

Remarks by MEC of Economic Development, Environmental Affairs and Tourism, Mr. Mlungisi Mvoko, during the EC Chamber of Business annual business awards and fundraising event

02 December 2022

Greetings to you Programme Director;

The Executive Mayor of KSD;

The leadership of EC Chamber of Business;

The Business at large;

All stakeholders present;

Esteemed guests;

Ladies and gentlemen.

Good evening.

It is my honor and privilege to address this important gathering tonight under the auspices of the Eastern Cape Chamber of Business.

It is an important gathering for business people that are here and those who aspire to do business, as part of this evening seeks to demonstrate the tenacity by the ECCOB to recognize the local talent and put the Eastern Cape businesses on a higher pedestal. It is encouraging to see the organized business pulling resources together and host an event of this nature outside government support.

I, however Programme Director, wish to first briefly talk to the event's theme – **"Paying Service Providers within 30 days"**.

Ladies and gentlemen, at the time when our economy is struggling to grow and create jobs at the pace that we desire, it is through the role that the business plays in the economy that we still have a functioning economy, at the very least.

We all agree that government on their own cannot overcome the challenge of unemployment, but should take a lead role in providing a conducive environment for the economy to thrive and create jobs.

We have great policies that we deliberately developed so we can support the business, especially small businesses.

In the Medium Term Budget Speech that I made just last month, I reemphasized that as the government of the Eastern Cape, we need to put more impetus in our support that is aimed at uplifting local producers and small businesses so we can ignite regional economic development and job creation.

It is however pointless to do that if we are not going to pay them on time; it defeats the purpose. When we don't pay service providers on time, their cash flows get affected and they face potential struggle or closure.

We saw how the COVID19 pandemic affected the business. Many businesses retrenched their employ and at worst, they closed down, simply because their cash flows were affected. So, as government, we don't want to be another pandemic to small businesses.

I must however indicate, Programme Director, that our report on payment of suppliers shows that, as the Province, we pay within the period of 12 days.

Our biggest culprit in late payments is the Department of Health, and at the lesser extent, the Department of Education.

Of the R2 billion that we owe to suppliers, about R1.8 billion is located within Health, with about over R300 million owned by Education. Transport and other departments share the rest.

Despite the challenges that Health is experiencing, my take on this is that we should just pay, if we are to get rid of this problem.

Treasury, OTP and Health are however working on a plan that is aimed at improving efficiencies at Health, so that they are able to adhere to their financial obligations.

As we work towards resolving this issue, it is important that we keep the engagement between ourselves and business chambers going to avoid discord.

The role of the chambers has been critical in representing the views of their members and engaging with government and other critical stakeholders with a collective voice. By virtue of the number of businesses they represent they are sought after stakeholders as through them government can reach many businesses for its programmes as well as inputs on various policies aimed at developing the sector and various industries.

It is against this background that collaborative efforts are to be made with business chambers by government institutions including the developmental agencies to:

- Create business to business platforms for small enterprises to access finance and other market opportunities.
- Increase awareness on government procurement opportunities and,

- Facilitate pipeline for small business funding through collaborations with the DFI's.

In as much as business chambers play an active role in lobbying and advocacy the business chambers also provide platform for networking by businesses through hosting events and interface with communities.

Thus, they also have a role in skills development and training of the businesses that affiliates to their associations and expose them to markets that if they were operating individually, they would not have had an opportunity to access them.

I must also emphasize that the business chambers are member driven meaning the small businesses must see benefit for joining them. Failure to derive any benefit will deter the growth and the sustainability of the business chamber.

As we are all aware that the sector is characterized by fragmentation as in most cases, we see leadership contest been challenged in courts of law a new tendency that has engulfed our present-day elective conferences. Therefore, the business chamber will be weak if it does not have tested support programmes for its membership and become easily diverted to fight over small things and loose sight of the bigger picture. That is economic development, job creation and equitable society.

As I conclude, Programme Director, I must say that we are impressed by the EC Chamber of Business to offer awards to the respective businesses and people across the different sectors. It is a practice that can be emulated by other chambers as well, to motivate their members to participate in programmes like these.

I like that in your approach of this, you get to recognise those who operate from both inside and outside of the Province.

To those who have won awards, I want to say congratulations!

Even those who have not been recognised today, you are also winners. The work that you all do in your corners is recognised in the bigger scheme of things. Continue doing great things.

I also want to say my congratulations to the leadership of ECCOB for such a great initiative in the EC Province.

I wish you well as we approach end of the year and I hope your businesses will grow in leaps and bounds in the next financial year.

Ndiyabulela Programme Director.