

ECDC revives its Satellite office in Ukhahlamba District Municipality

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ECDC media release

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After a long absence, start-up and existing businesses in the Ukhahlamba District Municipality (UKDM) will again be able to access Eastern Cape Development Corporation (ECDC) business finance and enterprise development services when it launches a satellite office in the region tomorrow.

The offices which are located in Aliwal North, will be a welcome boost for the predominantly rural municipality's 300 000 residents who, in the past, had to travel about 200km to Queenstown to access the nearest ECDC offices.

In some cases small business entrepreneurs crossed the border into the Free State to access business finance in Bloemfontein from institutions such as the Small Enterprise Development Agency (SEDA). Last year ECDC disbursed R312 million in loans to businesses of which 60% went to rural areas.

“ECDC will provide research and development, business development services, property development and business finance in the region. The corporation is responding to a call by people from UKDM to access its services. It is in ECDC's interest to cover the entire Eastern Cape and in particular growth nodes which carry economic potential such as UKDM.

“The area is home to areas of high crop and livestock production potential, meat and wool processing together with large and small-scale irrigation mainly in the eastern parts. There are also tourism and forestry opportunities,” says ECDC programme head for development projects Phakamisa George.

ECDC executive manager for development services Noludwe Ncokazi says besides helping businesses access finance, it will also help identify high impact priority projects in the region. The corporation has also gone on a drive to strengthen partnerships with local government in the region to achieve greater impact.

Ncokazi explains that the corporation's foray in the area is important particularly in helping start-up businesses and growing existing ones to contribute to job creation. Currently over half of the municipality's population is under the age of 20 which indicates a high dependency rate and underdevelopment. Unemployment stands at 60%.

“Last year the Department of Economic Development and Environmental Affairs (DEDEA) opened an office in the region, and as an implementing agent, ECDC had the responsibility to bring its services to the rural region.

“There is no doubt that Small Medium and Micro Enterprises (SMMEs) play a crucial role in job and wealth creation and ECDC intends to tap into entrepreneurial potential in the area. Due to the rural nature of the district people have challenges in accessing information. The idea is to bridge the gap by coming to them,” says Ncokazi.

She says depending on the demand for ECDC services the corporation could expand its capacity in the office to development projects.

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