

OVERVIEW BY THE MEC FOR FINANCE, ECONOMIC DEVELOPMENT AND TOURISM, MR VUSI MKHATSHWA, MPL, DURING THE INDUCTION OF MEGA BOARD WORKSHOP, AT HELD INGWENYAMA LODGE, MBOMBELA LOCAL MUNICIPALITY

Tuesday, 14 September 2021

- Chairperson of the Board Mr Thabo Motau;
- Esteemed Board Members;
- Acting Head of Department Ms Gugu Mashiteng;
- Acting CEO of MEGA Mr Isaac Mahlangu;
- DDG from National School of Government Dr Maja;
- Executives and Senior managers from the DEDT & MEGA;

Good morning!

To the new board members of the Mpumalanga Economic Growth Agency (MEGA), thank you very much for availing yourselves to this workshop today.

Allow me to take this opportunity and once again congratulate you all in your new collective responsibility as members of the board of this important Entity of the Mpumalanga Provincial Government.

We meet here today during a very important month in our calendar, it is a month in which we celebrate our heritage, ontological density and cultural diversity as a people.

Working together with your sister organization, the Mpumalanga Tourism and Parks Agency (MTPA), we have developed a full month programme aimed at promoting tourism in the province, this we do to highlight the importance of tourism as the major contributor to the economy of the province.

Programme director, like any other sector tourism was devastatingly affected by the black swan events of the Covid-19 pandemic, and it is for this reason we have doubled efforts in putting tangible action-plans in place to help the sector to recalibrate and restore the jobs lost due to the impact of the virus.

However, this induction workshop is not about tourism but about you as the new board of MEGA, and I must forewarn you that the task before you as a collective is mammoth, albeit not cumbersome dependent on your courage and resolve to make an enduring intervention to reposition this Entity.

Frankly speaking, the Entity is characterized by a number of perennial organizational challenges, and these existential challenges have stultified the capacity of MEGA to rise to the occasion and live-up to its mandate.

Programme director, we are however, placing our collective hopes and trusts on you as the new board that you will revive this Agency. We rely on your axiomatic credentials, agency and skills to assist this institution to be a useful vehicle in the discourse of building a working economy for Mpumalanga province and her people.

Accordingly, the legislative mandate of MEGA and as prescribed in the **MEGA Act** of 2010 – *inter alia*, explicitly states that:

- **Delivering massive economic infrastructure;**
- **Promoting trade and investment (for the benefit of our people);**
- **Providing funding in respect of small businesses or enterprises, including those in agriculture.**

These over-arching functions of MEGA are in line with the National Development Plan, Vision 2030 and the Mpumalanga Economic Growth and Development Path (MEGDP), and most importantly, the building of the Township and Rural economy which from the purview of policy has been largely ignored.

The **Act** itself should encourage us to focus on these three (3) extracts and we will not go wrong if we follow the **Act** to the latter.

Programme director, the extracts mentioned above find expression in the Shareholder's Compact and it is in line with the Annual Performance Plan to foster growth and create employment.

And, our working relations shall be predicated on the strategic framework as outlined in the Shareholder's Compact and it is something that we must always make reference to for the entire 2021/22 financial year.

It is our expectation that under your leadership, the Entity focuses on the following salient points:

Improve on Governance

Our collective expectation is that the Entity move to unqualified audit outcome at the end of current financial year and work towards clean audit thereafter, i.e. by end of 22/23 financial years of audit.

A clear path for investment promotion and attraction

With regards to the investment promotion and attraction, we should be giving the entity a target of R100m minimum to be raised by the end of the current Financial Year, expecting at least a billion rand in subsequent Financial Years and develop a clear investment attraction strategy over the 22/23 Medium Term Expenditure Framework (MTEF).

Maintenance of the Property portfolio

The assets must generate revenue for the entity, be kept in habitable conditions and grow the balance sheet of entity, MPG must be able to leverage on the property portfolio held by MEGA.

Deal with historic issues on the loan book

It is important that we call on cabinet to decide on the future of this area of work and whether MEGA must continue with this aspect of its business or rather leave it to commercial banks.

Finalise the re-engineering process

The board has an immediate task of ensuring that the re-engineering process of the Entity is finalized and that all the vacant posts are filled with capable and experienced personnel for the purpose of the stabilization of the Entity.

Another important aspect which is the function of our expectation, is for the board to look into all the strategic projects, which MEGA is implementing and are going against MEGA's Funding Act.

These strategic projects must be packaged in such a way that they provide progress to date, available resources to continue with these projects and what makes the entity unable to implement such projects. A report in this regard must be presented to the department so that we can assist MEGA to be fit for purpose.

In rebuilding our economy after it was fundamentally destructed by the pandemic, MEGA will have to drive some of the catalytical projects outlined in the Mpumalanga Economic Reconstruction and Recovery Plan (MERRP).

The revitalization of the Industrial Hubs is one of the important task to be undertaken by MEGA, in order to create the conducive environment for investment attraction and rollout a massive industrialization programme.

Programme director, we need to position MEGA to be the front-runner of driving the '**Just Transition**' programmes of moving the economy from coal to renewable energy, and this should take place at the backdrop of the begetting reality of the power stations which are about to be decommissioned in the Gert Sibande and Nkangala Districts respectively.

And, as indicated earlier on, this critically important task of rebooting the economy, rest squarely on your capable hands to turn the Entity around and promote Mpumalanga as an investment destination.

Ben Okri in '*The age of magic*' posits that, there are three levels of skills: the actual, the real and the amplified. The actual skill is the game as one plays it normally: it is apparent. The real skill emerges in the negative space of the game: it is one's potential. Amplified skill, superior to the others, is akin to perpetual inspiration.

Thusly, I am counting on your amplified skill to be applied and completely change the economic complexion of the province.

I am looking forward to get feedback on these urgent matters towards realizing the strategic mandate of MEGA in order to improve the lives of the citizens of Mpumalanga.

I thank you!