

**Response by the Gauteng MEC for Economic Development, Environment,
Agriculture and Rural Development, H.E. Parks Tau, at the 2022 State of the
Province Address**

21 February 2022

Madame Speaker,
Honourable Premier,
Chief Whips,
Members of the Executive Council,
Members of the Fourth Estate,
Distinguished Guests, and
Citizens and Communities of Gauteng:

Allow me to respond to the 2022 State of the Province (SoPA) and specifically highlight the programmatic examples that demonstrate that this 6th Administration is turning the corner to build on our democratic gains and deliver socioeconomic progress.

As the Premier underlined, we are on course in implementing the Growing Gauteng Together 2030 (GGT2030) plan of action. This plan of action is a practical blueprint to rebuild back better, to double the size of the Gauteng City-Region (GCR) economy and cut by half unemployment.

As the Departments of Economic Development and Agriculture (GDED/GDARD), we can identify practical and tangible outputs to demonstrate that the GGT2030 is delivering on its core mandates. The strategic instruments we are employing towards the GGT2030 implementation includes targetted social compacts.

Madam Speaker,

Through these impactful social compacts, we are creating opportunities in new industrial corridors anchored by Special Economic Zones (SEZs) like the northern auto manufacturing corridor, namely **TASEZ**, which is entering, this year, full operational status. Sizeable public investment, which is unlocking substantial private sector investment has gone into this SEZ. Moreover, I am informed that the TASEZ receives an average of 75% customer satisfaction rating by all investors within the park.

The Tshwane SEZ is a lodestar and becoming a benchmark since it will:

- Employ 2,000 people directly and 10,000 indirectly,

- Already R1-billion has been spent through the construction phase on SMMEs from the Mamelodi area, and
- And over 5,000 of 8,000 construction jobs have already been created.

Indeed, the 6th Administration is converting electoral promises into practical outputs.

The GDED efforts towards localisation have been crystalized through efforts to extend the broader SEZ programme to include the **Vaal SEZ** which has been already demarcated and investment of over R42-billion has already been secured.

We are creating economic opportunities along the **N12 Western corridor** anchored in agro-processing and green energy.

Practical tangible outputs are being realised in our partnership with Sibanye-Stillwater which is providing a land donation of over 5,000 hectares dedicated to solar farms, manufacturing of green buses, and an initial 1,000 hectares for plantation and processing of hemp.

Our **Township Economy Partnership Fund** is now live and over R500-million is being made available to small township-based businesses in all of the GGT2030's 10 high-growth sectors. The money that government is putting in makes sure that interest rates are low and that risks are taken on SMMEs that experience difficulties accessing funds via commercial banks.

It bears remembering that this Partnership Fund is an example of impactful social compacting where the GDED Family is working in partnership with the Industrial Development Corporation (IDC).

Ladies and Gentlemen,

Confidence in government is being built through impactful legislation. Allow me to direct society to the collective efforts made towards developing the **Township Economic Development Bill**. We were there during the public consultation led by our portfolio committee. Your voices are heard and will find expression in the final version, hopefully to be processed and finalized process within 6 months to 1 year.

As you would surely agree, this Bill is a game-changing legislation that will promote investment into the Township Enterprise Zones.

As the GDED and GDARD, we welcome the Minister's active support in assisting us to fulfill our electoral mandate to empower SMMEs broadly and township enterprises, in particular.

Madam Speaker,

We cannot create economic growth and ignore **Structural Transformation**. As a country we have a responsibility to transform society and create an economy that is inclusive and biased towards women and young people. Our task is to implement what the legislation expects us to do. In this regard, GDED and GDARD are hard at work in ensuring that 75% of its goods and services are procured locally.

Today, the Gauteng Provincial Government, under the leadership of Premier Makhura, has procured over R800-million of goods and services from townships.

Without a doubt we are improving on **BBBEE compliance** which will be extended, by the end of term, to the entire Gauteng Provincial Government.

Ladies and Gentlemen,

As part of the targeting of township enterprise zones, working with our tertiary institution partners, our target will be that 40% of all our procurement as the provincial government, comes from township enterprise zones.

As you would agree, the future of industry in the GCR, and indeed for the Republic, depends largely on **off-grid green energy**. In this regard, the GPG has already begun to focus on making this possible as seen in our manufacturing belts in Emfuleni and Ekurhuleni.

We will shortly be issuing a request for information for all companies interested in generating green electricity from micro-grids using the 100MW allowance for producing energy without a license.

Regarding converting the GCR into becoming an **agro-processing and cannabis mecca**. Gauteng currently has 11 approved medicinal cannabis licenses issued through South African Health Products Regulatory Association (SAHPRA) and 15 Hemp permit applications that are still been processed by Department of Agriculture, Land Reform and Rural Development (DALRRD).

We are also proud to say that all of the licensed 11 producers have offtake agreements, mainly with international off-takers. We are forging ahead in working with all the key role-players to enable growth of this critical industry.

A unit dedicated to address regulatory and licensing issues, attract investment & facilitate black participation (medicinal and industrial) has been established. A number of youth agripreneurs will be incubated as part of the cannabis skills development programme.

Additionally, a masterplan will be finalized by end of March 2022 while the Regulatory framework will be finalized during the 2022/23 financial year.

Ladies and Gentlemen,

As the Premier stated and underlined the importance of addressing **food insecurity** in the GRC, we have prioritised urban food production as a catalyst for food security. We have committed to an improved local food production through creation of solidarity economy for urban food systems and transformation.

This year alone we have created a black farmers database that enables black farmers to supply GPG Departments, mainly Health, Social Development as well as the South African Defence Force (SANDF). For us and the communities we serve, this is about ensuring that those disadvantaged find spaces to move up the commercial pyramid.

Before I conclude, allow me once again to repeat that the 6th Administration is converting electoral promises to practical outputs.

Implementation in action enables farming communities to access **7 existing agriparks** that are fully in operation. These parks have and continue to create both permanent jobs and temporary jobs.

In terms of increasing an improved participation of PDIs in the agri-food value chain, a total 235 farmers have been assisted with market linkage and through engagements with Fresh Produce Market Agents. Under the capacity building initiatives, 355 farmers and small scale agro processors have been trained to date in programs of food safety, Global GAP and HAACCP.

Madam Speaker,

Food, beverages, **agro-process and agribusiness** forms part of the GGT2030 high-growth sector. The reliance of this sector during the recent Covid-19 health and economic pandemic period has demonstrated that partnership do work.

Through our strategic partnership we are on the path of:

- **Reducing food security by 10% from the current baseline of 16%** through the implementation of community-based food gardens, smallholder farmers and agricultural cooperatives through a District Deliver Model.
- **Mainstreaming climate change into Gauteng policies and implementing plans** to transition the GCR's development trajectory into low carbon, efficient, climate resilient and a pro-employment growth path.

Madam Speaker,

In conclusion, without a doubt the 6th Administration capably led by Premier Makhura, is delivering on its electoral mandate to convert electoral promises into practical outputs.

This Administration is leading-in-action by providing meaningful and measurable social compacting to deliver decisively on the GGT2030 plan of action through partnerships with industry players like SASOL, Ford Motor Corporation, PPGI, IDC, Universities and TVET Colleges, Toyota Motors South Africa, the DBSA and Sibanye-Stillwater.

I thank you.