

OVERVIEW BY THE MEC FOR FINANCE, ECONOMIC DEVELOPMENT AND TOURISM, MR PS NGOMANE, MPL, DURING DELIBERATIONS WITH THE PORTFOLIO COMMITTEE ON PREMIER'S OFFICE; FINANCE; ECONOMIC DEVELOPMENT AND TOURISM ON THE ANNUAL REPORT OF THE DEPARTMENT OF ECONOMIC DEVELOPMENT AND TOURISM FOR THE FINANCIAL YEAR ENDED MARCH 2019, MPUMALANGA PROVINCIAL LEGISLATURE, CITY OF MBOMBELA LOCAL MUNICIPALITY

Tuesday, 22 October 2019

Chairperson and Members of the Portfolio Committee;

Good Morning/ San'bonani!

1. They say **history lays the foundation for the future**. In other words, if you don't know where you come from, it would be difficult to prepare for the future; hence our engagement this morning.
2. We are here to **take a trip down memory lane, to review the work and commitments** we made during the previous financial year, which ended in March this year. Our quest, as the Department mandated to steer economic activities of the Province, continues to be **to transform the economy and facilitate job creation** initiatives.

3. Accordingly, we continued to **lead economic infrastructure development projects**, which will propel the economy of the Province and create the much needed jobs for our people.
4. As we collectively **review the work of the Department and account for the commitments** we made during the financial year which ended March 2019, this morning, I would like to acknowledge the role played by **my predecessor, Mr Sikhumbuzo Eric Kholwane**, for his political guidance to the Department.
5. I further extend my sincere gratitude to the **former Members of this Committee**, who served during the fifth Administration, for their continued guidance and oversight on the work of the Department.
6. I am also joined by the **Acting Head of Department, Mr Nathaniel Sebitso**, who was the Accounting Officer of the Department during the period under review. He is accompanied by the management team of the Department, who will after my Overview, provide details on what the Department has achieved, and even provide reasons for deviations.

Chairperson and Members;

7. The Department continues to be responsible for the implementation of *Outcome 4* which relates to '*Decent employment through inclusive economic growth*'.
8. Key amongst the Department's functions, were: **the provision of support and development of small businesses and co-operatives; investment promotion and attraction; business regulation and governance; consumer education and protection; economic planning; and tourism promotion and growth.**
9. Accordingly, during the period under review, the work of the Department was guided by the governing **ANC's commitment of providing extensive support to small businesses and co-operatives**, amongst others, given that they (small businesses and co-operatives) have been identified as significant contributors to economic growth and job creation.
10. This has led to the development of various enabling-policies and strategies, such as, the **Comprehensive Integrated Small Medium Micro Enterprise Strategy; the Airlift Strategy; and the reviewed Mpumalanga Tourism Growth Strategy.**

11. Furthermore, the Department had to realise the governing party's commitment of ***“institutionalising long-term planning, integration and co-ordination capacity within the state to drive consolidated industrialisation and infrastructure development programmes for inclusive growth and job creation”***.
12. This has led to our government investing in the roll-out economic infrastructure projects, such as, the **Nkomazi Special Economic Zone (SEZ)**.
13. The SEZ – which would be the first in the Province – was subsequently **officially designated by the Minister of Trade and Industry in January** this year, following the approval granted by the National Executive (Cabinet) on 05 December 2018.
14. We are excited that the SEZ is anticipated to contribute 8 275 jobs in construction; 9 505 in industries; and around 81 000 in the value chain, during its first ten (10) years of operation.
15. Moving forward, the Department will continue to focus on setting up the management authority, which will assist in establishing the SEZ, and manage available and future Industrial Parks.

16. We have so far, **signed the Service Level Agreement with MEGA**, to implement the project on our behalf.
17. On the other hand, the **construction of the Mpumalanga International Fresh Produce Market** was marred with some challenges, and even stalled at some point. We are, however, happy that all this is behind us now, and hope it stays like that forever.
18. All affected stakeholders have been engaged; the challenges have been amicably resolved; and all stakeholders have committed that they will devote their time and energy towards the success of the project.
19. Our implementing Agent – MEGA – under my political leadership and the leadership of the Interim Board, continues to play a critical role, in this regard.
20. I am also pleased that our efforts of having the first World Heritage Site in the Province, were eventually successful, following the **inscription of the Barberton Makhonjwa Mountains as South Africa's 10th World Heritage Site by UNESCO in July 2018.**

21. We undoubtedly believe that this will continue to put Mpumalanga on the world map, and eventually results in more tourists visiting our Province.

22. Furthermore, the Department also continued to oversee the regulation of the gambling and liquor industries in the Province by MER; and further protected consumers from unscrupulous business practices, during the period under review.

Chairperson;

23. I know that **MEGA was a problem-child** at some stage. However, we are surely turning things around at the Entity. We have brought about some stability since we appointed an Interim Board.

24. What was troubling us more at MEGA, was the issue of the **Loan Book which was not being managed properly**. We have since entered into and secured this space, and will soon report substantial progress in this regard.

25. The **Executive Council has subsequently made MEGA's Loan Book their priority**, to ensure that all monies owned to us, are collected from those we have evidence that have resources to repay their loans.

26. We **commit to give MEGA all the necessary support** they require, to ensure that they are back on track to implement what they were mandated to do.
27. Details of the work we performed during the period under review, will shortly be **provided by the Acting HOD, the CEOs of our three (3) Public Entities and their teams.**
28. Once more, let me express our appreciation for this engagement, as this continues to guide us in doing our work.
29. ***Let's grow Mpumalanga together!***

I thank you!