

BUDGET 2014/2015

KZN CENTRAL TO SA'S FUTURE ECONOMIC GROWTH



MEC Michael Mabyakhrulu (standing) during a signing of a memorandum of understanding between the KZN Sharks Board, the South African Institute for Aquatic Biodiversity) and the South African Environmental Observation Network (SAEON). Seated, from left: Thomas Borrmann from SAEON, Mthokozisi Radebe – CEO of KZN Sharks Board – Maritime Centre of Excellence, and Dr Angus Paterson, MD at SAAAB.

MEC Michael Mabyakhrulu outlined a number of strategic interventions that would, he said, "clearly translate our radical economic transformation proposals into action".

Five distinct pillars had been identified: industrial economic hubs, the maritime sector, tourism, the airports and environmental management. These would help ensure the full participation of previously marginalised groups in the province's economic activities, resulting in high employment and income opportunities.

"At the epicentre of these pillars are the critical success factors to ensure small businesses are fully supported, that there is an advancement in information technology, research, innovation and sustainable development."

Industrial Economic Hubs

These would improve growth of locally manufactured products and exports and also decentralise economic development opportunities. The added advantage was that they would position district economies as key spatial development areas to help elevate the provincial economy to a leadership position in the country. Analysis had showed that seven out of 11 hubs were feasible in their current forms while four required fine-tuning.

"During this term and while working on the non-feasible hubs, we will prioritise investment attraction and infrastructural development for the workable hubs, which would include land acquisition, water and electricity supply, tenant acquisition, securing raw materials and markets as well as the development of information and communication technologies."

Both public and private participants would form part of the rollout and development in the following areas:

- In the uMgungundlovu district, a leather processing hub would be established;
- In uGul, a perishable goods processing hub would be set up;

□ In uThukela, an electronics hub would focus on the manufacturing and testing of electronic components and gadgets;

□ In Amajuba, there would be a clothing and textile hub;

□ In Zululand, an agro-processing hub would focus on vegetable processing;

□ In eThekweni, an auto supply park would focus on component manufacturing and car assembly; and in the iLembe district, a renewable energy manufacturing hub would focus on components manufacturing.

The MEC promised that between now and October, there would be a huge drive to communicate the hubs to all stakeholders, while opportunities for small entrepreneurs would be identified, including the provision of mentorship and incubation services.

Maritime

"This is one of the sleeping economic giants in terms of its potential impact to the provincial economy," said the MEC. "The World Trade Organisation estimates that 90% of global trade takes place through the international shipping industry. Locally, Transnet Port Authority says almost 80% of our trade with the rest of the world is facilitated through the ports. Durban and Richards Bay handle 60% of the country's cargo tonnage. The maritime sector has to be developed and supported."

A priority was to beef up the operational efficiency of the sector, through robust legislation and by creating synergies between Durban's port and King Shaka International Airport.

"There is also an opportunity to include the provision of oil and gas related infrastructure within Richards Bay. We will tackle issues of succession planning for divers and scientists (of advanced age) through the training of new scientists and divers."

Mabyakhrulu said the province needed a dedicated maritime development agency. The Sharks



Boards' role should be scaled up to cover the rest of the coastal line even beyond KZN, and the maritime concept "should be demystified to maximise key stakeholder participation". Implementation plans for the sector would be finalised this year.

Airports

This is an integrated urban development anchored by an airport – and in KwaZulu-Natal, King Shaka International Airport and the Dube TradePort would be used as such. By end-October, a final airports master plan would identify priority projects and consolidated land use for industrial, agricultural, conservation, recreational, hotel and accommodation requirements. Ongoing airline engagement for direct landing at the airport and dedicated freighters to improve airline connectivity would be prioritised.

"Although this is not a short term plan, the bulk of the foundation work for the KZN airports will take place during this term. Our aim is to attract global companies operating in this sector," said the MEC.

Tourism

As this is a vital economic contributor to the province's GDP (about 10% directly and indirectly), a master plan had been developed to guide the marketing, planning and development of the sector.

Certain strategic priorities would be fast-tracked, including the construction of the 106m King Shaka statue, the Drakensberg cable car, Bluff Bridge, and the development of Isaridwana and the Noroffi Resort.

The MEC said an opportunity had also been identified for the province to drive the implementation of the Fly-Cruise Tourism Plan.

"We will have to reach consensus on KZN's destination identity symbol and unlock development of our World Heritage sites. Provincial funding institutions like Ithala and the KZN Growth Fund will expand their funding packages to include the tourism sector."



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