

Remarks by Eastern Cape MEC for Economic Development, Environmental Affairs and Tourism Hon. Lubabalo Oscar Mabuyane at the announcement of two investors by the East London SEZ held at the EL SEZ Offices on November 29, 2018.

Executive Mayor of Buffalo City Municipality

The Deputy Minister of the Department Trade and Industry

Head of Department for DEDEAT

Chief Executive Officer for ELSEZ

Executive Management of Nulatex

Executive Management of Meek Mines

Honoured Guests

Members of the media

A very good morning to you all

In exactly 17 years ago on this day, 29 November 2001, Representatives of the diamond industry and more than thirty (30) governments agree to certify all legitimate shipments of rough diamonds in an unprecedented effort to weed out the trade in gems that has been used to fund civil wars in Africa.

Today, one of the Investors that we are announcing is Meek Mines South Africa (Pty) Ltd is a 100% black-owned company, which will be sourcing, cutting and polishing diamonds mined in Africa for supply to both the domestic and foreign markets. Indeed we are making

history. We are affirming the means of production to our own black industrialists and in the same vein, realizing the Freedom Charter.

Deputy Minister Magwanishe, 2018 is certainly a precursor for better things to come for our Province in the next few years. We are working on growing the provincial economy to benefit the people of this province.

On behalf of the Eastern Cape provincial government, I welcome the combined **R502 million** investment into the Eastern Cape economy made by both Nulatex and Meek Mines that is being announced today by Nulatex and Meek Mines.

We are excited that this investment brings a combined 280 jobs that Nulatex and Meek Mines are committing to create here at the EL SEZ. This contributes to the job creation priorities of the province indicated in the provincial economic development plan and investment promotion strategy.

We are pleased as the province that when Nulatex and Meek Mines open their doors next year, 280 people from our province will no longer be counted amongst the unemployed. They will be able to participate fully in the economy and realise their dreams.

Beyond these jobs, there will be value chain opportunities for local small businesses that will also bring money into the provincial economy.

There are two factors that make these two investments even more exciting for us as the province. The first factor is that both these firms are 100 % black owned in line with our government's black industrialist programme. The second factor is that, they are going to manufacture goods and export them for domestic and international markets meaning more jobs will be created here in our province.

Programme Director, the arrival of these two investors is not an accident. It is a result of concerted efforts by our provincial government to change the developmental trajectory of our province. At this point, I want to appreciate the good work done by the East London SEZ board members, the management, led by CEO, Mr. Kondlo and the staff in their various roles.

This work gained momentum in 2014 when our province developed the Investment Promotion Strategy with the aim of leveraging on the attributes that our province has to attract investors.

Our unique selling points as the province includes, raw materials, unutilised land, skilled labour, industrial and logistics infrastructure.

At the center of this Investment Promotion Strategy is the desire to create sustainable decent jobs and the retention of jobs in the key priority sectors of our economy such as:

- Automotive Manufacturing
- Renewable Energy
- Agriculture/ Agro-processing
- Capital Goods Manufacturing
- General Manufacturing
- Tourism
- Business Process Outsourcing and
- Petrochemicals

The East London Special Economic Zone is one of the landing hubs for our investment attraction efforts. Therefore, two investors, Nulatax and Meek Mines are in the right location here. They are now part of the winning team of 42 tenants who have made the EL SEZ and Buffalo City Metro their home.

I say this informed by results of the 2016/17 Industrial development zone survey conducted by Stats SA which showed a phenomenal increase in salaries and wages by tenants from **R142 million** in 2014 to **R400 million** in 2016. This report also showed increase in employment figures from 1864 in 2014 to 3654 in 2016. Based on

these figures, we can conclude that that the EL SEZ is a prime location to do business.

Through the jobs fund programme, provincial and national; government jointly funded the Mercedes Benz SA training academic where young people are given technical skills required by the economy. Mercedes Benz SA, its suppliers and other companies that are tenants at this SEZ employ some of those young people.

These two investments announced here today follow investment commitments into our province made by Mercedes Benz SA, Yekani Technologies, SAB and Aspen recently.

The black industrialists programme was started to bring black people into the mainstream of the economy. We are excited as the Eastern Cape that some of the black businesses benefiting from these programmes aimed at transforming our economy, set base in our province.

These two black owned industrial firms are joining Yekani Technologies, another beneficiary of the DTI black industrialist programme that is taking the ICT sector by storm.

Programme Director, these investments come at the time when our provincial government has recently announced a stimulus plan to invest **R1.1 billion** over the next 3 years on economic development initiatives that have a potential to create sustainable jobs over the next 3 years.

This posture has been necessitated by the slow pace of economic growth and more importantly by the need to reignite industrialization in our province. Part of this stimulus fund will be set aside to incentivize private sector firms. In return they have to equip our youth with skills needed by the economy. We will also be favorable towards firms that are prioritizing the employment of local people and the beneficiation of local SMMEs in the value chain.

This is the approach we must aggressively implement if we are to create decent employment, address extreme inequalities and to effect change in the ownership and control of the economy by empowering the historically oppressed.

This is the way to go if we are to move from a consumptive country to a productive country as the former has exposed us to the tender phenomenon that has engulfed our body politic.

That said; we are glad that the Deputy Minister is here to witness the progressive work we are doing to transform the lives of our people at this SEZ. I am quite certain he will add a positive narrative when we

lobby for Capital Investments from the DTI for this SEZ. The starting point of course should be the **R50 billion** national stimulus that was announced by President Cyril Ramaphosa a few months ago. We are of the view, Comrade Magwanishe, that a fair share of that amount should find its way to our province. The EL SEZ is ready to receive it.

With those few words let us toast the beginning of a new journey full of abundant possibilities for Nulatax and Meek Mines in our province. May both firms grow in both their market share and employment numbers over the next years. **I thank you.**