

**OPENING ADDRESS BY GAUTENG PREMIER, MR DAVID
MAKHURA AT THE GAUTENG CITY REGION ECONOMIC INDABA.
CEDARWOODS CONFERENCE CENTRE. JOHANNESBURG.**

8 JUNE 2016

Programme Director, MEC Lebogang Maile;
The Minister of Finance, Minister Pravin Gordhan;
Members of the Executive Council and Executive Mayors;
Leaders of Business, Labour and Civil Society;
The Statistician General, Mr Pali Lehohla and your team;
Senior Government Officials;
Ambassadors and High Commissioners;
Members of the Media and Academia;
Ladies and gentlemen:

Let me begin by welcoming you all to the Gauteng City Region Economic Indaba. On behalf of the Team Gauteng, I thank you sincerely for gracing us with your esteemed presence, which is in itself a demonstration of an enduring and transformative partnership towards a sustainable, transformative and more inclusive economy.

I particularly extend a word of warm welcome to Minister Pravin Gordhan and the team of Business and Labour leaders who have been crisscrossing the globe putting a strong case on behalf of our country. Later this morning, we will get feedback from them about their work. Some of the members of this team have just arrived back in our country this morning.

In the afternoon, the Economic Indaba will be addressed by Deputy President Cyril Ramaphosa, who will give further insights into the work of our national government in pushing forward the implementation of the national Development Plan, Vision 2030.

In the evening, we will host a gala dinner which will be addressed by Dr Nkosazana Dlamini Zuma, Chairperson of the African Union Commission, who will talk about the African Union's Agenda 2063 and the intra-Africa trade and investment opportunities. It is important to situate our local efforts in the wider context of driving Africa's structural transformation and a common quest for sustainable development and prosperity.

In the course of this Indaba, we will be addressed by several speakers who will share their views and demonstrate practical steps that can be taken to create employment and empower key sectors of our population such as the youth, women and township entrepreneurs.

Ladies and gentlemen, I want to assure you that the Gauteng Economic Indaba will not be a meaningless talk-shop. We have very important decisions to make about how to move our provincial economy on to a growth path that is sustainable, inclusive and transformative.

There is no time waste. Every sector of society should understand the danger of inaction or procrastination as well as the folly of quarrelling while Rome is burning. Little fights are for little people. Every sphere of

government can and must take steps to safeguard our common national interest by re-igniting a sustainable and more inclusive growth.

We have convened this Indaba, under the theme; “**A PARTNERSHIP FOR A SUSTAINABLE AND INCLUSIVE ECONOMY.**” In many ways this theme is reflective of how we work as this administration.

We value partnerships! We believe that our successes, over the past two years and in the remaining period of our administration will depend largely on us creating transformative and enduring partnerships with business, labour and civil society.

Without a partnership for a shared prosperity, we will all perish at the altar of a deeply polarized national discourse and a failing economy.

As the leadership of Gauteng province, we have convened this Economic Indaba to place before the stakeholders a set of proposals on how we can unlock, jump-start and re-ignite a sustainable and inclusive growth trajectory for key sectors of our provincial economy. We are here to consult on the new Economic Development Plan for the entire Gauteng City Region to give effect to the vision outlined in the National Development Plan and our Ten Pillar Programme, to radically transform, modernize and reindustrialise Gauteng.

Over the past two years, we have been working with credible teams of researchers and economists to look at ways in which we can transform, modernise and re-industrialise the Gauteng economy so that it can grow in a sustainable and inclusive manner that create massive employment

and empowerment opportunities in order to lift millions of our people out of poverty.

The Draft Gauteng Economic Plan we are presenting today is a product of extensive research and engagement with key economic stakeholders, including business, labour, state owned enterprises and the academia aimed at developing consensus.

Addressing the World Economic Forum in Davos in 1999, President Nelson Mandela had the following to say:

“What has stood out in all our interactions with you is your profound goodwill towards South Africa. I doubt if you know how much this means to us. To ensure that a better life for all our people is a complex and difficult task. Your support strengthens our efforts and inspires us...we should lay the scourge of racism to rest. This requires strong democratic institutions and a culture of compassion. None of this is not possible without a strong economy.”

Over the past two years we have interacted with many business chambers and business leaders to understand what their key concerns and views are on how to move the Gauteng economy forward.

As the Premier of Gauteng, I feel there is a tremendous sense of good will towards Gauteng provincial government and municipalities. Many of you want to work with us to ensure that our province succeeds in building strong democratic institutions and a culture of compassion, all

these buttressed by a growing, inclusive and sustainable economy which guarantees a decent standard of living for all our citizens.

We all have interest in ensuring that Gauteng province is a well-governed province which upholds high standards of integrity, transparency in pursuit of responsive and clean government.

Ntirhisano Rapid Response system and community engagement programme is helping us to fast-track service delivery and unblock delays in the completion of infrastructure development projects.

Our open tender system has earned respect from national and provincial government across the country. We are beginning to prevent fraud and tackle corruption proactively by institutionalizing and promoting a culture of integrity in decision-making, especially in the procurement of goods and services.

In order to enhance our competitiveness, we have been taking steps to cut red tape and reduce the cost of doing business across the Gauteng City Region.

The Gauteng Investment Centre is playing a key role in facilitating investment and reducing the burden of compliance.

Over the past year, we have already reduced the time for the approval of Environmental Impact Assessments (EIAs) from 18-24 months to three months. We are also pushing to ensure that all service providers who

do business with our government get paid within 15 Days, against the national standard of 30 days.

I am glad to report that I have appointed a team led by MEC Paul Mashatile whose single mission is to cut red tape and improve the ease of doing business in Gauteng.

Programme Director, Gauteng remains the economic and industrial hub of our country and SADC region. We contribute more than one third to SA's GDP and up to 10% to the GDP of Africa. Gauteng is the heartbeat of all majors of SA's economy.

We have the highest concentration of educational, science, technology, innovation, research and development institutions – which gives greater competitiveness with regard to innovation and availability of talent. Our province is South Africa's financial, technological and logistics nerve center.

Our cities are the key drivers of the national economy – Joburg (15%), Tshwane (9%) and Ekurhuleni (7%) of national GDP. In essence Gauteng cities can play an important role in contributing towards growing a sustainable and inclusive economy of the Gauteng City Region, South Africa, the SADC region and the rest of the continent.

Further our cities and in particular Gauteng Metros to continue to account for highest share of employment. These are well run municipalities that have received national and international recognition on a number of performance indices such as broadband connectivity,

sustainability and green agenda as well as credit ratings. We know that Joburg and Ekurhuleni have recently received upgrades from Moody's and Fitch.

We are now also home to 24% of South Africa's population. Our cities are by far magnets for all those in search of better economic opportunities. Gauteng has the highest percentage of international immigrants with 52% of international migrants and 41,7 % of internal migrants choosing to settle in our cities.

We are also pleased that we have been making significant strides in other areas, this includes the implementation of the, Township Economy Revitalisation Strategy, which has seen a significant shift in public spending towards township enterprises from 4.5% (R604m) in 14/15 to 12.4% (R2.5bn) in 15/16.

This is our contribution towards transforming townships into centres of production and ensuring that township enterprises become part of the mainstream economy. We need genuine partnerships with big and medium sized established businesses to revitalize and grow township businesses.

Interventions to effect structural transformation of our economy

- Changing the racialised ownership patterns to bring black people into the economic mainstream and creating black industrialists;
- Changing the current industrial structure of our economy to privilege manufacturing and industrialisation through the

processing of rich mineral resources and other raw materials locally;

- The development of new modern, innovation-driven industries in the areas of high-tech, biotechnology, the green economy and blue economy;
- Investing in skills development to change the skills profile of the citizenry in line with the new strategic sectors and modern industries and breaking the cycle of youth unemployment;
- Changing income distribution to ensure equity and decent living standards for all;
- Transforming the apartheid spatial economy and human settlement patterns to integrate economic opportunities, transport corridors and human settlements;
- Growing the SMME sector as a key driver of growth and revitalising and mainstreaming the township economy;
- Strengthening the capacity of the state to direct economic development and enhance the competitiveness of strategic economic sectors;
- Ensuring significant investment in economic infrastructure as the key stimulator of growth and investment;
- Building transformative partnerships between the private and public sector in addressing the developmental challenges outlined in the National Development Plan Vision 2030.

Programme Director, we are also meeting here today in the month in which we mark the 40th anniversary of the Soweto Youth uprising. As a youthful province, uppermost in our minds as we mark this important anniversary, is to answer the question: what is it that we can do more to

skill our young people and upscale our initiatives to create opportunities for them to participate meaningfully in the economy of Gauteng.

In order to meet the NDP target of 11 million jobs by 2030, the Gauteng economy must create 5 million jobs over the next fourteen years. This means we have to double the size of the number of people employed in our provincial economy to at least 10 million people.

How are we going to achieve this feat? The Draft Economic Development Plan that we will table at this Indaba identifies priority sectors that must drive our agenda for employment creation and broad-based economic empowerment of the previously disadvantaged groups.

We have also identified new economic nodes in the five development corridors of our City Region that have distinct industries and comparative advantages, wherein we must invest in infrastructure that will stimulate particular types of industries that have huge potential for employment and empowerment.

- City of Joburg is the Central Development Corridor. It is the hub of finance, services, ICT and pharmaceutical industries, with significant presence of the blue economy.
- City of Ekurhuleni is the Eastern Development Corridor. It is the manufacturing, logistics and transport hub. It hosts Africa's busiest airport, OR Tambo International Airport and the main hub of Gauteng's Aerotropolis.
- City of Tshwane is the Northern Development Corridor. It is our nation's administrative capital and the hub of the automotive

sector, research, development, innovation and the knowledge-based economy.

- West Rand District is the Western Development Corridor which was primarily a mining economy which has experienced serious decline. A new diverse economy will be created around tourism (Maropeng World Heritage Site), agriculture and agro-processing; Lanseria Airport City and renewable energy industries.
- Sedibeng District is the Southern Development Corridor of the GCR whose economy centred around the steel industry, which has experienced serious decline. A new economy will be anchored on the Vaal River City's entertainment and tourism potential, logistics, agro-processing and urban agriculture.

It is for this reason, that the key question that must be answered by this Economic Indaba is: what can we in Gauteng do to re-ignite the type of growth that is inclusive, sustainable, transformative and competitive?

In other words, we have a **responsibility** to re-ignite and set pace for the kind of national growth that frees us from the scourge of racism and takes us nearer to the dream of the founders of our democratic Constitution.

This Economic Indaba necessarily is about finding answers to these questions. We will leave this venue with a clear way forward on how we break the cycle of weak economic performance.

This Indaba speaks of our ongoing commitment to forming and strengthening transformative partnerships across the board toward the goals of ensuring that our economy works for all the people of Gauteng.

We have prioritized the need to pay meticulous attention to infrastructure development. The central role of infrastructure in boosting sustainable economic development and growth has been confirmed through a study by the World Bank which concluded that a 10% increase in infrastructure spending results in an additional 1% GDP growth.

Infrastructure development, therefore, is one of the central pillars of focus of our new economic plan, because we too have come to a conclusion that infrastructure is a critical driver of economic growth. We have recently adopted a 15-year Gauteng Infrastructure Master Plan which we will also unveil today, together with the Draft Economic Development Plan.

We estimate that in the next 15 years we will need an additional investment of more than R1,3 trillion to invest social and economic infrastructure. Specifically we will be investing in energy, water, broadband connectivity, public transport and building new mega human settlements and post-apartheid cities.

We are pleased to announce that, working with the private sector, we are making significant progress in strengthening infrastructure investment in the key areas we have identified.

In essence our infrastructure vision is to ensure an inclusive and competitive GCR through equitable access, sustainability, connectivity, spatial justice and mobility which are all underpinned by good governance

Equally our Infrastructure Master Plan will be supported by aggressive interventions to cut red tape and reduce the cost of doing business in the Gauteng City Region.

To date we have introduced the Gauteng Investment Centre which is our one stop service center for those who wish to invest in our province. In addition we have now been able to reduce the approvals of the EIAs to 90 days, from 18 to 24 months previously.

Programme Director, ultimately our goal to create a Gauteng City Region that has a seamlessly integrated, economically inclusive, globally competitive diverse and dynamic sectors that contribute to employment and empowerment; with good cross-cutting infrastructure; smart regulations, innovation, skilled, healthy and talented workforce; a Gauteng City Region that is a strong platform deepening Africa's industrialisation and economic integration through services, manufacturing, infrastructure development and trade.

We view this Indaba as a platform to consolidate and enhance our partnerships between across the board to achieve the kind of Gauteng City Region, we envisage.

With the inputs from different sectors we are hopefully that we will emerge out of this Indaba with an Economic Development Plan for our entire City Region that is embraced and supported by all sectors and spheres of government.

Equally this plan must assist to deal decisively with the persistent challenges of poverty, unemployment and inequality while striving to achieve an integrated City Region vision and the goals of the National Development Plan, Vision 2030.

It is for this reason that from the onset we will focus in detail on the South African economy, receiving contributions from labour, business and experts.

We will also focus on how we can contribute decisively to the re-industrialization of SADC and the continent - our aim being to participate effectively role in the major and significant value and supply chains within SADC.

It is for this reason that we have invited the AU Chairperson to give us a sense of what is happening on the continent and in particular with regards to improvement and strengthening of intra-trade trade.

In Gauteng we remain committed to strengthening intra-Africa Trade. It is a painful reality of our time that as Africans we are not trading as much as we should among ourselves. As Africans we also need to invest in our continent. Africa offers us enormous opportunities and benefits.

Accordingly, we must to identify barriers to increased trade and ensure that we realize our goals of free trade within regions and the rest of the continent.

We will also spend time drilling down on each and every sector in particular those that we are privileging with the view to understanding fully their unique roles in igniting and sustaining the growth of our economy.

The aim is to ensure that we develop better policy interventions and mechanisms so that these sectors and their industries can contribute higher economic growth and job creation.

From this Indaba, we will launch our programme of firm visits where as part of our active industrial policy we will visit key firms within the GCR economy with a view to working with them to address their specific programmes. We are no longer going to be sitting in our offices and try and figure out what kind of interventions is needed at the level of firms. This we will do because we want our interventions to be in direct response to what the forms need.

We hope to meet with many of you, who are running businesses as we implement this programme.

Together, let us take action to build the type of industries and enterprises that truly represent the dreams of a South Africa and Africa we want.

Let us build genuine partnership and restore trust between government, business and labour. We need partnerships on infrastructure development, skills development and youth employment, women empowerment as well as the revitalisation of the Township Economy. Some good examples of these transformative partnerships are beginning to take shape.

For these partnerships to make an impact, we need to increase the scale and reach of these partnerships to reach at least one million young people and empower a much larger number women-owned businesses and township enterprises.

Our economy is in trouble. Our society is on its tenterhooks. Unemployed young people are running out of patience. Black people who left of the mainstream of the economy cannot take it any longer.

We in Gauteng are ready to lead by solving all those problems that are within our power and jurisdiction to solve.

Thank you.