

## **Remarks by the Premier of Mpumalanga, Thabang Makwetla, at the Official Opening of the Wood Technology Centre**

**White River, 22 November 2005**

Master of ceremonies

MEC for Economic Development and Planning William Lubisi

Swedish Ambassador His Excellency Andreas Mollander

Chairperson of FURNTECH Board of Trustees, John Mortimer

Dr Johannes Potgieter from the DTI: Innovation and Technology Directorate

Distinguished guests Ladies and Gentlemen

Today's opening of White River Wood Cluster Project, the first in the province, is indeed a proud moment for the Mpumalanga Provincial Government. It represents yet another milestone in the realisation of the endeavour to arrest the problem of exporting jobs which is constraining our economy from creating more job opportunities for the populace of this region.

Ladies and gentlemen, colleagues, the progress we have made in the establishment of the White River Wood Cluster Project and the Furniture Technology Centre, has been a long way coming. We are here because of the wonderful co-operation between the Department of Economic Development and Planning, the Department of Trade and Industry, Furntech and the Swedish government, amongst others. Allow me to take this opportunity to congratulate all the above partners in conceiving and executing what is undoubtedly one of the bold and creative initiatives in finding solutions to the many challenges of our province.

We have created this new entity and new opportunities for business growth and job creation, which we hope will have a catalytic effect in skills development and technology transfer and equipment upgrade, which will in time hopefully make us globally competitive in furniture production.

The high failure of technology-based small businesses is, amongst others, caused by a lack of capital, lack of management and business skills, marketing skills, technical skills and negotiation skills. Business incubator provides entrepreneurs with the expertise, network and tools they need to make their ventures successful

Quite early in our planning we acknowledged that despite all our grand efforts, we had under-performed in the areas of infrastructure, emerging agriculture, access to finance and beneficiation. We had not done much in dealing with the beneficiation of our products into processed goods.

We said then that we were also aware that access to finance and non-financial assistance for small entrepreneurs is still a major shortcoming in the province. The soon-to-be completed merger between the Mpumalanga Investment Initiative and the Mpumalanga Economic Empowerment Corporation will undoubtedly take care of this hurdle.

We also admitted that, as a province, we have not been able to provide a comprehensive response to the challenge of reducing the cost of doing business in Mpumalanga.

As I also stated during the opening of the Legislature early this year we also observed that in addressing the employment and poverty challenges that we face, we were much more intent on devising critical minimum packages of measures that can more boldly begin to reduce the high rates of unemployment. The challenge was to ensure that such measures are carefully coordinated and targeted with regard to their impact on the labour force, business people, industries and localities.

As a resource-rich province we are keen to diversify our economy and to encourage value addition and processing within the province. That is why we said the province had a competitive advantage on stainless steel, agro-processing, wood; petrochemicals and wool beneficiation as down stream opportunities.

In achieving our country's 2014 goal of halving unemployment and poverty, we need to see to it that all our people, especially those previously excluded from participation in the mainstream economy, benefit from the growth and opportunities that are opening up. The promotion of small, medium and micro-enterprises and broad-based black economic empowerment will be a key mechanism to achieve this.

This centre will play an important role in ensuring that the knowledge sector is no longer the exclusive preserve of a limited few in our country. We need to see more and more entrepreneurs from disadvantaged communities emerging within the knowledge intensive industries. Let's take the science and technology revolution to our townships and informal settlements. Let's tap the potential for innovation and entrepreneurship of all our people for the benefit of all.

Quality education and skills development will continue to be a key driver of innovation and the knowledge economy.

Once again, I wish to congratulate all those who have contributed to the strides we have made towards creating work in our fight against poverty.

**Thank you**