

**SPEECH BY THE MEC FOR ECONOMIC DEVELOPMENT, ENVIRONMENT AND TOURISM, MR J.L (JABU) MAHLANGU, MPL, DURING THE AUSTRALIAN PRE-MATCH BUSINESS ROUND TABLE DISCUSSION AT MAYIBUYE CREATIVE AGENCY IN MBOMBELA (NELSPRUIT), MBOMBELA LOCAL MUNICIPALITY.**

**Wednesday, 23 June 2010**

Programme Director;

Her Excellency, the Australian High Commissioner to South Africa, Mrs Ann Harrap;

Mpumalanga NAFCOC President, Mr Sydney Kunene;

Acting CEO of MEGA, Mr Gijima Dladla;

Representatives from municipalities;

Representatives of organised business;

Business people in our midst;

Distinguished guests;

Members of the media;

Ladies and gentlemen;

*Good Afternoon!*

Your Excellency, I am honoured to welcome you and your delegation to our beautiful province, Mpumalanga. We promise you a memorable stay with us, which we hope will strengthen relations between us. Our province has an abundance of trade and investment opportunities, given the mining, manufacturing, tourism, agro-processing, to mention but a few sectors, which we are competitive on. We are therefore humbled by your visit to our province, and the opportunity you afforded us to interact with you and your delegation. We are fortunate to receive the second Australian delegation in a space of two months.

On the 14<sup>th</sup> of May this year, we had the privilege to interact with an Australian Business delegation from the State of Victoria, which was led by the President of the Australian Africa Business Council, Ms Di Fleming. This can only mean that the Australians recognise us as a valuable investment destination in South Africa. We can only hope that these continuous and fruitful interactions with yourselves, signals the beginning of lasting relations between our two countries, and in particular our province, which still requires foreign investment in order to deal with its developmental challenges.

Your Excellency, we are a rural province, with more than 1.7 million people out of a total provincial population of 3.6 million, living in poverty. The recent economic recession did not spare us, since we were also hard hit by job losses of up to 82 000 as at the end of the first quarter of this year, accounting for 17% of South Africa's job losses. This was mainly due to companies which succumbed as a result of the economic meltdown. As a result, our unemployment rate now stands at 29.3%, making us the second highest province in the country, in terms of unemployment by the end of the first quarter of 2010.

Our main priority during this current financial year and beyond, through our investment promotions agency, MEGA, is to promote and attract foreign trade and investment into the province. We need to replace or even re-attract, the companies which closed shop due to the economic recession, to ensure that all those who lost their jobs are re-employed, including more others. When we were re-elected and extended the contract with our people in the last general elections, we committed to **speed up growth, create more jobs, decent work and sustainable livelihood** for all our people, hence we will pull all stops to achieve this developmental goal. Government alone, cannot successfully fulfil this promise, hence we require your partnership in the form of investment in our province. We can assure you that our legislative and political environment offers a conducive climate for investment, particularly in our province, for the benefit of both your people and ours.

Ladies and gentlemen, the relations between our two countries can be traced back to the early part of the last century, and continues to grow substantially. Since 1994, these relations have strengthened in every sphere ranging from sport, education, science and economics. During 2009, South Africa's total trade with Australia was valued at R15.8 billion - with exports accounting for R6.6 billion and imports for R9.2 billion.

Amongst major exports from South Africa to Australia are:

- Vehicles, aircrafts and parts;
- Base metals and articles thereof;
- Machinery and mechanical appliances;
- Products of chemical industry; and
- Mineral products.

The imports from Australia to South Africa include amongst others:

- Products of chemical industry;
- Mineral products;
- Machinery and mechanical appliances;
- Base metals and articles thereof; and
- Animal products - essentially meat.

We have common economic-driving sectors, such as mining, energy, tourism and agro-processing. We are home to the richest coal fields in Southern Africa, with the Emalahleni coal fields being the biggest producers in Africa. Mpumalanga is the third largest coal exporter in the world, accounting for 30 per cent of the coal being exported. We produce the bulk of coal-generated electricity in the country. Mining activities in the province contributes about 28 per cent to Mpumalanga's GDP. We are the largest production region for forestry and agriculture - the second largest citrus producer in the country, and also accounting for one third of South Africa's citrus export.

Tourism remains a crucial sector in our province, making Mpumalanga the third most visited province in South Africa by international tourists. We are home to the world renowned Kruger National Park; we boast the Blyde River Canyon – the third largest canyon in the world; we are home to South Africa’s unique geological features found at Bourke’s Luck Potholes; and we also offer a unique opportunity to view the world through God’s Window, amongst others.

Our proximity to Mozambique and Swaziland makes us a crucial investment destination in the SADEC region, given that we also boast world class infrastructure required to propel the provincial and regional economies. We therefore believe that we can offer an abundance of investment opportunities to your country.

Your Excellency, of crucial importance when we consider possible investment opportunity areas, is investment in green energy. All countries of the world are currently experiencing the reality of global warming, which has resulted on rising temperatures and sea water levels; diseases and unpredictable weather patterns. This is a challenge that we must collectively address, for we owe it to future generations to preserve our world. There is no excuse for not taking corrective actions now - we cannot fail future generations.

We congratulate your country for having taken a serious stance to mitigate the effects of global warming, by establishing what you call the **‘Renewable Energy Future Fund’** last month, which is aimed at increasing the use of renewal energy by 20 per cent by 2020.

We are on the same track as a country, and government will soon approve the **National Green Economy Strategy**, which also seeks to combat the negative effects of climate change by focusing on the possible creation of green job opportunities across many sectors of the economy.

We are currently rolling out various energy efficiency campaigns, to encourage our people to convert to using green energy. The National Government is currently rolling out a nation-wide free solar water heating system targeting our poor people, who cannot afford electricity to heat water. However, the roll-out of this new technology still lags behind mainly due to high costs involved, hence we seek financial assistance from developed countries in this regard.

It is thus evident that this area of energy generation creates a huge investment opportunity for both our countries. There is no excuse why we cannot take full advantage of the freely available God-given treasure, in the form of solar energy. Let us exploit this opportunity fully, for the results thereof will benefit our people by providing them with free clean energy, thus contributing towards our dream of ensuring sustainable livelihoods and **a better life for all** our people.

We appreciate that your country continues to value us as a critical partner on the African soil; given our continuing interaction at this high level. We are grateful that we will host an investment mission from the State of Victoria in Australia, in September this year, which we hope will bring the much needed investment for the benefit of our people.

As I close, in less than four (4) hours time, your country's national football team will clash with Serbia at the Mbombela Stadium in their Group H match. We wish them best of luck, and hope they will win the game.

**“Working together, we can do more” to speed up growth, create more jobs, decent work and sustainable livelihood for all our people.**

Your Excellency, please enjoy your stay in Mpumalanga and the game tonight. We hope that you will visit us again soon.

*I thank you!*