

NATIONAL OFFICE

First Floor, 3 Gwen Lane, Sandown, 2196
P.O. Box 652807, Benmore, 2010
Tel: +27 11 784-8000/1/2/3 | Fax: +27 (0) 86 609 8248
E-mail: busa@busa.org.za | Website: www.busa.org.za

PARLIAMENTARY OFFICE

9 Church Square, 1st Floor Graaffs Trust Building
Cape Town, 8001
P.O. Box 3867, Cape Town, 8000
Tel: +27 21 465 1633 | Fax: +27 21 461 5470

16 March 2011

IMMEDIATE RELEASE

**BUSA CALLS ON BUSINESS TO PROMOTE OUTSOURCING,
CONTRACTING AND QUICKER PAYMENT TO SME'S**

BUSA calls for better co-operation between big and small business to reduce the turnaround time for payments to, particularly, small and medium manufacturing enterprises (SMME's) and to maximise outsourcing and subcontracting opportunities. BUSA suggests a 30-day timeline and appeals to all organisations to implement this wherever possible.

South Africa has one of the lowest entrepreneurship activity rates globally. Ensuring greater consistency in paying SMME's on-time, in shorter cycles, and opening opportunities for them to provide manufacturing inputs to larger manufacturers will be a valuable step in encouraging vigorous entrepreneurship.

This consistency must extend across the board between all levels, in all sectors and is critical for small businesses development. If the stimulation of a culture of entrepreneurship receives support across society, small business will be promoted. Self-employment will then become a much easier accepted alternative.

Self-employment is likely to make a greater contribution in reducing unemployment and thus assist the economy to create more jobs. A report produced by FinMark indicates that 43% of all private sectors jobs in South Africa are created by SME's. Most countries reduced unemployment via substantial efforts to encourage self-employment. This is a valuable lesson that we must capitalise on in South Africa.

A strengthened SME-sector will also encourage greater competition, ultimately ensuring that the South African economy will compete better for investment on the global stage, especially in relation to our BRICS counterparts and numerous other key emerging markets.





BUSA has established a Task Group on SME's that will take further our efforts to promote entrepreneurship in pursuit of a higher job-rich growth path. Practical issues that will be considered by this Task Group will include how the partnership between the state and the private sector can be strengthened to ensure that we leverage the combined lending capacity for small business development optimally, and make it more accessible.

Local and regional business chambers across the country also have a key role to play to ensure big and small businesses in their areas tighten their co-operation in the interests of a more enabling environment for small businesses, and SMME's in particular, to flourish.

Ends.

Media Enquiries

PR and Communications Officer BUSA
Tel: 011 784-8000
Cell: 082 444 7987