

## **New report offers key insights to unlock potential of South Africa's SMMEs**

A report commissioned by the Shoprite Group reveals the critical need for targeted support for female entrepreneurs and improved access to markets and resources in underrepresented regions of South Africa's Small, Medium, and Micro Enterprise (SMME) sector.

[World Wide Worx](#) conducted the research via a survey, which gathered insights from 800 SMME owners nationwide. It highlights the diversity within South Africa's small business sector, but also found significant systemic challenges related to gender, age, geography, and education.

For example, while 51.2% of SMMEs are male-owned, women are more likely to own smaller businesses and face greater barriers when trying to scale.

Entrepreneurial activity is also concentrated in key economic hubs, with Gauteng and the Western Cape home to almost 65.9% of SMMEs, leaving provinces like the Northern Cape with only about 1% of the nation's entrepreneurial activity.

The report highlights the economic impact of SMMEs, which varies by size and maturity. Mid-sized businesses demonstrate strong profitability, with 43.3% achieving net margins over 20%, while also playing a key role in job creation.

Gender-based challenges, such as limited access to funding and networks, continue to hinder the growth of female-led enterprises. Geographic disparities further exacerbate this, leaving less-developed provinces with limited access to infrastructure and markets.

To unlock the full potential of South Africa's SMMEs, the report offers several actionable recommendations:

- Develop financial products and bespoke mentorship programmes tailored for female entrepreneurs.
- Support start-ups through incubators, funding, and simplified regulations.
- Assist mid-sized enterprises by focusing on workforce development, technology, and market expansion.
- Invest in infrastructure and subsidies for SMMEs in underserved regions.

The Group is actively tackling challenges faced by SMMEs through [Shoprite Next Capital](#), a business division created specifically to equip and assist small businesses with the tools and resources they need to succeed.

Acting as a comprehensive support hub, it provides SMME partners with working capital assistance via [CredX](#) – a funding tool that offers lower rates than traditional banks – as well as marketing opportunities, packaging and labelling support, data sharing, product range and geographic expansion, and even potential private label partnerships.

During the Group's 2024 financial year, CredX provided R10 billion in working capital to 110 suppliers, while Shoprite Next Capital invested R20 million in Enterprise and Supplier Development (ESD), supporting 64 SMMEs during this period.

Additionally, its spending on black women-owned suppliers grew by almost 9%, reaching R18.3 billion over the past year.

"SMMEs are vital for economic growth and job creation, especially in a country with some of the highest unemployment levels in the world. Our objective with this report is to gain deeper insights into how best we can further support and equip South Africa's diverse SMME sector to overcome systemic barriers and ultimately to create a more inclusive economy," explains Maude Modise, Enterprise and Government Relations Executive at the Group.

[Read the full report here](#)

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