

**STATEMENT PRESENTED BY THE MEC FOR ECONOMIC DEVELOPMENT, ENVIRONMENT AND TOURISM, MR J.L MAHLANGU, MPL, DURING THE DEPARTMENTAL MEDIA BRIEFING HELD AT THE PROMENADE HOTEL IN NELSPRUIT, MBOMBELA LOCAL MUNICIPALITY.**

**Monday, 19 April 2010**

*Good Morning!*

We meet here this morning, just 52 days away from the biggest sporting event in the world, the 2010 FIFA World Cup, to be hosted by our country - "*Feel it, it is here!*" As the province, we are more than ready to welcome the visitors to our province, and we are further looking forward to host the Chilean soccer team. We believe the tournament will boost our tourism industry, and have long-term ripple economic spin-offs for the province, given the number of people we anticipate will visit our province.

May I start by also passing our sincere gratitude to you, the members of the media, for continuing to partner with us, to ensure that information reaches our people. As we said in the past quarterly briefings, we are mandated by the Constitution to provide regular feedback to the public on the progress we have made in carrying-out our legislative mandates. I have therefore as a norm, requested the management of the Department, the CEOs of our Public Entities and Flagship Programmes, to be present this morning in order to provide more details when required.

Ladies and gentlemen, we managed to make significant strides in the past financial year despite the 'biting' economic recession which resulted in budget cuts nationally. It was unfortunate that around 55 000 people lost their jobs in various economic sectors in the province during the recession. However we can all breathe a sigh of relief because *the storm is over now!*

We are officially out of the recession, with indications that our provincial economy will grow by at least 2.4 per cent this year. The expectation is that both Gert Sibande and Nkangala Districts will lead the recovery with an average GDP growth of 2.5 per cent, followed by the Ehlanzeni District at 2.1 per cent. Let me now give you a progress report of our achievements during the past financial year (2009-2010):

### *Merger of MEGA, MADC and MHFCo*

As promised, we can report that the Honourable Premier has assented to the Bill which merges the old *MEGA*, the *MADC* (the Mpumalanga Agricultural Development Corporation) and the *MHFCo* (the Mpumalanga Housing Finance Company), to establish a new entity to be known as the **Mpumalanga Economic Growth Agency (MEGA)**, in terms of the Mpumalanga Economic Growth Agency Act of 2010 (Act 1 of 2010). This therefore means that the old *MEGA* and the *MADC* have ceased to exist, in terms of the law, by the end of March 2010, with the exception of the *MHFCo*, which still needs to be de-established in line with the Companies Act of 1973, since the entity was registered as a Section 21 Company. The process to de-establish the entity is currently underway and we hope it will be concluded in a short space of time.

You will also recall that we previously informed you that the Executive Council has decided to retain the name *MEGA*, for the new super entity, in order to save costs associated with establishing a new entity.

To kick-start the integration of the merged entities, we have appointed an **Interim Board and an Acting Chief Executive Officer** to oversee the process and run the new entity, in terms of section 7(4) and 13(7) of the *MEGA* Act of 2010.

The **Interim Board consists of nine (9) members**, under the chairpersonship of Mr Z. Mncube, who was the Chairperson of the old *MEGA* Board. Other members are Mr G. Mokoena, who is the Chairperson of the Board of the soon to be de-established *MHFCo*; Mr J. Nzima, who was the Chairperson of the *MADC* Board; former Deputy Speaker of the Mpumalanga Legislature, Mr B.J Nobunga; former chairpersons of the Audit Committees of the three (3) merged entities, Ms C. Sekgobela, Ms N.R Shabangu and Mr E. Mabhena; and two labour representatives, Messrs D. Manana-Mavuso and V. Ntshangase. For the position of the Acting CEO, we have appointed Mr G.J Dladla, who is the CEO of the soon to be disbanded *MHFCo*.

### ***Activation of the Tourism Airlift Strategy***

In order to increase the number of tourists coming to our province, we have entered into a contract with *Comair*, which will make flying into the *KMIA* affordable. The inaugural *Comair* flight into the *KMIA* is scheduled to land on **Tuesday, 04 May 2010 at about 11h00**. This will see *Comair* flying at least six times per week into the province. Members of the media are invited to join us on this inaugural flight from the O.R Tambo International Airport, and you will soon receive an invitation from *MTPA*. More details on the contract will be given during the launch at the *KMIA* on May, 4.

### ***Service Excellence Training Programme***

As one of the host provinces for the 2010 FIFA World Cup, we are committed to customer service excellence. We want to give our visitors an excellent lifetime African experience, which will ensure that our hospitality industry remains permanently engraved in their minds, long after the final whistle has blown. Since frontline staff in the tourism industry are our brand Ambassadors, we are currently in a process of identifying and recruiting all of them across the province, to undergo **Service Excellence Training from 13-19 May 2010**.

The training is part of the national initiative to improve overall customer service in line with the Tourism Service Excellence Strategy adopted in 2008.

### *Environmental Management*

Regarding our mandate on the environment, we managed to authorise 236 development applications for environmental impact assessments in terms of regulations under the National Environmental Management Act (NEMA) 107 of 1998 as amended. We referred 300 mine prospecting and mine license applications to the Department of Mineral Resources since mining is a national competency, after satisfying ourselves that the applications adhere to the NEMA.

### *Greening Mpumalanga*

In our quest to keep our Province green, we managed to plant 58 thousand 527 trees across the province.

### *Proposed Provincial Mining Indaba*

Following concerns relating to mining activities close to residential areas; land claims; competing interests between agriculture and mining amongst others, the Premier and the Minister of Mineral Resources have agreed to host a Mining *Indaba* in the Province. Plans are at an advanced stage to host a **two (2) day Mining Indaba**, which will be held at Emalahleni during the month of May, to discuss these concerns and come up with possible solutions. We are currently finalising consultations with various stakeholders in preparation of the *Indaba*.

### *Facilitating trade and investment promotion*

We have a responsibility to ensure that emerging entrepreneurs are harnessed in order for them to contribute significantly towards growing our economy.

In fulfilling this mandate, we facilitated the participation of a number of emerging exporters at the following exhibitions:

- Eight (8) SMMEs selected from the agro processing, apparel, chemicals, stainless steel and furniture participated at the Southern African International Trade Exhibition (SAITEX);
- Sixteen (16) craft companies participated at the South African Handmade Collection exhibition held at the Gallagher Estate;
- Nine (9) companies participated at the Eskom Small Business Expo;
- Three (3) emerging exporters participated at the FIA LISBOA Handcraft exhibition in Portugal; and
- One (1) emerging exporter participated at the L" Artigiano in Fiera in Milan.

### *Protecting the rights of Consumer*

The protection of consumers against unfair and unscrupulous business practices remains one of our priorities, as mandated by the Mpumalanga Consumer Affairs Act of 1998. In fulfilling this mandate, we have inaugurated **six (6) members of the Mpumalanga Consumer Affairs Court**. The court is now operational and has already held two sittings under the chairpersonship of Mr Vusimuzi Nkosi. Its first sitting took place on March 11, 2010. The Court will have formal sittings in the three (3) districts of the Provinces at least twice a month, to ensure that consumers are provided with necessary legislative redress.

We can also report that the Office of Investigation of Unfair Practice has managed to investigate 2480 reported cases, and successfully resolved 2319 of them, which saw just over R16 million being returned to the pockets of consumers.

### *Expansion of the gambling industry to enhance economic growth*

Turning to the gambling industry, the Ridge Casino expansion project worth R186 million of investment in the Emalahleni area was completed in June 2009.

The project comprised expanding the existing casino and constructing additional 135 hotel rooms, which have a positive impact on tourism in the area as well as the province's fiscal growth. The project has contributed to the creation of seventy-five (75) permanent jobs, as well as 2-thousand 4-hundred and 49 (2449) temporary jobs. As part of the growth strategy of the Mpumalanga Gambling Board (MGB), the entity has for the first time in the Province, granted eight (8) licenses for site operators with a maximum of twenty (20) limited payout machines, as well as one (1) independent site operator license, with up to forty (40) limited payout machines.

We also held public hearings on the **Mpumalanga Gambling Amendment Bill of 2008** in the three (3) districts of the province, which has since been passed by the Provincial Legislature. We hope the Bill will be enacted during this financial year. In contributing to the provincial fiscus, the MGB has by the end of March 2010, collected gambling revenue in excess of R40 million. However as a caring government, we continue to encourage responsible gambling hence we continued to intensify our public awareness campaigns about the potential negative impact associated with gambling.

### *Regulating the liquor industry*

Our mandate also includes regulating the liquor industry in the province. We have during the past financial year, approved 552 applications out of 1003 applications, and 260 applications were disapproved. We further continued to enforce compliance with the Liquor Act by conducting regular inspection of the licensed liquor outlets.

### *Preliminary Budget Expenditure*

As I conclude, I deem it relevant that I should share with you the progress on our financial performance.

Our preliminary budget expenditure for the 2009-2010 financial year indicates a 100 per cent expenditure of the total budget of R521 million, 777 thousand appropriated for Vote 6: Department of Economic Development, Environment and Tourism.

### *Closing*

Ladies and gentlemen, I believe that we have made significant strides as the Department, together with our entities, to fulfil our Constitutional mandates. We commit that we will even do more in the current financial year, ending March 2011.

Once more, we continue to value your partnership which ensures that we continue to fulfil our Constitutional mandate of being transparent and accountable to the electorates. Thank you very much for accepting our invitation to this briefing session, and believe that you will continue on the same path.

*Working together we can do more to speed up effective service delivery to the People!*

**I thank you!**

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