

**REMARKS BY MEC FOR FINANCE, ECONOMIC DEVELOPMENT,
ENVIRONMENTAL AFFAIRS AND TOURISM, MR. MLUNGISI MVOKO,
AT THE LAUNCH OF QUEENDUSTRIA SUBSTATION**

28 SEPTEMBER 2021

Executive Mayor of the District Cllr. Gela;

Local Municipality Mayor Cllr. Gubhula;

ECDC CEO Mr. Ayanda Wakaba;

Chris Hani Development Agency CEO Mr. Duze;

Leaders of Business and the Business Community at large;

Other Stakeholders present,

Senior government officials;

Ladies and gentlemen;

Good morning.

Programme Director, allow me to first appreciate the opportunity that I have been afforded to be part of this programme, a programme that is designed to contribute to the development of the economy of this region and of the province.

We meet here at the time when our economy is struggling to grow due to a number of factors, including the COVID-19 pandemic, and this is why a programme of this nature is much appreciated.

The Eastern Cape is confronted with a challenge of unemployment. It is therefore our responsibility as a provincial government, in light of the

shrinking budget, that we create an environment that enables economic growth, job creation and investment attraction. It is not by mistake or confusion therefore, Programme Director, that we are launching the Queendustria substation today.

In the 2019/20 financial year, the province established the Provincial Economic Stimulus Fund to support infrastructure projects that can create the desired and much needed economic activity. The fund is rooted in a decision by our Provincial Executive Council to allocate funds to stimulate the local economy by targeting key sectors that have a potential to turn around the economy in the short to medium term. The main objective of the PESF is to fund, implement and monitor catalytic economic development initiatives and projects aimed at unleashing opportunities that grow the economy, enable economic development as well as grow trade and investment.

We believe that Economic Infrastructure is the backbone for economic recovery and job creation. As we witness the devastating effects that the recent pandemic has had on economic growth and job creation, it is even more important to stay on the path we have set ourselves for economic recovery. In driving that, we are guided by the National Economic Reconstruction and Recovery Plan set by his Excellency the State President, and by the Five-point plan for economic recovery adopted by our Provincial Executive Council in 2020. Both plans have infrastructure and industrialization as key levers for economic growth and job creation. In this respect, both Aggressive Infrastructure Investment and Energy Security are among the highest implementation priorities.

Today we celebrate progress on this journey, Programme Director, with the handover of the Queendustria Substation. We have succeeded in investing in this Substation through the Provincial Economic Stimulus

Fund. This investment is envisaged to trigger a chain reaction of positive economic outcomes that are far greater than the initial input.

Currently, the PESF has supported 15 initiatives in sectors such as ICT, Agriculture and Agro Processing, Manufacturing, Oceans Economy, Tourism, Township and Rural Economies and the Film Sector. Furthermore, a key component of the fund is industrialisation support, and here we can mention support to the development of the Wild-Coast SEZ, as well as infrastructure investment in industrial parks including the Dimbaza Industrial Park, the Somerset East Multi-Purpose Industrial Park, and the Komani Industrial Park (Queendustria)

Programme Director, we all know the importance of maintaining and upgrading service infrastructure, and particularly electrical infrastructure to support economic activity, investment and growth.

It is for this reason that, working with Eastern Cape Development Agency (ECDC) as the project implementation agent, we undertook this refurbishment project for completion of Network Strengthening and Refurbishment of Electrical Infrastructure consisting of the upgrade and refurbishment of an existing infrastructure in the 66/11kV Queendustria Substation here in Komani.

This project's value amounts to R24 million. The substation can now distribute electricity to multiple Komani End-users which include the Komani Industrial Park Business Community, Komani Hospital and parts of the Ezibeleni Residential Area.

I am also aware, Programme Director, that the Enoch Mgijima Local Municipality has since undertaken viable measures of consistent preventative maintenance and refurbishment of the Ebden Substation to

further benefit not only the business community but the community of this municipality at large.

Whilst we are on this journey of bringing the Komani Industrial Park to a fully functioning industrial park, the implementation of projects to gradually strengthen the park's value proposition is critical to secure further investments in this area and to bring about much needed economic activity in this region. It should also be noted that this park is earmarked for an ICT digital hub that will enhance future skills for youth as an important pillar to enhance industrialisation in the future.

Programme Director, the Revitalisation of the Eastern Cape state-owned Industrial parks remains a key priority to enable re-industrialisation of sectors in the province. The main objectives of this programme are summarised as follows:

- To accelerate economic development in the lagging regions by attracting business investments to locate in the areas.
- To support job creation in manufacturing and related sectors to arrest negative externalities associated with urban congestion.
- To remove barriers related to infrastructure, market access and institutional and support firm level competitiveness.
- To provide new opportunities and support the high growth in the townships, rural and distressed areas.
- To assist regions to build, strengthen and develop strategic industrial capabilities; and;
- To develop sustainable industrial clusters on the back of the old industrial assets in those regions

Through funding support from the Department of Trade, Industry and Competition (DTIC) and the Provincial Economic Stimulus Funding, about R193 million has been allocated for the critical upgrading of infrastructure at all parks across the province. These parks include Dimbaza Industrial Park in Buffalo City Metro, Komani Industrial Park here in Chris Hani District, Vulindlela in Mthatha, OR Tambo District and Somerset-East Multi-Purpose Industrial Park in the Sarah Baartman region. Infrastructure projects have already commenced in four of the five parks that I have mentioned. As each park will be at a different level of development, it is important to note that infrastructure projects are implemented in different phases, as follows.

- Phase 1: Security infrastructure upgrade, fencing, street lighting, top structures and critical electricity requirements;
- Phase 2: Engineering designs and construction of new and existing roads, bulk water supply and sewage treatment plants or industrial effluent control;
- Phase 3: Upgrading electricity infrastructure, and build new top structures in line with the expansion programme of the Parks; and lastly,
- Phase 4: Development of sustainable industrial clusters in the Parks.

These parks need to be upgraded to provide “world class” services to current and future industrial investors in the province.

All these efforts, Programme Director are directed at achieving our ultimate goal of building a self-reliant and vibrant economy in our townships. It is through these kind of investments that we will be able to

make a progress in the fight against poverty, inequality and unemployment, and ultimately provide a better life for all.

I thank you.