

**ADDRESS BY THE MEC FOR ECONOMIC DEVELOPMENT, ENVIRONMENT AND TOURISM, MR M.N MOKOENA, MPL, DURING A DEBATE ON THE STATE OF THE PROVINCE ADDRESS 2012.**

Tuesday, 28 February 2012

- Honourable Speaker, Mr Siphosiso Lubisi;
- Honourable Premier, Mr David Mabuza;
- Deputy Speaker, Ms Violet Siwela;
- Chief Whip of the Majority Party, Ms Thandi Shongwe;
- Colleagues in the Executive Council;
- Colleagues in the Legislature;
- Members of the Media;
- Distinguished guests;
- Ladies and gentlemen;

**Greetings!**

***POLITICAL INTRODUCTION BY JOHN SIKHOSANA***

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- ***Job Creation***

Job creation remains the main focus of the current administration. There was welcome recovery in job creation in 2011 with provincial unemployment dropping from 28.7% in quarter 4 of 2010 to 27.7% in quarter 4 of 2011. In this regard, 47 000 new jobs were created between the fourth quarter of 2010 and the fourth quarter of 2011. This represented 5.4% increase in job creation, year-on-year basis. About 19 000 jobs were created in the mining sector; 15 000 in the private households sector; 5 000 in the transport sector and 4 000 in the construction sector, while manufacturing and utilities sectors lost 4 000 and 1 000 jobs respectively, year-on-year basis.

A total 43 964 work opportunities were created through expanded public works programme in the first nine months of the 2011/2012 financial year. Women and the youth constituted the majority of the beneficiaries, with 19 482 youths and 19 568 women. In terms of sectors, 10 732 were in the environment and culture, 18 576 in the infrastructure sector, 10 716 in the social sector and 3 940 in the non-state sector. The *CRDP* created about 8 967 jobs in the first nine months of the 2011/2012 financial year.

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

During the process of crafting the *MEGDP*, a broad spectrum of stakeholders was consulted. They included business chambers, business corporates within the prioritised sectors of our economy, organised labour, NGOs, civil society and government in the form of local authorities, traditional leaders as well as state-owned enterprises. This was done with a view to solicit buy in and jointly participate in developing the *MEGDP* to make it work.

From these initial engagements, we identified priority interventions and mutual areas of co-operation necessary for the *MEGDP* to work. We are now working towards finalising commitments by stakeholders in order to tie down the various players to firm deliverables, so that *Working Together*, we shall be able to achieve more.

Our Programme of action is premised upon four key programme areas, namely **Infrastructure Development, Skills and Capacity Building, Rural Development as well as Production and Beneficiation**. Within these, we have focussed on value chains within the priority sectors identified in the *MEGDP* namely; Agriculture and Forestry, Mining, Manufacturing, Energy and the Green Economy, Tourism and Cultural Industries.

The interventions are geared towards unlocking potential for growth for Co-operatives and SMMEs, and to empower the youth and the previously disadvantaged.

We are working closely with business on finding synergy on a number of expansion programmes within the forestry and mining sectors, as well as taking advantage of associated opportunities for rendering of on-going services, the production of inputs into production facilities, procurement as part of the value-chain and also experiential training for the development of our skills base.

- ***Support to SMMEs and Co-operatives***

During the State of the Province Address, the Honourable Premier indicated that, and I quote:

*“For the small scale businesses and co-operatives to be competitive and grow, government will be expected to provide comprehensive support, ranging from funding to training, mentoring and coaching.”*

*“The development of small businesses and co-operatives will be high on the agenda of government.”*

*“More attention will also be given to the development of small businesses and cooperatives since they are central in terms of realising the objectives of an inclusive economy.”*

Our quest as government is to develop and support SMMEs and Co-operatives in order to enhance their contribution to the economy. *The dedet*, in partnership with all SMMEs and Co-operatives Support Institutions in the Province, will specifically focus on the following areas in changing the approach for the support provided to the sector:

#### **1. Entrepreneur Development Interventions: Building capacity and capability**

Amongst other interventions that will upscale during the forthcoming financial year, entail provision of direct mentorship and advanced business skills training in the area of **business management, financial management as well as human resources management**. Partners in this regard will be service providers with required competencies as well as Government institution such as *SEDA*. We will also upscale the service to register businesses.

#### **2. Product Development Interventions: Products Quality Improvement**

The focus in this instance will be to improve the quality of all the products which are produced by co-operatives and SMMES so that they can match the market standards of similar products. This will assist them to be competitive with the products produced by well established business in the same field. We will partner with the SABS (South African Bureau of Standards) and the National Productivity Institute in this regard, amongst others.

### 3. Marketing and Promotion Interventions: Access to Markets

In facilitating access to markets, we will open up market opportunities within the two spheres of government, that is, Provincial and local, for commodities that are locally produced and also increase participation of SMMEs and Co-operatives at the National and International pavilions.

### 4. Infrastructure Support Interventions

In relation to infrastructure Support Interventions, we commit to ensure access to business premises, mini-factories, processing centres and workshops for SMMEs and Co-operatives by providing capital equipment and machinery through *MEGA*.

### **POLITICAL CLOSURE BY JOHN SIKHOSANA**

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