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Economic Development, Tourism and  
Environmental Affairs

PROVINCE OF KWAZULU-NATAL

# Budget Policy Speech 2016/2017



**Mr Michael Mabuyakhulu, MPP**  
**MEC for Economic Development, Tourism & Environmental Affairs**

**VOTE FOUR**

*“The Age of Hope in Times of Turbulence:  
Deepening Radicalised Economic  
Transformation for a Better Tomorrow”*



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PROVINCE OF KWAZULU-NATAL

## DEPARTMENT OF ECONOMIC DEVELOPMENT, TOURISM AND ENVIRONMENTAL AFFAIRS

### VOTE FOUR

**BUDGET POLICY SPEECH 2016/2017 DELIVERED TO THE KWAZULU-NATAL  
PROVINCIAL LEGISLATURE BY MEC FOR ECONOMIC DEVELOPMENT AND TOURISM  
AND ENVIRONMENTAL AFFAIRS, MR MICHAEL MABUYAKHULU ON 28 April 2016**

*“The Age of Hope in Times of Turbulence: Deepening Radicalised Economic Transformation  
for a Better Tomorrow”*

**Madam Speaker, Honourable Ms L Johnson;  
Deputy Speaker, Honourable Dr M Hadebe;  
The Premier of the Province of KwaZulu-Natal, Honourable Mr ES Mchunu;  
The Honourable Members of the KwaZulu-Natal Executive Council;  
Honourable Members of this House;  
Representatives of all of our social partner formations;  
Members of the Diplomatic Corps;  
Your Worships, the Mayors;  
The leadership of our province;  
Distinguished Guests;  
Members of the media present;  
Ladies and Gentlemen.**

### **I. INTRODUCTION**

Chairperson, in his State of the Province Address, the Honourable Premier, Mr ES Mchunu, focused mainly on economic issues that the Province of KwaZulu-Natal should work on and implement to chart a new growth path.

These issues were, amongst other things, the impact of the low economic growth; the empowerment of small, medium and micro enterprises – particularly accelerating the support for women and youth-owned small businesses – facilitating investment initiatives; promoting local and non-domestic tourism and finding solutions to energy supply and responding to the drought situation facing our province. In this address, honourable members, we therefore wish to provide more details on these matters and outline how they will be implemented.



However, before focusing on the key elements of this Budget Policy Speech, we would like to remind all of us that 2016 is an important year, during which millions of South Africans will once again exercise their constitutional right to elect their local government representatives. As we gather here today, we are mindful that local government elections provide an opportunity for citizens to assess the performance of their representatives and to express, through the ballot box, the type of leadership and policies that they believe will improve their lives. We have never doubted the collective wisdom of our citizens to vote for representatives that are unshaken in pursuit of policies aimed at addressing the fundamental challenges of unemployment, poverty and inequality in our country.

It is for that reason that the content of this Budget Policy Speech reflects our collective desire as the Government of KwaZulu-Natal to meet the expectations of our people notwithstanding the current constrained economic performance. We acknowledge too that the present economic conditions are tough. The terrain we operate under is not very conducive for us to attain our developmental goals.

Globally, growth prospects have been declining on the back of muted demand and commodity prices negatively affecting our key trading partners and, by extension, our local growth prospects. Both manufacturing and trade developments have been hamstrung by this subdued demand. At the local level, the grinding drought; low productive capacity and the volatile exchange rate have delayed the bold plans to extricate our people from the bondages of socio-economic depression.

However, it is at times like these where we hark back to the words of wit of Martin Luther King Junior who posited thus: *“the ultimate measure of a man is not where he stands in moments of comfort and convenience, but where he stands at times of challenges and controversy.”* To this end, we want to assure this house of our firm resolution and focus on the task at hand of steering the economic ship of this province to calmer waters. No amount of economic difficulties will dissuade us from moving with vigour to improve the lives of our people. We are providing the economic lead and working very hard to navigate and weather the storms with heavily curtailed resources.

In anticipation that our citizens will rightfully demand that public representatives accelerate the implementation of service delivery initiatives; we have themed this budget speech: **“The Age of Hope in Times of Turbulence: Deepening Radicalised Economic Transformation for a Better Tomorrow”**. This theme acknowledges that we persevere under difficult economic times while remaining resolute in co-ordinating the implementation of economic interventions in the province, as will be demonstrated in this budget speech. The legitimate expectations of our citizens are that these interventions must be accelerated to be able to create more business and employment opportunities essential in deleting the grinding poverty in our communities.



Chairperson, please allow us to commence by articulating the environment within which we operate. We are part of a globalised world that has economic interdependences. The local solutions that we seek to address our developmental challenges should take this interconnectedness into account whilst at the same time appreciating the uniqueness of our situation.

## **2. GLOBAL ECONOMIC DEVELOPMENTS**

Chairperson, the global economic outlook is not bright. Global economic growth for 2016 and 2017 is expected to remain modest at around 3.5%. Emerging economies, particularly China, have slowed down in recent years – leading to slower uptake in imports. China is facing a stumbling stock market and high debt levels as a result of elevated credit extension. The inclusion of the Yuan by the International Monetary Fund (IMF) into the basket of currencies making up the Special Drawing Rights (SDR), joining the US dollar, the British Pound Sterling, the Euro and the Japanese Yen, to be effective from 1<sup>st</sup> October 2016 is a positive development. This will make the Yuan the third most powerful currency.

The Brazilian economy relapsed into a recession spawning risks to the funding of the BRICS Bank from that country. At the same time, Russia is expected to perform poorly following low global oil prices. In the case of India, the only caution from the IMF is the level of public debt otherwise the country is expected to be on a growth path that is way above 7.0% in the medium term.

## **3. DOMESTIC ECONOMIC DEVELOPMENTS**

The year 2015 was difficult for the South African economy which faced both internal and external risks to economic growth. The South African economy will likely remain feeble in 2016 as a result of the devastating drought, low commodity prices, higher borrowing costs, slowing manufacturing and trade, diminishing business and consumer confidence. National Treasury projects economic growth in the country to be 0.9% in 2016 while IMF forecasts growth to be 0.7%, down from 1.3% in 2015. Weaker growth means that there will be a further reduction in government revenue, thus delaying service delivery further.

The concern with the public revenue and therefore the debt level has spurred new interest from credit rating agencies on the country's sovereign credit rating. A credit rating is an indication of an economic, financial and political situation of an economy and signals important information regarding a country's development for government and financial markets. Sovereign credit ratings measure a country's ability to meet its financial obligations. South Africa is sitting at the bottom notch of the investment grade category which is just above the non-investment grade or 'junk status' grade.

Chairperson, let me be categorically clear on this matter. To date there has never been a period where the public debt sustainability was ever a concern in this country. Yes, the pace of growth in the debt requires



careful monitoring. This is precisely what the government has responded to in terms of the fiscal measures proposed during the national budget speech. The fiscal responses are therefore designed to emphasise the fact that the current fiscal stance is sustainable.

There is therefore no reason whatsoever to get overly excited about the nature of the response and lose sight of the fact that those interventions are not growth inducing. Furthermore, it is my submission that the debt concern has pushed social partners (government, business, labour and civil society) in the country to work closer together to avoid any future downgrades.

The provincial economy has been part of the global and national developments. It posted muted growth of 0.1% in the fourth quarter of 2015 compared to 1.1% posted in the third quarter of 2015. This is largely attributable to the struggling manufacturing sector in the province which has failed to capitalise on the weaker rand to boost exports as well as the severe drought which has left the agricultural sector devastated.

The persistent drought ravaging our country and KwaZulu-Natal is the worst affecting the regional economy in years, with agricultural yield declining to a mere 30% of previous harvests. The agricultural sector is already in recession. As matter of fact, because the agricultural sector has forward linkages with the manufacturing sector, manufacturing output has been negatively affected.

Employment in KwaZulu-Natal declined by 44 000 to 2.5 million over the three months period to December 2015. However, on an annual basis, employment increased by 9 000 jobs. This implies an annual growth of 0.4%.

Against the backdrop of these seemingly daunting challenges, this budget statement highlights the economic development programmes we are implementing to avert further economic decline and to address the structural challenges facing our province.

## **4. REVIEW OF PREVIOUS BUDGET SPEECH COMMITMENTS**

During the previous budget speech we made certain commitments to the people of this province and it would be remiss of us not to provide a detailed account of how we have fared on those commitments.

### **4.1 Investment Attraction and Job Creation**

Chairperson, we are pleased to announce that we managed to attract new investments amounting to R5 billion to the province last year alone with a potential to create an estimated 11 038 jobs. These investments are spread throughout the province to mitigate spatial inequalities currently characterising the provincial economic landscape.

The sectors targeted by these investments are wide – ranging from manufacturing, green industries, oil and gas, agri-processing, automotive, ICT to mineral beneficiation. These investments have been attracted through the collective efforts of the Richards Bay Industrial Development Zone (RBIDZ), Trade and Investment KwaZulu-Natal (TIKZN), the Dube Trade Port (DTP) and the KwaZulu-Natal Growth Fund (GF). See *Annexure I*.

For example, during the 2015/2016 period, Dube Trade continued to grow its total investment by the private sector beyond the R1.063 billion mark achieved in the previous financial year. Investments with a combined value of R266 million, therefore commenced operations in 2015/2016 and it is estimated that these investments, which include companies such as Laser Junction, Retractable and Tuffbags will create around 1 500 direct jobs when they reach full capacity in the months to come.

This momentum is being carried through into the new financial year as the number of new facilities will be completed and commence operations by the end of this year in this industrial complex and these include:

- Yangtze Fibre Optic Company manufacturing plant, with an investment value of R250 million that is expected to create over 100 jobs,
- New R35 million warehouse facility for Samsung Electronics Production South Africa,
- Condom manufacturing plant for SA Health,
- A R90 million iDube Cold Storage facility,
- New R20 million warehouse for GT Logistics.

In addition to these investments, a further R1 billion worth of projects is on track to begin construction in the 4<sup>th</sup> Quarter of this financial year and will be completed during the 2017/2018 reporting period. These combined investments in the DTP precinct, are a realisation of our efforts to promote industrial development in the province which is essential for the creation of employment opportunities to reduce the levels of poverty in our communities.

#### **4.2 Scaling up Private Sector Participation and Investment**

Our detailed analysis of the projects that obtained the necessary environmental authorization indicates that for 2015/2016 we have attracted strategic investments of over R55 billion into the province with a potential to create an estimated 111 950 jobs. The bulk of these investments are located in eThekweni Metro and in the other six district municipalities which are uThungulu, Amajuba, uMgungundlovu, uGu, iLembe and uThukela.

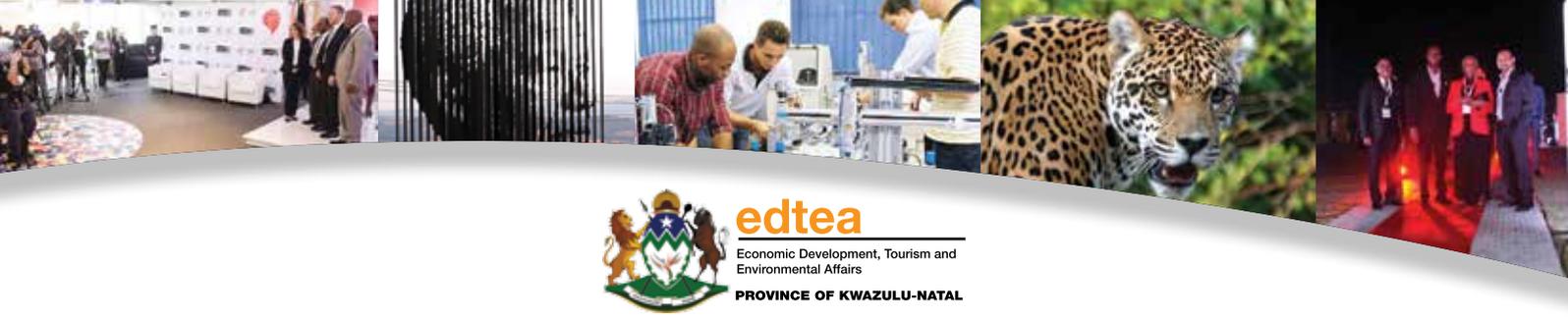
The property investment project pipeline alone amounted to R48 billion over the MTEF period. These strategic investments include *inter-alia*:



- The Kings Estate Wewe Driefontein at KwaDukuza Municipality by KDC Projects. This development is a mixed used development on 621 hectares, that will consists of inclusionary housing, general industry, light and service Industry, parks, commercial, retail, agricultural and conservation.
- Cornubia Mixed Use Development Phase Two is a joint venture between the City of Durban and Tongaat Hulett Development.
- Mixed Use Development in Shongweni by Tongaat Hulett is one of the new developments.
- Ladysmith mixed used development illustrates that property development is not limited to large urban areas.
- King Shaka Mall and Mixed use Precinct by Double Ring Trading 7 (Pty) Ltd.
- A Services Park in uMhlali consisting of Warehouses, commercial and general industrial by Afri-Parks.

The other key strategic investments by the private sector which are in the pipeline in the province include the:

- Establishment of a manufacturing facility in KwaDukuza by a French company Vossloh. They are currently exporting rail fasteners to South Africa and supplying PRASA and Transnet. This is an import substitution project with an investment of R75 million – with a potential to create 100 jobs.
- The new mineral sands mine established by Tronox with an investment value of R3.3 billion and a potential to create 1250 jobs.
- The Nestle expansion investment in Estcourt with an investment value of R1.2 billion and a potential of creating 490 jobs.
- Music City South Africa project which includes the development of a musically-themed resort that will comprise other business operations such as retail, accommodation, entertainment and education facilities in Ugu. The development also involves an energy plant for the project and housing for the workers. The total project value is R34 billion with a potential to create 15 000 jobs.
- Multi-smelter Park project that focuses on the localisation and beneficiation with a prospect of establishing 5 – 8 metallurgical smelters. This will attract about R16. 5 billion in direct foreign investment and creating approximately 8 000 new jobs in the Colenso and Newcastle areas in the north of our province. This will include power stations that will supply energy to the smelters.
- Melmoth Iron Ore project is a joint venture between Jindal Mining SA (Pty) Ltd and Sungu-Sungu Mining which is the principal Prospecting Right License holder. The project is currently at exploration level and the discovered Iron Ore will be beneficiated on site. The investment will be worth more than R40 billion with a potential to create 1 500 jobs.
- Manufacture of Ethanol from sugar products with the project promoter, Silvapen (South African/Brazilian Company) intending to establish an ethanol manufacturing plant near Jozini on the Makhatini Flats. The plant will be sited on 20 hector and will source sugar cane from 15 000 hector and this will attract a R1.2 billion investment that a potential to create 1 000 jobs.
- Eureka Solar Farm Project has been initiated by Eureka Capital which is a fund management company from Israel. The company intends to establish a 100 hector solar park in the Impendle District and the investment of R1 billion will be in phases culminating in an 80 MW output all of which will be sold to Eskom. More than 100 employment opportunities will be created.



Chairperson, this government is committed to creating the conditions necessary to grow the economy and allow business to expand, thrive, and create sustainable jobs in KwaZulu-Natal. Foreign and domestic investment has great potential to support the priorities of this government. It is crucial for the growth of KwaZulu-Natal as the most attractive destination for FDI into South Africa, that we broaden the global base from which foreign investments are attracted.

We have been supporting and encouraging KwaZulu-Natal companies to look at opportunities to expand their production in order to increase efficiencies and turn-around-time. We are encouraged by the number of companies that continue to reinvest through expansions, machinery enhancements and subscribing to new technology. Within this approach the province has realised a number of companies that have undergone expansions and re-investing in the province's economy.

Trade & Investment KZN packaged ten (10) high impact investment opportunities for investors. These projects relate to renewable energy, agro-processing, hydro-electrical, aqua-culture, property development and infrastructure. These are in line with the Provincial Growth & Development Plan as well as the Strategic Infrastructure Projects (SIP). The process going forward is to attract investors that will take up these opportunities and possibly partner with our local companies in realising the benefits of these projects.

Last year we reported on certain investments that we attracted to the province and we are happy to report that some of these have begun setting up infrastructure in preparation for operations or have started operations already. For example, the RB Energy Services has established a facility for assembling, repackaging and distribution of plant manufacturing machinery and equipment in uMhlatuze with an investment value of R20 million and 27 jobs were created.

At the same time, SPS Manufacturing (Pty) Ltd is establishing a pipe manufacturing business also in uMhlatuze with an investment value of R300 million that would create around 110 construction jobs and 87 permanent employment opportunities. The plant is under construction and is expected to be operational by the second quarter of 2016/2017. A total of 112 construction jobs have been created thus far.

### **4.3 Export Promotion**

Chairperson and Honourable Members, once again through our entity, Trade & Investment KZN, we have managed to confirm and assist our exporters to 125 new markets which were collectively identified with the companies. These enterprises were assisted with market intelligence and facilitation of the linkages with distributors in key markets. This success was achieved despite the unfavourable global business environment. Trade & Investment KZN continued to focus on Africa through market development programmes wherein KwaZulu-Natal exporters gained market access in countries like Angola, Ghana, Nigeria, Mozambique and Botswana.



Meanwhile, the Annual KwaZulu-Natal Export Week 2015, themed “*showcasing opportunities in Africa and Southern Asia*” was held in October 2015 and was a resounding success as we witnessed over 200 companies participating at various events over the four days of the week.

As part of its knowledge repository, TIKZN in partnership with the University of North West modified the Decision Support Matrix (DSM) tool which is a quantitative instrument that uses trade data and various filters to determine the potential export opportunity of products into various markets.

The scale of our ambition to increase exports requires a fresh approach in partnership with the private sector. We have used all available levers to drive an increase in exports, shaping a positive environment in which KwaZulu-Natal businesses can prosper internationally by using our combined strengths and seizing every opportunity to broaden the scope of the volumes and value of the province’s exports.

#### **4.4 Enterprise Development**

##### **4.4.1 SMME Development**

In our budget speech last year we indicated that we will partner with the Mangosuthu University of Technology and the Durban University of Technology to support SMMEs and co-operatives in the chemical sector. We are pleased to report that 108 small enterprises successfully participated in this programme. The demand for this intervention has resulted in the project negotiating lease for an external manufacturing site.

Chairperson, in our engagement with SEDA towards the introduction of “Entrepreneurship” in schools, we agreed to expand this programme to broader communities through the expansion of the incubation model of business Support. In partnership with SEFA (Small Enterprise Finance Agency), this year we will be collaborating in supporting and establishing incubation centres for small enterprises in the Aluminium sector. Within the Aluminium Beneficiation Initiative facility in collaboration with Hulamin and South 32 (previously BHP Billiton), we will be targeting three sites in the province to be utilised as Aluminium beneficiation Incubation Centres.

In November last year, together with eThekweni Municipality, we successfully hosted the awards ceremony of the winners in the Master Caterers Challenge. The programme involved taking 65 trainees through bakery training aspects that included exposure to sponsors like Bidvest Bakery Solutions, SPAR Bakery Division, Durban University of Technology, School of Hospitality and Tourism, Fusion Cooking School, Tsogo Sun, Invo Tech and SEDA. Trainees received various prizes ranging from further training and funding vouchers.

As part of the development of the Small Enterprise database and Performance Management system in partnership with the International Labour Organization, we are already developing an e-Learning System that will be linked to the database, thereby providing web-based online business support. This intervention will

result in small enterprises obtaining real-time responses to their challenges, whilst in addition regular training programmes will be uploaded. This system is currently being tested and is due to be rolled out soon and it will enable proper and efficient reporting on the status of co-operatives in the province.

#### **4.4.2 A Radical and Inclusive Approach to Co-operatives Development**

Chairperson, amongst the commitments we made in our budget speech last year, was to revise the interventions geared towards an inclusive economy. In line with this commitment, the need to review the co-operatives programme was expressed and interventions to ensure a radical and inclusive approach to co-operatives development were identified.

We are happy to report that in February 2016, we hosted, in partnership with ILO, a two-day Co-operatives Summit, themed, “*Achieving Radical Economic Transformation in KwaZulu-Natal through Sustainable Co-operatives*”. The summit was attended by critical stakeholders in the development of co-operatives in the country. Stakeholders deliberated on the interventions to be implemented by all in the development of sustainable co-operatives and these discussions resulted in resolutions adopted by the participants in the summit.

This year we will be ensuring co-ordination of the implementation of the Co-operative Summit resolutions. Key among these will be reviewing the KwaZulu-Natal Co-operative Strategy to bring it in line with other National and Provincial legislative frameworks.

Likewise, we will be ensuring finalisation of the Co-operative Information & Management Database which will ensure proper efficient reporting of the status of co-operatives economy in the province. This database forms one module of the Centralised & Integrated Statistical Database (CISD) that we are developing for KwaZulu-Natal.

#### **4.4.3 Revival of Township and Rural Economies**

As part of the Revitalization of Township and Rural Economies, the Small Business Growth Enterprise (SBGE) has concluded a partnership with Sumitomo Rubber South Africa (Pty) Ltd to establish twenty five (25) Dunlop Container Tyre Fitment Centres across the province over a three year period, with the potential of creating 100 jobs.

The partnership is based on a 50:50 contribution, with the SBGE investing an amount of R4.1 million in the project and Sumitomo Rubber SA investing the same amount in technical service support. During the first year, SBGE and Sumitomo Rubber SA would be establishing seven (7) tyre fitment centres in the uThukela, Ugu, Amajuba, Harry Gwala, uMzinyathi and uThungulu district municipalities.



Meanwhile, the Provincial Traders Association's interim structure was nominated and formalised in August 2015. Their mandate was to organise the local structures and representation onto the District and Provincial Associations within six months. By February 2016, the Provincial Traders Association was institutionalised and is now known as the KwaZulu-Natal Association of Businesses.

Chairperson, this year, the Department will be aligning its project interventions to the Revival of Township and Rural economies in order to ensure that townships and rural small enterprises participate actively in their economies.

The recent mushrooming of Malls and Shopping Centres in the said areas should not crowd out existing small enterprises but should ensure inclusive growth where every stakeholder in these economies benefits. Our engagements with the private sector are far advanced in this regard having started engaging with the leadership of the Franchise Association of South Africa.

#### **4.4.4 District Warehousing and Bulk Buying Facilities**

Chairperson, a provincial model around the bulk buying facilities has been finalised and it is premised on the notion of Build, Operate & Transfer (BOT). The Task Team comprising the Department, SBGE, Ithala and the KZN Association of Business has developed the bulk buying model to facilitate and enhance the trading and business environment for small traders and small enterprises in KwaZulu-Natal.

The key features and benefits of the bulk buying model are the discounts that will accrue to the traders as a result of the economies of scale, funding model, banking facility and logistics for improved and competitive trading by small traders.

The Ithala-owned Eston Shopping Centre has been identified as the first of many suitable premises for the warehousing and bulk buying facility in the province. In addition, the Wholesale and Retail Sector Education & Training Authority (W & R SETA) is working with the Task Team on this project to create the necessary synergies for the success of this programme.

#### **4.4.5 Ensuring Proper Business Licences and Permits**

We concluded a Memorandum of Understanding with the Department of Home Affairs to enable our municipalities to synergise IT systems in terms of verifying and validating legal applicants for business licences and permits which will ensure that only legal resident persons in South Africa will be eligible for business licences and permits.

We have finalised the development of an Informal Economy Web-Based Registration & Database System. This system, the first of its kind in South Africa, seeks to provide automated seamless systematic processes in relation to application, registration and issuing or refusal of Informal Economy Trading permits to valid residents within and across all municipalities in the province.

As yet another module of the CISD, the system will further provide comprehensive and computerized economic statistics for the Local Municipalities (LMs), District Municipalities (DMs) and the province with which planning for the sector will be made possible.

#### **4.5 Public Procurement**

Chairperson, as part of building a non-racial society we have resolved to strategically utilise the public procurement to help us reverse the racial inequalities that are attendant in our economy. In this regard, the provincial government has resolved that the procurement policy must empower the historically disadvantaged, Africans in particular, within the ethos of a developmental state, pro-inclusive economic growth and non-racialism.

To demonstrate our resolve to deepen radical economic transformation, the province successfully organized the ground breaking KwaZulu-Natal Provincial Procurement Indaba in August 2015. This Indaba adopted far-reaching resolutions that will transform the economy of the province in all sectors. Such resolutions included, *inter alia*:

- Placing public procurement at the centre of radical economic transformation,
- Designating and ring-fencing strategic sectors (set asides) for SMMEs with clear black economic empowerment targets and,
- Ensuring that public procurement is used to deal with poverty and inequality in the townships and rural areas.

We have developed a detailed implementation plan and we are already hard at work implementing the Procurement Indaba resolutions.

The Cabinet has already endorsed the following procurement target breakdowns:

- Women (30%),
- Youth (35%),
- People with disabilities (5%),
- Military veterans (10%) and:
- Across these targets and the sets aside in general 60% has to benefit Africans.



It is the vision of the provincial government to optimally utilise and leverage procurement resources to drive service delivery to further accelerate the economic and social transformation in KwaZulu-Natal and further promote local economic development.

This radical shift to position procurement at the centre of socio-economic transformation is not overlooking other fundamental compliance pillars such as sustainability (which include factors like relevance, resilience, efficiency and providing value for money) and transparency (fairness, competitiveness, accessibility and lead to reduction of costs).

#### **4.6 Black Industrialists (BI) Programme**

As part of accelerating radical economic transformation, last year we announced that the national government had established an incentive scheme directed at creating more than 100 large and competitive black industrialists in key sectors identified in the Industrial Action Plan, particularly in those sectors with potential to significantly drive economic growth. We are therefore elated to announce that in order to provide more structured and tailored assistance a Provincial Black Industrialists Steering Committee has been established.

This structure has already developed a policy framework for the implementation of a KwaZulu-Natal focused Black Industrialists scheme to develop, support and promote the province based Black Industrialists. They have also properly packaged 13 provincial projects to be submitted to the Department of Trade & Industry with a value of R1.9 billion and a potential to create 2000 job opportunities.

The Growth Fund has made concerted efforts to prioritize projects that meet the Black Industrialists criteria as set out in the DTI policy. Two of the approved projects in the last financial year are compliant with the requirements and have been submitted for consideration by the DTI on the Black Industrialists scheme. There is a strong pipeline of about eight (8) other projects (approximately R1.3 billion in total value) which are at various stages of internal evaluation for funding. Once again, the Growth Fund is playing a key role in appraising projects for co-funding as well as facilitating the process of applying for funding with the DTI and other developmental funding institutions.

This will contribute greatly towards ensuring that a large portion of the available funding does benefit KwaZulu-Natal's black entrepreneurs and communities.

This initiative will have considerable socio-economic benefits as it will unlock industrial potential whilst radically changing the pattern of ownership and control in the province's economy.

#### **4.7 Youth Economic Empowerment**

Chairperson, last year we reported that we secured R41 million from Services SETA and this was earmarked to encourage young entrepreneurs to consider starting new business ventures. We further indicated that this would benefit a cohort of 1000 youths that want to engage in manufacturing, agriculture, maritime, creative industry, IT and financial services. We are therefore excited to report that 1 078 youths were recruited into the programme across a number of municipalities and would be finishing theory training on 18 May 2016 and thereafter they would begin practical training.

#### **4.8 Women Economic Empowerment**

We are also pleased to report that more than 1 000 women were assisted both technically and financially in an effort to promote small scale industries. These women were taken into a thorough capacity building programme so that they are self-sustainable. The initiative dubbed *Imbokod'iyazenzela* is another programme focused specifically on women wanting to start or advance their businesses.

The interventions delivered on this programme are in the form of one-stop road shows aimed at providing end-to-end business assistance at all districts in the province. The partners in this innovative initiative include the Department, Ithala, SARS, SEDA, Durban Chamber of Commerce and Industry and CIPC.

#### **4.9 Prestigious Business Excellence Awards**

Honourable Members, we are delighted to announce that during the period under review we have developed a blue-print of the business excellence awards. This initiative clearly outlines the criteria and categories of businesses to qualify for the awards that are aimed at recognising exceptional contribution to the province's economy and transformation by businesses and individuals. It also outlines the governance and funding model for these prestigious awards.

We are therefore ready to host our maiden business excellence awards during the latter part of this financial year. This we believe will serve as an incentive to motivate for hard work and commitment to socio-economic transformation in this province. We are currently allowing for the nomination and adjudication process to take place.

#### **4.10 Special Economic Zones (SEZ)**

Chairperson, we are once again pleased to report that the President of the Republic of South Africa issued proclamation to operationalize the Special Economic Zones Act and SEZ Regulations in February 2016 and we continue to observe heightened activities and investor interest within our two designated SEZs in the province.



The Special Economic Zone activities at Dube Trade Port during the year under review have led to the creation of a combined total of 9 880 directly, indirectly and induced jobs in the country's economy of which 7 395 were employed within the Province of KwaZulu-Natal. Of the jobs created by DTP in the province, the majority, which is 4 160, were created through the DTP SEZ activities (Dube Trade Zone I & AgriZone I). The manufacturing sector in the DTP SEZ designated zones has contributed 36% or 1 515 towards the total jobs created followed by agriculture and agri-processing. This clearly demonstrates the high impact that the manufacturing and agri-processing sectors have on our economy especially with respect to the creation of desperately needed employment opportunities.

The Dube Trade Port is in the process of establishing an ICT Park within the zone. An investor, Eureka Capital, has been secured and will be investing R250 million for the first phase of the project. The park will consist of an Enterprise Zone for large and small IT companies, an ICT Research & Development Institute, a Technology Innovation incubator, an Innovation Support Centre and as well as an ICT Accelerator incubator amongst others. Construction for the ICT Park has already commenced and at its pinnacle it is envisaged that this project will become the KwaZulu-Natal's own Silicon Valley. This activity will of course extend to the Ladysmith Electronics Industrial Economic Hub, which we will talk about shortly.

Negotiations are also in the final stages to develop and lease a large facility for an international pharmaceuticals manufacturer. In the Dube Agri-Zone, DTPC's continuous engagement with tenants is expected to yield results as a recently signed tenant is already preparing for export in 2016/2017. Research into new prospective facilities and agri-businesses along with striving towards implementing standards such as ISO, Fair Trade and SANAS continue to set the Agri-Zone miles ahead of any competition.

At Dube City, construction of the double underground basement is underway and is expected to be completed during the 2016/2017 financial year. This will be followed immediately by the construction of the first phase of a three phase office development to the value of R320 million.

Meanwhile, Richards Bay Development Zone remains an engine for job creation and economic development for the region through direct foreign investments. As of October 2015, 62 hectares of the RBIDZ Phase IA have been completed and fully serviced. The entity will soon be embarking on the development of Phase IF – totalling 110 hectares most of which has already been committed to several investors.

With the recent proclamation of the SEZ Act, and the promulgation of the Regulations, it can be envisaged that the RBIDZ and other SEZs will utilize the SEZ Fund to amongst other things, take advantage of existing industrial and technological capacity, promote integration with local industry, increase value-added production and promote regional development. During the period under review, five new investments were attracted to the SEZs.

## 4.11 New Energy Projects

Chairperson, we are happy to announce that we have appointed an energy agency in the province whose task will be to identify and package green economy projects into bankable stages and to facilitate energy trading opportunities.

As per the State of the Province pronouncement that RBIDZ should pioneer an energy production hub to produce diversified energy generation capacity from renewable sources, we are delighted to report that the RBIDZ has assumed a lead role in the establishment of an energy production hub. A 20 hectare site has been identified within RBIDZ to host significant gas-to-power operations in an effort to yield diversified energy generation capacity from renewable sources.

On-going collaboration with the Department of Energy will ensure that KwaZulu-Natal contributes significantly to reducing the possibility of future load shedding. Fourteen separate potential power producers have approached the RBIDZ for land to set up gas power plants – ranging from 500MW to 3 000MW with an investment value of between R4 billion and more than R30 billion.

Byromate is going to establish a 60MW biomass electricity generation plant in uMhlathuze with an investment value of R2 billion creating approximately 260 construction jobs and 70 permanent jobs. The energy generated will be derived from three energy sources from around Richards Bay namely; forestry, sugar cane and waste from the agricultural sector. In this regard, there will also be 11 projects based at different mills throughout the province.

The total investment value of these projects hovers between R18 billion and R20 billion with an estimated jobs yield of several thousands. The project has secured land and also commenced with energy crops plantation whilst awaiting the next round of applications under the Department of Energy's Renewable Energy Independent Power Producer Programme (REIPPP) process.

## 5. STRATEGIC INTERVENTIONS

### 5.1 Aerotropolis

Chairperson, we are in the process of finalising the Aerotropolis Master Plan, which aims to address the land use and identify catalytic projects for the Durban Aerotropolis initiative. This Master Plan will be completed in the second half of 2016. We have already identified some of the catalytic projects that are critical for the development of the Durban Aerotropolis.



These include bulk infrastructure (water and sewage treatment), access roads and public transport as key to unlock investment into the Dube Airport City and the Durban Aerotropolis in general. We are also in the process of undertaking a detailed feasibility study for a rapid rail system connecting King Shaka International Airport with strategic economic nodes such as Durban, Pietermaritzburg and Richards Bay. This detailed feasibility study will be completed before the end of 2016.

New international and regional air routes open up new opportunities across a full spectrum of sectors including tourism and leisure, business and commercial, and cargo and manufacturing. It is no coincidence that the fastest growing and most sustainable local economies across the world are served by airports with wide reaching regional and international networks.

In respect to achieving such a network from King Shaka International Airport, 2015/2016 was a watershed year. From opening in 2010, KSIA's network grew to include the highly successful daily Emirates flight to Dubai, as well as regional services to Harare, Maputo and Mauritius by SA Express, SA Airlink, and Air Mauritius respectively. In December 2015 the network grew by an additional four new airlines namely Qatar to Doha, Turkish to Istanbul, Ethiopian to Addis Ababa, and Proflight Zambia to Lusaka. This now gives travellers to and from KwaZulu-Natal access to some of the world's largest airline networks, and in the case of Ethiopian Airways the largest network serving the continent of Africa.

Since its opening in 2010 the airport has seen international passenger arrivals increase by an unprecedented 60% – with foreign passenger arrivals increasing by 22%. Since December 2015 this number has been steadily increasing and in March 2016 a year on year increase of 23% in international passenger numbers was recorded, which is by far the highest growth achieved at any time since the opening of the airport. The impact of the new air services is therefore already delivering major dividends to KwaZulu-Natal – a mere 3 months into operations. At the same time the international passenger market in the province has registered a 20% growth year on year which indicates that there is still a large untapped and growing market.

These new services are also driving increases in cargo tonnages processed through the Dube Cargo Terminal. In 2015/2016 over 8 000 tonnes of international cargo was processed through the Dube Cargo Terminal – an increase of 12.7% year on year which is exceptional in a national economy which is growing at less than 1%. Cargo is expected to grow by a further 13% to 9 100 tonnes this year.

Meanwhile, the Provincial Route Development Committee will this year work closely with all international airlines at King Shaka International Airport to market their routes and expand their services and frequencies. The committee will also focus on opening up new routes which offer potential for direct services.

In the 2015 budget statement, we announced our plans to develop a KwaZulu-Natal Aerotropolis Institute to provide tertiary education in the aviation industry and other matters germane to the Durban Aerotropolis

initiative. The Department has already forged a partnership with the University of KwaZulu-Natal to develop the KwaZulu-Natal Aerotropolis institute. We are already in the process of formulating feasibility and business plans for the development of this Aerotropolis Institute.

Chairperson, the KwaZulu-Natal Integrated Aerotropolis Strategy also places the regional airports as priority assets for increasing tourist arrivals to KwaZulu-Natal and support the Durban Aerotropolis initiative. Against this backdrop, we are now in the process of implementing the Regional Airports Strategy which identifies nine (9) regional airports in KwaZulu-Natal for infrastructure upgrades.

These include Richards Bay, Pietermaritzburg, uMkhuze, New Castle, Margate, Virginia, Ladysmith and Vryheid. The Department has already invested R5.4 million on infrastructure for uMkhuze Airport in uMkhanyakude and will further inject more funding during this financial year. We will also be investing in the upgrading of infrastructure at Ladysmith and Richards Bay airports respectively.

## **5.2 Industrial Economic Hubs**

The development of the Special Economic Zones is done alongside the development of the District Industrial Economic Hubs. Chairperson, we are very mindful that as deliberately segmented economic growth areas, the occupation of the SEZs has limits. We are therefore developing the district hubs as parallel complementary sites.

Before giving an update on each hub, let us first state that the six key factors we are dealing with regarding the development of the hubs refer to responding to investor sentiment created by:

- Politics of the day and sovereign credit status,
- Energy generation capacity,
- Industry support measures,
- Availability of suitable skills,
- Acquisition of new markets,
- Accessing additional unencumbered land.

We are responding to all factors by providing strong leadership, outlining alternative and renewable energy sources, consulting with stakeholders to finalise the industry support measures proposals, linking tertiary institutions to the hubs, sourcing new markets in Africa and the Middle East and as well as sourcing additional government and public land. Let me also underscore that the attraction of tenants and investment for the SEZs and Industrial Hubs is an on-going and long-term activity.

For the development of the industrial park platforms for the three hubs within the Ithala owned industrial parks of Isithebe (renewable energy components), Madadeni (clothing and textile) and eZakheni (electronics)



as well as uMgungundlovu (leather processing), we are finalising the development of engineering studies to inform the overall hub design, the construction of shell mini-factories for rent-out as well as the allocation of space for potential investors. We will have all studies and drawings finalised by the second half of this year.

The inability to acquire the earmarked land in uGu District meant that alternative sites had to be assessed and we are working with the local municipalities to finalise this matter. We had to realign the development of the Zululand agri-processing hub with the development of the district Agri-park. A new concept document has now been finalised and the approach now is to develop a combined (with Agriculture and Rural Development) project in terms of fencing, design and as well as tenant attraction. Herbalists and companies in the traditional medicine area are being consulted for the medicinal hub in Pongola.

Multi-agreements are being finalised with wood suppliers, Furntech, the Department of Education, Department of Human Settlement, Esayidi TVET, uMzimkhulu Municipality and the Department to facilitate the complicated development of the furniture manufacturing hub at uMzimkhulu.

The project value chain involves training students for wood processing, arranging them into business incubations, providing product manufacturing (initially desks and low cost houses cupboards and later other products in line with markets sourced by TIKZN) and finally assisting the formulated business units with markets. Even though the entire programme was never put together on the basis of student stipends, we had to unfortunately suspend the training because students raised numerous concerns and difficulties around attending classes without stipends. We are aiming to resolve this matter by June this year.

In the meantime we are engaging potential investors and tenants for all hubs.

### **5.3 Tourism**

Chairperson, Tourism is one of the cornerstones for economic prosperity in the Province of KwaZulu-Natal. To ensure that we continue harnessing the growth of this industry, we have undertaken the process of repealing the current KwaZulu-Natal Tourism Act of 1996 as amended in 2002. Our efforts are propelled by the recent prevailing conditions within our tourism sector and in this regard we note the recently enacted Tourism Act No.3 of 2014.

In our 2014/2015 budget vote, we pronounced the establishment of a fund that will solely be dedicated to the financing of all business events and other efforts in a form of a tourism hospitality levy. The Department conducted extensive consultations with key tourism industry players and it was recommended amongst others

that a thorough investigation should be undertaken prior to introducing the levy. This process has therefore begun to find an appropriate model which will culminate in the establishment and management of the proposed fund.

During the 2015/2016 budget vote we also announced that the Department will be hosting a Drakensberg Cable Car International Investment Conference and Exhibition. I am happy to report that the conference is going ahead as planned and will be in June this year.

In our efforts to diversify provincial tourism products and the supply of rural based tourism experience, the Department is currently implementing community based projects such as Ntsikeni and May Lodge in uMzimkhulu Local Municipality in partnership with Harry Gwala District Municipality. As part of our contribution to Ndumo Yenkululeko Regeneration programme, we will be upgrading Ndumo Rest Camp within Ndumo Game Reserve to tune of R4.2 million with an additional R1 million during the current financial year. We believe that these projects are the conduit to job creation and participation of our people in the mainstream tourism economy.

Chairperson, we are aware that skills development is a priority in our province. We are certainly committed to playing our role and enhance skills within the tourism industry. As an endeavour to fulfil our commitment towards this end, we are implementing the Tourism Graduate Development Programme – targeting unemployed tourism graduates thereby increasing opportunities of permanent employment. In the 2015/2016 year we placed 54 tourism interns and 10 in-service trainees at different municipalities.

#### **5.4 Environmental Management**

Once more, we delighted to report that during 2015/2016 financial year, 98% of EIA applications were finalized within the legislated timeframes. It is planned to finalize 100% of EIA applications received within the legislated time frame in the 2016/2017 financial period.

Our Department is responsible for the issuing of waste management licences for general waste facilities in the province. In this regard, 24 waste management licences were finalised during 2015/2016 financial year – with 74% of the applications being finalised within the legislated timeframes. The Department intends to achieve a target of 85% this financial year. Monitoring and auditing of waste management facilities will continue – with a particular focus on the compliance of municipal waste disposal sites.

Similarly, 100% of applications for Air Emission Licenses were issued within the legislated timeframe during the reporting period. We shall do the same in this financial year. The Department monitors air quality at the



various hotspots (industrial and traffic) in the province and the data collected are used for decision making and resolution of complaints. Again, our data show that the air quality in the province has not been compromised.

Emanating from COP21 engagements which were held by the provincial delegation with counterparts from other states and regions of the world in Paris last December, through the Climate Group (TCG) auspices, KwaZulu-Natal is a signatory of the Regions Adapt agreement. Through this agreement the province took an undertaking to pay more attention to climate change adaptation whilst at the same time not neglecting a need to regulate climate change mitigation.

#### **5.4.1 Provincial Coastal Committee (PCC)**

Chairperson and Honourable Members, we are pleased to provide a brief account with respect to the founding objectives of the Provincial Coastal Committee (PCC). This is an institutional structure established in terms of section 39 of the Integrated Coastal Management Act. The structure, which was formalised in 2014 and reports to myself and the National Coastal Committee, continues to advise on matters concerning coastal management in the province. It is comprised of organs of state and community groups which have a material and direct interest in the conservation and management of the coast.

The structure therefore includes representatives of government who play a significant role in undertaking or regulating activities that may have an adverse impact on the coastal environment. In the year ahead, additional persons with expertise in fields relevant to coastal management would be enrolled as members to strengthen the committee and assist it in fulfilling its functions.

#### **5.4.2 Biodiversity and Tourism Laboratory**

Honourable Members, our Department is currently participating in the Operation Phakisa's *Biodiversity and Tourism Laboratory* that was identified as part of the initial Operation Phakisa's *Oceans Economy Laboratory*. The laboratory constitutes three main working streams such as:

- Wildlife stream,
- Bio-prospecting Stream,
- Coastal and Marine Tourism stream.

Its objective is to maximise benefits that can be realised through fast results methodology where all the stakeholders work together on a number of initiatives that will be a game changer in our economy, particularly with respect to tourism and utilisation of our natural resources. However, the Honourable President of the country is still to pronounce on the finer details of this laboratory.

### **5.4.3 Invasive Alien Species Programme**

The Department is implementing the Invasive Alien Species Programme, using the Expanded Public Works Programme model. To this end, we had set ourselves a target of creating 7500 jobs in the 2015/2016 performance cycle and we are pleased to announce that we managed to create 8399 job opportunities in 2015/2016.

For the financial year 2016/2017 we have budgeted R66 979 000 towards the control of Invasive Alien Species outside and inside the Protected Areas. The greatest spin-off from this programme is biodiversity conservation whilst creating jobs and improving the skills of our people which includes empowering emerging contractors. Through the programme we aim to create over 3 000 job opportunities in this year.

### **5.5 Maritime**

Chairperson, the finalization and alignment of the KwaZulu-Natal Maritime Strategy to Operation Phakisa has been a giant leap in the province's maritime industry, bridging the gap of an unco-ordinated strategic vision and roadmap for the sector. Delivery on the Strategy and Operation Phakisa aims at the following outcomes:

Maritime Strategies are being developed for the ocean abutting districts of the province, namely UGu and uThungulu. These are deliberate, tailor-made roadmaps for the robust development of the districts' maritime industry with emphasis also being placed on the unlocking of economic potential within our inland waterways which so often surround our rural communities. These strategies will incorporate clear programmes, projects and activities which are readily implementable and easy to monitor and verify.

We are planning to develop a fully-fledged oil and gas hub and gas support services in RBIDZ. We will also accommodate boat building, rig and boat repairs services amongst other things. This initiative has since been officially included under initiative 7 of the marine manufacturing lab of Operation Phakisa by the Presidency. In relation to the aquaculture stream of Operation Phakisa, we are currently undertaking a feasibility study on the development of catfish farming cooperatives in the province with the aim of identifying suitable culture sites and mobilizing historically marginalized individuals to constitute these cooperatives and supply to both local and international markets. Furthermore, we endeavour to create Black Industrialists even in our white dominated maritime industry and are currently assisting black owned and managed fish farms to develop and grow their businesses as well as to meet market demand which it frequently does not meet due to insufficient stock.

Through our support to the eThekweni Maritime Cluster various projects have been undertaken spanning from the Graduate Development Programme which assists with the placement of unemployed graduates, predominantly youth, in maritime and logistics organisations. In the 2015 financial year, the programme has seen the placement of 30 graduates in companies such as South African Shipyards, Bid Port and MSC Cruises.



In recognition of the importance that we place in the proactive development of the provincial maritime industry, this sector has been included in Chapter 3 of the KwaZulu-Natal Economic Council Social Accords with various projects underway and to be undertaken in partnership with the various social partners such as civil society, organised labour and business.

Chairperson, Transnet is also fast-tracking initiatives and infrastructure delivery to enhance opportunities for this industry to flourish and create greater efficiencies within our ports. To date the dry-dock concrete repairs are in execution; the dry dock 6tons forklift has been purchased and is operational; repairs of the outer caisson has been completed; the geo-technical study has been completed at the south side crane rail at the dry dock; welding equipment has been purchased for the shop and the 24 staff members were being trained on how to operationalize the equipment.

## **5.6 Non-hub Sectors**

### ***5.6.1 Information and Communication Technology***

Chairperson, I cannot over emphasize the importance of the Information Communications and Technology (ICT) sector in supporting economic development. Among other things, it helps enterprises to reduce costs, improve processes, boost innovation, and increase productivity. ICT improves the provision of medical care, increases safety and provides greater quality of life.

As such, in the area of enterprise development, we have established an ICT incubator in Port Shepstone. This incubator has been in operation for just over a year and currently has 29 resident ICT SMMEs. The incubator serves as an embryo for ICT development in the Ugu region. In the past financial year, we partnered with the private sector in establishing an ICT incubator in Richards Bay.

There are currently 6 ICT SMMEs that are resident in the incubator. These ICT SMMEs produce solutions in the areas of software development, mobile applications, ICT in Financial Services, ICT in Film and Media, including ICT in Radio. The incubator will serve to foster ICT enterprise development in the Richards Bay and Empangeni areas.

### ***5.6.2 Broad Band***

Our province is now in the 8th implementation year of the KwaZulu-Natal Broadband Strategy and Action Plan. To date 23 575 kilometres of fibre optic cable throughout our province has been laid. There are 2 739 3G base stations and 1 626 4G base stations for wireless broad band in our province and approximately 1 180 Wi-Fi hotspots.

We have just completed the identification of strategic economic and tourist zones for the rollout of Public Wi-Fi to be located in areas such as the Durban Beachfront and Sports Precinct, certain areas of the CBD and harbour precinct, sports arena that are to be used for the Commonwealth games, other flagship economic development zones and historical and tourism sites with high volume of tourist traffic, towns that are involved with the Small Regeneration Programme, certain areas of the primary industrial node towns, libraries, post offices and some areas of the 169 prioritised poverty wards.

The province also continues to work in partnership with the National Department of Telecommunications and Postal Services to implement the National Broadband project within the framework of the approved National Broadband Policy. Phase One of the national project involves implementing the Digital Development Strategy that is a one of the pillars of the gazetted National Broadband Policy.

It involves the connecting of all public institutions such as government administration buildings, schools, health facilities, police stations, courts, prisons, libraries and other public institutions in the NHI districts. In KwaZulu-Natal the beneficiaries of phase I are the districts of uMzinyathi and uMgungundlovu and this initiative is funded by the National Treasury via the Department of Post and Telecommunications. Phase Two of the implementation of the National Digital Development Strategy of the national Broadband Policy will see the rollout of connectivity in the public institutions in the rest of the provinces' district municipalities.

### **5.6.3 Business Process Outsourcing (BPO)**

The province in collaboration with the DTI is training BPO personnel through the Monyetla programme. During the past financial year seven BPO training companies in KZN were chosen to participate in the Monyetla Programme and have completed the training of 1 292 BPO agents in KwaZulu-Natal through this programme.

The programme involves a partnership between BPO training companies and companies that employ BPO agents. This financial year 2016/2017 sees the further implementation of this programme where more BPO agents will be trained and employed in KwaZulu-Natal. We also aim to supplement this activity at a provincial level.

### **5.6.4 Automotive**

The automotive sector is one of the key sectors in the province as it supports economic development and job creation. It is therefore imperative for the Provincial Government to support this sector by creating an enabling and sustainable business environment. It is for this reason that an Automotive Supplier Park for KwaZulu-



Natal is being developed. The Department has since completed a feasibility study for the development of the proposed KwaZulu-Natal Automotive Supplier Park (ASP). A slightly over 1 000 hectares of land has been acquired for the establishment of the ASP. The ASP will stimulate the development of bulk infrastructure in the area; upgrading of roads and community upliftment through skills development and job creation.

The study shows that approximately 120MVA of electrical energy will be required for the operation of the park. The estimated cost for the development of the ASP is approximately R11.5 Billion broken down over three phases of R4.2 billion for Phase 1, R3.5 billion for Phase 2 and R3.8 billion for Phase 3. The estimated time for the development of all 3 phases is 6 years, depending on the investments from tenants who are to locate in the park.

The projected employment opportunities during the construction period are 14 104 direct jobs; 5 897 indirect jobs and 9 734 induced jobs, which totals 29 735 jobs. When the park is fully operational it will contribute approximately 5.18% to eThekweni's production economic activity; 5.06% to eThekweni's GDP and 0.30% to eThekweni's employment.

The Japanese Embassy has demonstrated significant interest in the proposed supplier park and has committed to support the endeavour. The next step in the planning phase is to source the service providers to start with the development of Phase 1.

### **5.6.5 Agri-business and Agri-processing**

Chairperson, agriculture is a major economic and social force in KwaZulu-Natal. It provides livelihoods for millions of households in the province, from subsistence farmers to cooperatives and large commercial concerns. As an agrarian province, KwaZulu-Natal has a larger area of high quality agricultural land than any other province, and it is the national leader in several agricultural products. It is for this reason that the Department remains committed to stimulating the competitiveness of this priority sector through agribusiness and agro processing initiatives.

Despite the marginal production growth of most divisions, the agro industry has created 5 772 formal jobs during the fourth quarter of 2015. Divisions that shed a significant number of jobs were:

- Wood and wood products (1 319),
- Paper and paper products (295),
- Footwear (290),
- Wearing Apparel (256),
- Textiles (82),
- Rubber (20),
- Furniture (19).



Despite the marginal production growth facing the agri-business sector, the department's agri-business unit will continue to undertake initiatives aimed at preserving and protecting jobs in the agri-processing sector and promote industrial development in rural economies.

### **5.6.6 Creative Industries**

The South African Music Industry is one of the most developed music industries in Africa and even compares fairly with other music industries in Asia, Latin America and Eastern Europe. The music industry directly and indirectly has a potential to make a significant contribution to economic growth and employment as well as the potential for contributing greater cultural diversity, social cohesion. In 2012, the total estimated value added for the music sector was at R2.7 billion. In terms of the Companies and Intellectual Property Commission (CIPC) there are more than 162 521 registered music business entities.

The Department continues to provide support to KUMISA (KwaZulu-Natal Music Industry Association). During the 2015/2016 financial year, more than 120 Musicians were trained in Artist management, business skills, copyright law, intellectual property laws and the music business through the efforts of KUMISA. The Ladysmith Black Mambazo Music Academy is a legacy project aimed at boosting tourism and will comprise of facilities such as an Amphitheatre, state of the art performance theatre, recording studios, craft centre, museum, and conference centre facilities. The Ladysmith Municipality has donated 3 hectares of prime land to be utilised for the construction of this facility.

Another area of focus within the creative industries is the arts and craft sector wherein the Department is pursuing a number of initiatives such as the one village one product programme. About 75 craft enterprises benefitted from this programme in the last financial year; 25 crafters benefitted from the market access programme generating in excess of R200 000 worth of orders; and 15 craft enterprises were trained in e-Commerce skills such as trading online, concluding deals on-line, on-line export and marketing.

## **5.7 Regulatory Issues**

### **5.7.1 KwaZulu-Natal Regulatory Impact Assessment (RIA) Bill 2016**

We are pleased to report, Chairperson, that the Department has finalised the drafting of the KwaZulu-Natal Regulatory Impact Assessment (RIA) Bill. This is a completely new innovative Provincial Legislation aimed at reducing red-tapes through enforcing a culture of evidence-based policy making within the province and this is expected to improve the efficacy and efficiency of legislations, regulations and policies at both provincial and local government levels.



The Bill is currently being processed by the relevant cabinet clusters and it will be tabled to the legislature for approval before the end of this financial year. Thereafter it will be subjected to wider consultation with other stakeholders throughout the province, including, the important part of deliberation in this House.

### **5.7.2 KwaZulu-Natal Businesses Bill**

We are also pleased to report Honourable Members that KwaZulu-Natal has taken lead in the country by developing the Provincial Business Bill. The Bill is intended to provide an integrated provincial business regulatory framework which seeks to provide encouraging environment for economic development in the Province of KwaZulu-Natal. It will delineate and designate relevant business licensing, permitting and registration regulations and authorities.

With this Bill, the Department aims to provide measures to protect consumers in the Province against unhealthy, harmful and unsafe goods and business practices and support the graduation of small businesses in the informal economy into the main stream economy.

More significantly, the Bill will provide for the establishment of the Provincial Inspectorate; determine twenty-four hour trading zones; mall tenancy arrangements in the Province; and the establishment of District and Provincial Traders Associations. This Bill will be serving before cabinet in May 2016 and it will be tabled to the legislature for approval before the end of this financial year.

## **6. SPECIFIC ACTIVITIES ON PUBLIC ENTITIES**

Chairperson, let us commence this section by indicating that as a result of several factors the rationalisation of Public Entities has become a national priority. The review and rationalisation of public entities is currently underway. This process is predicated on five strategic pillars and outcomes, namely:

- The refinement of roles and functions of the entities,
- Improved functional alignment to macro-strategic goals of the Province,
- Reduced public expenditure,
- Increased and improved performance and service delivery,
- Engendering a stronger accountability framework.

This critical process is under the stewardship of an *Ad Hoc* Committee of the Provincial Executive Council and is chaired by the Premier. Membership includes Members of the Executive Council of the Department of Economic Development, Tourism and Environmental Affairs (EDTEA); Department of Agriculture and Rural Development (DARD) and the Department of Finance. The Technical Task Team is chaired by the acting Director-General of the Province in the Office of the Premier.



The committee will be looking at various scenarios and operational models that are informed by the five strategic imperatives mentioned above. In addition, various consultations with various stakeholders are currently in progress. The fundamental importance of this exercise is not solely about balancing the fiscal position but the sharpening of our role and capability in our economy.

Accordingly, it should be registered that while this process is underway, these entities will continue to function normally in the execution of their mandates.

### **6.1 Ithala Development Finance Corporation**

During 2015/2016, Ithala funded 350 SMMEs and Co-operatives to the cumulative value of R167 million creating 2 600 jobs in the process. One of the key examples in this respect is a partnership between Ithala and the Department of Education which entails the provision of financing and support to co-operatives and small businesses who have been awarded contracts by the department to supply food to schools.

Ithala created a tailor-made procurement finance solution to assist co-operatives and small businesses that needed funds to kick-off their supply requirements. In the first phase of the programme Ithala disbursed R30 million with the expectation to grant assistance in the next project phases to take place in 2016/2017.

As a response to the prevailing drought conditions in the Province, Ithala has also assisted depressed agricultural clients impacted by the drought through debt restructuring and payment moratoriums. While the effects of drought are dealt with, Ithala has partnered with Tongaat-Hulett for delivery of interventions that will help Ithala-funded sugar cane farmers to continue operating and sustaining jobs until the drought situation is over.

Still on the subject of farming businesses, Ithala has entered into partnerships with rural communities organised under Community Property Associations (CPA's) for various agricultural projects aimed at bringing unutilised land into productive use, especially land acquired from the land restitution claims. Some project examples include work with Emasosheni Community Trust in Richmond, Qwabe Development Co-operative in Abaqulusi District, and many others. In each case, considerable numbers of businesses in the agricultural sector are enabled, workers are trained in critical skills, and employment opportunities are created.

Ithala gives specific attention to the empowerment of rural communities. Amongst many of its initiatives, Ithala facilitated the funding of a Richards Bay entity representing four communities towards the acquisition of 30% shareholding in a mining operation. Ithala also promotes the culture of entrepreneurship amongst the in-school and out of school youths, women and rural communities. Some flagship programmes pivotal to this



course include *Inkunz'isematholeni*. This is a programme focused motivating and equipping the youth with entrepreneurial interests through basic business orientation inputs, incubation and mentoring arrangements.

Within its property business, during 2015/2016 Ithala achieved completion of two remarkable property developments. The first iconic property is Ithala Trade Centre located at the Durban Waterfront. Ithala Trade Centre is a modern one-stop office facility designed to accommodate several government departments as tenants. Currently, a few entities in the Economic Development Cluster occupy this office building in addition to Ithala. The second property is the Paramount Park Industrial Estate located in Mount Edgecombe. This property establishment represent the increase of Ithala's Gross Lettable Area (GLA) which will increase Ithala's rental revenue and its property investment portfolio.

The poor economic outlook in the country and its effects on business activity has spurred the organisation to find alternative solutions so that can it can continue delivering on its mandate. Such solutions include Public Private Partnerships (PPPs) on projects and leveraging on the organisation's strong balance sheet in securing funding for further on-lending activities and delivery of infrastructure projects.

## **6.2 Ezemvelo KZN Wildlife**

Chairperson, Ezemvelo KZN Wildlife is our custodian of biodiversity and all our green assets in the province. Its role is further reflected in its contribution towards economic development that in the main benefits local communities in our province. Conservation of natural environments is amongst other things, a critical consideration in our efforts to mitigate climate change and the current effects of natural disasters such as drought and floods. Ezemvelo has been therefore instrumental in developing climate change mitigation plans to enhance resilience and adaptation of communities to these very real challenges.

The over 100 protected areas Ezemvelo manages, are also our province's key draw-cards for tourism and provide world-class nature destinations and "Big 5" experiences. We are pleased to report successes in stabilising the rate of rhino poaching and the leadership in mechanisms aimed at addressing this scourge as reflected in the subsequent part of this report.

Moreover, we are also proud of our unprecedented and top record (compared to any other province) in increasing the conservation estate like the protection of fragile habitats through innovative mechanisms like the stewardship which enables private landowners to contribute directly to conservation efforts. This is part of a bigger effort to increase the conservation estate (of land under protection) so that important species, habitats and the many values such areas protect, are secured for the benefit of future generations.

We would also like to highlight some of our flagship conservation projects, such as effective management of critically endangered species like endemic bearded vultures and our amazing sea turtles. We have a proud legacy of monitoring and managing these animals for over 50 years in direct collaboration with local coastal communities that act as protectors and engaging tour guides.

Ezemvelo has also engaged actively with the wildlife industry, which includes game-farming and hunting which is also our strong ally in ensuring a sustainable future for wildlife in this country. This institution has also pioneered the development of standards for controlling the keeping of animals in captivity, to prevent risk to wild biodiversity while ensuring responsible growth of this sector.

The province, via Ezemvelo, also plays a proud and primary role in nature conservation management in two internationally acclaimed World Heritage Sites that include uKhahlamba Drakensberg and iSimangaliso Wetland Park.

We are therefore pleased to report that the long and proud history of conservation in our province continues, with renewed and adapted emphasis on dealing with the severe challenges of our time to ensure that the importance of our natural green assets are fully recognised by all for their role in ensuring sustainable development and protection of our people's livelihoods.

### **6.2.1 Rhino Poaching**

In the light of the persistent rhino poaching in our province, we committed ourselves to strengthen the security measures in order to turn the tide against this challenge. We are pleased to report that we have joined forces with the South African Police Service in the Operation Rhino 6 which is aimed at counteracting the insurgence of poaching incidents. Furthermore, we have started implementing the helicopter surveillance operations which is proving to be most effective for proactive and reactive anti-rhino poaching operations that are an effective tool. Helicopters were placed in Intensive Protection Zone areas, the Hluhluwe-Mfolozi Park and in uMkhuze Game Reserve.

In November 2015, the SAPS took over tactical joint rhino anti-poaching operations based in Hluhluwe town. As a result of the efforts we have seen an increase of people arrested for rhino poaching from 58 in 2014/2015 to 97 in 2015/2016 and the number of illegal firearms recovered increased from 36 to 47 over the same period. There was a marginal decline in the number of black rhinos poached from 20 in 2014/2015 to 15 in 2015/2016 financial years respectively. However, there was an increase in the number of white rhinos poached from 78 to 104 over the same reported period.



Chairperson, we announced last year that Ezemvelo KZN wildlife was going to expand protected areas for conservation. We can report that proclamation notices for the protected area expansion of fourteen (14) sites were published in the provincial gazette in October 2015. In light of the unprecedented budget cuts, Ezemvelo has resolved to scale back on adding land under formal conservation. In the current financial year, the entity will continue to deploy all available resources to the protection and management of biodiversity hot spots as stated in the above.

We have noted that extreme drought have caused high risk behaviour of animals due to few water points and vulnerability in terms of no natural bush or grass cover. Syndicates from Kruger National Park and Limpopo started to target KwaZulu-Natal, because of higher densities of rhino, and combining with local syndicates. We believe that the situation will be mitigated through prioritisation and appointment of key strategic personnel to deal with rhino crime prevention through patrols and swift reaction to incidents of poaching.

### **6.3 KZN Film Commission**

In our Budget Speech for the 2015/2016 financial year, we informed the House that the KwaZulu-Natal Film Commission was embarking on a strategic journey to offer finance, support productions and attract new productions in the film industry.

It is therefore with great excitement that we report that the film fund has already supported 74 projects in the province. This total is made of 58 developments and 16 production projects of which 88.2% were owned by historically disadvantaged individuals, 38.2% were owned by women and 29.4% by youth. At the close of 2015/2016 financial year more than R2.3 million is committed to projects and R5million has already been paid to filmmakers for development and production projects.

Seven production projects have already been shot in the province with a combined budget of R67.5million, of which R40million was spent in the province. Over 220 job opportunities were created in KwaZulu-Natal through these projects with a significant increase anticipated in the New Year as projects move from development to production.

In 2016/2017 financial year we will see the KwaZulu-Natal Film Commission embarking on various programmes to grow and develop the film sector in the province. This will be done through skills development initiatives – focusing particularly on women and youth. Furthermore, the commission has set aside funds for bursaries to students who are studying film related course at various institutions in KwaZulu-Natal.

The institution has also begun the establishment of a KZN Film Cluster in the province. The preliminary work has already started and the Cluster will be fully functional during this financial year to support the film

industry at large in the province. The Film Hub is to bring all facets of the film sector into one place, so that the practitioners are fully supported and trained in the film sector.

Meanwhile, this year the theme for the prestigious annual Simon Mabhunu Sabela Awards will focus on the celebration of the country's iconic movie *Sarafina* that paved the way for anti-apartheid film productions into global arena to alert the world community about human rights abuses perpetuated by the racist Nationalist government prior to 1994. This will be the tribute to the legendary cast that elevated the South African film industry whilst reflecting the country's youth contribution to the liberation struggle. The awards will be conferred to deserving candidates in June this year, which is Youth Month as we remember young people's energetic participation in this historical film production twenty five years ago.

#### **6.4 KwaZulu-Natal Liquor Authority**

Chairperson, during the budget pronouncement of 2015/2016 we indicated that the KwaZulu-Natal Liquor Authority would intensify partnerships with the SAPS and all relevant stakeholders to deal with matters of illegal liquor trading in the Province. We are pleased to report that in each district municipality we have established Forums which comprise all law enforcement agencies and are fully operational. Through our entity, the KZN Liquor Authority, we have established the Provincial Industry Players Forum (IPF) comprising the KZN Liquor Authority and all Macro-manufacturers and Distributors.

A comprehensive register of illegal liquor traders has been developed, is monitored and updated monthly. It consists of all illegal liquor outlets that have been closed down through joint efforts by the Liquor Authority's inspectors and the SAPS and the National Department of Trade and Industry. As part of the entities' social responsibility, those identified and closed down are assisted to apply for liquor licenses, which will ensure they operate legally and contribute towards the reduction of illicit trade in liquor.

We also made reference, in the previous budget speech, to consider all the submissions made by concerned and affected parties on liquor outlets which are within the prohibited proximity to learning and religious institutions. We can now report that a task team in this regard has also been established to investigate and verify the total number of liquor outlets within the prohibited proximity and to advice on detailed interventions for each and every outlet and the affected institutions around it. By the end of the financial year 2016/2017 all liquor outlets within the restricted radius will be identified and managed very closely in terms of compliance with the Act.

#### **6.5 KwaZulu-Natal Sharks Board**

Chairperson, we are proud to announce that 2015 was a shark attack-free year within the province. KwaZulu-Natal is the only coastline in South Africa protected by Shark safety gear. The importance of providing bathing



facilities safe from shark attack cannot be underestimated especially when one considers the effect that shark attack has recently had on the coastal resorts of Western Australia.

Bathing beaches safe from shark attack are critical to ensure that both local and international visitors are comfortable when visiting our Province. The KZN Sharks Board mandate to protect our beaches and bathers throughout the province's coastline has resulted in the ever increasing number of tourists that grace our shores. The KZN Sharks Board maintains shark safety gear at 37 localities from Richards Bay to Port Edward and is the only institute of its kind in the world.

The KwaZulu-Natal Sharks Board designs, develops, partners, and delivers nationally and internationally recognized qualifications. A total of 352 learners were trained in 2015. A graduation ceremony was held on 20 November 2015, and was attended by several captains of industry, potential employers, quality assurance bodies, local and provincial government representatives, sponsors, stakeholders, and specialist partners. All of the KZNSB programmes are integrated and offered in collaboration with and as recommended by potential employers.

The KwaZulu-Natal Sharks Board has embarked on a monthly beach clean-up campaign. Beach cleaning presents an efficient means of maintaining a safe and high quality beach, play, sporting and other leisure area. Rocks, sharp shells, broken glass and other debris can present a serious hazard, not to mention create an unsightly beach.

This campaign contributes to Operation Phakisa in the form of keeping clean beaches that are compliance with the blue flag beach status requirements. We are to remember that visitors and tourists flock to beaches that are associated with the Blue flag beach status.

## **6.6 Moses Kotane Institute**

Chairperson, we are happy to announce that over 80 000 learners were provided with academic support in Mathematics, Science, Physics and English. Over 3 000 science, technology, engineering and mathematics (STEM) educators and subject advisors were provided with training in order to contribute to the improvement of learners' performance in STEM. STEM Innovation Fund has already been established as part of the provincial strategy for realising the objectives of National STEM Access Strategy.

Through this Fund intervention such as 'I Am An Engineer', which seeks to promote science and engineering innovation knowledge and skills, we have established partnerships with the private sector, 120 STEM bursaries were awarded, 34 schools have been provided with Mobile Science Laboratories and ICT HUB that will provided most needed support to SMME, ICT skills development to unemployed youth and work opportunities to unemployed graduate have been established.

In this financial year we will improve access to STEM Job opportunities. MKI is finalizing partnerships with Samsung and Massmart to create jobs for unemployed youth and graduates and this will benefit 300 unemployed youth in Electronic Engineering, ICT, Air-Conditioning and Refrigeration.

### **6.7 KZN Property Development Holdings Company**

The Provincial Executive Council directed in August 2014 that we should oversee the process of converting the KZN Growth Fund Managers into a strategic property development company. We are glad to report that the conversion has been completed and the entity has been operational since October 2015. Strategic documents and the governance framework have been put in place. The entity is set up to unlock and enhance economic value generation in the real estate sector, in the province.

It is set up as a catalyzer for iconic property development in the province. There is an ongoing need to cushion economic growth, and by extension jobs in the province. This can only happen if production side economics is applied continuously. It is common knowledge that expenditure side economics and contractionary macroeconomic policy have serious limitations when it comes to stimulating economic activity.

Understanding and responding to this requires absolute clarity in economic foresight. The final set up of the entity will be completed next month. The assessment and prioritization of strategic projects in the province is underway. The entity then envisages focusing on two or three mega projects towards the end of the year. The thinking within the public sector must shift slightly in the sense that the order of implementing public policy successfully will henceforth depend on how well the government can leverage and partner with non-governmental players in the domestic and global economies.

## **7. NEW ANNOUNCEMENTS**

We wish to make the following new announcements, Honourable Members:

### **7.1 Halaal Hub**

We have just completed a study on the establishment of a Halaal Hub in the province. We are planning to establish the Halaal Manufacturing Park which will involve a 50-hectare fenced and gated site, developed specifically for the requirements of Halaal product processing sector. It will be sub-divided into a number of separate serviced industrial stands on which factory buildings, warehouses and facilities to the specifications of individual processing and support businesses would be erected.



## **7.2 Small Scale Cane Growers**

We will partner with Tongaat Hulett Sugar South Africa Limited to support small scale growers in the Felixton, Darnall, Amatikulu and Maidstone Milling areas. Over the next three years 3 000 hectares of sugar cane will be planted and estimated 3 381 employments opportunities will be created. The total value of the project is R74 million with a Departmental contribution of R51.8 million and the balance (R22.2million) to be funded by Tongaat Hulett Sugar South Africa Limited. Tongaat Hulett will also provide all technical assistance to the growers.

## **7.3 Fast Tracking of EIAs and Water Use Licences**

We will engage with relevant National Departments on EIAs and Water Use Licences to co-ordinate systems to facilitate speedy statutory approvals in relation to catalytic projects.

## **7.4 KZN Mineral Beneficiation Strategy**

As per the injunction of the State of the Province Address we have already hosted successful stakeholder engagements on the KZN Mineral Beneficiation Strategy – focusing on five commodity value chains namely aluminium, coal, phosphate, mineral sands, iron and steel. We have also concluded analysis of the contribution of coal and phosphate in terms of socio-economic risk and opportunities. During the latter part of this year we will present the provincial Mineral Beneficiation Strategy for approval by the cabinet.

## **7.5 KZN Environmental Summit**

We will host an Environmental Summit in June for captains of industries, investors, and other stakeholders. The aim is to discuss how to mainstream and fine-tune, for an example, the EIA and Licence application processes that are said to be frustrating stakeholders and potential investors.

## **7.6 Ground-breaking Training for KwaZulu-Natal Pilots**

Under the leadership of the Honourable Premier, we are pleased to announce that negotiations are at an advanced level to enter into an agreement with the Ethiopian Airline Institute to provide training to KwaZulu-Natal pilots, engineers and ground staff in support to our aerotropolis initiative.

## **7.7 Business Council Africa**

Flowing from our recent official trip to London, we anticipate signing an MOA with Business Council Africa before the end of the financial year to facilitate an on-going pipeline of potential investment to projects initiated



by the province. We now have access to advice from international key experts on foreign direct investment moving from Europe to the African continent and within the continent.

### **7.8 Specialist, Multi-sectoral Conflict Resolution Task Team**

We will establish a multi-sectoral task team to intervene where there is intractable conflict between workers and employers or where there is social unrest that might impact negatively on businesses in the area, as was the case in Isithebe recently. This team would be set up under the auspices of the KZN Economic Council and will be inclusive of all our social partners.

### **7.9 KwaDukuza Private Hospital Development**

Together with the KwaDukuza municipality, we will be launching a KZN Growth Fund backed private hospital in KwaDukuza. The KwaDukuza Private Hospital has successfully partnered with the KZN Growth Fund and Razorite Health Managers (RHM) as equity partners. This is the first equity investment for the KZN Growth Fund, which owns 26% of the hospital and has also provided debt funding to the project that will create 300 job opportunities during construction and a further 157 permanent jobs once operational.

## **8. CONCLUSION**

Chairperson, as we draw to a close our address to this house this day, we reiterate that amid tough economic times we are, as the detailed assessment of our performance demonstrates, soldiering on with might and main. The tough economic conditions have compelled the public and private sectors to work together. Our fates and destinies are intertwined, and we have long realised that we will only survive this storm if we coordinate our efforts and leverage available resources for the betterment of our province.

Finally, I am grateful to my family, my wife and children for being the pillar of strength at all times. We are the crop of leaders that must be remembered by future generations to have been “the rising phoenix” during the time when our nation needs nothing but incisive leadership from all of us. No amount of polemics or political grandstanding can propel us forward but a realisation that if our ship does not sail through these stormy waters, we shall all perish irrespective of who is the biggest critic of the other. This is the real moment that real leaders must step to the fore.

Chairperson, the austerity measures introduced for the provincial government have necessitated that we prioritise our initiatives and be more focused on our mandate. Whilst the support of the major events has been critical to attracting tourism investment in the province, we have drastically curtailed the number of these events during this financial year. We understand that this is likely to have negative consequences for economic growth in the province, but it is a choice we have had to make.



Allow us to thank all our social partners for the immense contribution they have made in steering the economic ship of this province. We thank the honourable Premier and respectively the Chairpersons of the Portfolio Committees for Economic Development and Tourism and as well as Nature Conservation & Environmental Affairs for their support and guidance.

We are also grateful to the people of KwaZulu-Natal, staff of the department, public entities, esteemed honourable members, my colleagues in the Executive Council, as well as our national and provincial counterparts for their tireless efforts to support us.

I now wish to move the Budget for Vote Four which is the Department of Economic Development, Tourism and Environmental Affairs for the year 2016/2017 according to the following programmes:

<b>PROGRAMME</b>	<b>2016/2017 (R'000)</b>
1. Administration	226 179
2. Integrated Economic Development Services	414 345
3. Trade & Industry Development	769 338
4. Business Regulation & Governance	111 786
5. Economic Planning	38 525
6. Tourism Development	285 323
7. Environmental Management	857 496
<b>TOTAL ALLOCATION</b>	<b>2 702 992</b>

I now move the budget of **R2 702 992** for the 2016/2017 financial year, I so move.

I thank you,

.....  
**Mr Michael Mabuyakhulu, MPP**  
**MEC for Economic Development, Tourism & Environmental Affairs**

## ANNEXURE I

NEW INVESTMENT ATTRACTED TO KZN IN 2015/2016					
ENTITY	INVESTMENT	VALUE	JOBS	DISTRICT	SECTOR
TRADE AND INVESTMENT KZN	Yiting Africa (Pty) Ltd	R50million	150	Ilembe	Manufacturing
	Viva Contact centres (Pty) Ltd:	R170million	2000	Ilembe	Telecommunications and Insurance
	Call Insight (Pty) Ltd	R140million	600	Ilembe	Insurance
	Ladysmith Crushing Stone (Pty) Ltd	R15million	20	Ilembe	Construction / Mining
	Royal Tembe Safari Lodge (Royal Tembe Heritage Route):	R11million	20	UMkhanyakude	Hospitality / Tourism
	Teledirect International Pty Ltd	R250million	2000	eThekwini	Tele Marketing
	Ridgeside Hotel	R300million	80	eThekwini	Hospitality / Tourism
	Signature Sibaya Node 1	R1.2billion		eThekwini	Construction / Hospitality
	<b>TIKZN Total</b>		<b>R2billion</b>	<b>4870</b>	
ENTITY	INVESTMENT	VALUE	JOBS	DISTRICT	SECTOR
GROWTH FUND	Dark Fibre Africa (DFA)	R100million	100	DFA network is throughout KZN (started in Mthunzini, uThungulu district)	Telecommunications
	KwaDukuza Private Hospital	R118million	157 direct & 300 construction	Ilembe (KwaDukuza municipality)	Healthcare
	HBM SA Health	R42.5million	145	Ilembe	Manufacturing
<b>GF Total</b>		<b>R260 million</b>	<b>702</b>		



**edtea**

Economic Development, Tourism and  
Environmental Affairs

PROVINCE OF KWAZULU-NATAL

ENTITY	INVESTMENT	VALUE	JOBS	DISTRICT	SECTOR
RBIDZ	Techno Park	R1,5 billion	300 direct & 2500 construction	UThungulu	Educational facility
	Inoxa Industries	R 170million	250 direct & 500 construction	UThungulu	Cookware
	EMV Nanomaterials	R200million	58 direct & 250 construction	UThungulu	Manufacturing
	Elegant Afro-line	R 500 million	65 direct & 350 construction jobs	UThungulu	Caustic soda and chlorine
<b>RBIDZ Total</b>		<b>2.37billion</b>	<b>3858</b>		
ENTITY	INVESTMENT	VALUE	JOBS	DISTRICT	SECTOR
DUBETRADE PORT	Laser Junction	R66million	248	Ethekwini Metro	Steel Fabrication and Laser Cutting
	Retractaline	R20million	30	Ethekwini Metro	Manufacturing: Laundry products and accessories
	Tufbags	R 125million	1230	Ethekwini Metro	Manufacture of Plastic Bags and Products
	Ukuphanta	R30million	Still to be determined	Ethekwini Metro	Cross Border logistics
<b>DTP Total</b>		<b>R241million</b>	<b>1508</b>		
SBGE Total	Sumitomo Rubber SA	R8.2million	100	Uthukela,Ugu, Amajuba,Harry Gwala, Umzinyathi and Uthungulu	Manufacturing - Rubber
<b>OVERALL TOTAL</b>		<b>R5 billion</b>	<b>11038</b>		

