

STATEMENT BY MEC PARKS TAU TO ANNOUNCE THE R100 MILLION GAUTENG REBUILDING FUND ON THE 24 OF AUGUST 2021 AT THE WAR ROOM, WAVERLY OFFICE PARK

Good day ladies and gentlemen,

Acknowledge;

Chairperson of the Board at GEP, Ms Lebogang Mphahlele,

HoD for Department of Economic Development Blake Mosely-Lefatola

HoD for Department of Environment, Agriculture and Rural Development, Matilda Gasela

CEO at GEP, Saki Zamxaka,

Members of the media,

And all stakeholders in attendance.

INTRODUCTION

We were allocated R250M via the Gauteng Enterprise Propeller to gear private and public sector investments, aimed at economic revitalization. To enable this to happen we structured the fund as a wholesale lending instrument, aimed at focusing our efforts on working capital financing. This focused approach will ensure that we support the full diversity of township-based business, targeting the:

- 1. SMME**
- 2. Informal sector**
- 3. Taxi economy**
- 4. Township property sector**
- 5. Township retailers**

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Last month we presented the Gauteng Government's Economic rebuilding approach are aimed at reigniting the economy. It was just about 6 weeks ago that we witnessed the looting of business and government premises. The 5 days of unrest caused an immense damage to the Gauteng Economy, currently estimated at R3,5Bn. It was an unrest in which small enterprises suffered the most, with some losing the entire stock and infrastructure. In Gauteng more than 18200 people lost their jobs as a result of the unrest and with 48% of SMMEs uninsured, it would be difficult for them to return to work and/ business soon.

Following the recent unrest, the Gauteng Department of Economic Development conducted a survey to get valuable information from the affected SMMEs, and this campaign has also reached local radio stations. If there is a message for us all to learn from these recent events, it is that there's always a risk of violence in countries with exceptionally high-income inequality.

IMPLEMENTATION IN ACTION

As a responsive government we cannot afford to allow the small enterprises to collapse, hence we have gone to the roundtable discussions and started targeting funds internally and through partnerships, that can be better used to reignite the economy.

APPLICATIONS FOR GAUTENG REBUILDING FUND OPEN ON 24 AUGUST 2021

GEP will open funding applications for the Gauteng Rebuilding Fund from Today, 24 August 2021. The Gauteng Rebuilding Fund is exclusively for Gauteng SMMEs that were affected by COVID 19 and looting.

The Gauteng Rebuilding Fund is the Gauteng Provincial Government's response to the recent unprecedented challenges faced by small businesses emanating from COVID 19 and the riots that took place in July. The R100m fund includes a R50m contribution by the Gauteng Provincial Government and a further R50m from the Industrial Development Corporation (IDC).

The funding, which will be offered as a 50/50 blend of loan and grant, will help businesses cover rebuilding costs, repairs, replacement of infrastructure, inventory,

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equipment and critical supplies. It will also cover increased business security and employee costs.

This funding will not be open to businesses that have claimed from insurance, the financing for normal expansions, payment of non-operational expenditure such as bonuses and financing of new enterprises.

SMMEs can apply on www.gep.co.za or visit one of our regional offices.

Enquiries on previous applications must be sent to enquiries@gep.co.za

CONCLUSION

The time is now for those small enterprises to use the recent experiences to review their operations to be better prepared for the future. The R250 million is now accessible to our mothers, fathers, brothers, sisters and children who need most. The R100M Rebuilding Fund is a first step towards bringing economic relief to the most informal enterprises, who play a critical role in our Township economy.

Walter Sisulu once said;

“It is a law of life that problems arise when conditions are there for their solution.”

Now is the time.

I THANK YOU