

# R1bn set aside for township economies

The Gauteng government will invest more than R1bn to build and improve infrastructure for township economies in the next five years, says Premier David Makhura.



Gauteng Premier David Makhura says the township economies need investment, access to finance and greater skills. Image: [TruLegal Media](#)

"We want to make the township economy a fundamental part of Gauteng's economy with a 30% share of the province's overall economy," he said.

Makhura said government wanted to double the size of Gauteng's economy and grow it to R2trn in 15 years.

"The revitalisation of the township economies is one of the ways to transform, modernise and reindustrialise our economy," said Makhura.

Speaking at a one-day Summit on Township Economic Revitalisation, at Orlando Stadium in Soweto, he said government was responding to the needs of the township entrepreneurs.

The purpose of the Summit was to give local entrepreneurs, SMME's and cooperatives an opportunity to contribute towards the Township Economic Revitalisation Strategy.

"We want to ensure that there is an appropriate legal and regulatory framework and we need to review some of the laws that hamper SMME's and entrepreneurs.

## Skills development, finance and investment

"At the same time we want to promote productive activities in the townships and start producing goods and supplying services there," he said. "Other methods to improve township economies include fast tracking skills development, providing finance and investments," he added.

"We visited more than 65 townships in Gauteng and gained a true perspective from more than 50 000 township entrepreneurs about their plans and aspirations," Makhura said.

Some of the challenges that were facing township entrepreneurs included the presence of shopping malls, a procurement system that does not support township economies and heavy handedness by metro police who were criminalising informal traders

He said spaza shop owners were concerned about the cut-throat competition particularly by foreign nationals who now dominate the spaza shop sector in the townships.

"The government has pledged R60m in the current financial year to invest in building proper infrastructure for township entrepreneurs to help improve trading," Makhura said.

He said the government is currently investing heavily in the public transport infrastructure that is strongly biased towards township development.

Deputy President Cyril Ramaphosa said: "Innovation is what drives economies, I want you to sit and think what you can do that is innovative. Winners in any business are those who are innovative," he said.



Deputy President Cyril Ramaphosa believes that the township economies have the ability to transform South Africa's economy. Image: GCIS

Ramaphosa encouraged entrepreneurs to improve their financial skills and sharpen their marketing skills.

"The township economies must be used as a launch pad into the broader economy. You must manufacture goods in the township and sell them in Sandton. You must venture out of the province, and eventually to markets beyond our borders," he added.

Ramaphosa urged national business to support township economies.

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