

Brief Address by KwaZulu-Natal Minister of Economic Development, Tourism & Environmental Affairs, Mr Michael Mabuyakhulu to the African American Chamber of Commerce in San Francisco on 02nd October 2014

Programme Director,
SA Consular General, Mr Ndaba,
Head of Department, Mr Golding,
Members of the Business Community,
Senior Government Officials,
All protocols observed.

We are delighted to be hosted by this respected and distinguished entrepreneurial organisation from which we hope we would learn a lot to be able to replicate your experiences in our own situation back home as we are in the process of galvanising our economy through all sectors that have potential to make our province, country and region globally competitive.

Technological advancements are as old as the history of the humanity. Human beings have always been different from other living organisms in that we are endowed with inquisitive and innovative minds designed to develop strategies to conquer and adapt to the harsh realities on mother earth, our home planet. The constant development and invention of new tools and scientific discoveries and modification of technical know-how had characterised the socio-economic evolution of all phases of human existence. Today we talk about new technologies in relation to old and founding technological and scientific endeavours. In modern times, these efforts and their resultant technological artefacts are packaged into what is now affectionately referred to as knowledge economy on the basis that they respond to and define the type and level of industrial development.

It is that reason ladies and gentlemen that technology and science are behind all industrialisation endeavours as in the past decades we have seen trans-border globalisation of our economies which illustrates the kind of technology capabilities that were predicted by Marshall McLuhan who foresaw the transformation of planet earth into a mere global village. The advent of telecommunication that enables the transmission of messages across the world through transnational cable networks and airwaves and of course the ability to design industrial products in another continent and replicate their mass production in other parts of the world, is a revelation of what science and technology could do to enforce equitable industrial growth for the benefit of humanity as a whole.

The concept of globalisation and accelerated industrialisation has been therefore embraced in our country. In the Province of KwaZulu-Natal which is the second largest economy of the nine provinces in the Republic of South Africa, we have put in place an integrated strategy directed at vigorously activate our economy through eleven districts that boast diverse economic sectors that complement each other to bolster the province's industrial performance. Each district's economic strength will be spatially exploited to ensure the creation of business and employment opportunities. This decentralised industrial phenomenon, dubbed Industrial Economic Hubs is destined to fast-track sustainable growth through locally manufactured goods and generated services especially for export market. Information technology and electronics top the list of the province and nation's priorities particularly that this sector has a multiplier growth effect on other industrial operations.

We have identified the northern District of uThukela as our ideal site for new information technology and electronics hub since it is strategically located along the busy N3 motorway that links KwaZulu-Natal and the country's industrial heartland of Gauteng. Our Head of Department will provide a more comprehensive account of what our Industrial Hubs strategy entails. Our presence here in St Francisco, California is a deliberate intent to learn about the genesis and subsequent contribution of the world revered Silicone Valley which had become a reference point for streamlined technology innovations, pioneered by some of the world's respected brands in the silicon chips oriented product innovation and manufacturing.

The bustling town of Ladysmith enjoys an established transport logistics and adequate bulk supplies of water and electricity and hence it becomes a natural site for the establishment of our own KwaZulu-Natal's Silicon Valley. With the St Francisco's leading hi-tech hub accounting for one third of America's total venture capital investments, we are motivated to emulate the Silicon Valley model to transform Ladysmith into the real ICT and electronics bastion.

This dream would require the establishment of partnerships with global players in this area of the economy hence we are here to seek your attention and consideration to explore investment opportunities in KwaZulu-Natal to harvest good returns. There is no best investment destination than Africa at this time as the continent is presently experiencing phenomenal growth and its economies require further powering through the deployment of new technology products and services to boost its competitiveness in the world market.

However, we are mindful that the success of this vision will depend on the constant supply of qualified and skilled personnel in the ICT and other related fields. It is that reason our government is investing significantly to scarce skills development to ensure that the nation's 2030 vision, as enunciated in the National Development Plan becomes a reality. We are aware that institutions like Stanford University had a critical role in making Silicone Valley a living industrial dream that turned St Francisco into the world's cyber metropolis by offering curriculum programmes structured for new innovative industries. We are informed that the growth of most of the technology brands, especially in the computer business like Hewlett-Packard and IBM were influenced by former Stanford University students.

We could learn from this experience as we are currently working with our own universities and colleges to produce industry ready personnel that also have appetite for entrepreneurial pursuits which is essential for the creation of more business and employment opportunities. Practical participation of educational institutions couldn't be emphasized as they also provide research central in developing new products that ferment growth and diversification.

However, besides the ICT and electronics, KwaZulu-Natal is blessed with favourable climatic conditions that enable unrestricted business operations in its diverse portfolio of economic sectors. Manufacturing is the leading business activity which has tentacles spreading to influence other sectors like automotive, tourism, petro-chemicals, agribusiness, mining and maritime. The latter is now receiving special attention as we want to exploit our coastal location to the fullest where this sector and its subsidiary activities become the key source of business and employment opportunities. We have therefore developed an integrated provincial maritime industry strategy that we believe will be a perfect instrument to facilitate growth in the oceanic industry.

The petro-chemical sector is on the verge of getting a boost with the prospect of the offshore oil and gas exploration likely to uncover significant reserves of fuel resources on the sea-bed from the Mozambique border in the north to the south coast. This project forms part of the country's concerted effort to turn the coastal economy, including maritime into an effective socio-economic game changer under the auspices of the national accelerated growth driven intervention called Operation Phakisa.

As mentioned above, Head of Department, Mr Golding will provide more details on the province's strategic and operational investment opportunities as he outlines the concept of Industrial Hubs as

we envision it as potential instrument to bring about equitable socio-economic transformation in KwaZulu-Natal through clearly defined areas of investment for specific industrial sectors.

I thank you very much for giving me the opportunity to address you.

Mr Michael Mabuyakhulu, MPP

Provincial Minister of Economic Development, Tourism & Environmental Affairs – KwaZulu-Natal