

STATEMENT BY THE MEC FOR ECONOMIC DEVELOPMENT AND TOURISM, MS MC MASILELA, MPL, ON THE OCCASION OF THE TRADE, INDUSTRY AND COMPETITION (VOTE 39) AND SMALL BUSINESS DEVELOPMENT (VOTE 36) BUDGET VOTES DEBATE HELD AT THE NATIONAL COUNCIL OF PROVINCES

Tuesday, 30 July 2024

Chairperson of the National Council of Provinces, Honourable Refilwe Mtshweni-Tsipane;
Honourable Deputy Chairperson of the NCOP;
The Minister and Deputy Ministers of Trade, Industry and Competition;
The Minister and Deputy Minister of Small Business Development;
Permanent delegates to the NCOP;

San'bonani!

1. Chairperson, it is with great sense of humility and privilege to participate and input into the debates of the Trade, Industry and Competition and Small Business Development votes.
2. Equally, it is a fulfilling exercise to participate in the debates, in a year in which the nation is celebrating 30 years of democracy. In the 30 years of democracy, we have been able to successfully change the lives of our people, most of whom have experienced better life for the first time since the dawn of democracy in 1994.
3. The debates are taking place just few days after the commemoration of the contribution of our global Icon, Isithwalandwe, Nelson Mandela. I am highlighting this precisely because the former statesman advocated for equality and a better life for all.

4. Therefore, we have a collective responsibility to do all in our powers to emulate the selfless contribution of Madiba, by continuing to make indelible imprint in the lives of the less fortunate.
5. The Premier of Mpumalanga, Mr. Mandla Ndlovu while delivering his inauguration address, he instructed the newly appointed Members of the Executive Council of the Seventh Administration in Mpumalanga to work tirelessly to improve the lives of our people.
6. The address of the Premier clearly highlighted what our government plans to do, which is to **increase investment and create jobs** for our people – especially for the youth and women, in order **to realise inclusive economic growth**.
7. Evidently, if we do not facilitate the creation of new additional jobs, youth and women unemployment will remain worryingly high, and economic growth will become stagnant.
8. Accordingly, we have a responsibility to ensure that through the Department that I am leading, government is able to address the triple challenges of unemployment, poverty and inequality.
9. While delivering his opening of parliament address, the President of the Republic, His Excellency, and Cyril Ramaphosa made a clarion call to government of the Seventh Administration to place inclusive economic growth at the top of the national agenda for the next five years.
10. In response to the clarion call by the President to drive inclusive economic growth, we are forging ahead with our programme of nurturing SMMEs and Cooperatives. We will continue to implement government policies which are geared towards accelerating inclusive economic growth and development.

11. Growing the economy will bolster government's effort in the fight against the stubborn triple challenges of unemployment, poverty and inequality. We however, rely on partnerships with the private sector, given that jobs are actually created by the sector.
12. Accordingly, collaborating with Development Finance Institutions, we continue to offer financial and non-financial support to SMMEs and Cooperatives, with preference given to those owned by women and the youth.
13. The ANC-led government in Mpumalanga remain steadfast in its commitment to forge partnerships with the private sector to enable the small business sector to participate in the private sector value chain ranging from construction, mining, agriculture and tourism, amongst others.
14. Moreover, as we strengthen our support to small business, we are vociferously advocating for our SMMEs and Cooperatives to claim a stake in the procurement of goods and services, in the roll-out of all provincial infrastructure projects.
15. Honourable Members, the ANC-led government in Mpumalanga will continue to spearhead the revitalisation of the township and rural economy through the implementation of the Tyre initiative programme where we will support SMME tyre outlets in the township and rural areas with the necessary technical and business skills as well as linkages with tyre suppliers.
16. Furthermore, we will continue to partner with municipalities to ensure that the regulatory environment in the township and rural areas is conducive for business to thrive without experiencing cumbersome red tape.

17. To this end, we have developed a Red Tape Reduction Strategy to provide support to municipalities in easing the way of doing business by SMMEs and the broader informal sector.
18. We are encouraged by the fact that the Departments of Trade, Industry and Competition and Small Business Development are planning to create a conducive environment for economic growth, through industrialization, transformation, job creation and the support of small and developing businesses in the country.
19. Chairperson, economic transformation remains a critical imperative for the country and it is encouraging that the two departments are prioritizing inclusive economic growth.
20. It is a fact that our county is still grappling with high levels of inequality which requires government and the private sector to expedite implementation of radical transformative policies.
21. To this end, the province remains committed to the implementation of the B-BBEE legislation and is working very closely with the DTIC and DSDB in facilitating the implementation of this policy.
22. Chairperson, we agree with Minister Parks Tau on all the critical issues that he has raised in his budget vote, on 16 July 2024, with regard to the strategic interventions that must be taken to stimulate inclusive growth that will culminate to job creation.
23. We concur with the Minister when he says as a country we need to pursue a manufacturing-led growth in order to expand our industrial base.

24. As Mpumalanga we have placed re-industrialisation and diversification of the economy high on the agenda.
25. We are hard at work accelerating our industrial development programme that hinges on value addition and beneficiation. We are planning to exploit the upstream and downstream opportunities presented by the Petro-Chemical and Steel Industries, including agro-processing of both wood and agricultural commodities.
26. Chairperson, let me hasten to point out that we are already in the process of creating a conducive environment to the development of the Special Economic zones, focusing on agro-processing, and another on manufacturing of components to support the Just Energy Transition programme that is being rolled out in the Province.
27. On localization, we align ourselves with the sentiments of the Minister on the issue of localization. I believe the time has come that as government we intensify our support for local industries, especially those companies operating in areas where we enjoy comparative advantage in terms of natural resources and technical capabilities.
28. For example, Mpumalanga is strong in the space of steel and stainless manufacturing, manganese production, petrochemical and specialized cellulose – a sought after natural resource, renewable fibre with a wide range of uses in the textile, consumer goods, foodstuff and pharmaceutical industries, just to mention a few.
29. In order to accelerate inclusive growth and job creation, we need crowd in investment in these industries.

30. Chairperson, the Minister also emphasized the need to enhance our export programmes – a very critical area of work indeed. We also agree that BRICS, the African Continental Free Trade Area, AGOA and the Economic Partnership Agreement with EU provide the country with opportunities to increase our market share globally.
31. Evidently, poor economic infrastructure remains a serious threat in the realization of this strategic objective. This situation calls for a different approach if we are to make a meaningful impact on the development of the required economic infrastructure that must support the promotion of export.
32. Massive investment will be required in the renovation and building of industrial parks, including the improvement of logistics infrastructure.
33. In the context of Mpumalanga, the Maputo Corridor is critical in terms of moving goods, through the Maputo Harbour, to the rest of the world.
34. Honourable Members will agree with me that the current traffic congestion at the Lebombo Border is presenting a serious challenge and is an impediment to economic activities. With the emergence of the Nkomazi SEZ, without a doubt, the situation will worsen.
35. Accordingly, we agree with the Minister that with more collaboration, in all sphere of government and the private sector, we can improve the infrastructure conundrum we are facing.

36. Chairperson; as part of my 100 days in office, I will be handing over light industries that has been renovated by our Public Entity, the Mpumalanga Economic Growth Agency. The infrastructure we are referring to is the light industrial park in Kwaggafontein and Tweefontein in the former Kwandebele area.
37. The aim is to attract SMMEs and Cooperative as tenants to utilise these industrial parks for their businesses. To realise this dream, we have applied for funding from the DTIC, and if approved, more industrial parks would be refurbished for use by our people.
38. Furthermore, we have rolled out a few initiatives, namely, the Petro-Chemical Industrial Park in Secunda, in the Govan Mbeki Local Municipality, the Forestry Industrial Technology Park in Sabie, in the Thaba Chweu Local Municipality, and the Nkomazi Special Economic Zone, in the Nkomazi Local Municipality.
39. These envisaged Parks will create employment opportunities for our people, and even **create business opportunities for small businesses and co-operatives** in our Province.
40. Investment in Agriculture and Forestry Parks has already started as evidenced through the establishment of the **Mpumalanga International Fresh Produce Market** and associated **Agri-hubs**.
41. Our government is also on course towards finalising the establishing of the much anticipated **Nkomazi Special Economic Growth (SEZ)**; and the **Forestry Industrial Park** in Sabie.

42. We have further **completed the designation phase of the Nkomazi SEZ**, and we are currently implementing the Interim Phase. The Interim Phase involves **establishing the SEZ Entity, appointing the SEZ Board and officials for the Programme Management Unit.**
43. Accordingly, both the Fresh Produce Market and the SEZ will **afford the youth and women, an abundance of economic opportunities**, which they must seize with both hands, including availing jobs for them.
44. We also commit to **maintain and upgrade our tourism infrastructure**, particularly, the roads in our tourism routes, as this is a sector which continues to grow our economy faster.
45. Chairperson, modern economies and societies need effective regulations to support growth, investment, innovation, market openness and upholding of the rule of law. To realise this, we continue to work with municipalities to review street trading by-laws, and hosted a number of workshops to ensure proper coordination and support for development of the informal sector
46. Honourable Members, the strategic interventions I have just mentioned, confirms that the government of Mpumalanga is truly committed to turn things around, for the benefit of our people. We, therefore support the budget votes as tabled.
47. In conclusion, as the morning is still young, allow me to remind you that as members of this August House, we are living in borrowed time, as borrowed as it is, we need to revert back to our founding principles of the national democratic revolution, which is equality, economic growth and a better life for all. If we achieve this, we will reach our destination of creating job opportunities curbing inequality and alleviating poverty.
48. I thank you, Honourable Chairperson.