



MINISTRY OF FINANCE
REPUBLIC OF SOUTH AFRICA

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SPEECH BY DEPUTY MINISTER OF FINANCE

REMARKS BY DEPUTY MINISTER OF FINANCE, MR ASHOR SARUPEN, AT THE GLOBAL SME FINANCE FORUM 15 SEPTEMBER 2025

Good morning, esteemed guests, colleagues, ladies, and gentlemen.

On behalf of the South African G20 Presidency, I am honoured to welcome you to South Africa and to this Annual Global SME Finance Forum - an official side event of the G20 Global Partnership for Financial Inclusion Working Group.

We thank the SME Finance Forum, under the IFC, and the Global Finance & Technology Network (GFTN), for their leadership in hosting this vital platform, in close cooperation with South Africa's National Treasury. This gathering reflects our shared commitment to advancing the global SME finance agenda and ensuring that small businesses remain at the centre of inclusive growth.

Building Resilience and Creating Opportunities for Growth

This year's theme, *"Building Resilience and Creating Opportunities for Growth,"* is timely. MSMEs are the backbone of every economy - accounting for over 90% of businesses globally. In South Africa, they represent 91% of formal businesses, provide 60% of jobs, and contribute up to 34% of GDP. Their impact is clear, and so is our responsibility to create an environment that enables their success.

The informal sector also holds potential to address unemployment yet remains excluded from adequate support. It contributes 6% to GDP and 17% to employment but continues to struggle with growth and productivity.

Microfinance is a proven tool for promoting inclusive growth and alleviating poverty. By offering small loans and savings accounts, it empowers individuals to start businesses and improve their financial standing. The Grameen Bank in Bangladesh exemplifies this success—providing small loans to individuals, especially women, who lack access to traditional banking. Its group lending



SPEECH BY DEPUTY MINISTER OF FINANCE

model, built on trust and social capital rather than collateral, has been replicated across Asia, Africa, and has even made inroads in the United States—illustrating its global potential.

A shifting global landscape

This Forum is taking place at a pivotal moment for the global economy. Rising trade tensions, geopolitical uncertainty, and elevated debt levels are reshaping the global outlook.

For MSMEs—particularly in emerging and developing economies—these broader disruptions translate into challenges such as limited market access, high borrowing costs, and digital exclusion, all of which impact their ability to grow and remain resilient.

South Africa's G20 priorities

Guided by our Presidency theme of *Solidarity, Equality, Sustainability*, South Africa has placed financial inclusion at the centre of the G20 agenda. National Treasury's focus is on advancing individuals from access to usage—ensuring that financial tools are used regularly and effectively to build resilience and inclusion.

Our G20 Presidency Priority Paper, *"Moving from Access to Usage,"* provides valuable insights into innovative approaches to enhance the use of financial services across payments, savings, credit, insurance, and remittances, with a strong emphasis on underserved groups—women, youth, small businesses, and informal workers. The Paper identifies critical areas for action, including improving financial literacy, strengthening consumer protection, and designing products that meet the needs of the communities we serve.

This work is coordinated through the Global Partnership for Financial Inclusion (GPFI) Working Group, which falls under the G20 Finance Track. Through this deliverable, the National Treasury is not only setting a policy direction but laying the foundation for MSMEs' inclusive, sustainable growth that is measurable and impactful.

South Africa is also actively supporting the Implementation Framework of the G20 Global Partnership for Financial Inclusion Action Plan for MSME Financing. This has led to



SPEECH BY DEPUTY MINISTER OF FINANCE

collaborations with both G20 and non-G20 countries to share insights, innovations, and challenges in advancing MSME finance.

Our national perspective

South Africa's experience mirrors global challenges. Financial services are available but often underused by excluded and underserved groups.

National Treasury's Financial Inclusion Policy, approved in 2023, sets a framework to build a more inclusive financial sector. It focuses on deepening inclusion for individuals, expanding access to MSMEs, and diversifying financial channels.

Since its adoption, the Policy has improved coordination among stakeholders and highlighted the need for legislative reforms and alternative financing instruments to reduce information gaps. Diversifying sources of finance makes MSMEs more resilient, especially high-potential firms and start-ups that may not be suited to traditional debt.

Supporting MSMEs through platforms like the Johannesburg Stock Exchange (JSE) is key. Sweden's Nasdaq First North offers a model for SME capital raising that South Africa can learn from. Mechanisms like the Khula Credit Guarantee Scheme and institutions such as the IDC and NEF are crucial in expanding access to finance, particularly for businesses that are unable to secure commercial credit.

Beyond finance, MSMEs face challenges in accessing markets, acquiring skills and technology, and navigating complex regulations. Operation Vulindlela Phase 2 is helping address these through structural reforms. Unlocking MSME potential requires a holistic approach—combining capital, skills development, digitalisation, and supportive policies.

The importance of collaboration

Collaboration is essential. Governments, the private sector, development finance institutions, and multilateral partners must work together to support MSMEs.



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REPUBLIC OF SOUTH AFRICA

SPEECH BY DEPUTY MINISTER OF FINANCE

The private sector plays a key role—not only in providing capital, but also in driving innovation and market access. We commend the IFC for its advisory work and encourage greater focus on MSMEs in the real economy.

Emerging partnerships with non-bank finance actors—such as equity, crowdfunding, and venture capital—are promising and must be scaled to close the MSME funding gap.

Closing

In the coming days, let us share strategies to expand SME access to finance and build resilient economies.

Let us reaffirm our commitment to MSMEs—not only as economic contributors but as agents of transformation.

In line with the G20/OECD Principles on SME Financing, we must support diverse instruments, enhance transparency, improve financial literacy, and promote timely payments.

Together, we can build ecosystems that are inclusive, sustainable, and future-ready.

Thank you.