

Research investment needed for small businesses

Small Business Development Minister Lindiwe Zulu has called for investment in research for the small business sector.



Small Business Development Minister Lindiwe Zulu has urged the private sector to invest in small businesses and asked higher educational institutions to spend more time fostering a spirit of entrepreneurship among the young students.
Image: GCIS

"We need to aggressively invest in this field and address the paucity of relevant information on Small, Medium and Micro Enterprises (SMMEs). I am positive that such investments can yield benefits in the long term," Zulu said.

She said the Global Entrepreneurship Monitor's research showed that small businesses were significant contributors to job creation, creating more than 50% of all employment opportunities in South Africa.

Zulu was speaking at the inaugural National Small, Medium and Micro Enterprises (SMMEs) policy colloquium, which was launched in partnership with the Small Business Development Institute (SBDI) at the Industrial Development Corporation in Johannesburg this week.

An array of inspired thought leaders from broad and specific areas of economic development participated in the conference, which aims to develop policies to accelerate economic growth and development.

Zulu said the SMME sector contributed more than 45% to the country's Gross Domestic Product (GDP).

"The private sector could voluntarily support the nurturing of young and emerging businesses and share professional expertise through existing enterprise development programmes.

"Synergy will be needed across several different sectors in order for small businesses to be able to thrive, grow and create jobs in the South African economy," she said.

Zulu said her department wanted to improve the institutional framework for SMME development by ensuring a cohesive and integrated approach across all three spheres of government and her department plans to awareness on entrepreneurship as a viable career path to build a society of entrepreneurs.

She said Further Education and Training (FET) and universities needed to instil the spirit of entrepreneurship in its students.

"We will be working hard to increase financial support through tax incentives, informal sector funding tools and other funding networks in partnership with other financial institutions," Zulu said, adding that her department would continue to reduce regulatory constraints through red-tape reduction.

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