

## KEYNOTE ADDRESS BY THE MEC FOR FINANCE, ECONOMIC DEVELOPMENT AND TOURISM, MR SIKHUMBUZO ERIC KHOLWANE, MPL, DURING THE LAUNCH OF THE BROAD BASED BLACK EMPOWERMENT TYRE INITIATIVE AT MATSULU, MBOMBELA LOCAL MUNICIPALITY

Thursday, 03 December 2015

- Programme Director and Acting Head of the Department of Economic Development and Tourism, Mr Jacob Mgidi;
- *Bukhosi*;
- The representative of our esteemed partner – Sumitomo Rubber South Africa, Mr Eric Aissing;
- The representative of SEDA, *Make Ntokozo Majola*;
- The representative of NEF, *Babe Bongani Qokose*;
- The representative of NYDA, *Babe Bheki Shongwe*;
- The representative of NDA, *Tatana Maxwell Mathebula*;
- The representative of the beneficiaries;
- Distinguished guests;
- Members of the media;
- Ladies and gentlemen;

San'bonani/ Good Morning

1. It gives me a great pleasure to participate in this ground breaking initiative that advances our social compact through partnership with the private sector here in Matsulu.

Programme Director,

2. Before I address you on the matter at hand, it is important that I reflect on critical issue that has an impact on our society, and which will have unacceptable consequences for us as a nation.
3. The Freedom Charter envisage a country where ***“all people shall have a right ...to bring up their families in comfort and security”***.
4. This right also find expression in our Constitution because as South Africans we want to live peacefully, side by side, with each other.
5. It is for this same reason that our Country and the Province is joining the rest of the world in observing the 16 days of No violence against Women and Children from the 25<sup>th</sup> of November to the 10<sup>th</sup> of December each year.

6. We must use this period of heightened activism against women and children abuse and take a stand against the violation of human rights in our communities.
7. We must not allow those who commit gender-based violence and abuse our children to spit on the pre-eminent foundation of our democracy.

Programme Director,

8. In just two (2) days – on Saturday to be exact, we will be commemorating the second anniversary of the passing of the global icon for peace and unity, Dr Nelson Mandela.
9. As we recall the selfless sacrifices of *isithwalandwe*, Dr Mandela, to this great nation, we must also commit to live up to his ideals of a better society that uphold human rights of all people, and that which rejects the senseless abuse of Women and Children.
10. *Together [we have the ability to] move a non-violent South Africa forward!*

Programme Director;

11. We are a Province in transition towards an inclusive and prosperous society.
12. As part of the second phase of our transition from apartheid to a national democratic society, we are expected to accelerate growth and lead all South Africans around a common vision of economic transformation that puts South Africa first.
13. Putting South Africa first, means we must invest our resources in developing the human capital for a developmental state, support the growth of local economy and industries; and ensure that our people are employed or employable especially given the high unemployment rate amongst the youth in the Province.
14. To this end, the recent National General Council of the Ruling Party, the ANC, has resolved that our government must intensify job creation and increase employment opportunities through mechanisms such as localisation, SMME and cooperatives and implementation of

instruments like business and procurement set-asides for youth.

15. Articulating the key elements of our strategic initiatives to accelerate economic growth and broad based participation in the economy in his State of the Province Address, our Premier of Mpumalanga, Honourable DD Mabuza said, and I quote

***“We must support and celebrate our entrepreneurs and our small businesses.***

***We must open doors, broker partnerships, facilitate access to finance and limit the frustrations caused by red tape.” (End quote).***

16. This directive is at the centre of the Provincial Broad Based Black Economic Empowerment programme which seeks to increase the number of black-owned enterprises and broaden economic participation and beneficiation in the Province.

17. Our BBBEE strategic plan has identified initiatives in the tyre making, stainless steel manufacturing, printing, supply of textile and building material to bring the previously disadvantaged individuals to the main stream of the economy.

Programme Director,

18. The launch of the Tyre Making Initiative is a clear expression of our strong partnership with the private sector, which aims to create opportunities for small businesses and cooperatives and to invest in the township businesses.

19. We are pleased that Sumitomo Rubber SA, trading as Dunlop Tyres, has heeded our call and entered into a formal agreement with us to advance the local Black-owned Tyre outlets in the Province.

20. Through this partnership, at least 10 black-owned tyre enterprises have received technical training and general business development support to Move their Businesses Forward.

## **Localisation and strategic sourcing**

Programme Director,

21. The role of strategic procurement is to maximise the impact of our development programme locally.
22. The Government acknowledges that there must be a clear link between supply chain targets and the localisation agenda in the business environment.
23. To this end, we support the 40 per cent set aside on business opportunities and procurement of goods and services from the youth enterprises as proposed by our young people.
24. Similarly, we want to appeal to the communities to buy locally-produced commodities and support locally-based enterprises.

25. If we buy local, we are directly contributing towards our own local development as these enterprises employ local people, thus contributing towards the reduction of unemployment in our townships.
26. There is a sound business case for the Provincial Government and business community to procure locally, and give these new ventures the required support to build themselves into viable, sustainable enterprises, thus leaving a long-term B-BBEE impact.
27. As the Mpumalanga Provincial Government, we commit to support such initiatives by procuring a sizeable number of tyres for our fleet from such tyre outlets.
28. This support is not intended to be a hand-out, but rather a sign of our confidence that they can do an excellent job like other established outlets.
29. We would like to implore on other Companies in the Province, and the community at large, to also support these Black-owned Tyre Outlets.



30. I would therefore appeal to all enterprises to register their businesses in the Central Supplier Database to access more opportunities from the Government.

Programme Director

31. We will upscale these enterprises by providing them with the basic equipment for their trade as part of our contribution to growing profitable enterprises that can create sustainable jobs for our people.

32. To this end, each of the ten (10) enterprises will be presented with tyre-changer machine, safety cage, balancer, two (2) low-level lifters and two (2) Trolley Jacks.

33. These equipment will assist the enterprises to grow their businesses and offer high level service to their customers.

34. This, of course, comes with very specific conditions which the entrepreneur must adhere to – and my favourite amongst these conditions, is that the businesses must

grow and create jobs specifically targeting the local youth, women and people with disabilities.

35. We are confident that the ten (10) initial enterprises we are supporting, will graduate into big enterprises.
36. As I conclude, allow me to convey my sincere gratitude to all partners who have made this day possible, by ensuring that our broad-based economic empowerment plan works better for the people.
37. We are indeed on an upward trajectory of development as a society and people of Mpumalanga.

***Together We Move Small Businesses in Mpumalanga Forward! Ngiyabonga/ I thank you!***