

Forum boosts tourism industry

Lekwa Imbizo

Mpumalanga Economic  
outlook positive

Litiko  
Ietekutfufukiswa

Kwetemnotfo  
nekuhlela

Umnnyango  
Wezokuthuthukiswa

KoMnotho nezoku Tlanywa

Department van Ekonomiese  
Ontwikkeling en Beplanning



Volume 1

# Temnnotfo

*Shaping economic path for sustainable development*

Official Newsletter



**the dedp**

Department:  
Economic Development and Planning  
**MPUMALANGA PROVINCIAL GOVERNMENT**



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**W**elcome to the first edition of Temnotfo, the official newsletter of the Department of Economic Development and Planning. When we ushered the new year of business, we did so with determination to ensure that all of us respond to the call to conduct our business unusually and increase the tempo of performance for the benefit of many of our people.

If the first quarter of the year can be used as a yard stick to measure the state of readiness and ability of the administration to deliver, then we are on track to deliver on the promise to stimulate economic growth, draw many of our people to be active participants in the economy and to improve number of tourists to the province.

In his policy and budget speech, MEC CNM Padayachee made an observation that should revive confidence in the economy of the province. Read more about this and other issues in this edition.



**Editor: Letshela Jonas**

We look back at the launch of the tourism forum which is set to be one of the forerunner to integrated response to the challenges facing tourism sector in the country and the province in particular, the imbizo in Lekwa and the meeting of the MEC with the leadership of SA Airlink and Kruger Mpumalanga

International Airport, where the issues around aviation services we discussed.

We attempt to recapture in detail, the impounding issues and also inform you about major developments and success within the department and our agencies.

*Enjoy your reading!*



### Editorial Team

#### **Editor**

Letshela Jonas

#### **Sub Editor**

Beulah Lucas

#### **Photography**

Mxolisi Nzimande

#### **Journalist**

Bonny-Lee Lightbody  
Ngobe Comfort

#### **Layout and Design**

Dineo Motshegare

### Send your letters and comments to

The Editor  
Economic Voice of Mpumalanga  
Building No 4, First Floor  
Communication Department  
E-mail: [temnotfo@mpg.gov.za](mailto:temnotfo@mpg.gov.za)



# Work together, improve economic activity, says MEC Padayachee



**T**he MEC for Economic Development and Planning, Mr Craig Padayachee called on all economic and development agencies in the province to work together with the people in rural areas to address their challenges.

The community of Lekwa came in numbers, to the departmental imbizo, held in April 2008. MEC Padayachee urged all stakeholders to work together to improve economic activity in the area through supporting entrepreneurs and improving local economic development.

“We would like to urge young and old people to embrace the entrepreneurial spirit and to become active participants in the economy of this area.”

“The people of Lekwa need to develop viable and sustainable business and they should also pride themselves for their contribution to the economic growth in the province,” he said.

MEC added that strong and viable business is all that is needed in the area to overcome their economic challenges “We must encourage our people to start businesses that are sustainable. We also need to agree that in order for the economy to grow, we should have strong business in Lekwa.”

While the residents complained about the economic challenges, they were also optimistic that solutions to their challenges can be found through partnership and strategic engagements with the parastatals and local business.

MEC Padayachee said the role of Local Government in this regard is to create an enabling environment for business to operate and flourish.

“The companies will be attracted to and ultimately invest in the area that they found supportive to their needs. They will invest in this area if they are convinced that they will get community and government support that will enable them to operate and make profits,” said Padayachee.

The MEC also appealed for an all inclusive process of engagement on economic development in the area. “We would encourage the municipality to form a strong local economic forum that is constituted by all sectors, including local businesses and aspiring entrepreneurs. It is important that both the small and big companies in the area come together to share ideas on how to grow the economy of the region.”

MEC encouraged the participation of big corporations in the local economic forums to assist with development and empower the locals to be their own liberators.

One of the biggest challenges in the area is the closing down of businesses which result in a growing number of people in the area losing their jobs. The department committed itself to engage the management of the businesses that closed shop in the area with a view of understanding their challenges and to find a lasting solution to their concerns.





MEC raising his concerns at the BBEE seminar

“To raise awareness about Broad Based Black Economic Empowerment Acts and also see's it as a necessary step in the build up for the BEE Conference that the department will host later this year.”

# A seminar tackled

## BBEE issues in the province

by Comfort Ngobe



Delegates attending the seminar



Delegates attending the seminar

The seminar followed an announcement in the 2008/9 Policy and Budget Vote Speech wherein the MEC for Economic Development and Planning, Mr Craig Padayachee indicated that the Department will follow on the implementation of the resolutions of the first BBEE Conference.

According to the Chief Director for Trade and Investment, Dr Joyce Pakade the seminar was important as it served as a platform for all relevant stakeholders to discuss issues relating to the implementation of the BBEE in the Province.

Dr Pakade said the Department used this platform "to raise awareness about Broad Based Black Economic Empowerment Acts and also see's it as a necessary step in the build up for the BEE Conference that the Department will host later this year."

It is our shared view that "entrepreneurs as well as companies should share information on enterprise opportunities and procurement opportunities in the mining and energy sector in order to

make sure that we all share in the wealth of the country," said Dr Pakade.

The seminar was also used to share information with the delegates about the SASOL Inzalo Shares. In terms of these shares, previously disadvantaged people were offered an opportunity to become shareholders in this multi-million rand company. The shares range from R18, 30 per Inzalo share, and are sold at the South African Post Office.

Makhosini Dlamini of Umsobomvu Youth Fund said his institution made great strides with regard to implementation of the Broad Based Black Economic Empowerment Act. Dlamini said that since the Umsobomvu Youth Fund was launched, over 16 000 young people were supported by the institution and as a results more than 19 000 jobs had been created.

The seminar brought together a number of government agencies such as SEDA, MEGA, UMSOBOMU, SARS, Eskom, SASOL, and Anglo Coal, to share information and experiences on Broad Based Black Economic Empowerment issues.

In his address MEC Padayachee noted the results of the BBEE Progress Baseline Study, which indicates progress made and challenges. The purpose of that study was to establish how we are progressing as a country with regard to BEE issues.

**M**ore than 150 delegates representing different economic sectors participated in a seminar on Broad Based Black Economic Empowerment (BBEE) in Secunda.

The aim of the seminar was to raise awareness about BBEE and to address challenges in the implementation of the BBEE Act and other related regulations.



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The MEC said: "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 elements of BBEE that has a direct benefit in terms of ownership and skills development while the element on total empowerment of the citizens was largely ignored by many.

# Forum boosts Tourism industry

by Comfort Ngobe

Tourism in the Province received a major boost when the MEC for Economic Development and Planning, Mr Craig Padayachee launched the Tourism Forum at Emnotweni Arena in Nelspruit.

The launch of the Tourism Forum comes after the announcement made by the MEC in his previous year's Policy and Budget Speech. He expressed that his Department would launch the Tourism Forum to advise him on issues relating to tourism as well as boosting tourism in the province.

In his address to delegates at the event, the MEC said the Tourism Forum should be the forerunner to an integrated response to challenges facing the tourism industry in the country and the Province in particular.

He indicated that the Forum reflected our understanding that Government, private sector and communities needed to work together and have a - *hands on deck* - approach for faster development of tourism.

"The Launch of the Tourism Forum has indicated that we have heeded the call for a working partnership in the quest to improve tourism as a united front. It is an expression that communicates our commitment to work together and utilise the wealth of experience and skills in the

province to make ours, a destination of choice for domestic and international tourists" he said.

The sentiments of the MEC were supported by Dr Bandile Mkhize - the Chairperson of the Tourism Forum - and the SANPARKS CEO, who said, "the MEC has given us a huge task to advise him on issues related to tourism.

He also emphasized unity between government and the private sector. The Forum has been set up to discuss issues related to tourism and all the stakeholders have agreed to work collectively towards achieving all that we wish for tourism growth in the Province."

The Forum is constituted of representatives from the tour operators, guest house owners, tour guides, transport businesses as well as representatives from Government.

The organisations that are represented in the forum are SATAS (South African Tourism Services Association), NAFCO (National African Federation Chamber of Commerce), FEDHASA (Federated Hospital Association of South Africa), District, M T S A (Mpumalanga Tourism Service Association), Afrikaans Handels Instituut (AHI) and South Africa Grading Council.



## MEC Padayachee met with the Mpumalanga Manganese Producer

by Bonny-lee Lightbody

We need to ensure that we work in close cooperation with Manganese Metal and other such companies so that they grow and continue to create employment and enterprise opportunities for our people.

MEC Craig Padayachee says the Department aims to strengthen relations with the single largest producer of pure manganese in South Africa - MMC (Manganese Metal Company) - after meeting with them in Nelspruit.

"We have one of the largest manganese producing companies at our door step. We need to ensure that we work in close cooperation with Manganese Metal and other such companies so that they grow and continue to create employment and enterprise opportunities for our people."

MEC Padayachee said that the Department intended to form the Mpumalanga Business Forum, aiming at harnessing all manufacturing, mining, tourism and other business management skills, which will benefit the Province in growing the economy.

MEC Padayachee pointed out that "The MMC has been in existence since 1960 and has shown to harbour business management

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skills that has kept this company afloat over the years. It is only wise that we partner and support those companies so that we can benefit from their expertise in business development and management”.

MMC is the single largest producer of pure electrolytic manganese in the world. The demand for this product has over the years grown since 1957 and MMC has lived up to

this challenge. Holding the capacity to produce 27 000 tonnes of manganese per annum from a single cellhouse equipped to pass a 56 000A current of manganese.

MMC management has not only been using the rich deposits of manganese for their own benefit. Through their social responsibility projects they have constructed a bakery in KaDaantjie, and also built

a soccer stadium in KamaGugu - a township bordering Nelspruit - helping communities in the area.

“Companies such as MMC are our pride, and we must continue to support them and encourage our communities to work closely with those companies so our communities can also benefit from those relationships,” said MEC Padayachee.

## Mpumalanga Economic Outlook Positive: MEC

**“We must serve with humility because as the Department and agencies responsible for economic development and growth we have a major responsibility to serve as the catalyst of economic development.”**



MEC Craig Padayachee: Budget speech in calculation

Mpumalanga's economic outlook looks positive. This is due to the improved performance of the three sectors that serve to be critical to the provincial economy, namely mining, manufacturing and agriculture. This was the comment by MEC for Economic Development and Planning, Mr Craig Padayachee during the tabling of his Department's Policy and Budget Vote for 2008/9 on Friday (20 June 2008).

“It is pleasing to realise that a increase of 42.8 % in Gross Fixed Capital Formation within South Africa's mining sector as well as 9.3% in the manufacturing and 13.5% in the agricultural sector, are good signs that Mpumalanga's industries will be on a better infrastructural base heading into the

future. These three are the main drivers to Mpumalanga's economy,” said the MEC.

The Province has realised growth of 4.3% and 4.4% in 2005 and 2006 respectively. The growth in private consumption expenditure fuelled by spending has somehow declined in 2007 and as a result of interest rate hikes and the introduction of FICA.

Despite the gloom in the general economy, Mpumalanga's economy seems likely to benefit from the mining industry. MEC Padayachee singled out the recent SOD turning of the Douglas Middleburg Optimisation project as one point among many that gives hope for a better future. “Most recently we have participated in the SOD turning for Douglas Middleburg Optimisation project. It has been

estimated that 2000 constructors will be involved during the construction phase of the project. It is of critical importance, that this initiative translate into more jobs and that it will also assist with the transfer of critical skills to our people,” said Padayachee.

Most of the collieries are concentrated around the towns of Witbank, Middleburg, Ermelo and Secunda. This is according to the Council for GeoScience, Mpumalanga that has 291 coal mines which contributed 82.4 percent of the national GVA-R in 2006.

The MEC has also acknowledged that the mining industry has been making a significant contribution to the economic growth of the Province. “The sector has remained steadfast on path to ensure that we

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take advantage of the wealth of our land, to change the lives of our people for the better," concluded MEC Padayachee.

MEC Padayachee announced a R442 million budget for his Department for the Financial Year of 2008/09 at the Mpumalanga Provincial Legislature on Friday 20 June 2008.

Addressing the legislature on his Policy and Budget Vote for 2008/9, MEC Padayachee recommitted the Department to conduct business in an unusual and more effective fashion for economic development and growth in the Province. "We must serve with humility because as the Department and agencies responsible for economic development and growth we have a major responsibility to serve as the catalyst of economic development," said the MEC.

The Department will spread the R442 million budget over the following five programmes:

- **Programme 1** - Administration  
= R86, 369,000
- **Programme 2** - Integrated  
Economic Development  
= R93, 825, 000
- **Programme 3** - Trade and Investment  
= R203, 713, 000
- **Programme 4** - Business Regulation and  
Governance  
= R43, 129, 000
- **Programme 5** - Economic Policy and  
Planning  
= R15, 618, 000

The above budget includes an allocation to the Zithabiseni project which R11 million.

Mpumalanga Economic Growth Agency will receive R63, 950 million, Mpumalanga Tourism and Parks Agency R168, 916 million, and Mpumalanga Gambling Board - R25, 506 million.

The MEC elaborated on the process and progress with regard to development of the Economic Development Strategy that will serve as a reference for economic initiatives in the province. "The Provincial Economic Development Strategy will serve as a point of reference for the development of initiatives to grow the economy. The strategy emphasises that we must position ourselves to grow and compete within a knowledge based economy, whilst at the same time intervening to bridge the gap between the first and second economy," said MEC Padayachee.

The MEC also outlined progress and planning to optimally take advantage of Mpumalanga's geographic positioning with regard to economic opportunities along the Maputo

Development Corridor. In this regard, he announced that his Department has appointed a programme Manager and will soon appoint the Programme Management Unit (PMU) for Maputo Development Corridor flagship.

On Mpumalanga Growth Fund, MEC Padayachee reiterated government's commitment to the establishment of the Fund. He pointed out that about R200 million has been set aside by Government for the Mpumalanga Growth Fund, as part of the ongoing implementation of the resolutions of the BEEE conference.

The MEC announced the plan to establish the Provincial BBBEE Advisory Committee, as well as the Forum to assist with the implementation and monitoring of BEE in the Province.

In a step that will see municipalities benefiting from Provincial Government, MEC announced the establishment of the Local Economic Development Directorate in the Department, that will assist municipalities to develop Local Economic Strategies and Plans.





The Department of Economic Development and Planning will support all municipalities in the Province to develop Local Economic Development Strategies, MEC Craig Padayachee announced in his address to the Provincial Legislature.

Tabling his department's Policy and Budget Vote for the Financial Year of 2008/9, the MEC said his "department will be at the forefront of assisting municipalities to develop local economic development strategies."

MEC Padayachee said that the process of transferring this support function to the department had been formalised and finalised.

"A Memorandum of Agreement that we signed with the Department of Provincial and Local Government (DPLG) and Department of Local Government provides for this function to be co-ordinated by the Department," said MEC Padayachee.

## DEDP strengthens support service on local economic development

by Comfort Ngobe

The MEC also announced that the process to strengthen the capacity of the Department had to ensure that this service is provided. "We have since established a Directorate for Local Economic Development and we are currently in the process of filling posts so that we are able to respond to immediate needs of the municipalities with regard to Local Economic Development Strategies," he said.

The Strategy will need to assist us to arrest in the quickest time possible the twin challenges of poverty and unemployment," said MEC Padayachee.

The Strategy will serve as a point of reference for development of initiatives to growth the economy.



MEC, after the strategy



MEC and observers visit stalls



MEC and observers visit stalls



# Mining Giant invests millions in Mpumalanga

by Comfort Ngobe

**M**EC Craig Padayachee kicked off a multi million project that will transform the mining industry and put the province en route to economic growth.

BHP Billiton Energy Coal South Africa has invested an amount in excess of US\$ 975 Million (R7.5 Billion) in the province which is seen as a major step which will help the province to fight unemployment and poverty.

In his address to the delegates who attended the sod turning ceremony for Douglas-Middleburg Optimisation, MEC Padayachee said that the project was an important investment that will improve the lives of the people of Mpumalanga.

"The Douglas-Middleburg Optimisation project is the most important investment because of the hope it brings to many of our people and the economy of the province. With an investment of US\$975 million, it is clear that BHP Billiton wants to leave a mark as a company that made a difference to the people of the province," said MEC Padayachee.

The project is expected to develop and revamp new mines in the area, and it is expected that more than 5500 different contractors will be appointed to work on project sites.

MEC Padayachee said this investment will surely put the province a step forward to the road to deliver a better life for the people of Nkangala and the province as a whole.

"When this project is completed, areas such as Middleburg, Witbank and surroundings will undoubtedly enjoy the benefits of a better and, increased access to economic opportunities and job creation," said MEC Padayachee.

The MEC also hailed the contribution of the mining sector to the economy of the province. He said: "The Mining Industry has been making a significant contribution to the economy growth in the province. The mining sector has remained steadfastly on the path to ensure that the province takes advantage of the wealth of our land to improve lives of the people to the better."

The Mining Industry has been making a significant contribution to the economic growth in the province.



MEC give the thumbs up



# MEC and aviation leaders tackle Issues on flight service

**The meeting Addresses issues concerning the implementation of programmes that seek to improve and grow tourism in the Province.**

**M**r Craig Padayachee, MEC for Economic Development and Planning met the leadership of South African Airlink and Kruger Mpumalanga International Airport (KMIA) to discuss broad issues on flight services rendered by the two companies in Mpumalanga.

The meeting addressed issues concerning the implementation of programmes that seek to improve and grow tourism in the Province. This includes the launch of the Tourism Forum. The department participated successfully in this year's Tourism Indaba in which the Province also scooped two awards and the signing of an Agreement between Mpumalanga Tourism and Parks Agency (MTPA) with Thompson Holidays.

The meeting noted the importance of all role-players, especially Kruger Mpumalanga International Airport and the South African Airlink in economic development and promotion of destination Mpumalanga in particular.

SA Airlink was commanded for its dedication in providing services to the Mpumalanga route. The meeting noted the concerns of the airline like the increasing fuel price

and the cost of retaining skilled labour in the country, all which have impacted on the airlines.

The meeting further focused on the concern about flight delays at the airports. This challenge can be attributed to changes in the aviation industry, growth of the players and resultant overload in the main international airports.

MEC Padayachee expressed appreciation for the initiatives that SAAirlink is undertaking to address concerns about flight delays and general services at the KMIA.

The meeting agreed that this is an initiative that the growing domestic flights, must be embraced and supported by all partners in government, the airline, KMIA and business communities. The Department of Economic Development, Mpumalanga Tourism and the Parks Agency would look at establishing a task team that would ensure that there is a strategic plan in place that will ultimately increase the number of users, and also increase the frequency of flights in and out of KMIA.

All agreed that the task team would need to come up with a three to five-year Implementation Plan and get a buy-in from all stakeholders in order to solidify domestic flight growth to Mpumalanga.

The task team would also look at these issues in the context of preparations for the 2010 FIFA Soccer World Cup which takes place in less than 685 days.

The meeting agreed that the Department of Economic Development and Planning would

engage with the Department of Roads and Transport. They would concentrate on processes and procedures to ensure synergy between the Provincial Aviation Strategy and a chapter on aviation in the Mpumalanga Tourism Growth Strategy which is currently being developed.

## Winners of exporter of the year awards announced



*MEC announces the winner of the exporter of the year*

**T**he Mpumalanga Department of Economic Development and Planning in conjunction with ABSA held a luncheon to acknowledge the achievements of the Mpumalanga trade sector and other giants that make the provincial economy tick.

Addressing the luncheon, MEC Craig Padayachee praised the nominees and winners of the 2008 Exporter of the Year Awards for

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taking advantage of opportunities and making a difference.

"I feel privileged to honour and celebrate the achievements and successes of exporting entrepreneurs, who as a way of life, do not shy away from grabbing opportunities when they arise, and convert challenges and risks into gainful endeavors," said MEC Padayachee.

The finalists played a role through "growing our knowledge and servicing the economy, protecting and expanding markets for our key industries and capital investments, and strengthening our competitiveness."

The MEC also said that the country has become a premier destination in Africa for investment and trade.

"There are huge capital flows into

South Africa owing to the country's good governance. Our economy is of such a high standard that foreign direct investors want a share of our banks, our telecommunications companies, our manufacturing and mining industries, and the tourism sector," said MEC Padayachee.

The winners in each category are as follows:

#### Manufacturing

- Small manufacturing category  
- *CopperCraft*
- Medium manufacturing category  
- *Wonderfontein Mills*
- Large manufacturing category  
- *Sasol Polymers*

#### Tourism

- Small tourism category  
- *Coromandel Guest Farm*

- Medium tourism category  
- *Linga Longa Guest House*
- Large tourism category  
- *Djuma Game Reserve*

The overall winner of 2008 Exporter of the Year Award was Linga Longa Guest House.

The exporter awards formed part of the Government's Export Awareness programme, which is aimed to facilitate the promotion of exports, expedite the integration of local companies into the global economy and to build the infrastructure, for increased competition and better insight into the operations of global trade.

In 2005, the category of Tourism was included in the awards to highlight the exceptional attractions on offer available to tourists visiting our province.

# Agreement to the tourism industry in Mpumalanga

Economic Development and Planning, MEC Craig Padayachee welcomed an agreement entered into between Mpumalanga Tourism and Parks Agency (MTPA) and Thompson Holidays.

The three year agreement will see this award winning Thompson, assisting with programmes to improve local tourism products and services in order to attract more visitors to the province.

The MEC said the signing of the agreement will give us hope that we will turn around our fortunes and improve in the tourism market.

"This is an important partnership that will assist us to improve our position in both domestic and

international tourism arrivals in the province. The real issue for us is how we would get a good share of the tourism market in this competitive period. This partnership must assist in this regard," said MEC Craig Padayachee.

"We have set ourselves an important task to go all out and establish partnerships that will assist us to grow tourism in the province. The signing of this agreement therefore signals the beginning of many good things that we want to do in this regard. Thompson Holidays will as part of the agreement bring more domestic and international tourists in Mpumalanga," said Mr Sibiya - Acting CEO of MTPA.

# boost



Done Deal: MEC appreciates work well done



The signing of the three year agreement

The Chief Executive Officer of Thompson, Andre Viljoen said he is looking forward to the task ahead. "This is a fantastic opportunity for the company because we are in the business of providing tourists to South Africa. The company (Thompson Holidays) want to see growth in people who are visiting the beautiful and scenic Mpumalanga province", concluded Andre Viljoen.

Building 4  
Government Boulevard  
Riverside Park Extension 2  
Private Bag x 11215  
Nelspruit, 1200

[www.mpumalanga.gov.za/dedp](http://www.mpumalanga.gov.za/dedp)

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