

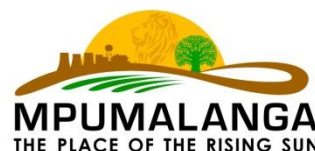


WHEN THE SUN RISES  
WE WORK HARD TO DELIVER



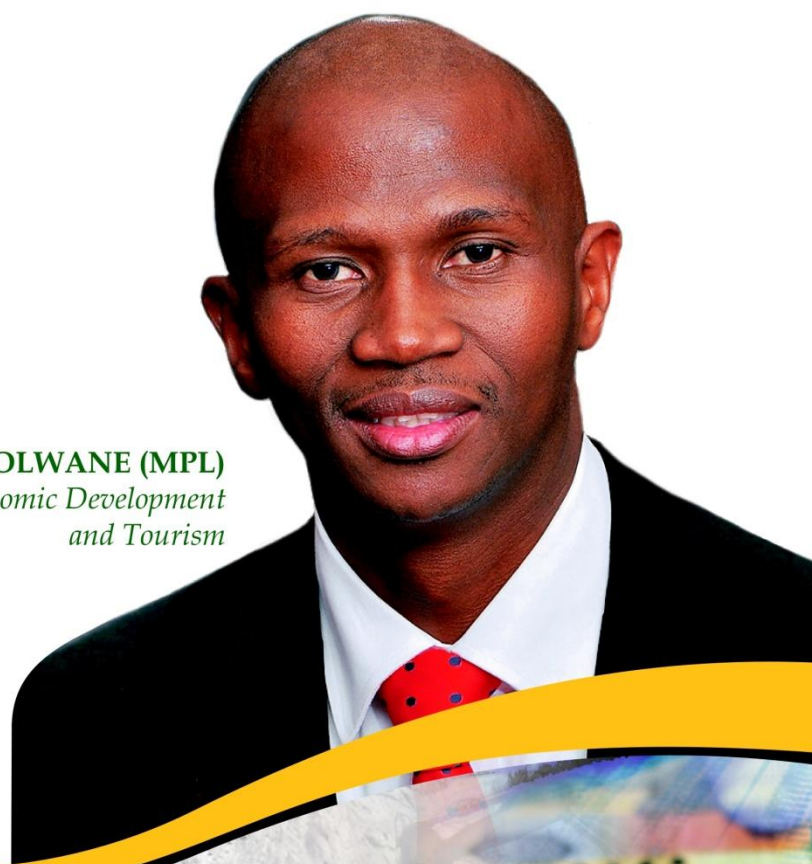
**economic development  
& tourism**

MPUMALANGA PROVINCE  
REPUBLIC OF SOUTH AFRICA



# *Policy & Budget Speech 2018/2019*

**MR SE KHOLWANE (MPL)**  
*MEC: Finance, Economic Development  
and Tourism*



**SPEECH BY THE MEC FOR FINANCE, ECONOMIC DEVELOPMENT AND TOURISM, HONOURABLE SE KHOLWANE (MPL) DURING THE OCCASION OF THE TABLING OF THE POLICY AND BUDGET OF VOTE 6 (ECONOMIC DEVELOPMENT AND TOURISM) FOR THE 2018/19 FINANCIAL YEAR AT THE MPUMALANGA PROVINCIAL LEGISLATURE, CITY OF MBOMBELA**

**25 May 2018**

Honourable Speaker and Deputy Speaker;  
Honourable Premier, Ms Refilwe Mtshweni;  
Honourable Members of the Executive Council;  
Honourable Members of the Provincial Legislature;  
Executive Mayors and all Councillors;  
Chairperson and Members of the House of Traditional Leaders;  
Acting Director-General, Mr. Mathews Mohlasedi, Heads of Departments; and all government officials;  
Chairpersons of Boards and CEOs of the Public Entities  
Representatives of Labour, Business, Civil Society and the Media;  
Esteemed guests;  
Ladies and gentlemen.

**THE CONTEXT**

It is with a great sense of humility, honour and privilege to appraise this respectable house of the work that our government has delivered during the 2017/18 financial year through the department of economic development and tourism.

It is an equally fulfilling exercise to present new commitments for vote 6 in 2018/19, a year in which the nation is celebrating the 100<sup>th</sup> anniversary of the birth of a legendary icon, whose life represents exemplary ethical leadership required by all sectors of society, Isithwalandwe, Seaparankwe, Nelson Rolihlahla Mandela.

2018 marks the centenary birth of another stalwart, Mme Albertina Sisulu.

Furthermore, 2018 evokes our emotions because it marks the 25<sup>th</sup> anniversary of the assassination of Chris Hani.

It is also the 25<sup>th</sup> anniversary of 1993's negotiated settlement.

Sadly it is also a year the mother of the nation, Winnie Madikizela Mandela left us.

We also lost the legendary musician of our times, bra Hugh Masekela who inspired the recently launched Thuma Mina campaign through his song that goes:

*"I wanna lend a hand  
when people are dying of poverty  
and drug abuse"*

Truth be told, since 1994 millions of South Africans have benefited from the ANC led government. It has built houses, schools and universities, hospitals and clinics, roads and bridges.

We have increased access to water and sanitation to poor households even in the most remote rural villages, and most importantly, we are providing free higher education to those with low levels of affordability.

In so doing, we have been able to effectively touch the lives of our people most of whom have experienced the betterment of life for the first time since the dawn of democracy in 1994.

In the same breath, as the governing party we are the first to admit that while there is a good story to tell, our people are not yet free until they are free from abject poverty, increasing unemployment and inequality.

The 2018/19 policy and budget statement seeks to inspire hope by affirming the new dawn of the country's political discourse.

We need unity of purpose expressed in the National Development Plan as we march side by side to entrench the ideals of the second phase of the transition anchored on a call for radical socio-economic transformation.

Honourable Speaker

It may help to enhance the national dialogue, if at the onset we put into context and clarify and demystify important economic phrases such as Radical economic Transformation, particularly as such phrases define our key mandate as a department.

Radical economic transformation is not an empty rhetoric. It is a fundamental political injunction of the ruling party to government.

Firstly, it aligns government policies and guides short to medium term plans, and most certainly The Policy and Budget statement falls within this category.

Secondly, it helps to assess the political and technical capacity of the department to lead development and transformation of the economy.

The assessment of the plans, execution and outcomes must be done against the historic and revolutionary mandate of the ruling party to radically transform the structure of the economy.

Put differently, Radical economic Transformation is about fundamentally changing South Africa's economy from an exploitative exporter of raw material to one which is based on beneficiation and manufacturing, wherein our people's full potential can be realised especially in the commanding heights of the economy.

The rapid economic discourse by its very nature has a mass character, and in this regard our strategic intent as a developmental state is to massify the ownership of social and economic assets and create even more strategic access to economic opportunities.

The mathematical definition of Radical Economic Transformation is a straight line between two socio-economic points.

Any graduate of basic education will tell you that a straight line is the shortest distance between two points.

Therefore in the context of government's mandate, the points defining our straight lines are drawn:

- From the haves to the have nots;
- From the landless to the landlord;
- From being a slave worker to becoming a captain of industry;
- From being a mine worker towards shareholding or ownership of mineral rights;
- From poor rural village/township boy or girl to becoming President of a country;
- From being a gardener or domestic worker to becoming a real estate entrepreneur;
- From a job seeker to becoming an employer;

Honourable Speaker,

It is therefore important to breathe this analogy into the department's core mandate, working with other sector departments, in pursuit of:

Reduction in unemployment, especially youth unemployment; and

Returning land to our people and commitment to supporting expropriation of land without compensation;

We must support a proper legal process of expropriation particularly of unused land.

We are also expected to play a role in ensuring an increase of black ownership and control in the economy activating and supporting small businesses and cooperatives.

Raising the level of investment necessary to stimulate economic growth but also to improve the integration of the provincial economy to SADC and diaspora is key to our mandate.

Most certainly, we cannot deny that globalisation is a key factor in today's management of the economy.

It is therefore important to take stock of the economic conditions locally and globally and to assess progress made in advancing the historical mandate as enshrined in the Freedom Charter, which reads as follows:

*“The people shall share in the country's wealth;  
The land shall be shared amongst those who work it.”*

These pointers remain our GPS in the maze of globalisation imperatives, and it is important that we strengthen our technical capacity for accurate global economic intelligence gathering to guide our decisions on trade.

## **ECONOMIC OUTLOOK**

Honourable Members,

This Policy and Budget Speech is tabled in a more positive global economic climate.

This is good news for our country due to the interconnectivity of world economies.

The South African economic growth outlook for this year is more favourable, but remains challenging.

The improved growth outlook is driven primarily by an increase in business and consumer confidence.

The GDP (gross domestic product) forecast for 2018, as announced by the Minister of Finance in February 2018, is expected to be 1.5 per cent for this year and 1.8 per cent in 2019.

At the provincial level, the average annual growth rate for 2017 - 2022 is forecast at 2.0 per cent per annum.

This growth rate is not adequate if we are to address the pressing needs of society and to radically reverse the high unemployment, inequality and poverty levels in the Province.

Honourable Speaker,

The most recent data derived from the labour force survey of StatsSA - which was released on 16 May 2018 - is unfortunately not telling a good story.

After the recovery in 2017 during which Mpumalanga recorded a net job creation of almost 87 000 jobs - which was even higher than our annual job creation target – the employment figures have declined.

The labour data for the first quarter of 2018 shows an increase in the provincial unemployment rate and job losses in especially agriculture, finance and community services.

Consequently, the provincial unemployment rate increased from 28.9 per cent in the fourth quarter of 2017 to 32.4 per cent in the first quarter of 2018.

The good news though is that some of our major industries such as mining, utilities and trade recorded job gains in the same period.

We must therefore not lose hope nor despair in the face of this setback, but stand firm and confront the real challenges that thwart our progress as a society.

## **TRADE AND SECTOR DEVELOPMENT**

Honourable Speaker

The need to address the high level of unemployment confronting our people cannot be overemphasised.

It is against this background that we are embarking on a large re-industrialisation programme for sustainable growth.

As reported to this August House last year, the process of implementing the Mpumalanga Industrial Development Plan is unfolding.

### *Industrial parks*

The first phase of the Industrial Park Revitalisation programme led by the DTI will start in the current financial year at Siyabuswa and Kabokweni Industrial Parks.

We have instructed MEGA to develop plans for optimum utilisation of all industrial parks in the province including Agri-businesses such as Loopspruit and Tekwane farms.

The four Industrial Technology Parks which will serve as stimuli for the development of the Industrial Centres of Competency, have been subjected to feasibility studies, and only three were found to be feasible, namely, the Petro-Chemical; Agriculture and Forestry.

This year (2018/19), we will commence with the regulatory processes to establish the Forestry Technology Park in Thaba Chweu Local Municipality (Sabie), whilst continuing with the same process for the Petro Chemical Technology Park in Govan Mbeki Local Municipality (Secunda).

We are currently in discussion with the Mpumalanga Forestry Development Initiative (MFDI) to ensure that more job opportunities are created within this sector.

We will also conduct a due diligence exercise to explore the possibility of utilising Evraz Highveld Steel instead of establishing a new mining and metals industrial Park.

Honourable Speaker,

Let me hasten to point out that we are working very closely with the private sector, national parastatals and other strategic partners to drive the implementation of these programmes.

Sasol has agreed to come on board to work with us on the Petro Chemical Technology Park; while SAFCOL will partner with us on the Forestry Technology Park.

Engagements with other private sector companies to conclude formal partnership agreements are also at an advanced stage with Eskom, Sappi, RCL foods, and TRAC amongst others.

#### *Incubation Programme*

Closely linked to the development of the Industrial Technology Parks, is the repositioning of the Incubation Programme with a view of ensuring that small businesses leverage existing opportunities.

The process of establishing the Furniture Manufacturing Hub is also underway. This development will expand the current activities of Furntech from just training to comprehensive small business development.

Of critical importance is that this Hub will be linked to the economic activities taking place within the Forestry Technology Park at Sabie.

We will continue to address the infrastructure challenges, including machinery and equipment which have been found to be the major bottlenecks that hindered the growth and effectiveness of Incubation programmes.

Honourable Speaker,

We have made progress around the Mpumalanga Stainless Steel Initiative and Mpumalanga Tooling Initiative which have now been housed under one roof while the process of establishing the ultimate Centre of Excellence for these two institutions unfolds.

#### *Special Economic Zone*

Honourable Members,

We will continue to exploit our comparative advantages derived from the spatial benefits of our regions as the anchors of economic development.

In this context, I wish to announce that the Minister of Trade and Industry has gazetted the Nkomazi Special Economic Zone for public comments. We expect the post-designation processes, which include the establishment of the SEZ entity, to be completed towards the end of 2018.

When implemented successfully, the Nkomazi SEZ will contribute significantly to economic growth and job creation targets of our Province.



The SEZ is expected to contribute Eight Thousand, two Hundred and Seventy Five (8 275) jobs in construction, Nine Thousand, Five Hundred and Five (9 505) in industries and around 81 thousand jobs in the value chain during its first ten years of operation.

#### *Investment promotion*

#### *Honourable Speaker*

Attracting domestic and foreign direct investment to drive prioritised strategic initiatives is critical for the Province.

We have thus completed a process of reviewing the Trade & Investment Promotion Strategy and plan.

A critical part of the work going forward is to implement this strategy and road map, including through effective implementation of the Oman export initiative and partnership agreements with other like-minded countries.

Last year, we hosted the Mpumalanga Investor Conference and showcased the vast opportunities for investment across various strategic sectors such as mining, agriculture, infrastructure, manufacturing and tourism in the Province.

The conference aroused interest from potential investors who are keen to invest in our strategic initiatives such as Nkomazi Special Economic Zone and Mpumalanga International Fresh Produce Market, amongst others.

#### *Mpumalanga International Fresh Produce Market*

We are making good progress on the Mpumalanga International Fresh Produce Market (MIFPM).

The construction of bulk water supply and internal reticulation have reached 98 percent completion, whilst the construction of the main market buildings (top structure) is expected to commence in the second quarter of this financial year.

It is worth noting that during the construction of infrastructure and internal reticulation, approximately 1200 Job opportunities have been created.

#### *Honourable speaker,*

Significant progress has been made to secure external funding for a Public Private Partnership in relation to the construction of the top structure of the International Fresh Produce Market, which is estimated at around R1.2 billion.

We estimate that an additional 2500 jobs will be created in the next phase of construction of the top structures.

In line with the Minister's pronouncement, we will engage the DTI on the possibility of establishing a One-Stop Shop Investment Hub in the Province.



Due to the success of the first Investor Conference, we are planning to host the next edition in the 2019/2020 financial year, which we believe will be even better.

Private sector initiatives  
Honourable Speaker

We welcome the upcoming development of Stimela Crossing shopping complex in Barberton.

This private sector investment is projected to create at least 350 jobs during the construction phase and 450 permanent jobs on completion.

The total investment in this project during the first phase is estimated at R220 million.

It is expected that the complex will be completed and start operating in September 2019.

#### *Clearview Fencing*

We are also currently engaging with Cochrane who are planning to invest approximately R80 million in establishing a fencing manufacturing facility in the Province. We anticipate that in excess of 3000 jobs will be created through the value chain over a two (2) year period.

Honourable Speaker,

#### Mining

The mining industry has left significant environmental damage in the province.

In an effort to mitigate this damage we are consulting with DMR to avail previously mined land for rehabilitation and other uses.

We will also engage all the mining companies in the province focusing on their reserves, rehabilitation opportunities and the possibility of availing land for agricultural purposes.

In the same vein, we welcome the intervention of the DMR which upon receiving complaints from local small businesses about access to opportunities in the mines, has organised a business opportunities workshop with the industry in Emalahleni on Monday 28<sup>th</sup> May 2018.

Honourable Speaker

We are alive to our limitations in terms of the legal framework in the mining sector.

However, we have a responsibility, together with mining companies in the Province to develop supporting mechanisms for up-and-coming small scale miners.

To this end, the department has set aside R20 million towards intervention in this critical sector in the Province.

In line with Government empowerment policies, MEGA and Sentula have completed the restructuring of Nkomati Anthracite Coal Mine resulting in the local community obtaining a 16 percent stake in ownership.

Furthermore, MEGA has facilitated the investment of R150 million for the expansion of the mine and to date 250 additional job opportunities have been created.

Honourable Speaker,

One of the largest manufacturing companies in the Province, Manganese Metals Company (MMC) who have been operational for 44 years and employ 680 permanent & temporary employees is currently in distress and facing imminent closure due to escalating production costs.

We are working with the relevant stakeholders to find urgent solutions in order to avert a crisis which would have a rippling negative impact on our economy.

#### *Green economy*

While this province is a leader in the coal power generation market, which practically supplies almost all parts of the country with electricity, the same cannot be said about our role in the green economy environment. We are progressively working to change this situation.

As per the commitment made in the last Policy and Budget, we have implemented three bio-gas projects to support the school feeding schemes, and we will launch and hand over these projects towards the end of June 2018 at the following schools:

- Mkhulu Combined School in Middelburg,
- Lamile Primary School, Bethal, and
- Takheleni Primary School in Matsulu.

Indeed, the future is green.

We can also report that the first large scale, commercial bio mass technology project to be constructed in Mpumalanga, at a cost of approximately R1.5 billion with 44 percent local spend has created 350 jobs during construction.

The project is expected to be commissioned mid-2020 and will contribute approximately R15 billion to the Mpumalanga economy.

We would like to extend our appreciation to both the Department of Water & Sanitation and Department of Mineral Resources for supporting this green project in the Province.

## **SMALL BUSINESSES AND COOPERATIVES**

Honourable Speaker

We will continue to facilitate participation of SMMEs and cooperatives across strategic sectors such as infrastructure, agriculture and agro-processing in the economy, using the Social Enterprise, Government Nutrition and Black Industrialist Programmes as well as various partnership agreements with the private sector as the base of our interventions.

### *Comprehensive database of SMMES and cooperatives*

It is important for the government to know the small businesses and cooperatives, their services, competitive advantages and where they are located.

To this end, the Department will commence with physical data collection in order to develop a comprehensive database of SMMEs in the province, starting in the City of Mbombela.

R2 million has been set aside for the rollout of this project which will create an opportunity for employment of youth / unemployed graduates.

### *Company registration services*

In order to bring services closer to the communities and introduce efficiencies in company registration processes in the Province, the department has successfully piloted CIPC services and the self-registration service system in the Ehlanzeni District.

We have set aside Five Hundred Thousand Rand (R500 000) in the current financial year (2018/19) for the rollout of CIPC services and a self-service registration system in Nkangala and Gert Sibande Districts thus reducing the cost of doing business for small businesses and cooperatives. This service is provided free of charge.

### *Access to funding for small businesses*

In the 2017/18 financial year, MEGA disbursed loans valued at Thirty Nine Million Rand (R39 million) to various entities in various sectors of the economy, resulting in and sustaining One Hundred and Twenty Seven (127) job opportunities.

In the 2018/19 financial year, the entity will increase its disbursements significantly by working closely with the banks and other development finance institutions, including through the partnership agreement with Standard Bank.

### *Enterprise Development Fund*

Honourable Speaker

We have been talking about the Enterprise Development Fund for a long time.

I would like to briefly reflect on the distinct features of this Fund.

We all know that if one goes to the bank as an individual to borrow money, you will be required to provide equity of 20 percent or more, which is not a requirement for this Fund.

The normal requirement is that the borrower must produce collateral to access funding from the banking institution – that is not the case with the Enterprise Development Fund which is fully backed by the provincial government.

Under normal circumstances the banks will charge prime plus 10 percent interest rate – whereas this progressive developmental fund guarantees prime plus a maximum of five percent (5%) in interest rates.

I am pleased to announce that the Fund is now operational, and we are joined, in the gallery by the first two fund beneficiaries Ms Nonhlanhla Mtsweni and Mr Robert Mncube.

Moving forward, we will facilitate that SMMEs and cooperatives with contracts or purchase orders from our municipalities to also access funding through this arrangement.

We are currently conducting roadshows to raise awareness about the Mpumalanga Enterprise Development Fund in all the districts of the Province.

Honourable Speaker,

I would like to reiterate that the minimum amount available under this partnership arrangement is Eight Hundred Million (R800 million), with R500 million set aside for agriculture and forestry and R300 million for enterprises that have contracts or purchase orders with government.

We are pleased to also announce that the Amalgamated Bank of South Africa (ABSA) has agreed to support the hosting of a Provincial SMME / Cooperative Summit and the SMME Award Project this year, while the discussion on a formal relationship is being pursued.

We call on all the banks to come on board and partner with government on enterprise development initiatives in the Province.

This year we will also initiate discussions with the banking sector on how best they can intervene and modernize our spaza shops to remain competitive in the current environment.

*Social enterprise development programme*

Honourable Speaker,

Our role in the Social Enterprise Development Programme is to assist the SMMEs and cooperatives to comply with the quality standards, and facilitate uptake contracts for these qualifying SMMEs and cooperatives.

The department has set aside Ten Million Rand (R10 Million) to support SMMEs and cooperatives to ensure that their goods meet the SABS requirements for quality.

#### *Galitos franchise programme*

Government has initiated a programme to support business development opportunities through partnership with the Youth Chamber of Commerce and the Galitos franchisor.

This programme started with ten unemployed youth entrepreneurs and covers all three districts of the Province.

MEGA has funded this programme to the amount of Five Million Rand (R5 Million), which resulted in 77 jobs being created.

#### *Shopping centres*

As part of our township and rural development programme, MEGA has funded the development of the following shopping centres:

- Casteel (Bushbuckridge),
- Dalamba (Govan Mbeki) and
- Shopmor (Nkomazi) all to the tune of R19 million.

Two of these shopping complexes are already operating with the exception of Dalamba which is currently being recapitalized.

In the same vein, during this financial year MEGA will be required to explore various options to start the process towards the construction of Marapyane shopping complex.

#### *Black industrialists Programme*

To fully harness the opportunities provided by the black industrialist programme, we will finalise a Memorandum of Understanding (MOU) with the DTI to create multiple and diverse pathways and instruments for Black Industrialists to enter strategic and targeted industrial sectors and value chains.

#### *Creative industry commission*

The establishment of the Creative Industry Commission is planned for completion in the second quarter of 2018 and it will be a subsidiary of MEGA as resolved by the Executive Council.

### *Government Nutrition Programme*

The Government Nutrition programme had teething problems, like any new programme, which regrettably resulted in delayed payment to farmers and other service providers.

We will continue to work together with DARDLEA and other stakeholders to increase production capacity across all the emerging farmers and SMMEs to ensure the realisation of the primary objectives of this programme.

Despite the challenges experienced, we have managed to supply fresh produce to 517 schools and 11 hospitals in the Province.

Three Hundred and Five (305) small holder farmers have participated in this programme from inception to the end of March 2018.

Additionally, Twenty Five (25) SMMEs benefitted from the Programme through the provision of transport and logistics services.

We are currently developing 23 Bakeries to supply bread to hospitals in the Province.

In addition, we will include Pilgrim's Rest, Siyabuswa and Empuluzi bakeries for development.

As part of scaling up of the programme, we will increase the number of distribution centres from three (3) to four (4) in order to cater for the supply of dry goods/groceries to schools and hospitals in 2018/19.

### **SUSTAINABLE TOURISM DEVELOPMENT AND GROWTH**

Honourable Speaker,

As the world celebrates the centenary of the renowned icon uTata u Nelson Rolihlahla Mandela, as the Province of Mpumalanga we have our own story to tell.

Soon after Madiba was released from prison in 1990, he spent about two weeks in one of our reserves, Mthethomusha nature reserve where he strategised on the preparation towards the dawn of democracy in our country.

This strategy session was followed by a hunting expedition at Songimvelo nature reserve.

In 1996 he presided over the official opening of the Samora Machel Monument in Mbuzini in the Nkomazi Local Municipality.

This giants footsteps can be traced throughout the length and breadth of the Province, a true journey man who taught us to do sustainable tourism, locally.

He wisely chose our beautiful province and our nature reserves in particular to relax, regroup and plan what was probably the most important and historic plan ever to be set in motion.

Even Madiba knew that the Place of the Rising Sun is the tourism destination of choice for both leisure and business tourism.

Honourable Speaker,

The tourism industry is South Africa's engine of economic growth, and is one of the largest and fastest growing sectors worldwide.

To this end, we will continue to diversify tourism product offerings in order to position the province as a Meetings, Incentives, Conferences/Conventions, Events/Exhibitions (MICE) destination of choice thereby stimulating leisure tourism.

According to the International Conferences and Conventions Association (ICCA) 2017 survey, 56% of MICE delegates prefer hotel facilities, 23% favour conventional venues such as ICC's whilst 21% are inclined to use any other locations.

Kruger National Park is ranked 13<sup>th</sup> in Africa in respect of Association meetings held in 2017 which resulted in a direct economic impact of R 16.3 million.

There is no reason for Mpumalanga not to double this number with focus on the accessibility of our attractions which includes infrastructure upgrades.

In the current financial year we will embark on an ambassadorial programme working with different stakeholders to champion the promotion of Mpumalanga as a MICE destination.

In short, Honourable Speaker, this calls upon all of us to appreciate the symbiotic relationship between MICE and leisure tourism, which will be led by the Mpumalanga Convention Bureau.

To this end, we will continue to diversify tourism product offerings, support the introduction of new tourism products and refurbish infrastructure in our reserves to take advantage of the positive developments in the sector.

Honourable Members,

The Gert Sibande district has the kind of rich history that can make it a niche tourism product, particularly in the Struggle for Liberation amongst others.

In an endeavour to fully exploit tourism potential, we will assist the municipalities in the district to elevate the liberation giants of our struggle such as Dr Pixley Ka Isaka Seme, Gert Sibande, Saul Mkhize and Mahatma Ghandi who lived and worked in this region.

In the current financial year, we will engage all the relevant stakeholders on a programme to restore and preserve Mahatma Ghandi's prison cell in Volksrust and all memorabilia to ensure ease of access for tourism purposes.



As a rainbow nation, we also have a history of the Voortrekkers and the Anglo Boer war that needs to be exploited as a tourist draw card for the region.

Honourable Speaker,

MTPA will assist the municipalities to package and market integrated tourism products of the region, starting with Dr Pixley Ka Isaka Seme, Lekwa and Govan Mbeki municipalities during this financial year.

In Nkangala, the focus will be on mining, culture and heritage as the anchor of tourism promotion in the region which includes mapping of the second phase of the liberation route for tourist consumption.

We have an international icon Dr Esther Mahlangu who is revered all over the world, and the MTPA working with the Department of Culture, Sports and Recreation, Dr JS Moroka Local Municipality, her foundation and others will ensure that Dr Mahlangu is recognised for the tremendous contribution she has made to arts and culture in the province and the country.

We have collectively committed to helping her realise her dream of building a school to further her work of preserving and promoting the Ndebele culture and tradition.

Honourable Speaker

We take note of and commit to do everything possible to address the infrastructure conditions of our tourism access roads in the province.

Our focus in the coming period is to revive all tourism structures such as Regional Tourism Organisations (RTO's) and Local Tourism Organisations (LTO's) in our quest to foster unity of purpose between ourselves as government and the private sector including our traditional leaders.

The Department will also convene a Tourism Summit during August this year to map a joint industry programme to restore the province as a premier tourism destination in the country.

To ensure the safety of tourists in our strategic areas, the MTPA has been appointed as the implementing agent for a pilot project by the National Department of Tourism who have provided Twenty Million Rand (R20 million) for recruitment, training on safety and tourism as well as exit opportunities for placement of 250 Tourism Safety monitors this year.

This number will augment the existing capacity of tourism safety monitors currently administered by the Department of Community Safety, Security and Liaison.

Honourable Speaker

I am pleased to announce that the study to rejuvenate tourism at both Pilgrim's Rest and Emgwenya formerly known as Waterval Boven have been concluded.

We are currently weighing the various options available to us to take these projects forward as suggested by the studies.

The Public Private Partnership (PPP) regulatory processes on the Cable car and Skywalk projects have been approved by National Treasury which paves the way for the advertisement of Request for Proposals (RFP).

We anticipate conclusion of this procurement process in the second quarter of 2018/19.

We are also working towards the conclusion of the commercialisation of Zithabiseni Resort during the second quarter of the current financial year.

With regard to the declaration of Barberton Makhonjwa Mountains as a World Heritage Site, we can report that it has been tentatively listed by UNESCO pending the decision in July 2018.

With regard to the improvement of infrastructure conditions in the reserves, we have completed tourist accommodation upgrades in the Manyeleti; Andover, and Loskop Nature Reserves.

New tourism attraction facilities in Manyeleti such as a Caravan Park Site equipped with 20 parking bays and a Day Visitor Centre with two swimming pools, braai areas, tuck-shops and a soccer field have also been developed and will officially be opened later this year.

## **REGULATION OF GAMBLING AND LIQUOR INDUSTRIES**

Honourable Speaker,

The department has a twin responsibility of enabling economic growth and regulating industries in the interest of society.

While society expects us to help grow the economy, and the industry continues to find new ways of drawing clients to their establishments, it is equally important that effective regulations are in place to prevent business practices that will undesirably impact the communities.

To this end, the newly established Mpumalanga Economic Regulator (MER) will conduct a study on the socio-economic impact of liquor trade and consumption in the Province. This study will assist us to formulate a targeted strategy to deal with the effects of liquor within our communities.

### *Consumer Protection Services*

The Department continues to receive a high volume of complaints from consumers who are aggrieved about goods and services received from suppliers and shops amongst others.

During the period under review, the department recorded One Thousand four hundred and Nineteen (1419) consumer complaints and resolved One Thousand

Four Hundred and One (1401) consumer cases, and recouped R5.9 million on behalf of the consumers.

As a caring government we will continue to be on the side of the consumers by shielding them from unscrupulous business practices.

## **GOVERNANCE**

Honourable Speaker,

Strengthening the leadership of the public entities and enhancing human capital of all institutions is important for sustenance of all economic development programmes.

I am pleased to announce that both our entities, MEGA and MER, have completed their organisational realignment and the process of building better and capable state owned entities is gaining momentum.

We have also constituted the Broad Based Black Economic Empowerment Advisory Council with passionate and competent professionals to enhance our capacity and to encourage and, as a last resort, enforce adherence to empowerment prescripts in the Province.

I am pleased to announce that we have appointed MER Board with effect from April 2018.

During the course of this year, we will conclude the process of filling the vacancies in some of the Boards of the entities and appoint new members of the Consumer Courts.

I would like to thank the outgoing members of the Consumer Courts for availing themselves to serve the people of Mpumalanga.

Honourable Speaker, we will continue to implement the commitments made in this August house by enhancing governance, enabling effective coordination of our efforts, and institutionalising accountability processes on key service delivery mandates at both the department and the state owned entities level.

## **BUDGET ALLOCATION (PER PROGRAMME): 2018-2019**

Honourable Speaker,

The total amount proposed to be appropriated to Vote 6: Department of Economic Development and Tourism, for the 2018/2019 financial year is 1 billion, 198 million and 58 thousand Rand, and is allocated to the six programmes as follows:

Programme 1 (Administration) is allocated 99 million, 406 thousand Rand in order to enable effective operational support to the programmes of the department and public entities.

Programme 2 (Integrated Economic Development) will receive 558 million, 986 thousand Rand. Included in this allocation, is an amount of 173 million, 957 thousand Rand to fund MEGA.

Programme 3 (Trade and Sector Development) will get 25 million, 45 thousand Rand to create an enabling environment for productive sectors of our provincial economy.

Programme 4 (Business Regulation and Governance) will receive 115 million, 210 thousand Rand. Included in this allocation, is 96 million, 310 thousand Rand to fund the programmes of MER.

Programme 5 (Economic Planning) is allocated 20 million, 16 thousand Rand to undertake various research studies to close data gaps in line with our mandate of being the principal economic thought leader in the Province amongst other priorities.

Programme 6 (Tourism) will receive 379 million, 395 thousand Rand. Included in this allocation, is 366 million, 433 thousand Rand to fund the MTPA.

Honourable Speaker,

Out of the total amount allocated to Vote 6, 636 million, 700 thousand Rand will be transferred to the three (3) Public Entities reporting to the Department.

The transfers to Public Entities represent just over 53 per cent of the proposed budget of the Department.

I therefore request this August House to consider and approve the proposed budget to fund the requirements of Vote 6 in the financial year ending 31 March 2019.

## **CONCLUSION**

As I close, allow me to convey my gratitude to the African National Congress, the revolutionary movement that has entrusted us with the task of implementing the electoral mandate during the term of the current administration.

Many thanks Honourable Premier, Ms Refilwe Mtshweni for your encouraging leadership and for allowing us to drive economic development programmes in the interest of our people.

My appreciation goes to my colleagues in the Executive Council, the Chairperson and Members of the Portfolio Committee on the Premier's Office; Finance; Economic Development and Tourism for your continued support and guidance.

To the Acting Director General, Mr Mathews Mohlasedi, Acting Head of the Department, Mr Nathaniel Sebitso; Chairpersons and CEOs of our Public Entities, thank you very much for your hard work and commitment to the task at hand.

I also want to give a special thanks to the support staff in the Portfolio Committee on Premier's Office, Finance, Economic Development and Tourism for their valuable contribution.

To my family thank you very much for continuing to allow me to serve our people.

Together we move the economy of Mpumalanga forward.

I thank you

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**economic development  
& tourism**

MPUMALANGA PROVINCE  
REPUBLIC OF SOUTH AFRICA

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