

Eastern Cape launches R50m jobs fund to boost fragile business

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THE Eastern Cape government yesterday launched a R50m job-stimulus fund, a provincial version of the fund announced by the national government earlier this year.

The fund aims to subsidise companies that are creating jobs.

The Eastern Cape is one of SA's largest and poorest provinces, with very high levels of unemployment.

At the fund's launch yesterday,

Eastern Cape economic development MEC Mcebisi Jonas said that qualifying companies would receive R10 000 for each job they created.

"Businesses that apply for the incentive are required to create at least 10 new jobs in the Eastern Cape. The company will be expected to keep each job for a least a year from the date of employment," Eastern Cape Development Corporation CEO Sitembele Mase said at the launch yesterday.

The Eastern Cape is the first

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province to launch a provincial version of the fund, which will be administered by the Eastern Cape Development Corporation.

Companies that qualified could

claim a tax-free R10 000 for each employee hired, Mr Jonas said.

He said the scheme would be an incentive for companies to create jobs and protect existing ones.

The provincial government plans to increase the fund to R150m next year, and hopes to create at least 30 000 jobs over three years.

In his February budget speech, Finance Minister Pravin Gordhan announced the R9bn jobs fund, saying funding would be spread out over three years.

Mr Jonas said Eastern Cape companies often missed out on national incentive schemes, such as the Distressed Companies Fund, because they found the process too bureaucratic. He said managers and owners of distressed companies often found accessing government initiatives tedious.

Consequently, companies folded despite help being available, and few people made use of government incentives, he said.

Mr Jonas also announced the

creation of a task team, constituted from provincial and national government, tasked with finding ways to help Eastern Cape business.

Border-Kei Chamber of Commerce CEO Les Holbrook said the cost of doing business in the Eastern Cape was very high and manufacturers needed the government to help them compete with players in bigger centres.

He welcomed the creation of the provincial jobs fund.

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