

SPEECH DELIVERED BY THE MEC FOR ECONOMIC DEVELOPMENT, ENVIRONMENT AND TOURISM, MRS YN PHOSA, MPL, DURING THE STAKEHOLDER BREAKFAST MEETING AT PROTEA HOTEL WINKLER OUTSIDE WHITE RIVER, MBOMBELA LOCAL MUNICIPALITY.

Thursday, 06 June 2013

“Government-Private sector Partnerships and Opportunities for Stakeholders”

Programme Director, Mr Lemmy Mdluli;
Head of Department, Dr Vusanani Dlamini;
CEOs of our Public Entities;
Representatives from Labour;
Business Formations;
Leaders from Industry Sectors;
Officials from the Department and Government Agencies;
Members of the Media;
Distinguished guests;
Ladies and gentlemen;

Good Morning!

It is an honour and a privilege for the Department and I to meet with your good selves as the key stakeholders of Government, to share information on the Department and the entities attached to the departments vision and mission, and the key priorities towards the attainment of our vision.

Our sincere thanks for your positive response to our invitation to meet here this morning and engage in a dialogue about the Departments plans to achieve inclusive growth, and solicit your views as private sector on how best these plans can be strengthened whilst also looking at strengthening partnerships on this journey towards inclusive economic growth in the province and subsequently in the country.

As the department of Economic Development, Environment and Tourism we cannot agree more with the saying that “Working together we can do more to reduce poverty, unemployment and inequality.”

I am pleased to announce that on the 28th May 2013 I presented the Departments Policy and Budget Speech where I also elaborated on the challenging economic outlook.

Mr Sebitso has also touched on it. I strongly believe that it will take a concerted effort, by all of us working together to weather this storm, and emerge stronger and better placed towards the attainment of Governments goals as stated in the National Development Plan as well as the Mpumalanga Economic Growth and Development Path.

It is our pleasure to report that Government has adopted the MEGDP and projects have been identified whilst the Departments focus is on policy development and monitoring of policy implementation, three (3) public entities have been established as the implementing agents and I’m happy to report that all three (3) Public Entities reporting to the Department have stabilised in terms of leadership, financial and performance management, and good governance with the appointment of credible Board Members and CEOs. The CEOs of *MEGA* and *MGB* as well as the COO of *MTPA* are in our midst today.

We wish to therefore, share a high level summary of our priorities, as stated in the *Policy and Budget Speech Address*.

Moving forward through Partnerships with Stakeholders

In the *State of the Province Address* earlier this year, the Honourable Premier announced priority projects which the Province has identified, and will commence with implementation this financial year. (*We have amongst us, project managers who will lead implementation of those priority projects*).

These projects are part of *the MEGDP* which will be executed in line with our programme of action which is premised on the pillars of:

- (1) Human Resource Development
- (2) Rural Development
- (3) Infrastructure Development as well as
- (4) Production and Beneficiation.

It will be important therefore, that as we move towards implementation, we prepare ourselves for the developmental and growth opportunities that arise, maximum benefit should accrue to the people of this Province. Infrastructure will play an important part in the early life of these projects, and we shall need all the expertise on hand to make this a reality.

Another area which we have embarked upon, is on putting public and private sector partnerships at the centre of socio-economic development. In this regard; the Department in collaboration with Office of the Premier are leading the finalisation of Memoranda of Understanding (MOUs) with private sector partners.

The Honourable Premier has already concluded Memoranda of Understanding with some of our corporate citizens such as *Sasol* and *BHP Billiton*. We are still engaged in a series of negotiations with more of our corporate citizens that have a footprint within the province, and we are confident that this will bear requisite outcomes. The main areas of co-operation which we entered into so far include:

- Enterprise Development
- Urban Renewal & Rural Development;
- Sustainable development and the environment;
- Human Capital Development;
- Research and Development,

The Department further plans to initiate and coordinate more partnership agreements in the quest to reverse the triple challenges outlined in *the MEGDP* framework (unemployment, poverty and inequality). The key focus areas outlined earlier are defined as follows:

Enterprise Development

On enterprise development, we aim to develop and promote small businesses and co-operatives in order to stimulate local economic development, focusing on capacity building and enhanced procurement expenditure and with particular focus on the previously disadvantaged groups. In our engagements with private sector, we realised there are many opportunities for enterprises, while the opportunities are appreciated.

However, past experiences and close observations have shown that accessibility by small businesses and co-operatives is still an enormous challenge. This could be attributed to, in the main, the lack of requisite skills, financial support, mentorship and the necessary infrastructure to conduct business by these small scale enterprises.

Our focus will therefore be promoting SMMEs and Co-operatives development through the establishment of industrial parks, as well as enhancing targeted procurement to promote local enterprises. An opportunity exists for the private sector to partner with government towards the provision of financial and non-financial support to small enterprises and most importantly, to avail business opportunities.

Urban Renewal and Rural Development

On Urban Renewal, we aim to develop the sustainability of towns in the province particularly mining towns by focusing largely on basic infrastructure, social infrastructure and economic infrastructure in the context of integrated human settlements. Therefore, there will be a need that all stakeholders work together to deal with the developmental challenges, as a collective:

- We need to, **prioritise infrastructure development** due to its potential to achieve the objectives of *the MEGDP*;
- We need to also re-look at the whole issue of **the Social Labour Plans**, with a view of coming up with mechanisms that can have a huge impact on communities living adjacent to mining operations and other labour centres.
- We need to support and embrace the roll-out of the Comprehensive Rural Development Project (CRDP).

Sustainable development and the environment

While certain economic activities are crucial for economic growth, job creation and development, they however also have negative impact on the environment. We need to continue striking a balance between economic growth on the one hand, and the preservation of the environment on the other, for future generations to come.

The rehabilitation of land, is for us, an opportunity to not only seek redress for the negative effects of mining, but also to engage our communities in productive economic activities on this land.

Human Capital Development

The National Development Plan (*the NDP*) has identified education and training as one of the key priorities for growth and development, including the achievement of the *2030 Vision*. The *MEGDP* also shares the same sentiments. Like the *NDP*, *the MEGDP* also identifies three key areas that require attention, namely, schooling, further education and training, and higher education. The main strategic intent of the Provincial Government, will therefore be on refocusing of private sector bursary scheme to appropriately target Mpumalanga in line with the National Poverty Index, especially on the improvement of Mathematics, Science and Technology in basic education; skills development particularly of 'out-of-school' youth and providing relevant artisans and engineering, technical expertise and support for the envisaged University of Mpumalanga and all other skills development initiatives.

I am sure, it is worth mentioning that in this financial year the Department will be appointing at least twenty (20) interns.

Research and Development

We have agreed with our private sector partners, to promote research and development to explore new opportunities for economic growth and job creation, particularly in the areas of the downstream beneficiation, green economy and land rehabilitation for productive use. We are all aware that nations that have advanced, have done so with the help of great innovations that has propelled them to greater heights. They need not necessarily be highly complex and big budget in nature, but often it is in simplicity and ingenuity that great practical innovations can help to develop our province.

We did engage with most of you, during the process of crafting the *Mpumalanga Economic Growth Path*, and now it is time to walk the talk. Our senior management team and CEOs of our public entities are present, and this is an opportunity to re-affirm our commitment to what we've started. We therefore call upon all our stakeholders to join with us in this journey towards socio-economic transformation, as we have declared that we are indeed "*Open for Business.*"

As I conclude for those of you who shall have seen the copy of our 2013/14 Policy & Budget Speech we have elaborated on both our achievements and plans to improve areas of our work which affects the business community directly which includes but is not limited to:

- Regulatory Mandate such as your Liquor and Gambling Industry as well as improving turnaround times in processing EIA's to accelerate infrastructure development.
- Trade and Sector Development with plans to increase exports and further attract foreign direct investment to the Province.
- Tourism is also one of the important areas of our work with a huge potential to create more jobs if more SMME's and co-operatives in tourism can be given the requisite support.

Once more thank you so much for honouring our invitation.

Working together we can do more to reduce poverty, unemployment and inequality.

I wish you fruitful engagement.

I thank you