



LIMPOPO

PROVINCIAL GOVERNMENT
REPUBLIC OF SOUTH AFRICA

**DEPARTMENT OF
ECONOMIC DEVELOPMENT, ENVIRONMENT & TOURISM**

NCOP MINISTERIAL BRIEFING ON EMPLOYMENT & LABOUR:

**PROGRESS MADE ON MEASURES TO MITIGATE THE IMPACT OF COVID-19
ON EMPLOYMENT & LABOUR**

13 October 2020

DEPARTMENT OF EMPLOYMENT & LABOUR

Honourable Chairperson

Honourable members of the National Council of Provinces

Honourable Minister Thulas Nxesi

My fellow MECs

Invited participants

Ladies & Gentlemen

Good morning,

It is a great honour to be afforded this opportunity to provide progress to the NCOP on how Limpopo is implementing programs that seek to ensure the recovery of the provincial economy.

We are meeting here today at a time when our lives have been disrupted by the novel Coronavirus. Many people have succumbed to the virus, but we are happy that 90% of those who were infected have recovered. The livelihoods of our people have been put under tremendous strain.

A number of businesses have abruptly ceased to exist, thousands of people have lost their income and many are not certain of their future. Society is living in anxiety and fear, every day of their lives. We are further wary of an impending second wave of the virus, which we must all prepare adequately for.

Since the President, Mr Cyril Ramaphosa, declared a State of Disaster in March 2020, both national and provincial government have come up with relief programs to mitigate the devastating effects of the pandemic.

In order to save lives, the province has developed and implemented a sector risk mitigation strategy across the main sectors of the Limpopo economy that guided the resumption of economic activities.

From the onset of the COVID-19 pandemic, our journey has been defined by two main approaches: (i) saving lives and (ii) protecting livelihoods and jobs.

In Limpopo, SMMEs were encouraged to take advantage of national relief programs. Most enterprises applied for the COVID-19 SMME Relief Fund as provided for by different departments.

931 Applications were approved for the SMME Relief Fund managed by the Department of Small Business Development (DSBD), with 998 jobs being sustained and a total disbursement value in the province of R3 258 500 (DSBD Report, 10 July 2020).

647 Spaza Shops and General Dealers each received R3 500, which amounted to R1 540 000 as part of the Department of Small Business Development Relief Fund.

294 Tourist Guides received R4 500 each as a relief measure from the National Tourism Relief Fund.

2 445 Applications were approved for the Agricultural Disaster Support Fund for Smallholders and Communal Farmers, with R101 million being disbursed.

It can be confirmed that 597 beneficiaries received food parcels from the National Waste Pickers Relief Program to the value of R200 each, and a further submission has been made where provincial waste pickers will qualify for stipends as the second phase of this program progresses.

To protect livelihoods and jobs, the province has developed the Limpopo Socio-Economic Recovery Plan. This recovery plan has been widely consulted with all industries and business formations in the province, as well as organized labour.

The industrialization of the province and support to SMMEs and co-operatives are at the centre of the Limpopo Socio-Economic Recovery Plan.

The Limpopo Socio-Economic Recovery Plan has long-term and short-term intervention mechanisms.

The provincial government has set aside R3, 5 billion to mitigate against the impact of COVID-19 on the economy and the population. The larger proportion of the provincial government funding is allocated to the social cluster, which is health, education and social development and R500 million has been set aside to support economic recovery in the short-term. The funding will be disbursed as follows:

- **Agriculture:** Production inputs for farmers - R 57 500 million
- **SMME and Cooperative Support:** Limpopo SMME and Cooperative Support with the National Empowerment Fund (NEF) - R 10 million
- **Waste Management:** Limpopo Waste Management Relief Package - R 7 800 million
- **Industrialization:** Special Economic Zone - R 4 700 million
- **Enterprise Development:** Limpopo SMME Loan Book relief package - R 10 000 million
- **Tourism:** Limpopo Tourism Relief Package - R 10 000 million
- **Road Infrastructure:** Committed Roads Projects - R 400 000 million
- **TOTAL = R 500 million**

Ladies & Gentlemen,

The provincial relief funds are currently being rolled-out. 449 applications are being adjudicated for tourism and waste management enterprises.

The disbursement of funds for SMMEs and co-operatives will begin in earnest in December 2020.

Ladies & Gentlemen,

In the medium to long-term, the focus of the recovery plan is in the industrialization of the province through mega projects in the manufacturing, tourism and agriculture sectors, with a stronger focus on 4IR support programmes.

The province is forging ahead with the implementation of the Musina-Makhado Special Economic Zone. The SEZ metallurgical complex has a committed investment of R150 billion and is projected to create over 21 000 jobs.

In addition, the process of finalizing the Environmental Impact Assessment (EIA) is due to be submitted for a decision at the end of October 2020.

The Fetakgomo-Tubatse Special Economic Zone is the second proposed SEZ for the province and is aimed at beneficiating platinum group metals. This SEZ has a pipeline of projects to the tune of R25 billion and is projected to create 8 000 jobs.

We are in advanced engagements with Glencore to partner in the Mining Input Supplier Park as part of rolling-out industrial parks in partnership with the Department of Trade, Industry & Competition (DTIC) in Sekhukhune.

In partnership with the DTIC, the province is also revitalizing industrial parks in Seshego, Nkowankowa and Thohoyandou. Plans are at an advanced stage to establish Digital Industrial Hubs in these industrial parks. This will attract around R75 million worth of investments and will create around 2 600 jobs.

In addition, the province is establishing the Limpopo Skills Academy, which will be the centre for artisanal, vocational and entrepreneurial skills. We are embarking on the process of accrediting training centres in Seshego, Lwamondo, Nkowankowa and Giyani. R19 million has been spent to procure learning material and to facilitate accreditation of the training centres. 24 Facilitators have been recruited to facilitate the establishment of the skills academy.

Honourable Members,

A feasibility study for the establishment of a Science & Technology Park in Polokwane has been completed, with a projected investment of R4.7 billion and which is projected to create 9 000 jobs.

Lease agreements have been signed, the master plan for the Science Park has been completed and a Record of Decision (ROD) for the EIA issued. We are currently mobilizing funds through a PPP model to implement the project.

Honourable Members,

COVID-19 has made the 4IR imperatives urgent in the province. In this regard, rolling out of the broadband network is on course. A Data Centre has been established, 50 sites have been connected and 95km of fibre rolled out in eight municipalities. The province is designing a commercial model to ensure sustainable continuation of the project.

Honourable Chairperson,

Together with the provincial Department of Agriculture, we are currently revitalizing several broiler production projects as a feeder to the Lebowakgomo Chicken Abattoir, with a total investment of R50 million. This will create 500 direct jobs within the value chain when in full operation in October 2021.

The province is implementing the Makgoba Avocado Orchard project valued at R350 million and which is projected to create 1 000 jobs. This project is envisaged to start in February 2021.

In addition, the Tala Foods Potato Processing Plant, which is a project valued at R98 million and with the potential to create 1 000 jobs, will enhance employment in the agricultural sector and is envisaged to start in September 2021.

As Limpopo, we have to retain the top spot in domestic tourism. To this end, tourism associations have been mobilized to initiate and use new marketing initiatives to re-ignite travel and accommodation in compliance with COVID-19 protocols.

As I conclude, I must tell you about our future flagship project where we seek national support towards the establishment and construction of a high-speed rail from Johannesburg to Beitbridge, through a PPP model.

Our roads are under huge strain given our geo-strategic location, wherein we are connecting the Republic to the rest of the continent. Therefore, the high-speed train will reduce congestion on the roads and connect the people of the SADC region, thus creating economic spinoffs.

Honourable Chairperson,

The total investment and interventions by the Limpopo Socio-Economic Recovery Plan is projected at around R170 billion, projecting to create over 48 000 jobs in the next 5 to 10 years.

George Washington Carver said, and I quote: *“When you do the common things in life in an uncommon way, you will command the attention of the world.”*

Ha Khensile / Ro Livhuwa / Re a leboga