

**Budget Vote presented by the MEC for Economic
Development, Tourism and Environmental Affairs Nomsa
Dube-Ncube**

KwaZulu-Natal Provincial Legislature

02 June 2020

Madam Speaker
Honourable members of the Legislature;
Premier of KwaZulu-Natal Sihle Zikalala;
Colleagues in the Executive;
Members of the diplomatic corps;
Captains of industry;
Distinguished guests;
Fellow Citizens;

INTRODUCTION

Madam Speaker, I stand before this house during the most important month.

June signifies an important epoch in our history.

We are commemorating the 44th anniversary of June 16 Uprising.

We are also celebrating the 65th Anniversary of the Freedom Charter.

The Charter was adopted on 26 June 1955.

We commemorate these landmarks in our history not because they were happy events.

Rather, we observe these events because they represented turning points in the struggle for freedom and democracy.

Over the years we have drawn inspiration from many documents but the Freedom Charter remains a document that gives more clarity on a path to a free and democratic South Africa for years.

Importantly, the Charter gave birth to the country's Constitution which contains a vision of a society in which all South Africans can lead free, decent and meaningful lives.

It should also be remembered that several of heroes and heroines of our revolution were inspired by the Freedom Charter.

These include Solomon 'Kalushi' Mahlangu, Chris Hani, Mama Sisulu and Reginald Oliver Tambo to name but a few.

These are amongst many of the finest heroes that our revolution has ever produced though not all in the same rank and league.

Accordingly, as a democratic government based on the will of the people, we renew, on this historic month, our pledge to build a prosperous province. We will work with all the members of society and the community at large.

Amid the crisis created by COVID-19, we are determined to move with speed to achieve higher rates of economic growth that would result in job creation and reduction of unemployment.

We are conscious of the fact that our freedom will not be complete while millions continue to live in poverty. I am reminded of what Kevin Dcruz once said:

“We don’t need to have deep pockets or be rich to help the needy, the poor and the hungry. We need to have a heart.”

Honourable Members, as an elected public representative, I fully acknowledge the fact that this government has a responsibility to unshackle millions of people from the bondages of economic oppression.

COVID-19 has ignited us to double our efforts to translate the political freedom we enjoy into economic freedom for millions of people in this province.

During the drafting of this Budget Vote, we had in mind, thousands of family breadwinners who are struggling to put food on the table.

South African Economic Climate

A day before the delivery of the State of the Province Address by Premier Sihle Zikalala, Stats SA announced that the country had slipped into recession.

This after the country’s Gross Domestic Product had contracted by 1, 4% in the fourth quarter of 2019. This followed a revised 0.8 % contraction in the third quarter.

COVID-19 pandemic has further complicated the situation as lockdown conditions brought the economy to a standstill.

Honourable Members - rating agencies, economists, commentators and financial institutions have given different guess-estimates on the impact of COVID-19.

Some have collectively projected declines in gross domestic products of approximately 14%.

Private consumption and fixed investment have fallen in Quarter 1. We are informed that both private consumption and fixed investment will continue to decline in Quarter 2.

Madam Speaker, during this period I remain convinced more than ever that this government is the only hope for millions of people.

Having said that, the question is:- What needs to be done as we move forward?

Madam Speaker, in response to this question, we have consulted widely with key role-players including ordinary members of society.

In demonstrating that we are a government of the people by the people, we invited the people of this province to contribute during the drafting of this Budget Speech.

We have received submissions through various other social media platforms including the mainstream media.

We are encouraged by inputs and guidance from the people of this province across all racial lines. We wish to inform members of this House that we received more than 10 000 submissions.

This is a clear indication that the people of this province are prepared to work with this government to create a prosperous province for future generations.

Based on their inputs we wish to state the following:-

Firstly, as the department we wish to announce that those who live below the poverty line will be given our urgent attention. We will never fail them.

Secondly, the greatest impact of COVID-19 has been job losses in both informal and formal economies.

Job losses have resulted into spiraling levels of poverty. Many people have been retrenched and condemned to rural villages and peri-urban informal settlements with no means of survival.

In addition, spiraling food prices is rapidly increasing the number of people who are food insecure.

Despite these unforeseen challenges, we want to re-affirm our determination to tackle unemployment and banish poverty.

We are determined to use this outbreak, to relegate our sad history of apartheid designed economic exclusion to the distant memories of only those of us who lived through those turbulent times.

Entrepreneurship Revolution

Madam Speaker, Herbert Hoover - a well-known engineer and a politician who served during Great Depression remarked at that time:

“economic depression cannot be cured by legislative action or executive pronouncements.”

He went on to say -

“economic wounds must be healed by the action of the cells of the economic body – the producers and consumers themselves”.

Compatriots, the economic wounds inflicted by both economic exclusion and COVID-19 will only be healed through a clear programme that will be anchored by the entrepreneurship revolution.

We believe that entrepreneurship is vitally important to the economic and social wellbeing of this province.

Catastrophe into a Blessing

Honourable members, making lemonade out of lemons means that we must turn COVID 19 into opportunities for millions of our people, the advent of COVID 19 has destabilised global economies and threatened to render millions of people jobless.

Ladies and gentlemen, any catastrophe presents opportunities for change, innovation and new beginnings. In our quest to recalibrate the economy, we have resolved to restructure and transform the economy to benefit all our citizens.

We cannot aspire to revive an economy that excluded the majority of our people. We are therefore steadfast in turning this catastrophe into a blessing for the people of KwaZulu-Natal!!

In an endeavour to formulate an inclusive recovery plan that is informed by the plethora of opinions and views of our citizens, we appointed a team of experts to lead work-streams on various priority sectors aimed at undertaking a detailed analysis and propose a set of interventions necessary to resuscitate, repurpose and recalibrate our economy.

In doing this work, we asked specific questions such as:-

1. How do we achieve strong and revitalised regional economy in South Africa?
2. How can we re-prioritise and efficiently use the scarce resources?
3. How can we assist people to gain access to the public resources?
4. How do we transform the economy in a productive, sustainable and inclusive manner?
5. How do we achieve robust and rejuvenated district economies in the Province?

We can state, without a shadow of a doubt that we know exactly what to do in order to usher in a new era characterized by jobs, economic growth and prosperity.

There are key critical sectors of the economy that were singled out during this analysis. We can report today that we now have a set of clear interventions to ensure the full recovery of these sectors. These includes:

- Agriculture;
- Industrial Development;
- Health Innovation and manufacturing;
- Clothing and Textiles;
- Creative Industries;
- Informal sector;
- Investment and Trade;
- Infrastructure Development;
- Tourism;
- Fourth Industrial revolution;
- ICT and Innovation;
- Red tape and Finance.

Localisation and Innovation

Madam Speaker, we wish to inform members of this house that as part of a recovery strategy, we will be intensifying our efforts aimed at promoting localisation.

We have agreed that we need to channel our energies and resources towards building local capacity.

We want the people of this province, across all corners, to be skilled and be given support that would enable them to produce local products for domestic consumption and exports. We must speak with one voice against reliance on imports.

The lockdown regulations, which resulted in the disruption of global value chain, should be viewed as a blessing in disguise. The lockdown has presented as indigenous people with the opportunity to be self-sufficient and produce their own goods.

As the department, we will be finalizing the KZN Localization Framework so that we ensure that local people benefit from economic opportunities at local level.

Whilst there is a need to promote the Buy Local Campaign, we need to safeguard our ports and borders. Our local economy has been crippled by the proliferation of counterfeit goods that come through our ports and borders.

Investment in Infrastructure

Honourable Members, we have also identified government infrastructure as one of the most important sectors towards economic recovery and job creation.

The refurbishment in the harbours in Durban and Richards Bay including the construction of roads are the major infrastructure projects with significant job creation.

It has become critical for projects undertaken by national departments and para-statal to be brought into the same equation for us to clearly appreciate their impact in job creation and building of the economy as we integrate all State-sponsored initiatives in the province.

The provincial government departments alone have a collective budget of billions of rands to invest in various projects. This include upgrade of road, delivery of roads - housing, schools and health facilities. A strategy has been devised to ensure that infrastructure development, including maintenance of facilities, creates adequate job opportunities and ensure economic recovery. This is the area we are focusing on.

In this regard, we are emphasizing the support for people to be innovators and creators of job opportunities.

Instead of being consumers of products imported from other countries, we believe that the people of this province are cable of producing enough products for domestic consumption and exports.

According to Stats SA, more than 3 million people were employed in the informal economy before the lockdown. Clearly, the informal sector remains very critical in terms of the creation of employment.

We want to support ordinary members of society to use their talent to sustain themselves, their families and ultimately grow the economy of this province.

We are driven by this vision and commitment to work harder to convert the province's undoubted economic development potential into reality.

RESOURCES OF THE DEPARTMENT AND ITS ENTITIES

Honourable members, the Premier delivered the State of the Province address under the theme **“Together Growing KwaZulu-Natal.”**

He presented an honest picture of challenges before us. He removed any doubt about the commitment of this government towards the implementation of the Radical Economic Transformation programme.

Accordingly, as we move forward we undertake to ensure that the resources of the department and its entities are used for the direct benefit of the ordinary members of society. The ethos of selflessness in the service of our people will guide all categories of staff to work towards the creation of a developmental state and province.

An important part of being a developmental state is ensuring equal access to economic opportunities. We want the structure of our economy to:

“Reflect the natural endowments of the country and the creativity that a skilled population can offer. It should be an economy in which cutting edge technology, labour absorbing industrial development, a thriving small business and cooperative sector, utilisation of

information and communication technologies and efficient forms of production and management all combine to ensure national prosperity.”

A thriving economy in a national democratic society requires efficient markets that address the racial and gender exclusions of the apartheid past as well as address the peri-urban squalor and grinding rural poverty.

PROGRAMME 1 – ADMINISTRATION

Madam Speaker, Good governance, accountability, transparency and exemplary leadership will be the hallmark of this office during this term of office.

The Office of the MEC, Leader of Government Business and Head of Department will ensure efficiency and effectiveness in service delivery.

The focus of the executive authority and programme 1 in particular has two major focus areas: namely - shifting from driving the strategic planning agenda, to be instrumental in monitoring and evaluating our progress.

Critically, our progress is dependent on the co-ordination and integration of the work of all Programmes, creating synergies with the entities to avoid duplication and ensure effective oversight in order to make an impact. My view is that the quicker our response in dealing with socio-economic challenges faced by ordinary people of this province, the sweeter the taste of our democracy.

It is the marginalized and the downtrodden who must taste the fruits of our democracies. Effectively, this means that all categories of staff must play an active role in deepening democracy.

We want our employees to have the capacity, the right attitude and required skills and ethical standards to serve the people of this province.

Madam Speaker, we wish to report that the department is doing final consultations on the organogram with organized labour and staff. This will be submitted to the Office of the Premier and Department of Public Service and Administration for concurrency and approval.

I must hasten to point out that, despite COVID-19, the department has been active in recruiting new talent to ensure solid service delivery. Virtual shortlisting has been taking place in order to ensure that targets are met.

PROGRAMME 2: INTERGRATED ECONOMIC DEVELOPMENT SERVICES

Madam Speaker, from the Budget Vote we presented last year, we can see great progress in each programme. I will highlight this in my presentation.

We reiterate our commitment to get this province to be the leading economy in South Africa with the largest contribution to the nation's GDP. For this to happen there are a few necessary pre-conditions we have.

- Government investment in the economy;
- Mobilisation of private sector investment to transform the provincial economy and make it participatory and inclusive;
- Build relevant skills that will support a technologically advanced economy;
- A labour absorptive business sector which directs its efforts to halving unemployment

Support for SMMEs and Co-operatives

Madam Speaker, the Small Business and cooperative sectors have been affected by COVID-19.

Ahead of the outbreak, SMMEs were facing challenges associated with load shedding.

We stated to honourable members during Budget Hearings that as part of Re-engineering the economy, the department will be deepening the support needed by this sector to survive.

We are improving the participation of street traders, primary and secondary cooperatives and small business in the mainstream economy. We will also be monitoring progress in this regard.

We have created instruments for microfinance in every district for small players. To achieve true empowerment we are also challenging the banks to invest massively in microfinance to create a safety net and springboard for those at the bottom of the pyramid.

We have transferred R15, 9 million to Ithala to ensure the support of SMMEs and Cooperatives in the cleaning detergents sector.

We have secured a facility owned by Ithala in KwaMashu Section E Motor Park where they will be accommodated. The COVID – 19 Pandemic has affected this initiative as the renovations and refurbishments to the facility had to be delayed as a result of the Lock down in our country.

Now that all economic activity is permitted under Alert Level 3 starting on 01 June 2020, with a few exceptions where the risk of transmission is high, the renovations and refurbishments will proceed to get this important initiative to full operation.

60 Years Anniversary of Ithala

Honourable Members, let me pause and congratulate Ithala Development Finance Corporation Limited and all its employees on completing more than 60 years of glorious existence.

Ithala remains one of KwaZulu-Natal's unique facilities that have been critical in the transformation of province's economy. Ithala has sought to address issues of wealth distribution and creation of wealth at the bottom of the pyramid.

During the 2019/2020 financial year Ithala disbursed R226m business loans which resulted in the creation of 546 new businesses and 3 284 jobs.

About 300 jobs have been created as a result of R40 million worth of investments in manufacturing through industrial parks such as Isithebe, Ezakheni and Emadadeni.

About R6.7m have been spent on the re-roofing of large industrial factories in the industrial estates, with 25 jobs created.

Support to Spaza Shops

Madam Speaker, we have assisted local spaza shops to apply for National Funding on revatilisation of their shops and some of these have been assisted in accessing the said funding. I am pleased to announce that out of the 388 applications received, 266 have already been approved. In KwaZulu-Natal we have tasked Ithala to play a leading role in the revitalization of township and rural economy.

In particular, Ithala will be providing a working capital funding and an infrastructure grant facility to owners of Spaza Shops.

Our main focus is to ensure that Spaza Shops become a One-Stop-Shop for all those who are receiving social grants from SASSA, especially during pay-out days. We want Spaza shops to have a food basket, working with the bulk buying

programme. This will assist recipients of social grants to buy groceries instead of going to town. We are also setting up door to door systems to ensure the efficiency of this programme

A team is currently busy with the rollout of an infrastructure such as pay-point facilities. We will also be finalizing discussions with MEC of Social Development and SASSA leadership.

Access to working capital investment and credit

In the next few weeks we will invite Spaza Shop owners to apply for a working capital of R100 000. This will help to acquire stock and to fund a shortfall of liquidity for SASSA pay-outs.

Grant facility

A grant facility of R50 000 will also be made available to Spaza Shop owners for the refurbishment of their outlets. This will ensure compliance with Consumer and Customer Protection Regulations, as well as Environmental Health and Food Safety standards.

KZN Growth Fund

Madam Speaker, we are happy that the KZN Growth Fund has made an equity investments in some strategic projects.

More than R400 million has been provided to black industrialist-led projects. The Fund will attract investment to the value of R200 million which will result in the creation of more than 500 jobs.

We wish to report that in March, the KZN Growth Fund was granted a licence of being an authorised Financial Services Provider (FSP). This licence was granted by the Financial Sector Conduct Authority (FSCA) formerly known as FSB.

Operation Vula Fund

Our funding mechanisms for the small players have been strengthened with Operation Vula Fund alone approving more than 137 applications to the value of more than R19 million. This is out of 3 582 applications.

Enterprise Development Fund and Ithala Development Finance

Today, honourable members, we wish to report that through the Enterprise Development Fund and Ithala Development Finance an amount totalling R274 million was spent to support small enterprises (SMMEs and Coops).

This translated to 574 new businesses and total of 3683 jobs. Of the R274, million disbursed to small enterprises, R258 million went towards supporting 559 SMMEs.

The R15 million supported 15 support Cooperatives. Importantly, of a total of 574 small enterprises supported about 427 were owned by our target group such as 153 women and 274 youth-owned enterprises - leaving 147 to other groups.

We also wish to report the following top five product categories that received the the biggest slice of our enterprise development finance.

- Procurement Finance which took the biggest chunk amounting to R80 m;
- Micro-Finance - R54 million;
- Assets Finance - R47 million;
- Franchise Finance at R34 million;
- Commercial Property at R 26.944;

Due to a number of challenges facing the agricultural sector, Agri-Finance has dropped to R19 million as we are trying to manage the non-performing loan book in which agriculture is the main culprit.

Of the R274 million funding disbursed, emerging entrepreneurs in district municipalities benefitted as follows:-

- eThekweni Metro – R76, 7 million;
- UMgungundlovu District - R77 million
- UThukela - R25 million;
- Zululand R14 million;
- UMkhanyakude - R12 million
- Harry Gwala District - R5 million

I wish to name just few small enterprises that benefitted from the across all these district municipalities.

- Khukhuza Farming
- Incoso Foods
- Mlalazi Trading and Multi-Purpose Cooperative
- Mjonaiza Trading Cc
- Andimahle Trading Enterprise
- Logan Trading Enterprise
- ZSM Trading and Services
- Mageba Projects
- Umlondolozzi Framing
- SBD Business Systems

Radical Agrarian Socio-Economic Transformation Programme (RASET).

Madam Speaker, child poverty is still more prevalent, deeper and more severe in rural areas. Nearly two-thirds of children identified as poor live in rural areas.

Its rural face is the most prominent feature of child poverty in South Africa, and this especially applies when the depth and severity of poverty are considered.

The rural poor are further below this poverty line than the urban poor, and the share of the rural child poverty headcount thus rises as the poverty line is set lower. With COVID-19, this situation is expected to be worse.

The development of emerging farmers in this province is critical in responding to socio-economic challenges.

It is for these reasons, the department's resources are being allocated to strengthen the provincial government's Radical Agrarian Socio-Economic Transformation Programme (RASET).

Ahead of COVID-19, emerging farmers were preparing to service the biggest markets such as Department of Education, Social Development and Health through NSNP and other Programmes. But due to the lockdown, farmers nearly lost their fresh produce. The department intervened by securing the markets which were not affected by the Lockdown.

We wish to report that to date about 19 emerging farmers are supplying 27 hospitals weekly.

In addition, about 43 farmers are supplying Port Natal and RSA Durban Fresh produce Markets Agents. They have already supplied green beans, Cabbage and butternut.

More than 13 farmers are also supplying cabbage and butternut to 90 KZN boxer supermarkets. They have been paid R440 000.

Agrihouse an HDI Fresh produce Agent who supply Cambridge shops, has also made weekly orders totalling R390 000. About 17 famers have directly benefitted.

Madam Speaker, I must also add that 26 farmers from Ixopo, Kokstad and Mooi River have supplied fresh produce valued about R1, 1 million.

It should be emphasized that since the lockdown started, the department has assisted 126 farmers who have sold fresh produce valued at R3 019 000 through sourcing the markets; for this we wish to thank all the big and small retailers.

Regional Local Economic Development

Honourable Members, at this stage I wish to turn my attention to regional local economic development.

Through LED programme we can report that the electricity masterplans for KwaDukuza and Maphumulo Local municipalities have been completed. The municipalities are using these documents to plan electrification programmes and to secure finance. KwaDukuza municipality has been awarded R22 million by the National Treasury.

Through our support, the project co-ordinating units have also developed a draft credit proposal to redirect potential investment into a different development node at Offtake 9, Tinley Manor precinct area.

This will result to the provision of bulk infrastructure including water, sanitation and an electrical sub-station. Not in a distant future, we will see economic development in this area.

We have also implemented measures to reduce the time and costs for business in the ILembe. The Ease of Doing Business

Tools and Systems projects has resulted in securing more than R23 million from National Treasury EU budget over the MTEF 2020/21 to 2022/23. Key to note is that the following has been achieved:

- Land Use Management Strategies are now free and have been downloaded 480 times. In the past, entrepreneurs and industries were required to pay R1580;
- The average of approvals of Spatial Development Plans is now 1, 5 months. Previously it was 6months;

Operation Sakhinzuzo

Madam Speaker, Operation Sakhinzuzo is a multi-year project to support small scale sugar cane farmers in the Darnall, Amatikulu, Felixton and Maidstone milling areas.

The project is implemented and co-funded by Tongaat Hulett Sugar - notwithstanding its own financial challenges it has experienced over the period).

Having started in the 2017-18, the 2019/2020 financial year was the third growing season in which 610 hectares of cane was cultivated.

Of this, a total of 10 co-operatives in the Felixton (8) and Amatikulu (2) milling areas grew 187 ha, while the balance of 423ha were grown by individual small scale growers. Furthermore, a total of 183 employment opportunities were supported over the last growing season.

This province offers plenty of opportunities in a range of products including herbs and spices, medicinal plants, nuts, fruits and vegetables and aromatic plants for essential oil production.

Diversification of Sugar

Madam Speaker, we are working with the Development Bank of Southern Africa to diversify the sugarcane industry beyond sugar production.

Negotiations involving the department, DBSA and experts from Brazil were at advance stage before lockdown. Our long-term goal is to ensure that the industry diversify into ethanol production and power generation.

Such developments have been warmly welcomed by industry players as they believe that bioethanol fuel blend will benefit the province through job creation, increased fixed investment, technology development and energy security, as well as expanded sugar production.

Statistics show that the sugar industry produces about 20-million tons of cane each year, the biomass of which is equivalent to 1.75-million tons of coal, with a power-generation potential of 1.6 Gigawatt hours (GWh).

Ladies and gentlemen, we are excited that national government is unlocking some exciting opportunities for bio fuels, bio plastics and packaging and bio-electricity production amongst other applications.

This process was given a significant boost in February 2020 with the publication, by the Department of Minerals and Energy, of the SA Biofuels Regulatory Framework which provides for the use of sugar in the mandatory blending of bio-ethanol in fuel. The department is participating in the national master-planning process and specifically the task team related to downstream diversification and the small farmers have been very exciting by this and effectively participating.

KwaMajomela mixed used manufacturing Park

In the 2019-2020 financial year, we completed the designs for the KwaMajomela a mixed use manufacturing park specifically to accommodate formal and informal small enterprises.

A funding agreement was also concluded with the Zululand District Municipality to oversee the construction of the centre. Although the procurement of the project manager and contractor was complete, it is anticipated that construction of the projected R13 million centre.

When complete, the centre is expected to cater for 15-20 small enterprises as well as informal traders who can work from the park. Other facilities will include a cold storage facility, training facility and a shared services computer centre.

Broad Based Economic Empowerment

Honourable Members, let me pause here and invite members of this house to join hands and fight the practice of fronting. Fronting is not only unethical but is a fraud and a criminal offence.

Before the lockdown, I had offered to take up 2 to 4 cases for criminal prosecution. We want law enforcement agencies and the court of law to come hard on those who are defrauding government through this practice. Apart from maintaining their grip on the economy, they are prolonging the suffering of black people who are still marginalized as a result of apartheid policies.

We have stated firmly, that B-BBEE must help achieve equality, create jobs and reduce poverty and most importantly it must remove obstacles to transformation, including lack of funding and market access for new entrants and black businesses.

Importantly, the department has successfully conducted B-BBEE Verification of Top 100 companies, Provincial Government Departments and Public Entities here in this province.

We have also included a Partnership Agreement (MOU) with the B-BBEE Commission in order to deal with fronting cases in this province.

In line with the MOU that we concluded with the DTI on the Black Industrialists programme. 35 KZN Black Industrialists have been approved by the DTI for grant funding. The total grant amount is about R700 Million, and total employment created is estimated at 4000.

In these economic sectors: clothing & textile, oil & gas, mineral beneficiation, chemicals, pharmaceutical & plastics, manufacturing related logistics, etc. Taking for example the following companies have received grant funding:

- *Africa Bespoke Apparel, in Durban (R 34, 5 million)*
- *Afro-Zonke Projects/Investments t/a Superdelight, in Pinetown (R13, 5 million)*
- *Verigreen (Pty) Ltd, Pinetown, (R26, 7 million)*
- *Mthonjeni Aluminium Products (R50 million)*

PROGRAMME 3: TRADE AND INDUSTRY DEVELOPMENT

Special Economic Zone

Madam Speaker, trade and industry development remains critical in ensuring recovery from the aftermath of COVID-19.

We are steaming ahead with the creation of special economic zones. This has helped redefine centres of growth and corridors of development.

Special Economic Zone (SEZ) is one of the most important tools used by government to advance its strategic objectives of industrialization, regional development and employment creation.

KwaZulu-Natal has two SEZs which are the Dube Trade Port Corporation at eThekweni and Richards Bay Industrial Economic Zone in King Cetywayo District.

These two SEZs continue to enhance the competitiveness and attractiveness of KwaZulu-Natal in terms of both domestic and foreign direct investment.

Clothing and Textile SEZ

EDTEA in collaboration with the DTIC and various stakeholders has made tremendous progress in developing a business case for the establishment of a Clothing and Textile SEZ through the District Model Platform.

This SEZ will be a Textile Belt integrating strategic projects along N3 and N2 corridors and ranging from Newcastle through Ladysmith, Mooi River, Pietermaritzburg, Hammersdale, Durban, Dube Trade Port, Isithebe up to Richards Bay Industrial Development Zone (RBIDZ).

The most pertinent outcome envisaged by establishing a clothing and textile SEZ in KwaZulu-Natal is the expansion of the manufacturing sector, beneficiation, localization and the creation of economic industrial hubs to regionally diversify the national industrial base.

Honourable Members, the clothing and textile sector is not only labour absorbing but presents endless opportunities for the people of this province.

There is nothing stopping young fashion designers from supplying big retail shops instead of importing of countries such as China.

Other clothing and textile interventions offered by the department include :

- Covid 19 Clothing and Textiles relief for workers in order to sustain and protect jobs;
- Support to SMMEs with Re-Capitalisation Equipment
- Provision of funding to SMMEs through OVF to acquire machinery and equipment and raw materials

- Provision of training and Mentorship including Quality assurance and standardisation training
 - Provision of Share Infrastructure for SMMEs
 - Facilitate twinning arrangements between SMMEs and Big retail chains such as Mr Price, Truworths Foshini Group

Since we presented our Budget Vote last year, about 76 Clothing & Textile Small Enterprises have been offered assistance by EDTEA.

Some have been assisted with training on basics of garment design and different categories of fashion. We are empowering them with skills such as Drawing and Illustration, Basic Fashion Photography and Creative Computing.

In the middle of Covid 19 induced mayhem and pandemonium, we say COVID-19 has presented endless opportunities.

In this regard, we will be embarking on a Buy KZN Campaign to encourage the buying of local designed garments. This campaign will include providing incentives to designers that excel in respect of the quality of the product they produce. Incentives will also include sponsorships of attendance at international trade fairs and fashion shows.

We also intend to intensify government support in the sourcing of machineries and other value add machinery to ensure that the Textile Industry is competitive and cutting edge with numbers that will always be available in bulk for the retailers.

Revitalization of Industrial Parks

Madam Speaker, through the Industrial Economic Hubs Program we are focussing on the revitalization of industrial parks in the province.

Through this programme and supported by DTIC funding, we are refurbishing physical infrastructure with the aim of enhancing the occupancy rate of the parks and drive retention, expansion and diversification of economic activity.

In this regard, the Isithebe and eZakheni Industrial Parks are earmarked for revitalisation during this financial year. We are working with other district municipalities to identify other industrial parks for revitalisation.

Skin and Hides Training

The department has also been hard at work undertaking training within the various districts on skins and hides preservation and curing to prepare them to feed into the proposed Leather Processing Hub to be established in Pietermaritzburg.

A total of 42 people have been trained in the uMgungundlovu and uThukela Districts.

We have identified lucrative markets in some of the Asian countries such as Hong Kong and EU markets. It should be remembered that South African skins, hides and leather enjoy duty free access into the EU and the US markets under the following:-

1. African, Caribbean and Pacific (ACP), Economic Partnership Agreements;
2. The US market under (AGOA);
3. And Turkey under the generalized system of preferences (GSP).

Agri-Business RASET District Pack-Houses

Madam Speaker, earlier on I spoke about the importance of RASET and the achievement of this department around this programme.

I wish to report that we have initiated Pack-Houses. The aim is to provide agriculture value chain adding facilities (pack-houses) that will serve as collection points for cooperatives and SMMEs that have registered to supply produce for the National Schools Nutrition Programme (NSNP).

We have identified four RASET prioritised districts - UMkhanyakude District (Dukuduku and Sikhemelele Local Municipalities), King Cetshwayo District (UMthonjaneni and Nkandla Local Municipalities), ILembe District (KwaDukuza and Ndwedwe Local Municipalities) and Harry Gwala District (UMzimkhulu and Dr. Nkosazana-Dlamini Local Municipalities).

The Sikhemelele, Dukuduku and Ndwedwe facilities have been completed and will benefit 273, 195 and 414 Coops and SMME's respectively. The focus for this financial year will be on the establishment of the proposed facilities in Shakaville in iLembe and Ixopo in Harry Gwala.

Agribusiness Marketing portal

Honourable members, to ensure that our local produce is accessible to both national and international retail markets, the department will be setting up an agribusiness marketing portal.

This portal will assist in ensuring that emerging entrepreneurs are assisted to enter the formal economy and link them directly to local and international markets.

EThekwini – Automotive Supplier Park

Madam Speaker, COVID-19 is propelling us to move with speed to ensure that our *Automotive Supplier Park* SEZ, located in the South of Durban, is operational in 2021.

More than 1339 jobs are expected to be created through an investment of R2.2 billion.

Before the outbreak of the virus, we had successful negotiations with TOYOTA. The automotive manufacturer will be one of our tenants in our Supplier Park.

Toyota South Africa has also lobbied automotive suppliers to its parent company in Japan to locate their operations in our SEZ.

Ahead of lockdown, we were excited by the fact that Toyota will be starting assembling new Hino 500 series truck here in

Durban. These will be exported to Europe and Africa. This new develop will create more jobs and general export revenue.

Automotive – township and rural economy

Honoured Members, KwaZulu-Natal has a thriving automotive industry which has a profound and wide-ranging effect on the city and suburban communities.

An automotive repair or service facility located in the city and suburbs has a jobs multiplier of 3.6. This means that for every one job at the facility, there are an additional 2.6 jobs supported in the local economy.

As part of revitalization of the township economy we have taken a decision to assist emerging entrepreneurs that are involved in the automotive industry.

We want township based young people, who are trained as artisans and mechanics, to work in repair automotive repair centres.

Government departments across the province must use these centres for repair of government fleet.

Oceans Economy - ***Building Maritime Industry***

Honourable Members, the maritime sector is a key driver of economic development and job creation in the province.

It is ironic that KwaZulu-Natal boasts the two largest ports on the continent, with a long coastline and hosts the largest number of ships than any port in the continent, yet has a poorly developed maritime industry.

We remain concerned that there in minimum involvement of the people of this province in coastal activities such as maritime tourism, ship building and repair, fisheries and maritime support services.

To enhance our competitiveness as a maritime gateway province we continue to prioritise the maritime skills capacity development through measures such as hosting of maritime careers and jobs expo.

We are strengthening maritime institutions including high schools by expanding maritime studies beyond the existing two schools, TVET's, Universities of Technology and academic universities.

We are working with Department of Trade and Industry, Transnet, eThekweni Municipality and port operators to deal with port congestion. A team involving all stakeholders called Port of Durban Decongestion Task Team has established work streams that have put in place measures to turn around the situation.

Our entities: job creation and foreign direct investment

Trade Investment KwaZulu-Natal

Madam Speaker, we celebrate the fact that Trade & Investment KwaZulu-Natal has attracted R1.5 billion worth of investment creating 1495 jobs to date. Further 3 projects to the value of R1.1 billion and 1350 job opportunities were committed in the last quarter.

We have strengthened relations with national departments involved in One Stop Shop to ensure speed and efficiency in assisting potential investors.

We are ensuring synergy within all role-players in the provincial investment agencies, local authorities and the relevant government departments involved in regulatory, registration, granting of permits and licensing matters.

Our targets is to ensure that TIKZN attract investment to the value of R2.2 billion with a potential of creating 3000 jobs.

About 1 000 construction jobs will be created during the construction of Club-Med Beach Resort. This R1.6 billion lifestyle resort will be located in Tinely Manor and will have 540 permanent job and 1 500 indirect jobs.

Other investments worth mentioning includes:-

- An investment of R200 million by Corobrick in a plant for the Manufacturing of Construction Materials;
- About R90 million has been invested by MCS Debt Recovery in the upgrading of a call centre operation located in uMhlanga. 1000 jobs have been created;
- More than 1500 jobs have been created by Connect BPS after investing R120 million. This is a Business Process Outsourcing project located in Mt Edgecombe.
- There is an injection of R11 billion towards the creation of a Cator Ridge intermodal logistics hub. More than 6500 people are expected to be employed in this facility which will have a warehouse and truck shop complimented by manufacturing activities;
- An investment of R63 million by Good Life Foods (Pty) Ltd in a 100% black woman owned dairy manufacturing company will create 50 permanent jobs and 30 temporal for the people of Howick.
- There is a growing interest in the R30 billion Finnenley Estate Project in Scottburgh. This is a multi-sectoral project that incorporates, residential estate, hospital, hotel development, airport and medical academic institution will be under construction. About 10,000 jobs will be created during construction.
- Over the next few years we will see the construction of a Xylomed Pharmaceuticals Manufacturing Plant in eThekwini. The project involves the designing and

manufacturing of over 2100 medicinal products that have relevance in African Markets and globally.

KwaZulu-Natal Film Commission

Madam Speaker, our country and our province in particular is rich in history, heritage sites and entities that cross the cultural divide.

This province has become a natural home for the shooting of feature films and TV commercials. This rise in film and commercial shoots can be explained by the fact that it costs 30 to 40 per cent less to shoot a film in South Africa than in Europe and the United States.

With COVID-19 creating challenges for this industry, this entity will be at the forefront of resuscitating this sector.

During the 2019/2020 financial year, about 130 temporal jobs were created through the KZN Film Fund.

Critically, telling our own stories in our own way and language is very important for the preservation of history and heritage. We have seen many movies produced in our indigenous languages being showcased Durban International Film Festival and Durban Film Mart.

Through these platforms the young and upcoming creative talent is showcased to a wider audience. Young people also get to share their skills and knowledge with the industry giants.

Through an investment of R10.5 million, a record number of productions were released during 2019/2020 financial year. The productions earned R28.6, in revenue at the various exhibiting platforms

1. My Zulu Wedding earned - R10,5m
2. Uncovered earned - R7m
3. Keeping up with the Kandasamys - the Wedding earned - R9,8m
4. Kings of Mulberry Street earned - R8,4m

5. Love Lives Here earned - R6,7m
6. 3 Days to Go earned - R6m,
7. Deep End earned - R5,4m

We are proud of the fact that six of our funded projects were nominated for the 14th Annual South African Film and Television Awards. Our sons and daughters were honoured for their creativity and quality content.

Let us keep telling our African stories, the best way we know how.

Richards Bay Industrial Development Zone

Madam Speaker, we wish to indicate that the much talked about Palm Oil refinery investment of R1.3 billion will be going ahead in Richards Bay.

Just before the lockdown, plans were underway to clear the site. I have discussed this investment with Wilmar and was assured that the work will resume once we move to Level 1.

Madam Speaker, in addition - the construction of the top structure of Phase1F of Nyanza Light Metals, a 100% SA Black owned company, is also on course despite the setback caused by the lockdown.

The company is involved in the production of Titanium Dioxide pigments and they have invested R4.5 billion. I have been assured by the directors of this company of this investment.

Dube Trade Port

Honourable Members, every month we read in the newspapers about investments and potential investments in our Dube Trade Port.

It should be noted that more than 45 000 tonnes of international cargo has passed through the Dube Cargo Terminal todate.

As we move forward, the Dube Trade Port will create 3000 jobs through R1.2 billion worth of investments in manufacturing through Trade Zone 1 and 2 and AgriZone.

To date, R 52 million worth of investments have been secured with 867 jobs created - 173 permanent and 694 temporary.

Plans are afoot to finalize lease agreements and other technicalities with regards to the following investments:-

1. iDube Cold Storage - an investment value of R 90 million;
2. Transglobal - an investment of value of R35 million;
3. Barrows and Bardon – an investment of value R381 million;
4. Munch Innovation – an investment value of R2, 6 million;
5. CocoNathi – an investment value R4, 2 million.

Rollout of Broadband

Madam Speaker, studies have estimated that the aggregate value that can be derived by our country from the digital transformation of our society and the economy is more than R5 trillion.

We have stated boldly that we find it illogical that this province connects Africa to the world but the millions of people are not connected. Figures show the following:-

- More than 11 million people live in KZN;
- 7.8 million are of data dependent age;
- 1.8 million of the 7, 8 million have access to the internet;
- 162 thousands have access to the internet via a fixed connection to their homes;

- 4.7 million of our population are under children under 18, majority are living in underserviced areas

It is for these reasons that we are moving with speed to roll out, the ICT infrastructure. In particular we want to achieve the following:-

- Extend this connectivity to the deepest rural areas;
- Stimulate the contribution of each ward towards the GDP of the province;
- Create jobs for rural communities;
- Reduce the cost of data making it cheaply available to all KZN citizens;
- Stimulate GDP in every ward of the Province;
- Reduce the cost of Government transaction;
- Optimize hosting services for the KZN government; and

Our intention is to connect 20 500 socio economic sites across the province's districts inclusive of clinics and hospitals, schools, libraries and tourism centres and taxi ranks.

The Office of the Premier will provide oversight and co-ordinate the municipalities and Government Departments under the Premiers Co-ordinating Forum.

In this regard, we have effectively rolled out on a proof of concept wherein the model has been successfully piloted in 6 sites within the Umgungundlovu District including the Edendale area of KwaCaluza.

Given the projections by the International Telecommunications Union (ITU) and the profile of our Province, we anticipate the following outcomes from the broadband rollout project:

- Over 1000 SMME's developed and directly benefitting from the project;

- Over 3000 resellers benefitting from selling data @R10 per day uncapped;
- Over 2000 SMME's using the network to provide value added services such as digital marketing, content streaming, e-commerce services and more;
- More than 50 000 jobs created by the SMME's;
- More than 1.5% growth in the Provincial GDP;
- More than 6 million people with a 1 km reach of the nearest free wifi hotspot;
- 90% or more of the population using e-government services;
- Reduction in the cost of data in the Province.

Cannabis and Export Potential of KwaZulu-Natal

Honourable members, despite delays in the promulgating the Regulation of Cannabis Bill and additional changes to the Medicine and Related Substances Control Act mean, we will continue to prepare the people of this province for this industry.

We recall that the Constitutional Court in the 2018 judgment declared the prohibition on cannabis cultivation, possession and use unconstitutional. The highest court in the land set September as the deadline for promulgation. Available statistics shows that the Cannabis industry is worth more than R100 billion.

Moses Kotane Institute of Technology has a fully-fledged Cannabis Unit which we launched after unveiling a Cannabis Investment Protocol. About R10 million has been used for this purpose.

Other than helping communities with licensing processes, we are working with government departments regarding access to land, testing and fencing. We are offering support in terms of

training, mentorship and funding for projects to produce cannabis for exports.

We have applied for 32 cultivation permits with SAPHRA. We are hopeful that 32 farmers within the province will be granted such permits and these will benefit local communities. In addition we are capacitating these farmers through our enterprise development program.

Gaming and Betting

Madam Speaker, as the department is seized with the work of aimed at transforming Gaming and Betting Industry.

We do note that companies that are involved in this sector have invested more than R2 billion towards the development of their facilities. Clearly, this investment is an indication that Gaming and Betting Industry is now a mature and well established industry in Durban.

As government, we want to ensure that this industry makes a contribution towards driving socio-economic development. This work is even more urgent as we recovery from COVID-19.

Before lockdown, the Gaming and Betting Entity collected a revenue of more than R684 million and created 6 851 jobs.

This money will be used for the construction of roads, houses and to ensure the provision of quality education, health, welfare services, water and electricity.

We have also ensured that companies in this sector rollout social investment initiatives that have an impact. Ahead of lockdown, the industry stakeholders spent more than R12 million to uplift communities.

Technology in Gaming and Betting

Madam Speaker, we note the technological advancement in the Gaming and Betting Industry. The entity has ensured that the new gambling equipment brings about rapid, but orderly policy change.

More than R130 million is to be invested towards financing the manufacturing of gaming machines and amusement machine operators. The KZN Growth Fund and Operation Vula Fund are currently processing those application.

There are also plans in the pipeline for 2 additional businesses to operate within the Province. One to develop gambling industry technical skills and the other to assemble gaming equipment. More than 600 jobs will be created in the process.

Liquor Authority

Yesterday, a total of 8000 liquor licence holders in this province started selling liquor for off-site consumption.

A team of inspectors from the department - KZN Liquor Authority, Department of Employment and Labour and law enforcement agencies made unannounced visits to all licensed premises across the province to monitor compliance Regulations governing the sale of alcohol during COVID-19 Level 3. They observed compliance in some instances and a lack of social distancing.

We wish to reiterate that where any licence holder is found to have violated any of the provisions contained in the regulations or the sale of liquor in terms of the KZN Liquor Licensing Act, the KZN liquor authority will recommend the suspension of the license until the end of lockdown or for three months.

We need to work together to strengthen the proper control and regulation of liquor in our province through the KwaZulu-Natal Liquor Act. Armed with lessons learned during lockdown, we will intensify awareness campaigns and roadshows in order to educate communities about the Act.

We want to empower communities and entrepreneurs to use this piece of legislation to achieve the following:-

1. A fair balance between the economic imperative of the sale of alcohol;
2. Ensure that the sale of alcohol does not have an adverse impact on communities;

We have also undertaken to make unannounced visits to taverns, restaurants, nightclubs and many other areas to monitor compliance with liquor licenses and lockdown regulations in general.

Sharks Board

Honourable Members, towards the end of last year, we were humbled to be bestowed an honour to host the World Congress on the Drowning Prevention. It was befitting that this conference was held in KwaZulu-Natal which boasts the longest coastline.

During this conference, delegates heaped praises on the Sharks Board, especially in terms of ensuring the safety of our beachgoers. We have never had shark-related incidents, as a result we have seen a steady increase of national tourists.

It has been proven that there is a direct correlation between tourism and safe bathing at our beaches. About 98% of our tourists visit beaches for recreational purposes. Therefore, the role played by Sharks Board in protecting the tourism sector cannot be over-emphasised.

Through a specialized Research Division, the Sharks Board continues to further explore other alternative scientific methods to Shark Safety Gear such as nets & drumlins which are currently in place. This has led to a catalytic and lucrative project called a Shark Repellent Technology.

Business Retention

Madam Speaker, business retention and expansion is the foundation of effective economic development post COVID-19. Trade & Investment KZN is assisting KZN firms during these difficult economic times.

In difficult economic times, economic development, in particular job retention remains in the minds of many.

TIKZN is working with municipalities, industry associations and individual firms to provide 'Business Aftercare Support Services' to ensure business survival and growth. This includes a range of business support services from virtual company visitation meetings, virtual information sharing seminars, use of web portals to support business linkages.

We are also intensifying the KZN Buy Local Campaign and many other initiatives such as the integration of the informal economy in the value chain to access Covid-19 support funding.

Madam Speaker, we can report that, so far the business support provided to companies has resulted in R860 million investment for and the retention of 910 jobs retained.

- TIKZN has implemented 20 technical business support programmes to improve competitiveness and efficiency of KZN companies;
- 14 distressed companies have been supported with business retention interventions;
- R12.5 million has been spent by Ithala on refurbishing of existing properties thereby facilitating approximately 50 jobs.

PROGRAMME 4: BUSINESS REGULATIONS AND GOVERNANCE

Madam Speaker, economic growth often comes with some challenges. As we appreciate the up-turn in our economy, there is also an increase in consumer demand, which is sometimes coupled with the abuse of consumers by some unscrupulous individual traders.

The department is therefore vigilant in ensuring that consumer rights are not being violated. Using the latest technology, our consumer case management system went live towards the end of last year.

We have responded to more than R20 million worth of cases that were successfully dealt with on behalf of complainants. During lockdown, we intensified our efforts to protect our consumers. This is more than a 71% success rate.

On the other hand, it is also important that traders are also encouraged to adhere to best practices. In this regard, we will be initiating a Business Pledge with the intention of soliciting business commitment to the respect of consumer rights and acknowledgement of the consumer's role in the economy.

Madam Speaker, South Africa is founded on the supremacy of the Constitution and the rule of law. Our laws should apply to all, not some. Businesses too must meet their legal obligation. Obtaining a business license and paying your taxes is part of business compliance.

As reported during lockdown, we are dealing decisively with the proliferation of counterfeit goods. Such goods have a negative impacts on our KZN economy as businesses selling counterfeit goods are not properly registered and do not pay tax. As a result, businesses that are registered and operating legally suffers loss of profits and job losses.

We remain firm in protecting our economy against unscrupulous international syndicates.

Business Licencing and Informal Economy

Madam Speaker, in the past financial year, the department developed an automated business application and information management system known as the KZN Automated Licensing system.

This system is aimed at providing a platform for businesses in KZN to apply for business licences and informal economy permits on-line. In addition, this is aimed at tracking progress in relation to each application. The System has been piloted in the following municipalities:

- Newcastle, Nongoma; Inkosi Langalibalele; Mandeni; Nkandla; Mtubatuba; uMlalazi; OKhahlamba; Mthonjaneni; Jozini; Maphumulo; Emadlangeni

Out of the 12 Local municipalities, 407 business licenses and 551 permits have been captured and approved through the system. This translates to 667 jobs created under informal employment (through permits captured) and a total of 6300 Jobs created through formal businesses.

The total breakdown is as follows:-

- 5663 permanent jobs;
- 637 Temporary jobs;

A Municipal Business Licensing Technical Team has been established to provide technical assistance to municipalities which lack capacity to perform the business licensing function and to assess the *status quo* of unlicensed businesses. A total of 97 applications from the following Municipalities have been assessed:

- Inkosi Langalibalele – 26;
- Emadlangeni -13;
- Mthonjaneni -11;
- Okhahlamba -29;
- Endumeni -18

From the 82 applications assessed, 45 licenses have been approved as a result of the intervention of the Technical Support Team as deployed by EDTEA to the aforementioned municipalities.

PROGRAMME 5: ECONOMIC PLANNING

Madam Speaker and honourable members, over the year, the department successfully partnered with institutions of higher learning science councils as well as out Moses Kotane Insitute to enhance the departmental research and development agenda.

In partnership with the CSIR, the Department conducted work that identified and prioritised waste streams that lend themselves well to the development of multiple SMMEs in the province through beneficiation waste streams. In addition the Department has entered into an MOU with South African Weather Services SAWS on the delivery of the state of the art weather prediction infrastructure, these include the Rador, Automated weather station, early weather detection system which includes lightning.

Mindful that KwaZulu-Natal is a unique province that shares borders with three neighboring countries, namely Lesotho, Swaziland and Mozambique, there department set out to develop border economic plans to explore opportunities around the border towns. This work saw the Department partnering with uMhlabuyalingana Municipality to develop an Integrated Border Economic Development Plan at Kosi Bay Border and the town Manguzi.

Madam Speaker, the partnership with CSIR developed a database mapping the geospatial location of waste streams in the province including volumes and frequency of such waste streams.

The department finalised the Kosi Bay Integrated Boarder development plan and is currently working with uMhlabuyalingana local municipality to develop a fish processing facility to assist informal and small businesses involved in the fisheries sector. Economic Planning continues to work with municipalities on matters relating to economic formulation and strategy development. The programme will also provide action oriented research on various sector affected by Covid 19 crisis.

The outbreak of COVID 19 has highlighted a glaring need for innovative technologies and solutions that timeously respond to disruptions that arise from pandemics of a similar nature.

To that extent the department wishes to establish a COVID 19 Innovation Fund aimed at supporting development of innovative technologies and solutions that respond to challenges brought forth by the pandemic. The fund will cover development of solutions to areas such as infection prevention & protection, sanitary technology, diagnostics & testing, therapeutics, disease-tracking technology, smart technology for patients, education technologies among others.

PROGRAMME 6: TOURISM

Madam Speaker, despite this major setback on the tourism front, our vision remains that of building a strong and sustainable tourism sector that improves the lives of all our people.

I wish to the attention of the members to a study conducted by the National Department of Tourism (NDT) and Tourism Business Council of South Africa (TBCSA).

The research showed the following results:-

- Over 63% of businesses have already closed on a temporary basis, while 54% down scaled operations significantly;
- 28% of businesses were considering permanent closure;
- 37% of Businesses have reduced all their employees' wages, while 33% have furloughed all their staff and 7% have made all their staff redundant.

The top three needs identified by KZN businesses are:

- Support for cash flow (62.6%);
- Financial support for recovery (59,7%); and
- Tax reduction/deferments (47%).

Honourable Members, our interventions in the tourism sector are aimed at repurposing the sector. Our entity is developing new tourism experiences to meet changing market needs. For instance, we are putting packages to cater for cultural, agro-tourism and religious tourism.

We are also assisting the small players who are involved in arts and crafts to reimagine the market. We are getting them to sell their products online. This is in line with the 4th Industrial Revolution.

In addition, we have started a process of training all players, including emerging enterprises in the tourism industry, to use the cutting edge technology as part of destination marketing.

We have mandated provincial tourism authority and municipalities to ensure that SMMEs in tourism are listed and promoted on their websites.

We are also working industry role-players to develop virtual tours of key tourism attractions and many other areas to showcase tourism offerings.

The KZN Virtual Reality Activations has ensured that global tour operators have first-hand experiences of what the province has on offer. Most of them, are already indicating their interest in adding KZN in order to enhance their itineraries.

Critically, another area of focus is the use of digital technologies to facilitate social distancing such mobile technology for guest check-in.

Madam Speaker, we are cognizant of the fact that many role-players are battling to survive during this period. This government is assisting the sector to access to debt relief funding which is available at national levels. For our part as KZN government and municipalities, we are providing funding and also increasing funding provided to Community Tourism Organisations.

Drakensberg Cable Car

We are pursuing with renewed energy, and iconic tourism project called the Drakensberg Cable Car. Ahead of the lockdown, we met with traditional leaders and municipal councils where this initiative was discussed extensively.

Negotiations with potential investors and funding institutions are at an advantage stage. They are impressed by the fact that Drakensberg boast more than 5 kilometers of breathtaking scenic beauty which is only appreciated when you see it from the top.

We are committed to use this World Heritage Site to showcase the range of tourism activities available in the Drakensberg region. We can name skiing, ziplining and water activities.

Another project worth mentioning is R1, 4 billion uThukela Lifestyle & Wellness Resort. Phase 1 of this medical tourism facility is expected to create 600 Jobs.

We are currently ensuring compliance with financing model in line with conditions stipulated by an international funding institution (Afreximbank).

PROGRAMME 7: ENVIRONMENTAL MANAGEMENT

Invasive Alien Plants

Honourable Members, we continue to rollout our programme of the eradication of alien invasive plants throughout the year. This is another area of job creation during this period.

We have employed more than 200 people, mostly youth, who have been trained to clear invasive plants using the combination of control methods such as felling, lopping and hand-pulling, and applying herbicides.

We speak with one voice with environmentalists, community leaders and farmers that invasive plants are water guzzlers that adversely affect available water resources.

Air quality

Madam Speaker, Section 24 of the South African Constitution clearly states that everyone has the right to an environment that is not harmful to their health and wellbeing.

It further states that everyone has the right to have the environment protected for the benefit of present and future generations, through reasonable legislative and other measures that prevent pollution.

In view of the constitution of the land, we tasked our Compliance Monitoring and Enforcement Units, including Pollution and Waste Management Units to regularly present audits reports to the executive authority.

There have been instances where we have issued warning letters and Non Compliance notices to municipalities that have failed to adhere to air quality control measures. Our Inspectors will continue to enforce compliance with environmental management laws.

The Premier launched the Climate Council in 2019 to usher in a new era. The Council will be mobilise communities, Civil Society, sectors, business fraternity to forge partnerships on Green Economy that will further create jobs and ensure sustainable development in our province.

Together with the council, we have agreed to utilize the Council on Climate Change in order to usher in a new era. The council will assist municipalities to forge partnership with civil society, business fraternity and communities at large.

Through the council, we will have a sustained campaign focusing on the grassroots mobilization for waste collection focusing on recycling industries of various materials such as plastic, bottles etc.

We commit to strengthen partnership with the Wildland Trust and other Non-Governmental Organizations to mobilize a large number of people to get jobs through the rehabilitation of the environment.

Through our coastal management programme, we will resume the cleaning up our river banks here in different parts of the province once lockdown restrictions are lifted

These have been badly polluted though industrial pollution. Some have been polluted because of unplanned informal settlements and uncontrolled waste disposal causing river contamination.

Ezemvelo Wildlife

Madam Speaker, our nature conservation is another critical avenue at our disposal as we confront the challenge of unemployment, poverty and inequality caused by COVID-19.

We have resolved to use our entity, Ezemvelo KZN Wildlife as part of efforts to attract tourists to the province of KwaZulu-Natal.

Ezemvelo manages more than 114 protected areas and close to 40 facilities that provide accommodation to 6500 people per night. These include camp sites, Didima, Giant's Castle and Hilltop in the Hluhluwe-Imfolozi Park and Ntshondwe in Ithala Game Reserve.

We want our tourists to have unparalleled experience of the provinces' wildlife and eco-tourism.

We want to aggressively market all these strategic facilities in order to grow tourism and generate more revenue local communities

In the areas of poaching, we are making progress following an investment in Smart Park connectivity and the integration of systems to ensure early detection and rapid response.

In March, our cutting edge technology resulted in the murder of two suspects who had been involved in a syndicate responsible for killing of our rhinos.

The suspect were detected as a result of the installation of infrared trap cameras linked directly to the Parks Operational Centre.

These cameras use artificial intelligence (AI) to identify people and send an immediate alert to the Operations Centre. The centre then rapidly alerts and activates the relevant Reaction Units and associated resources.

We are also exploring the use of drone technology to strengthen anti-poaching efforts in our Game Reserve. We are ensuring that officials working for Ezemvelo Wildlife to learn best practices in the use of drone technology to ensure the safety of our wildlife

CONCLUSION

Honourable Members, I wish to thank the Premier Sihle Zikalala for the guidance. I extend my appreciation to my party the African National Congress.

I appreciate the support from my colleagues in the executive. I am indebted to all members of this house.

I wish to thank my husband, my children and my entire family for being the pillar of strength.

I extend my appreciation to the Acting Head of Department and all categories of staff in the department and entities.

We are committed to implement special sector programmes embracing industrial, trade and other measures backed by adequate resources. Today we want to reiterate that as a developmental state, we will continue to ensure that the state-led industrial policy leads to the transformation of the economy.

We will directing public and private investments to support decent work outcomes, including employment creation and broad economic transformation. We will target labour-intensive

production sectors and encourage activities that have high employment effects in response to COVID-19.

The utilisation of Budget Vote 4 is dictated by programmes and projects we believe would have a definite impact on the levels of unemployment and poverty in our communities. This budget is action driven and each rand spent is expected to deliver on our mandate. Now I wish to move the Budget R 3 346 813 for the year 2020/2021 according to the following programmes:

PROGRAMME	2020/2021 (R'000)
1. Administration	371 526
2. Integrated Economic Development Services	349 919
3. Trade & Industry Development	1 004 831
4. Business Regulation & Governance	182 373
5. Economic Planning	38 713
6. Tourism Development	320 693
7. Environmental Management	1 078 758
TOTAL ALLOCATION	3 346 813

I thank you.