

Address by Deputy President Cyril Ramaphosa at the Limpopo Provincial Economic Summit, Polokwane

04 November 2016

Premier of Limpopo, Mr Stanley Mathabatha,
Deputy Minister of Economic Planning, Madala Masuku
MECs, Mayors and Councillors,
Leaders of business, labour and civil society,
Traditional leaders,
Distinguished guests,
Ladies and Gentlemen,

Thank you for inviting me to address this important and timely summit.

We look to this summit to deliver on the promise of a better life for the citizens of this province, whose experience has largely been defined by social exclusion, underdevelopment, unemployment, inequality and poverty.

This is a summit whose outcomes will demonstrate the quality and depth of the leadership from across society that has gathered here.

It must unequivocally demonstrate that we are committed to selfless service to our people.

It must prove that we remain passionate and committed to free our people from the clutches of indignity, poverty and want.

It is a summit that must prove to the world that when South Africans unite –when they roll up their sleeves and work together –they are capable of moving their country forward.

We commend the leadership of the province for convening this summit to give impetus to the implementation of its provincial economic development plan.

The deliberations that will take place during this summit give practical expression to the measures described in the NDP.

This is where the work really takes place to bring all social partners together to forge detailed plans to grow the economy of this province.

In a country with a developmental state and a mixed economy, public private partnerships are indispensable for national development.

We know that social compacts and partnerships are the bedrock of competitive economies.

We know that national consensus is driven by shared responsibility between government, labour, civil society and business.

Fortunately, South Africa is not the first country to confront developmental challenges.

There is much we can learn from countries, particularly those in Asia, that have decisively tackled poverty through a programme of rapid industrialisation.

From them we can learn that attraction of investment is anchored in sound planning, stability and astute leadership.

They learned from others, irrespective of their ideological orientation, and tailored their learnings to their own needs and circumstances.

We would do well to recall that when Singapore gained its independence in 1965, it was a small impoverished country with few resources and little industry.

In his book, *From Third World to First*, the founding father of Singapore, Lee Kuan Yew, reveals how in three decades, his country, with limited natural resources, created the world's top airline, best airport and busiest trade port.

Singapore is now ranked in the top five countries in terms of per capita GDP.

The Limpopo of today has several advantages that post-independence Singapore did not.

This province has extensive mineral resources.

It has fertile soil and significant agricultural capabilities.

And it lies between the industrial heartland of South Africa and the rest of the African continent.

Limpopo has a unique opportunity to become a strategic export hub for Southern African road freight.

We have not yet fully harnessed the economic potential of Musina, which is currently the busiest inland port on the African continent.

We look to this Summit to outline concrete action plans to strengthen the provincial growth points, including the Musina-Makhado SEZ development corridor.

Our history tells us that the ancient city of Mapungubwe was at the centre of a thriving regional trade.

We also learn that Great Zimbabwe was established by the migration of the community of Mapungubwe in the 13th century.

From Zimbabwe, Africans traded with people of Asian and Arabic descent.

Today we have an opportunity to rediscover here in Limpopo the spirit of these ancient trading civilisations.

We have an opportunity to rebuild Limpopo as a place of innovation, production and commerce.

We have an opportunity to revive this region as the bread basket of Africa by exploiting the full value chain of agriculture and agro-processing.

Limpopo has great potential to become an industrial hub.

But to do so we need to build partnerships with the private sector.

We need to become an attractive destination for local and foreign investment.

Good governance must be our creed.

We must cut red tape and lower the cost of doing business.

We must inculcate a culture of hard work, attract the best talent and continually develop the capabilities of our people.

We must value the practice of openness and transparency.

We must ensure that the state uses its spending muscle to empower small businesses and not a small collection of cronies.

We want a provincial administration that is efficient, clean and places a premium on excellent service.

Government must continue to focus on the social needs of the people, ensuring they are healthy, secure, skilled and housed.

Just as technological progress drives growth and development, social progress provides a conducive environment for investment.

We must all work diligently to promote peace, dialogue, social cohesion and the rule of law.

It is only in such an environment that we can increase the confidence for others

to participate in mutually beneficial public private partnerships.

Partnerships for growth and development require trust and confidence.

To promote such collaboration, the national Cabinet earlier this week endorsed a framework for the participation of the private sector in infrastructure delivery.

This framework recognises that state owned companies charged with the provision of economic infrastructure are often constrained in their ability to finance projects.

It is necessary therefore to mobilise the private sector as an additional source of infrastructure funding to accelerate and expand infrastructure investment.

To grow our economy and develop our people, we need new roads, rail lines, broadband networks, port facilities, dams, power stations, colleges and clinics.

We need them on a significant scale and we need them without delay.

This framework sets out the key principles to ensure that private sector participation in infrastructure projects yield socio-economic benefits, deliver value for money and allocate risk appropriately.

This represents significant progress in our efforts to more effectively harness the country's resources to meet our economic and development needs.

This approach to private sector participation is part of a broader overhaul of the landscape in which state owned enterprises operate.

Cabinet approved a range of measures to ensure SOEs are more effectively governed, use their resources more prudently and are better able to fulfil their economic and developmental mandates.

At the centre of these reforms is a new government shareholder policy that will make for better coordination, accountability and strategic purpose.

In the coming months, government will be leading consultation on this policy with a view to developing an overarching law for SOEs.

Ladies and Gentlemen,

As indicated in the National Development Plan, we need to change the structure of our economy.

We must focus on beneficiating our minerals resources.

We must invest in manufacturing, improve technology and leverage opportunities in processed agricultural goods.

There are major investment opportunities in automotive and electronics products that are easily exportable by road into the rest of the continent.

Risks associated with manufacturing can be lessened by creating and sustaining our special economic zones.

It is important that business and the private sector collaborate with the provincial government to develop new special economic zones and attract new inward investment.

The opportunities that could arise for Limpopo are many and multi-dimensional but require substantial investment in economic infrastructure.

It is incumbent on all of us –as business, civil society and labour –to improve coordination and economic planning.

The provincial government must continue to do its part to strengthen integration and implementation.

We also need to examine how the province's growth drivers, such as mineral resources and energy, can be positioned to attain inclusive, sustainable economic development.

Implementation of our industrial policy is paramount as it promotes labour absorbing sectors.

We must diversify our industrial and services base.

We must build sustainable export industries, and we must expand production in rural and agrarian communities.

The developmental state has a crucial role in deracialising patterns of ownership and management of the economy.

A capable developmental state is entrusted to drive socio-economic transformation and to stimulate domestic investment.

The building of local industrial capacity within Limpopo is critical if the province is to play a strategic role in the region.

We call on all South African business leaders to renew their commitment to our people by investing their talents and resources to eradicate the scourges of poverty, unemployment and inequality from our land.

It is in our hands to build a prosperous and winning nation.

I wish you a productive and enriching summit.

I thank you.