

**Keynote address delivered by the KwaZulu-Natal MEC for Economic Development and Tourism, Mr Michael Mabuyakhulu, on the occasion of the First National Bank (FNB) KwaZulu-Natal Top Business Portfolio Awards, International Convention Centre, Durban**

12 May 2010

Programme director

The Deputy Mayor of the eThekweni municipality, Councillor Logie Naidoo

The Chief Executive Officer of FNB Public Sector Banking, Ms Elizabeth Maepa

Dignitaries present

Ladies and gentlemen

All protocol observed

We wish to express our profound gratitude at being invited to be part of tonight's special occasion, which is a celebration of KwaZulu-Natal's achievements in the business arena over the past year.

KwaZulu-Natal has a lot to celebrate. Currently our province is experiencing the biggest investment in infrastructure programmes in its history. As stated by President Zuma at the opening of the King Shaka International Airport: "we are setting new global standards in the delivery of large scale infrastructure projects".

The projects under way for the 2010 FIFA World Cup have served as the main catalysts for the development of transport infrastructure in the province and have integrated road, rail, air and marine in an effort to boost economic growth in KwaZulu-Natal, especially as the region is still wracked by poverty and high levels of unemployment.

A world class airport, as President Zuma said, had been the missing piece of the puzzle to enable growth and development in this region and for our country. Now that it has been built, it will serve as an engine for driving economic growth and development for the next 30 years, actively promoting resort development and tourism, as well as stimulating passenger and cargo growth, particularly the perishables sector and other low weight, high value manufacturing activities, with a view to stimulating greater international passenger and cargo demand.

Dube trade port is expected to attract industries such as automotive components, electronics, clothing and textiles, perishables and value added logistics. Together with the airport, we believe that our strategic location of being the only province in the country with the two Africa's busiest ports should translate into companies wanting to base their business operations in the province. This, we believe, will yield added economic spin offs for the province of KwaZulu-Natal.

The port of Durban is already the country's biggest container port, serving more than 50 international destinations. The port of Richards Bay serves as the largest bulk port in the country. Both these seaports are linked to the Dube trade port and King Shaka International by road and in the future by rail.

This transportation platform will be well placed going forward, to serve our country, as we increase our trade and exports globally and with Southern Africa's regional markets.

In this regard, government at national, provincial and local levels, are working together in a process that will put forward the best strategic investment option for the country. In addition, our trade strategy seeks greater integration with countries of the south. These new markets such as India and south East Asia offer new opportunities for growth in trade, business and tourism.

At a provincial and local government level, now is the time to encourage new investments in tourism products that are competitively priced and attractive for foreign visitors. It is important not to forget the domestic market and to package products which will attract our domestic visitors.

We believe that the 2010 FIFA Soccer World Cup offers us an opportunity of a life time, not only to market the province to an international platform, but to ensure that KwaZulu-Natal becomes a tourist destination of choice through the provision of an experience not to be forgotten.

KwaZulu-Natal will have to do more to market itself not only as an investment destination of choice, but as a province that offers the best returns.

As part of this drive, our department has set itself the target of not only upping the ante in getting companies to invest in the province, but of also making a conscious effort to woo companies which conduct more than 80 percent of their business in the province to use KwaZulu-Natal as their headquarters.

#### Recession and competition

The advent of globalisation has meant that opportunities for businesses to thrive increase particularly with the opening up of new markets. However, the flip side of this is that with the increase and growth of the pool, there is correlative increase in the number of competing fish who want to swim in the same pool.

It is only those provinces, countries and regions who utilise their competitive advantages to the maximum and those who are able to strike partnerships with other like-minded counterparts elsewhere in the world who stand a chance to succeed.

The two harbours, the King Shaka International Airport, the Dube trade port and many others are some of the aces that our province and our country have up their sleeve. In order to yield desired results, these aces need to be played at the right time in order to ensure that our province remains the leader in business.

Government has done its work of providing a sound footing for business people to have some comparative advantage. It is up to the business sector to use its innovation and creativity to utilise this infrastructure.

As we meet this evening, our country is still grappling with the results of Statistics South Africa's quarterly labour force survey which generally point to the fact our country is still losing jobs. Among other things, the report states that during the period under review, the number of people in the labour force decreased by 25 000 to 17.113 million in the first quarter: 2010, from 17.138 million in the fourth quarter: 2009.

The decrease in employment was largely driven by the formal non-agricultural sector with the total workforce decreasing to 8.974 million in the first quarter: 2010, from 9.114 million in the fourth quarter: 2009 (140 000 jobs) and the informal non-agriculture sector where 100 000 jobs were lost, bringing total employment in the sector to 2.009 million.

While these statistics are a cause for concern, the province of KwaZulu-Natal is one of only two provinces that actually recorded positive growth in terms of employment.

KwaZulu-Natal regional economy generated 9 000 jobs during the first quarter of 2010 and was the only province other than the Western Cape (21 000) that registered employment growth. All the other provinces lost jobs.

The five sectors that drove KwaZulu-Natal's employment growth in the first quarter are: agriculture, mining, manufacturing, construction as well as community and social services. Manufacturing was the star performer among the five sectors generating some 19 000 jobs for the period under review.

We share these figures with you because, in the first instance, we believe that it is the duty of everyone who is a role player or a business stakeholder to know this so that informed decisions can be made to sustain businesses during these difficult times.

Secondly, as government, within the context of a developmental state, we understand that our major task is to create conducive conditions for the economy to thrive and to play our stewardship role in this regard.

However, it is business that bears the ultimate responsibility of, among other things, creating jobs while remaining competitive. The critical question that we think the business sector should respond to is, how is it going to contribute towards saving the current jobs, creating new ones while at the same time remaining globally competitive?

This is indeed is a difficult question but one that can only be answered by the business sector. It is a challenge that the business sector needs to internalise and understand it as its core key performance area going forward.

This then brings us to this evening's awards ceremony. We are aware that the organisers and the sponsors of these awards have their tried and tested criteria that they utilise to identify winners in different categories.

However, with the global changes forced on us by the recession, we feel it is high time that business also began to introspect on the relevance of the criteria around these awards.

It definitely can no longer be only about profit margins but it should also be about the contributions that the eventual winners would have made in growing the economy, investing back into their communities, promoting skills development and also responding to unforeseen challenges like the recession.

What the recession has taught us is that tough is the new normal. We must understand that nothing will come easy and that the material conditions will always change, demanding from us to adapt while remaining true to the objective of contributing meaningfully to our province's economic growth and development.

We must also record that we are indeed extremely pleased by the cooperation that we have received from the province's business sector in dealing with the effects of the recession while building an economy that creates opportunities for all.

We hope that these awards will indeed make enthusiastic all businesses to double their efforts in pursuit of our common objectives.

#### Role of the KwaZulu-Natal Top Business Portfolio

In keeping with the aim of investment promotion, the major goal of the KwaZulu-Natal Top Business Portfolio is to highlight the many success stories that are evident in the organisations and businesses operating in the province. To build an economy creates opportunities for all.

Well done to the team of the Top Business Portfolio in compiling this 12 edition of the KwaZulu-Natal Top Business Portfolio. Congratulations to all those businesses that are featured in the portfolio. Congratulations to all those businesses that are featured in the portfolio, they are moving and we hope that they continue to succeed in KwaZulu-Natal and beyond.

#### Award winners

Congratulations especially to the FNB KwaZulu-Natal Top Business Award finalists and winners who will be announced later this evening. The awards assist the Top Business Portfolio in showcasing the province as having a vibrant, dynamic and robust economy, as well as brand the name KwaZulu-Natal as synonymous with success.

To succeed you need to find something to hold on to, something to motivate you, something to inspire you. We hope these awards will be a source of motivation and strength to reach for new heights and carry the flag of our province and our country high.

May the desire for a prosperous life for all who live in this beautiful province inspire you to be a catalyst for economic growth in the region.

Issued by: Department of Economic Development and Tourism, KwaZulu-Natal Provincial Government

12 May 2010

Source: Department of Economic Development and Tourism, KwaZulu-Natal Provincial Government (<http://www.kznded.gov.za/>)