

Multibillion rand boost for township economy

The Gauteng Provincial Government has committed to use 60% of its R34bn goods and services budget to support township initiatives.



Gauteng Premier Panyaza Lesufi. Source: [Facebook](#)

Delivering the State of the Province Address (Sopa) in the Provincial Legislature in Johannesburg on Monday, Gauteng Premier Panyaza Lesufi said townships are the province's "new gold" and with new malls and filling stations being rapidly set up there, government must ensure these investments benefit the people.

"This house (legislature) unanimously adopted the Township Economic Development Act, a blueprint on how we will support township businesses and fund them. We want this act... to migrate from paper to practice.

"As the Gauteng Provincial Government, we commit, as we do now, that as of 1 April, we will use 60% of the R34bn goods and services budget (about R20.4bn) to support township initiatives. We are establishing a digital database (township business register) of all businesses in townships," Lesufi said.



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Katja Hamilton 13 May 2022



Lesufi said a financing model is currently being finalised to allow township businesses to have their own bulk buying mechanism through the establishment of township-based warehouses and distribution centres, like the ones already launched in Kaitshong and Mamelodi.

The Premier said the province has also adopted a prototype for local retail shops, commonly known as spaza shops, so that they can differentiate them from shops owned by foreign nationals.

“We are now firmly reclaiming our shops in the townships. The township residential rental market or the “backroom economy” has been part of the township economy since the beginning of time,” Lesufi said.

R50m approved for backroom property owners

The province is upscaling the formalisation and upgrading of backroom properties and empowering "aboMastandi" (landlords) to get into the real estate industry.

Lesufi said 2,000 applications have been validated for funding for aboMastandi and 40 loans have been approved to the tune of R50m, which has the potential to create employment.

“We want to ensure the timeous lodging of zoning applications and direct collaboration with municipalities on the delivery of this project of backyard dwellers. With our Gauteng Broadband Network, we will provide reliable internet in the townships and make free WiFi available at strategic areas in our communities,” Lesufi said.

Taxi rank of the future

As the taxi industry plays an important role in the township economy, Lesufi said together with the taxi industry, the provincial government has put together a taxi fund to the tune of R20m, as a seed capital for the taxi association to raise money in the market.

“Taxi ranks will be our future shopping stations. We will be launching taxi ranks of the future, a one-stop shop, for taxi parts and tyres, banks, restaurants, and many other related businesses, such as filling stations.

“A new model of taxi rank of the future will be unveiled. We are excited about this project,” Lesufi said.

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