

# Cooperatives important in economic growth

The South African government has recognised the importance of cooperatives in assisting the country to achieve economic development, reduce poverty and to improve rural livelihoods.



(Image: SuSanA Secretariat, via Wikimedia Commons)

The Deputy Director-General of Broadening Participation at the Department of Trade and Industry, Sipho Zikode said this.

Speaking at the opening ceremony of the third BRICS Cooperatives Meeting, held at the Cape Town International Convention Centre, on Saturday, Zikode said government has recognised that cooperatives and small medium enterprises were major contributors to job creation and the generation of wealth.

"They also form the cornerstone for rural economic development, empowerment, and equity, not only in South Africa, but in all BRICS countries," said Zikode.

He added that the main challenge for cooperatives in the BRICS member countries was to explore means and ways of practically improving investment, trade, and business partnerships among cooperatives within the BRICS family.

"Our performance in the areas of trade is steadily improving. Nonetheless, we are still operating at a lower base. We are looking forward to the days when our cooperatives will enter into joint business contracts taking full advantage of existing business opportunities in each of the five countries," said Zikoke.

## MoU between SA, China cooperatives

Meanwhile, cooperatives umbrella bodies from South Africa and China signed a Memorandum of Understanding (MoU) to foster business collaboration and partnership between cooperatives in the two countries.

The MoU was signed by the President of the South African National Apex Cooperative, Lawrence Bale, and the Director of the All China Federation of Supply and Marketing Cooperatives, Li Zhanhai, at the start of the meeting.

Through this MoU, Bale said the two national umbrella bodies of cooperatives have committed to realising true and viable collaboration between all cooperative enterprises in China and South Africa.

"We have also agreed to facilitate trade and investment cooperation between cooperatives through exhibitions, trade fairs and exchange of strategic visits of delegates," said Bale.

Zhanhai added that the two bodies would also ensure that there was regular exchange of trade and investment intelligence and technological transfer in order to enhance the capacity of cooperatives in both countries.

"We will share and disseminate information on the latest trade and economic policies of our countries to interested cooperatives through seminars and training courses," added Zhanhai.

Under the theme: Partnerships for Development, Integration and Industrialisation Through Cooperative, the leaders are gathering in Cape Town for the two-day conference, which ends on Sunday.

They will look at ways of facilitating bilateral and multilateral cooperation amongst cooperative enterprises in BRICS countries.

They are also discussing the possible implementation mechanisms for the MoU that was signed during the second BRICS Cooperatives Leaders Meeting in Beijing, China in 2011.

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