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Government and business must work together to boost SMMEs

Manufacturing is hampered by several factors including a lack of infrastructure, inadequate maintenance of this infrastructure, the red tape required for running small, medium and micro enterprises (SMMEs), and the ability of South African SMMEs to compete internationally.



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This is according to Bertus Coetzee, MD of Dolphin Bay Chemicals, a supplier of wood preservative chemicals. He believes the key ingredient for success, is a sharp appetite for business.

Many new jobs could be created in manufacturing, if government and business worked together to boost SMMEs in the sector.

"Our government takes entrepreneurship very seriously and has set up a host of organisations and initiatives over the years to boost SMMEs. In the most recent such effort, President Jacob Zuma established a new Ministry of Small Business Development earlier this year, to consolidate government's efforts at helping small businesses," says Coetzee.

Earlier this year, Finance Minister Nhlanhla Nene said his ministry had several plans in place to make it easier to do business in South Africa. He addressed the same challenges that Dolphin Bay has observed in the timber industry.

Investment in infrastructure

The finance minister said they had plans to increase the investment in infrastructure, reduce the regulatory burdens facing businesses, put a number of industrial incentives in place and boost trade with the rest of Africa.

Coetzee says that in his experience, there are many business opportunities in other African countries. Many have the natural resources necessary to develop their own businesses and South African companies could play a part in this process. In addition, large-scale electrification projects are happening in several African countries, creating a demand for the treated poles that support power lines.

The best way to support SMMEs in manufacturing would be to ask successful companies how they made it, study these lessons, and then implement them in a solid framework. In this way, we could provide the best practical, evidence-based support to young entrepreneurs.

"There is no quick fix to boost SMMEs and we need to make peace with that, realising that our actions today will only take effect in three to five years' time at the earliest," says Coetzee. "We call on government to work with business in order to fulfil Nene's promises and create a business environment in which SMMEs can thrive," he concludes.

Posted on 23 Oct 2014 07:28

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