

# Presentation by the MEC, Hon. Parks Tau, of the 2020/2021 Annual Report for the Gauteng Department of Economic Development

31 August 2021

## Salutations

Honourable Speaker of the Legislature,  
Honourable Premier of Gauteng,  
Honourable Members of the Executive Council,  
Honourable Members of the Gauteng Legislature,  
Citizens and Communities of the Province,  
Members of the Fourth Estate, and  
Ladies and Gentlemen:

## Introduction

As we close out Women's Month and work towards meaningfully making every day a Woman's Day, allow me to present the 2020/2021 Annual Report for the Gauteng Department of Economic Development (hereafter, GDED).

Unlike in previous years, the Department has had to execute its expanding mandate in an extraordinary context presented by the Covid-19 global health and economic pandemic. The cumulative result is that, for instance, we have to implement our programmes in a less favourable economic climate.

In the macro-economic landscape, we have had to factor in the growing numbers of unemployed young people and women disproportionately affected by Covid-19 and the recent July unrest. This is seriously concerning since the Province is predominantly comprised of eager young people hungering for educational and economic opportunities instead of state welfare.

Fortunately, the GDED and its Public Agencies remain steadfast and committed to implementing their mandate as spelled out in the revised Annual Performance Plan (APP) and reliant on its alliance with the Growing Gauteng Together (GGT 2030) and the Economic Reconstruction and Recovery Plan (ERRP).

Madame Speaker,

### **Highlights of the Past Financial Year**

Let me now identify a few highlights from the previous financial year. Without a doubt, the colliding health and economic pandemics caused by Covid19, materially impacted the capacity of the GDED Family. As measured against its planned targets, the GDED managed an achievement of 67%.

Specifically, financial statements were fairly presented by the Department and its Public Agencies. Payment of suppliers within 30 days was at 100%. Moving forward, we aim to reduce this to target payment to suppliers within 15 days. Our overall expenditure against budget was at 97% in the year under review.

The Department verified their BBBEE status together with its three implementing Agencies. This resulted in the national BBBEE commission recognising the Department and awarding it a trophy for being a trailblazer in the country on BBBEE verification.

Ladies and Gentlemen,

The Township Economy Development Bill has been pre-certified and routed to the Legislature for enactment.

The department has successfully developed an implementation plan for the GPG Local Content and Production Framework. The importance of this framework is that it will guide the province on local manufacturing using local inputs and GPG entities in procuring locally-manufactured goods and services. Inarguably, this should sizeably benefit those who were previously disadvantaged in line with the B-BBEE policy.

You will be pleased to know that the National Stokvel Association and the Young Women in Business Network were granted licenses to operate as a Corporate Financial Institution (CFI).

As you would agree, these development auger well for the growth and stability of the sector in the light of financial challenges that Gauteng citizens and communities are experiencing.

What is more, strategic engagements were held with stakeholders in the 10 high-growth sectors, with an emphasis on the transversal role of linking investment facilitation with value-chain transformation and SMME empowerment through active enterprise and supplier development.

Since the Department believes in linking policy pronouncements to evidence-based science, work is underway to examine the associated impact of Covid-19 on Gauteng Tourism. Preliminary recommendations and improvement plans are being shared with Gauteng Tourism Authority (GTA).

Madame Speaker, .

Of the R5.5 billion worth of investments facilitated by the GGDA, investments by South African based entities accounted for R2.6 billion or 47%. Of the foreign investments, the USA accounted for 79%, investment from BRICS member countries accounted for R199 million or 7% of total foreign investment facilitated.

Given the structural challenges mentioned in our introduction, the GDED remains committed to advancing relevant and enhanced skills development and training. Towards this goal, the Automotive Industry Development Centre (AIDC) Supplier Efficiency Programme managed to assist the 24 companies contracted to its interventions to realize an average of 46% improvement in their productive capacities.

In line with the Gauteng province's objectives, the overarching objective of the B-BBEE Supplier Facility is to create decent jobs by creating self-sustainable new business incubations in the automotive sector. The 14 companies incubated at the Nissan and Ford plants managed to generate revenues in excess of R48 million and retained 253 people in their employ.

The Innovation Hub (TIH) has 578 companies, of which 275 are located in the various eKasi labs, in its various incubation programmes including the BioPark, Maxum and Climate Innovation Centre.

Madame Speaker,

What are the highlights of SMMEs and Co-operatives support?

Some of the work that has been done includes;

The start-up Community Fund (CF) and the Co-operative Assistance Programme (CAP) which provide business development and investment-readiness support to township SMMEs and Co-operatives have benefited over 3,000 small businesses in the 2019/20 financial period.

The entity provided non-financial support to nearly 2,058 SMMEs against an annual target of 2,000 for the year, comprising of skills development, marketing tools, equipment and the formalisation of small township businesses.

The Gauteng Enterprise Propeller (GEP) supported about 74 small-scale township manufacturers during the year to produce goods for local consumers. Of course, given the shaky performance of this sector and increasing economic uncertainty brought by Covid19, support provided to manufacturers will be up-scaled in the 2021/22 financial year.

What is notable also is that 200 small enterprises in the West Rand and Sedibeng Regions were supported through business development support interventions

Through its Youth Accelerator Programme, GEP provided job placement opportunities to about 240 unemployed young people across the Gauteng City Region in support of the Provincial Tshepo 1 Million programme.

Madame Speaker,

On the matter of the Auditor-General's 2020/2021 Report, the Department received an Unqualified Audit Opinion. Material misstatements were not identified in the financial statements during the audit. In terms of the predetermined objectives (Performance Information), the AG did not raise any material findings on the usefulness and reliability of the reported performance information.

The AG's report also notes the internal control deficiencies relating to oversight and monitoring controls on compliance with key laws and regulations.

Conclusion