question whether this money is producing the scale of jobs our people desperately need. The current funding model is too narrow, too rigid and often disconnected from the realities of entrepreneurship in South Africa. There are thousands of South Africans in the middle class with side hustles and growing enterprises. Teachers selling products online, young professionals running tech companies after hours to supplement their income and keep up with the cost of living. Yet many of these businesses are overlooked because they do not fit the traditional profile of who government thinks an entrepreneur or a small business owner who has to be supported should be. Rise Mzansi Sun believes that these are exactly the kinds of enterprises we should be backing because they are more likely to grow, become sustainable and create the much-needed jobs over time. The lending programmes also require urgent reform. The loan amounts are often too small to meaningfully scale a business, while the repayment obligations begin before businesses have properly stabilised. If we are serious about building a new class of entrepreneurs and small business owners, we must fundamentally rethink the model of small business funding and lending investment.

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Xitsonga:

Ndza khensa swinene, Mutshamaxitulu.

IsiZulu:

Bazobuya nayo abafana.

Mrs N L HLAZO-WEBSTER: Hon Chair, one of South Africa's most urgent needs is the creation of millions of new jobs, and the Department of Small Business Development sits at the centre of this mission, and the National Development Plan, NDP, itself recognises this because it sets a target that by 2030, 90% of all new jobs in South Africa should be created by SMMEs. Yet the department that's tasked with driving that vision remains trapped. It is trapped between fragmentations. It is trapped in underfunding and in poor execution, in the main.

Build One South Africa, BOSA, previously argued that small business support can't remain fragmented across the government. We need stronger alignment with the Department of Trade, Industry and Competition because that's necessary so that industrial policy and SMMEs development work together coherently. But if you have that structural alignment even and you don't have the meaningful investment, it still won't solve

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the crisis. Today, the department's budget is just R3 billion, and that's approximately 0,12% of the national Budget. So, what that means is that every R100 that the government spends, only R0,12 cents go towards supporting the very businesses that we're expecting to create jobs and create employment in this country. Secondly, the department is failing to produce durable or sustainable outcomes. South Africa lost 245 000 jobs in the first 90 days of 2026. Yet when you look at the department's APP, it still measures too many easy outputs and tick boxes and not meaningful outcomes. The focus remains on counting workshops, interventions, and instead of measuring how many businesses do we have that survive. How many scale and how many industrialise and ultimately create long-term jobs?

So, we need businesses that survive. We need businesses that grow. We need businesses that employ fewer than we need conferences and pilot projects, etc. Thirdly, there's a crisis of imagination and execution in this ANC-DA-run Ministry, and I think we must remind the Deputy Minister that it is an ANC-DA-run Ministry; she is part of the Ministry. It continues to speak about inclusive growth, but it maintains an apartheid spatial economy in practice. Townships are still treated as

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places for survivalist activity instead of sites for industrialisation and investment. And that's why we reiterate our call for townships to be declared Special Economic Zones, SEZs. South Africa only has a dozen designated special economic zones; 10 are fully operational, and none of those is meaningfully located within township economies themselves. That is compared to countries in Africa that have 30 to 70 Special Economic Zones. We have built SEZs around ports, freight corridors, sure, but not around people, certainly not around a township economy, which was previously excluded and remains survivalist in nature. We need a growth economy, and until this government becomes serious about scaling entrepreneurship into mass employment, it will continue to fail the people of South Africa. Thank you.

Dr W J BOSHOFF: Hon Chair, I don't think I'll need my full three minutes, although I should be entitled to four there right now. Thank you. It is good to make sure that you have what you are entitled to. This department uses about R3 billion from the national Budget. And I try to compare what this department has to do with what the Department of Trade, Industry and Competition has to do.

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And while I can concur with each objective of this department, I cannot see why it is a department on its own. I cannot see what it has to do cannot be done by the Department of Trade, Industry and Competition. What happens is that something like R300 million is used in the administration, which could just as well fall away and be given to the real work of the department. And that is excluding the cost of having a Minister and a Deputy Minister and everything related to that. So, it seems to me that this department is more a provider of jobs for well-connected cadres than for the youth to which it is meant. And of course, there must be many very able, very competent officials working in this department. And they would be employed in, let's say, the Industrial Development Corporation, IDC or the Department of Trade, Industry and Competition or whichever institution of the state. It seems to me that, as much as our government says it wants to stop working in silos, it creates new silos. It is not quite comprehensible to me. With that, I'll save you two minutes. I am not sure about the monetary worth of that. Thank you.

Mr H C C KRÜGER: Chairperson, just before I start with my speech, the DA wants this House just to note that procedures were not followed when the Chair demanded them to leave the

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House. Also, we want to put on record that the member of the EFF's point of order was not a point of order, but a political stipend.

Afrikaans:

Voorsitter, ... [Tussenwerpsels.]

The HOUSE CHAIRPERSON (Ms Z Majosi): Hon Krüger, can you please sit? [Interjections.] No, I have not recognised you, hon Ngobeni I wanted to start with this side first.

Ms M C DIKGALE: Hon House Chair, thank you very much for affording me this opportunity. I would like to request the hon Krüger to withdraw his statement, because the hon member from the EFF did not say anything. She did not say anything, and the hon minister kept on debating without listening to what she wanted to say. She was out of order, and now the hon Krüger is following. We cannot be abused by the DA. Thank you.

The HOUSE CHAIRPERSON (Ms Z Majosi): Hon members, I am going to request that my ruling be final, and it is not up for debate. And I think, when you prepared your speech, you did not assume that there would be such a ruling, and that you

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would get into that debate. Can you please proceed with the speeches of the Budget Vote, and not enter the ruling of the Presiding Officer?

Afrikaans:

Mnr H C C KRÜGER: Voorsitter, ...

English:

... today, we debate ... Chair, you must just check my time. Today, we debate Budget Vote 36, while South Africa continues to lose jobs, businesses and investor confidence. More than 340 000 jobs were lost in the first quarter alone. The reason for this is that entrepreneurs are forced to operate in an ecosystem where they drown in red tape, collapsing infrastructure, and rising the costs of doing business. The Department of Small Business Development needs to give more support to Small, Medium, and Micro Enterprises, SMMEs.

The department is supposed to protect entrepreneurs, but has become too expensive, too slow and too bureaucratic. Ms Tshabalala ... Minister, we also go on the ground level and talk to people. Ms Tshabalala, a spaza shop owner in Mpumalanga, does not wake up worrying about running a business

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theory. She worries about municipal permits, electricity outages, water interruptions, license applications, compliance costs and broken roads in municipalities that simply do not function.

The department speaks about reducing red tape, but the committee has been waiting nearly two years for a meaningful reformed red tape framework with miserable targets. Instead, we receive vague indicators and empty promises, slogans without measurement, promises without implementation and strategies without accountability.

Afrikaans:

So ver terug as die Vyfde Parlement het die DA herhaaldelik werkbare oplossings voorgestel om rompslomp te verminder, maar ANC-kaders het telkens werklike hervorming dood geboelie.

English:

The small enterprise ombud process is a perfect example of this. The ombud should protect small businesses against unfair treatment and excessive bureaucracy. Instead, the process becomes trapped in ANC politics and bullying tactics. When institutions are meant to serve entrepreneurs, they become

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battlegrounds for political control. How can small businesses trust government systems, when even parliamentary oversight processes become political and manipulated?

The DA is concerned that the APP and budget items were changed at the last hour after the committee had already approved the report. The Department of Small Business Development must focus more on strategic planning to avoid this type of late submissions. Budgets were shifted, priorities were changed, risks suddenly appeared, and frontline SMME support programmes were quietly reduced.

But perhaps, the most shocking revelation is this: While small businesses across South Africa were struggling to survive, the budget of the Minister's Office alone was increased by R4,7 million in the revised APP. At the same time, funding for direct enterprise support programmes was reduced, and enterprise development was cut.

How does a department responsible for supporting entrepreneurs submit an APP that was apparently not properly aligned in the first place? Why are administration and executive functions being prioritised, while township and rural businesses face

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collapse, and local government advise red tape. This revised APP exposes a department increasingly focused on managing itself, instead of creating an ecosystem where small businesses can survive, grow and create jobs.

Afrikaans:

Sonder kontantvloei kan klein entrepreneurs doodeenvoudig nie die mas opkom nie. Elke ekstra permit, elke ekstra vorm wat ingevul moet word, elke munisipale ry waarin gestaan moet word, word doodeenvoudig 'n ekstra las wat oorlewing kniehalter.

English:

While red tape delays entrepreneurs, the cost of doing business keeps increasing.

I echo the Deputy Minister when she says that we must reduce compliance costs, we must simplify registration, we must enforce 30-day payments and must implement measurable red tape reduction targets across all fields of government.

Afrikaans:

Die ANC praat voordurend ... Luister

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English:

... and you will learn.

Afrikaans:

Luister, luister, luister! Die ANC praat voortdurend

The HOUSE CHAIRPERSON (Ms Z Majosi): Hon members, can we please not drown the speaker.

Mr H C C KRÜGER: Listen and then you will learn.

Afrikaans:

Die ANC praat voortdurend van transformasie, maar ware transformasie gebeur wanneer entrepreneurs die vryheid het om besighede te vestig, sonder om oor die skouer na die regering te loer, en sonder om deur rompslomp gesmoor te raak.

English:

The DA will continue to fight for a South Africa where entrepreneurs spend more time building their business than fighting bureaucracy.

Afrikaans:

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Dankie.

Mr C N MALEMATJA: House Chair, Minister, allow me to greet the chair of the portfolio committee, the members, hon members present here, fellow South Africans. We are in a very difficult situation, in a transition, where we will time and again be reminded by Che Guevara that the first task of a revolutionary is to be educated. That is simply to avoid the hollow speeches that will trade insults.

The ANC supports Budget Vote 36 purely because, Minister and your team, we can safely say that through the Asset Assist Programme, the people across South Africa are benefiting on a daily basis. We can safely say that in Limpopo, Hama Jatsi, through the Ramuchinyadi corridors, eight small farmers there are given boreholes, irrigation system and seeds. Among the six are those living with disabilities. In the very same area, people are given machinery in the form of ... [Inaudible.] The last number ... Now their production has doubled.

We are very aware that red tape is an enemy. And red tape reduction, which is not on paper, is happening. We are dealing with that. We are very aware that those who benefited from the

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exclusive economic policy of apartheid will never go down without a fight, when we implement the inclusive economic policy, where colour is not in a qualification for grant, where colour is not a qualification for licensing.

We therefore tell all those who think that the small business department should be closed, it is a dream. It cannot be that when we improve the life and the living conditions of the masses, the previously disadvantaged, through small business development, then people come and grandstand to come for positions. We are doing this purely because the co-operatives are the future.

The only department that can channel and ensure we arrive there is this department. This department is in Mpumalanga. Mam Makhubela has proven that she is now in the market, not necessarily locally but internationally. This department is in Mthatha. Mam Janji has proven to us that she is no longer just giving to the ... [Inaudible.] ... she is now delivering to Boxer and other big shops. And we are targeting them to ensure that they become black-owned shops. This department is in Gauteng. The Gauteng Printers have confirmed that they have doubled production, even for those who are just arriving today

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to get T-shirts for the campaign. The production has doubled, and they will get that.

Dealing with the ... [Inaudible.] ... for those who lack this will always be a problem. The problem is being in where matters is sober maturity policy conversation, not grandstanding with a fake combat uniform from Pep. So, as the ANC, we support this ... [Inaudible.] Thank you.

The MINISTER OF SMALL BUSINESS DEVELOPMENT: Chairperson, thank you so much, as I have to deliver the few points. It is important to just caution members, especially members that are getting paid and elected to make law, not to really try to undermine the importance of the law. I emphasise this at all times. Hon members come here and complain about the challenges that are faced by small businesses and they themselves believe that there is no need for law because they are comfortable with the laws that excluded the majority of this country.

When we begin to introduce laws that must change the narrative and respond to current challenges that are faced by entrepreneurs by bringing those that were left behind on board, they have a serious problem that this country does not

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need frameworks, does not need legislation. This department has only one legislation. People are taking pride that they have been in parliament in this committee since in the last 10 years. One legislation that has been approved and then they want us to say we must not do anything.

People come and complain about red tape at municipal level and yet they do not see the need for the framework and the policies. Once we are introducing the business licencing policy that must deal with the challenges that members are complaining about in relation to the delays when licences are issued and all the other issues of illegal migrants that are trading in areas that they are not supposed to trade on.

There is everything wrong with a lawmaker that is chosen to make law but has phobia of making the law. It really shows a country in a crisis and a party in a disaster. As I thank those ... [Interjections.] ...

The HOUSE CHAIRPERSON (Ms Z Majenzi): Please continue, hon Minister, my apology.

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The MINISTER OF SMALL BUSINESS: ... As I continue to thank the hon members for their productive inputs, those that have been productive, I would want to remind the hon members of the numbers that we have reported in their committee, those that are attending.

We disbursed R3,2 billion to MSMEs in the financial year 2024/25, above the target that was set for R2,1 billion because this money when we put, it comes back as we deal with the Development Finance Institution, DFI, functionality. Of the R3,2 billion that we disbursed, R300 million went to MSMEs and co-operatives in the agriculture space, forestry, and fisheries sector. An R229 million of that went to construction MSMEs, R261 million to manufacturing MSMEs, and R159 million to transport, logistics, and storage sectors.

This tells you that we are now focussing on sectors, identifying our own niche, just like we would say when a particular retail store, sells shirts, we want the buttons to be bought by small businesses. That is what we are financing, building a pipeline for trade and industry, those that like big corporates, and they do not believe that big corporates started by being small. And let me tell you the difference

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between Department of Trade, Industry and Competition, DTIC, and the Department of Small Business Development. Ours is to create that pipeline, introduce new entrants into the space, so that when they graduate, they become big businesses that you are comforted like, because I do not blame you because of the past, and then you do not believe that you must bring in new people on board.

We have emphasised the need to invest in business development support, because small businesses continue to be excluded from market and funding opportunities. This is largely because some laws and policies are still designed in ways that treat small businesses as high risk and shut them out. If you do not support the framework and policies intended to address this, then I do not understand why you are here, especially in a portfolio you are paid to serve.

There is a member, I do not know if he is still honourable. If you come to this podium as a member of Parliament, and then you complain about what this government does and the ANC does not do, and yet in your own backyard, on 16 May, News 24 reported about a number of entrepreneurs and formal traders that were being chased away by the city of Cape Town, and of

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course people will not complain because they are not from all these beautiful places, Claremont, they are from Hanover, and Hanover does not matter. Entrepreneurs from Khayelitsha are not an issue. Therefore, hon members from the Democratic Alliance will come here and grandstand and claim to be the best performing municipality in dealing with red tapes because they are using the Businesses Act of 1991, prior democracy, which used the licencing methodologies to exclude our people in the economy. It shall never happen again. We are going to bring laws, and you are going to contribute on those...

[Inaudible.]

Debate concluded.

The mini-plenary session rose at 11:57.