

Remarks by MEC of Economic Development and Planning, Mr Craig Padayachee during the Broad Based Economic Empowerment Workshop held in Witbank

Programme director
Executive Mayor of Nkangala District Municipality
Head of Department of Economic Development Mr Lemmy Mdluli
CEOs of parastatals
Captains and leaders of industry
Organised business
Senior government officials
Distinguished guests
Ladies and gentlemen

Many years ago, an overwhelming majority of our people were denied the opportunities to participate in the main stream of the economy. It was very difficult for one to enter certain professions and that limited the role that *sis Nozipho* could play in the economy.

It is a reality that we lived in then that necessitated the introduction of Broad Based Black Economic Empowerment (BBBEE) as one of the key instruments designed to confront the legacy of economic exclusion of Black people from the main stream economy. The policy regime that we adopted was aimed at addressing inequity in terms of resource distribution in the country.

Today we live in a different era. An era where the potential of every one of us can be seen and used where needed. Everyday we see many entrepreneurs emerging to take up their role as contributors to economic development of the country. Many of our people now participate in different economic sectors. Although we have policies in place we are concerned about progress on BEE especially in the province.

It is this concern that we think maybe was in the mind of the President of the Republic of South Africa, Thabo Mbeki when he addressed the Parliament during the occasion of the State of the Nation Address last week as he directed us to march with speed to implement our programme of action.

The President made an observation and gave a directive that “at the centre of our economic programmes is, and should always be, the consideration whether their success is helping to improve the quality of life of all South Africans, acting as an important weapon in our War on Poverty and accelerating our advance towards the attainment of such objectives as the reduction of unemployment and advancing the goal of health for all.”

He also said that “we shall this year attend to other specific priorities which are critical to the country's war against poverty, in pursuit of socio-economic inclusion.”

Last year we held our BEE conference which was aimed at ensuring that the government and all role-players share information and knowledge on BEE matters. When we hosted that conference we were mindful of the challenges that confront our society especially on issues that has to do with attainment of a economic growth that benefits all. We wanted to understand the challenges faced by all role players in implementing the BBBEE and to unlock the bottlenecks that stand on our way of ensuring that all our people can participate fully and make a meaningful contribution to the economic development of the province.

Programme director - this workshop is in essence a direct response to the recommendation that was made then that the department should go to the regions to take forward the decisions of the conference. We are here today because we agreed that through these workshops we could start a process of interrogating our performance in this regard and to debate issues on how we can ensure that all our people share in the economic wealth of this country.

One of the deliverables that the delegates attending that conference wanted was the establishment of BEE Advisory committee that will assist in the implementation and monitoring of BEE in the province. We can confidently state today that a task team that was set up last year to assist us to establish this advisory committee has completed its work. We are ready to launch the BEE Advisory Committee and set the ball rolling.

The Presidency, dti and the Presidential Working Group last year commission a BBBEE Progress Baseline study to establish how we are doing in terms of BEE in the country. The findings of the study indicated that all business entities reported slow progress on BEE implementation. **The report said most of the companies had started implementing the elements of BBBEE that has a direct benefit in terms of ownership and skill development while the element on total empowerment of the citizens was largely ignored by many. For us the report is even more worrying because it concluded that enterprise development sector scored the lowest progress against targets.**

Ladies and gentlemen - the department is in the process of developing a provincial BEE strategy. The strategy will seek to help us fastrack implementation of policies and regulations that governs BEE in the province. The strategy will incorporate existing and, where possible, suggest other initiatives to ensure inclusive participation of all sectors of society in the economy of the province. It is something that has to be done and done as soon as possible to communicate a message that it is indeed *Business Unusual* in the office.

We need to develop the SMME sector if we are to achieve most of our developmental goals.

Since the mining industry is one of the dominant sectors in this area, it is worth noting that it can play a significant role in development of this sector. As we have indicated in the past we would like see the industry linked to Small Medium and Micro Enterprise (SMME) supplier and support services in order to create a knock on effect in other sectors like manufacturing, construction, trade and finance.

As you continue to engage on critical issues as the programme dictates, let us also make bold commitments that we will keep debates on BEE alive at the provincial and district levels.

Let us interrogate the recommendations made at the BEE conference and identify our roles in ensuring that we achieve all the targets that we set for ourselves.

Let us all play a role to make this province the most empowered province.

And yes, let's all put the shoulders to the wheel and move with speed to implement policies that will help us to realize our goals of economic development that benefits everyone.