

**ADDRESS TO THE NATIONAL COUNCIL OF PROVINCES BY  
THE MEC FOR FINANCE, ECONOMIC DEVELOPMENT AND  
TOURISM, MR PS NGOMANE, MPL, DURING THE MINISTERIAL  
BRIEFING ON EMPLOYMENT AND LABOUR IN RESPECT OF  
PROVINCIAL PLANS TO MITIGATE THE IMPACT OF THE  
COVID-19 PANDEMIC ON PROVINCIAL ECONOMIES HELD VIA  
VIDEO COMMUNICATION**

***Tuesday, 13 October 2020***

Chairperson of the National Council of Provinces (NCOP),  
Honourable Member Amos Masondo;

Deputy Chairperson of the NCOP, Honourable Member Sylvia  
Lucas;

House Chairperson of Committees and Oversight, Honourable  
Member Nyambi;

Minister of Employment and Labour, Honourable Member  
Thulasizwe Nxesi;

NCOP Members and Special Delegates;

Fellow MECs for Economic Development from all our Provinces;

Representative of SALGA;

Members of the Media;

Ladies and Gentlemen

Greetings from South Africa's powerhouse – ***Mpumalanga – the  
Place of the Rising Sun!***

1. House Chairperson; let me start-off by **extending our appreciation**, for having invited our Province, which is represented by our Department of Economic Development and Tourism, to address this august House of our Parliament.
2. Indeed, we all agree that the COVID-19 pandemic has, and continues to have a **devastating impact on our economy, including on our job creation efforts**.
3. The 2020 second quarter GDP (Gross Domestic Product) figures released by Statistics South Africa recently, has indicated that **our country recorded a contraction of 51%** in that quarter, if measured quarter-on-quarter, seasonally adjusted and annualised.
4. This means a **negative growth of 16.4% was recorded for the second quarter**, if not annualised. The **most affected industries were construction, manufacturing, mining, transport as well as trade, catering and accommodation**.
5. Fortunately, **agriculture did very well** under these difficult circumstances, with a positive growth rate in the same period.
6. The latest available information indicates that **Mpumalanga will also record a negative growth rate of around minus 7%** this year, which is slightly lower than the national average.

7. The most affected provincial economic sectors and industries are: **construction, trade (including tourism), manufacturing, as well as transport and communication.**
8. **Agriculture will be the least affected industry**, due to the demand for agricultural products, and because Mpumalanga is an important contributor to the food basket of South Africa.
9. We remain highly concerned that our Provincial tourism industry – which is an important economic contributor and job driver in our Province – has **permanently laid off quite a large number of people from their jobs**, with Ehlanzeni being the most affected District.
10. Overall, the anticipated total **Provincial job losses will be between 110 000 and 150 000 this year**, and many of these losses will be especially in construction and in trade and tourism.
11. Job losses in the SMMEs sector, including the informal sector, remain our big concern; given that **more than 40% of the recorded job losses in Mpumalanga during Quarter 2 of this year, were experienced in the informal sector.**

12. To this end, the results of the Second Quarter of 2020 Quarterly Labour Force Survey, released by Statistics South Africa recently, indicated **job loses of almost 134 000** under hard lockdown Alert levels 4 and 5, in our Province.
13. As such, the **Provincial unemployment rate**, as per the expanded definition, has **increased to 45%**, during the same period. This has subsequently negatively impacted our **employment and labour figures, as many people have now lost their jobs.**
14. These job losses will also **impact negatively on consumer spending, and eventually on poverty and inequality** in our Province. The **Provincial poverty level is, thus, anticipated to reach more than 50%**, in terms of the lower bound poverty line.
15. House Chairperson; as the Province of Mpumalanga, we could thus not fold our arms; hence we had to **come up with mitigation plans**, in our quest to turn things around.
16. In order to **improve inclusive economic growth and create more job opportunities** for the people of our Province, we are now prioritising the following focal areas:

- We will **increase the industrial base** of the Province, through value-addition and value-chain development; beneficiation and agro-processing;
  - We will **strengthen support to women and youth-owned small businesses and cooperatives**;
  - We will **build an inclusive rural and township economy**; and
  - We will **mobilise development funding**, amongst others.
17. Accordingly, **agriculture (including forestry); manufacturing; mining; tourism; as well as new economies** will remain our key focus economic sectors and industries, for rapid economic growth and job creation.
18. We, therefore, commit to industrialise the Provincial economy, by concentrating on these key economic sectors, when we **implement the Mpumalanga Industrial Development Plan**.
19. As we work hard to revive our Province's economy, we will **propel the roll-out and establishment of massive infrastructure projects** in the form of Industrial Technology Parks; the Nkomazi SEZ; and the Provincial Green Economy Entity, amongst others.

20. Through **Industrial Technology Parks such as Highveld Steel in the Nkangala District, the Petro-Chemical Park in Secunda, and the anticipated Forestry Park in Sabie**, we aim to increase the Province's industrial base and increase job opportunities.
21. Through the Nkomazi SEZ and the Mpumalanga International Fresh Produce Market, we **aim to grow the agricultural sector for export purposes**. These massive economic infrastructure projects will surely propel our economy, and further create many job opportunities for our people.
22. Through **Future Production Technologies**, we **aim to skill young people in new technologies**, for the purpose of benefitting from the 4th Industrial Revolution (4IR).
23. Through **new economies, such as the Green Economy**, we aim to mitigate climate change and to even create green job opportunities, to augment the jobs destroyed by the ravaging COVID-19 pandemic.
24. As we acknowledge the significant role being played by both the formal and informal economic sectors, we commit to continue **to support and provide relief funding to small businesses and cooperatives** affected by the COVID-19-induced lockdown.

25. Furthermore, our Province's Executive Council has **adopted the broad Provincial Economy Recovery and Growth Plan** in July of this year.
26. We are currently consulting, and having meaningful engagements with relevant stakeholders, on a sectoral basis, in order to come up with an inclusive Recovery and Growth Plan, post COVID-19.
27. Working with the private sector, we have also **developed the Provincial Tourism Recovery Plan**, which seeks to revive our tourism sector, which was brought to a standstill during lockdown Alert levels 5 to 2. The Plan was subsequently approved by our Provincial Executive Council.
28. Tourism is one sector which has always been resilient, in the midst of various economic storms, but was unfortunately not spared this time around.
29. House Chairperson; these are some of our interventions aimed at mitigating the impact of COVID-19 on our Provincial economy, and on our job creation efforts.
30. As a Province, we **strongly believe in partnerships**; hence we will continue to engage and urge our social and private sector partners to join hands with us.

31. Once more, thank you very much for affording us this opportunity, to interact with the Honourable Members of the NCOP, and the Minister of Employment and Labour, in our **collective quest to pave the way for improved economic growth**, post COVID-19.
  
32. In Mpumalanga, ***When the Sun Rises, We Work Hard*** to revive our Economy.
  
33. ***Let's grow the economy of Mpumalanga together!***

**I thank you!**