

OPENING ADDRESS BY THE MEC FOR ECONOMIC DEVELOPMENT, ENVIROMENT AND TOURISM, MR NORMAN MOKOENA, MPL, DURING THE ANNUAL CONFERENCE OF THE ENTREPRENEURSHIP AND LEADERSHIP NETWORK SOUTH AFRICA AT THE LOWVELD BOTANICAL GARDEN IN NELSPRUIT, MBOMBELA LOCAL MUNICIPALITY.

Sunday, 28 August 2011

Programme Director,

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Distinguished guests;
Members of the media;
Ladies and gentlemen;

Political introduction by John Sikhosana

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As the leadership of the Province, we are humbled and appreciate the commitment of your organisation, for sharing our vision of developing and nurturing entrepreneurs of note, in order to create job opportunities thus fight poverty, unemployment and inequalities.

THE NEW GROWTH PATH

Ladies and gentlemen, quoting from the Honourable Premier, Mr D.D Mabuza's *State of the Province Address* in June this year, "***central to the proposed Mpumalanga Economic Growth and Development Path (MEGDP), is economic growth that focuses on Job creation and the reduction of poverty and inequalities.***" It is quite evident that our mission as the incumbent administration is to facilitate the creation of jobs, half poverty, and unemployment and address inequalities. As an intervention, we have therefore crafted our own *Provincial Growth Path*, to be known as the *Mpumalanga Economic Growth and Development Path (the MEGDP)*. Our quest is to grow our economy and to realise the provision of sustainable livelihood for all our people.

Therefore, the proposed *MEGDP* is our strategic plan which is derived from the *National Growth Path* framework, aimed at focusing on the province's economic growth and development agenda for the next ten (10) years, as a base for longer term growth and development. It is premised on a rigorous review of past economic and sector strategies, and is well informed by the current socio-economic and future outlook.

Our challenge as the province, is to create at least 719 000 jobs in order to significantly reduce the rate of unemployment from the current 28 percent to 15 percent by 2020. Our employment rate across the board is around 890 000, and we need to increase it to 1.6 million to realise the target of 15 percent in 2020.

The *MEGDP* is therefore anchored on the following six (6) critical areas:

1. **Sector Development**
2. **Inclusive and shared growth**
3. **Spatial distribution**

4. Regional integration
5. Sustainable human development, and
6. Environmental sustainability

It further identifies the following six (6) set of what are termed, *job drivers*, as key to the creation of jobs, fighting poverty and bringing down inequalities:

1. Infrastructure for Employment and Development
2. Job Creation in the following Priority Economic Sectors:
 - Agriculture, agro-processing and forestry
 - Mining and mineral beneficiation as well as energy
 - Tourism and cultural industries
 - Manufacturing (Tooling, plastics and chemicals, bio-energy)
3. Developing new sectors of the economy, namely, in the Green Economy and ICT
4. Investing in Social Capital and the Public Service
5. Rural Development
6. Regional and International Co-operation

We are currently in 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.

In relation to **Broad Based Black Economic Empowerment (BBBEE)**, our intention is to review our *BBBEE* policies to ensure that there is empowerment in relation to ownership, production and management. 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.

We will further ensure that our people are skilled from outside skills transfer by providing incentives to international companies that will do skills transfer and empowerment of our people. The incentives amongst others, include reducing the costs of doing business and increased competitiveness as well as environmental sustainability.

Growing and providing support to SMMEs and co-operatives remains our top priority as the province, hence we will facilitate for the establishment of a Co-operatives Bank, and make available, on lease, under-utilised government buildings and land for use by co-operatives, amongst others.

In relation to Youth development, we commit to facilitate incentives to encourage the Youth to take up careers in labour absorbing sectors by incentivising businesses that prioritise youth employment.

Ladies gentlemen;

The proposed *MEGDP* argues that technological innovation opens the opportunity for substantial employment creation, and we believe that Mpumalanga offers a wide range of opportunities with regard to the green economy. The anticipated jobs in the green economy will be in the area of manufacturing, and the rest in construction, operations and maintenance of new environmentally friendly infrastructure. The new industries that Mpumalanga will invest in, include the “Green” and energy-saving industries, agro-processing, downstream minerals beneficiation, bio-fuels, forestry, timber, paper and pulp and furniture, cultural industries, tourism, and the ICT (Information Communication Technology).

Through investing in social capital, the social economy is expected to create jobs in the province, and this sector needs to be encouraged to grow. The social economy includes countless not-for-profit institutions that provide goods and services, including co-operatives, non-governmental organisations (NGOs) and *stokvels*.

The *New Growth Path* for South Africa spells it out clearly, that government will have to support the social economy initiatives, including assistance with marketing, book-keeping, training, and technological and financial services.

The Mpumalanga provincial government will further emphasise basic education with firm foundations on values, numeracy and literacy – building a critical mass of the entrepreneurial and technical skills required.

We are currently completing a fiscal package for all economic infrastructures, which the mobilisation of foreign direct investment; development finance loans and grants. Equally so, we will improve our funding mechanisms for SMMEs through the re-engineered *MEGA*.

Closing

Political closure by John Sikhosana

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On behalf of the Premier, the Executive Council and the people of our beautiful Province, I wish to welcome you to Mpumalanga – The Province of Pioneers with a warm welcoming spirit. As you are aware that province has got much to offer in terms of tourism attractions, I implore you to take a *shot left* and explore our offerings in the form of the Kruger National Park; the Burke’s Luck Potholes; and see the world through God’s Window, amongst others.

It is said in the *Bible* that God worked for six (6) days to create the heaven and the earth, and on the seventh day, he rested. Given the breath-taking scenic beauty of this Province, I am quite confident that God rested in Mpumalanga. It would therefore be a sin if you would leave this Province without exploring it. When your verdict is read on *Judgement Day*, you must therefore not be surprised when it is announced that your major sin is for not exploring and enjoying Mpumalanga's offering.

However, in doing so, we must do it responsibly. We are mandated by our countries Constitution to "*prevent ecological degradation; promote conservation; and to secure ecologically sustainable development and the use of natural resources while promoting justifiable economic and social development.*"

It is our collective responsibility to ensure the sustainable use of our environment, which is our bio-diversity, for the benefit of future generations. We cannot fail them.

I wish you fruitful interaction during the duration of your conference over the next three (3) days, and believe that you'll come out of this conference, with more strategies inclined to partner with, and assist government in delivering on its mandates.

Working together, we can do more to create jobs, fight poverty and inequality!

It is my pleasure and privilege, to form part of the history of your esteemed organisation, by declaring this, the first Annual Conference of the *Entrepreneurship and Leadership Network South Africa*, open.

I thank you!