

REMARKS BY MEC CRAIG PADAYACHEE AT THE SOD TURNING OF DOUGLAS-MIDDLEBURG OPTIMISATION PROJECT ON 15 APRIL 2008

Programme Director

President and COO of BHP Billiton, Wayne Isaacs

Executive Mayor of Steve Tshwete, Clr Mantlhakeng Mahlangu

Executive Mayor of Emalahleni, Clr Lenah Malatjie

Honoured Guests

Ladies and gentlemen

It is an honour for me to be invited to participate in this important sod turning event. Program Director, this sod turning for Douglas-Middleburg Optimisation project is a clear indication that the private sector is partnering with us to achieve the central task and goal of halving poverty and unemployment. I believe that our participation here today communicates a message to the world that Mpumalanga welcomes all investors to invest in the land of the beginnings, the province in which the pioneering spirit verberate loudly in our proud past and a better tomorrow.

We are indeed the land of endless opportunities, a powerhouse of the economy of the country because we are the host to engines that generates power that goes to millions of homes and industries across the country.

Program Director, we are aware that coal mining dominates the mining industry in this province. Most of the collieries in the province are concentrated around the towns of Witbank, Middleburg, Ermelo and Secunda and according to Council for GeosScience, Mpumalanga has 291 coal mines which contributed 82.4 percent of the national GVA-R in 2006.

The mining industry has been making a significant contribution to the economic growth in the province. This sector, Program Director, has remained steadfastly on path to ensure that we take advantage of the wealth of our land to change the lives of our people to the better.

I must indicate that the provincial government supports the Douglas-Middelburg Optimisation Project mainly because it is an initiative that will play a major role as a catalyst for economic growth and integration of local communities and for creation of job opportunities.

Many of the members of our society are still without jobs. In March 2007, the unemployment rate in Mpumalanga stood at 26.3%, 0,9% lower than in March 2006. Although the statistics show improvements, this is very marginal as the challenges ahead of us remain high. We raise this issue because we see in this initiative an important intervention that will help us to arrest unemployment and deal a blow to poverty in our province.

The construction industry plays an important role in our economy in that it has the potential to absorb large numbers of workers during the construction phase. According to March 2007 Labour Force survey conducted by Statistics South Africa, the construction industry employed a total number of 83 680 people during the period of the survey. This represents 9.9% of employed people in the province. It is therefore clear from these statistics that, although the contribution of the construction sector to the provincial gross domestic product is low, the industry's contribution to employment is substantial, making it the sixth highest employer

among the ten broad industry sectors of our economy. It is for this reason that we welcome the announcement that 2000 contractors will be involved during the construction phase of the project. We believe that this initiative will translate into more jobs and that it will also assist with transfer of critical skills to our people.

Mpumalanga is the fastest growing economy because of huge investment from local and international companies. The sod turning for the Douglas-Middleburg Optimisation project is the most important of these investments because of the hope it brings to many of our people and the economy of the province. With an investment of US\$975 million, it is clear that BHP Billiton wants to leave a mark as a company that made a difference to the people of the province. The investment will surely put us a step forward to the road to deliver a better life for the people of Nkangala and the province as a whole. When this project is completed, areas such as Middleburg, Witbank and surroundings will undoubtedly enjoy the benefits of a better and, increased access to economic opportunities and job creation.

Our position as the fastest growing economy needs to be complemented by equally competitive contribution to the country's GDP and surely this investment will assist in this regard.

Program Director, government has identified and is implementing key projects that will have measurable impact on the lives of many people. As provincial government, we have adopted five flagship projects two of which relate to the mining sector, these are Maputo Development Corridor and Moloto Development Corridors. The work being made on the two projects are significant because they will create an enabling environment for business to operate efficiently. I am sure that these two flagship projects will help us to speedily rehabilitate our coal haulage network grid.

Program Director, the provincial government values the contribution of all sectors of our economy. In this regard, we have begun to develop strategic partnership with the mining sector. Two months ago we held a meeting with the mining sector in Middleburg to cement relations between the provincial government and the mining sector. We believe that these structured engagements, which we would like to sustain, will help us to understand the concerns of the mining sector and ensure that we continue to march together towards achieving all the goals we set for ourselves as a nation.

Government is fully committed to maintain the investment in coal mining. As I have indicated earlier on, the mining sector plays a major role especially with the current challenges of electricity that we are experiencing.

Program Director, it is befitting that I take this opportunity to urge every one of us to use electricity sparingly. My view is that if we all commit ourselves to this endeavour, we will contribute in assisting our country and we will reap the fruits of preserving electricity.

We would like to wish you and those who will be working on the site well in bringing the project to a successful start. Let the work commence, let the people of Mpumalanga enjoy the benefits of this investment.

Thank you