

PROUDLY SOUTH AFRICAN CEO`S FORUM EVENT

KEY NOTE ADDRESS: MEC NEO MASITHELA

DATE: 19/08/2008

VENUE: PRESIDENT HOTEL

Ms Manana Moroka: CEO of Proudly South African

HOD

Present and future Proudly SA Members

Honoured Guests

Ladies and gentleman

Let us start first by thanking Ms Moroka and Proudly South African campaign for including the Free State in their outreach programme and the informative presentation she made here this morning. We have heard and read about this campaign and today we are engaging with it with a hope of elevating it to practical levels.

It is important however to acknowledge the significance of our gathering today. Indeed it is significant in many ways. Firstly it comes at a time when all hopes were dashed and all of us were resigning ourselves to the worst Olympic outing ever. Then came Khotso Mokoena who lifted our first medal yesterday. That is a proudly South African performance.

Secondly, we have just welcomed about 100 eminent Geologists from 19 countries across the world at the Vredefort Dome. They have descended on the Vredefort Dome to discuss the Large Meteorite Impacts around the world and they chose to come to South Africa, particularly in the Free State. This gesture in our view, could't be more Proudly South African. We further struck the commemorative Vredefort Dome R2 coins on Sunday to catapult Vredefort Dome to its World status. There could't be a more Proudly South African event than 'imprinting' in the minds of the international guests, the geological pride of the Free State, the Vredefort Dome.

Thirdly I think, this gathering is significant in the fact that it takes place during the Women's month. It is for this reason that we accepted the invitation to address the inaugural Proudly South African CEO Networking Session in the Free State and chose to speak to you about the Free State Socio –Economic Review which covers the period from 1996 to 2006. We did so because the review brought home an important realization that our challenge as the Free State Province remains creating opportunities for young and women. This was therefore the most appropriate time to preach the gospel of Proudly South African because we also believe that women are naturally most patriotic and therefore will make the best ambassadors of this campaign.

We thought it is important to raise awareness about this Review and find synergy between Proudly SA campaign and this Review. It is important to do so because the Review brings home "the reality that

after 14 (15) years of deliberate and focused redistributive public service delivery, the remnants of historic socio economic inequalities have not yet been reduced to acceptable levels”

We therefore have to confront these realities and turn the situation around so that the poor masses of this country can lift from their shoulders a heavy burden of poverty. The recent economic developments do not make things any better particularly to the poor. Like the rest of the Country the Free State has been under a lot of pressure with consecutive interest rate hikes by the SA reserve bank.

High interest rates mean different things to different people. Interest rate is simply the price of money. When interest rates are high it makes the cost of doing business much more expensive. South Africans have been feeling the pinch and it is apparent that higher interest rates hurt consumers and households too by reducing their disposable income. We need to acknowledge and appreciate the fact that last week Thursday the South African Reserve Bank’s Monetary Policy Committee decided to retain the repo rate, at which the Reserve Bank lends to commercial banks, unchanged at 12% as the inflation rate levels down. Another relief, albeit miniscule, was brought in by the reduction of the petrol price.

The spiraling food, electricity and other commodities price continue to worsen the load on poor people in this province. In the Foreword of this review, the MEC for Finance , Honorable Tate Makgoe writes, “ The interdependence between poverty reduction, social equity and economic growth and development over the medium to long term,

enjoins the Provincial Government to ensure that the mix of public goods and services on offer in the Province is informed by the reality of the current and expected provincial socio-economic situation”

Through this review, we are therefore in a better position to plan the offensive against underdevelopment, unemployment and poverty. It helps us prioritize more pressing socio-economic challenges whilst at the same time we keep other social inequalities under check at all times. It calls upon the Provincial Government to “promote and facilitate private sector involvement through direct investment in key industries and sectors”.

This, ladies and gentlemen, is the synergy or link between the Review and the Proudly South African campaign. This campaign like this Review challenges everyone of you to do something concrete to support job creation, and help build our young nation. We need to be proud and confident of services and products we offer to the world as to create a conducive environment for investment opportunities.

Free State province is situated at the centre of the country with access to high level standard of roads infrastructure. The roads facilitate and provide access to markets for all participants of the regional economy. Statics however do not backup this competitive advantage of this province. This Province’s contribution to GDP is 5.0% which is less than its contribution to the total population of 5.7%. During the period under review, the largest industries in the economy were finance, real estate and business service industry (15.3%), general

government service(13.9%), wholesale and retail trade (11.7%) manufacturing (11.1%) community, social and other personal services and mining quarrying (10.2%).

What is important and critical to business and the Proudly South African campaign is that the Free State economy has become less dependent on primary sector like agriculture and mining and has become more on manufacturing and exports. This, ladies and gentlemen resonates well with the objectives of the Free State Growth and Development Strategy.

Key economic growth strategic approaches are divided into economic drivers and enabling strategies. The key economic drivers are:

- Expanding the manufacturing sector in key sub-sectors
- Focusing on diversification in agricultural development
- Developing tourism
- Developing and expanding the transport and distribution industry

In order to enhance the above-mentioned drivers the following enabling strategies are followed:

- Emphasising SMME development
- Providing economic infrastructure
- Promoting human resource development
- Creating an enabling environment

With this mix, we are more than convinced that we can produce products and services of highest standard to make us all proud. We need not wait for other people to come and provide for us, but we have to be committed and dedicated to putting all hands on deck for Proudly South African products and service

For consumers, the Proudly South African logo is a sign for both quality and social responsibility. There are so many ways to contribute toward the economy of this country through Proudly South African. Many of us here are entrepreneurs who deal with different commodities of different origins. The real question that we need to ask is, do we insist on locally produced products or we are just conveyer belts only interested in a good balance sheet and nothing more. We have to make it a habit of purchasing products bearing the logo, so that we could make a vital personal contribution - not just to creating jobs in our own country, but also to quality improvement and a sense of pride in our new nation.

I wish to hasten to add that this campaign is not just for businesses and companies as it is the responsibility of all of us to change this country for better. Membership is open to a wide range of organizations who want to support South African companies and products. NGOs, sports organizations, education and health institutions, government departments at local, provincial and national level, publications, even individuals - can all join the campaign as members.

South Africa comes a long way and need to prove to itself and the world that it is capable by providing for its people. Proudly South African allows peer discussion that leads to information sharing and empowerment of those involved. Being a member of the family also brings important benefits that boost companies marketing efforts, promote their products and services in the market place, present new business opportunities, keep them in touch with other members and provide support with procurement and tendering. I would like to urge every organization, entrepreneurs and individuals to join in this campaign and make a difference to uplift their products and services.

Ladies and gentleman Free State province has produced many goods that are competing at national and international market, for an example Avis Car rental, SASOL, StakeCold in Parys who produces fridges and Snell Africa who produces Capital Equipment in Kroonstad and many more. Products like these make us, Free State people to be proud to be South Africans. Their global recognition also proves that we are there among the best and we can hold our own.

DTEEA has provided many SMME`s in the province with an opportunity to showcase their products by exhibiting at national stage in Africa, ASIA, European and Scandinavian countries, and some of them are still servicing contracts secured through this intervention. We can make mention of Khanya creations, a jewelry company that managed to sourced an order from a foreign company. Again In October 2008, businesses in the province will get another opportunity to exhibit during ASIA Expo exhibition and claim space and recognition

in the world stage. We have to take advantage of such initiatives because they give impetus to the Proudly South African Campaign.

Ladies and gentleman Tourism is one sectors in the lead within the province with opportunities that can make a difference, looking at the fact that it was previously not effectively realized and utilized to add value to the economy of the province especially by previously disadvantaged groups. Free State province has many tourism destinations that we are proud of as the province. It is also known for its rich historical places and many government owned reserves and resorts offering various interesting activities to entertain visitors at very reasonable prices. We need to be proud to be South Africans by exploring the South African products before we can offer them to the outside world.

Ladies and gentlemen we have to be vigilant towards harmful and unaccepted business practices. This country has been, in recent past, been subjected to “Unproudly South African” behavior of price collusion. It was price fixing in pharmaceuticals, dairy products, bread and recently steel products. This practice Ladies and Gentlemen do not make us proud and should be discouraged.

Programme director, we must be proud to be Africans in every aspect of our lives. By this we mean taking care and looking out for our fellow Africans. Xenophobia is not good for our country`s image and is not exportable. We need to discourage any activity that portrays us as intolerant towards others who are not the same as us. The

disintegration of our fellow Africans from the rest of the communities is costing government huge amount of money and not good for our economy.

I wish to conclude with a worrying factor revealed by this review. Statistics show that between 2002 and 2007 the rate of population growth has declined from 0.56% to 0.23%. The Province, the Review reveals, is experiencing a decline in younger generation whereas the proportion of elderly generation is increasing. All what this means Ladies and Gentlemen is that the Free State is losing relatively young and skilled professional with relatively high levels of income whilst on the other hand we are gaining relatively old, retired senior citizens possibly grant dependent. This is a worrying trend which needs the attention of all us so that we can be a **Nca Nation!!!**

THANK YOU