

WELCOME ADDRESS BY GAUTENG PREMIER DAVID MAKHURA ON THE OCCASION OF THE ERNST & YOUNG, STRATEGIC GROWTH FORUM AFRICA 2015. SANDTON CITY, JOHANNESBURG.

3 November 2015

Director of the Programme, Mr Andile Khumalo;

Minister of Small Business Development, Hon. Lindiwe Zulu;

CEO of Ernst & Young Africa, Mr Ajen Sita;

Senior partners and executive management of Ernst & Young;

Public sector leaders from across the African continent;

Distinguished Business Leaders;

Ladies and Gentlemen:

I would like to thank the organisers of the Ernest & Young (EY) Strategic Growth Forum Africa 2015 for inviting me to this year's conversation on Africa's growth prospects.

I am very glad to welcome you to Gauteng province, the Cradle of Humankind and the Gateway to Africa. Any conversation about the future of Africa will be incomplete and wholly inadequate without acknowledging that Africa is the origin of humanity. Africa's greatest gift to the world is the spirit of "Ubuntu, Botho, Humanity."

To underscore the point about Africa's unique role and place in humanity's history and the evolution of the Earth, former President Thabo Mbeki had the following to say when addressing the United Nations University in Japan in 2001:

"One will be bold to say that those of us interested in the history of the evolution of the Earth, have to look at the history of Africa. If we wish to examine the history and the genesis of life, that evidence points to the history of Africa.

And as it is now well established if we want to look closely into the history of the beginnings and evolution of humanity, that history is also in Africa.

Of course, all these have been corroborated by the rich and unique African fossil evidence. Indeed, nowhere on Earth is there a concentration of fossil records that reveal so much about the Earth, the evolution of life and of humanity, than those found on the vast expanse of the African landscape, especially in the south and east of the Continent."

Ladies and gentlemen, the recent discovery of Homo naledi fossils in Maropeng World Heritage reaffirms the incontrovertible historical fact about Africa's unique place in the origin of humanity, human culture and civilization. Any attempts to deny this history will continue to flounder in the face of massive scientific evidence.

Some of you may say: "So much about Africa's history, what about its future and destiny?" Others may be even more cynical about what Africa has to offer to the global economy and social progress, going into the future. Let's now turn our attention to Africa's future prospects and challenges we have to overcome to seize the opportunities present by this moment, Africa's moment.

Of course, the EY Strategic Growth Forum is about the future of Africa. It is for this reason that I have decided to take part in all future sessions of the forum in order to contribute to discourse on Africa's desired future and influence the "Africa Rising" narrative.

In particular this forum will strengthen on-going efforts to accelerate progress towards the development of our continent. It will help us tackle the dangerous stereotypes about our continent by creating a platform to tell a compelling story that Africa stands at the centre of global growth and economic development in the 21st century.

As Africans we are not far from a period that former President Thabo Mbeki foresaw when he said: *"No longer will we be an object of fascination for others, who would consider us strange and an estranged segment of humanity."*

Once more, Africa is the centre of gravity in terms of future prospects of the global economy. We have huge natural resources. We have a young population, energized and entrepreneurial, searching for opportunities. We have a billion consumers and hundreds of millions of producers trapped in the primary sectors of the economy. But this time round we will not allow our continent to be plundered by foreign powers at the expense of millions of Africans who yearn for social and economic progress. We need the kind of leaders that will act in the interest of the continent and its people.

We concur with the conclusion of the 2015 Ernst & Young Attractiveness Survey; Africa Making Choices that: *"Despite economic headwinds, the 'Africa rising' narrative remains intact and sustainable."*

A critical part of sustaining the "Africa Rising" narrative is the need for us as Africans to work together to build bridges that bring us closer as a people.

We also have a responsibility to work together to address our common challenges of poverty, unemployment, inequality and underdevelopment which are made worse by corruption and plunder of national resources.

Accordingly, we applaud the work done by African governments to promote and expand intra-Africa trade. This includes the implementation of the Tripartite Free Trade Agreement; an agreement between the Heads of State of 26 African countries to establish a free trade area. This initiative brings together three of Africa's major regional economic communities – the Southern Africa Development Community, the East African Community and the Common Market for Eastern and Southern Africa.

It will lead to a combined market of 600 million people, a market surpassed only by China and India, and an economic block with a total GDP of 1 trillion US Dollars. We look forward to the day when our dream of a Continental Free Trade Area, that covers our entire continent, becomes a reality.

I wish to take this opportunity to commend EY for the work you are doing in as far as investing in research and development so that we can better understand the progress and constraints to the development of our continent.

Most significantly, the work EY is doing will help us ensure that our articulation as well as our interventions to support and sustain the “Africa Rising” narrative are evidence based.

Ladies and gentlemen allow me now to present our contribution, as the Gauteng City Region to the “Africa Rising” narrative.

The fifth administration, that I have the pleasure to lead, was given a mandate by the people of Gauteng to pursue an agenda of radical socio-economic transformation. This mandate stems from an understanding that there is an urgent need to deepen and expand the gains of our freedom and democracy and build an inclusive economy.

In order to advance radical socio-economic transformation the Gauteng Provincial Government has adopted a ten-pillar programme to transform, modernise and re-industrialise the Gauteng City Region.

We believe that this programme offers the most comprehensive response to the structural problems facing our economy, including its monopoly structure and the exclusion of black people from the mainstream. The TMR is also the vehicle through which we will realise the vision of the Freedom Charter and the goals of the National Development Plan, Vision 2030.

Our vision is to turn Gauteng into a seamlessly integrated, economically inclusive, socially cohesive and globally competitive City Region; a leading economy in the continent with smart, innovation-driven, knowledge-based and ecologically sustainable industries; an activist, accountable, responsive and clean government and an active citizenry.

This vision of a future Gauteng is based on transforming our economy, our space, the state and the delivery of social services. It is also based on modernising the economy and infrastructure. Equally our vision is anchored on the need to industrialise and re-industrialise Gauteng and to take a lead in Africa’s new industrial revolution. In this regard, a responsive, accountable and clean government is an indispensable instrument to realise our dream.

Over the past sixteen months, we have been making tremendous progress in getting Gauteng to work. Due to the size of our economy, we know that if Gauteng works, the rest of our country will work.

As South Africa’s economic engine, contributing more than 35% to national GDP and Africa’s fifth largest economy, accounting for between 7 to 10% of Africa’s GDP, we are fully cognisant of the responsibility we carry to contribute to the economy of South Africa and that of our continent.

Currently more than 61% of our exports to the continent are destined to countries in the Southern African region, 11,7% to East Africa, 9,4% to West Africa and 11,2% to Central Africa. Our priority countries on the continent are Mozambique, Zambia, Tanzania, Angola, the Democratic Republic of Congo, Ghana, Ethiopia, Kenya and Nigeria. Our ultimate goal is to strengthen two-way trade between South Africa and major economies in Africa.

We in the Gauteng City Region are working hard to position ourselves as the Gateway to our continent. The core foundations of our Gateway proposition is that Gauteng, especially our Central Development Corridor in the City of Johannesburg, is already the hub of the finance, ICT, business and professional services industries.

We are intervening to strengthen this corridor's position as our financial, ICT and services hub. The investment in the ICT sector is also part of our ongoing effort to modernise the public service and stimulate the province's knowledge based-economy. We are pleased to announce that we have now established an e-Government department that will consolidate back-end systems, modernise our processes to deliver efficient, seamless front-line services to our people saving them time and money.

Yesterday we officially opened the Gauteng e-government and ICT Summit. The summit will be a platform to harness innovation and modernisation in the Gauteng City Region. We were also able to invite participants across the continent specifically Kenya to share experiences on how they are developing and growing the ICT sector. We are of the view that if we strengthen our collective effort in the continent we can improve communication and indeed the ease of doing business and trade between our countries.

In addition we are working hard to consolidate our Eastern Development Corridor, in Ekurhuleni, as the regional and continental hub of manufacturing and logistics - Africa's workshop of industries of the future.

We also believe we can leverage our relatively advanced financial, banking and business services, our logistics and transportation network as well as our telecommunications infrastructure to support Africa's new industrial revolution.

Through the Gauteng Investment Centre we continue to provide comprehensive support to companies seeking to locate in Gauteng but also intending to explore opportunities in the rest of the continent.

Thus far, through the Gauteng Investment Centre, we have, among others identified and facilitated seven infrastructure mega projects opportunities in various African countries for Gauteng based companies.

Furthermore, as part of advancing our strategic objective of taking a lead in Africa's new industrial revolution, we are forging new bilateral agreements between the Gauteng City Region and key economic centres of the continent in line with our Africa strategy.

I am pleased to report to this forum that later this month, I will have an opportunity to talk to all African Ambassadors under one roof about how Gauteng province seeks to enhance intra-Africa trade and contribute to Africa's industrialisation.

The Gauteng provincial government is strengthening its trade and investment promotion institutions such as the Gauteng Growth and Development Agency and Gauteng Tourism Authority in line with our programme for Transformation, Modernisation and Re-industrialisation.

The Premier's Office is also strengthening its capacity to coordinate and conduct international missions that are informed by our economic priorities focusing on Africa, BRICS countries and compatible economies in Europe, North and South America.

Programme Director, let me conclude by stating the obvious. Africa is a continent of vast opportunities. However, it is not obvious that these opportunities will be exploited by African entrepreneurs and businesspeople to the benefit of its one billion inhabitants. For Africa to rise in a sustainable and inclusive manner, we as Africans must lead the "Africa Rising" narrative and initiatives.

May this forum continue to inspire a vigorous discussion on how we, as Africans, can do more to unleash the full economic potential of one of the world's fastest growing regions: Africa.

Gauteng is open for business. We value transformative partnerships between the public and private sector.

God Bless Africa.

Thank you.