

Gauteng's plans to roll out state-owned bank and pharmaceutical company

Gauteng has announced that it plans to launch both a state-owned- bank and pharmaceutical company - a first South Africa.



Source: [Pexels](#)

The bank's mandate will be to support township entrepreneurs, offering them access to tailor-made financing products to expand their businesses. This will include low-cost transaction accounts set with value-added features, and loans.

By serving SMEs, the state-owned bank aims to create new jobs, increase access to goods and services, and promote much-needed economic development in communities, Gauteng Finance MEC Jacob Mamabolo said.

A due diligence report on the new state bank has been finalised and handed over to the Gauteng Provincial Government, and consultations are planned with the Premier and with stakeholders, including the Economic Development and Labour Council.

Meanwhile, the proposed state-owned pharmaceutical company will manage supply chains, medicine procurement, the distribution of medicines to the provincial healthcare facilities, inventory and dispensary to the public.

The Gauteng Provincial Government has also received the due diligence report for the pharmaceutical company and it has appointed an advisory panel of pharmaceutical and healthcare policy experts from the public and private sectors.

The advisory panel's role involves providing strategic guidance and advice on developing a business case for the pharmaceutical company. Additionally, the panel is tasked with participating in consultations with relevant stakeholders.

It serves as a crucial mechanism for the regulation and oversight of the work to be conducted, playing a critical role in providing research and development support. Furthermore, the panel is responsible for disseminating accurate information on medicines and addressing public health problems.

More than R4m has been spent on the due diligence reports.

State bank developments

Mamabolo said that the proposed bank will not be in competition with the proposed state-owned bank that the national government aims to introduce.

Postbank is preparing to take on the role of a state bank, and is in the process of obtaining a banking license. Plans are underway to roll out a 100 new branches.

Minister of Communications and Digital Technologies, Khumbudzo Ntshavheni said in January this year, once Postbank h obtained its banking license, it intends to provide government-to-citizen services as well as lending activities with a focus o offering loans to smart startups, businesses and small, medium and micro-sized enterprises.

He noted Government has offered to stand as guarantor for businesses that need financial assistance and financial loans case they do not have the capabilities to pay back these loans.

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