

SMEs need government action

New research from Sage shows that business owners are investing in the future but would like to see more action from the Government. More than half (54%) of SME owners in South Africa did not take a holiday last year and 70% put in more time than the standard 40 hour-week to grow their businesses. Yet some 96% say that they have had no assistance - financial or otherwise - from the national government as they strived to build their companies.



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South African business owners outline the top five things they want to see from government to help them thrive are to:

1. Control energy and utility costs
2. Reduce red tape
3. Simplify labour regulation
4. Reduce business rates and taxes
5. Bring stability to foreign exchange rates

The study reveals the extent of the personal sacrifice made by entrepreneurs the world over and in South Africa, as well as the contributions that they are making to grow their countries' economies. Compared to statistics from other countries, South African entrepreneurs are making strong contributions towards job creation and supporting volunteer work among their employees.

Of the respondents, 32% said that they expect to hire more than five employees in the next two years. Ten percent said they would hire as many 20 employees in two years. This highlights just how important the small business sector will be in helping to reverse the current trend of job losses in South African industries such as mining and telecoms.

An impressive 80% of South African business owners donate to charities and non-profit organisations, while 32% encourage their employees to volunteer. This shows how a prosperous SME helps to create and share wealth throughout the community.

Ivan Epstein, CEO of Sage AAMEA (Africa, Australia, Middle East and Asia) and the chairman of the Sage Foundation, says, "SMEs are the engine of our economy. Their leaders are heroes, willing to make a great personal sacrifice and take significant risks in the name of growth and job creation. As a country, we owe them a debt of gratitude.

"Against this backdrop, it is encouraging to hear the Ministry of Small Business call for the private and public sectors to work together to invest in and support small businesses and cooperatives to reduce the levels of poverty in South Africa. The right kind of support from government could change the trajectory of the local economy as a whole.

"One of the biggest barriers to the success of SMEs in South Africa is education. It would be a wonderful, positive opportunity to work with government to help SMEs face challenges like regulatory compliance, access to finance, skills development and mentoring. Private/public collaborations in this area could make a big change - and it's in everyone's interest to make this happen," he concludes.

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