



OMBUDSMAN FOR SMMES TO PREVENT CORPORATE BULLYING

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An ombudsman to help small and medium size businesses deal with the problem of late payments by the State and “corporate bullying” could save many jobs and make it easier to do business.

It is estimated that Government departments are sitting on more than R7 billion in unpaid invoices submitted by small and medium sized enterprises and many of the firms who submitted the invoices are in danger of collapse.

There are also complaints that big companies postpone payments to small firms for as long as possible, knowing that small firms cannot afford to hire lawyers or go to court.

SMEs generate nearly 50% of the country’s GDP and nearly 60% of the jobs and South Africa cannot afford to see this whole vital sector of the economy abused in this way.

Running a small business is tough at the best of times but if the invoices are not paid it becomes impossible. Maintaining a steady cash flow is essential for survival. Staff have to be paid every month and if the invoices are not paid jobs may have to be cut.

The main problem is that small businesses are powerless in their dealings with government and big corporations. An ombudsman to take up the cases and mediate would be a big help. It will give small firms some real muscle and just knowing that there is an ombudsman to help if necessary would be very encouraging.

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President of the Cape Chamber



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