
MPUMALANGA ECONOMIC GROWTH & DEVELOPMENT PATH

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Background

- Exco lekgotla on 17-19 August instructed DEDET & Finance to coordinate provincial Growth path
- DEDET to lead the process
- Holding a retreat as a springboard for the Growth path
- The growth path will comprise:
 - An economic development strategy
 - An employment growth strategy
 - A Provincial Spatial Development Strategy
 - A schedule of prioritised programmes and projects
 - A comprehensive implementation plan
 - An Environmental Assessment & Sustainability Appraisal



Background cont.....

- The MEGDP is building on work done previously
- Emphasis is on doing things differently to achieve results



Situational Analysis

- Growth from 1996-2009 was SA 3.2% MP and 2.5%MP
- SA and MP economy expected to grow 3.1 % in 2010
- Unemployment 28.1% in second quarter of 2010
- Expanded definition 42.3% vs SA 35.9%
- Inequality (Gini coefficient) SA 0.65 vs Mp 0.65
- Poverty 47.8% vs SA 42.1 %

Most pressing challenges we face are, **poverty** ,**inequality** and **unemployment**



Problem statement

- Slow rate of growth
- Growth that do not translate to improve socio-economic conditions
- Limited investments on new industries including ICT infrastructure in the province
- A lack of critical skills required by economy
- Research and development
- Minimal work done to support SMMEs and Coops
- No integration of initiatives
- Cost of doing business high with little incentives
- beneficiation



Objectives of the MEGDP

- To redress the injustices created by apartheid which marginalized non whites from economic mainstream
- To grow the Economy of the Province
- To bridge the gap that creates economic dualism
- To balance growth and development
- To improve socio economic conditions of people of Mpumalanga
- To accelerate the shift from mineral based to knowledge economy



Pillars of the MEGDP

- The Mpumalanga Economic Growth and Development Programme is centred around the following Pillars:
- Job creation
- Inclusive and shared growth of a diversified economy
- Spatial distribution
- Integration of regional economies
- Sustainable human development
- Environmental sustainability



Pillars of the MEGDP

Guiding principles for development

Infrastructure & Service Delivery

Decent Jobs

Climate Change & the Green Economy

Agriculture/ Agro Processing

Natural Resources & Diversification

Minerals & Beneficiation

Manufacturing

Value Addition

Knowledge Based Sectors

Tourism & Business Services

Rural Development

The Social Economy

Multi Sectoral Integration

Regional Economies

Technology & Innovation

Partnerships:
PPP & BBEE

Cluster Development

Skills Development

SMMEs & Cooperatives



Legislative Framework



APPROACH

- A Task Team with representatives from the ff departments:
- Office of the Premier
- DEDET
- Department of Finance (DoF)
- Department of Cooperative Governance & Traditional Affairs (COGTA)
- Department of Agriculture, Rural Development & Land Administration (DARDLA)
- Department of Public Works, Roads & Transport (DPWR&T)
- Department of Education (DoE)
- Department of Human Settlement (DoH)



APPROACH Cont.....

- Review of existing work(strategies, policy documents etc)
- Acquire services of a specialist (strategy specialist) to pull existing work together
- Undertake consultations to solicit multi-stakeholder inputs



AREAS OF FOCUS FOR MP

- **Restructure the economy** of the province
- Ensure **political stability** and a strong state
- Carefully select **investment options** as sectors have investment requirements
- Emphasize **skills development** and training (match skills with economy requirements)
- Invest in **infrastructure programmes** (rural infrastructure is very key) and develop supplier industries for infrastructure programs i.e. bolts etc
- Position the Province for future infrastructure programs
- Invest in Research and Development
- Emphasize on **rural development** - especially building on the work done in the province on the comprehensive rural development programme



AREAS OF FOCUS FOR MP GROWTH PATH

- Invest in high speed broadband and technological innovation (invest in BPO &-call centers which are-labour intensive)
- Reduce the cost of doing business in the province(municipalities to play a key role in reducing electricity tariffs, charges etc)
- Invest in youth programmes to deal with high unemployment among the youth
- Invest in high growth and labour intensive industries
- Support SMME's and Cooperatives in selected and prioritized sectors
- Emphasize **beneficiation in the mining value chain** and in chemicals (these are critical for our export markets).



ASSESSING PROJECTS ACCORDING TO GROWTH PATH PILLARS

- Important to prioritize
- A holistic approach that fit the pillars of growth path
- Prioritizing to be informed by tool used which is informed by performance of sectors and subsectors



THANK YOU

