

To: ALL MEDIA
ATT: News Editors

25 May 2023

BUDGET VOTE STATEMENT THE FOR GAUTENG DEPARTMENT OF ECONOMIC DEVELOPMENT

Members of the media, yesterday I tabled the 2023/24 Budget Vote for the department at the Gauteng Provincial Legislature on 23 May 2023.

The Gauteng Department of Economic Development (GDED) has been allocated an Aggregated Budget of R5,3 billion over the 2023 Medium Term Expenditure Framework (MTEF) budgeting cycle. The outer year budget allocation slightly increased by R7,1 million (0,4%) in 2024/25, while the 2025/26 allocation decreases by R261 million (6,3%). For the 2023/24 financial year, the budget amounts to R1,8 billion. The budget is costed and aligned to the 2023/24 Departmental Annual Performance Plan.

The Department and its Entities have created 23,628 jobs across the different sectors including jobs created in the creative sector. The Department was able to leverage off its targeted partnerships and raise around R1 billion in resources from a combination of the Small Medium and Micro Enterprise Fund that was established through a partnership with the Industrial Development Corporation (IDC), the Retail Partnership Fund and the Rebuilding Fund.

SMMEs play a major role in the economy by creating jobs and creating a vibrant economy. An SMME partnership programme valued at R400 million was formed between the Gauteng Enterprise Propeller (GEP) and the Industrial Development Corporation (IDC) to support SMMEs within the province.

The Department was also able to pass the Gauteng Township Economic Development Act (TEDA) on 24 March 2022. Since then, several strategic projects have been implemented which include Installation, Repairs and Maintenance (IRM) hubs, the Township Backyard Real Estate, and enhancement to the Taxi Economy.

TEDA is a game-changer since it has made these positive and transformative interventions:

- 3,000 stores have been refurbished under the Kasi Umnotho (KU) programme;
- 2 Distribution Centres (DC) have been established to date namely, 1 in Mamelodi and 1 in Thokoza;
- The Last Mile Project was launched on 18 November 2022 at Pilditch Stadium. To date, 530 jobs have been created under the project and 500 learners have been

allocated for Gauteng by TEDA and plus 2,000 drivers have been recruited to service the growing UberEats demand;

- 45 Loans have been approved to the tune of R50 million in Ekurhuleni, City of Johannesburg and Tshwane metropolitan for the Backroom Upgrade Project;
- Three (3) Taxi Economy Zones have been developed at the Mabopane Taxi Fuel Retail Hub, the Soshanguve Taxi Fuel Depo and at the Stinkwater/Eersterus Taxi Retail Hub.

In terms of progress-to-date for the implementing Agencies of the Department; the Gauteng Growth and Development Agency (GGDA) facilitated a total of R30 billion worth of investments during the 2022/23 financial year consisting of Foreign Direct Investments (FDI - R16.8 bn) and Domestic Direct Investments (DDI - R13.2 bn. The investments were from 42 investments collectively facilitating 7,776 jobs (both new and retained).

In response to meeting the target of R2 billion by implementing the Vaal SEZ pipeline, The Department through Vaal SEZ was able to secure investor commitments to the value of R4,6 billion. Two investment commitment letters have been received from:

- Mitochondria Energy (Pty) on green hydrogen innovation for R750 million at the start of the project with a total of R3,5 billion over 5 years;
- Bluedrop Energy valued at R1,1 billion, and
- Mark Capital / Aselson valued at R150 million.

Tshwane Automotive SEZ (TASEZ) - Phase 1 and 1A are now fully subscribed, successfully realising R3.4bn out of the R4.3bn which was committed. Phase 2 will see R1bn investment interest within the automotive and renewables industries.

In addition, Phase 1 of the O.R. Tambo SEZ (ORTIA SEZ) has advanced tremendously, with practical completion for eight additional tenants, to be realised at the end of May 2023. This milestone will realise the successful delivery of the Jewellery Manufacturing Precinct.

In conclusion, I reiterate that the GDED has the responsibility of creating an overall target of 69,050 jobs. Furthermore, the Department has committed itself on collecting an amount of R3,9 billion over the 2022 MTEF cycle. 94% of the revenue will be collected through Casino Taxes and 6% will be coming from Liquor Licences. Departmental Revenue Target for 2023/24 financial is R1,312 billion and R1,240 billion is for the Gauteng Gambling Board while R72 million is for the Gauteng Liquor Board.

As Premier Lesufi has underlined on several occasions, our priority is to transform Gauteng into an inclusive and competitive economy with a determined focus on townships, informal settlements and hostels (TISH) in the Gauteng City-Region (GCR).

Thank you.

For media enquiries, please contact: **Bongiwe Gambu: MEC's Spokesperson, Gauteng Department of Economic Development on 067 329 4269**

For more information, photos and videos of the department please visit:
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