

**OPENING REMARKS BY THE PREMIER OF THE FREE STATE,  
SISI NTOMBELA ON THE OCCASION OF THE  
ANNOUNCEMENT OF PROVINCIAL ECONOMIC RECOVERY  
INCENTIVES BY DESTEA, AT NAVAL HILL, ON 17 JUNE 2020**

Members of the Executive Council present,

Partners and Stakeholders in the fight against the Coronavirus,

Members of the Media,

Ladies and Gentlemen,

The declaration of the national state of disaster on the 15 March 2020, and the subsequent announcement of the national lockdown from 27 March 2020 by His Excellency, President of the Republic of South Africa, Cyril Ramaphosa to curb the spread of the Coronavirus pandemic, has had a serious impact on the economy of the country, and indeed, by extension, our beloved Province of the Free State.

Ladies and gentlemen, many businesses, particularly small businesses, will find it difficult to come out of the situation without the help of the government. The challenge remains that of looking out for all our citizens, especially the poor, while minimising the Coronavirus infection rates. On the economic front, we need to

keep firms and businesses alive, so that we save as many jobs as possible. I address you now, a day after Youth Day, which was commemorated under the theme: ***“Youth Power: Growing South Africa Together In the Period of COVID-19”***.

Ladies and Gentlemen, young people should be part of shaping our province and defining a new way of living post COVID-19.

According to the latest **Quarterly Labour Force Survey (QLFS)**, there were slightly more than **1.2 million** economically active people in the Free State. Out of this, **Four hundred and twenty three thousand (423 000)** were unemployed in the 4<sup>th</sup> Quarter of 2019, translating to an unemployment rate of **35%**. This excludes discouraged work seekers.

This economic situation and outlook, has far-reaching consequences for the majority of the people of the Free State, especially the youth, women, and the poor. Due to the outbreak of the Coronavirus pandemic, the Free State economy is projected to decline by **3.7%** in **2020**.

To assist businesses in distress due to the pandemic, the Department of Small Business Development, together with its agencies and the departments of Tourism and Trade, Industry and Competition, introduced programmes aimed at assisting the

small business sector to cushion the impact of the restrictions to do business during the lockdown. The following are the incentives offered by different departments to achieve this objective:

- SMME Debt Relief Fund;
- Business Growth / Resilience Facility;
- Spaza Shop Support Programme;
- Payment Holiday; and,
- Tourism Relief Fund

We are concerned, however, that **a very low number of Free State enterprises were successful in their application for relief funds from various incentives on offer by various national departments.**

Our MEC for DESTEA, Makalo Mohale is working very closely with Ministers in these national departments, to establish what challenges could be faced by Free State companies in qualifying for relief funding, and measures should be immediately put in place to improve this situation. The Free State must benefit.

In the meantime, the Provincial Executive Council (EXCO), which I lead, has tasked DESTEA to find a way in which our businesses and our economy can be revived.

Part of the Economic Recovery plan developed by DESTEA includes providing funding to Free State-based enterprises with a view of preserving the current jobs and creating new ones.

I will now hand over to MEC Mohale to outline how these economic recovery incentives are structured.

**I Thank You.**