

## Welcome Address by Mayor Zandile Gumede, at KZN Growth Coalition Breakfast

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Programme Director,

Premier of KZN – Mr Willies Mchunu

Leader of Government Business – MEC Sihle Zikalala

MECs and Mayors present,

KZN Growth – Moses Tembe,

City Manager and Government officials,

Captains of the industries,

Ladies and Gentlemen,

Sanibonani ,

Speaking in London at the SACP celebration of 1981, President OR Tambo said, “**Our drive towards national emancipation must include economic emancipation.**” Our commitment to economic freedom has caused us to be here in order to continue where our fore-bearers left off.

Thank you for inviting us to grace this occasion, I have been given few minutes to welcome you into this occasion. It is always good to interact with business community amid of everything that is happening in the country. We as this leadership remain optimistic and much confident that we will emerge victorious.

In fact the current challenges can be viewed as opportunities. The biggest mistake investors make is to react to short-term speculation and hype, and to try to time the market.

One Investment analyst said that – “An investor who can stay the course and accept that losses are a part of the journey, will go a long way to eliminating the investor return gap compared to the average fund.”

Programme Director,

This morning session serves as a platform for robust engagement between government and the business community on issues relating to fostering economic growth in the city and the province. What is also important is that this breakfast takes place in women’s month and I will

soon be completing one year in office. I made a number of commitments during my inauguration and I want to reiterate my commitment in working with business and people in the city.

When I came into office I committed:

1. To build on the foundation that has been laid by previous leadership but do it with speed
2. I said my main focus was continue to improve people's lives through accelerating service delivery, economic growth, job creation, social and rural development
3. I have undertaken to work with business, labour and civil society in achieving this.

I want to use this morning to talk about our plans and what has been achieved and I will close by addressing the challenges of disruption of business and government and give solutions moving forward.

### **Durban Investment Promotion Strategy**

I'm pleased to advise that we have been working with National Treasury and the World Bank Heads of their Investment Promotion profession from last year.

This has been to develop an entirely new and improved **Durban Investment Promotion Strategy**, plus a new organisational structure. The work has been well researched and is based on global best practices which will benefit all in eThekweni. The plans were approved by our full Council on 1st August, and the refreshed Unit responsible for bringing in new Foreign Investment for eThekweni is now known as "**Invest Durban**".

This new Unit will have significantly increased resources, capacity and leadership support to attract, retain and grow investment in our core sectors. In partnership with our Business Support Unit, the "Invest Durban" Team will also ensure valuable linkages from the new Foreign Investments into our local SMME's, and Community Participation Groups. We are encouraging and working towards more of these new investments being located in, or very near to our large, vibrant Township areas.

## **Team Durban**

As I undertook last year, this improved delivery will be activated and supported via a closer partnership with yourselves as the Business Leaders in our City and Province. We have called for and received full approval to establish this Business Investment partnership forum, to be called "**Team Durban**". This Team will need to be led by senior, experienced Business Leaders and some of the existing large Foreign Investors in Durban. This Team will also be complemented by well-respected leaders drawn from Academia, Labour, and Civil Society. Team Durban will then advise and assist myself, the whole City Leadership, and our Invest Durban Unit to attract and secure more new investments. Team Durban will also advise us regarding the ongoing improvements needed in the whole investment environment. You will hear more at our Invest Durban Strategy Launch and Township Investment Showcase event planned for September.

## **Radical Economic Transformation**

In line with our vision of job creation and economic empowerment - the Council is ensuring that all service providers, contractors, suppliers up to the ward level are registered on its database and the bid specifications are done in line with the amended preferential procurement legislation emphasizing on contract participation goals and enterprise development.

The empowerment initiatives like the incubation programme for business entities trading within eThekweni Municipality areas have already started. Just to highlight the few targeted areas are supply of grocery for soup kitchens ; detergents manufacturing , supply of toilet papers ; office furniture ; uniform and protective wear ; construction material ; community based contracts ; removal of illegal signs and many others.

## **RASET**

As the City we are in a programme that seeks to develop and improve the agricultural -sector, to improve its current contribution to the city's GDP which is below 1% due to low productivity of local farmers and small scale famers alike. We are working with provincial and national government in the programme of RASET in order to radically transform the Food value chain by developing capacity into small scale black producers and provide access to markets as a stimulant to the sector.

In closing,

Let me touch on issues of disruption which affects us as government and business. We are concerned about business disruption and service delivery protest which have elements of criminality. We want police to act on those who are intimidating and call on business to report to us whenever there are disruption. We all agree that black people should be included in the mainstream however we believe this could be achieved peacefully. All parties must commit to work together.

In Durban, we have agreed on the formation of the federation which is known as Federation for Radical Economic Transformation. This is an umbrella body to all business forums from different communities and sectors of economy. Its main objective is to organize black and emerging businesses so that whenever they speak to the City and private sector they do so with one voice, lobby and advocate for inclusion of its constituency into the mainstream economy.

The City formulated the Radical Economic Transformation Project Steering Committee comprised of various Unit Heads led by the Acting Deputy City Manager: Economic Development and Planning – Mr Phillip Sithole, the main role is to oversee the implementation of the transformation programme and engage various stakeholders.

The private sector stakeholders who were also mainly affected by disruptions, engaged and agreed to come up with an MOU governing the joint development of economic transformation policy between us.

Ladies and gentlemen,

It is therefore my pleasure to welcome you all this morning with the good news I've just touched on, and we ask you to continue to believe in the promising future for Durban, which will always remain open for Business. Siyabonga kakhulu!!