



MSUNDUZI MUNICIPALITY

SMALL ENTERPRISE DEVELOPMENT STRATEGY

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MSUNDUZI MUNICIPALITY
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1. SECTION ONE: INTRODUCTION

1.1. BACKGROUND

Small businesses have a major role to play in the South African economy in terms of employment creation, income generation and output growth. They are often the vehicle by which the people with the lowest incomes gain access to economic opportunities and thereby redressing the economic challenges. Business support facilities that service SMMEs have increased the sustainability of SMMEs throughout the country. These facilities include among others business information kiosks, service centres, hives, clusters and incubators.

- By developing this SMME strategy, Msunduzi Local Municipality (MDM) wants to adhere to its constitutional mandates and obligations of promoting socio-economic development in its area of jurisdiction.
- To further its constitutional mandate, MDM Councillors commit themselves to the facilitation and implementation of the strategic actions taking into account budgetary and capacity constraints¹.
- The development of the SMMEs in the Municipality needs to take place in alignment with the municipality's initiatives of relevance including the integrated development planning (IDP) and the local economic development (LED) Plan.²

1.2. PURPOSE OF THE STUDY

The importance of SMMEs for economic development and job creation has been clearly acknowledged in several development strategies and plans at national and provincial level. Despite the significance of the achievements of SMMEs in the economy, there have been few detailed research studies on their structures, dynamics and opportunities.

¹ Extracted from the Municipal Systems Act 32 of 2000

² Idem

It has been identified that SMMEs in Msunduzi make a disproportionately small contribution to the local economy due to the presence of large manufacturers and exporters. Government support has been focused on large investments, with only modest assistance offered to support SMMEs in Msunduzi, especially in the rural and underdeveloped areas. Existing private and non-governmental support has been fragmented and uncoordinated. This has created a problem of "missing middle" between local based raw/bulk material producers and local retailers, with many local SMMEs becoming unsustainable. This gap is currently filled by national and international suppliers.

The purpose of the study is therefore to develop a strategic plan to support sustainable SMME development in Msunduzi Municipality through an integrated system of business support facilities, thus encouraging economic and employment growth and development throughout the municipality, especially the rural areas.

1.3. OBJECTIVES OF THE STUDY

The major objectives of the project include the following:

- To increase local government support for SMME development in Msunduzi;
- To achieve a greater contribution by SMMEs in local economies; and
- The creation of job opportunities to reduce unemployment and poverty.

1.4. SCOPE OF THE STUDY

The scope of the assignment as per the terms of reference include the following:

- The preparation of the strategy will focus on the development needs of the SMME sector, and identify opportunities within the economy of the Municipality, looking both externally at the broader economic situation of the region, as well as internally at its procurement processes.
- The consultant will undertake the following tasks:
 - Capture an SMME development vision for the Msunduzi Municipality in consultation with key stakeholder organisations.

- Provide an analysis of the SMME environment, including strengths, weaknesses, opportunities and threats within the economy in general and municipality in particular.
- Review the key economic sectors in the municipality and analyse the potential development opportunities in each sector and the most recent trends.
- Analyse the latest Provincial Growth and Development Plan, the Municipal IDP, and the LED strategy together with the various plans of other national and provincial government departments in respect of promotion of SMME growth and development, to identify possible opportunities.
- Undertake structured consultations with stakeholder groups to develop key strategies and priority interventions, with the aim of promoting new SMMEs, supporting progression from the informal sector to formal small businesses, and enabling SMMEs to expand, diversify and develop a profile beyond the Municipal boundaries.
- Make recommendations on the creation of an enabling environment which is conducive to promoting SMME development, including both support and the reduction of regulatory and bureaucratic impediments.
- Develop an SMME plan that will transform the projects identified and unpacked in the strategy into programmes that can be implemented within prescribed timeframes and budgets, in order to achieve the targets and objectives set out in the strategy, as well as the realization of the economic vision. More specifically, the consultant is required to:
 - indicate the responsibilities and timeframes for the plan, as well as the resources and budget that would be required.
 - identify priority projects from the plan for short to medium term implementation.
 - Evaluating the potential funding sources which will enable efficient and effective facilitation of the implementation of projects.

1.5. URBAN-ECON'S APPROACH: THE THEORY OF CHANGE OR OUTCOMES APPROACH

The outcomes approach "is designed to ensure that programme and project planners focus on achieving the expected real improvements in the life of all beneficiaries...[it] clarifies what we expect to achieve, how we expect to achieve it and how we will know whether we are achieving

it". The outcomes approach advocates using a logic model which links inputs, activities, outcomes and impacts, which are defined as follows:

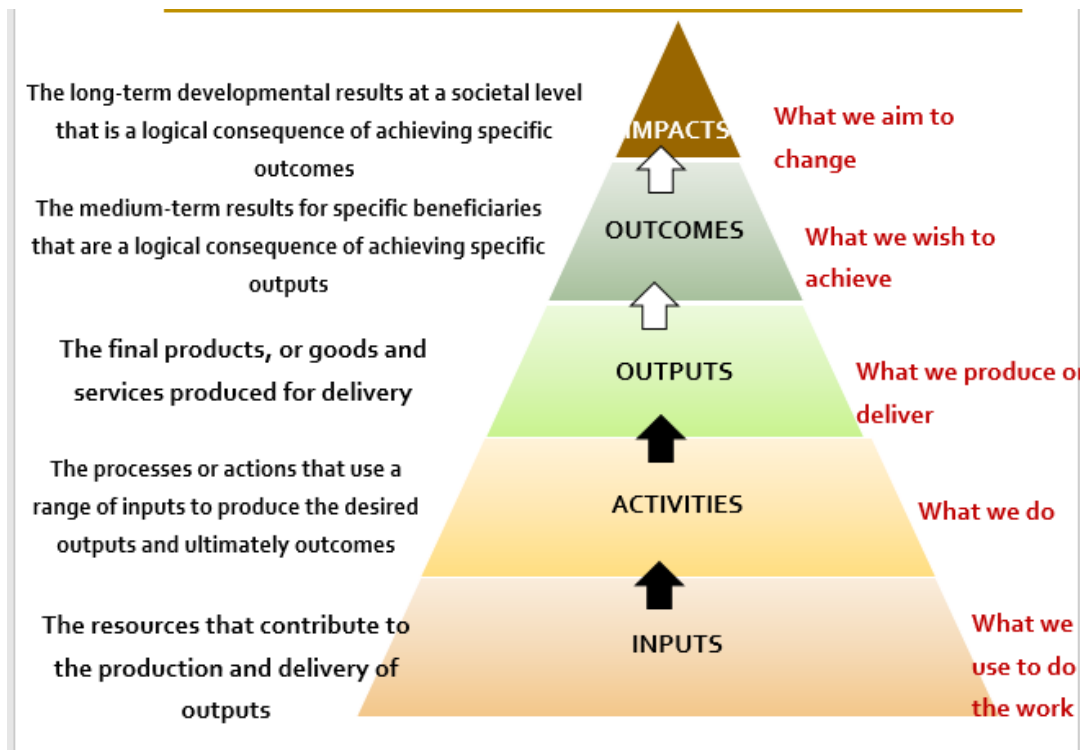
Theory of Change Concept	Mapping the Theory of Change to SMME Strategy	Overall Achievement
Impacts	The long-term “developmental result at a societal level that is the logical consequence of achieving specific outcomes	<ul style="list-style-type: none"> • The overall achievement or impact of Msunduzi • The relevance of Msunduzi • The effectiveness of Msunduzi • The efficiency of Msunduzi
Outcomes	a changed state of being...They describe the effects, benefits or consequences that occur due to the outputs or programmes, processes or activities. The realisation of the outcome has a time factor and can be in either the medium or long-term	
Outputs	These “can be immediate and intermediate... direct products and services generated by the Municipality through processes or activities without specific reference to their ultimate purpose	
Activities	a collection of functions (actions, jobs, tasks) that consume inputs and deliver benefits or impacts	
Inputs	everything that Msunduzi needed to accomplish SMMEs developmental tasks. This could be in terms of finance, human resources, infrastructure etc.	

Theory of Change is essentially a comprehensive description and illustration of how and why a desired change is expected to happen in a particular context. It is focused on mapping out or “filling in” what has been described as the “missing middle” between what a programme or change initiative does (its activities or interventions) and how these lead to desired goals being achieved.

This theory will assist in understanding the resources to be invested in SMME development in Msunduzi; various activities to be undertaken; the current results, the expected results; and the overall impact of the statutory support. In summary, the Theory of change will assist through the following:

- present the efficiency, effectiveness, relevance and impact of the current strategy;
- Identify appropriate strategies that might be considered towards the sustainability and the strengthening of SMME sector in the Municipality;
- Assisting the Municipality by presenting Smart inputs, attainable activities, measurable outputs, realistic outcomes and achievable impact.

Figure 1 Elements of the Outcomes Approach



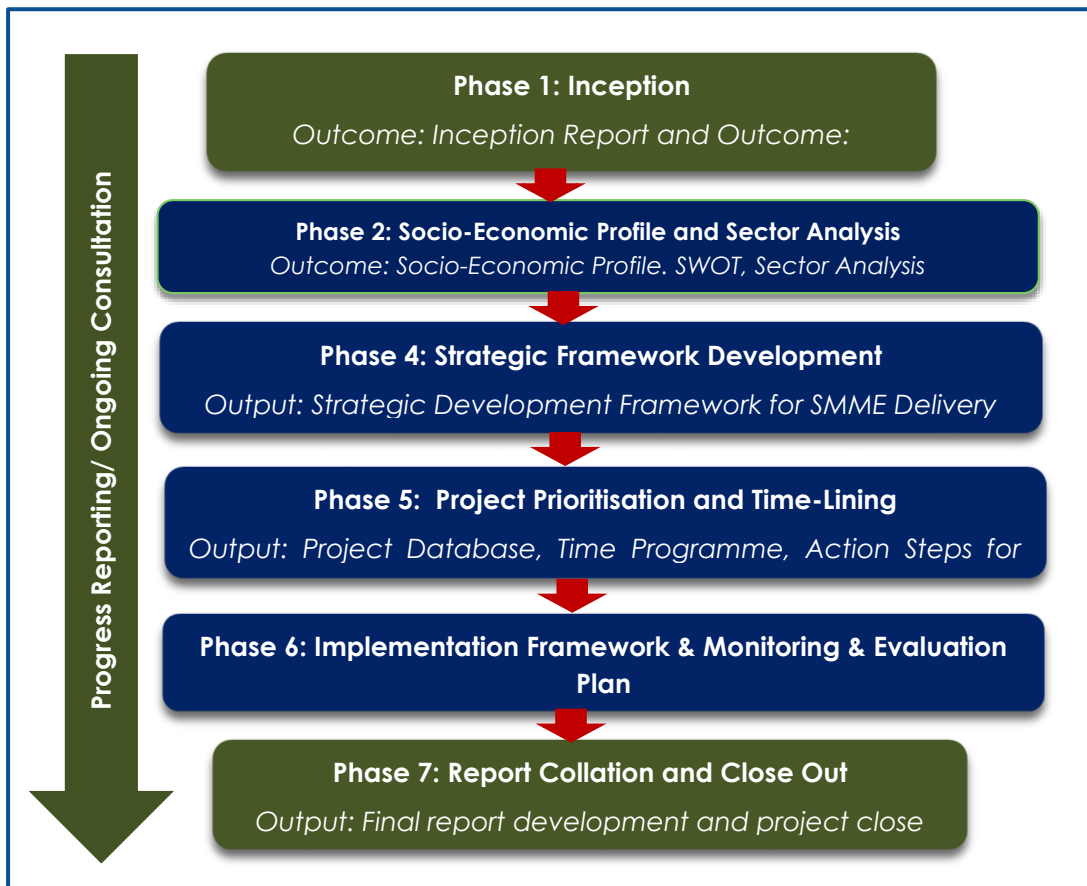
1.6. PROJECT METHODOLOGY

As part of the methodology followed, the project engages with key local stakeholders from the private, non-governmental and public sectors in the development of the SMME strategy. In the implementation of the SMME strategy, partners will be identified for each specific project. The

project will include a short- to medium-term implementation plan for identified activities, as well as proposed system to monitor and evaluate progress. The SMME strategy will be a living document that should change as circumstances dictate, and will thus be structured so that it can be refined or reworked to resolve problems when these occur.

The SMME strategy consolidates and adds value to the existing strategies and programmes to facilitate and guide economic development and investment in Msunduzi. The strategy will be based on identified development needs, opportunities and comparative advantages that will unlock the latent economic development potential of the area. This objective can be achieved through the following seven steps:

The methodology shown below is set out in tabular form and key action steps are unpacked into more detail.



The table below details the sub-steps and activities required in each phase.

PHASE	MSUNDUZI SMME STRATEGY	DELIVERABLE
1. Inception Phase	1.1 Confirmation of the project scope	Inception Report
	1.2 Finalisation of work plan	
	1.3 Initial Stakeholder Consultation List Identification	
	1.4 Finalisation of Consultation Plan	
	1.5 Collation of required documentation	
2. Develop Socio-Economic Profile and SMME analysis	2.1 Review and update socio-economic indicators to date	Socio-Economic Profile
	2.2 Review sector performance analysis	
	2.3 Interview / Survey with existing SMMEs	
	2.4 Overall economic trends analysis in key sectors: agriculture, industry, trade	
	2.5 Engage with key stakeholders in SMME and business environment	
	2.6 SWOT Analysis	
3. Strategy Development	3.1 Undertake realistic scenario planning with Key Stakeholders	Smme Plan Draft
	3.2 Formulate key intervention areas	
	3.3 Capacity Building Workshop for LED Managers and Officers	
	3.4 Determine desired performance of Structures including: economic indicators, sector performance goals, intervention areas	
	3.5 Identify required programmes to achieve strategic goals as a municipality	
	3.6 Determine suitable projects aligned to the desired interventions and goals	

PHASE	MSUNDUZI SMME STRATEGY	DELIVERABLE
	3.7 Develop project prioritisation process that is usable and guides future implementation	
Phase 4: Project Prioritisation and Time-Lining	4.1 Developing of new projects	Project Prioritisation Matrix & Decision Making Tool
	4.2 Confirmation of programmes and projects by PSC	
	4.3 Collective support of the programme /projects by LED Unit	
	4.4 Finalisation of Project Selection	
Phase 5 Implementation Plan	5.1 Identify the key implementing requirements of each project and ascertain critical partnerships needed between municipality	Implementation Plan
	5.2 Identification of time frames and key actions for each economic development opportunity and tied into a specified time programme	
	5.3 Draft a detailed action plan for execution and implementation of programmes and projects	
	5.4 Determine short, medium and long-term implementation tools	
Phase 6: Report Collation and Close-Out	6.1 Finalise Comprehensive SMME strategy draft report	Comprehensive SMME Strategy Document
	6.2 Circulated for comment to stakeholders	
	6.3 Presentation to Council	
	6.4 Incorporation of Comment and Feedback	
	6.5 Final report development and Close Out Report developed	

1.7. REPORT OUTLINE

This report has the following sections:

1. The first section is an introduction that deals with the administrative part of the document. Here the background, objectives and methodology of the project are presented.
2. The second section deals with the situational analysis of the study and include the background, policy framework, the nature and extent of SMMEs in the municipality are presented. The SWOT analysis draws this section to a conclusion by providing the economic

strengths and weaknesses of, opportunities for and threats to the SMMEs in Msunduzi Municipality.

3. The third section presents the strategy framework developed to address all SMME challenges and to grasp all the opportunities discovered during the situational analysis.
4. The fourth section provides the implementation framework which entails the financial plan, institutional plan, communication and marketing plan, monitoring and evaluation, and business plans for the anchor suggested projects.

2. SMALL BUSINESSES: MACRO-ECONOMIC OUTLOOK

2.1. DEFINING SMALL ENTERPRISE

The small enterprise sector plays a crucial role in the national economy. It is vital in developing economies, providing a balance between supply and demand in the job market, creating competition between businesses that leads to the more efficient utilisation of resources, the development of skills and technology, and as a result, the overall development of the economy. Small enterprises are considered to be one of the major sources for employment creation and community growth.

As identified in the National Small Business Act, No. 102 of 1996, "Small Enterprise" means a separate and distinct business entity, including co-operative enterprises and non-governmental organisations, managed by one owner or a number of owners which, including its branches or subsidiaries, if any, is predominantly carried on in any sector or sub-sector of the economy and which can be classified as a micro, a very small, a small or a medium enterprise.

3.1.1 Micro-enterprise

Within the category of micro-enterprises, there are survivalist enterprises. Survivalist enterprises run with a few paid employees and minimal asset value. The enterprises generate income below the minimum income standard or the poverty line, and their main aim is to provide minimal subsistence means for the unemployed and their families. Most entrepreneurs in this category are involved in

hawking, vending and subsistence farming. Micro-enterprises have the potential to absorb unskilled labour, as has been confirmed by the correlation between the unemployment rate and the number of self-employed persons in unregistered, mainly survivalist, enterprises that prevail in informal settlements and rural areas.

3.1.2 Very small enterprises

Very small enterprises employ fewer than 10 paid employees, and in the mining, electricity, manufacturing and construction sectors, fewer than 20. They operate within the formal market and usually have access to modern technology.

3.1.3 Small enterprises

Small enterprises have fewer than 50 paid employees and are more established, with more complex business practices. Usually the owner does not manage the enterprise directly and a secondary coordinating mechanism has been put in place. Growth from a small to a medium-sized enterprise requires an accumulation of resources as well as a set of appropriate incentives for enterprise expansion.

3.1.4 Medium enterprises

Medium-sized enterprises are enterprises with up to 100 paid employees, although in the mining, electricity and manufacturing sectors, this can be up to 200. Although usually controlled by an owner/manager, the ownership and management structure is more complex. A more complete separation of ownership and management is often the natural barrier between medium and large enterprises.

From the preceding highlighted definition, it is understood that SMMEs include:

- All formal small businesses, meaning those registered with the CIPC
- All businesses registered for VAT (but not yet registered with the CIPC)

- All co-operative businesses (primary and secondary)
- All informal businesses, meaning unregistered enterprises
- All non-governmental organisations employing few people
- All state-owned companies employing few people

Using the National Small Business Amendment Act (Act 26 of 2003) as a starting point, the following table summarises the 'qualification criteria' based on employee numbers and turnover for SMMEs. The table below shows various sectors, but there each sector has its own sub-sectors which will not be mentioned in the table.

Table 1 Classification of SMMEs According to the National Small Business Act 102, 1996

Sector or sub-sectors in accordance with the Standard Industrial Classification	Size or class	Total full-time equivalent of paid employees <i>Less than:</i>	Total annual turnover <i>Less than:</i>	Total gross asset value (fixed property excluded) <i>Less than:</i>
Agriculture	Medium	100	R 4.00 m	R 4.00 m
	Small	50	R 2.00 m	R 2.00 m
	Very small	10	R 0.40 m	R 0.40 m
	Micro	5	R 0.15 m	R 0.10 m
Mining and Quarrying	Medium	200	R30.00 m	R18.00 m
	Small	50	R 7.50 m	R 4.50 m
	Very small	20	R 3.00 m	R 1.80 m
	Micro	5	R 0.15 m	R 0.10 m
Manufacturing	Medium	200	R40.00 m	R15.00 m
	Small	50	R10.00 m	R 3.75 m
	Very small	20	R 4.00 m	R 1.50 m
	Micro	5	R 0.15 m	R 0.10 m

Sector or sub-sectors in accordance with the Standard Industrial Classification	Size or class	Total full-time equivalent of paid employees <i>Less than:</i>	Total annual turnover <i>Less than:</i>	Total gross asset value (fixed property excluded) <i>Less than:</i>
Electricity, Gas and Water	Medium	200	R40.00 m	R15.00 m
	Small	50	R10.00 m	R 3.75 m
	Very small	20	R 4.00 m	R 1.50 m
	Micro	5	R 0.15 m	R 0.10 m
Construction	Medium	200	R20.00 m	R 4.00 m
	Small	50	R 5.00 m	R 1.00 m
	Very small	20	R 2.00 m	R 0.40 m
	Micro	5	R 0.15 m	R 0.10 m
Retail and Motor Trade and Repair Services	Medium	100	R30.00 m	R 5.00 m
	Small	50	R15.00 m	R 2.50 m
	Very small	10	R 3.00 m	R 0.50 m
	Micro	5	R 0.15 m	R 0.10 m
Wholesale Trade, Commercial Agents and Allied Services	Medium	100	R50.00 m	R 8.00 m
	Small	50	R25.00 m	R 4.00 m
	Very small	10	R 5.00 m	R 0.50 m
	Micro	5	R 0.15 m	R 0.10 m
Catering, Accommodation and other Trade	Medium	100	R10.00 m	R 2.00 m
	Small	50	R 5.00 m	R 1.00 m
	Very small	10	R 1.00 m	R 0.20 m
	Micro	5	R 0.15 m	R 0.10 m
Transport, Storage and Communications	Medium	100	R20.00 m	R 5.00 m
	Small	50	R10.00 m	R 2.50 m

Sector or sub-sectors in accordance with the Standard Industrial Classification	Size or class	Total full-time equivalent of paid employees <i>Less than:</i>	Total annual turnover <i>Less than:</i>	Total gross asset value (fixed property excluded) <i>Less than:</i>
	Very small	10	R 2.00 m	R 0.50 m
	Micro	5	R 0.15 m	R 0.10 m
Finance and Business Services	Medium	100	R20.00 m	R 4.00 m
	Small	50	R10.00 m	R 2.00 m
	Very small	10	R 2.00 m	R 0.40 m
	Micro	5	R 0.15 m	R 0.10 m
Community, Social and Personal Services	Medium	100	R10.00 m	R 5.00 m
	Small	50	R 5.00 m	R 2.50 m
	Very small	10	R 1.00 m	R 0.50 m
	Micro	5	R 0.15 m	R 0.10 m

Source: Schedule 1 to the National Small Business Act of 1996, as revised by the National Small Business Amendment Bill of March 2003

2.2. THE ROLE OF SMALL ENTERPRISES IN ECONOMIES

In many countries, especially those in Africa and Asia, the micro-enterprise sector absorbs the majority of the working population. The following are statistics that illustrate the key role that micro and small enterprises play in generating overall employment. Firms of five or fewer employees account for half of the non-farm workforce in Latin America, and two-thirds of the non-farm workforce in Africa. Informal sector firms generate three out of every four new, non-farm jobs in Thailand and half of all new jobs in Indonesia. Further, micro and small enterprises comprise more than 97% of all firms in the manufacturing and trade/service sectors (Simmons, 2004).

Micro firms generate 71% of total employment in the trade/service sector in Thailand. In India, small enterprises constitute an important segment of the economy in terms of their contribution to

the country's industrial production, exports, employment and creation of an entrepreneurial base. No fewer than 90% of workers in India owe their livelihoods to informal sector employment. These workers contribute 60% of net domestic product and 70% of domestic income (Simmons, 2004).

In Indonesia, firms with five or fewer employees account for almost half of total manufacturing employment, while small enterprises account for an additional 18%. In Korea, small enterprises have a higher share of employment and added value that enables the economy to adjust smoothly to exogenous shocks and cycle swings (Simmons, 2004; Bakiewicz, 2008).

Politicians, academics and developmental economists in Botswana are of the view that enhancing small business development and promoting entrepreneurship would be a good strategy to grow and promote economic development. From the viewpoint of economic development, small businesses create almost half of new jobs in the economy, and it is assumed that they are good jobs. Estimates from the Botswana Institute of Development Policy Analysis (BIDPA, 2007) put the SMME contribution to employment at 32%, the majority of which is in the micro sector. The BIDPA further found that SMMEs contribute up to 75% of private sector employment and about 20% of national output (GDP) (Nkwe, 2012).

More than half of the economically active population in the Philippines is employed in micro and small enterprises, while Mexico looks to micro-enterprises for 32 % of its gross domestic product and 64 % of its total employment. Approximately 49 % of GDP in Peru and 70 % in Nigeria and Egypt come from the micro-dominated informal economy (Simmons, 2004; OECD, 2004).

In Ukraine, 2.6 million businesses and 87% of all businesses are self-employed individuals who produce, distribute, and/or sell goods in the local marketplace. In Honduras, micro-firms account for 30,000 of 40,000 horticultural firms that emerged in the wake of Hurricane Mitch and in Bangladesh, more than 90% of the firms engaged in the \$350 million shrimp export business are micro-businesses (Simmons, 2004; Alam *et al.* 2006).

2.3. FACTORS INFLUENCING SMMES PERFORMANCE³

The active promotion of SMMEs depends on the interaction of a wide range of actors in an equally wide range of support areas at national, provincial as well as local levels. It ranges from self-help activities of groups of small enterprises and the abolition of regulatory obstacles for more effective co-operation between small and bigger enterprises. Major national factors that influence SMMEs performance include: legal framework; regulatory conditions; access to information and advice; access to marketing and procurement; access to finance; the physical infrastructure; training in entrepreneurship, skills and management; industrial relations and the labour environment; access to appropriate technology; encouraging joint ventures; capacity-building and institutional strengthening; and differential taxation and other financial incentives.

3.3.1 Creating an Enabling Legal Framework

In order to formally recognise the importance given to the small-enterprise sector in the process of economic reconstruction and development, and to facilitate policy implementation in different areas, the government is committed to passing a number of enabling acts. The experience from other (semi) developed countries in Europe, Asia and Latin America shows that properly designed acts can play a positive role, as long as the purpose and principles are clear and phasing-out dates are set for affirmative changes. It is too early at this stage to detail the number of key acts needed to create an enabling legal framework. Besides, in some cases changing market behaviour in anticipation of legal steps may obviate formal legislation. The following areas, however, warrant serious attention.

3.3.2 Streamlining Regulatory Conditions

Inappropriate or unduly restrictive legislative and regulatory conditions are often viewed as critical constraints on the access of small enterprises into the business sector and as obstacles to their

³ Sourced from Department of Trade and Industry (DTI), 2004, Review of ten year of small business support in South Africa 1994-2004, Entrepreneurial Empowerment, Job creation, and Equity facilitated An Analysis of the evolution of public sector support for small enterprises in South Africa.

growth. Since government at national, provincial, sub-regional and local level is responsible for the legislative and regulatory framework and its ongoing adjustment, it is also its role to assure the appropriateness of these rules and regulations for the small-business sector.

All over the world, and certainly also in South Africa, there is discussion and frequently disagreement about the proper degree of regulation and deregulation in the business scene. Unduly strict regulations often harm small and, in particular, emergent enterprises and benefit the larger, established ones, whereas less regulation may lead to aggressive competition between market entrants, to the neglect of worker interests, or to health hazards and environmental destruction.

3.3.3 Access to Information and Advice

Lack of access to appropriate, relevant and understandable information and advice is one of the most important problems of small enterprises, in particular micro-enterprises, survivalists and small start-up enterprises. Due to past discrimination and lack of opportunities, this problem is most severe among black entrepreneurs. Some progress has been made with the preparation of information material relevant for small enterprises and the dissemination of information and advice. Yet, to date the number of enterprises effectively reached remains small, compared to the vast number of people involved in self-employment in both urban and rural areas.

3.3.4 Access to Marketing and Procurement

Small enterprises usually regard market constraints and the inability to sell their products and services as one of the most serious obstacles to the establishment of businesses and growth beyond mere subsistence level. This perception is paralleled by many studies nationally and internationally, which view market access as a critical factor in business growth, in particular in the case of entrepreneurs from disadvantaged communities.

Responsibility for steps to overcome this constraint falls upon many different groups: individual entrepreneurs and groups of small businesses, which have to compete with others for the same clients; local government and business associations, who should reconsider regulations hindering market access of newcomers; the established business community, who should practise what they

preach by opening up competition rather than controlling markets; and public-sector departments as well as big enterprises, who should re-orientate procurement towards small-enterprise suppliers and subcontractors.

3.3.5 Access to Finance

In surveys among small enterprises, access to finance comes out as one of the most urgently felt needs. This remains true even though other problem areas (like marketing, technical skills, poor product quality, weak management, etc.) often aggravate the financial position of small enterprises and hamper their access to funds.

The financial needs of different types of SMMEs vary widely, with access problems particularly severe in rural areas, among start-up micro-enterprises and among those owned or controlled by women as well as other formerly disempowered groups, and in certain higher-risk business categories.

3.3.6 The Physical Infrastructure

The development and financing of business and industrial premises (shops, offices, factories, market stands, hawker shelter, etc.) and infrastructure facilities, including the supply of electricity, water, telecommunication connections, sewage, street lights, parking facilities, etc., is usually seen as the responsibility of either the private sector or local authorities, rather than the government. Yet, due to the past neglect of the needs of black townships and emergent enterprises, a serious backlog of even basic facilities has emerged in both rural and urban area and has been identified in the RDP as one of the areas deserving special attention. Here we refer to the supply of electricity to businesses, basic services and the road infrastructure in commercial and industrial areas, facilities for fresh produce and other markets, industrial incubator structures, telecommunications, postal delivery services and appropriate business zoning and planning processes.

3.3.7 Training in Entrepreneurship, Skills and Management

The acquisition of relevant vocational, technical and business skills is generally regarded as one of the critical factors for success in small enterprises. In addition, literacy and entrepreneurial

awareness are seen as particularly important to enable people to advance from survivalist activities into larger and better earning enterprises. With the rapid expansion in the range and number of small enterprises all over the country, South Africa faces a daunting challenge in the sphere of small-business-orientated education and training. Responsibility for education, training and experience transfers rests on a wide range of institutions, including the central and provincial tiers of government, NGOs, parastatals and the private sector. This also applies to the sphere of entrepreneurship sensitising, the training in skills relevant to small enterprises in different sectors and industries, and the acquisition of management experience by small-business owners and staff.

3.3.8 Industrial Relations and the Labour Environment

The relationship between labour and small enterprise is complex and open to frequent misunderstanding. At one level, among survivalist activities and the majority of micro-enterprises there is little difference between the worker and the enterprise; earnings generated by the enterprise, net of direct expenses for material and other inputs, are identical with the remuneration of the operator, who is usually also the owner and the only worker. In fact, the majority of these micro-enterprises employ no outside labour; at best they engage other family members and relatives, with individual rewards entirely dependent on earnings and the needs of the household. Any improvement in the business will improve net income and the earnings of the household. With respect to small and medium enterprises there is widespread belief that the relationship between labour and enterprise is adversarial, i.e. Owners/operators want to keep labour's remuneration as low as possible in order to be able to compete with larger enterprises.

3.3.9 Access to Appropriate Technology

Just like training, finance and business premises, technology is often seen as an important factor influencing the success of small enterprises, but is not always accessible to them. This applies to both ends of the technology spectrum, viz. sophisticated technology needed for the competitiveness of small enterprises in the modern manufacturing and services sectors, and "appropriate" technology for small enterprises operating in the labour-intensive, low-skill spheres. Both these areas deserve more attention and may justify some government support.

3.3.10 Encouraging Joint Ventures

The needs of small and medium enterprises are often so complex that even a comprehensive range of support services cannot do justice to all the requirements. The most effective way to acquire experience and skills, enter new markets, structure additional financing and meet market competition is quite often a joint venture with an experienced local or foreign partner. This can happen among small numbers of co-operative partners, it can be a black/white partnership, a big business/small enterprise link-up, a franchise relationship or some three-pronged foreign/local venture. In other developed countries, such joint ventures are far more prevalent than in South Africa, where racial segmentation, oligopolistic exclusiveness and sanctions, as well as disinvestment, have prevented such developments in the past. Lack of experience and the effect of economic stagnation have also strengthened distrust around joint ventures in the past.

3.3.11 Capacity-Building and Institutional Strengthening

As in other areas of the socioeconomic development process, organised business has an important role to play in the strengthening of small business interests. This relates as much to business organisations operating at a national and sectoral level, as it applies to those focusing on the provincial and local level. Of particular concern are those organisations that represent the interests of emergent small, medium and micro-enterprises. Compared to the more developed countries, South African business organisations are financially weak, and most of them have a very limited capacity to actually support and strengthen small businesses. A high degree of fragmentation further weakens these institutions, with the legacy of apartheid all-pervasive.

3.3.12 Differential Taxation and Other Financial Incentives

Over many years, representations have been made for the differential treatment of small enterprises in order to reduce their tax burden and facilitate the reinvestment of small enterprise profits, which are often the only basis for new investments or the expansion of existing small enterprises.

To sum up, this sub-section detailed SMME in terms of definition, SMMEs best cases and factors influencing SMME performance. The National Small Business Act, No. 102 of 1996, defines it as a separate and distinct business entity, including cooperative enterprises and non-governmental

organisations, managed by one owner or more which, including its branches or subsidiaries, if any, is predominantly carried on in any sector or sub-sector of the economy and which can be classified as a micro-, a very small, a small or a medium enterprise.

Worldwide, SMMEs play a major role in the economy in terms of employment creation, income generation and output growth. They are also often the vehicle by which the lowest-income people in our society gain access to economic opportunities.

Factors influencing SMMEs performance encompass: legal framework; regulatory conditions; access to information and advice; access to marketing and procurement; access to finance; physical infrastructure; training in entrepreneurship, skills and management; industrial relations and the labour environment; access to appropriate technology; encouraging joint ventures; capacity-building and institutional strengthening; and differential taxation and other financial incentives.

2.4. UNIVERSAL SMME NEEDS

The needs of SMMEs worldwide are a result of the various constraints that businesses are currently facing (Simmons, 2004). In other words, needs are the opposite side of the coin to the challenges that SMMEs are facing and include the following:

- Easy access to markets and market opportunities;
- Comfortable access to finance and, especially, grants. This reduces SMMEs' reliance on friends or non-banking financial agencies with unfavourable terms;
- Access to land and business premises;
- Access to business management skills;
- Access to human resources skills;
- Access to financial or bookkeeping skills;
- Access to technical skills related to specific sectors;
- Access to IT and computer-related skills;
- Access to mentorship programmes;
- Access to information and advisory services;

- Access to private-public partnerships for information and experience sharing;
- Access to partnerships with large businesses for market opportunities;
- Access to public procurement and tenders; and
- Access to business registration processes

3. SMME POLICY FRAMEWORK

3.1. NATIONAL STRATEGY FOR THE DEVELOPMENT AND PROMOTION OF SMALL BUSINESS IN SOUTH AFRICA

The National Strategy for the Development of Small, Medium and Micro-Enterprises (SMMEs) includes four major Acts: White Paper on the Development and Promotion of SMMEs; National SMMEs Act 102 of 1996; National SMMEs Amendment Bill, 2003; and National SMMEs Amendment Act 29 of 2004.

The main objective of the SMMEs national strategy is to regulate, stimulate and promote small business activities in South Africa. Key objectives of the National Small-Business Strategy are to:

- Create an enabling environment for small enterprises;
- Facilitate greater education about income, wealth and earning opportunities;
- Address the legacy of apartheid-based disempowerment of black business;
- Support the advancement of women in all business sectors;
- Create long-term jobs;
- Stimulate sector-focused economic growth;
- Strengthen cohesion between small enterprises;
- Level the playing fields between bigger and small business as well as between rural and urban businesses; and
- Assist small businesses to comply with the challenges of an internationally competitive economy.

3.2. INTEGRATED SMALL ENTERPRISE DEVELOPMENT STRATEGY (ISEDS)

The ISEDS, developed in 2005, is the overall SMME development strategy of the national government. The strategy aims for a South African economy that can sustainably meet the material needs of all its citizens, can reward entrepreneurs that successfully recognise and pursue business opportunities and can establish vibrant and competitive small enterprises that grow in both size and success. In particular, it aims to provide access to support and development services to previously disadvantaged persons in order to integrate them into the core of the South African economy, with access to local, national, African and international markets.

The main objectives of the ISEDS include:

- To create an environment that reduces the disparities between urban and rural enterprises;
- To create sustainable long-term jobs in the small enterprise sector;
- To increase the competitiveness of the small-enterprise sector and its enabling environment so that it is better able to take advantage of opportunities emerging in national, African and international markets;
- To prepare small businesses to comply with the challenges of an internationally competitive economy; and
- To improve the access to various services, including finance, for SMMEs.

3.3. THE NATIONAL LOCAL ECONOMIC DEVELOPMENT (LED) FRAMEWORK

The objectives of the LED framework include the following:

- To shift towards a more strategic approach to the development of local economies and overcome challenges and failures in respect of instances where municipalities themselves try to manage a litany of non-viable projects or start-ups;
- To support local economies in realising their optimal potentials and making local communities active participants in the economy of the country. This implies that there needs to be support and encouragement given local community members to start SMMEs and to form co-operative businesses;
- To elevate the importance and centrality of effectively functioning local economies in growing the national economy;

- To wage the national fight against poverty more effectively through local level debates, strategies and actions;
- To improve community access to economic initiatives, support programmes and information;
- To improve the coordination of economic development planning and implementation across government and between government and non-governmental actors;
- To build greater awareness about the importance and role of localities and regions which, globally, are playing an increasingly significant role as points of investment, facilitated by supportive national policies.

The National Local Economic Development Framework introduces the concept of Sustainable Developmental Community Investment Programming (SDCIP). SDCIP is concerned with moving beyond project-based community economic development and has a more empowering approach, utilising innovative instruments to systematically build community competence and capacity. SDCIP entails the building of the community, and using a powerful cultural dynamic as the main vehicle and partner for local economic development together with the resourcing of organised communities to carry out key local functions, provide services and become important productive units. To do this, a new balance has to be struck between globalisation and 'localisation'. Localisation requires that a new set of policies and programmes exist. It further requires, as a specific outcome, that all municipalities have innovative spatial development strategies, land use policies, by-laws and implementation capacity to facilitate fast and effective business establishment and functioning, especially for informal/street traders and SMMEs, and provides an analysis of the dual economy.

3.4. BROAD-BASED BLACK ECONOMIC EMPOWERMENT ACT 53 OF 2003

The objective of Broad-Based Black Economic Empowerment (BBBEE) Act is to substantially increase the number of black people who have ownership and control of new and existing enterprises and the number of black people in executive and senior management positions of enterprises.

In the Act, "Black People" refers to Africans, Coloureds and Indians. "Broad-Based Black Economic Empowerment" means the economic empowerment of all black people, including women,

workers, youth, people with disabilities and people living in rural areas through diverse but integrated socio-economic strategies that include, but are not limited to:

- Increasing the number of black people who manage, own and control enterprises and productive assets;
- Facilitating the ownership and management of enterprises and productive assets by communities, workers, co-operatives and other collective enterprises;
- Human resources and skills development;
- Achieving equitable representation in all occupational categories and levels in the workforce;
- Preferential procurement; and
- Investment in enterprises that are owned or managed by black people.

The relevance of BBBEE is that it aims to empower communities, women and enterprises in rural areas with entrepreneurship and other skills. The BBBEE strategy also provides an economic framework to increase the number of SMMEs owned and controlled by previously disadvantaged individuals (PDIs).

3.5. THE LOCAL GOVERNMENT: MUNICIPAL SYSTEMS ACT 32 OF 2000

The Municipal Systems Act obliges municipal councils to consult the local community about municipal services. Communities should have a say in the way in which services are delivered (e.g. by the municipal administration or through a service agreement); the level of services (e.g. VIP latrines or waterborne sanitation); the quality of services (e.g. how quickly the municipality processes planning applications) and the range of services which are provided (e.g. whether the municipal council should provide recycling facilities).

Municipalities must fulfil these duties as far as possible, taking account of the budget and capacity they have available. Members of the local community have the right to participate in the decision-making processes of the municipality. They have the right to use and enjoy public facilities, and the right to access to municipal services. They also have the right to submit recommendations, complaints or representations to the municipality, and to expect prompt responses from the municipality.

Members of the local community have the right to be informed of decisions of the municipal council, and to expect the council to disclose information about its business and finances. They have the right to attend meetings of the municipal council and its committees, and to demand that the council acts in a transparent and impartial way.

The Municipal Systems Act is important since it gives every community member the right to use and enjoy public facilities, and the right to access the municipal services and opportunities that are available. Through this Act, SMMEs and service providers have been given the right to access services and to lay complaints whenever they are not satisfied with whatever goes on in the delivery of services in the municipal area.

3.6. PUBLIC FINANCE MANAGEMENT ACT 1 OF 1999 (PFMA)

The Public Finance Management Act (PFMA) 1 of 1999 (as amended by Act 29 of 1999) is one of the most important pieces of legislation passed by the first democratic government in South Africa. The Act promotes the objective of good financial management in order to maximise service delivery through the effective and efficient use of limited resources.

The key objectives of the Act include:

- To modernise the system of financial management in the public sector;
- To enable public sector managers to manage, but at the same time be held more accountable;
- To ensure the timely provision of quality information; and
- To eliminate waste and corruption in the use of public assets.

The Act, which came into effect on 1 April 2000, gives effect to Sections 213 and 215 to 219 of the Constitution of the Republic of South Africa, 1996 for the national and provincial spheres of government. These sections require national legislation to establish a national treasury, to introduce uniform treasury norms and standards, to prescribe measures to ensure transparency and expenditure control in all spheres of government and to set in place the operational

procedures for borrowing, guarantees, procurement and oversight over the various national and provincial revenue funds.

The PFMA adopts an approach to financial management, which focuses on outputs and responsibilities rather than being a rule-driven approach. The Act is part of a broader strategy for improving financial management in the public sector.

The key relevance of the Public Finance Management Act to SMMEs is that it requires the district and municipalities to improve their financial management through the elimination of waste, as well as the elimination of corruption in the use of public assets (for instance, during the procurement of goods, services and works that are supplied by the local SMMEs).

3.7. MUNICIPAL FINANCE MANAGEMENT ACT 56 OF 2003

The object of this Act is to secure sound and sustainable management of the fiscal and financial affairs of municipalities and municipal entities by establishing norms and standards and other requirements for:

- Ensuring transparency, accountability and appropriate lines of responsibility in the fiscal and financial affairs of municipalities and municipal entities;
- The management of revenues, expenditures, assets and liabilities of municipalities and municipal entities and the handling of their financial dealings;
- Budgetary and financial planning processes and the coordination of those processes;
- Borrowing;
- The handling of financial problems in municipalities;
- Supply chain management; and
- Other financial matters.

The relevance of the Municipal Finance Management Act to SMMEs is that it requires the local authorities to develop supply chain policies that set various thresholds for the procurement of goods, services and works (which mainly are supplied by local SMMEs).

3.8. COMPANIES ACT 71 OF 2008

The process to develop a new Companies Act began in earnest over five years ago by utilising the Department of Trade and Industry's policy document titled *South African Company Law for the 21st Century: Guidelines for Corporate Law Reform* (May 2004). The ultimate goal of the reform was to ensure that the regulatory framework for enterprises (of all types and sizes) promoted growth, employment, innovation, stability, good governance, confidence and international competitiveness. The main parts of the Act include:

- Structural arrangements;
- Decriminalisation and depolarisation;
- Transparency and accountability;
- Transactions and takeovers;
- Corporate governance; and
- The concept of business rescue.

The Act proposes the establishment of one new institution and the transformation of three existing company law entities, which together will provide for a more predictable and de-politicised regulatory and enforcement system. Under the Companies Act 61 of 1973, regulatory responsibility is variously assigned to the Minister, the Registrar, the Securities Regulation Panel (SRP) and, most recently, the Financial Reporting Standards Council (FRSC). In practice, many of the functions of the Minister and the Registrar have, for a long time, been exercised by the Companies and Intellectual Property Registration Office (CIPRO), within the dti.

The new Act provides for the migration of CIPRO into a newly established organ of state, with significantly expanded functions and powers, to be known as the Companies and Intellectual Property Commission CIPC ("the Commission").

In addition, in order to provide a flexible scheme that balances accountability and transparency with a lightened regulatory burden, the Act provides for certain common requirements of all companies, together with a more demanding disclosure and transparency regime.

The Act also replaces the existing regime of judicial administration of failing companies with a modern business rescue regime, largely self-administered by the company, under independent supervision within constraints set out in the Act, and subject to court intervention at any time on application by any of the stakeholders.

The relevance of the Companies Act to SMMEs:

- The new Companies Act reduces the regulatory and red tape burdens that were encountered by SMMEs; and
- With the new concept of rescuing of businesses rather than judicial management of failing businesses, SMMEs can now operate without fear of an economic crisis.

3.9. NATIONAL YOUTH ENTERPRISE DEVELOPMENT STRATEGY (YEDS)

The Youth Enterprise Development Strategy has been formulated to guide government and non-government development agencies and the private sector in South Africa in their efforts to promote enterprises that are owned and managed by young women and men, while also building and strengthening a culture of entrepreneurship amongst young people. The purpose of the Youth Enterprise Strategy is to:

- Identify the linkages that can be made with existing national policies influencing youth enterprise opportunities (including the draft National Small Business Strategy);
- Identify the linkages that can be made with existing programmes and institutions influencing youth enterprise opportunities;
- Present a framework of services, programmes and instruments that can be used by a range of actors in support of youth enterprises;
- Describe the role of key actors in youth enterprise promotion and propose roles for other potential actors where necessary; and
- To speak with one voice and provide a consistent message regarding the priorities and directions for youth enterprise promotion.

3.10. STRATEGIC FRAMEWORK ON GENDER AND WOMEN'S ECONOMIC EMPOWERMENT

This framework provides guidance, focus, and specific recommendations for the support required to ensure women's full participation in the South African economy. Its objectives are:

- To challenge the direct and indirect barriers in enterprise, industry and trade which prevent women from having equal access to and control over economic resources;
- To facilitate women's equal access to economic and productive resources by strengthening their capacity and networks;
- To increase women's ease of access to finance;
- To work towards gender parity in all enterprise, industry and trade structures; and
- To ensure that the government budget benefits women and men equitably and that specific resources are allocated to help overcome the particular disadvantages faced by women.

3.11. PREFERENTIAL PROCUREMENT POLICY FRAMEWORK ACT 5 OF 2000

Preferential procurement is one of the tools that is used to transform the socio-economic landscape in South Africa. The Preferential Procurement Policy Framework Act and the regulations issued in terms of the Act set out a framework for the implementation of a preferential procurement policy. In terms of Section 2(1) of the Act, an organ of state must determine its preferential procurement policy and implement it within the framework prescribed in the Act.

The main purpose of the Act is to enhance the participation of historically disadvantaged individuals (HDIs) and small, micro and medium-sized enterprises (SMMEs) in the public sector procurement system. It is envisaged that the complete implementation of these regulations will enhance the involvement of black businesses in the public tendering system and will contribute to the upliftment of disadvantaged communities. It will further assist in the inclusion of the informal business sector in the main stream of the economy.

The relevance of the Preferential Procurement Policy Framework Act to SMMEs:

As per its objective, it is clear that the Act promotes the growth of SMMEs, especially BEE SMMEs as it encourages the participation of historically disadvantaged individuals (HDIs) in the public sector procurement system. Worth noting is that the Act broadens its support by even encouraging entrepreneurs from the informal sector to participate in the procurement of municipalities.

3.12. CONSTRUCTION INDUSTRY DEVELOPMENT BOARD (CIDB)

The objectives of the CIDB include:

- To promote the contribution of the construction industry in meeting national construction demand and in advancing: (i) national, social and economic development objectives; (ii) industry performance, efficiency and competitiveness; and (iii) improved value to clients;
- To provide strategic leadership to construction industry stakeholders to stimulate sustainable growth, reform and improvement of the construction sector;
- To determine and establish best practice that promotes: (i) improved industry stability; (ii) improved industry performance, efficiency and effectiveness; (iii) procurement and delivery management reform; (iv) improved public sector delivery management; (v) national, social and economic objectives (including: growth of the emerging sector, labour absorption in the construction industry, improved labour relations, and positive safety, health and environmental outcomes); and (vi) human resources development in the construction industry;
- To promote best practice through the development and implementation of appropriate programmes and measures aimed at best practice and improved performance of public and private sector clients, contractors and other participants in the construction delivery process;
- To promote uniform application of policy with regard to the construction industry throughout all spheres of government;
- To promote, establish or endorse uniform standards and ethical standards that regulate the actions, practices and procedures of parties engaged in construction contracts;
- To promote sustainable growth of the construction industry and the participation of the emerging sector therein;

- To promote appropriate research on any matter related to the construction industry and its development;
- To implement policy on construction industry development; and
- To advise the Minister of Public Works on policy and programmes which impact on construction industry growth and development.

The relevance of the CIDB to SMMEs is that the CIDB helps emerging and existing SMMEs in the construction sector to grow sustainably by meeting national and local construction demand and requirements that include, among other things, advancing the social and economic development.

3.13. PROVINCIAL GROWTH AND DEVELOPMENT STRATEGY (PGDS)

This PGDS provides KwaZulu-Natal with a reasoned strategic framework for accelerated and shared economic growth through catalytic and developmental interventions, within a coherent equitable spatial development architecture, putting people first, particularly the poor and vulnerable, and building sustainable communities, livelihoods and living environments.

Attention is given to the provision of infrastructure and services, restoring the natural resources, public sector leadership, delivery and accountability, ensuring that these changes are responded to with resilience, innovation and adaptability. This will lay the foundations for attracting and instilling confidence from potential investors and developing social compacts that seek to address the inter-connectedness of the Provincial challenges in a holistic, sustainable manner, whilst nurturing a populous that is productive, healthy and socially cohesive.

The PGDS aligns itself to the Millennium Sustainable Goals (MSGs), the New Growth Path (NGP), the National Development Plan (NDP), as well as various other national policies and strategies. It identifies seven strategic goals, all of which have a direct bearing on economic development. They are:

- Goal 1: Job Creation
- Goal 2: Human Resource Development
- Goal 3: Human & Community Development

- Goal 4: Strategic Infrastructure
- Goal 5: Environmental Sustainability
- Goal 6: Governance and Policy
- Goal 7: Spatial Equity

Strategic Goals 1, Job Creation, deals directly with local economic development, and is of particular importance to the purposes of the current analysis. The key strategic objectives within this goal are:

- Unleashing the agricultural sector
- Enhancing sectoral development through trade and investment
- Improving the efficiency of government-led job creation programmes
- **Promoting SMME and entrepreneurial development**
- Developing the knowledge base to enhance the knowledge economy.

3.14. KZN SMALL ENTERPRISE DEVELOPMENT STRATEGY

The purpose of the Small Enterprise Development Strategy is to formulate a provincial wide framework that will assist in coordinating, orientating and guiding all small enterprise development programmes and related activities in the province of KwaZulu-Natal. Through this strategy, all stakeholders will be able to align their programmes and actions and therefore support and add value to the development of emerging small enterprises.

The key objective of the strategy is the implementation of a comprehensive and integrated programme for the development and growth of small enterprises in the province. This will be achieved by:

- Developing entrepreneurship skills;
- Facilitating easy access to local and international markets;
- Facilitating access to finance;
- Providing relevant and effective training to small enterprise operators, and
- Facilitating a mentoring and incubation programme for all small enterprises in KZN.

3.15. MSUNDUZI INTEGRATED DEVELOPMENT PLAN (IDP)

The Municipal's IDP sets out a development plan for the area for the next five years and it does so by taking into account all sectors, namely physical, social, economic and environmental, to ensure truly integrated development.

The IDP is informed by extensive community participation to maintain the local authority's aim of providing services to its people according to their needs. This includes creating a, environment conducive to the development and growth of SMMEs. The IDP allocates resources both financial and human to projects that need to be implemented in the municipality. It does this over a five-year forecast and is updated on an annual basis.

3.16. MSUNDUZI LOCAL ECONOMIC DEVELOPMENT STRATEGY (LED)

The LED Strategy is a framework which aims to integrate and co-ordinate activities and decisions made by development agencies within the area. The LED Strategy also provide a matrix to assist with the prioritisation and selection of projects within the various sectors thereby enabling strategic and focused decision making. An understanding of LED is generally followed by the following two approaches:

The "economic need" approach, which is essentially poverty alleviation driven and tends to focus on micro enterprise development, coupled with self-employment. On the other hand, the "opportunity driven" approach tends to look at a wider range of LED strategies which include micro-enterprise development and investment.

4. SMME STAKEHOLDERS

4.1. THE DEPARTMENT OF TRADE AND INDUSTRY

SMME development is a core focus area of **the dti**, through development finance institutions, SEDA, regulatory institutions, technologies, innovations and standards institutions and programmes. **the dti** has many strategic goals for SMME development, including, amongst others, the following:

- Increasing the contribution of SMMEs to the national economy;
- Reducing the rate of failure in these enterprises;
- Maximising job creation;
- Increasing competitiveness and promoting development through sectoral targeting.

the dti has a range of programmes that support SMME development, including financial assistance, credit risk sharing, investment incentives and funding business support services, to name but a few.

In terms of investment support, **the dti** offers a number of incentives and programmes to provide additional motivation to potential investors to choose South Africa as an investment location. These include the:

- Clothing and Textile Competitiveness Improvement Programme (CTCIP),
- Production Incentive (PI),
- Automotive Investment Scheme (AIS),
- Enterprise Investment Programme (EIP),
- Black Business Supplier Development Programme (BBSDP),
- Critical Infrastructure Programme (CIP),
- Business Process Outsourcing and Offshoring (BPO and O),
- Sector Specific Assistance Scheme (SSAS),
- The Co-operative Incentive Scheme (CIS), and
- Film Production Incentives (FPI).

Although TISA is a division of **the dti**, mandated to undertake trade and investment promotion on a national level, there are various other departments and institutions that play a role in the overall SMME development process. These are briefly discussed below.

4.2. OTHER NATIONAL DEPARTMENTS AND INSTITUTIONS

Although most other national departments are not mandated to support SMME development, there are a number of objectives that the various departments need to fulfil in order to assist in creating an enabling business environment. These include:

- Making provision for infrastructure that is required to support domestic and foreign businesses;
- Creating policy, legislation, and regulatory frameworks; and
- Providing education and skills development and training to ensure that the work force has sufficient capacity to meet the requirements of entrepreneurs.

Entrepreneurs often make decisions based on the business environment of a location, and therefore the role of the other national departments must not be overlooked.

With regards to tourism, the national tourism agency, ‘‘South African Tourism’’, undertakes marketing and promotion of South Africa as a tourist destination, and therefore has an important role to play with regards to SMME development related to the Tourism Sector.

Additionally, the Department of Foreign Affairs and the High Commissioners in the various South African embassies located abroad also play a role in investment promotion and facilitation. This relates to ensuring strong public relations, image building in foreign nations, and facilitation of certain regulatory processes in the specific foreign nation.

4.3. FINANCIAL INSTITUTIONS

Financial institutions, such as the Industrial Development Corporation (IDC), Khula Finance, and The Development Bank of South Africa (DBSA), also have a role to play in creating an enabling business environment. These institutions, although also not active in investment promotion or facilitation, offer funding and other financial services to potential businesses which enhances the

investment climate of South Africa, and provides alternative financing options for businesses other than commercial banks.

4.4. BUSINESS CHAMBERS

The overarching business chamber in South Africa is the South African Chamber of Commerce and Industry (SACCI). The objective of SACCI is to actively protect and promote the interests of business. There are also a range of specialised chambers and forums such as the Minara Chamber (Muslim Businesses), the Black Management Forum, the Chambers of Commerce and Industry South Africa (CHAMSA), The National African Federated Chamber of Commerce (NAFCOC), Afrikaanse Handelsinstituut, and The Foundation for African Business and Consumer Services (FABCOS). All these chambers have a role to play in the South African business arena, given that they are the voice of business in the country and assist in creating an enabling environment for businesses.

4.5. LOCAL STAKEHOLDERS⁹

At a local level, there are also a number of important role-players, although their role and mandate in business development is negligible in many instances. The role-players include the provincial departments, the district and local municipalities, the local development agencies, as well as local business chambers. Local stakeholders fulfil many roles in supporting small businesses including, among others, the following:

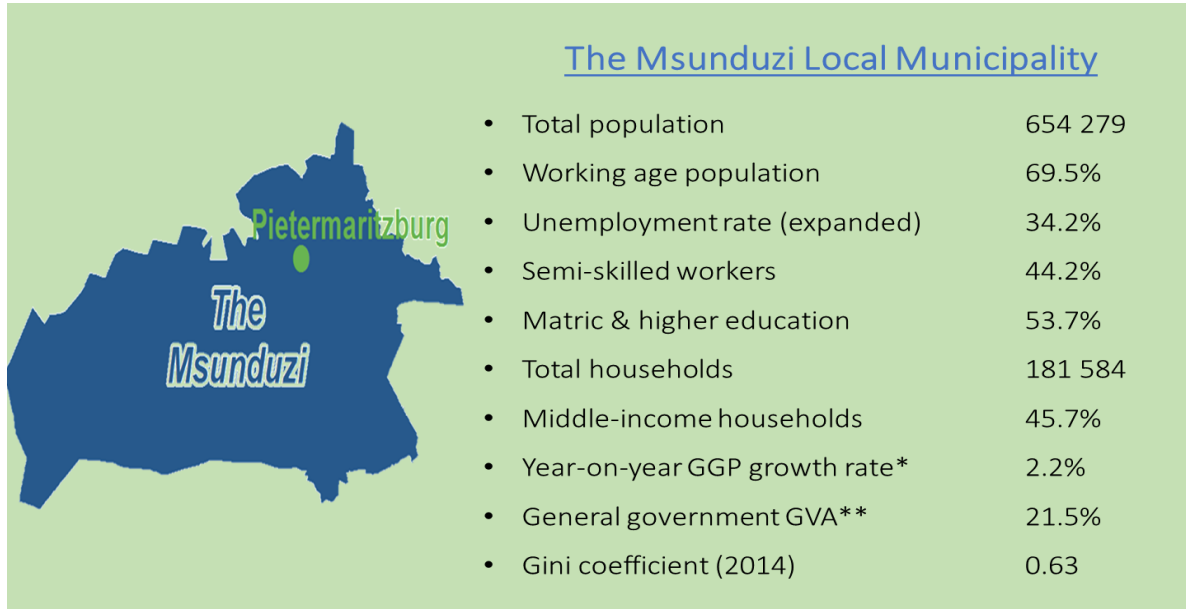
- Facilitation of joint ventures and business linkages between small and big business;
- The provision of relevant, reliable information to investors and traders;
- Assistance with applications for investment incentives and export marketing incentives;
- Assistance to foreign investors with applications for business permits;
- Negotiation of local government incentives on behalf of businesses;
- Provision of project support and aftercare services;
- Addressing international trade enquiries and challenges;
- Assisting businesses to locate suitable premises and to secure project and operational financing; and

- Assistance with access to industrial development zones (IDZ) and spatial development initiatives.

5. MSUNDUZI MUNICIPALITY - SNAPSHOT

The figure below provides a snapshot of the demographic and economic status quo of Msunduzi Local Municipality for 2016. These figures are derived from statistics based on the Census 2001 and 2011 data points (for demographic overview) and Regional Standardised 2010 and 2015 data points (for economic overview).

Figure 2: Demographic and Economic Highlights of Msunduzi Local Municipality



*GGP-Gross Geographic Profit is the total income received by all sectors of an economy within a geographic region

**GVA-Gross Value Added (at constant 2010 prices) is the measure of the value of goods and services produced in an area, industry or sector of an economy

Source: Quantec, Census 2001 & 2011, Regional Standardised 2010 & 2015; Urban-Econ calculations, 2017

5.1. DEMOGRAPHIC OVERVIEW

This section presents a demographic overview of the Msunduzi Local Municipality. Msunduzi Local Municipality is projected to reach 654 279 residents accounting for 6.2% of the provincial

population. Msunduzi carries an estimated number of 181 584 households with approximately 286 households per square kilometre (hh/km²). The 10-year average households' growth within the Municipality between 2001 and 2011 is 2.0%.

The working age population aged between 15-64 years (69.5%) dominates the municipality and is followed by children (under 15 years) at 25.4% and the elderly (65+ years) at 5.1%.

Inequality and poverty are also closely related to unemployment levels. Using an expanded definition of unemployment which includes discouraged work-seekers as part of the unemployed, Msunduzi has an unemployment rate of 34.2%. Of the 65.8% of the population which is employed, 3.0% are employed in the primary sector, 18.2% in the secondary sector, and 78.7% in the tertiary sector. Msunduzi has a 60.0% labour force participation rate and a 39.4% labour absorption rate.

It is projected that 29.8% of the population is considered highly skilled, 44.2% semi-skilled, and 26.0% low-skilled. The majority (53.7%) of Msunduzi residents have either grade 12 (39.0%) and higher education (14.7%). 37.6% of households earn low income (R1-R38 400) and 45.7% earn in the middle-income bracket (R38 401-R614 400). The highest GVA contributing sector in Msunduzi is the general government sector contributing 21.5% to the total GVA of the municipality.

Poverty and inequality are normally related, with higher levels of poverty associated with more inequality. The Gini coefficient is a measurement of the income distribution of a country's residents. The number, ranging from 0 to 1, helps define the gap between the rich and poor, with 0 indicating perfect equality and 1 representing perfect inequality. Msunduzi's Gini coefficient is 0.63 indicating the presence of relatively high levels of inequality. Please see the table below for a consolidated demographic overview of Msunduzi Local Municipality.

Table 2: Msunduzi Local Municipality Demographic Overview

Category		2001	2011	Avg. Growth	Projected 2016
Demographic Profile	Population	552 801	618 536	1.1%	654 279
	Household	135 311	164 625	2.0%	181 584

Category		2001	2011	Avg. Growth	Projected 2016
	Average Household Size	4	4	-0.8%	4
	Household Density (hh/km ²)	213	260	2.0%	286
Education Level	No schooling	3 5293	20 897	-5.1%	16 080
	Primary school	70 197	54 774	-2.5%	48 442
	Some secondary	115 328	127 086	1.0%	133 407
	Grade 12	79 599	130 176	5.0%	166 473
	Higher	2 9743	48 939	5.1%	62 775
Age Profile	Youth	161 454	164 614	0.2%	167 086
	Working-Age	364 879	422 936	1.7%	456 494
	Elderly	26 468	30 986	1.6%	33 633
Employment Profile	Employed	120 674	157 255	2.7%	179 514
	Unemployed	112 432	76 683	-3.8%	93 482
Household Income Profile	No Income	28 482	25 909	-0.9%	24 711
	Low Income	72 626	72 518	0.0%	76 479
	Low/Middle Income	26 005	37 407	3.7%	44 909
	Middle/High Income	7 005	24 029	13.1%	48 129
	High Income	976	4 122	15.5%	9 206

Source: Quantec, Census 2001 & 2011; Urban-Econ calculations, 2017

5.2. ECONOMIC OVERVIEW

This section presents an economic overview of Msunduzi Local Municipality using regional and Gross Value Add (GVA) by industry at constant 2010 prices for a period of 5 years—between 2010 & 2015. The table below presents average growth in different industries within the Municipality as well as the 2016 estimate.

Table 3: Average Industry Growth within Msunduzi, R millions constant 2010 prices

Industry	2010	2015	Average Growth	Projected 2016
Agriculture, forestry and fishing	807	940	3.1%	969
Mining and quarrying	175	225	5.1%	236
Manufacturing	6 123	6 353	0.7%	6 399
Electricity, gas and water	1 438	1 401	-0.5%	1 393
Construction	1 380	1 525	2.0%	1 556
Wholesale and retail trade, catering and accommodation	4 542	5 108	2.4%	5 230
Transport, storage and communication	3 142	3 555	2.5%	3 644
Finance, insurance, real estate and business services	5 821	6 657	2.7%	6 838
General government	6 619	7 741	3.2%	7 987
Community, social and personal services	2 466	2 793	2.5%	2 864

Source: Quantec, Standardised Regional; Urban-Econ calculations, 2017

Gross Value Added (GVA) is a measurement of Gross Domestic Product (GDP), with the relationship defined as: $GDP = GVA + Taxes - Subsidies$. As the total aggregates of taxes and subsidies on products are only available at the level of the whole economy, GVA is used for measuring Gross Geographic Product (GGP) and other measures of the output of entities smaller than a whole economy.

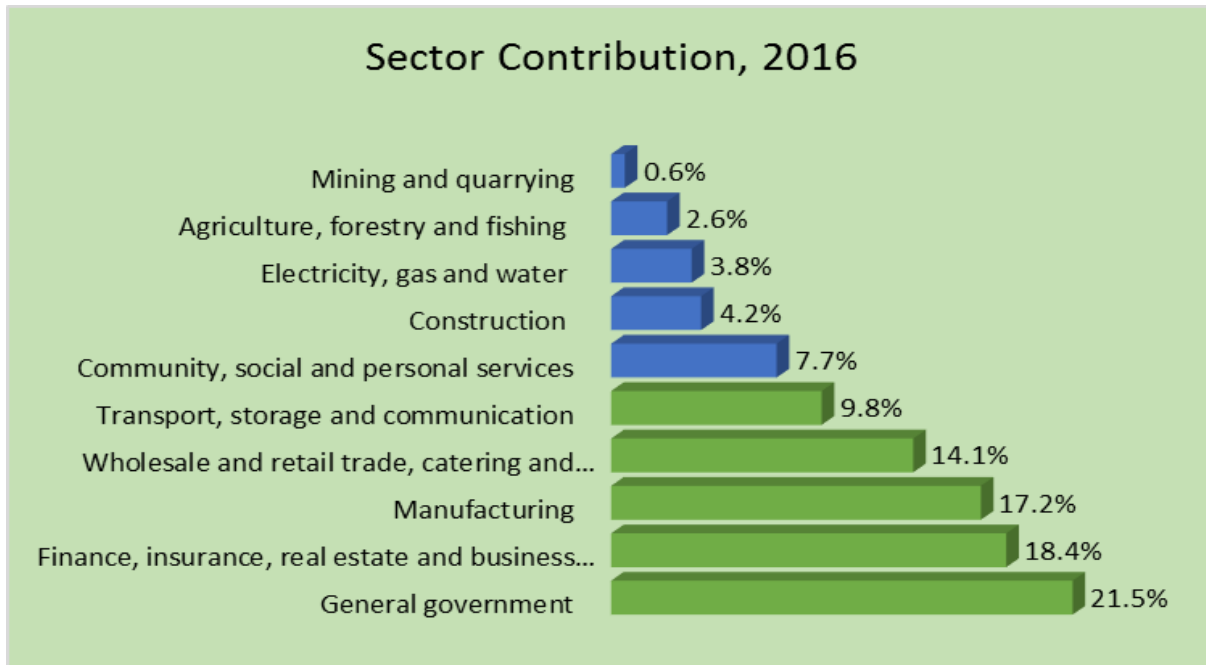
As presented in the table above, Mining and quarrying (5.1%); General government (3.2%); Agriculture, forestry and fishing (3.1%); Finance, insurance, real estate and business services (2.7%); and Community, social and personal services (2.5%) are the fastest growing sectors in Msunduzi Local Municipality.

The figure below indicates the economic contribution of each sector of the economy in Msunduzi Local Municipality. As shown, General government (21.5%); Finance, insurance, real estate and business services (18.4%); Manufacturing (17.2%); Wholesale and retail trade, catering and

accommodation (14.1%); and Transport, storage and communication (9.8%) are the highest economic contributors in Msunduzi Local Municipality.

Although Mining and quarrying is in the least contributing sector within the municipality, this sector is also the fastest growing sector.

Figure 3: Economic Contribution per Sector for Msunduzi Municipality



Source: Quantec, Standardised Regional; Urban-Econ calculations, 2017

The figure below gives an indication of the year-on-year growth in GGP for Msunduzi Local Municipality between 2007 and 2016 which can be measured as GVA at constant 2010 prices.

Figure 4: Year-on-year Growth in GGP for Msunduzi Local Municipality, 2007-2016



Source: Quantec, Standardised Regional; Urban-Econ calculations, 2017

Msunduzi's year-on-year GDP growth rate dropped dramatically in the 2008/2009 recession when the Global Financial Crisis impacted South Africa to -2.5% and then greatly improved within just two years to 3.8% in 2011 followed by a gradual drop to 0.5% in 2015. 2016 saw an increase in growth to 2.2%.

A comparative advantage indicates a relatively more competitive function for a particular product or service in a specific economy than in the aggregate economy. The economy therefore produces the product or renders the service more efficiently. A location quotient is a tool for indicating the relative comparative advantage of an economy in terms of its production and employment, with a location quotient larger than one indicating a comparative.

The table below presents the location quotient of Msunduzi's economic sectors relative to the district, province and the country. This provides insight into the comparative advantage that Msunduzi's economic sectors have in relation to the district, province and country.

Table 4: Location Quotient of Msunduzi Local Municipality Relative to KwaZulu-Natal and South Africa, 2015

Industry	Relative to District	Relative to KZN	Relative to RSA
Agriculture, forestry and fishing	0.25	0.54	1.01
Mining and quarrying	1.06	0.30	0.07
Manufacturing	1.02	0.98	1.28
Electricity, gas and water	1.13	1.65	1.60
Construction	0.98	0.87	1.07
Wholesale and retail trade, catering and accommodation	1.08	0.90	0.93
Transport, storage and communication	1.07	0.79	1.04
Finance, insurance, real estate and business services	1.12	1.01	0.84
General government	1.14	1.35	1.27
Community, social and personal services	1.08	1.25	1.31

Source: Quantec: Regional Standardised, 2015; Urban-Econ, 2017

The location quotient for GVA is shown at basic prices to remove the effect of inflation. Per the above table, it is evident that Msunduzi has a comparative advantage over the country, province and district in the following sectors: Electricity, gas and water; General government; and Community, social and personal services sectors.

It should be noted however, that two of these sectors (General government; and Community, social and personal services sectors) are public service provision sectors and therefore are not productive sectors of the economy and growing these sectors should not necessarily be prioritised above other sectors.

6. MSUNDUZI SMME TRENDS

The aim of the retail and commerce survey was to understand the small business environment in Msunduzi Municipality. Therefore 35 shops were surveyed in and around Msunduzi Municipality to receive their inputs.

6.1 Reason for locating your business in Msunduzi

The SMME surveys which were undertaken revealed a number of key factors that had attracted people to establish business in Msunduzi Municipality. These include the following:

Table 5 Reasons for establishing business in the Municipality

Trends	%
Based in the area	69,7%
Closer to home	9,1%
many customers and schools	12,1%
To create job opportunities at Msunduzi for the disadvantaged	9,1%

Source: Msunduzi SMME Survey 2017

6.2 Business Duration

The most of the SMMEs (54.8%) have only been operating between 1 to 5 years; other SMMEs from Msunduzi have been operating for between 6 to 10 years, and others for more than 10 years.

Table 6 Business Duration

Trends	%
Less than 1 year	9,7%
1-5 years	54,8%
6-10 years	22,6%
Over 10 years	12,9%

Source: Msunduzi SMME Survey 2017

It should be noted that SMMEs surveyed indicated that they are targeting everyone as their clients including:

- All age groups and smaller shops,
- CBD employees,
- Government employees including municipal officials and others,
- Self-employed people,
- Middle age people,
- Middle and low-income earners,
- People passing by,
- Teachers who work in local schools,
- All other working people,
- Adults and youth, etc.

Further, all SMMEs surveyed in Msunduzi indicated that they are optimistic about the future of their business.

6.3 Description of the area in which the business is located

64.5% of respondents felt that the area in which their business is located was an average place to work; 9.7% said that Msunduzi Municipality is an excellent place to do business. However, 22.6% said that this is an unpleasant place for business.

Table 7 Business Area Description

Trends	%
Excellent	9,7%
Average	64,5%
Unpleasant	22,6%
Very unpleasant	3,2%

Source: Msunduzi SMME Survey 2017

6.4 The general level of education

As shown in the following table, the majority (58.1%) of the SMME working class in Msunduzi

Municipality are people who have studied the tertiary level of education. many others have done the secondary school with small number having primary school level of education.

Table 8 Level of Education

Trends	%
Primary Education	6,5%
Secondary Education	35,5%
Tertiary Education	58,1%

Source: Msunduzi SMME Survey 2017

6.5 business turnover over the past twelve months

The majority of SMMEs in the survey were not willing to disclose their annual turnover for some reason. From those who disclosed their annual turnover, the majority (96.8%) have the turnover of 0.40 m per annum which means below 1 million as per the following Table.

Table 9 Business Annual Turnover

Trends	%
less than 0.40 m	96,8%
R1.00 m	3,2%

Source: Msunduzi SMME Survey 2017

6.6 People employed in this business including the owner

As per the following table, SMMEs in Msunduzi employ between 1 and 50 people, depending on the business sector. However, the majority (45.2%) of respondents indicated that their businesses had less than 5 employees.

Table 10 Number of employees

Trends	%
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Less than 5 people	45,2%
5-10 people	32,3%
11-20 people	19,4%
51-100 people	3,2%

Source: Msunduzi SMME Survey 2017

6.7 Support needed to expand business and employ more people

SMMEs in Msunduzi Municipality indicated their needs as derived from the constraints that they are currently facing in running their businesses. In other words, the needs of the SMMEs also represent the challenges that they face. In order to improve their businesses, SMMEs in Msunduzi presented the following needs:

- Access to finance,
- Clean Pietermaritzburg town and other surrounding nodes to make them attractive,
- Access to skills development, and to various business trainings
- Motivate and encourage the community to buy local products,
- Easier access to business licence,
- Partnership and cooperation between SMMEs and the municipality,
- Create platform for business small and large businesses to network
- Lower rental fees for business premises,
- Improve the state of roads in rural areas,
- Provision of street lights in rural areas for safety,
- Regular provision of water and electricity,
- Improve quality of public transport,
- Easy access to the available land
- access to the available land,
- facilitate SMMEs access to equipment.

7. SWOT ANALYSIS

The following analysis of strengths, weaknesses, opportunities and threats is derived from the needs and challenges which SMMEs and their service providers face in the Municipality and are as follows:

Strengths
<ul style="list-style-type: none">o Significant growing contribution to local economies by SMMEs, following national trendso Growing support and commitment to SMME development from the Municipality by technical, supply chain and other departmentso Expansion and development of infrastructure in urban areas of the Municipalityo LED units with relevant development strategies
Weaknesses
<ul style="list-style-type: none">o Limited business support unit in the area, with SEDA having only a periodic presence in other areas outside Pietermaritzburgo Lack of a sound database of SMMEs and SMME service providers' in the Municipalityo Weak SMME support network in rural areas (this leaves SMMEs vulnerable with limited ability to grow)o Limited budgetary support for SMME development in municipalityo Lack of sector specific SMME programmes in the Municipalityo SMMEs lack access to markets, raw materials, finance, business premises and land (these are worse in the rural areas)o Skills shortages, including business skills, human resources skills, business management skills, financial or bookkeeping skills, IT skills and technical or sector specific skillso Lack of access to mentorshipo Limited access to information and advisory services (for urban SMMEs) and lack of access to information and advisory services for rural SMMEso Lack of exposure or market visibility
Opportunities

- o Direct access to the export market for local SMMEs
- o Opportunities exist in different LED units to recruit more LED advisors
- o Tender portal – Trade World
- o Skills transfer programme
- o Opportunity to create strong partnerships with SEDA, PMB Chamber of Commerce and Industry and other bodies
- o There is an opportunity for urban SMMEs to learn from current large corporates
- o There is an opportunity for SMMEs and their service providers in Msunduzi to replicate the national and provincial SMME Programmes at the local level

Threats

- o Lack of understanding of the tax process leading many entrepreneurs to avoid starting businesses;
- o Local and provincial government too focused on establishing / attracting large investment into Pietermaritzburg
- o Increasing and high competition from national and international firms in the urban areas
- o The current economic slowdown may negatively affect local SMMEs
- o Unstable electricity and water supplies affect SMMEs

Through an examination of the SWOT analysis of Msunduzi Municipality, strategies will be developed which build on the strengths, overcome the weaknesses, grasp the opportunities and mitigate against the threats in the SMME sector.

8. STRATEGIC FRAMEWORK

In the previous Section of this report, the existing SMME sector in the study area was assessed. In the conclusion of the Situational Analysis Section, a breakdown of the Msunduzi's SMME sector in terms of strengths, weaknesses, opportunities and threats (SWOT) was presented.

The current section deals with the formulation of a strategic framework and interventions that are necessary to turn around the current situation of SMMEs in Msunduzi Municipality. This will entail the development of the following:

- A vision for the development of SMMEs;
- The formulation of strategies to achieve the vision; and
- The unpacking of the strategies into implementable projects and programmes.

8.1. VISION

A vision is a point of reference to keep the community focused on the important issues and heading in the right direction. A vision provides an opportunity for the community and relevant stakeholders to think in a broad and general terms about the future.

Worth noting is that the vision for the Msunduzi SMME Strategy is aligned to the broader vision of the Msunduzi Integrated Development Plan and LED Strategy. The proposed overall vision for the Msunduzi SMME strategy is therefore:

By 2025 to have energetic SMMEs in Msunduzi that create sustainable jobs, provide decent and affordable services, and to contribute to the economic growth of the Municipality

8.2. GOALS

In order to implement the vision as outlined above, and based on the realities and analysis of the SMME sector in Msunduzi Municipality, goals need to be developed and achieved. The outcomes of the goals can be achieved through specific strategies.

Therefore, taking into account that the major issue is to develop the SMME sector in Msunduzi through the bridging of the gap between SMMEs already well established and emerging ones, the project's goals include the following:

- The creation of an enabling institutional environment for SMME growth,
- Developing SMMEs in Msunduzi.

Goal 1 The creation of an enabling institutional environment for SMME growth

The Municipality has a number of SMME institutions and stakeholders including SEDA, PMB Chamber of Commerce and Industry, EDTEA Business Support (One Stop Shop), Municipal LED Unit, and the Technical and Supply Chain Management Departments. Regardless of the existence of these institutions, the following challenges continue to hinder efficient service delivery to SMMEs:

- There is limited collaboration between service providers and the lack of a service providers' database in the Municipality makes it difficult to control who is providing what to SMMEs in the Municipality.
- There is limited interaction between service providers and SMMEs. Some services providers use cell phone text messages and others newspapers to communicate with SMMEs, which seem good but a proper set up channel of communication between various service providers and SMMEs is lacking.
- LED units in the Municipality lack sufficient budget dedicated to SMMEs, infrastructure and staff.
- SEDA uMgungundlovu serves all municipalities including uMshwathi, Impendle, uMngeni, Richmond, Mpofana, and Mkhambathini. This puts the SEDA uMgungundlovu under pressure in terms of budget as well as human resources.
- Finally, there are inequalities in service provision between rural and urban areas of the Municipality. The majority of SMME service providers and stakeholders are concentrated in the urban areas of Msunduzi (Pietermaritzburg). A service that an SMME may access at a walking distance in the urban areas is a real challenge for an SMME in rural part of the Municipality.

In this context, the proposed activity will be the creation of a favourable institutional environment in Msunduzi that allows local SMMEs to grow.

Goal 2 Developing SMMEs in Msunduzi

SMMEs in Msunduzi face a number of challenges that need to be alleviated. These challenges are more severe especially for SMMEs operating in the rural areas of the Municipality and include the following:

- There are few and small market opportunities in the rural areas. Consequently rural SMMEs are obliged to relocate to Pietermaritzburg or sometimes face the closure of their businesses.
- Challenges related to limited access to raw materials include high transport cost, high cost of raw materials and it is time consuming to get raw materials.
- Rural SMMEs need to travel to the PMB if they want access to the limited financial services available.
- SMMEs in rural areas have a real challenge to access business premises. Business premises are not available and those that exist are too expensive (for rental purposes).
- The majority of agricultural SMMEs are in the rural areas hence they face the full effect of the lack of access to land.
- IT, business management, bookkeeping and other technical skills are real challenges to SMMEs in the Municipality, but this situation is worse in the rural areas since there is a limited number of available trainers and service providers. To bring these service providers from the urban to the rural areas is also problematic.
- SMMEs in the rural areas face the challenge of exposure as they do not have the same opportunities that their counterparts in urban areas have. For instance, if a SMME fair is to be organised in Msunduzi for instance, it will take place in PMB.
- Among the major challenges that SMMEs face in the Municipality are mentorship and access to information and advisory services.

Therefore, the suggested activity will be to facilitate and make available various services to local SMMEs with more emphasis on the rural areas.

8.3. STRATEGIES

The previous points of this section presented the vision and goals of the Msunduzi SMME sector. This point provides details of the developed strategies, which will further be unpacked into projects/activities in the implementation plan. It should be indicated that strategies deal with the aspects or challenges faced by SMMEs in both urban and rural areas of the Municipality. Strategies developed include the following:

1. Strengthening the partnership among SMME service providers in the Municipality;
2. Improving the public provision of services to SMME in the Municipality;
3. Facilitate access to SMMEs and support services including:
 - access to raw materials;
 - access to finance;
 - access to land and business premises;
 - access to skills;
 - access to markets and market exposure;
 - access to mentorship, information and advisory services;

Strategy 1: Strengthening the partnerships among SMME service Providers in Msunduzi

There is limited co-operation among SMME stakeholders and institutions in the Municipality for the development, management, marketing and growth of SMMEs. For instance, the PMB Chamber of Commerce and Industry, UMDM SEDA, EDTEA Business Support (One Stop Shop), Municipal LED Unit, etc that all provide almost the same services to SMMEs but in an uncoordinated manner since there is a lack of collaboration. As a result, there may be a duplication of services.

Also, the Municipality so far does not have a well-maintained SMME database or an indication of economic performance indicators of the SMME sector. In fact, each service provider deals with his/her own group of SMMEs. For instance, the PMB Chamber of Commerce and Industry has its own SMME database. The Msunduzi Supply Chain Management Department also has its own SMME database. SEDA UMDM, EDTEA One Stop Shop each have their own a SMME databases. This is an indication of how the SMME sector in the Municipality is uncoordinated.

It should be indicated that the SMME sector does not operate in a vacuum and collaboration among stakeholders is crucial since it helps them to pool their efforts to change and develop the sector, to eliminate barriers, and to increase opportunities for success.

The project therefore is to establish a coordinated stakeholders' forum in the Municipality for all SMME stakeholders to share their services provided to SMMEs for the improvement of the sector.

Strategy 2: To improve the public provision of services to SMME in the Municipality

Currently Msunduzi Municipality does have a Small Business Unit that manages the sector. however, this unit is not fully capacitated, some posts are vacant while sufficient budget is lacking. The SMME sector makes an important contribution to the economic and social life of many people in Msunduzi Municipality. Therefore, there is a need for a number of institutional support measures and services to be undertaken at the Municipality.

Key activities include the filling up of all vacant posts in the LED Business Unit; provision of an effective budget for the promotion of small businesses; and the provision of extensive SMME development related trainings (SMME coaching, facilitation, mentorship and advisory services) to the current business Unit staff.

Strategy 3: Facilitate access of support services to SMMEs

Access to raw materials

SMMEs in Msunduzi have to pay relatively higher transportation costs for their inputs/raw materials when these inputs/raw materials have to be sourced from Durban or Gauteng, given the small quantities they buy.

Access to finance

The financial needs of different types of SMMEs vary widely, with access problems particularly severe in rural areas, among start-up micro-enterprises and among those owned or controlled by

women as well as other formerly disempowered groups, and in certain higher-risk business categories

Access to land and business premises

Access to land and business premises is a real challenge for SMMEs in the Municipality, especially for those operating in the agricultural sector. In urban areas, the number of business premises are limited and expensive when rented. The majority of agricultural SMMEs are in the rural areas and hence face the full effect of this challenge.

Access to skills

The acquisition of relevant vocational, technical and business skills is generally regarded as one of the critical factors for success in small enterprises. In addition, literacy and entrepreneurial awareness are seen as particularly important to enable people to advance from survivalist activities into larger and better-earning enterprises. The lack of business skills such as business management, customer care, human resources skills, financial skills, technical skills, IT and computer-related skills constitute a major threat to SMMEs and impede them to become active participants in the economy of the Municipality. If not adequately addressed, this lack of skills will continue to threaten the further growth of the sector.

Access to markets and market exposure

Small enterprises usually regard market constraints and the inability to sell their products and services as one of the most serious obstacles to the establishment of businesses and growth beyond the mere subsistence level. This perception is paralleled by many studies nationally and internationally, which view market access as a critical factor in business growth, in particular in the case of entrepreneurs from disadvantaged communities. Event such as the SMME fair is among the key actions that expose SMMEs and make them visible in the market.

Access to mentorship, information and advisory services

Lack of access to appropriate and relevant information is one of the most important problems of small enterprises and particularly in micro-survivalist black enterprises. In Msunduzi, stakeholders and institutions that deal with advisory services are concentrated in the urban areas and have

difficulties to cope with all Municipal-wide SMMEs. As a result, some SMMEs, specifically those in rural areas, have limited access to such services.

Based on the above, key tasks are the following:

- The task is to facilitate the cooperation and joint ventures for emerging SMMEs to share some costs.
- EDTEA one stop shop and Msunduzi business unit need to improve the facilitation processes for SMMEs to easily access all available sources of funds.
- EDTEA one stop shop and Msunduzi business Unit need to facilitate easy access to land for SMME development.
- EDTEA One Stop Shop, Msunduzi Business Unit and FET Colleges will need to facilitate access to the following training for SMMEs: business management, customer care, human resources, financial skills, technical skills, IT and computer-related skills
- Msunduzi business unit with other stakeholders to organise a small SMME fair like an SMME flea market twice a year mainly in rural areas of the Municipality where SMMEs can access market opportunities and meet with larger businesses to explore outsourcing opportunities;
- Msunduzi business unit to facilitate the participation of SMMEs in provincial/ national/ international initiatives that are being held to expose businesses;
- Msunduzi business unit to develop and rollout a mentorship programme to assist struggling SMMEs in the Municipality;
- Msunduzi business unit to facilitate the establishment of a manufacturing hive for emerging and small-scale manufacturers in the Municipality;
- Msunduzi business unit to facilitate and attract more collectors to participate as small businesses in the Kerbside Recycling Programme
- Msunduzi business unit to identify 3 sites in townships and develop feasibility assessments for local manufacturing hives;
- Support Cogta in setting up the Msunduzi Leather Hub;
- With the support of Small Business Growth Enterprise to undertake the audit of municipal public procurement spend on SMMEs on yearly basis.
- Facilitate access for small businesses to the following ten set aside products from the DTI:
 - advertising, media and communication;

- interior and exterior cleaning services and cleaning product supplies;
 - clothing and textiles;
 - computer equipment and consumable supplies;
 - interior and exterior furniture and décor;
 - events co-ordination and management;
 - maintenance, repair, construction and office space;
 - travel co-ordination and shuttle services;
 - food, perishables and supplies; and
 - stationery supplies and printing.
- To lobby for the revision of the bottlenecks caused by the current supply chain management regulations in line with the principles of the radical economic transformation

9. IMPLEMENTATION FRAMEWORK

This Implementation section follows the preceding strategy formulation section that provided a strategic framework and interventions necessary to improve the current SMME sector in Msunduzi. The strategy formulation section developed a vision and goals taking into consideration the projects within the area; current economic trends of the Municipality, stakeholder linkages and the Municipal's project implementation capability. In the conclusion of the strategic framework, key anchor projects were suggested which have specific initiatives to give effect to the development of the SMME sector in Msunduzi. It should be indicated that these projects are presented below:

1. To establish a coordinated stakeholder's forum in the Municipality for all SMME stakeholders to share their services provided to SMMEs for the improvement of the sector.
2. To fill up all vacant posts in the LED Business Unit; provision of an effective budget for the promotion of small businesses;
3. To provide extensive SMME development related trainings (SMME coaching, facilitation, mentorship and advisory services) to the current business Unit staff.
4. To facilitate the establishment of cooperatives and joint ventures so emerging SMMEs can share some costs.

5. EDTEA one stop shop and Msunduzi business unit to facilitate easy access all available sources of funds for SMME development.
6. EDTEA one stop shop and Msunduzi business unit to facilitate easy access to land for SMME development.
7. EDTEA One Stop Shop, Msunduzi business unit and FET Colleges to facilitate SMMEs access to: business management, customer care, human resources, financial skills, technical skills, IT and computer-related skills
8. Msunduzi business unit with other stakeholders to organise a small SMME fair like an SMME flea market twice a year mainly in rural areas of the Municipality where SMMEs can access market opportunities and meet with larger businesses to explore outsourcing opportunities;
9. Msunduzi business unit to facilitate the participation of SMMEs in provincial/ national/ international initiatives that are being held to expose businesses;
10. Msunduzi business unit to develop and rollout a mentorship programme to assist struggling SMMEs in the Municipality.
11. Msunduzi business unit to facilitate the establishment of a manufacturing hive for emerging and small-scale manufacturers in the Municipality;
12. Msunduzi business unit to in partnership with the waste management services unit, to revise and extend the Waste Management Small Business Development Programme beyond its 2017 deadline.
13. Msunduzi business unit to facilitate and attract more collectors to participate as small businesses in the Kerbside Recycling Programme;
14. Msunduzi business unit to identify 3 sites in townships and develop feasibility assessments for local manufacturing hives;
- 15 Support Cogta in setting up the Msunduzi Leather Hub;
- 16 With the support of Small Business Growth Enterprise to undertake the audit of municipal public procurement spend on SMMEs on yearly basis
- 17 Facilitate access to the ten set aside products from the DTI:
 - advertising, media and communication;
 - interior and exterior cleaning services and cleaning product supplies;
 - clothing and textiles;
 - computer equipment and consumable supplies;
 - interior and exterior furniture and décor;

- events co-ordination and management;
- maintenance, repair, construction and office space;
- travel co-ordination and shuttle services;
- food, perishables and supplies; and
- stationery supplies and printing.

The implementation framework section is made of a number of sub-sections including: the implementation plan; financial plan; and the monitoring and evaluation.

9.1. IMPLEMENTATION PLAN

The Project Implementation Plan provides a time-based perspective of the projects and activities relating to the SMME sector proposed for implementation. The following table displays the project number, the project / activity name, and the proposed start and end date. The GANTT chart starts from 2018 as a number of projects should be initiated immediately and then the five years is broken down into blocks of six months.

It should be noted that:

- Where activities did not have a defined end date the end of the five-year term was used as the end date, i.e. 30 December 2022;
- Where a project will be undertaken within a specific six-month period and have a shorter timeframe (i.e. two months) the full six-month block was filled up; and
- A large number of projects start out in the early parts of the five-year term and the potential for achieving this should be reconsidered based on resources, including human capacity and funds, in Msunduzi Municipality.

Table 11: The Project Implementation Plan

No	Projects/Activities	2018		2019		2020		2021		2022	
1	To establish a coordinated stakeholders' forum in the Municipality for all SMME stakeholders to share their services provided to SMMEs for the improvement of the sector.										
2	To fill up all vacant posts in the LED Business Unit; provision of an effective budget for the promotion of small businesses;										
3	To provide extensive SMME development related trainings (SMME coaching, facilitation, mentorship and advisory services) to the current business Unit staff.										
4	To facilitate the cooperation and joint ventures for emerging SMMEs to share some costs.										
5	Msunduzi business unit and EDTEA one stop shop to facilitate easy access all available sources of funds for SMME development.										
6	Msunduzi business unit and EDTEA one stop shop to facilitate easy access to land for SMME development.										
7	Msunduzi business unit, EDTEA one stop shop and FET Colleges to facilitate SMMEs access to: business management, customer care, human resources, financial skills, technical skills, IT and computer-related skills										
8	Msunduzi business unit with other stakeholders to organise a small SMME fair like an SMME flea market twice a year mainly in rural areas of the Municipality where SMMEs can access market opportunities and meet with larger businesses to explore outsourcing opportunities;										
9	Msunduzi business unit to facilitate the participation of SMMEs in provincial/ national/ international initiatives that are being held to expose businesses;										

No	Projects/Activities	2018	2019	2020	2021	2022
10	Msunduzi business unit to develop and rollout a mentorship programme to assist struggling SMMEs in the Municipality.					
11	Msunduzi business unit to facilitate the establishment of a manufacturing hive for emerging and small-scale manufacturers in the Municipality;					
12	Msunduzi business unit to in partnership with the waste management services sun unit, to revise and extend the Waste Management Small Business Development Programme beyond its 2017 deadline.					
13	Msunduzi business unit to facilitate and attract more collectors to participate as small businesses in the Kerbside Recycling Programme;					
14	Msunduzi business unit to identify 3 sites in townships and develop feasibility assessments for local manufacturing hives;					
15	Support Cogta in setting up the Msunduzi Leather Hub.					
16	With the support of Small Business Growth Enterprise to undertake the audit of municipal public procurement spend on SMMEs on yearly basis					
17	Facilitate access for small businesses to the ten set aside products from the DTI:					
18	To lobby for the revision of the bottlenecks caused by the current supply chain management regulations in line with the principles of radical economic transformation					

9.2. FINANCIAL PLAN

The Financial Plan reflected in the following table provides an overview of capital and operational budget requirements per institution or service provider over a certain period. The budgets indicated in the table are indicative only. Detail cost estimates can only be made once feasibility studies for the actions have been undertaken that includes the conceptualisation of the designs of the facilities and actions.

Table 12: The Project Financial Plan

No	Description / Type of facility	Nature of the project	Motivation cost	Annual cost
1	To establish a coordinated stakeholders forum in the Municipality for all SMME stakeholders to share their services provided to SMMEs for the improvement of the sector.	Institutional Project	R1 000 for refreshments during the meeting	R3 000 for three meetings p.a.
2	To fill up all vacant posts in the LED Business Unit; provision of an effective budget for the promotion of small businesses;	Institutional Project	R0 since it will be internally undertaken by the Municipal HR	R0
3	To provide extensive SMME development related trainings (SMME coaching, facilitation, mentorship and advisory services) to the current business Unit staff.	Facilitation Project	R3 000 per course	This will be determined by the number of staff in the business unit
4	To facilitate the cooperation and joint ventures for emerging SMMEs to share some costs.	Facilitation Project	R0. This will be part of day-to-day functions of EDTEA One Stop Shop officials and Msunduzi Business Unit	R0
5	Msunduzi business unit and EDTEA one stop shop to facilitate easy access all available sources of funds for SMME development.	Facilitation Project	R0. This will be part of day-to-day functions of EDTEA One Stop Shop officials and Msunduzi Business Unit	R0
6	Msunduzi business unit and EDTEA one stop shop to facilitate easy access to land for SMME development.	Facilitation Project	R0. This will be part of day-to-day functions of EDTEA One Stop Shop officials and Msunduzi Business Unit	R0

No	Description / Type of facility	Nature of the project	Motivation cost	Annual cost
7	Msunduzi business unit, EDTEA one stop shop and FET Colleges to facilitate SMMEs access to: business management, customer care, human resources, financial skills, technical skills, IT and computer-related skills	Facilitation Project	R3 000 per course per SMME	This will be determined by the number of SMMEs to be trained
8	Msunduzi business unit with other stakeholders to organise a small SMME fair like an SMME flea market twice a year mainly in rural areas of the Municipality where SMMEs can access market opportunities and meet with larger businesses to explore outsourcing opportunities;	Capital project	R50 000 per fair and in most cases, 50% of the budget comes from sponsors	This will make R100 000 p.a.
9	Msunduzi business unit to facilitate the participation of SMMEs in provincial/ national/ international initiatives that are being held to expose businesses;	Facilitation Project	R0. This will be part of day-to-day functions of EDTEA One Stop Shop officials and Msunduzi Business Unit	R0
10	Msunduzi business unit to develop and rollout a mentorship programme to assist struggling SMMEs in the Municipality.	Capital project	R 150 000 to develop the programme R 100 000/ Mentor coaching up to 20 SMMEs	R150 000 per mentor coaching up to 20 SMMEs

No	Description / Type of facility	Nature of the project	Motivation cost	Annual cost
11	Msunduzi business unit to facilitate the establishment of a manufacturing hive for emerging and small-scale manufacturers in the Municipality;	Facilitation Project	R0. This will be part of day-to-day functions of EDTEA One Stop Shop officials and Msunduzi Business Unit	R0
12	Msunduzi business unit to in partnership with the waste management services sun unit, to revise and extend the Waste Management Small Business Development Programme beyond its 2017 deadline.	Facilitation Project	R0. This will be part of day-to-day functions of EDTEA One Stop Shop officials and Msunduzi Business Unit	R0
13	Msunduzi business unit to facilitate and attract more collectors to participate as small businesses in the Kerbside Recycling Programme;	Facilitation Project	R0. This will be part of day-to-day functions of EDTEA One Stop Shop officials and Msunduzi Business Unit	R0
14	Msunduzi business unit to identify 3 sites in townships and develop feasibility assessments for local manufacturing hives;	Facilitation Project	R0. This will be part of day-to-day functions of EDTEA One Stop Shop officials and Msunduzi Business Unit	R0
15	Support Cogta in setting up the Msunduzi Leather Hub.	Capital Project	R1 m for the feasibility study and the identification of a building that accommodates 20 SMMEs	R250 000 for the annual cost to run the Hive

No	Description / Type of facility	Nature of the project	Motivation cost	Annual cost
16	With the support of Small Business Growth Enterprise to undertake the audit of municipal public procurement spend on SMMEs on yearly basis	Facilitation Project	R 250 000	R 250 000
17	Facilitate access for small businesses to the ten set aside products from the DTI:	Facilitation Project	R0. This will be part of day-to-day functions of Msunduzi Business Unit	R 0
18	To lobby for the revision of the bottlenecks caused by the current supply chain management regulations in line with the principles of radical economic transformation	Facilitation Project	R0. This will be part of day-to-day functions of Msunduzi Business Unit	R 0

9.3. MONITORING AND EVALUATION TOOLS AND MECHANISMS

The monitoring and evaluation (M&E) process is always seen as an essential component used in the process of developing and implementing local economic projects in general and SMMEs ones in particular. It is aimed at improving the effectiveness, efficiency and impact of programmes and projects. Without proper examination of the work undertaken, programmes initiated and projects funded, there can be no understanding of what is being successfully implemented, hence the important role that monitoring and evaluation plays in effectively undertaking and implementing SMME projects and related processes.

The main objectives of the monitoring and evaluation mechanisms are to:

- Ensure that the correct milestones, as planned, are being achieved;
- Act as an early warning system in cases where targets are unlikely to be achieved;
- Provide regular information to all stakeholders on progress of the projects and an informed basis for any reviews;
- Ensure the continuous sharpening and focusing of strategies and assist in the mobilisation of appropriate interventions.

It should be noted that monitoring and evaluation of the projects is continuous implementation review function to provide the main stakeholders with early indications of progress or lack thereof in the achievement of objectives and outputs. The monitoring team (that will be the Municipal Business Unit members or any established group for such a task) should make use of the following project specific tools and indicators presented in the following table.

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Table 13 Projects Monitoring and Evaluation

Strategic Programmes	Projects	Key Performance indicators	Means of verification
1.1. Strengthening the partnership among SMME service providers in the Municipality	1.1.1 To establish a coordinated stakeholders' forum in the Municipality for all SMME stakeholders to share their services provided to SMMEs for the improvement of the sector.	Meetings organised with key stakeholders; Work plan developed	-Letter of invitation to all relevant stakeholders. -Attendance register showing attendance of all relevant stakeholders.
1.2. Improving the public provision of services to SMME in the Municipality	1.2.1 To fill up all vacant posts in the LED Business Unit; provision of an effective budget for the promotion of small businesses;	Vacant posts filled up with relevant staff	Vacancies adverts; Appointment letters
	1.2.2 To provide extensive SMME development related trainings (SMME coaching, facilitation, mentorship and advisory services) to the current business unit staff.	Business unit staff trained	Attendance registers, Certificate of attendance, Certificate of competence
1.3. Facilitate access to SMMEs and support services including: <ul style="list-style-type: none"> • access to raw materials; • access to finance; • access to land and business premises; • access to skills; 	1.3.1 To facilitate the cooperation and joint ventures for emerging SMMEs to share some costs.	Meetings organised Joint venture MOU signed with all parties	-Letter of invitation to all relevant parties; -Attendance registers; -Signed MOU documents
	1.3.2 Msunduzi business unit and EDTEA one stop shop to facilitate easy access all available sources of funds for SMME development.	List of all available fund developed, List of SMMEs in need of fund developed	Minutes of the facilitation and support meetings, Approved application forms; Funds database document

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Strategic Programmes	Projects	Key Performance indicators	Means of verification
<ul style="list-style-type: none"> • access to markets and market exposure; • access to mentorship, information and advisory services; 	1.3.3 Msunduzi business unit and EDTEA one stop shop to facilitate easy access to land for SMME development.	List of available land for agri SMME; List of available business premises	Available land for agri SMME document; Available business premises list
	1.3.4 Msunduzi business unit, EDTEA one stop shop and FET Colleges to facilitate SMMEs access to: business management, customer care, human resources, financial skills, technical skills, IT and computer-related skills	SMMEs trained	Attendance registers, Certificate of attendance, Certificate of competence
	1.3.5 Msunduzi business unit with other stakeholders to organise a small SMME fair like an SMME flea market twice a year mainly in rural areas of the Municipality where SMMEs can access market opportunities and meet with larger businesses to explore outsourcing opportunities;	SMME fairs organised	Advert for service providers and SMMEs to participate; SLA for the appointed service providers; Registration forms;
	1.3.6 Msunduzi business unit to facilitate the participation of SMMEs in provincial/ national/ international initiatives that are being held to expose businesses;	SMMEs participating in provincial/ national/ international initiatives	Provincial, national, and international initiatives programme document; SMMEs application forms
	1.3.7 Msunduzi business unit to develop and rollout a mentorship programme to assist struggling SMMEs in the Municipality.	SMME mentorship programme developed; SMME mentors identified	SMME mentorship programme document ; List of mentors

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Strategic Programmes	Projects	Key Performance indicators	Means of verification
	1.3.8 Msunduzi business unit to in partnership with the waste management services sun unit, to revise and extend the Waste Management Small Business Development Programme beyond its 2017 deadline.	the Waste Management Small Business Development Programme revised beyond 2017	the Revised Waste Management Small Business Development Programme document
	1.3.9 Msunduzi business unit to facilitate and attract more collectors to participate as small businesses in the Kerbside Recycling Programme;	More collectors' small businesses in the Kerbside Recycling Programme	List of collectors' small businesses in the Kerbside Recycling Programme
	1.3.10 Msunduzi business unit to identify 3 sites in townships and develop feasibility assessments for local manufacturing hives;	3 sites identified in townships for local manufacturing hives	ERF No of the location of the sites, Photos/ images of the sites
	1.3.11 Msunduzi business unit to facilitate the establishment of a manufacturing hive for emerging and small-scale manufacturers in the Municipality;	Manufacturing hive established	Minutes of the facilitation and support meetings, ERF No of the location of the project
	1.3.12 Support Cogta in setting up the Msunduzi Leather Hub.	Lobbying meetings organised	Attendance register and minutes of the lobbying meetings
	1.3.13 With the support of Small Business Growth Enterprise to undertake the audit of municipal public procurement spend on SMMEs on yearly basis	Audit undertaken	Audit Report
	1.3.14 Facilitate access for small businesses to the ten set aside products from the DTI:	SMMEs accessing set aside products	Invoices, SLA, etc.

MSUNDUZI MUNICIPALITY

Prepared by:



Revision No.

Date: September 2017

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Strategic Programmes	Projects	Key Performance indicators	Means of verification
	1.3.15 To lobby for the revision of the bottlenecks caused by the current supply chain management regulations in line with the principles of radical economic transformation	Lobbying process developed	Workshops and meetings organised; attendance registers, agenda, etc.

10. ANNEXURE

10.1. MSUNDUZI MUNICIPALITY: SMME QUESTIONNAIRE 2017

Good day I am.....from Urban-Econ Development Economic consultants. We are conducting a research study on behalf of Msunduzi Local Municipality investigating the problems and development opportunities pertaining to SMMEs. Would you please be so kind to answer the following questions for me. This should only take 5 minutes to complete. The information will be kept confidential and will not be made available to any outside person or organization.

Name of interviewer	
Date of interview	
Name and business address	
Business contact Number/email	
Business owner's License number (registration status)	
Type of Business	

1. What is the main reason for locating your business in Msunduzi?

1	
2	
3	
4	

2. How long has your business been operating for in Msunduzi?

Less than 1 year	1
1-5 years	2
6-10 years	3
Over 10 years	4

3. Are you optimistic or pessimistic about the future of your business in your community?

Optimistic	1
Pessimistic	2

4. Overall, how would you describe the area in which your business is located?

An excellent place to work	1
An average place to work	2
An unpleasant place to work	3

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A very unpleasant place to work	4
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5. What is the general level of education in your business

Education			
No Schooling	1	Secondary Education	3
Primary Education	2	Tertiary Education	4

6. Over the past twelve months, what has been your business turnover?

Less than 0.40 m	1	R 5.00 m	6
R 0.40 m	2	R 7.50 m	7
R 0.80 m	3	R 10.00 m	8
R 1.00 m	4	R 25.00 m	9
R 3.00 m	5	R 40.00 m	10

7. How many people are involved in this business including the owner?

Less than 5	1	Between 21 to 50	4
Between 5 to 10	2	Between 51 to 100	5
Between 11 to 20	3	More than 100	6

8. What could be done locally to allow you expanding your business and employ more people?

1	
2	
3	
4	

9. Finally, do you have any suggestion or idea about improving business activity within the community?

1	
2	
3	
4	

THANK YOU FOR YOUR PARTICIPATION

10.2. LIST OF MSUNDUZI MUNICIPALITY SMME

No	COMPANY NAME	CONTACT PERSON	CONTACT NUMBER	CATEGORY
1.	Zanokuhle Solutions	Phindile Mkhize	072 149 5186/033 346 0518	Traditional African Crafts
2.	Zizameleni Disabled Action Group	Sizakele Shezi	076 792 1061	Art and Craft (Cane products)
3.	Mother Nature Couture	Siphiwe Sosibo	082 325 2254	Fashion Designer
4.	Akhona Trading Enterprise	Zakhona	072 259 2813	Recyclable Craft
5.	Zavelinhlanhla Primary Cooperative	Nonhlanhla Madondo	072 709 4154	Quilting products (bedding)
6.	Busani Zulu Craft and Art	Betty Naude	076 307 5400/033 342 3697	Art and Craft House
7.	Injula Trading Leather	Strike Zuma	072 788 7567	Leather Products
8.	Lunzuluthando Community Project	Zanele Dlamini	073 548 6061	Cultural attire and Craft
9.	Ababumbi Art Ceramic	Thandi Ntuli	082 834 3865	Ceramic Products
10.	Chinoz Craft	Tariro Chonomona	084 860 8803	Art and Craft
11.	Ebenhezer Management Services	Dudu Zulu	071 456 7076	Interior Designer
12.	Ubuhle Bembokodo	Edna Buthelezi	072 123 5631	Quilting products (variety)
13.	Lunzuluthando Community Project	Zanele Dlamini	073 548 6061	Cultural attire and Craft
14.	Mandingozeli Textile Cooperative	Simon Ntuli	072 949 9775	Textile and Embroidering
15.	Matebese Aluminium and Glass Fit cc	Phumelele Mathews	033 398 0327/072 427 0541	Aluminium and Glass
16.	Eldonai School of Fashion	Joy Nxumalo	084 9474088	Fashion Designer
17.	Mdima Optimal	Thamsanqa Shange	083 2632940	Services
18.	Anela Juice	Langalakhe Mkhize	078 4673482	Food and Beverages
19.	Senzokuhle Sewing	Thembeni Khwela	073 2758914	Services
20.	Lihle Events Management	Lihle	072 4196090	Services
21.	Ustimela Projects	Nkosingiphile Ngcobo	076 6575267	Services
22.	PO Academy of fashion design	Pretty Madela	082 4227159	Fashion Design
23.	Buzani Holdings	Lulama Makhaye	073 8626471	Services

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No	COMPANY NAME	CONTACT PERSON	CONTACT NUMBER	CATEGORY
24.	African Child	Masi Mhlongo	072 9814995	Services
25.	Ixhiba Co-op	Louisa Buthelezi	078 4925779	Agriculture
26.	Mathaba Designers	Hlengiwe Mncambi	076 2526145	Services
27.	Isihlesamancinza	Nosihle Zondi	078 8454258	Services
28.	Satha Gas	Thami Majola	083 240 3907	Gas & Petroleum
29.	Phakamile fashion design	Nonjabulo	076 233 3558	Fashion Design
30.	Jail Break	Nobuhle	072 807 3907	Catering
31.	Ntontogal Pty(Ltd)	Ntombenhle Dladla	079 821 2148	Bead work
32.	NGC Enterprise	Nobuhle Kubheka	082 705 7923	Services
33.	Snezinseka PTY LTD	Manni Mnguni	073 147 4412	Sanitation Services
34.	Chillaz Sauce / Gcugcwa Solutions	Phindile Zama	0793112136	Manufacturing
35.	Progress Engineering	Patrick Ngcobo	033 386 9663	Manufacturing
36.	Siyathuthuka Cooperative Primary	F.B. Hlabisa	083 348 3245	Services
37.	MaZondi Construction	Themba Mosia	078 341 7933	Forestry
38.	Sureleyo Trading	Mpumelelo Shange	079 546 9464	Personal Services
39.	Umzamo Wethu 05 Primary	Sipho Makhanya	076 6011 857	Construction
40.	Isivuno Agricultural Cooperative	Sandile Ngubane	083 878 9837	Agriculture
41.	Thembekani Cooperative BP	Musa Mafu	073 523 5129	Agriculture
42.	Mafunze Gardens Cooperative	Mr. Zulu	082 933 7778	Agriculture
43.	Ubuhlebezulu Cooperative	Sthembile	082 403 8787	Agriculture
44.	Asisenandlela Multipurpose Cooperative	Linda Zimu	072 888 0416	Agriculture
45.	Aphiwendle Primary Cooperative	Ndu	072 789 8046	Agriculture
46.	Ubuhle Obuphilile	Mrs Khumalo	082 729 2457	Agriculture
47.	Eyamaswazi Primary Cooperative	Dorah Kunene	072 228 7898	Agriculture
48.	Sinqobele Primary Cooperative	Sbongile Gumede	071 161 8127	Agriculture

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No	COMPANY NAME	CONTACT PERSON	CONTACT NUMBER	CATEGORY
49.	Vukuzithathe Cooperative	Primary Mariah Nzimande	078 152 9816	Agriculture
50.	Masidle Cooperative	Primary Nqobile Sokhela	084 870 1388	Agriculture
51.	Isihlakothi Cooperative	Primary Zandile Mchunu	076 851 8332	Agriculture
52.	Aphiwendle Cooperative	Primary Nondumiso Mnyandu	072 789 8046	Agriculture
53.	Masonjanisi Cooperative	Jabulile Mbona	076 720 8007	Agriculture
	Thulasizwe Fresh Vegetables and Garden	Thulasizwe Mthembu	076 997 7619	Agriculture
55.	Zavelinhlaha Cooperative	Primary Nonhlanhla Madondo	072 709 4154	Quilting products
56.	Progress Engineering	Pat Ngcobo	082 367 1794	Manufacturing
57.	Lindani Gcwabaza	Sakhubuntu Primary Cooperative	074 267 2788	Waste Management
58.	Lucky Shabane	Izenzwezinhle Primary Cooperative	074 767 7078	Waste Management
59.	Princess Gambu	Sanele Mbunjwa Cooperative	079 764 3762	Waste Management
60.	Mabhunungu Mkhize	Izaqheqhe Multipurpose Cooperative	073 209 9103	Waste Management
61.	Menzi Ndebele	Creators 223 Cooperative	072 873 0942	Waste Management
62.	Ntuthuko Mahlaba	Mahlabambovu Primary Cooperative	072 270 3815	Waste Management
63.	Zanele Mncwabe	Imibono Yabantu Cooperative	074 971 6982	Waste Management
64.	Nonhlanhla Dlomo	Imibono Yabantu Cooperative	073 931 1021	Waste Management
65.	Sfiso Mnikathi	Okuhlekuseza Cooperative	078 579 0944	Waste Management
66.	Mdunyiswa Magubane	Mndayi and Nkomose Primary Cooperative	082 643 7131	Waste Management
67.	Sizwe Gwala	Zibambele Primary Cooperative	076 974 8553	Waste Management
68.	Siya Memela	Thuledla Agricultural Cooperative	082 487 9944	Waste Management
69.	Farhana Shaik	Farzahmoh Primary Cooperative	079 692 8326	Waste Management
70.	Bongani Ndlovu	Circle of Life Cooperative	072 770 8805	Water Agency
71.	Musawenkosi Myeni	Skhulilethu Trading Enterprise	073 640 7841	Services

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No	COMPANY NAME	CONTACT PERSON	CONTACT NUMBER	CATEGORY
72.	Ngonyezi78 Trading CC	Sphiwe Mkhize	072 345 7427	Transport Services
73.	NV Consulting	Brian Mkhabela	072 814 7138	Business Services



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