

**SPEECH BY THE MEC FOR ECONOMIC DEVELOPMENT,  
ENVIRONMENT AND TOURISM, MR M.N MOKOENA, MPL,  
DURING THE EXECUTIVE COUNCIL BUSINESS FORUM MEETING  
AT SIYABUSWA, DR JS MOROKA LOCAL MUNICIPALITY.**

**Tuesday, 05 April 2011**

Programme Director,

Executive Mayor of the hosting municipality of Dr J.S Moroka Local  
Municipality;

Head of Department of Economic Development, Environment and  
Tourism, Mr R.S Tshukudu;

Our esteemed guests – business people from across the municipality;

Comrades and compatriots;

Members of the media;

Ladies and gentlemen;

**Mpumalanga Economic Growth and Development Path (MEGDP)**

The Mpumalanga Provincial Government is currently embarking on a process to consult stakeholders on the proposed new MEGDP, whose vision centres around, **an inclusive and equitable economy that supports an improved quality of life for all the people of our province.** The proposed new growth path stresses the need to focus primarily on sectors which has a potential to create more jobs.

The sectors in question are **infrastructure development, agricultural value chain, mining and beneficiation, manufacturing, the green economy and tourism.**

Our quest therefore, is to **increase employment** by developing sectors with sustainable labour absorption potential. This, we believe, will contribute towards reducing the province's unemployment rate from the current levels of 28.4% to 15% in ten (10) years. This we can achieve, if we can collectively create an average of 71 900 jobs annually for the next ten years. For this vision to be realised, the MEGDP proposes that we need to grow our economy by between 5.3 per cent and 7.5 per cent per annum over the next decade.

One other greatest challenge we need to overcome is the reduction of poverty from the current rate of 47.8 per cent to 25 per cent by 2010.

Like I indicated, special focus will therefore be on:

- **Infrastructure development:** We intend to focus on investing more in the massive expansion of transport, energy, water, communications capacity and housing. This is underpinned by a strong focus on domestic industry to supply the components for the building programmes.

As a result, we will prioritise the development of the **Moloto Corridor; Industrial Parks in the Govan Mbeki and Steve Tshwete Local Municipalities; rehabilitation of the coal-haulage routes and upscale road maintenance**. Other Strategic Infrastructure projects will include amongst others, **the construction of a University for the Province, a Tertiary Hospital, the Komatipoort Logistic Hub (encompassing a Dry port and an Industrial Park) and recapitalisation of the Komatipoort train station.**

Following a study tour of the world best run Fresh Produce Markets in France and Spain, we intend to establish such a market in the province. We will also focus on establishing a **food technology centre**

We estimate that the infrastructure development sector could create at least **17 000 jobs per annum** over the next 10 years.

- **The agricultural Sector**

In growing the agricultural sector, we intend to focus on:

- Providing support to beneficiaries of restituted land through business skills development, assisting them to establish co-operatives, support in terms of market opportunities for fresh produce in government facilities such as hospitals, schools and correctional service centres.

We will also explore the possibility of exploring small scale farmers in the sugar cane industry, and invest in the establishment of a sugar mill.

Through the agricultural value chain, we aim to include at least **35 000 households** in the smaller schemes by 2020, whilst creating **12000 jobs through agro-processing** during the same period.

Since you are aware that President Jacob Zuma has just recently launched the first ever State Mining Company in our province, to be exact, on the 26<sup>th</sup> of February 2011, at Vlakkfontein in Ogies, our quest is to ensure that our people benefit meaningfully in such operations. This is in relation to getting jobs and economic opportunities.

Through the construction of Eskom's Kusile Power Station outside Delmas, for example, a total of **150 businesses from the province** have benefitted by becoming suppliers of goods and services to the projects, mainly by sub-contracting. They collectively benefitted to the tune of **R600 million**.

- **The Green Economy**

The emergence of the lucrative green economy sector further creates job opportunities in the construction of the environmentally-friendly infrastructure for the manufacturing of the much needed eco-friendly products.

As a country, we are signatory to the *Kyoto Protocol* which calls for the drastic reduction of greenhouse gas emissions, in order to save our planet from global warming and climate change. Our collective challenge in this regard, is to promote re-cycling in our communities and to reduce over-reliance of fossil fuel or energy. We estimate that at least **19 000 jobs** would be created in this sector by 2020.

- The **knowledge economy** sector in the form of the ICT and education also provide us an opportunity to create jobs. This is a sector which is growing at a fast rate, hence we will exploit its potential.
- The **manufacturing** sectors mentioned in the IPAP-2 such as tooling, plastic industry, chemicals and bio-fuel, will also be exploited.
- **Tourism and Cultural sector**

We also intend to focus on the tourism, cultural and trade industries as they are also areas that have a high labour absorbency. The development of government-controlled conservation estates, as well as the promotion of the cultural industries, is areas of opportunity for rapid growth of employment in the tourism and trade-facilitating investments. We also believe that the finalisation of the cultural and creative industries hub, including the film and video office, will also assist to create sustainable decent jobs and contribute towards the creation of sustainable economic opportunities for rural communities.

- **Social capital and public service**

It is our hope that the social economy will result in the creation of at least 18 000 jobs by 2010, whereas as the public service, we intend to create 78 000 jobs targeting mostly the youth through special brigades.

### **Strategic Interventions:**

- **BBBEE:** We will review our BBBEE policies to ensure that there is empowerment in relation to ownership, production and management.
- **Beneficiation:** We will move fast to ensure skills transfer from outside our borders through our investment promotion agency, MEGA, amongst others, by providing incentives to international companies that will do skills transfer and empowerment of our people.
- **Support to co-operatives:** Our intention, through MEGA, is to facilitate for the establishment of Co-operatives Bank, and make available, on lease, under-utilised government buildings and land for use by co-operatives, amongst others.
- **SMME development:** It is our intention to lower the cost of doing business with SMMEs, and also focusing on improving our turnaround time in processing requests and payments.

- **Focus on the Youth:** We will facilitate incentives to encourage the youth to take up careers in labour absorbing sectors by incentivising businesses that prioritise youth employment.
- **Increased Trade and Investment:** We will review current trade and investment strategies to respond to new global dynamics, more importantly, given the inclusion of South Africa to the BRICS (Brazil, Russia, India, China, South Africa) countries.

### **Focus on Rural Development: Comprehensive Rural Development Plan**

Our other priority focus area is **rural development**. This municipality is among those which are targeted to benefit in the current financial year, and moving forward. Amongst others, through the **Comprehensive Rural Development Plan (CRDP)**, communities of in the Dr J.S Moroka Municipality will benefit from:

- Livestock development such as an establishment of a piggery project;
- Up-scaled *Masibuyel' Emasimini* programme (assistance with ploughing implements such as tractors);
- The integrated school food nutrition programme;
- Health services (such as the construction of a clinic at Greenside);
- Water reticulation, just to mention, but a few.