

ADDRESS BY GAUTENG PREMIER NOMVULA MOKONYANE ON THE OCCASION OF THE NAFCOC 47TH ANNUAL CONFERENCE HELD AT GALLAGHER CONVENTION CENTRE, MIDRAND

17 NOVEMBER 2011

Programmer Director

Nafcoc president Lawrence Bhekinkosi Mavundla

Heads of all provinces and leaders of different sectors,

Good evening,

I understand some of my colleagues from the City of Johannesburg, Gauteng Provincial Government and the National Government have already made inputs. The inputs which I believe gave you a clear perspective on government's strategies and action plans on economic growth and development. It is therefore my intention not to bore you with the details lest you accuse us of overzealousness and overkill.

However, one of the main thrust of our growth and development strategy places emphasis on Green Economy and creation of Green Jobs in Gauteng.

Therefore, this conference could not have come at a better time than starting only 11 days before the world's leaders and policy makers meet in Durban to chat a new way forward on how to better preserve our planet. The COP17 conference should be viewed by Nafcoc and other organisations of your ilk with localised but creative eyes on how Small, Micro and Medium Enterprises can contribute towards a greener world while at the same time remaining commercially viable. Practical solutions on how we are supposed to better take care of our environment will come from the creative entrepreneurs who will look at the green economy as the sustainable way of keeping their businesses alive for generations to come.

Your organisation, as one that sought to bring together marginalised members of the formal economy during the dark days of apartheid is better placed to take advantage

of these new opportunities. As an organisation that has managed and survived to evolve and transform itself from an activist body that fought for the rights of small and medium businesses to be recognised and supported in the hardest days of our history, I believe that you are ready to take on the new challenges that are posed by the direction that the world is taking as a result of the effects of global warming.

Heading a geographically smallest but economically biggest province in the country, matters of global warming are paramount to the manner in which we are doing things from now and into the distant future. It is only through the participation of small enterprises that we will be able to achieve some of the targets we have set ourselves. While ours is to make sure that there is a conducive environment in which you can operate and your business to thrive, we are looking at you to come up with creative ideas and businesses that will take advantage of the ever-growing appetite for green solutions for the future.

Moreover, the world economic crisis is having adverse impact and poses serious challenges to business. So far our own economy has been cushioned but clearly not for long. We believe that we can continue to ride the wave if small and medium businesses are promoted and supported through investment and creative strategies.

As a provincial government that cares and supports innovative business ideas, we have continued to encourage and support businesses in our province to achieve some of their goals through deliberate policy decisions that included amongst others, a bias towards businesses owned by women, youth, people with disabilities and cooperatives. What we are saying to small businesses is that you need to come together more often than not and provide different goods and services to our government under one umbrella in order for you to maximise your chances of doing business with us. Cooperatives are encouraged in our procurement practice as they ensure that more business enterprise benefit.

The Gauteng Provincial Government has spent R3.5 billion on preferential procurement between April and October this year. The period in question represents half of the 2011/ 12 financial year and you can imagine what the figures will be for the second half of the current financial year. You will know that the pattern in government spending is that the second half, especially the last quarter of the

financial year, represents the high season for government spending, a trend that we need to change.

Of the R3.5 billion that we have already spent, R1.6 billion went to companies owned by previously disadvantaged individuals, which represents more than 46 percent of that total. Government has also spent more than R600 million on companies that are owned by women while youth-owned enterprises benefited to the tune of R200 million, representing a slice of just over five percent. Companies owned by people with disabilities are still not where we want them to be but I can confirm that we channelled more than R4 million in government spend over six months to such enterprises.

We have listened to some of the issues and suggestions raised by young individual members. One of the frequent questions we get is about how to access economic opportunities through doing business with government. We have since stepped up the manner in which we communicate with our communities and small businesses alike. As a first step, we took a decision to bring all agencies of the Gauteng Department of Economic Development under one roof. These include among others the Gauteng Enterprise Propeller, Gauteng Economic Development Agency, Gauteng Tourism Authority and Blue IQ. What this means is that the manner in which you communicate with these agencies has improved and will save you time in case you need to meet with more than one of them. All you have to do is walk into one building and see all of them without the hassle of driving from one point to the other. This is part of our drive to make it easy for entrepreneurs to do business in Gauteng.

The other initiative from our side is to take our economic opportunities information and guidance to you. We have been, and are continuing to conduct face to face interactions with small businesses in their own communities because we realise that for those who are not yet fully established, cost is a major deterrent. The Economic Opportunities Road shows are frequent information exhibitions in which I and the relevant MECs as well as agencies and other relevant national departments and agencies set up meetings in local communities to talk to business people on how they can access opportunities within government procurement. And this is not only done for established businesses but also to inspire and assist aspirant entrepreneurs

on the practical steps that they need to take to turn their dreams into reality by firstly registering their businesses and then registering their entities on our database of service providers. Look out for our next Economic Opportunities Road shows before the end of the year. We will be in Randfontein on Tuesday and in Mamelodi on Friday.

We have repeatedly said that one of the most effective ways of creating jobs that we desperately need is for small businesses to flourish so they can absorb job seekers. So, working together with you as a champion of small and medium business interests and advocacy, I am sure that we can do more.

Dankie.Nginyabonga.