

**REMARKS BY THE KWAZULU-NATAL MEC FOR ECONOMIC DEVELOPMENT,
TOURISM AND ENVIRONMENTAL AFFAIRS, MR RAVI PILLAY, ON THE OCCASION
OF THE MINISTERIAL BRIEFING ON THE JULY PUBLIC VIOLENCE HELD AS PART
OF THE NCOP SITTING ON 23 NOVEMBER 2021**

Chairperson of the NCOP, Honourable NA Masondo

Honourable Members of the NCOP

In the first week of July this year KwaZulu-Natal and Gauteng experienced unprecedented civil unrest characterised by looting of businesses, mainly retail shops, and the destruction of property which was also mainly business property.

While the two provinces were affected, it was KZN that suffered the most damage. A database of affected businesses which we compiled has more than 4000 businesses in it. Available data also shows that 70% of the damage caused during the unrest was in KwaZulu-Natal. As expected, the unrest had a severe impact on the economy of the province which was already reeling from the negative impact of the Covid-19 pandemic and years of stagnant growth.

While we are cognisant that this session focuses on the economic impact it must be mentioned that the impact of the unrest extended beyond the economy. As members are aware of the evidence coming out of the SAHRC hearings, the unrest also sowed divisions in some of our communities.

It also had an impact on the environment. As a province we are currently dealing with what we believe to be the worst environmental disaster in our history. One of the buildings that were torched during the unrest was a warehouse storing more than 1600 different chemicals used to make agro-chemicals such as pesticides.

During the fire a deadly cocktail of those chemicals were released into the environment. This led to an entire ecosystem, which includes the oHlanga tributary, the uMhlanga estuary, the beaches and the coastal environment being seriously impacted. This

environmental disaster further impacted on the economy of the province as some of the beaches had to be closed for three months as a precautionary measure.

The province is grateful that the national government immediately instituted a number of relief measures and instruments which mainly targeted the affected businesses.

EDTEA has worked closely with the Department of Trade, Industry and Competition and with the Department of Small Business Development and their respective entities in administering the relief measures across the province. We are pleased to note that a total of 118 applications with a value of R1.860 billion have been approved for assistance through the DTIC/IDC and National Empowerment Fund relief measures.

The approvals were as follows:

National Empowerment Fund and IDC Critical Infrastructure Reconstruction Programme

Geographical Area	Total of applications approved	Value (R) of applications approved
eThekwini	39	R444,233,503
uMgungundlovu	3	R6,563,993
King Cetshwayo	3	R26,741,606
Ugu	4	R88,059,481
Amajuba	6	R36,412,949
uMzinyathi	1	R10,490,963
uThukela	0	R0
Harry Gwala	2	R27,233,263
uMkhanyakude	1	R3,000,000
Zululand	3	R3,924,030
iLembe	1	R12,679,371
KwaZulu-Natal	118	R1,856,107,906

Meanwhile the DSBD relief measures received 215 applications from KwaZulu-Natal and this translated to the value of R257.1 million. A total of 75 applications with a value of R78.8 million were approved while another 129 applications valued at R117.4 million were still being processed.

DSBD Portfolio Status of Recovery Fund in KwaZulu-Natal

Geographical Location	Applications Received		Applications Approved		Applications in Progress	
	Number	Value	Number	Value		
Region						
eThekweni Metro	75	R102 492 535,01	35	R39 916 865,09	32	20 238 422,92
Zululand	3	R1 492 054,35	1	R783 383,00	2	708 671,35
uThukela	4	R2 702 798,56	1	R1 279 956,00	3	1 422 842,56
uMgungundlovu	27	R34 815 525,13	7	R7 080 838,00	20	27 734 687,13
uMkhanyakude	5	R3 867 252,00	2	R2 278 252,00	3	1 589 000,00
uGu District	22	R14 429 596,44	6	R4 674 442,25	16	9 755 154,19
King Cetshwayo	49	R50 425 275,57	11	R8 061 505,00	37	33 803 218,57
iLembe	13	R29 635 078,18	6	R8 075 667,00	5	11 592 360,60
Harry Gwala	6	R6 341 213,80	3	R3 689 890,00	3	2 651 323,80
Amajuba	5	R4 419 687,00	2	R2 240 642,00	3	2 179 045,00
uMzinyathi	5	R6 463 038,00	1	R741 290,00	4	5 721 748,00
TOTAL	215	R257 084 054,04	75	R78 822 730,34	129	117 396 474,12

Whilst EDTEA did not set aside a budget to assist affected businesses in the province, the Department was at the centre of coordinating the National Relief Measures. Against this backdrop, KZN EDTEA has put tremendous effort in coordinating these national relief measures working with the DTIC, DSBD and all the DFIs such as SEFA, SEDA UIF, IDC, NEF and the Solidarity Fund to ensure wider coverage whilst dealing with potential double dipping.

The following are some of the measures undertaken by EDTEA entities:

- **ITHALA Development Finance Corporation (IDFC)**- Whilst IDFC did not make any financial disbursements in the form of loans or any other cash compensation to businesses that were specifically affected by the unrest, its support to affected businesses was in the form of payment holidays and reversal/suspension rental

charges. IDFC is engaging with IDC, DTIC, NEF and Solidarity Fund for entering into MOUs for co-funding programmes. Against this backdrop, the Ithala Development Finance Corporation (IDFC) provided rent holidays and reversals to 164 Social Unrest affected tenants to the value of R7 639 099. The client beneficiaries were from the following districts of the province. In terms of Business Finance, IDFC provided instalment relief to four (4) affected clients on their Business Finance loans to the value of R558 462 and these beneficiaries were from the following districts.

- **Dube Trade Port** - There were no businesses based at Dube Trade Port SEZ that were damaged or destroyed during the July unrest, and hence there have been no compensation claims. However, companies did experience supply chain and production disruptions and losses due to impact on the wider economy. Dube Trade Port did also assist NGO's with air cargo fee waivers and free storage for food and emergency supplies in the weeks following the unrest.
- **Trade and Investment KwaZulu-Natal (TIKZN)** partnered with the IDC to disburse R30 million funding towards social unrest affected businesses and informal traders. The fund application window opened on the 6th of October 2021 and closed on the 1st of November 2021 and evaluation of applications is in progress. The following is a brief summary of the application process:

To ensure that the relief programmes had a wider reach and to raise awareness in communities about all these measures, EDTEA facilitated roadshows across the province.

These roadshows served as a platform at which national DFIs provided information on available relief measures. These were held in affected areas across the province including KwaMashu in eThekweni, and the Msunduzi Municipality.

The Department has also worked with the municipalities to facilitate the registration of informal traders. A total 5 648 traders were assisted from districts such as Amajuba, uMkhanyakude, Harry Gwala, uGu, uThukela, iLembe, Zululand; uMzinyathi and King Cetshwayo.

I thank you.