

**REMARKS BY THE PREMIER OF THE PROVINCE OF KWAZULU-NATAL SENZO MCHUNU ON THE OCCASSION OF THE DINNER WITH HEADS OF MISSION-DESIGNATE**

**MOSES MABHIDA STADIUM**

**9 OCTOBER 2014**

**Programme Director**

**Members of the Provincial Executive Council;**

**ALL HEADS OF MISSION-DESIGNATE**

**Members of Parliament;**

**DG of the Provincial Government**

**CEOs of Public Entities;**

**Officials from DIRCO and other Government Departments**

**Ladies and Gentlemen;**

**Good evening**

We are excited as the province of KwaZulu-Natal that we have been given the opportunity to host you over the past few days.

I am sure your stay has been meaningful and will help you as you undertake this mammoth task of representing millions of South Africans in the countries of your designation.

We cherish the privilege of showcasing to you the distinctive features that make up the Kingdom of the Zulu.

The presentations that have been given by CEOs of various public entities and the tours that you have attended have given you a sense of areas of interests – be it for investment purposes or leisure.

Having spoken to some of you, I am more convinced than ever that you will aggressively sell KZN to the world on behalf of the provincial government and the people of this province.

When I presented the State of the Province Address on the 26<sup>th</sup> June 2014, I made a commitment that as government elected overwhelmingly by the majority of our people, we will focus on driving the growth of the economy of this province.

One of the important catalysts for economic growth is foreign direct investment. Attracting FDI is an area which I am certain will be on top of your agenda.

In this regard, I am relying on you to assist this province to develop synergies between the economies of different countries where you are posted and our economy.

This could be achieved through the promotion of partnerships and identification of opportunities for exports and inward investment.

As KZN government we believe that as part of our drive to ensure socio-economic growth, we need to encourage twinning of cities, academic institutions and partnership amongst the business fraternity.

As you have seen through presentations, KZN is an important hub of industrial development in sub-Saharan Africa, thanks to its rich natural resources and well-developed infrastructure. You also happened to be in our Province as President Jacob Zuma launched the Dube Trade Port Industrial Development Zone. This marked a great leap forward in our aspirations of positioning this province as the gateway to the region as articulated in the KwaZulu-Natal Vision 2030.

We are however concerned that economic activities in the province are mainly concentrated in Durban and Pietermaritzburg, with significant activities in Richards Bay, Ladysmith, Newcastle as well as on the UGU District.

As directed by the Provincial Growth and Development Plan, we want remote areas of our province to be an integral part of economic development.

In this regard, we are encouraging potential investors to consider rural parts of our province because of the vast track of land that is underdeveloped.

Broadly speaking, this also forms part of our efforts aimed at dealing decisively with historic under-investment in rural areas by focusing on investments in infrastructure.

We have adopted a target of increasing investment in capital infrastructure from the current 16.5% of GDP to 25% by 2020.

We want rural areas to benefit in order to ensure sustained and inclusive economic growth. In a long run, the provision of infrastructure such as roads, water, electricity and internet connectivity will make rural areas more attractive to potential foreign direct investment.

It is to this end that we have embarked on a process to develop an Integrated Infrastructure Master Plan for the province.

This plan will take stock of what it is that we have, will project what it is that we need to do and how to ensure the proper co-ordination of the provision of infrastructure by all spheres of government.

When analysts speak about economic integration, as KZN government we want to use our programme on infrastructure to drive economic integration.

The infrastructure development programme in this province involves road construction, air-freight, rail, provision of water and sanitation services - electrification and a major focus on the maritime industry.

Importantly, as much as we recognize the importance of our economy being integrated with economies of other countries, we believe that this economic integration will be meaningless if it is not inclusive and if it fails to recognize the importance of transformation through direct intervention to support the majority of our people.

For the economic integration and economic growth to be meaningful in the future, we have put the empowerment of indigenous Africans on top of the provincial agenda. This objective is firmly in line with our foreign economic policy that seeks to intensify our efforts of economic diplomacy.

The objective is to address real concerns that the balance of distribution of wealth in the province should tilt towards indigenous Africans in an equitable manner.

We have therefore in this regard identified economic sectors that are better geared to respond to our efforts. These sectors include amongst others, Agriculture, Manufacturing, Maritime, Transport and Logistics, Renewable Energy as well as Tourism.

We are saying small businesses must be assisted to access these sectors of our economy. Part therefore of our expectation is that you will use the foreign missions of your designation, to support efforts for market access through targeted economic diplomacy initiatives. It is proven in international trade that the highest level of success of small and medium enterprises, lies in their linkages with export markets as this offer opportunities for market diversification thus increasing their competitiveness. We are encouraging you to identify export opportunities as well as those for joint partnerships to forge forward and backward linkages. .

Our target in respect of SMME development over the next five years are to increase the number of small businesses that have been in operation for more than 2 years from the current 15 000 to at least 22 000. We

want to increase the number of jobs through support for establishment of SMMEs and Cooperativess by at least 300 000. This is informed by the prevailing view that the SME sector is a major contributor in jobs and wealth creation.

Distinguished Ladies and Gentlemen, our message as KZN government is that we wish you all the best as you start this diplomatic tour of duty. We call on you to have the imprints of KwaZulu-Natal Province firmly in your minds as you aggressively drive our current agenda of economic diplomacy.

We are relying on you to facilitate exchange programmes such as collaboration of our tertiary institutions with academics across the world and in the continent.

We want to host regular conferences to share ideas and exchange academic staff and students in order to strengthen our skills revolution campaign. This campaign is aimed at ensuring that this province becomes the skills capital of South Africa in the future.

We are also using sports and cultural exchange programmes to strengthen the people-to- people relations.

As we bid you good-bye, the people of this province anticipate with great excitement that you represent our country with honour and distinction, but most importantly promote KZN as the preferred Province for doing business within South Africa. I say this because the success of KZN is crucial for the success of the whole country.

I thank you