



national treasury

Department:
National Treasury
REPUBLIC OF SOUTH AFRICA



BLACK BUSINESS COUNCIL

JOINT MEDIA STATEMENT

NATIONAL TREASURY AND THE BBC MEET OVER THE R200 BILLION LOAN GUARANTEE SCHEME AND WAYS TO ENHANCE ITS IMPACT

The Black Business Council (BBC), led by its President, Sandile Zungu and the Department of National Treasury (Treasury), led by the Deputy Minister of Finance, Dr David Masedo, met recently over the R200 billion loan guarantee scheme and to consider ways to enhance its impact including addressing concerns that the criteria is not sufficiently inclusive. The participants noted that the scheme was designed by National Treasury, the Prudential Authority in the South African Reserve Bank, and the Banking Association South Africa. The design team took inputs from a number of stakeholders and continues to meet with various bodies to improve the scheme.

Both parties reached consensus on the following:

- To explore expanding the scheme to cater for and include the Non-Bank Small, Medium & Micro Enterprise Businesses (SMMEs) Funders (NSBF). This will assist SMMEs that may not necessarily meet the banks' funding criteria not to be excluded from relief funds.
- A tripartite engagement between the BBC, Treasury and the Banking Association South Africa (BASA) will be arranged to further discuss proposals on implementation mechanisms, including possibly expanding the scheme to include new bank clients.
- The BBC and Treasury will meet as part of the Treasury's regular stakeholder consultation process on various matters affecting the country.

"As the BBC, we advocate for the acceleration of the participation of black business in the mainstream economy and as such, any attempt to perpetuate the exclusion of the majority will be opposed," said Bonolo Ramokhele, Treasurer General of the BBC.

"National Treasury appreciates stakeholders such as the BBC raising concerns. With constant engagements, we are confident that we can always find common ground, as National Treasury continues to deliver on its mandate and obligations," concluded Dondo Mogajane, National Treasury Director-General.

About the Black Business Council

The Black Business Council (BBC) is the over-arching confederation that represents black professional, business associations and chambers. The primary purpose of the BBC is to lobby government on policy related matters and to play an advocacy role where policies are in place in order to accelerate the participation of black business in the mainstream economy.

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