

SPEECH NOTES FOR KZN TRANSPORT, COMMUNITY SAFETY & LIAISON MEC WILLIES MCHUNU AT THE LAUNCH OF THE REPORT OF THE RESEARCH ON MAJOR SUPERMARKETS IN PIETERMARITZBURG ON TUESDAY 2ND OCTOBER 2010.

Programme Director;

Babu Bajoo, Chair, Board of Trustees, Msunduzi Innovation and Development Institute (MIDI);

Trustees of MIDI;

Thami Bolani, Chairman, National Consumer Forum (NCF);

Paul Crankshaw, NCF;

Mr Francois du Toit, Director of MIDI and his staff;

Honoured Guests;

Ladies and Gengtlemen;

A very good morning to you all.

I am honoured this morning to be a part of this important occasion and be afforded the opportunity to make a contribution to the ongoing search for answers on the role of supermarkets in local environmental and socio-economic sustainability, particularly in the province of KwaZulu-Natal.

To start with, I would like to take this opportunity to congratulate the National Consumer Forum (NFC), the Msunduzi Innovation and Development Institute (MIDI) as well as the University of KwaZulu-Natal, for the excellent input to our collective efforts as government and business, in seeking practical methods to have sustainable policies and practices of the major supermarkets in our country. We must also convey our special gratitude to the Swedish Society for Nature Conservation for funding the research we are launching today.

There is always a general view that if you involve academics in a project, the outcome will be purely theoretical, which hardly helps to empower the ordinary person on the street.

However, from what I have been made to understand about your study and the extent to which our supermarket industry is to benefit from the results thereof, I believe you deserve our full co-operation and support as government, business and society at large.

We are already aware that lack of information contributes to some of the problems that may be affecting the socio-economic and environmental impact of supermarkets on the communities in which they work. But I am happy that at least we have structures such as yours that recognize the significance of the retail sector, particularly supermarkets.

The quality of the contribution to the economy that is made by the supermarkets will depend on the quality and practicality of researched information, and its efficacy in guiding aspiring entrepreneurs as well as policy makers to advance their work. It is only then that we can see an effective involvement of the supermarkets in local economic development; the support of supermarkets for local small entrepreneurs and the pricing strategies of supermarkets.

It is true that for any country to catch-up with the fast-integrating global economy, it has to invest handsomely in research, which influences its strategic direction concerning industrial and technological innovations. Research is crucial in ensuring that government makes informed decisions. However, for research to be effective, it has to address the specific needs of a country and provide results orientated to development strategies.

To this end, part of our researched strategic direction has been the Small Medium and Macro Enterprise (SMME) sector which has been labelled as the hope of the country's economic survival. Remember, it is not only South Africa which looks to SMMEs as the bedrock for its economic future, but the developed nations are also treating it as an effective alternative to counter unemployment.

Ladies and gentlemen, as Government we note that most supermarkets have fallen short of their potential to boost local businesses through targeting local suppliers – especially in those companies where procurement is centralised at head office. Our smaller towns are often supplied with goods from outside the area, or even outside the province, when smaller suppliers could have been sourced locally.

Our vision as Government is to see the promotion of local agriculture and organic farming through more procurement from and support for small, local farmers. Supermarkets should be environmentally-friendly and commit themselves to long-term reduction of carbon emissions and energy consumption. They should be able to educate consumers about fair trade products and provide a greater choice of these ranges.

In promoting public-private partnerships, there should be an integrated rural development strategy or plan. There must be a strong and productive working relationship for rural development within rural communities, and between rural communities and various institutions operating at locality, sub-district, district, regional, national and international levels - in the private sector in the public sector, and in the "middle" sector.

Much effort should go in building relationships between and among communities - not just within them. Also, we need to create and sustain relationships between communities and diverse institutions which can give them access to new ideas, new technologies, financial resources, market opportunities etc.

In conclusion, I would like to appeal to you all gathered here to make KwaZulu-Natal our home, by demonstrating that we are all part of the solution to our challenges as a collective by making the findings from this research relevant to the challenge of making supermarkets grow and provide the much-needed wealth-generation and job-creation impetus in our society.

As government, business and society, we are in agreement that it is imperative that this kind of research should help us to facilitate the creation of a skills base in order to combat poverty which breeds crime and lawlessness.

Incidentally, I must pay tribute to the work of the National Consumer Forum as a self-sustaining, non-governmental organisation that educates consumers about their rights, lobbies on consumer issues and speaks out where it can on a range of challenges that consumers – especially the lower income earners – experience in their daily lives through relevant publications and interactive conferences.

As government, we support the United Nations Guidelines for Consumer Protection, in particular the right to basic needs as all consumers have the right to basic goods and services such as adequate food, drinking water, shelter, clothing, health care, electricity and education. These rights lay a foundation for a life of human dignity and therefore give meaning to citizens' rights to vote the political part of their choice.

With these few words, ladies and gentlemen, let us work together in making South Africa a great place to live in – a place where economic success impacts directly on the lives of the majority of the country's citizens. As KwaZulu-Natal, these research findings are challenging us to come together to materialise our hopes for a better future.

I thank you