

Cyril gives SA a breather

Moves SA to adjusted Level 3, says third wave peak has passed, offers support for businesses

SIYAMTANDA CAPA

The South African government is hoping to provide much-needed support to small businesses that are not insured.

President Cyril Ramaphosa announced during his address last night that formal and informal businesses who were affected in the looting and destruction would be supported.

In addition to this the President said the government would dedicate funds to assist the uninsured businesses.

Ramaphosa said the government was in talks with larger businesses around ways to support Small Micro Medium Enterprises (SMMEs).

"The most immediate need is to ensure that those businesses that were damaged or looted are able to rebuild and reopen as quickly as possible.

"We are one of the few countries in the world to have a state-owned insurance company, Sasria (South African Special Risks Insurance Association), which provides cover against incidents of public violence, strikes, riots and unrest," said Ramaphosa.

Ramaphosa said Sasria has committed to expedite the payment of all valid claims and was working together with private insurers to ensure that assessments were completed without delay.

He said they were aware that some affected businesses did not have insurance cover.

"This includes many small and medium-sized businesses, whether formal

or informal.

"Many of these businesses have lost everything and will not be able to rebuild on their own.

"We will not abandon them in their time of need. We are therefore working to

extend support to uninsured businesses that were affected by the violence," said Ramaphosa.

He said a mechanism for businesses to apply for support would be announced soon.

Ramaphosa added that the Unemployment Insurance Fund (UIF) would also provide income support to employees who lost jobs due to the unrest.

"This will ensure that jobs are protected and that workers can continue to earn an income as those businesses take time to rebuild. While the TERS scheme has provided crucial support for many sectors that have been unable to operate, there is a need to provide even further relief to help businesses to recover," said Ramaphosa.

The President further hopes to offer some reprieve to affected individuals by expanding the Employment Tax Incentive for a period of four months to include any employee earning below R6 500 and to increase the incentive amount by up to R750 per month.

Ramaphosa said the aim was to encourage employers to hire and retain employees, especially those in the retail and hospitality sectors which have been worst affected.

The payment of PAYE (Pay as you

earn) taxes will also be deferred for a period of three months to provide businesses with additional cash flow. Meanwhile employers with revenue below R100 million automatic deferral of 35% of PAYE liabilities.

"The payment of excise taxes by the alcohol sector will be deferred for a period of three months, to ease the burden on the sector as it recovers," said Ramaphosa.

The interventions come in the wake of relaxed lockdown regulations announced last night. Ramaphosa moved to country to adjusted Level 3 restrictions, which will see the ban on the sale of alcohol lifted.

The President also announced that schools would re-open today.

He said investigations into the violence and those behind it were continuing and were being led by specialised law enforcement units, with a view to speedy arrests and effective prosecutions. "Special measures have been put in place to manage the large number of suspects who have been arrested for offences related to the unrest," he said.

• siyamtanda.capa@witness.co.za

