

Keynote Address by the MEC, Parks Tau (MPL), at the Lesedi Local Municipality's Economic Development & Investment Summit

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Programme Director,
Executive Mayor of Lesedi Municipality, Cllr Mluleki Nkosi,
Executive Mayor of Sedibeng District, Cllr Lerato Maloka
Deputy Minister of the DTI, Fikile Majola
Leaders and Representatives from the Business Sector,
Leaders and Representatives from the Broader Civil Society of Lesedi,

Ladies and Gentlemen:

Dumelang! Good Morning.

As the Gauteng Provincial Government (GPG), we are sincerely honoured to partner and participate at the Lesedi Economic Development and Investment Summit.

The Executive Mayor requested me to share what the Gauteng Provincial Government is working on to develop the economies of Municipalities in Gauteng and to also briefly share the good news about the Gauteng Economic Development Act.

As you would appreciate, this is an apt and timely topic to deliberate upon at a time when our country is seized with these colliding structural challenges:

- fighting to entrench a post-Covid-19 health and economic recovery plan,
- rebuilding back better from civil unrest and climate catastrophe,
- dealing with the net effects from the Russia-Ukraine War and
- when economic exclusion, in our Republic, is a reality for more than 12-million citizens and especially for the young people.

To address decisively these colliding challenges, as the GPG led by Premier David Makhura, we are making headway in the implementation of aggressive infrastructure programmes. This is informed by the simple logic that infrastructure investment is a

catalyst and an enabling instrument to spur on inclusive economic growth and employment facilitation.

Ladies and Gentlemen,

What is being done at the GPG to forge an equitable industrialisation path and to unlock economic opportunities in the Gauteng City-Region (GCR)?

I will focus on two interlinked areas of the 10 High Growth Sector Programmes, and the Township Economic Development Act (TEDA). In so doing, the hope is that:

- firstly, other partners from the private sector will come on board to work with us to scale up GPG's public programmes, and
- secondly, we work collectively together to capacitate and empower largely the young people disadvantaged at the labour market, and
- thirdly, we work together to convert South Africa's demographic dividend into a tangible project of economic emancipation, for the many.

To create and forge an equitable industrialisation path, the GPG set up an Economic Acceleration WarRoom, functioning as a fusion centre to agglomerate programmatic interventions by government and its social partners. To realise this agglomeration of efforts, we have identified 10 high Growth Sectors and I will briefly update you on their focal points and their status.

We have identified a growth area in the construction sector, our installation-repair-maintenance (IRM) programme has a focal point of deployment of consolidated offtake system and financing pool for supply to government. In this sector, the GPG is speeding up government procurement processes to drive capital work in the GCR including through the use of state-run engineering procurement companies (EPCs) or contracted private sector equivalents.

We have made significant progress to generate online worker and digital jobs, such as Global Business Services/call center hub at Nasrec. We have entered into partnerships with Telkom and Vumatel for cloud zone / connected township deployment. There is movement to accelerate the Youth Employment Service (YES) placement pipeline into the GBS / online worker nodes.

In the energy sector, the focal point is on microgrid initiatives including an RFI to identify microgrid demand and supply pools. Fortunately, the GPG is in the process of activating a joint funding facility with the DBSA and the IDC.

We have identified network anchor hubs, for the creative industry in the GCR, and the YES programme has agreed to support 1-year placements into the hub network. As you know, the creative sector is still a relatively untapped market in our country for its limitless gig economy opportunities.

Master of Ceremonies,

The other High Growth sector we can report on as an instrument for engendering an equitable industrialisation path is industrial cannabis. Here the focal point is to deploy funding and capitalization mechanisms for cannabis / hemp cultivation, processing, and distribution. There is also an intention here for extensive enterprise and supplier development opportunity pathways which include and enables surrounding communities to be value-chain partners.

In connection to the transportation and logistics sector, we are deploying a 3rd party access framework for rail freight moving through Gauteng using the Gauteng-Eastern Cape High-Capacity rail corridor. There is notable progress too to establish a locomotive and wagon manufacturing and maintenance cluster building on gains in passenger train building capacity in the Eastern Region of Gauteng.

With regards to the food, beverages and agro-processing sector, there is notable positive movement to deploy an agglomeration platform for black producers and processors. We are also deploying the database of emerging farmers as a tool for consolidation of supply of farmed products into government value chains.

Programme Director,

As you would agree, more than 28 years after political emancipation, the lived ideal of economic liberation for the majority population, still proves elusive. As a result, this has a direct bearing on our projects to build meaningful social cohesion and national unity.

Therefore, unlocking economic opportunities through empowerment initiatives and driving the transformation agenda, has to be non-negotiable.

This is a reason the **Township Economic Development Act** is indeed a new deal for townships and informal settlements (T&IS). TEDA looks set to progressively redraw the economic geography of not only townships but the entire GCR.

In its very essence, it is enabling legislation and empowering policy instrument to bring economic opportunities to the many and vice versa. It is a binding legislation, for future Administrations, in addressing the apartheid spatial morphology to:

- set up better procurement rules,
- convert red tape into smart tape,
- provide tax incentives,
- deploy dedicated financing mechanisms,
- redraw the taxi economy into mini-CBD nodes,
- leverage the backyard township real estate into upgraded high streets

In our deliberations as the 6th Administration led by Premier Makhura, the ideological consistency in our policies and programmes is informed by these three fundamentals:

- to be meaningful and sustainable, transformation must prioritise meritocracy,
- reversing the inherited apartheid legacy is about mainstreaming those who were historically and economically disadvantaged, and
- as the GPG we are mindful of the necessity to prize life-long learning, upskilling, relearning in this third decade of the 21st century.

Transformation and meaningful empowerment make both social, political and economic sense.

Ladies and Gentlemen,

In conclusion, once again as the Gauteng Provincial Government we thank our social partners for co-hosting this seminal event focused on developing youth opportunities from industrial and economic policy initiatives. South Africa Incorporated is dependent on us prioritising, above all, finding meaningful projects to advance and implement working collectively as partners.

I thank you.