

**REMARKS BY THE MEC FOR ECONOMIC DEVELOPMENT AND TOURISM, MICHAEL MABUYAKHULU ON THE
OCCASION OF THE LAUNCH OF THE UMLAZI FESTIVAL AND EXPO AT MAX'S LIFESTYLE, 13 FEBRUARY 2014**

Programme Director

The Deputy Mayor of the eThekweni Metro, Councillor Nomvuzo Shabalala

The Chairperson of Umlazi Management Company, Mr. Sandile Dlamini

Members of the media

Ladies and Gentlemen

We are delighted to be able to meet with you all this morning to mark the official launch of the Umlazi Festival and Expo. In the not so distant past it was something of a rarity for our townships to be associated with occasions as prestigious as the one we are today witnessing.

In fact, the converse was true.

Once upon a time, Umlazi like many of its other township counterparts in the country, were more associated with negative perceptions, thanks to the legacy of separate development.

Programme Director, one of the many legacies of the apartheid system was not only its ability to maintain human settlement patterns along racially segregated lines but also its ability to disrupt rural economies and the creation of townships in order to create a labour market out of these areas and their inhabitants.

Hence, and to add further insult to injury, you had township dwellers commuting long distances every day to work in urban areas, subtracting bus fare out of the very pittance that they were getting in wages.

Therefore, ladies and gentlemen, as we gather here today to launch the Umlazi Festival and Expo, we do so precisely because it is our intention to reverse the ill-effects of apartheid spatial planning which resulted in our townships finding themselves in the unenviable position of being relegated to the economic fringes of our society. .

In this regard, we can safely pronounce that while challenges still exist, our government has already made considerable headway to reverse this.

Already, we can lay claim to having our own shopping mall, being the Umlazi Mega City and yet another shopping mall is in the offing at the KwaMnyandu D-section station where a R300-million project is currently under construction.

This centre is expected to create about 800 jobs during the construction phase and 250 part-time and 700 permanent jobs after completion.

The spin-offs from such ventures transcend far beyond the obvious economic and job-creation benefits.

What these new developments mean is that Umlazi will also be more aesthetically appealing, a far cry from the time when its main distinguishing characteristic were the charred walls and abandoned homes owing to the internecine political violence which once ravaged our townships in the late '80's and early 90's.

Programme Director, it is only proper that these exciting economic developments are complemented by a vibrant lifestyle and tourism product – one that will ensure that the populace of Umlazi also revel in and indeed lay a claim to a stake in the fortunes of their township.

As the Department of Economic Development and Tourism, it pleases us to be a part of efforts aimed at putting Umlazi on

the map of growth and economic development.

As we are all aware, Local Economic Development is the cornerstone of the development of all societies in the world. In this regard, we are cognizant of immense role of small business enterprises as an engine for economic growth and employment creation.

Programme Director, as the provincial government we recently launched the Kwazulu-Natal Small Business Development Agency (SBDA), which seeks to, among other things, promote small businesses and create synergies with established enterprises.

The SBDA is aimed at being a 'One-Stop shop' for SMMEs in KZN whose functions include, but are not limited to the following sector focused geo-located interventions:

- a) Business Education
- b) Market Access
- c) Infrastructure Support
- d) Technology
- e) Funding (Debt, Equity and Guarantees)
- f) Mentorship
- g) Incubation

We have said that one of the key focus areas for the SBDA will be reviving the township retail sector; with priority attention to women and youth entrepreneurs.

We are pleased, therefore, that in addition to components such as an Exhibition, Empowerment Workshops, Sports Clinics, Music Festival and other social events; one of the salient features of the Umlazi Festival and Expo is a platform to SMMEs, Corporates, Government Entities and Education Institutions to showcase their products and services as well as an opportunity to interact with their consumers.

This, in our view, adds another vital cog to our wheel because it affords local emerging business people a chance to take advantage of the opportunities presented by ourselves.

Our experience has shown that entrepreneurs are generally categorised into three groups.

These are:

i. Subsistence entrepreneurs

These are people who have limited opportunities for transformational impact or growth either as a consequence of education, disability, discrimination, resources or location. They are able to engage in entrepreneurial activity in trade, retail and services making enough money to support themselves and their families. Examples of such entrepreneurs are street vendors, spaza shops, family corner shops, car washers.

ii. Lifestyle entrepreneurs

Lifestyle entrepreneurs are typically educated professionals for whom the prospect of owning and running their own business based on their education or skill provides them with the independence and freedom to develop a preferred often comfortable lifestyle without necessarily having an ambition to dominate their trade.

iii. Growth entrepreneurs

These are the transformational entrepreneurs that seek to create value through their ideas, innovations and opportunities, creating provincial, national, regional or global business potential. Depending on the stage of development and maturity of their business they can be micro, small or medium enterprises and their needs are very diverse ranging from financing, incubation, mentorship, infrastructure, technology and business education.

Evidently, and with reason, our bias is towards the latter type of entrepreneur, the Growth Entrepreneur who will be able to graduate from the first two stages to a point for their tentacles have an international reach, thereby creating jobs whilst simultaneously contributing to the GDP.

However, Programme Director, we wish to say that because of its close proximity with Lamontville, and also the shared identities between the two areas, we expect that the Umlazi Festival and Expo will also benefit the neighbouring township by identifying possible areas of cooperation.

Already, we have events like the grueling township to township marathon which takes place between Umlazi and Kwamashu as an example of a successful symbiotic relationship between our townships. Likewise, we expect that as the Umlazi Festival and Expo grows it will begin to infuse and benefit areas in the immediate vicinity, particularly those of the South-Durban area.

In closing, we would like to again applaud the Umlazi Festival and Expo as a concept that will ensure that South Africa's second biggest township also emulates the proverbial phoenix by rising from the ashes to claim its rightful place as an economic powerhouse among its peers.

I thank you

