

Sage supports government's call to grow South African entrepreneurship



[Sage](#), the global market leader for integrated accounting, payroll, and payment systems, has welcomed the call for South African government to support entrepreneurs and grow a sustainable Small & Medium Business sector in the country.

Finance Minister Pravin Gordhan told delegates at a recent Nando's Daily Maverick The Gathering that the private sector creates 70% of the jobs in South Africa, while government creates only 30%. Since the private sector is by far the biggest engine of employment in the country, we need to help Small & Medium Businesses to succeed so they can create jobs and address the challenge of inequality.

[Anton van Heerden](#), Executive Vice-President and Managing Director, Sage South & Southern Africa, says: "We are always pleased to hear that South African government recognises the contribution entrepreneurs and Small & Medium Businesses make in helping address to the challenge of unemployment. There are nearly

9 million people unemployed in South Africa, and growing the Small & Medium Businesses sector is our best option for creating decent work for them.”

Van Heerden says that Sage strongly endorses the call for more inclusive growth in a country and a world where inequality is a major challenge. Small & Medium Business tend to be more labour-intensive than larger businesses, and hence have potential to create employment for more people, says Van Heerden.

In addition, entrepreneurship creates wealth for business owners, their families, and their communities. “Minister Gordhan is correct when he says that politicians cannot create jobs,” adds Van Heerden. “A vibrant private sector, supported by a business-friendly government, holds the real key to unlocking South Africa’s economic potential.”

South Africa’s National Development Plan relies on Small & Medium Businesses to create 90% of the 11 million new jobs it seeks to create by 2030. To meet this goal, South Africa needs nearly 50,000 Small & Medium Businesses growing at a rate of 20% a year, says Van Heerden. Sage believes that this target can be achieved if large businesses, the public sector and entrepreneurs work together.

“As Minister Gordhan noted, one important element of a jobs strategy for South Africa is providing training and education for the youth,” says Van Heerden. “From our side, we would welcome partnerships to grow awareness of risks and rewards of entrepreneurship among the youth, and to provide mentoring and training to entrepreneurs.”

The right kind of support from government could change the direction of the local economy as a whole, he adds. “It would be a pleasing, positive opportunity for us to work with government to help Small & Medium Businesses face challenges like regulatory access to finance, compliance, skills development and mentoring,” says Van Heerden.

Recent research from Sage shows that business owners are investing in the future, but would like to see more action from the Government. Despite their efforts, however, most South African

business owners say that they have never received financial or other support from the government, and outline the top five things they want to see from our Government, to help them thrive:

- [if !supportLists]· [endif]Reduce business rates and taxes
- [if !supportLists]· [endif]Reduce red tape
- [if !supportLists]· [endif]Control energy and utility costs
- [if !supportLists]· [endif]Simplify labour regulation
- [if !supportLists]· [endif]Bring stability to foreign exchange rates

“Millions of entrepreneurs in the world’s Small & Medium Businesses trust Sage as they power the global economy,” says Van Heerden. “It is these entrepreneurs who are the drivers of prosperity. It takes hard work and human sacrifice to turn a dream business idea into a way of life. Support from government and large businesses could help entrepreneurs improve their odds of success, with positive results for their communities and the country.”