

**ADDRESS BY MR MACCOLLEN NTSIKELELO JACK: MEC FOR
FINANCE, ECONOMIC DEVELOPMENT AND TOURISM TO THE
NORTHERN CAPE LEGISLATURE ON THE OCCASION OF
TABLING THE BUDGET VOTE 6: 26 MAY 2016**

Honourable Speaker and Deputy Speaker

Honourable Premier - Mme Sylvia Lucas

Honourable Members of the Executive Council

Honourable Members of the Provincial Legislature

Executive Mayors, Mayors and Speakers of our municipalities present

Heads of Departments

Chairpersons of Boards and representatives of the Provincial Public
Entities

Senior management and officials of the Provincial Government

Distinguished Guests

People of the Northern Cape

Members of the Media

Ladies and Gentlemen

Good Morning, Dumelang, Goeie More, Molweni

Honourable Speaker, today I am tabling this Budget Vote a day after
Africa and its Diaspora celebrated Africa Day. The theme for 2016 is
“**Building a better Africa and a better World**”.

Africa Day is held annually on 25 May across the continent to mark the founding of the Organisation of African Unity (OAU) – now known as the African Union (AU) – in 1963. It is a celebration of the diversity of and a call to unity for the continent.

Fifty three years ago, leaders of 30 of the 32 independent African states signed a founding charter in Addis Ababa, Ethiopia. In 1991, the OAU established the African Economic Community, and in 2002 the OAU established its own successor, the African Union in Durban, KwaZulu-Natal Province. Ten years later, in 2012, the former South Africa's Foreign Minister, Doctor Nkosazana Dlamini-Zuma became the first women chairperson of the AU Commission, which is the AU's administrative arm.

Speaker, the commemoration of Africa Day reminds me of the words which were expressed by former President of the Bolivarian Republic of Venezuela, Hugo Rafael Chavez Friaz, when he said, I quote: "It is easy to state that the future of Africa depends on Africans and then ask them to forget Colonialism and Imperialism. Mother Africa cannot forget, just like our America cannot forget. Nobody can be a master of his own destiny if he forgets."

On the same breath Speaker, I will also like to congratulate Haiti on her decision to form part of the African Union (AU).

The Caribbean state of Haiti will officially become a member of the AU come the next AU Summit which will take place next month in Malawi.

In 2012, Haiti indicated its interest to move from its observer status to member status. It will be the first time for any nation with no geographic connection to the continent of Africa to join the AU.

More than any other Caribbean nation, Haiti occupies a special place in the affection of many Africans and members of the African diaspora. The country endured decades of still discerning punishment for daring to overthrow its slave masters, becoming the world's first independent black nation in 1804.

Haiti used its independence and membership of the United Nations in the post-war period to back decolonisation during the fraught period of African independence.

And now her level of poverty gives it more in common with many African nations than its wealthier Caribbean neighbours, who have been known to regard Haitian refugees as a nuisance. After the 2010 earthquake, the Democratic Republic of Congo – which struggles to finance its own budget – pledged \$2.5m in aid to the devastated country. Senegal offered land and places at its university to Haitian students. Such the African Union chairman, Jean Ping, said: **"We have attachment and links to that country. The first black republic ... that carried high the flame of liberation and freedom for black people and has paid a heavy price for so doing."**

Speaker, a couple of days from now we will be entering the month of June which is an important month in the South African calendar in as far as our youth are concerned.

In June 1976, the young people of this country jolted the nation from its slumber, and rejected the slave education that the apartheid regime had implemented.

Today we remember and celebrate the heroism that became the hallmark of our struggle and take pride in the epic struggles of the youth across South Africa.

Agbare spreker, vandag kan ons met oortuiging s dat ten spyte van struikelblokke soos werkloosheid, tekort aan vaardighede en die MIV en Vigs epidemie, het ons noemenswaardige vooruitgang behaal in die voorsiening van sosio-ekonomiese regte vir jeugdige. Hoewel, die drievoudige aspekte armoende, werkloosheid en ongelykheid steeds een van ons grootste uitdagings onder swart mense, vrouens, die jeug en mense met gestremdheid is en daarom is die Nasionale Ontwikkelings Plan (NOP) Visie 2030 die grondslag om hierdie vraagstukke die hoof te bied.

Honourable Speaker, the Medium Term Strategic Framework (MTSF), is the first step in the realisation of the NDP as a guiding framework for achieving the radical socio-economic agenda of the country. The MTSF has two over-arching strategic themes – **Radical Economic Transformation and Improving Service Delivery**. The Nine Point Plan is aimed at fast-tracking Radical Economic Transformation. The MTSF has identified fourteen (14) Outcomes and the Department is responsible for the coordination of *Decent Employment through Inclusive Economic Growth (Outcome 4) and an Efficient, Competitive and responsive Economic Infrastructure Network (Outcome 6)*.

Honourable Speaker, the plans outlined within this vote requires a capable and developmental state, a thriving private sector and strong civil society institutions with shared and complementary responsibilities.

ECONOMIC OVERVIEW

Honourable Speaker, in 2014 the provincial economy grew by 2.8 percent, this is higher than growth of 2.1 percent in 2013. This rate was higher than the national growth rate of 1.5 percent in 2014. Provincial

growth in 2012 was 3.3 percent, implying that our growth rate has declined over the recent period. The economic outlook has deteriorated significantly and the **International Monetary Fund (IMF)** revised the national growth rate down to 0.6 percent in April 2016, from a forecast of 0.7 percent in January 2016. It must be noted that as a result of concerted effort by the government, we have successfully managed to avoid a downgrade of SA's sovereign credit rating. Moody's rating agency last month left SA's credit rating unchanged, two notches above sub-investment grade. This achievement is critically important in ensuring the living standards of South Africans are not regressing and we remain attractive as an investment destination in Sub-Saharan Africa and the rest of the continent. The agency however, maintained a negative outlook going forward. In terms of employment creation the picture is variable quarter-on-quarter. According to Statistics South Africa (StatsSA), provincial employment increased by roughly 10 000 between the third and fourth quarters of 2015 from 302 000 to 312 000. As a result, unemployment dropped significantly from 34.8 percent to 25.8 percent over that period.

Honourable Speaker, the latest StatsSA provincial data reflects an increase from 307 000 employed in 2015Q1 to 313 000 in 2016Q1. This is a total of 6 000 jobs over the period, which leaves the current unemployment rate at 27.8 percent.

It must be noted that the Province recorded notable improvements in the human development index (HDI) and poverty reduction in the recent past. The HDI increased to 0.61 in 2014 from 0.53 in 2001. We reduced the number of individuals living below the food poverty line (FPL) from a peak of 404 000 in 2003 to 215 000 in 2014, representing a total decline of 189 000. In 2014 the number of people living below the food poverty line

was 18.2 percent, compared to 37.6 percent in 2003. The 2014 updated food poverty line was R400 per person per month. These improvements are supported by the recently released **South African Multidimensional Poverty Index (SAMPI)** of StatsSA.

However, these improvements are all threatened by slower economic growth. We need to urgently improve outcomes on educational attainment and achievement respectively to address the scourge of poverty as an outcome of unemployment and the reverse linkages.

Given the structural challenges facing the economy such as a shortage of suitable skills, electricity generation, declines in the prices and volumes of our main exported commodities, it is apparent that the provincial economy has the potential to create employment. These efforts clearly had a positive impact in the face of massive challenges and the interventions of the 9 Point Plan are starting to bear fruit. For example, Eskom presented an improved picture of the country's electricity capacity.

Within our endeavour to radically transform the economy we will be hosting three key summits in the forthcoming financial year, to resolve the energy challenge, advancing beneficiation or adding value to the mineral wealth and unlocking the potential of SMMEs, cooperatives, townships and rural enterprises which are three key components of the Nine Point Plan to radically transform the economy.

Honourable speaker, to radically transform the economy of this Province we have reviewed the vision of this Department to "A radically transformed economy in the Northern Cape" and we are in the process of developing an Economic Blueprint for the Province to increase investment.

Honourable Speaker let me now provide an account of the work of the Department over the 2015/2016 financial year. The departmental allocation in 2015/16 amounted to **R266, 436 million** with a mandate to create an enabling environment, to create jobs and ensure greater diversification of economic activity. The adjusted appropriation came to **R271, 089 million**.

Honourable Speaker in unlocking the potential of SMMEs and Cooperatives and Rural Enterprises, as mandated by the Nine Point Plan, a total of two hundred and ten (210) SMMEs and ninety one (91) Cooperatives were assisted through the provision of both financial and non-financial support services. This translates to the rendering of support to one hundred and twelve (112) existing SMMEs and ninety eight (98) new SMMEs as well as 32 existing and 59 new cooperatives.

Aligned to the National Informal Business Upliftment Strategy, eighty three (83) informal traders across the Province completed business and financial management skills training and were presented with their certificates. A total of twenty (20) SMMEs were allocated trading spaces at the Kimberley Diamond Cup (KDC). In addition, a total of ten (10) SMMEs and Cooperatives were allocated exhibition stalls at the Southern African International Trade Exhibition for Retail Products (SAITEX).

Efforts relating to preferential procurement resulted in a total of **36** SMMEs accessing public and private procurement opportunities through direct contracts or sub-contracts from SOE's. In collaboration with SEDA, 9 cadets have been appointed and are currently receiving training before being placed in municipalities.

Our Department is committed to the empowerment of women and youth and facilitated economic opportunities to 250 women and youth in partnership with various stakeholders. We hosted the national Technology for Women in Business awards attended by 200 women from across the country and a Provincial Youth in Business Summit; this was attended by 150 potential young entrepreneurs. The Department supported 56 Northern Cape Technical Vocational Education and Training (TVET) students, studying Finance and Marketing, to participate in an Entrepreneurial day.

Twenty five (25) women were trained in both Frances Baard and ZF Mgcawu districts in clothing and textiles manufacturing through the Bavumile Initiative in partnership with the Department of Trade and Industry (DTI).

To ensure inclusivity in the economy the Department provided support to municipalities which resulted in eight (8) economic development projects being supported through concept development, pre-feasibility and stakeholder coordination across all districts respectively. A further eight municipalities were supported with LED plans and input on their integrated development plans (IDPs) to ensure Spatial Planning and Land Use Management Act (SPLUMA) compliance. A detailed **LED Implementation Manual** was developed, circulated and consulted with all municipalities.

The Department received EPWP grant money to the value of R2 million. Five projects were supported from this funding in Frances Baard, ZF Mgcawu, and Namakwa respectively which resulted in the creation of 130 job opportunities.

Agbare Spreker, gedurende die 2015/16 finansiële jaar was 'n bedrag van R36 miljoen toegestaan aan die Ekonomiese Groei en

Ontwikkelingsfonds. Veertien (14) projekte is befonds wat Vyf-en-negentig (95) werksgeleenthede opgelewer het waarvan Vyftig (50) permanent is. Our review of the EGDF will ensure that we address spatial inequitable allocations.

In encouraging access to trade markets SMMEs exhibited their products at the **Southern African International Trade Exhibition for Retail Products (SAITEX)** and the **Zimbabwe Trade Fair**.

The **Kimberley International Diamond and Jewellery Academy (KIDJA)** trained 45 students to meet industry specific requirements. The establishment of the Diamond beneficiation incubation centre of the Kimberley Hub, in partnership with SEDA, has led to the employment of 8 people.

Honourable Speaker, following the BRICS conference held in 2014, we hosted a successful Chinese delegation in 2015 to celebrate the **Year of China in South Africa** under the theme *Hunan-Northern Cape Friendship Week*. This was a significant achievement in terms of marketing and promoting the Province as a preferred trade and investment destination. A number of memoranda of understandings were concluded. We have also secured an investment opportunity with a MOU signed with Turkey and India for diamond cutting and polishing as well as jewellery manufacturing at the KIDJA.

Honourable Speaker, the Industrial Policy Action Plan (IPAP) is aimed at promoting the manufacturing sector.

In our aim to industrialise the economy, our manufacturing strategy encompasses 3 Industrial Clusters, namely Mineral beneficiation, Agro-processing, and Energy and technology. A Metal Cluster will be established in the John Taolo Gaetsewe District and the Clothing Cluster

is in operation in Frances Baard. A few firms have shown interest to become members of the Agro-processing Cluster which is envisaged to be located in the ZF Mgcawu District.

Honourable Speaker, steady progress is being made with the establishment of the Special Economic Zone (SEZ) in Upington. I am pleased to inform you that the draft application for designation is completed and will be submitted to the DTI for their consideration. NCEDA signed a memorandum of agreement with the Airports Company of South Africa (ACSA) to include the Upington Airport as partner to the SEZ. The Khara Hais Municipality also approved the infrastructure development plan for the designated site and agreed to transfer the land required for the establishment of the SEZ to NCEDA. In encouraging private sector investment, we have secured the investor commitment of three companies.

Our Department compiled four (4) position papers as a means to provide economic policy advice to the Department and the Province. These Research papers compiled in 2015/16 includes the following; Localization within the SKA Programme, an analysis of Economic Corridors in the Province, an Analysis of the Macroeconomic environment and on Mining Retrenchments in the Province to address job losses.

Honourable Speaker, in response to the Strategic Integrated Project (SIP 15) which is responsible for expanding access to communication technology, we have established the Pixley ka Seme District Broadband Steering Committee. The site verification in terms of phase 1 for broadband connectivity targeting schools, clinics, post offices, police stations and other essential services is complete. Two information access points were also installed in Mier and Joe Morolong rural Municipalities. Important information on government services is being loaded onto these

devices that are installed at central locations like libraries and the municipal offices.

Citizens and youth using their mobile phones can connect to the NCPG information services through Wi-Fi connection to an information services delivery (C3) device. The Department has secured funding for the establishment of a mobile applications development laboratory (mLab) from the **Department of Science and Technology (DST)** over the medium term expenditure framework (MTEF). A “*mLab*” is a facility that provides support to citizens to develop mobile applications to address every day social challenges. The funding amounts to R1.5 million for this financial year, R2.2 million in 2017/18 and another R2.2 million in 2018/19.

Honourable Speaker, The Northern Cape, in 2015, was the fastest growing destination in attracting foreign visitors in South Africa. Namibia and the United Kingdom remained our two most significant international source markets in 2015.

The departmental partnership with Open Africa, a not-for-profit entity played a significant role in boosting employment creation in deep rural areas. As such the Namakwa Coastal Route, Richtersveld Route, Quiver Tree Route and Kalahari Red Dune Route supports employment for 985 people of which 638 are female, 225 are youth and 54 percent are black.

Tourism infrastructure development in the Province benefitted through the partnership with South African National Parks and since 2014 established 6 routes.

We have built an attractive river campsite in Keimoes in partnership with the Kai Garib Municipality and the National Department of Tourism and created 31 temporary employment opportunities. In transforming the

Tourism sector 73 tourism enterprises were supported through skills development and market access and 9 black-owned tourism enterprises benefitted from being awarded tourism product development grants. A total number of 57 employment opportunities were created of which 17 were permanent jobs. Employment creation flowing from our support to events and festivals created a further 1 377 temporary employment opportunities. Events and festivals not only play a significant role in employment creation but also in creating huge destination awareness and growing the sheer number of tourist arrivals in the Province.

The Northern Cape Tourism Authority in partnership with South African Tourism hosted a number of international travel trade and travel media groups which produced 57 features reaching an audience of 17 million prospective foreign visitors.

Honourable Speaker, I would like to congratulate our National winners of the 2015 Lilizela Awards who competed with no less than 219 South African product owners. Northern Cape had 3 National Winners namely, the:

- 5 Star Guesthouse Award – Oleander Guest House (Kimberley)
- 3 Star Self-Catering Award – Koekais Guest Farm (Griekwastad/Griquatown) Lodge Establishment
- Flamingo Casino (Kimberley) won 2 Awards – Imvelo Best Water Management Program & Imvelo Best Waste Management Program.

I would also like to congratulate Fusions Garden Restaurant in Galeshewe for being the Northern Cape Provincial winner of the Lilizela Awards for Emerging Tourism Enterprises. Similarly, the KDC scooped two international awards. It won the Global Award for best skate park in the world and shared the Global Award with New York City for Government doing most for the development of skateboarding

Permit me also to acknowledge Mbulelo Kafi, a Colesberg based Young Tourism Businessman, for winning the best business dealmaker of the year at the Tourism Indaba 2016.

The NCTA, as a Public Entity, has been nominated as one of the top performing Entities within the Tourism sector by Top Media and Communications Company. We salute them on this milestone!

BUDGET ALLOCATION AND IMPLEMENTATION PLANS 2016/17

Honourable Speaker, please allow me now to table the budget allocation of the Department for the 2016/17 financial year which amounts to **R277, 915 million**. This is an increase of R11, 479 million and therefore 4.3 percent in nominal terms. In real terms this amounts to a decline of -2.0 percent with the consumer price index at 6, 3 percent in March 2016.

I would now like to provide a programmatic exposition of the envisaged budget for 2016/17.

ADMINISTRATION

The administration programme provides leadership, strategic management and economic policy direction in accordance with government legislation and mandates. The sum of **R58, 057 million** is allocated to administration.

Using the MPAT tool our Department will continue to focus its attention on the improvement of performance in Strategic Management, Governance and Accountability, Human Resources and Financial Management. We want to improve our performance in this regard from the current 61 percent to at least 70 percent by the next MPAT reporting period. The Department is currently engaged in the organisational review process,

with the aim of aligning the organisational structure to our strategic plans. During the year under review the Department will only fill critical posts.

SMALL BUSINESS DEVELOPMENT (Previously referred to as the Integrated Economic Development Services)

Honourable Speaker, the allocation to the programme for this financial year is **R80, 645 million**. Approximately 47 percent of this budget is for enterprise and cooperatives development and a further 33 percent is allocated to the Economic Growth and Development Fund (EGDF).

Small Business Development will focus on the “game changers” for both SMMEs and cooperatives as conceptualised in the 9 Point Plan. This year 20 new and 20 existing SMMEs operating in the **Industrial Policy Action Plan (IPAP)** focus areas and sectors will be supported. To address the scourge of poverty within the Pixely Ka Seme District, we will make funds available for a Guest Farm for the development of co-operatives. These will include women, people with disabilities and youth. To address youth unemployment in Noupoot, one of the poorest areas, we will embark on a youth SMME project on tyres, shocks, and other motor parts in line with the IPAP. Funding will also be availed for a Youth Business Entity to acquire equity in a Toilet Paper Manufacturing and Bottled Water Plant.

In terms of non-financial support, 250 enterprises are targeted to be trained on entrepreneurship, business skills, and financial management, access to markets and coaching and mentoring respectively. This will be across all the five districts in the Province. Our implementation of the **Provincial Informal Sector Development Framework** will see 20 informal traders trained on business skills in partnership with the

Wholesale and Retail Sector Education and Training Authority (W&RSETA).

The **Gazelles Programme** piloted by the **Department of Small Business Development (DSBD)** will target SMMEs to be supported as black industrialists. This will commence with the identification of SMMEs that meet the set requirements for this programme by the DTI.

We will focus our attention on the establishment of three sector-specific incubators namely renewable energy; mining; and agriculture and agro-processing. These sectors are consistent with the concept of the clusters that are being implemented by the Department.

We will expand our reach across the Province through collaborations with the **Small Enterprise Development Agency (SEDA)** on the CADET programme. An additional ten cadets is targeted to be placed in municipalities this year.

Our partnership with the **Company and Intellectual Property Commission (CIPC)** will establish a service point for business registration at the Department. This will make it much easier for entrepreneurs as system downtime on the **CIPC** website and lack of access to the Internet prevents the delivery of such a critical service.

Honourable Speaker, the painful xenophobic attacks that we experienced as a country last year has prompted us to establish a Task Team on Violent Incidents associated with local and foreign-owned informal and small businesses. The aim is to stem the incidence of violent attacks on foreign shop owners and traders and facilitating collaboration amongst locals and foreigners to ensure mutual benefits by all.

Our efforts to expand access to funding for small businesses across the Province will result in the establishment of an Enterprise Development

Fund for the Province in partnership with the **National Empowerment Fund (NEF)**. Seed funding amounting to R5 million is already in place and we are optimistic that our private sector stakeholders and related third parties will utilise the opportunity presented to partner with and contribute to the initial capitalisation of the fund.

The key focus of LED is to evaluate municipalities in terms of their LED maturity and providing support where gaps are identified. Red tape reduction will also be prioritised with the development and implementation of a **Red Tape Analysis Framework** and a **Red Tape Guideline**.

The EPWP grant funding, amounting to R2, 03 million will be allocated towards supporting four projects: Hope and Faith Vegetable Farming (Ganspan); Richtersveld Cleaning and Greening (Port Nolloth); Goitsemanng Vegetable Farming (Joe Morolong Municipality); and JTG Cemeteries Cleaning and Greening (Kuruman).

Economic Empowerment will host seminars on empowerment for 30 women in collaboration with **South African Women Entrepreneurs' Network (SAWEN)**, and also an Entrepreneurship Day in partnership with the Rural TVET College . Several awareness campaigns are also planned on opportunities in non-core mining services, agro-processing, renewable energy focusing on the Balelapa change agents across the Province. The latter will provide access to information and economic opportunities to ensure sustainable livelihoods in terms of the **War on Poverty** campaign.

We will also target 100 women (20 per district) to receive financial management and business management training and 30 People living with Disabilities regarding business intelligence and host an empowerment seminar for 30 women in collaboration with the South African Women Entrepreneurs Network (SAWEN).

Honourable Speaker, the Economic Growth and Development policy is being reviewed to ensure a greater geographical spread of disbursement of the fund and an equal spread across the economic sectors

TRADE AND SECTOR DEVELOPMENT

The budget allocation to this programme is **R32, 762 million** and its key mandate will be to focus on trade and investment promotion, sector development and implementing strategic initiatives with the potential to have an impact on provincial economic growth and job creation.

Honourable Speaker, the programme Trade and Investment promotion has an allocation of **R8, 367 million, which includes an allocation of R3, 707 million for the Public Entity NCEDA**. It will target investment attraction to the Province from Saudi Arabia, Germany and Turkey respectively. The focus will be on solar panel manufacturing and mineral beneficiation. Five emerging entrepreneurs will be identified and assisted with export development training to ensure export readiness.

We plan to unlock key export markets by assisting Northern Cape businesses to attend international exhibitions. The Chenzhou Mining Exhibition in Hunan Province, China, is one such initiative.

We will continue with the implementation of the three key Clusters, namely mineral beneficiation, agro-processing, and energy and technology over the new MTEF period.

Honourable Speaker, as the Province has been referred to as the Solar Hub of the country, with four bid windows completed, a total number of 102 Independent Power Producers (IPP) in the Country have secured contracts with Government to produce Renewable Energy with a combined capacity of 6 327 MW. A total number 51 of these projects are located in the Northern Cape Province and we will ensure that the

challenge of localisation is addressed. The Department will strengthen our relations with the IPPs on socio-economic development initiatives.

As a response to the job losses within the mining sector our Department in collaboration with other Cluster Departments, the DMR and affected Mining houses is planning a Provincial Mining Summit to be held in the JTG District in the second quarter of the current financial year.

BUSINESS REGULATION AND GOVERNANCE

Honourable Speaker, this programme oversees the corporate governance of all departmental Public Entities in order to ensure compliance with the PFMA.

This programme is allocated **R33, 315 million** for the 2016/17 financial year. Of this amount **R9, 029 million** is for the Consumer Protection Authority and an amount of **R2, 344 million** goes to Governance. The two Public Entities received the following allocations for the 2016/17 financial year: Northern Cape Liquor Board (NCLB) – **R9, 333 million** and Northern Cape Gambling Board (NCGB) – **R12, 609 million**.

The Consumer Protection Authority will target forty (40) consumer education and awareness programmes, 240 compliance inspections of business practices and to investigate all of their complaints for this financial year. An agreement was reached with the Department of Education to address students, mainly grade 11 and 12 learners, as Consumer Rights now form an integral part of their curriculum.

The NC Liquor Board will in the 2016/17 financial period intensify the education and awareness programmes throughout the Province, continue the compliance inspections of all licensed liquor traders, attend and investigate complaints from the communities and suspend and have

formal hearings for problematic liquor outlets. The NCLB will prioritise areas with a high concentration of liquor outlets and ensure that licensing processes are conducted in the best interest of communities.

The Gambling Board will proceed with its quarterly inspections and will extend this to all licensed outlets. They will finalise the processing of outstanding Bookmaker licence applications, to review the current bid-commitments as well as licence conditions of all licensees. They will further champion the fight against illegal gambling through joint raids with the SAPS and further strengthen its relations with other stakeholders.

Honourable Speaker, the allocated budget for the Northern Cape Economic Development Agency (NCEDA) is **R3, 707 million**. Following a change in the policy direction related to the functions of NCEDA, the Entity is now primarily focussing on the establishment of the SEZ in Upington, an initiative funded by the DTI as well as to roll out the provincial Craft Customised Sector Programme funded by the National Department of Small Business Development and providing a tourism service in the Witsand Nature Reserve.

Honourable Speaker, I have decided to appoint an independent and competent service provider to assist me to develop a new model for the efficient and effective functioning of the Public Entities. In this process we will take into consideration South African best practices, the effective and efficient use of budgets, best use of available human resources and the service delivery needs of the Province. Once this process is completed I will report back to this august house before further decisions are taken.

POLICY, RESEARCH AND INNOVATION (Previously Economic Planning)

The budget for the programme is **R19, 567 million** for the 2016/17 financial year. Of the total **R3, 192 million**, has been allocated to Economic Policy Development; **R3, 740 million** to Research and Development; **R6, 015 million** to Knowledge Economy and Innovation; and **R2, 332 million** to Monitoring and Evaluation.

Our Department is the champion for coordinating Outcomes 4 that relate to job creation and Outcome 6 in respect of Infrastructure development in the Province. To date we have established strong collaboration with delivery partners such as Eskom, Transnet, IDC and SIP co-ordinators through these structures. A total number of 6407 jobs have been created through the efforts of the Outcome 4 implementation forum. Engagements will be held across all spheres of government and stakeholders to ensure the alignment and implementation of the Nine Point Plan as the instrument to advance economic growth.

Honourable Members, the Minister of Telecommunications and Postal Services, in his budget vote speech on May 10, indicated that “phase 1 of the government broadband rollout in eight districts is almost ready after long planning, consultations and agreeing on coordinating structures with the eight municipalities and relevant Provinces”. I look forward with my counterpart to commence on this as we are done with phase 1 verification of sites in Pixley ka Seme District.

We have already hosted one successful Hackathon on 22-23 April 2016. This was a worldwide event and linked up to similar ones in Pretoria, Cape Town and Johannesburg. It was the **National Aeronautics and Space Administration (NASA)** Space App Hack which was hosted worldwide. We brought together over 40 youths from **Sol Plaatje University (SPU)** and the local TVET College.

Honourable Speaker, this was one in a series of seven e-skills development initiatives planned for this financial year. The youngsters developed mobile application proposals to tackle everyday social ills using data collected by NASA in its space endeavours. I'm very much excited by these developments as they will give us our next Mark Shuttleworths and Elon Musks. Our work on establishing a mobile applications development laboratory (mLab) here in Sol Plaatje Municipality is also continuing. We will approach private sector funders to match the funding committed by the Department of Science and Technology (**DST**).

There will also be a specific focus on promoting localisation related to the **Square Kilometre Array (SKA)** with a target of 15 percent project value across the work streams.

TOURISM

Tourism has been one of the resilient sectors supporting the national and provincial economies in the face of mounting challenges. Minister Hanekom, in his budget speech on May 3 2016 pointed out that "the future of tourism in SA is extremely bright". This follows a 15 percent jump in tourist arrivals in January 2016 and 18 percent in February 2016 into the country, on a year-on-year basis. Furthermore, the weakening of the rand will also boost the arrival of foreign visitors to our shores.

The sector is targeted as a key job creator in the NDP. The budget allocated to tourism is **R53, 569 million**, this represents 19.2 percent of the departmental budget. Of this amount, 38 percent is transferred to the **NCTA** for marketing. We will work to develop and promote an equitable, competitive and sustainable tourism destination, enhancing its contribution towards provincial priorities and to foster inclusivity.

Five tourism enterprises will be targeted for financial support through grant funding and forty enterprises for non-financial support. We also aim to do product development as follows: road sign erection for the Karoo Highlands Route; doing the road sign survey and application for the Heritage Route, Kalahari Red Dune Route, and the N12 Route; Witsand Nature Reserve Tourism Facility Rejuvenation. In addition we will support four tourism events throughout the Province.

We will implement a number of interventions, which will focus on upskilling the Tourism industry and will vigorously embark on Tourism awareness campaigns targeting 10 school (2 per district) to inculcate a culture of tourism. We will expand our Tourism reach and intensify our Tourism development support to the Namaqua, Pixley Ka Seme and JTG districts.

Sixty campaigns against illegal tourist guiding will be conducted at all main tourist centres in the Province. Community tourism awareness campaigns will be conducted as outreach programmes in all five regions. We will also host the provincial **Lilizela Awards again** this year.

Tourism development is set to take advantage of opportunities linked to the ocean's economy and more specifically Operation Phakisa. In this regard our Department will conduct a detailed study to determine opportunities for sustainable tourism experience and enterprise development on the West Coast.

Honourable Speaker, we have developed a model for flagship visitor information offices with the purpose of improving destination information promotion and services to our visitors. We will partner with the district municipalities starting with the Frances Baard District Municipality to launch the first of the flagship visitor centres later in the year. More such facilities will be added in the years to come focussing on Hanover,

Nieuwoudtville, Upington, Kuruman and Steinkopf. In our endeavour to encourage domestic tourism and affordable travel, we are in the process of the revitalisation of municipal resorts in partnership with municipalities.

We will also support the further development of three visitor information offices key to the sustainability of the provincial tourist routes. These information offices are in Port Nolloth, Askham and Kakamas.

On international marketing of the Province, the **NCTA** will work closely with **SA Tourism** to leverage off their extensive market intelligence network, campaigns and business tourism initiatives. We will defend our share in traditional market whilst expanding our growth in emerging markets.

NCTA will enter into several collaborative partnerships with neighbouring Provinces and entities such as **South African National Parks (SanParks)** to boost tourism in the Province. This will enable collaboration on joint marketing and promotion campaigns. The first such partnership is with the **Eastern Cape Parks and Tourism Agency (ECPTA)**. A single brochure has been developed to sell the two regions as a Cape experience and create travel draw cards to both Provinces. We are also in the process of acquiring a fully equipped mobile information office to increase visibility at festivals, events and expos.

Business Tourism (Meetings, Incentives, Conference and Events):
An unprecedented focus on Meetings, Incentives, Conferences and Events (MICE) continues to pay dividends. We continue to advance and complement our brand identity and aim to attract higher revenue visitors.

In conclusion, as part of our aggressive approach towards radically transforming the economy I would like to emphasise our delivery on the following:

- The development of an Economic Blue Print for the Province;
- The review of the Economic Growth and Development Fund (EGDF) with a geographically spread focus in its allocation which will be Frances Baard (R6 million), ZF Mgcawu (R6 million), Pixley Ka Seme (R5 million), JTG (R6 million) and Namaqua (R5 million);
- The hosting of three key summits on SMME and Procurement, Renewable Energy and Mining;
- The scaling down of the KDC 2016 event as a result of Government's re-prioritisation exercise and cost cutting measures;
- I will also during the course of this year forge a closer relationship with the Private Sector, Chambers of Business, State Owned Entities, Development Finance Institutions and other.

Honourable Speaker, I would like to take this opportunity to encourage the people of the Northern Cape who are eligible voters to go and vote on 3 August 2016.

Allow me now to thank Madam Premier of the Northern Cape, Ms. Sylvia Lucas, for her unwavering support. I also wish to thank my family for their encouragement and understanding. A special note of appreciation is extended to the Acting HOD, Ms. Hendrina Samson and staff of the Department for their dedication as well as to the Head of Ministry and staff.

Honourable Speaker, the Northern Cape has earned the reputation as a Province that makes dreams happen, but the journey to market and promote this beautiful Province in all its essence, extreme culture, extreme adventure, extreme nature, and our real people starts with us. We have to be our own ambassadors we have to take the message and proclaim the message out there. With this token I am presenting you with the tools to make this happen. So let us all commit to “Love the Northern Cape with passion and proclaim this passion to all”!

I now table the Budget Vote 6 for Economic Development and Tourism for consideration by the House.

I thank you.