

**SPEECH DELIVERED ON BEHALF OF THE MEC FOR ECONOMIC DEVELOPMENT, ENVIRONMENT AND TOURISM, MR J.L (JABU) MAHLANGU, MPL DURING THE ANNUAL GENERAL MEETING OF FABCOS AT KLOPPENHEIM COUNTRY ESTATE, BELFAST, EMAKHAZENI LOCAL MUNICIPALITY.**

**Friday, 09 October 2009**

Chairperson of FABCOS Mpumalanga, Mr Sam Lebaea;  
CEO of FABCOS Distribution Network, Mr Phillip Usiba;  
Chief Operating Officer of FABCOS, Mr Allan Campbell;  
CEO of FABVest, Zukile Nomafu;  
Distinguished guests;  
Comrades and friends;  
Ladies and gentlemen

I am humbled and honoured this morning, to have been invited to come and address the 2009 Annual General Meeting of FABCOS; the agent of change and partner towards realising the economic empowerment of black people in this country, who were previously marginalised and barred from benefiting from the economy of their country of birth.

I am privileged ladies and gentlemen, for your invitation is a sign of confidence in us and that you value us as a partner for change. Indeed as government, we would not be able to single-handedly fulfil our mandates, without your assistance. We subscribe to the notion that **Working together** with agents of change like you, **we can do more** to ensure that the black nation share in the wealth of their country of birth. It is our collective responsibility, and we dare not fail in our quest to realise the development of black business in our country.

We are proud of your achievements since the inception of your organisation in 1988. Through your innovative supply chain synergy, where FABCOS members' companies act as suppliers, distributors and retailers to distribute consumer products throughout the country, a large number of black people have participated in the economic mainstream in the country. This has in turn resulted in the creation of black entrepreneurs of note. Indeed, you are "the pioneer of black economic independence."

Chairperson, as a representative of the Provincial Administration of Mpumalanga, I can assure you that we will leave no stone unturned, to ensure that all black people are economically empowered and benefit meaningfully in our economic activities. It is our responsibility more especially during the current recession, to ensure that we create a buffer for our people, especially the most vulnerable members within our communities. This happens as hundreds of families lose their income due to bread-winners losing their jobs. As you are aware, the country's economy has shed over 300 000 jobs since plunging into a recession. Economists believe that the economy could shed up to 700 000 jobs before it starts to recover next year. In Mpumalanga, more than 40 000 people have already lost their jobs as a result.

When tabling the State of the Province Address in June this year, Mpumalanga Premier, Mr David Mabuza said and I quote:

*"The critical challenge we face as a province, is to ensure that we work together with organised labour and business to support measures that will prevent job losses and mitigate the negative impact of the economic downturn on the poor and vulnerable people within our society."*

In order to respond to the challenge, we will host a two-day Economic Summit from 15-16 October 2009, next week, to come up with strategies to re-position the provincial economy towards sustainable recovery. We have invited people from different walks of life ranging from organised business, organised labour, development institutions and representatives from the civil society. We strongly believe the summit will result in positive and implementable strategies, which will provide a quicker relief for our people.

As the department mandated to facilitate economic growth within the province, we can report to you that we provided business development support to 16 657 SMMEs and also ensured that 284 SMMEs receive financial support during the 2008/2009 financial year. We will during the current financial year, focus mainly on implementing both the Provincial SMME and Cooperative strategies and further endeavour to mobilise support from stakeholders on the establishment of the Provincial SMME and Cooperative Support Agency. The agency's role will be to ensure that SMMEs receive financial support from financial institutions.

We commit to further facilitate the establishment of 30 new co-operatives and to provide support to 25 existing ones. Through our investment and growth agency, MEGA, we intend to fund up to 91 SMMEs in order to enhance BEE and women empowerment. As we indicated, our mandate is to **ensure sustainable livelihoods** hence we will dispose the Tekwane Citrus farm, Loopspruit Winery and Moloto Roses project to deserving and qualifying Agri-BEE beneficiaries within this financial year.

Chairperson, we will work tirelessly to uncover economic opportunities for our people, by pushing Broad Based Black Economic Empowerment. We will continue with the Moloto Corridor economic scoping exercise, which will provide detailed research outcomes on identified key industries along the corridor to identify priority sector interventions. This will enable our people to pursue the identified viable economic opportunities along the corridor. We have completed feasibility studies on the possible development of Industrial parks in the Steve Tshwete and Govan Mbeki Municipalities, and we are currently finalising a financing and investment model for the two proposed parks.

Chairperson, since mining is the second largest contributor to Mpumalanga's economy and the fifth largest employer, we have deemed it significant to commission a scan of the provincial mineral deposits. The scan, which is currently underway, seeks to highlight under-utilised opportunities. A detailed map of these will be made available to the public for scrutiny once completed. Proper measures will then be developed for small scale mining to take place in order to encourage BEE investment proposals. We also plan to facilitate for the development of the mining supplier park, which seeks to house commercial entities that supply goods and services to the mines, while offering opportunities for local partnerships and transformation. This will in turn, reduce the procurement spend outside the province.

Ladies and gentlemen, as you are aware, the Premier has instructed us create a new super entity to the known as the Mpumalanga Economic Development Agency through the merger of MEGA (Mpumalanga Economic Growth Agency), MADC (Mpumalanga Agricultural Development Corporation) and MHFC (Mpumalanga Housing Finance Company).

Our objective about this new entity, is “to utilise the asset base of the public entities to mobilise financial resources to fund the accelerated delivery of massive economic and social infrastructure” in the province. I can inform you that we are on course regarding the merger of the three (3) public entities, and we quite optimistic that the new “super” entity will be operational by the end of the financial year. Public comments have been received regarding the merger and creation of the new entity and they were all positive.

As I close, it is encouraging that institutions like FABCOS, continue to push our black economic empowerment agenda. Different agents of change working together on a common goal are sure to succeed and make a huge unforgettable impact.

**Working together, we can do more to ensure that black people share in the economy of our province and country.**

May I wish you fruitful discussions in your meeting, as you continue to pave the way for rigorous black economic empowerment.

*I thank you!*