

**SPEECH FOR THE MEC MVOKO, DEDEAT, ON THE OCCASION OF THE  
COMPLETED CONSTRUCTION SITE HAND-OVER IN SOMERSET EAST,  
AS ARRANGED BY BCRM AND THE CDA  
24 March 2022**

Programme Director

**BCRM Mayor**, Councillor Bonisile Manxoweni and all Councillors and  
BCRM Management

**SBDM Councillor**, Councillor Solethu Lucas and Councillor Booyesen

**CDA Board of Directors** delegation led by Mr Alroy Taai

(Chairperson); Ms Doreen Mgoduka and Ms Naomi Koeberg

**Representatives** from various provincial government departments  
as led by DEDEAT.

**State owned entities** as led by the CDA.

Members of the Community Participation Committee

Owners of the construction SMEs

Distinguished community members of the Blue Crane Route

Municipality , Ladies & Gentlemen

It was on Friday, 11 September 2020, when we congregated at this venue, the **Prof Jakes Gerwel** multi-purpose centre, to hand-over the proposed construction site to Ikhono Techni to commence with the bulk service construction towards the development of multi-purpose industrial park precinct here in Somerset East, Blue Crane Route Municipality.

The significance in holding the construction site handover to the contractor and now back to the BCRM and CDA at this venue named after the renowned anti-apartheid struggle activist, Professor Gert Johannes “Jakes” Gerwel, the son of Blue Crane Route Municipality serves to communicate a single message to the departed heroes and heroines of our struggle and the greater community of BCRM that “we are still on course in delivering on the promise of a better life for all”.

Assembled in this venue then and today is the microcosm representative of the Blue Crane Route community. This is an affirmation that societal development involves the working together of different stakeholders [*government (provincial and local), private sector (main contractor and sub-contractor), organised unemployed youth and members of the public*] to deliver on common objective. This best practice should continue as it constitutes an important secret recipe in the successful delivery of an enabling economic infrastructure to attract investors to set up business operations at the precinct.

Who knows that one of the future investors might be seated amongst us!!!

During the month of February 2022, both the State President of the country, President Ramaphosa, and Premier of the Eastern Cape Province, Premier Mabuza, delivered the State of the Nation Address and State of the Province Address respectively. Incidentally, the two speeches had the following common thread with regards to the current situation in the country and province respectively<sup>1</sup>:

- that the Covid-19 pandemic had a devastating effect on the socio-economic development of the country; by loss of life, rising unemployment and deepening poverty. Close to 100 000 South Africans succumbed to Covid-19 related deaths, Somerset East was not spared from such calamity.
- the deliberate destruction, violence and looting that took place in KZN and Gauteng in July 2021, resulted in more than 300 lives lost and many more livelihoods ruined. The non-participation of people of the Eastern Cape in this senseless act saved critical economic infrastructure and jobs in our Province.

Communities are asked to continue to be vigilant against those that instigate against your source of livelihood.

You are further called to protect the state / municipal owned buildings that are vandalised daily. These are your assets built

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<sup>1</sup> 2022 SONA and Eastern Cape SOPA

through taxes derived from your hard-earned employment and the buying of goods.

- that the present situation – of deep poverty, unemployment and inequality – is unacceptable and unsustainable.

The Eastern Cape Province unemployment rate is estimated at 47.4% and many young people in the province are in the state of hopelessness.

This situation gives rise to high levels of substance abuse (drugs) by young people. Illicit drug trade and abuse is a problem also here in Somerset East and greater BCRM.

- that the state of the nation is inextricably linked to the state of our economy. For over years now, South Africa experiencing sluggish economic growth rate which has been exacerbated by the Covid-19 pandemic. If it was not for strong commodity prices, we would be in a worst situation.

The current war between Russia and Ukraine, further undermine efforts towards economic growth as crude oil prices increases the food inflation rate will also increase.

All agree that the economy should be revived as a matter of urgency. Both the national and provincial government detailed the key pillars that will stimulate the economic growth as:

- **economic infrastructure** such as the one that is being handed over here in Somerset East. This would enable industrialisation of the BCRM area in those industrial sectors it has both the

comparative and competitive advantages over other areas such as agriculture & agroprocessing, leveraging tourism potential of the area, etc.;

- **Manufacturing sector growth & investment promotion.** The downstream value add on primary agricultural produce has the potential attract new investment into the area and creating jobs.

**The development of industrial master plans by national government lay the framework on how the local social partners (government, business and community) can developed comprehensive localisation industry plan that can leverage co-investment from national government.**

#### **About the BCRM multi-purpose industrial park development:**

In 2019, DEDEAT approved the Cacadu Development Agency funding application on bulk infrastructure construction for the development of the multi-purpose industrial park.

A sum of R28 million rand was made available to the Agency to commence with the first phase of the multi-purpose industrial park development.

The scope of work included; roads, sewer reticulation, stormwater, electricity installation and security fence installation.

**Outcome:**

- 100% completion of Phase 1 scope of work;
- Fully developed 16 industrial plots of 1000m<sup>2</sup>;
- A secured precinct to enable investors to setup their operations;
- A secured aerodrome adjacent to the industrial park adding; and
- The development of the municipal idle asset into productive asset, it has enhanced the BCRM financial statement position.

**Direct benefits of the phase 1 construction work:**

Phase 1 of the project provided the following direct benefits:

- Total investment made = R28 million
  - R7.174 million local content
  - R1.775 million on salaries
  - R5.339 million to local construction SMEs
- 27 local SMEs
  - Youth owned SMMEs = 8
  - 100% Women owned SMMEs= 12
  - 50% Women owned SMMEs= 6
  - 75% Women owned SMMEs =1.
- Jobs created = 140
- Site Stoppages = 2
- Community Participation Committee establishment;
- Construction SMME forum establishment;

- Solid collaboration partnerships with DEDEAT; BCRM; ECDC; BVi; Ikhono Techni; CPC; SME Forum

### **Next Phase:**

We applaud and approve of the CDA's strategic approach to develop the multi-purpose industrial park into an **eco-industrial park precinct**.

Since the BCRM is an epicentre of renewable energy in the form of solar, hydropower and wind; the use of renewable energy in the park is a strong value proposition in attracting those special investors wishing to reduce carbon footprint in their manufactured goods.

The plan of both the BCRM and CDA to host investment breakfast of the prospective investors and local private sector partners is welcomed development.

It should always be remembered that the role of government is to create the conditions that will enable the private sector – both big and small – to emerge, to grow, to access new markets, to create new products, and to hire more employees.

As the two parties, BCRM and CDA, and their strategic partners are expediting efforts in attracting one or two investors to locate their operations in the precinct; they should equally continue to enhance working relations with the community participation committee and SMEs in the locality.

### **Conclusion:**

- All local municipalities in the district, including the District Municipality, can learn from the BCRM on how to proactively

identify catalytic infrastructure & economic development program and assign the implementing agency function to CDA of those programs approved by their respective Councils.

- The development of multi-purpose industrial park in the small towns of the Sarah Baartman District based on downstream value add commercial exploitation of their agricultural produce in which they have both global comparative and competitive advantage is the way to go to stem the outward migration of young people to urban centres.
- The socio-economic development of the BCRM is depended on the conscious building of the pact between social partners, i.e., government, private sector, community and labor to work together and agree on the local economic drivers to deliver on the constitutional imperative of an equal society.
- The BCRM community to protect the asset from vandals as not doing so will result in no investor coming to invest in an unsafe area.
- Let the community of BCRM filled with hope that by working together we can guarantee a future for generation to come.
- That the delivery of a vibrant economic growth that directly benefits the people is the ultimate returns expected of political freedom.

**THANK YOU VERY MUCH FOR YOUR TIME.**