



MEDIA STATEMENT

FSPG ENGAGES BUSINESS FORMATIONS IN MAP

23 June 2021

Challenges facing businesses and industries in Maluti-a-Phofung Local Municipality featured strongly in the two previous oversight visits by the Deputy President David Mabuza at Maluti-a-Phofung. These issues were raised by businesses during the presidential visit to the area as one of the identified service delivery hotspots in the country.

The constant disruption of electricity and water supply were some of the main issues that have caused service delivery protests in MAP. Unstable supply of electricity and water has a direct effect on the local economy of the municipality negatively affecting SMMEs production and manufacturing.

Following these visits, the Deputy President instructed that engagements with business formations in the area be held urgently in order to work out MAP SMMEs Multi Sectoral Intervention Plan. This plan will then be presented to the Deputy President and other principals during his follow up visit.

A delegation made up of DESTEA, Maluti-a-Phofung Local Municipality (MAP), Department of Small Business Development (DSBD), Small Enterprise Development Agency (SEDA), MAP Special Economic Zone (SEZ), Free State Development Corporation (FDC) and the Office of the Premier held a meeting with representatives from business formations. More than fifty representatives from eight business associations attended the meeting.

Issues raised at the meeting ranged from lack of business opportunities, unstable electricity and water supply and poor infrastructure within the municipality, lack of communications, poor waste management, lack of support of SMMEs and informal traders, lack of transparency on how FDC buildings are sold and rented, and also maintenance in the industrial parks.

Ms Mofedi Nkabinde, the founder of GMT Holdings, one of the factories within the SEZ industrial area, lamented the constant disruptions of electricity and water supply which hampers operations of her abattoir business. "Our business relies on water during slaughtering, and relies on electricity for storage. At times we even consider relocating due to these problems", she said.

Addressing the meeting, DESTEA's Head of Department, Dr Mbulelo Nokwequ said, "Such engagements are critical to enhance government plans towards economic development of the Free State. They should be held quarterly and be monitored for progress and challenges if any. It is however important that business formations form networks and exchange views if we are to avoid regionalization of economic plans. As government, we are compelled to create conducive environment for interaction and effective implementation of plans"



Maluti-a-Phofung is a critical area where important industrial parks, Phuthaditjhaba and MAP SEZ in Tshiame are all situated. Factories in these areas are in the textile, furniture, plastic, agro-processing, leather as well as auto-mechanics and have created more than ten thousand permanent job opportunities.

If these problems cannot be attended to, the local economy will suffer which will result in job losses. Sustainability and success of localization and industrialization depends on reliable supply of electricity and water, good roads infrastructure as well as stable labour force, among others.

The intervention plan to turn the situation around, the meeting agreed, will have to include, among others, improved collaboration with the business chambers; open day with business chambers to identify opportunities available within the SEZ and DESTEA and FDC to set up a steering committee to deal with problems in the industrial parks and develop an urgent strategy to retain and attract investments in the parks. The Department of Small Business Development will also increase the tempo of its campaign on the Township and Rural Economic Programme (TREP) incentives.

The End!

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Department of Economic, Small Business Development, Tourism and Environmental Affairs

For media enquiries contact: Kgotso Tau 082 833 9595/ Email:

tauk@destea.gov.za