



MEDIA STATEMENT

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Attention: Journalists, News Editors and Executive Producers

FOR IMMEDIATE RELEASE

MKHATSHWA PROPOSES STANDARDISATION OF MUNICIPAL BY-LAWS FOR THE BENEFIT OF INFORMAL TRADERS AND THE GROWTH OF THE INFORMAL ECONOMY

Mbombela – Mpumalanga MEC for Finance, Economic Development and Tourism, Mr. Prince Vusumuzi Mkhathshwa, has urged municipalities to consider reviewing their by-laws so that they are biased towards strengthening support to the ever-growing informal economy. MEC Mkhathshwa was addressing Executive Mayors of Mpumalanga and their respective Members of Mayoral Committees (MMCs) responsible for local economic development, during an engagement, dubbed Municipalities and MEC (MunMEC), held in Mbombela today to discuss various economic development issues.

“In their current form, municipal by-laws are not transformative and developmental in respect of the informal economy, and if not speedily reformed, we might not be able to achieve the goals of addressing the perpetuality of the informality of the sector. I am aware that municipalities started reviewing their by-laws in 2018, but the review process has not been concluded to-date. It therefore behooves this MunMEC, to find a lasting solution to this context-specific matter because it affects the informal traders disproportionately”, indicated the MEC.

Mr. Mkhathshwa further urged municipalities to consider standardising their by-laws, so that they become the same, and are applied uniformly across all municipalities in the Province. The MEC added that the informal economy should be prioritised, continuously supported and nurtured, given its significant contribution to job creation and to economic growth activities of municipalities.

All Executive Mayors and MMCs present in the meeting shared the MEC’s sentiments, agreeing that their respective by-laws were not favourable to the informal sector; they agreed that had not given the sector the priority it deserves, and committed to improve the situation. In this regard, the meeting unanimously agreed that municipal by-laws should be reviewed and accordingly amended, so as to favour and benefit informal traders operating in respective municipal spaces, as part of revitalising the township and rural economies.

The meeting also agreed that the development of the Provincial Informal Sector Policy should be fast-tracked and concluded soon, to pave the way for the standardisation of by-laws across all municipalities in the Province. There was also consensus that the draft Policy should be concluded by the end of November 2022, and consultation with municipalities will commence thereafter, before finalisation and approval of the Policy.

Mr. Mkhathshwa went further to encourage municipalities to establish desks dedicated to tourism, given that this function does not receive particular attention it deserves from some municipalities.

“In the context of tourism, a sector which we have characterised as a goose which lays golden eggs for our provincial economy, it is not finding sufficient and desired expression in Municipalities; most municipalities do not have tourism desks or personnel dedicated to specifically deal with the tourism sector issues. In most cases, the tourism function is situated within the Local Economic Development (LED) units, and usually LED managers have a lot on their table to deal with, thus, it is critically important that there is a dedicated person dealing with tourism, so that the sector enjoys the overwhelming support of the municipalities”, added the MEC.

With regards to the issue of liquor license approvals, MEC Mkhathshwa urged municipalities to thoroughly check their spatial development plans before approving business rights for proposed liquor outlets. This is to ensure that public amenities, such as schools and churches, do not end up being built next to liquor outlets.

“The issue of liquor outlets next to schools causes us a headache. This is because we have discovered, in some cases, that the approval for the construction of some liquor outlets were granted by the municipality concerned, long before the school was built. In other words, the school followed the liquor outlet. Our headache, therefore, is that the liquor license would have been granted upon approval of the business site by the municipality concerned, as this is one of the prerequisites for the granting of the liquor license”, explained the MEC.

MEC Mkhathshwa also announced that the Province will host the Economic Summit in August this year, during which the Premier of Mpumalanga, Ms. Refilwe Mtshweni-Tsipane, will officially launch the Mpumalanga Economic Reconstruction and Recovery Plan (MERRP). The MERRP not only aims to mitigate the negative impact of the COVID-19 pandemic on the economy and people’s livelihoods, but also aims to place the provincial economy on a growth trajectory that creates more job opportunities for the people of Mpumalanga. The MERRP assumes a Project-based Implementation Approach – focusing on game changer projects and targeted programmes – and will be implemented through the District Delivery Model.

Councillors also urged that the issue of revitalising small industries in their respective spaces, should be discussed during the planned August Provincial Economy Summit, as this will boost job creation opportunities.

The Economic Development MunMEC is an intergovernmental relations structure between the MEC for Finance, Economic Development and Tourism and all Municipalities in the Province. It is a structure where the two (2) different spheres of government join hands, and work together to deliver public goods, strengthen working relations, and make municipalities work better. The MunMEC engagement is planned to take place on a quarterly basis.

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Issued by the Department of Economic Development and Tourism

Enquiries: Dr. Mohau Ramodibe | Head: Communication | 060 989 4678

Ms. Xolile Nkabinde | MEC’s Media Liaison Officer | 079 500 0137

