

## Late payments threaten small and medium enterprises

MAKING small suppliers wait more than 30 days before paying them delivers a double blow to the economy because when times are tough and jobs scarce, it is small business that that steps up to the plate, often able to grow employment while larger corporations shed jobs.

"Paying bills on time should be a national duty for large corporates, government

departments, provinces, municipalities or individuals," says Geoff Jacobs, President of the Cape Chamber of Commerce and Industry.

"The news may be dominated by non-payment of electricity bills by municipalities and state-owned entities like South African Airways and Eskom but it tends to ignore the serious knock-on effect of late payment

on the small end of the private sector.

"While bigger corporations can borrow to bridge a cash flow problem, small business operators cannot. For them late payments don't merely hurt, they can kill. As others have noted, late payments are the assassins of small businesses", Jacobs said.

A Small Business Institute survey has found that some big-

ger businesses treat small ones "as a line of credit", some paying in 130 days not thirty. Nearly half of late payments were being written off as bad debt.

Government is far worse. According to the Department of Small Business Development, in one month it found that 71 883 invoices worth R4.3bn and older than 30 days were unpaid by government departments.

Another survey found that in one month more than 23 000 invoices for a total of R2 billion were paid late by provincial government departments.

"Small businesses rely on a regular cash flow to pay wages, promote their products and services, and invest."

"If the flow stops for more than 30 days, it can mean that the business fails and with

it more people become unemployed.

"It's time we realized that paying small business invoices on time stimulates the economy, gives them stability and confidence to grow faster, have a better cash flow, and employ more people. In short everyone will benefit.

Globally, the majority of registered businesses are small businesses. Although

they each employ less than 25 people, this accounts for two thirds of the entire working population. South Africa lags far behind, with our small business sector employing less than a third of those of working age.

"We can and must do better. Paying bills on time should be a priority, and in this regard, the private sector should set an example," Jacobs said.

## Virus just one challenge to fruit exporters

SPEAKING to the Agriculture Writer's Association in the Western Cape, South Africa's largest apple and pear exporter, Tru-Cape Fruit Marketing, just back from attending Fruit Logistica in Berlin, Germany, says that global uncertainty fuelled by the impact of the coronavirus coupled with tariffs on fresh produce are challenges the industry currently faces.

Commenting on the experience of being at Fruit Logistica, Tru-Cape Managing Director Roelf Pienaar said that with over 3 300 exhibitors and more than 72 000 trade visitors this show is a global opportunity to meet established contacts and to make

new ones. Pienaar also attended the World Apple and Pear Association (WAPA) meeting while in Berlin which illustrated that even though South Africa only represents about one percent of global apple and pear production, the country is a major player within the southern hemisphere producers.

"In South Africa the 2020 apple export forecast is for 35.7 million 12.5kg equivalent cartons which is about a six percent increase on last year. Pear exports are expected to be down by about three percent to 16.6 million 12.5kg equivalent cartons," he says adding: "Although Africa accounts for more than 50% of

Tru-Cape's total volume (local market and export to the Continent) the focus at Logistica is mainly on Europe. The hot issues at Logistica seem to be the impact of climate change on production and consumer eating habits; the widespread potential impact of the coronavirus; and the continued downward pressure on price by supermarket groups trying to maintain their margins against the impact of the discounters like Aldi and Lidl. We also see the growth potential in on-line fresh fruit delivery."

Pienaar also used the opportunity to sample the newest crop of Flash Gala, the improved full-red Gala strain discovered by

Tru-Cape's New Variety Expert, Buks Nel. Flash Gala, the fruit from the Bigbucks tree, is now the most successful new variety in the history of SAPO, the Plant Improvement Organisation that propagates Bigbucks trees. "There are now more than 1.6 million Bigbucks trees in the ground," he says.

Pienaar ended the briefing explaining that macro economic indicators like Foreign Exchange indices, the oil price and tariffs can and do all shift the trading landscape. "We are cautiously optimistic about the year ahead but, like the rest of the world, concerned about how the coronavirus will play out."



Left to right: Tru-Cape Marketing Director Conrad Fick with Die Burger's Samantha van den Bergh, Porchia Adams of Fruitways, Marike Brits of Netafim and Tru-Cape Managing Director, Roelf Pienaar photographed at Die Burger newspaper's boardroom in Cape Town.

## Plastic pipes body calls for quality water infrastructure

THE Southern African Plastic Pipe Manufacturers Association (SAPPMA), the standards body for the plastic pipe industry, says the outbreak of the Covid-19 virus in South Africa has once again highlighted the dangers that the country's lacking water infrastructure pose for the most vulnerable in our society.

Jan Venter, CEO of SAPPMA, says frequent hand washing with soap and clean water is one of the first lines of defence against contracting the Corona virus. "However, it is a sad and worrying reality that many informal settlements and communities around our country do not have access to clean water for drinking, hand washing or cooking to protect them against the ravaging effect of this highly contagious disease," he says. "The country desperately needs a reliable network of water and sewage pipes capable of serving the whole population".

SAPPMA is a non-profit association representing the leading companies in the plastics piping sector, with the primary purpose and mission of creating absolute customer confidence in the plastics pipe industry through facilitating high standards of ethics, product quality and technical information. Each year, approximately 150 000 tons of pipe (PVC and HDPE) are produced in South Africa, used for forming integral, long term and extremely important infrastructure networks for water, gas and telecommunications supply.

"We were relieved when Water and Sanitation Minister Lindiwe Sisulu launched the National Water & Sanitation Master Plan (NW&SMP) towards the end of last year in which she committed to address the issues of insufficient water infrastructure, maintenance and investment, water and sanitation, deteriorating water qual-



ity and a lack of water engineers as a matter of urgency. However, we have not seen much progress made in this regard and believe the Corona-virus outbreak once again highlights that we cannot afford to delay the process any longer," Venter implores.

SAPPMA is urging Government to engage with them and the plastic pipe manufacturers they represent in order to develop a plan of action that will only see pipes installed that

meet to international health and manufacturing standards.

"The SAPPMA brand is well known and is recognized by design engineers and customers as a safeguard against poor quality products. Pipes that bear the SAPPMA mark of quality will last up to 100 years before they need replacement, plus they are economical, sustainable and quick to install. As an industry we are offering our expertise and our assistance to help

find workable solutions aimed at supplying and installing water pipes as quickly as possible in order to protect local communities against diseases, droughts and water shortages as a result of the loss of potable water. It is no longer an exaggeration, but the harsh truth, when we say that our country's future and thousands of lives depend on it," Venter concludes.

For more information visit [www.sappma.co.za](http://www.sappma.co.za)

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