

**SPEECH NOTES FOR KZN TRANSPORT, COMMUNITY SAFETY &
LIAISON MEC WILLIES MCHUNU AT THE ISOLEZWE – METROPOLITAN
FORUM IN PIETERMARITZBURG ON THURSDAY 21TH OCTOBER 2010.**

Programme Director Nongcebo McKenzie;
National Consumer Forum Chair Mr Thami Bolani;
Branch Manager Metropolitan Mr Sihle Mkhize;
Editor of Isolezwe Mr Thulani Mbatha;
Isolezwe Commercial Manager Mr Musa Shongwe;
Members of the media;
Distinguished Guests;
Ladies and Gentlemen.

I am honoured to be a part of this important forum and be afforded the opportunity to share some of my views with you on Small Medium and Micro Enterprises (SMMEs) in the province of KwaZulu-Natal. I also take this opportunity to congratulate Isolezwe-Metropolitan Forum for the excellent contribution to our collective efforts, as government and business, in seeking practical methods to stimulate growth, through SMMEs.

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 activities and the extent to which our budding enterprises have benefited from you, I believe you deserve our full co-operation and support.

We are already aware that lack of information contributes to some of the problems that may be affecting the growth of small businesses, but I am happy that at least we have forums such as this one recognising the significance of small businesses to our economy. The quality of the contribution to the economy by the SMME sector will depend on the quality and practicality of research information, and its efficiency in guiding aspiring entrepreneurs and policy makers.

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 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, on behalf of the Government and the people of KwaZulu-Natal, the Transport Department and I have the privilege of leading identified opportunities within the infrastructure in the province, and particularly the construction sector, for enterprise development and job creation in order to facilitate access to skills and capital for emerging enterprises.

The vision of the KZN Department of Transport is, “**Prosperity through Mobility**”. This means that all the activities of the department, and the manner in which the department delivers services to communities, are aimed at increasing the wealth and quality of life of all the citizens of our province. It means that they should be the source of empowerment and redistribution of wealth, from the better off, to the poorest of the poor.

Therefore, I would need more time tonight if I were to outline the whole KwaZulu-Natal Department of Transport’s history of progress in supporting disadvantaged population groups and communities in rural and semi-urban areas to grow and to prosper and to share in the miracle that is South Africa today.

But, the fact that so many small business enterprises have registered with our programmes is in itself indicative that people have been taking advantage of the policy frameworks, procurement frameworks and contract opportunities that we have put on offer since 1994.

One of the programmes the Department is very proud of is the Vukuzakhe Emerging Contractor Programme which has been specifically designed to provide access to road construction tender opportunities, provide training and mentorship support as well as to empower and transfer skills to historically disadvantaged communities. The programme therefore ensures that more blacks actively participate in the economy of the country by owning, managing and controlling sustainable road construction entities.

Emerging contractors are registered into the program from grade 1 to grade 3, and are upgraded until they graduate in grade 6. Currently, there are **31053** contractors registered on the Vukuzakhe Database, which consists of **29 480** Grade 1 and **833** Grade 2 to 6 contractors. Furthermore, there are **470** women contractors, **531** youth contractors and **3** contractors living with disability registered on the database.

Apart from the Vukuzakhe Database, all contractors must be registered with the Construction Industry Development Board (CIDB) in relevant grading designation. The training and mentorship support provided by the Department ensures that contractors meet their contractual and technical requirements of the projects, as this will ensure that they become successful and sustainable business entities.

During construction, we enhance skills transfer to SMMEs through the unbundling of construction activities. Contractors are encouraged to source their material from local suppliers and make use local human resources and skills that are available in the area.

We, as the Department of Transport in KZN have realized the freight transport as one of the most important economic activities in the province contributing to about 11% of the Gross Domestic Product (GDP), and a key element in the future development of the Province's agricultural and industrial potential.

Due to large companies dominating the freight transport industry and making it difficult for emerging operators to progress, the KZN Department of Transport has instituted programmes for the training of small transport operators.

We have also identified working opportunities within the road freight industry for SMME operators. Our Regional Offices often procure supplies as part of their operational activities which require these goods to be delivered to depots or sites. This situation provides the opportunity for this transportation to be outsourced to small transport operators who are listed on the department's Small Transport Operator's database.

I would like to appeal to all small enterprises to think big about this. Freight transport provides employment opportunities, not only in the transport operational sector, but in a wide range of associated activities, including vehicle and ship supply and maintenance, forwarding, warehousing and storage, manufacture of equipment and components, etc.

Ladies and gentlemen, I want to conclude by highlighting another concern regarding the future of this province's economy. I fully respect that we are one South Africa, but it becomes very painful to spend our limited resources on human resource development, only to lose them to other provinces. I therefore make an appeal to you tonight that as you grow in your businesses, please put your province of KZN first. Think about all our efforts in ensuring that we see prospects for economic progress in the province.

Let us make KwaZulu-Natal our home, by demonstrating that its problems are all of our problems. We need skills to combat poverty, which breeds crime and lawlessness.

With these words ladies and gentlemen, let us work together in making South Africa great. Also in KwaZulu-Natal, let us come together to create a hope for a better future.

I thank you