



**destea**

department of  
Economic, Small Business Development,  
Tourism and Environmental Affairs  
FREE STATE PROVINCE

## **MEDIA STATEMENT**

### **HELP AT HAND FOR STRUGGLING FREE STATE BUSINESSES**

**19 NOVEMBER 2020**

The unprecedented challenges of COVID -19 pandemic plunged the whole world into economic instability. The Free State was no exception. Progressive Governments throughout the world provided stimulus packages in order to assist businesses, to recover and so that jobs can be saved and new ones be created.

It was evident from the very early stages of the Lockdown that many businesses, particularly in the informal sector would never recover from the “dry season”. In response to the plight of these businesses, MEC Makalo Mohale invited all qualifying businesses to apply for Economic Recovery Incentives put together by the Department of Economic, Small Business Development, Tourism and Environmental Affairs (DESTEa). These incentives included:

- Risk-Sharing Incentive Scheme
- Enterprise Support Incentive Scheme
- Manufacturing Support Incentive Scheme
- Spaza Shops and General Dealers Support
- Informal Business Support
- Hawkers Support
- Bridging finance for Companies with orders

On closure of the application window on July 9, 2020, **2 522 applications** had been received. The verification of documentation and adjudication proved to be a mammoth task as the Department would not like any applicant to be jeopardized and penalised for insufficient documents or qualifying enterprise erroneously being approved. As a result of the involved screening and approval process **714 enterprises** have been approved for assistance to date. Approvals are as follows:

- **Risk-Sharing Incentive Scheme – 15**
- **Enterprise Incentive Scheme – 54**
- **Spaza Shops and General Dealers Incentives – 395**
- **Informal Business Support – ( Hawkers) – 250**

In total, **R 34 677 749** has been paid out to Free State businesses in order to get them back on their feet, saving 741 jobs. The journey back to economic recovery will not be an easy one, but with the help of strategic partners and stakeholders, the Department remains committed to finding meaningful and long-lasting solutions to challenges facing our economy and exacerbated by the pandemic.



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Assisted enterprises will receive further push from DESTEA towards helping them with access to markets. Advertising space will be secured in different media platforms to help businesses recover their lost clientele and find new markets. In announcing this intervention, MEC Makalo said, “Very few if any of these businesses have a marketing budget. They depend on word of mouth, family, friends and churches as a marketing platform. It is our duty to add some spark in SMME development if we are to reduce the high mortality rate of SMMEs”.

To track their applications, businesses could send an email to [SMME@destea.gov.za](mailto:SMME@destea.gov.za) or WhatsApp 060 588 6970 with details of the date of their application and reference number where applicable.

**THE END**

For media enquiries contact Kgotso Tau @ 082 833 9595 or [tauk@destea.gov.za](mailto:tauk@destea.gov.za) Issued by the Department of Economic, Small Business Development, Tourism and Environmental Affairs.