



MEDIA STATEMENT

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KZN PLANNING COMMISSION'S PRESENTATION TO PARLIAMENT

Pietermaritzburg, 23 August 2012: Dr Zweli Mkhize has introduced the Provincial Planning Commission in the Provincial Legislature today. The Commission presented the Provincial Growth and Development Strategy and Plan.

"You will recall that during my inauguration as the Premier of the Province of KwaZulu-Natal on the 11th May 2009, I announced that in line with the proposal of the national government to house the National Planning Commission in the Presidency, there would be a Provincial Planning Commission located in the Office of the Premier."

"I wish to report to this house that since making that announcement, the Provincial Planning Commission has worked very hard designing the Provincial Growth and Development Strategy and Plan based on a twenty year vision: 2030."

The Provincial Planning Commission participated and made valuable contributions to the national plan announced by the National Planning Minister, Trevor Manuel, in Parliament last week. Honourable members would be please to note that we are the only province with the Planning Commission and we have been requested assist in setting up planning commissions in other provinces.

The provincial plan contains a number of large catalytic projects that will have a huge impact in job creation and economic growth.

"Importantly, the plan provides strategic interventions that will ensure that the KwaZulu-Natal Province creates more that 1 million of the 5 million jobs that the country has committed itself to create."

"Unemployment is a significant contributor to poverty and the unemployed poor people in KwaZulu-Natal are concentrated among Africans, in rural areas, among women and the youth."

Global Insight Poverty indicators reveal for 2005 that in KwaZulu-Natal 5.3 million people were living in poverty and 1.2 million people were living on less than US\$1 a day (R6.5 a day or R200 a month). The estimated poverty gap is R18.3bn (the amount required to raise the income of the above-quoted 5.3 million people to the poverty line),

EThekweni Metro showed a significant decline in Deprivation Composite Analysis, an estimated (19% decline) as compared to others districts.

Uthukela District municipality shows an increase in Deprivation Composite Analysis by an estimated 9.6%.



The western part of Umzinyathi declined on this measure during the time period whereas uThungulu worsened, as did the central parts of uMkhanyakude.

The highest poverty to population ratios were recorded within the districts of uMkhanyakude, Zululand, uMzinyathi and Sisonke. Large portions of Amajuba, uThukela and Ugu Districts however also recorded poverty levels of more than 80% in 2001.

During 2001 – 2007, eThekweni Metro showed a significant decline in Deprivation Composite Analysis over this time period – an estimated 19% decline as compared to other municipalities. UThukela District on the other hand, shows an increase in this measure of poverty by an estimated 9.6%. The western parts of uMzinyathi declined whereas uThungulu and central parts of uMkhanyakude generally worsened 2001 – 2007.

"I am reflecting on these statistics just to highlight the important role that the Provincial Planning Commission is going to play in terms of coming up with practical and achievable steps in order to save and create as many jobs as possible."

Two weeks ago, the Provincial Planning Commission presented its plan before more than 200 members of the KZN Growth Coalition – a structure representing captains of industry in KZN.

"In that gathering we emphasized the role of business in driving socio-economic development. Statistics show that nine out of ten jobs in the developing world are in the private sector and that over the last 30 years more than 500 million people have been lifted out of poverty because of private sector-driven growth."

"It is for these reasons that we are working together with business and organized labour. We want to ensure that we create an economy that is both globally-competitive and inclusive."

"To this effect we have made a number of institutional arrangements in order to strengthen our partnership with the private sector."

"We have the KZN Growth Coalition – the KZN Economic Council, KZN Climate Change Council, BEE Advisory Council and the KZN Planning Commission which I am introducing to the members of this House."

"All these structures are focusing on attracting foreign direct investment and to create the best conditions for economic growth and job creation."

"We aim to enhance industrial development through trade, investment and exports focusing on the key sectors of manufacturing (automotive, chemical, metals and maritime), agriculture, tourism, transport and logistics, and the green economy."

According to the Commission, these sectors have not only proven to be relatively labour-absorbent, but also have the potential to be expanded to strategically position KwaZulu-Natal as a lead investment destination and hence contribute to achieving the vision of KZN becoming a trade gateway within South and Southern Africa.

In addition, the Province is committed to encouraging the retention and expansion of existing business to ensure that the domestic market is correctly functioning, which will stimulate economic activity and job creation.

"Targets set in this regard are to increase total employment within all sectors, excluding primary agriculture from 2, 3 mil jobs to 3, 1 mil jobs in 2020, and rise to 4, 2 mil by 2030. To do this we must ensure that the value of the provincial economy grows at a rate of approximately 5% per annum, a target well within our reach."



There is however a strong realization that we will not achieve our Job Creation targets if our people are not appropriately skilled to take up the new opportunities we are creating. Education and skills development is therefore of paramount importance.

"It is for this reason that this Province has adopted an approach where we start our focus on this matter of skills development right from the early childhood development stage."

In KwaZulu-Natal education and skills levels are very low and unemployment is very high. In 2009, only 2% of the adult population of KZN had an accredited tertiary qualification (degree or diploma), and while little over 132,000 people passed matric only 26,000 earned university exemptions.

The labour force currently is largely unskilled. From 1996 to 2011 KZN grew total employment by just under 10%. This is not adequate for KZN to grow the provincial GDP to the levels needed to decrease employment and increase productive growth.

"As government we have launched a campaign aimed at skilling our people, especially the youth. The Public Service Internship Programme has allocated R52.5 million on 1051 interns for the current financial year, with the Departments of Health, Education and Transport having the highest number of interns and corresponding funds allocation."

"R5.4 million has been allocated to the Rural Youth Skills Development Programme, of which R3 million is allocated to Rural Youth Skills Development Learnerships; R1.5 million to Rural Youth Skills Development Internship; and R1 million to Rural Youth Skills Development Apprenticeship, all targeted at this point in the Msinga, Nkandla, and Ntambanana areas, but planned to be extended to the whole province as budget permits."

"This year the province has also been allocated R52 million for National Skills Fund Projects. About 900 youth have benefited in areas such as in Construction, Automotive Apprenticeship, Manufacturing and Engineering Apprenticeship, Manufacturing and Engineering."

"R22 million has been allocated from the Manufacturing, Engineering and Related Sector Education and Training (MERSETA) to benefit 200 youth with skills as Millwrights, Electricians, Fitters, Turners, pattern makers, Injection moulders, Toolmakers, and Jig and die makers. You will note the bias towards hard skills with a view to addressing critical and scarce skills in the economy."

"A few months ago, the Provincial Government established an Integrated Provincial Bursary Fund of approximately R100 million."

"I wish to take this opportunity to introduce to the Members of this House the Planning Commission."

Issued by the Office of the Premier.

Enquiries:

Mr Ndabezinhle Sibiyi

Premier's Spokesperson

☎: 082 375 4742