

OPENING ADDRESS BY THE PREMIER OF LIMPOPO PROVINCE MR
CHUPU MATHABATHA ON THE OCCASION OF THE PREMIER'S
EMPLOYMENT GROWTH ADVISORY COUNCIL (PEGAC) MEETING HELD AT
BELA BELA.

30 OCTOBER 2020

Esteemed Members of the Premier Employment and Growth Advisory Council;
Members of the Provincial Executive Council;
Director General, Mr Nape Nchabeleng;
Heads of Departments present here today;
Distinguished Ladies and Gentlemen.
Programme Director

Let me start by thanking all of you for honouring our invitation to this important meeting of the Premier's Economic Growth Advisory Council.

I want to specially thank you for having taken time from your other important assignments of the day to honour this meeting.

We indeed appreciate your presence and anticipate your participation in this meeting.

I must say from the onset that, we are highly indebted for your time and selflessness. As usual, we hope to harvest a lot from your knowledge and expertise.

Before I could go any further, I also would like to take this opportunity to welcome our newly appointed members of this Premier's Economic Growth Advisory Council.

I want to welcome Dr. Matlou Kalaba, Mr. Charl Harding, Mr. Victor Kgomoeswana, Mr. Stanley Mashanyu, Mr. Miller Matola, Mr. Mofasi Lekota and Ms. Natascha Viljoen.

We would have loved that you have time to acclimatise with the work of this Council, but unfortunately the challenges we face demand that you hit the ground running. Once again, you are all welcomed to PEGAC.

Programme Facilitator

As you know, our meeting takes place at a time when our province, the country and the world is faced with the most devastating pandemic in recent memory. Corona virus has left a devastating trail of socio-economic destruction. The virus has destroyed livelihoods, economies have been shattered and lives have been lost.

We are not exaggerating when we say that our world will never be the same again. We will always speak of the pre and the post Covid-19 world. We are informed by those who do research in the field of epidemiology that the virus is here to stay. Some studies suggest that the virus could still be here this time next year.

It is for this reason that we may need to get used to living side-by-side with this virus.

This means that we have to find new and creative ways of doing things. However, as human beings, we cannot and should not allow the virus to hold us hostage forever.

As I have said, the virus has destroyed economies, livelihoods have been destroyed, jobs have been lost and our world will never be the same again.

Programme Facilitator

The growth and development of our economy is amongst the hardest hit by this uninvited guest.

You would remember that at the beginning of the year, government had to impose lockdown restrictions as a way to curb the spread of this virus. These restrictions affected almost all sectors of our economy.

There was literally no sector of the economy which was not touched by these restrictive measures.

In the second quarter, our national economy shrank by 51%. This was the worst quarterly decline in a century. It was actually one of the steepest contractions recorded by any major economy during the coronavirus pandemic.

You would also remember that a sizeable number of workers across the sectors were not reporting to work.

Those who were self-employed could not work.

This meant that there was literally no production in many sectors. As a result of this, many employers could not pay wages whilst some factories had to shut down their doors permanently.

In Polokwane, for an example, I know of several restaurants which could not recover from the effect of lockdown and had to close permanently. Many other businesses had to do the same.

As a result of this, millions of rands in rate and taxes were lost. Now we are confronted by the reality of a job's blood bath because of this virus. Small and medium businesses, including emerging professional firms have had to shut their doors.

With businesses shutting their doors it means workers had to be laid off. If people are not working or are forced to work reduced hours, it meant shrinking tax basket for government.

Members of PEGAC

As part of the efforts to respond to the structural damage to the economy caused by Covid-19, President Cyril Ramaphosa announced an Economic Stimulus and Recovery Plan earlier this month.

Simply dubbed 'South Africa's Reconstruction and Recovery Plan', this bold and well researched Plan is pillared on four broad parts.

The stimulus and recovery plan has Four key pillars:

Firstly, is the implementation of growth enhancing economic reforms;

Secondly, is the reprioritisation of public spending to support job creation;

Thirdly, is the establishment of an Infrastructure Fund;

Fourthly, is addressing urgent and pressing matters in education and health.

In addition, is investing in municipal social infrastructure improvement. We are convinced that this a pragmatic plan which will take us out of the quagmire of Covid-19 destructions.

We agree with President Ramaphosa that the four elements of this economic stimulus and recovery package will play a decisive role in reversing the recent contraction of the South African economy.

Programme facilitator and esteemed members of PEGAC;

On Wednesday the Minister of Finance, Hon Tito Mboweni delivered his Medium-Term Budget Policy Statement. The speech by the Minister revealed in no uncertain terms that we are at a point of crossroad.

If we don't adopt radical changes in our way of doing things, we will soon find ourselves at a point of cal de sac, with no possible forward movement.

In the Minister's own words, the economy is now expected to contract by 7.8 per cent this year, and the 2021 outlook is more uncertain. Job losses have been particularly severe.

This bleak economic outlook makes the work of this PEGAC more important than ever before. So much is expected out of this meeting.

We therefore cannot afford to reduce this sitting to a mere quarterly ritual of no significant impact.

We are called upon to work. Our combined intellectual resources, experiences, knowledge and diverse skills are invited to help find solution to these outlined challenges.

For us to win this war against low growth levels, rising unemployment rate and increasing levels of poverty, we need to be radical and focussed in the implementation of the Limpopo Development Plan.

It was precisely for this reason that we had established this PEGAC, amongst others to advise the Premier on the implementation of the LDP.

Programme Director

Since our last meeting, six virtual technical working group meetings were held to allow PEGAC members to provide inputs into the draft LDP. We thank all of you for your valued contribution to this process.

From the point of view of the development finance, trade and investment Technical Working Group we need a focussed attention on:

- ♣ The mobilisation of Private Sector resources and investment with the focus on catalytic projects;
- ♣ Focus on economic infrastructure with water projects as the first priority;
- ♣ Maximising tourism spinoffs;
- ♣ Expanding our Agro processing capacity ;
- ♣ Unlocking challenges persisting in the mining sector, and
- ♣ The task to develop Polokwane Airport as our logistics hub.

Programme Facilitator

The ICT and knowledge based economy Technical Working Group has set itself a challenge to address issues relating to the expansion of connectivity, the coordination and integration of ICT projects in the Province.

The Agriculture and Tourism Development Technical Working Group has also set itself to achieve objectives relating to the marketing of Limpopo as destination of choice.

The marketing and expansion of the market for our agricultural produce and investing in research, innovation and technology.

The Industrial and Enterprise Development Technical Working Group will focus attention on areas such as:

- ♣ The implementation of the two SEZ projects;
- ♣ The development of manufacturing and service enterprises, and
- ♣ Exploring opportunities related to production of renewable energy.

The Technical Working Group on Nation Building and Social Cohesion has placed the fight against Gender-Based Violence at the apex of its work. The focus of the Technical working Group on Integrated Infrastructure Development will include the challenge of water provision, the expansion of our road network, integrated human settlements and localisation.

Ladies and Gentlemen

Today may be difficult, but our tomorrow is in our hands. It is what we do, or what we fail to do, which will determine how our tomorrow will look like.

Like Franz Fanon said that, we have a mission as this current generation and it is upon us as to whether we fulfil or betray our mission. And as we embark of this trajectory, we are mindful that our people are looking upon us for solutions to their problems.

There is always a pinching pain from hard work and sacrifice, but the results are always sweeter and enduring.

We must choose today that we will work both hard and smart, so that we can ward off the prevailing stubborn socio-economic challenges. Our enemy still remains poverty, unemployment and inequality.

Programme Facilitator

Please allow me to conclude by wishing this meeting progressive and fruitful discussion. We should all feel free to make our contributions.

We want to hear your voices, your perspectives and recommendations. Please allow me to conclude with words by one of the finest sons of our soil and a revolutionary of note, the late Moses Kotane, who in 1954 said and I quote:

“The future of our country is in your hands and it depends on what you make use of it” close quote.

I thank you very much.