



**MINISTER
ECONOMIC DEVELOPMENT
REPUBLIC OF SOUTH AFRICA**

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PRESS RELEASE

Economic Development Budget Speech

24 April, 2012

(For Immediate Release)

Today the Minister of Economic Development, Mr. Ebrahim Patel, gave his budget speech - reviewing his Department's performance over the last year and presenting programme highlights for the 2012/2013 financial year.

The Budget Speech was preceded by a Signing Ceremony in which nine Agreements with key development partners were signed to further the aims of decent jobs and locally-driven economic growth.

The nine economic development Agreements begin to lay down a constructive way forward for multi-stakeholder collaboration in meeting the outcomes of the New Growth Path and its four Accords - National Skills, Basic Education and Partnership with Schools, Local Procurement and the Green Economy. Signatories include stakeholders from international and national development finance institutions, business, local government and local co-operatives (refer to Annex A for list of Agreements and signatories).

Minister Patel emphasized the potential of seemingly small efforts to meet local development outcomes for job creation and economic development if scaled-up.

EDD Departmental Highlights 2011/2012

- R13.5bn funding approvals by IDC (55% increase)
- 41 127 jobs created by IDC
- R19bn market value of IDC portfolio servicing 20 countries
- R4bn IDC “Jobs Bond” to be taken up by Unemployment Insurance Fund (UIF)
- 14-year R5bn IDC “Green Bond” to be taken up by Public Investment Corporation (PIC)
- R345m worth of consent orders granted by the Competition Tribunal
- 63 merger cases heard by the Competition Tribunal
- 500 retrenched workers reinstated at Massmart/Walmart through Competition Appeal Court decision
- 26% increase in EDD staff
- R802 000 raised with Social Partners at COP17 to install 500 solar water heaters units in Groutville and Zamani (Ihembe District Municipality, Kwazulu Natal)
- R200 000 per annum savings by Ujima Bakwena shoe-making Co-operative through EDD facilitated partnership with Mossop Western Leather and United Fram. Ujima Bakwena now supplies leather school shoes to the Gauteng Provincial Government for distribution to poor students.

EDD Budget Highlights 2012/2012

- Launch of Small Enterprise Finance Agency (SEFA) with a three-year R2bn budget envelop
- China Development Bank and IDC ten-year US\$100m (approximately R800m) lending facility for small businesses in support of 2010 Beijing Declaration
- Establishment of EDD/South African Institute of Chartered Accountants (SAICA) Business Hub and Training Programme to provide technical assistance to SMEs as well as train 100 accountants to support small businesses (R6m funding from EDD)
- R76.4m IDC-funded RusselStone green-fields soya crushing facility in Bronkhorstpruit will provide 1000 agricultural jobs

- Expansion of IDC and Propet R50m facility by R20m to expand polyester fibre manufacturing from recycled plastic bottles and creation of 200 green jobs
- EDD projected expenditure of 105% demonstrating enhanced implementation capacity
- EDD/WITS R3.8m partnership to train 200 local government officials in municipal economic development and planning
- R35 000 per annum saving on locally procured conferencing and meetings filings goods through EDD and Bantex Agreement
- EDD/Proudly South Africa partnership with R8m allocation for public education campaign promoting the benefits of local procurement and “labels of origin in labour intensive industries

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Annex A: Signatories of EDD Agreements

- 1. Acknowledgment of the Conclusion of the Facility Agreement between China Development Bank and the IDC of South Africa Ltd**
 - Mr Ebrahim Patel: Minister of Economic Development, Government of South Africa
 - Geoffrey Qhena: Chief Executive Officer, IDC
 - Gao Guoxi: Regional Representative, China Development Bank
 - Jiang Wei: Economic and Commercial Councillor, the Chinese Embassy (People's Republic of China)

- 2. Agreement for the Establishment of a Business Hub and a Training Programme to Support Small Business Development between the EDD and SAICA**
 - Saleem Mowzer: Acting Director-General, Department of Economic Development
 - Matsobane Matlwa: Chief Executive Officer, SAICA

- 3. Acknowledgement of Agreement between Russel Stone, the IDC and the EDD**
 - Minister Ebrahim Patel: Minister of Economic Development, Government of South Africa
 - Geoffrey Qhena: Chief Executive Officer, IDC
 - Deon Haasbroek: Director, RusselStone (Pty) Ltd

- 4. Acknowledgement of Agreement between Propet, the IDC and the EDD**
 - Mr Ebrahim Patel: Minister of Economic Development, Government of South Africa
 - Geoffrey Qhena: Chief Executive Officer, IDC
 - Iqbal Hirji: Managing Director, Propet (Pty) Ltd

- 5. Agreement to Deliver a Municipal Capacity-Building Course in Economic Development between EDD and the University of the Witwatersrand**
 - Saleem Mowzer: Acting Director-General, Department of Economic Development
 - Ivor Sarakinsky: WITS University

- 6. Cooperation and Teaming Agreement between EDD and Proudly South Africa**
 - Saleem Mowzer: Acting Director-General, Department of Economic Development
 - Adv Leslie Sedibe: Chief Executive Officer, Proudly South African

- 7. Memorandum of Understanding between Ujima Bakwena, Mossop Western Leather and United Fram**
 - Fikile Zikhali: Member, Ujima Bakwena

- Gert Kruger: Chief Executive Officer, Mossop Western Leather and on behalf of United Fram

8. Agreement on the Supply of Stationary to Government Departments between EDD and Slavepak (Pty) Ltd/Bantex Customised

- Saleem Mowzer: Acting Director-General, Department of Economic Development
- Nicholas David Slavin: Sales and Marketing Director, Slavepak (Pty) Ltd

9. Record of Cooperation on the Installation of Solar Water Heaters

- Sibusiso Mdabe: Mayor of Ihembe
- Lethu Ngcobo: A Young Representative of Community (donated R10)
- Dennis George: General Secretary, FEDUSA
- Manene Samela: General Secretary, NACTU
- Vuyo Lefele: Regional Organiser, NUMSA
- Geoffrey Qhena: Chief Executive Officer, IDC