



economic development  
& tourism

MPUMALANGA PROVINCE  
REPUBLIC OF SOUTH AFRICA

# Policy & Budget Speech

2022-2023



Let's grow Mpumalanga together!

**Mr PV MKHATSHWA (MPL)**  
MEC: Finance, Economic  
Development and Tourism



**VOTE 6: DEPARTMENT OF ECONOMIC DEVELOPMENT AND TOURISM – POLICY AND BUDGET  
SPEECH 2022-2023 PRESENTED BY THE MEC FOR FINANCE, ECONOMIC DEVELOPMENT AND  
TOURISM, MR PRINCE VUSUMUZI MKHATSHWA, MPL, TO THE MPUMALANGA PROVINCIAL  
LEGISLATURE, RIVERSIDE PARK, CITY OF MBOMBELA LOCAL MUNICIPALITY**

***Friday, 10 June 2022***

## ***Salutations***

Honourable Speaker, Ms Makhosazane Masilela;  
Honourable Premier, Ms Refilwe Mtshweni-Tsipane;  
Honourable Deputy Speaker;  
Colleagues in the Executive Council;  
Honourable Members of the Provincial Legislature;  
Director-General in the Office of the Premier, Mr Makhukhu Mampuru;  
Acting Head of Department, Ms Gugu Mashiteng and all other HODs present;  
Chairpersons of the Boards and CEOs of our Public Entities;  
Representatives of the governing party – the ANC – in the Province;  
Organised Labour and Private Sector Partners;  
Distinguished guests;  
The people of our Province, Mpumalanga – *the Place of the Rising Sun*;  
Members of the Media;  
Ladies and gentlemen.

***San'bonani!***

## ***Introduction and Overview***

1. Madam Speaker; thank you very much for inviting us to come and give an account of our work, and to also present our planned interventions, geared towards steering economic activities in the Province, during the 2022-2023 financial year.

2. But before I cogently articulate the work we are doing as the Department, let me take this opportunity and acknowledge the fact that, this *Policy and Budget Speech*, is tabled during a very important month in our political calendar, **the Youth Month**. I want to send my gratifying salutations to the youth of 1976, for relentlessly fighting the apartheid system and its draconian laws, particularly the racist and discriminatory education system, and uppermost, for raising the tempo of the struggle which gradually led to the withering away of apartheid and colonialism. That generation is featured prominently in the significant footnotes of history.
3. Madam Speaker; we are presenting this *Policy and Budget Speech*, during the unfortunate time, when the geopolitical tension in Eastern Europe has resulted in the soaring of food prices and energy costs, in the main, and this has hit the pockets of our people very hard; the most affected being the poorest of the poor. We are, therefore, optimistic, that the plans we will table today, will give a glimmer of hope to our people.
4. Our revolutionary freedom fighter and stalwart, *iNkosi* Albert Luthuli – the one-time President General of the now governing African National Congress – once said, when he addressed a public meeting organised by the South African Congress of Democrats in Johannesburg in 1958, and I quote: **“The difficulties may be great, but nothing has beaten man if he has striven”**, unquote. I, too, believe that we shall overcome the current economic challenges! Our caring ANC government always has plans to turn things around.

### **Economic Landscape and Outlook**

5. Honourable Speaker; let me first share the ***Economic Landscape and Outlook*** with this august House, as the foundation of our Plans. Following a huge contraction in 2020, due to the negative impact of the COVID-19 pandemic, the national and provincial economy have started to experience good recovery since last year, as they **recorded growth rates of 4.9% and around 4%**, respectively, in 2021.
6. Key industries such as **agriculture, mining and manufacturing performed very well**. However, there is a concern especially about **construction, which was the only industry that recorded a negative growth rate** in 2021. This, therefore, highlights the significance of rolling-out catalytic

infrastructure projects in our Province, so as to turn things around. Statistics South Africa also announced earlier this week, that a 1.9% national economic growth (quarter-on-quarter) was recorded in the first quarter of this year. This is good news for South Africa because positive growth was recorded in 8 of the 10 economic industries, and the real GDP (gross domestic product) returned to a pre-pandemic level for the first time in 2 years. Moving forward, a **growth rate below 2% is forecast for the Provincial economy** this year, as well as in 2023, which is unfortunately lower than the annual growth rate target of 2% to 3% for the MTSF period up to 2024. This is in line with national growth expectations. We need to increase our growth rate, so as to create new jobs, lower unemployment and poverty.

7. Loadshedding also remains a risk factor, as well as the negative economic impact of the Russia-Ukraine conflict. The recent devastating floods in KwaZulu-Natal also negatively impacted our Provincial economy. Experts in the economic field are starting to talk about the risk of stagflation globally, and also in South Africa. Stagflation is a situation where inflation is high, the economic growth rate slows, and the unemployment rate remains high.
8. Honourable Speaker; the Quarterly Labour Force Survey of the fourth quarter of 2021 released by Statistics South Africa earlier this year, was not telling a good story, about the national and provincial labour market in 2021. It indicated that South Africa has recorded 479 420 job losses last year, with job losses in 8 of the 9 provinces, including our Province. And despite the economic recovery in most of the provincial economic industries in 2021, **Mpumalanga continued to record job losses** last year. In fact, the **net job losses in Mpumalanga were very high at 95 617 in 2021**, and industries mostly affected where trade (including tourism and the informal sector), finance, community services and manufacturing.
9. However, all is not gloom and doom, as according to the results of the Quarterly Labour Force Survey of Quarter 1 of 2022 released recently, there are good news regarding job creation in South Africa and Mpumalanga. To this end, our Province has **recorded net job gains of almost 30 000** jobs in quarter 1 of 2022. South Africa and Mpumalanga's unemployment rate also improved slightly in the same period. Mpumalanga's official unemployment rate (according to the strict definition) is, however, still high at 38.6% and the expanded rate is very high at 51.6%. The strict unemployment rate of youth of working age (between the 15-34 years) in Mpumalanga was at 54.6% in quarter 1 of 2022. The strict unemployment rate of the 18–24-year age cohort was very

high at 67.3%. Like the Honourable Premier said, this highlights the critical importance of job creation for our young people, which is fortunately a top priority for our government. And as per the NDP (National Development Plan), we have to work towards significantly reducing South Africa's unemployment rate to 6% by 2030 (according to the strict definition). Our target, as a Province, is to **reduce the unemployment rate to at least 25% by 2024 and also to 6% by 2030.**

10. In order to reach this target, we had to create some 1.1 million new and sustainable jobs between 2013 and 2030, according to the 2013 calculations. This figure has since been recalculated, owing to the latest employment data released by Statistics South Africa, and the result is that **approximately 800 000 jobs must still be created between 2021 and 2030**, to reach the desired unemployment rate. Thus, this implies that we must create roughly 90 000 new and sustainable jobs per annum, leading up to 2030.
11. In our quest to resuscitate our economy and create much-needed jobs, the Provincial Government, and driven more specifically by the Department of Economic Development and Tourism, has intervened by developing what is known as the **Mpumalanga Economic Reconstruction and Recovery Plan (MERRP)**, which is aligned to the national plan and the relevant priority areas. This Plan prioritises the roll-out of infrastructure programmes; green economy initiatives; industrialisation through localization; employment stimulus; tourism and agriculture/agro-processing, amongst others. The recent Mpumalanga Energy Summit pointed out all the opportunities of the Renewable Energy and Green Economy Sector in Mpumalanga, going forward.
12. Accordingly, we will continue to work closely with the private sector and other stakeholders, to implement the MERRP. It is not only important to mitigate the negative economic impact of the COVID-19 pandemic, but also to identify new economic opportunities, post the COVID-19 period. Eventually, all of this should contribute to higher economic growth, job creation, as well as lower poverty and inequality in the Province. Us hosting the *Informal Economy Indaba* in Middelburg, just the past Tuesday (07 June), is an indication that our Provincial Government is serious about and committed to assist and support our informal sector in the Province. Let me just remind the Honourable Members that the informal economy employs more people, as it is responsible for a quarter of the provincial employment rate.

13. We must also indicate that we **held consultations with social partners in the three Districts**, through Roundtable Discussions, as part of developing the Mpumalanga Economic Reconstruction and Recovery Plan (MERRP), and this was motivated by the fact that we wanted to consolidate an Economic Recovery Plan which is embraced by everybody concerned; from labour, business and civil society. Municipalities across our Province were also consulted, to galvanise their input into the Plan, through the District Development Model, so that the implementation of the Plan is undertaken through a collaborated effort with shared responsibilities. Consistent with the position I have just articulated, in the context of the MERRP and its make-up, we further took discussions with other key stakeholders like Eskom, the Mineral Council South Africa, the Council for Geoscience, Seriti Resources, just to mention but a few.

### **Our Commitments and Interventions**

14. Madam Speaker; it is all hands-on deck this year, as we strive to turn the economic tide around. As such, it is our intention as a Province, to **host an Economic Summit between July and August this year**, which will be anchored on the implementation of the projects highlighted in the MERRP (Mpumalanga Economic Reconstruction and Recovery Plan).
15. Like *iNkosi* Luthuli said, ***“The difficulties may be great, but nothing has beaten man if he has striven”***. Therefore, despite the challenges brought about by the COVID-19 pandemic, we continue to make progress in turning the prevailing economic situation around. Last year on the 8th of June, I stood before this august House and tabled our Department’s Plans, for the financial year ended March 2022, and requested the House to appropriate the concomitant financial resources to allow us to realise those Plans. Let me now share with the august House, what we were able to achieve, as well as table our Plans for the 2022-2023 financial year:

### **Growing the economy through re-industrialisation, localisation and export promotion**

16. Our Department continues to be at the centre of driving the priority on **Economic Transformation and Job Creation**, which is one of the seven key areas prioritised by the current administration. We remain committed towards translating this priority into reality, including creating an environment conducive to inclusive growth and development. To this end, we will continue to utilise various

strategies and plans, to gear the economy towards a sustainable growth trajectory, so that we could deliver the much-needed jobs for the unemployed masses in our Province. I am referring to plans such as, inter alia:

- ❖ The Mpumalanga Green Economy Development Plan (MGEDP) – a blue-print that maps out the road that we should traverse, if we are to increase our Provincial GDP and create more job opportunities for our people;
- ❖ The Mpumalanga Industrial Development Plan (MIDP) – a policy framework whose primary purpose is to expand the industrial base of the Province, so as to contribute meaningfully toward inclusive growth and development;
- ❖ The Mpumalanga Trade and Investment Promotion Strategy (MTIPS) – which is aimed at marketing the abundant investment opportunities that the Province could offer, to both foreign and domestic investors; and overall
- ❖ The recently adopted Mpumalanga Economic Reconstruction and Recovery Plan (MERRP) – the Provincial economic recovery blueprint, which seeks to respond to the negative effects of COVID-19, particularly on the provincial economy and people’s livelihood.

17. Madam Speaker; indeed ***“The difficulties may be great, but nothing has beaten man if he has striven”***. Therefore, in our quest to support the development of industries within the key economic sectors in the Province, we **continue to prioritise the sectors with high potential for inclusive growth and the creation of more job opportunities**. This includes sectors such as, manufacturing, agro-processing, mining and the green economy.

18. In rolling-out massive economic infrastructure to boost the manufacturing sector, we are **currently implementing the interim phase for the construction of the Nkomazi Special Economic Zone**, which included the appointment of an interim board, project management unit and the CEO, albeit in an acting capacity. In this regard, we anticipate to complete the interim phase, which includes completing detailed engineering designs; erection of a barrier fence; access rights to SEZ site, as well as the finalisation of the Water Use License Application, by the end of the current financial year. We anticipate that the construction phase of the SEZ will commence in the 2023-2024 financial year.

19. We can also report that some progress has been made with regards to rolling-out the two (2) Industrial Technology Parks – the Petrol-Chemical Park in Secunda and the Forestry Park in Sabie. We are pleased that the **general plan for the Petro-Chemical Industrial Park was approved**. The Department is now busy with the process of opening the township register, which once completed, would complete the planning phase. We further envisage that our partnership with Sasol will further strengthen the project initiation phase, particularly in the area attracting more investors into the proposed Industrial Technology Park.
20. And with regards to the proposed Forestry Industrial Park, we are **still experiencing some delays in completing the project initiation phase**, particularly on the statutory compliance requirements. This is mainly due to a number of objections against the proposed development. The Department has, however, **addressed a number of concerns by reworking the Environmental Report** and is currently in the process of commissioning three (3) detailed reports on the impact of noise, wastewater treatment works and the storm water management plan. Once these studies are concluded, the Municipal Tribunal Hearing will be conducted to conclude this matter.
21. On the mining sector, we **continue to partner with the Mine Water Coordinating Body** on various fronts, as we explore possibilities of utilising mine water for different purposes, such as in irrigation, human consumption and other applications. To this end, there are pilot projects currently underway, where mine water is being used for agricultural activities on mine-rehabilitated land. The results of the pilot projects are positive and present an opportunity to bring such projects to scale.
22. We are also **investigating groundwater remediation and surface water assessment** at the Brugspruit Pollution Control Works Project, to ascertain the most effective method to reduce Acid Mine Drainage into the Brugspruit water sources. In addition, we also looking at Kromdraai mine site for the scalable, life-size demonstration model of a sustainable mine closure project. Another project being piloted, is the Green Engine Project, which is aimed at developing a regional economic model where mine-owned land, renewable energy and treated mined water, will be used to develop business opportunities for local communities in the upper Olifants catchment.
23. Indeed, **“The difficulties may be great, but nothing has beaten man if he has striven”**; that is why youth empowerment and development remain one of our priority areas. As such, we will **continue with the Incubation Programme** which focuses on the Mpumalanga Stainless Initiative

(MSI) and the Furniture Technology Incubator (*Furntech*). These incubators are training and skilling our young people, in steel fabrication, furniture manufacturing and upholstery, respectively. During the current financial year, our Department will endeavour to **establish a furniture manufacturing hub**, to further support students who have graduated from the *Furntech*. We strongly believe that this initiative will go a long way, in opening more and new market opportunities for our young people.

24. Still on the Incubation Programme, we are optimistic that the 4IR Incubation Programme must be supported, to close the gap in the technological and innovative space in the Province, through embracing science and technology to pursue research and development. In this regard, we will soon **host a Golf tournament**, whose proceeds will be donated to this initiative.
25. The construction of the much-awaited Mpumalanga International Fresh Produce Market will be completed during this Financial-Year. We are **currently busy with its operationalisation plans**, to ensure the Market is up and running once completed, so that it can start to contribute to the provincial economy, and ultimately play a crucial role in the development of small businesses and job creation.

### **Strengthening support to grow the small business sector**

26. Madam Speaker; one of our mandates is to support, nurture and grow small businesses and cooperatives in the Province. Thus, in our quest to fulfil this mandate, the Department, in partnership with the private sector, **were successful in ensuring that SMME and Cooperatives participate in the construction, mining, agriculture and tourism value chain**, amongst others. In addition, the Department facilitated the participation of small businesses in all infrastructure projects roll-out in the Province.
27. In cushioning the small business and informal sector from the negative impact of the COVID-19 pandemic, our Department **facilitated and distributed an amount of R9 million** funded by the National Department of Small Business Development, to SMMEs and Cooperatives, as part of the Township and Rural Enterprise Programme (TREP). In partnership with the National Department of Small Business Development and its agencies, the Department also **conducted stakeholder engagements in the three (3) Districts of the Province**, on services being offered by government to small businesses.

28. We further **provided strategic support to Local Economic Development (LED) units in all municipalities, and also assisted municipalities to implement the Red Tape Reduction Strategy**, aimed at reducing the regulatory burden of businesses in municipalities. In addition, we have also **assisted provincially based black-owned companies to access the Black Industrialist Programme**; managed the activities of the Broad-Based Black Economic Empowerment (BBBEE) Council; and monitored compliance with the applicable BBBEE policies.
29. In the context of the Black Industrialists, we must indicate that the Department has thus far successfully assisted three (3) Black Industrialists, whom their businesses are still in operations amidst the recent shocks of the COVID-19 pandemic and other factors in our economy. We also undertook visits to these Black Industrialists projects in April this year, to assess their operations.
30. In the 2022-2023 financial year, our Department plans to **provide targeted support to rural and township-based SMMEs and Cooperatives**, participating in the agro-processing and manufacturing sectors, and ensure that they have access to business infrastructure and credit. In strengthening our support and growing rural and township economies, we will **continue with the MEC's SMME Roadshow across the Province**, wherein we will also donate start-up equipment and tools to small businesses, such as spaza shops, car washes, hair salons, and further assist them to brand and market their products and businesses.
31. Madam Speaker; ***"The difficulties may be great, but nothing has beaten man if he has striven"***. Working together with our partners from the private sector, the Department is currently hosting the SAB/Socionext pilot project in Ermelo, in the Gert Sibande District, which is earmarked for young people between the age of 18 to 35. A total of 35 participants are part of this 5-day workshop which will train our young people in business; and this is part of our efforts to support young people who have burning desires to own businesses and extricate themselves out of trappings of poverty. And after this tabling, I will rush to go and join them to close their workshop, and to also donate laptops to those with winning business ideas.
32. We are also continuing to work hand-in-glove with Development Finance Institutions (DFIs), in finding lasting solutions to the plight of SMMEs, especially their most pronounced challenges of access to finance. Our strategic approach, to this end, has been the provision of onsite support services to the SMMEs when we have Stakeholder Engagements; and we can report that this

approach has been effective in changing the SMME landscape. Our Department will also **continue to facilitate the entry of more black-owned businesses into the Black Industrialist Programme**, and to participate in the green economy through recycling initiatives, mining and the tourism value chain. We will also **continue to strengthen LED units in municipalities**, including providing support in the implementation of the Red Tape Reduction Strategy.

### **Exploiting the green economy for faster economic recovery and growth**

33. Madam Speaker; the future is indeed green; that is why the green economy is one sector that we must fully exploit, as we strive to grow our economy faster. In this regard, we have **established, registered and officially launched the Mpumalanga Green Cluster Agency NPC**, whose primary focus would be to promote and co-ordinate the roll-out of the Mpumalanga Green Economy Development Plan. The Green Economy Cluster would contribute greatly to initiatives in the *'Just Transition Programme'*, which will steer the Province away from using coal as a source of energy, towards a cleaner energy producing environment within Mpumalanga, in the long-term.
34. This Cluster has since been accepted into the International Cleantech Network, as the second only member in Africa, and this has opened doors for international collaboration. The Cluster is currently pursuing operational funding from various international sources, as per its business plan. Currently, the Department, through its Entity, MEGA, is providing support to some circular economy initiatives, ranging from the production of green charcoal, the manufacturing of bricks from fly-ash, as well as the manufacturing of kitchen tabletops from waste products.
35. In respect to sector development, the Cluster has **already had over 240 engagements with role players, and an Investor Landing Deck which outlines opportunities in the Province for potential investors, has been developed**. We have further established what is known as a Circular Economy Cluster, and appointed people to drive the Industrial Symbiosis Programme of the Province.
36. There are several developers in the energy space, who have already started projects in the Province. For example, **investment commitments to the value of 75 billion rand in wind energy have already been secured**, and have the potential to create over 13 000 jobs between construction and operations. Municipalities are much aware of the work that needs to be done, to prepare them

to grow the green economy. The challenge we are facing, however, is the snail pace in getting the legislative framework in place, due to constraints that range from technical know-how, financial resources, to capacity issues within the responsible staff. Working with the Office of the Premier, our Department has already successfully hosted the **Energy Summit at eMalahleni**, with the primary objective to support and create pathways for a '*Just Transition*' in the Province.

### **Re-igniting tourism – our gold mine**

37. Madam Speaker; we continue to assert that tourism is our gold mine in this Province; It continues to be the goose that lays the golden egg for us; hence we must continue to nurture and exploit its potential to create the much-needed jobs. In widening our tourism product offerings, we can report that **the much-awaited God's Window Skywalk is now under construction**. The sod-turning ceremony for this PPP (Public Private Partnership) project, which is anticipated to be completed in 2023, was done by the Honourable Premier in September last year.
38. With approximately 915 metres drop, the Skywalk will be much higher than the Grand Canyon Skywalk in the United States, which stands at between 152 metres and 244 metres, and the Zhangjiajie Glass Bridge in China, which is just over 274 metres at its highest point. It is estimated that, once completed, **the Skywalk will create more than 100 jobs** for the local community.
39. Through our Entity, the MTPA, we **continue to market the Province is a tourist destination of choice**, by participating at various domestic, regional and international tourism exhibitions platforms, such as the recently held *Meetings Africa* in Sandton, the *Africa Travel Indaba* in Durban and the *IMEX* in Germany, amongst others.
40. In addition, in **our quest to position Mpumalanga as the preferred filming world-class destination of choice**, the MTPA is currently working with the Mpumalanga Film and Television Agency, to realise this priority target. We have realised that International filming companies have shown interest in our Province, as evidenced by the recent visit of American actor, Tom Cruise, for the shooting of his latest movie, *Mission Impossible 8*. Reports indicate that the film industry contributed about R7,2 billion to South Africa's economy in 2020, which regrettably fell to around R2, 9 billion in 2021 owing to the COVID-19 pandemic. It is our intention, therefore, to **claim a**

**huge stake in this industry**, for the purpose of catalysing and growing our economy, as this will result in job creation for our people, when filming takes place within their vicinity.

41. The **safety of tourists in our Province is also our top priority**; hence we continue to work closely with our sister Department of Community Safety, Security and Liaison (*DCSSL*) and the South Africa Police Service (*SAPS*), to make tourists feel safe. This has culminated in the establishment of the Mpumalanga Tourism Safety Forum comprising our Department, the *DCSSL*, the *SAPS*, Regional Tourism Organisations and District Municipalities. Consequently, **two-hundred and eighty-eight (288) tourism monitors were trained on safety and security, and have since been deployed to various tourism attractions** across the Province. And during the course of the current financial year, the **Province will hold the Tourism Safety Indaba** to discuss strategies to protect our tourists.
42. In our quest to protect our fauna and flora for posterity, we **continue to utilise technology to protect our endangered species**, like the rhino and the cycad. In this regard, through the MTPA, we have established an Operational Centre at Manyeleti Nature Reserve, which uses real-time cameras, with high technology, to ensure monitoring of endangered species. The MTPA is also utilising a Light Air-Craft to augment the technology on the ground, so as to have spontaneous overview on air. We also continue to micro-chip our cycads which enables the monitoring of these endangered species and protect them against illegal trade.
43. Work on installing directional and welcome signage at the Barberton Makhonjwa Mountains World Heritage Site has started, and will be completed in the current financial year. We have also embarked in the **Parks Rejuvenation Programme** to ensure that we improve and enhance the state of our Parks, and to uplift communities living adjacent to these Parks. We have further embarked on Roadshows to engage Stakeholders in and around our nature reserves, to make sure the communities protect their Parks, and derive value in terms of economic spin-offs from the opportunities presented by these Nature Reserves.
44. Just this past Monday (06 June 2022), we held yet another engagement with communities surrounding the Songimvelo Nature Reserve, and SMMEs had an opportunity to access financial and non-financial support through onsite services provided by invited government's Development Finance Institutions.

## Business Regulation and Governance

45. Honourable Speaker; **“The difficulties may be great, but nothing has beaten man if he has striven”**. Our Department is further enjoined by the country’s Constitution to regulate economic activities in the Province. In collaboration with municipalities, we **continued to monitor the regulatory impact of policies and legislation on the informal sector traders**, who were notably negatively affected by the COVID-19 pandemic induced lockdown. This surely **requires a review of By-laws**, as a concerted effort to provide sustainable support to the informal sector, so as to grow the second economy. Work has already started on the integrated approach to address the challenges and the red-tape experienced by the informal sector. To this end, we will **host Informal Economy Dialogues in the three (3) districts** in the current financial year, to pave the way for the development of the Informal Economy/Sector Provincial Policy and Strategy.
46. In the context of making strategic interventions in the informal economy and given that we recognise the significance of informal traders in our economy, we have just three (3) days ago, in collaboration with the National Department of Small Business Development, **hosted the Informal Economy Indaba in Middelburg**, in the Steve Tshwete Local Municipality, where we brought informal traders across the Province under one roof, to listen to their challenges and share experiences. We also invited big industry players, including financial institutions, to provide financial and technological advises to informal traders.
47. In fulfilling the mandate of ensuring that gambling, liquor license fees and gambling levies due to the Provincial fiscus are collected, our Public Entity, the MER (Mpumalanga Economic Regulator), **managed to collect just over R350 million** during the period under review; up from R158 million in the 2020-2021 financial year. This is an increase of about 121% compared to the previous financial year.
48. Following the deferral of the process for the licensing of the fourth Casino in the Province, during the previous financial year, the MER has concluded a survey to determine the readiness of the market, and whether interest exist from the industry, as well as to identify potential areas for this development. The **outcome from the survey expressed a reasonable interest in the fourth casino license, with possible capital investment of between R500 million to R1 billion**, but

with no specific preference to a particular location within the Province. In terms of employment opportunities, the survey indicated that between 100 to 300 jobs could be created by this anticipated development.

49. Furthermore, during the current financial year, we will, through the MER, **continue to heighten enforcement on compliance to liquor license conditions**, in a bid to promote responsible trading within the liquor retail sector, and to reflect on societal expectations for consumer safety and protection. The MER will further **embark on a province-wide stakeholder engagement workshops** with various role players in the liquor licensing value-chain, which are aimed at reducing the negative effects of alcohol abuse, and to promote responsible trading within the liquor retail sector.
50. These workshops will also foster partnerships and collaboration among the stakeholders to improve compliance. In respect of educational drives, the MER will **intensify its awareness programmes** to encourage traders to trade responsibly, and members of the public to exercise caution and informed consumer choice regarding their interests on gambling and liquor consumption.
51. Honourable Speaker; Honourable Members; we are reminded that ***“The difficulties may be great, but nothing has beaten man if he has striven”***. Therefore, in our quest to protect consumers from unscrupulous business practices, our Department has resolved a **total of 815 out of 822 reported consumer cases**, and in the process, **recovered two (2) million, 746-thousand, 244 rands and 26 cents** on behalf of consumers.
52. The reporting of cases is indicative of consumers demonstrating their understanding of their consumer rights. This was done through a concerted educational and awareness drive, utilising the mass media and in partnership with relevant stakeholders, to empower and enlighten consumers on the Consumer Protection Act. In the current financial year, our Department will continue to analyse matters affecting consumers, and ensure the existence of an environment favourable for the protection of consumer rights.

## **Strengthening governance at our Public Entities**

53. Our Public Entities need stability for them to assist the Department to fulfil all its constitutional mandates. In strengthening governance structures at our Entities, we have during the financial year ended March 2022, **appointed full-term boards for the MTPA and MEGA**, as well as an **interim board** for our new kid on the block, the Nkomazi SEZ. We have further, through concurrence with the Executive Council, **appointed Mr. Isaac Mahlangu as the CEO for MEGA**.
54. Madam Speaker; working with our Entity, MEGA, in the terrain of trade and investment, we will **host Quarterly Investment Roundtable Discussions in the three (3) Districts**, as build-ups to our much-anticipated **Investment Summit scheduled to take place in October** this year. We will further visit different countries to expose our investment opportunities to potential investors, so that the Province is adequately marketed as an investment destination of choice.
55. We will also continue to ensure compliance with applicable prescripts, in so far as contract management is concerned. And in pursuit of a clean audit in the year 2022-2023 financial year, the Department and its Entities have now **improved internal controls, risk management and governance processes**, as well as focus on implementing corrective actions on all matters raised by assurance providers.
56. With regards to developing and amending enabling legislation, we have **concluded the drafting of the Mpumalanga Tourism Bill; the MTPA Amendment Bill; the Consumer Protection Bill; the Mpumalanga Liquor Licensing Amendment Bill; and the Gambling Amendment Bill**. We hope that these crucial pieces of legislation will enter the conclusion and approval process during this financial year.

## **Budget Allocation (per Programme)**

57. Madam Speaker; for us to realise all the planned targets we have just tabled; we will require concomitant funding. In this regard, Vote: 6 – Department of Economic Development and Tourism – is proposed to be allocated an amount of **One billion, 743 million, 847 thousand rands** for the 2022-2023 financial year, which is broken down as follows:

58. **Programme 1: Administration**

An amount of **126 million, 694 thousand rands** is proposed to be allocated to Programme 1 (Administration) to, amongst others, continue to provide policy directives; administrative, financial and other support functions to the overall Department.

59. **Programme 2: Integrated Economic Development**

An amount totalling **872 million, 106 thousand rands** is allocated to Programme 2, which includes an amount of **231 million, 289 thousand rands** to fund the requirements of MEGA; and also an amount of **576 million, 708 thousand rands** to finalise the construction of the Mpumalanga International Fresh Produce Market (MIFPM). The amount allocated to the MIFPM includes **110 million, 51 thousand rand** which was re-scheduled from the 2021-2022 financial year to the 2022-2023 financial year.

60. **Programme 3: Trade and Sector Development**

Programme 3 has been allocated a total amount of **97 million, 168 thousand rands** to, amongst others, fund the growth and development of economic sectors, strategic initiatives, including increasing investment into the Province. Included in this amount, is **64 million, 949 thousand rands** for operational costs, professional services and capital infrastructure to kickstart processes towards establishing the Nkomazi SEZ.

61. **Programme 4: Business Regulation and Governance**

Programme 4 has been allocated an amount of **128 million, 486 thousand rands**. Included in this amount, is **106 million, 324 thousand rands** to enable the Mpumalanga Economic Regulator (MER) to continue to implement part of our legislative mandate relating to regulating the liquor and gambling industries.

62. **Programme 5: Economic Planning**

A total amount of **21 million, 210 thousand rands** is allocated to Programme 5 – Economic Planning – to continue to provide economic planning, analysis services to the Province, as well as to fund the green economy initiatives.

63. **Programme 6: Tourism**

And lastly, Programme 6 – Tourism – is allocated an amount of **498 million, 183 thousand rands** to continue to grow the tourism sector, and to market and promote Mpumalanga as the tourist destination of choice. Included in this amount, is **467 million, 263 thousand rands** to fund the requirements of the Mpumalanga Tourism and Parks Agency.

64. Honourable Speaker; Honourable Members; as the Executive Authority of the Department, I now request the House to consider and approve the total budget allocation of **One billion, 743 million, 847 thousand rands** to fund the requirements of the Department and its four (4) Public Entities, for the financial year ending March 2023.

### Closing

65. As I close, we are advised by Martin Luther King junior that, and I quote: ***“if you can’t fly then run; if you can’t run, then walk; if you can’t walk then crawl. But whatever you do, you have to keep moving forward”*** – unquote.

66. So, in our quest to continue to steer economic activities in the Province towards fully recovery, we are very much conscious that our journey, moving forward, would not be a walk in the park; it is a journey that requires people who are determined to do things with zoom and zeal; it is a journey that requires people who are determined to keep moving forward, whatever it takes, because they too, subscribe to the notion that ***“The difficulties may be great, but nothing has beaten man if he has striven”***.

### Appreciation

67. Madam Speaker; the strategic interventions I have just tabled are the work of a collective; the collective which is led by the governing and caring African National Congress. I would, therefore, like to express my profound gratitude to the leadership of the ANC in the Province, ably led by Mr Mandla Ndlovu, as the chairperson, and who is also the MEC for Cooperative Governance and Traditional Affairs (COGTA), for guiding our work which has culminated into this re-assuring Plan of interventions.

68. My gratitude also goes to Honourable Premier, for believing in me, and for affording me an opportunity to lead this Department. I further extend my appreciation to my colleagues in the Executive Council; the Chairperson and Members of the Portfolio Committee on Premier's Office; Finance; Economic Development and Tourism, for their continued guidance and support.
69. My appreciation also goes to the entire *dedt* family, which incorporates our Public Entities, marshalled by the acting Head of Department, Ms Gugu Mashiteng, for taking the daunting work ahead very serious.
70. I end by also thanking my family, for allowing me to serve the people of Mpumalanga; and all our social partners, including organised labour, the private sector, and the people of our Province, *Mpumalanga – the Place of the Rising Sun*. We really value your contribution on this daunting journey towards economic recovery.
71. ***Let's grow the economy of Mpumalanga together!***

***Ngiyabonga!***









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2022/2023

