

**WELCOMING ADDRESS BY LEADER OF GOVERNMENT BUSINESS
OF THE PROVINCE OF KWAZULU-NATAL**

HONOURABLE T.W MCHUNU

INTERNATIONAL MINING AND MARITIME CONFERENCE

4-6 OCTOBER 2011

**Master of ceremonies
Honoured Guests
Ladies and Gentlemen**

Good morning

First and foremost, allow me to extend a warm hand of welcome to all of you on behalf of the Premier Dr Zweli Mkhize who could not join us today.

He would have been inspired by the enthusiasm that has engulfed Inkosi Albert Luthuli International Convention Centre this morning.

Clearly, delegates are fired up and motivated to make this, one of the most successful conference in the history of NUM.

We are indeed grateful as the provincial government that you have converged in this province for this important conference.

I have been informed that some of the delegates include researchers, academics, Chief Executive Officers, managers, stakeholders in mining and maritime sectors and representatives of organized labour from various parts of the globe.

We welcome you once again to KwaZulu-Natal.

Programme Director and Honoured Guests, KZN stands out as a Province of South Africa which has undergone remarkable transformation over the last 20 years.

Previously perceived as an area of South Africa ravaged by high levels of conflict and political violence, the Province is now perceived as the place that has won the struggle for peace.

KZN is now seen as a place of opportunity.

It is a Province widely recognised as being rich in natural attributes, from the favourable weather conditions, to the great natural tourism assets such as the warm water coastline, the Drakensberg mountain range and world-class game reserve areas.

Similarly the Province has built on its natural status as the trade gateway of Southern Africa, founded on the port of Durban being the busiest container port in Africa, and Richards-Bay being the biggest bulk cargo port in Africa.

Enormous further capital investments in these ports and related infrastructure is being planned to further enhance this competitive advantage of the region.

The Province has now also established the Dube Trade Port between these two sea-ports to harness the value of having an air logistics platform to promote access to global trade and tourist nodes.

This opens the way not only for attracting increasing numbers of foreign tourists who could fly directly to the Province using the King Shaka International Airport, but more importantly it opens up new opportunities for production and export of high-value perishable products as well as manufactured goods.

Whilst these positive strides must be appreciated, there remain serious social challenges in KwaZulu-Natal which necessitate a review of social intervention strategies within the Province.

The main challenge is to devise strategies to ensure growth and development that is people-centred and able to advance a sustainable transformative agenda to the point of curbing social and spatial challenges historically derived and not yet dismantled over the years.

As government we believe that it is important to infuse social elements into the notion of growth and development in the province.

A closer analysis, not only of social issues, but also of the institutional and governance framework indicates a need for “doing development” differently.

Comrades, Ladies and Gentlemen – the hosting of this conference is timely given the fact that the provincial government is currently exploring ways and means of “doing development” differently.

No doubt, the line-up of speakers, the topic that will come under discussions and resolutions of this conference will surely assist us, as the provincial government to “do development differently.”

At the beginning of this term of office, the provincial cabinet tasked the Provincial Planning Commission to undertake a review of our Provincial Growth and Development Strategy (PGDS) and to ensure its alignment with the National Growth Path.

Critically, the Commission was mandated to formulate a master plan of major development projects that will define the future of

our province and to identify sectors of our economy that have the potential to create job opportunities for millions of our people over the next few years.

A lot of groundwork has been covered by the commission and recently cabinet adopted a revised Provincial Growth Development Strategy.

The strategy seeks to ensure that:-

- by 2030, KZN should have maximized its position as a GATEWAY to South and Southern Africa;
- Abject poverty, inequality, unemployment and current disease burden should be history, basic services must have reached all people - domestic and foreign investors are attracted by world class infrastructure and a skilled labour force;
- The people shall have options on where and how they opt to live, work and play, where the principle of putting people first and where leadership, partnership and prosperity in action has become a normal way of life.

Master of ceremonies, as the provincial government, we are committed to ensure that the provincial development strategy over the next 20 years focuses on economic and development drivers that will enhance the benefits of growing integration into Africa and the global economy.

Trade and tourism will remain the lead instruments of this integration process, but many new areas of opportunity must also be fully explored and developed.

As a major manufacturing hub, KZN business has new opportunities for export into Africa.

Already some of the leading sectors in the local economy, such as the automotive, aluminium smelting and sugar manufacturing, are highly integrated into the global economy, and need to stay globally competitive.

Many further opportunities for new global integration are developing for the commercial sector, information and communication technology sector, and many sectors related to human and community development. This new context provides challenges but more importantly new opportunities.

Africa, as an emerging and growing economic block, and as a voice for development and greater global equity, is set to rise. KwaZulu-Natal, as a leading province of South Africa, must rise too.

Comrades, as I stand before you, I want to state that we have no doubt as the provincial government that mining and maritime sectors will assist this province to rise to levels that have never been imagined before.

Allow me *Programme Director*, to reflect briefly on the Maritime Industry.

Maritime Industry

About 90% of world trade is carried by the international shipping industry. Obviously without shipping, the import and export of affordable food and goods would not be possible.

Here in KwaZulu-Natal, Durban and Richards Bay ports handles approximately 78% of South Africa's cargo tonnage.

Durban's annual throughput of containers is about one million, more than 60% of the country's total. Gross tonnage of ships using the harbor amounts to about 100 million tones.

The Richards Bay Coal terminal, the largest export coal terminal in the world handles about 72 million tonnes of coal every year.

Virtually no production can take place in certain parts of Africa and the world unless inputs such as raw materials, labor, and fuel can be moved from different locations through our ports; neither can manufactured products be delivered to consumers, not a wide variety of services carried out without our ports.

At this point, Ladies and Gentlemen, I want to state that it is a good thing that you have set aside a slot to focus on the Maritime Industry.

Discussions around this sector will assist in drawing our attention to the work of those who work in the maritime sector – the Seafarers. Without Seafarers there can be no efficient transportation of cargo and passengers. The shipping industry depends entirely on their dedication and their skills.

Seafarers perform their duties seamlessly in their different professional capacities and different ranks - making them an integral part of successful operation of seafaring vessels.

The most important issue for me is that this conference must discuss strategies that will ensure the safety of Seafarers.

Year in, year out, this sector has been losing lives through:

- Vessels capsizing mostly due to unacceptable vessel design;
- Vessels colliding largely due to poor training as well as overworked watchkeepers;
- Men overboard, and many other factors.

These important members of our society die quietly with dependants left behind with untold suffering. The social system is unable to support these dependants if the deceased bodies are not recovered and the legal process of presumption of death in the instance of the body not being recovered is a costly and elaborate one. Therefore, you must discuss strategies to ensure that we are able to deal with all these challenges.

Mining Industry

Honored guests, before I conclude my opening address, I must hasten to point out that over the years, the provincial government has been focusing on developing the mining industry.

We have been focusing on this sector because we believe that new engines to drive sustainable economic growth are needed.

It is encouraging that here in KZN big business and government are working together to develop this sector to levels where it plays a strategic role of shaping the economic growth and development of this province. Today I want to reiterate our commitment to working with NUM to develop this sector.

The clustering together of stakeholders will assist in enhancing the productivity and attractiveness of a variety of mining sub sectors. Collaboration specifically on health and safety, research projects, marketing and skills development initiatives becomes critical.

The low levels of investments in skills development in this sector means that our mining industry's contribution towards the country's GDP will remain relatively small in comparison with other sectors of the economy.

This will also mean that the door to this sector for small businesses will remain closed making it difficult for us to realize the goal of fast-tracking the entry of people from previously disadvantaged communities.

SMMEs are an essential driver of the country's economy and I believe that given the opportunity they can be involved in the entire value chain of the mining sector.

On the issue of SMMEs – as government we are embarking on a programme to revive the mining industry in the northern parts of the province in towns such as Vryheid, Utrecht and Dundee.

With a steady resurgence of coal demand for various purposes, small scale coal mining operations are being encouraged as part of empowerment initiatives for the historically excluded communities.

Few years ago Dr Mkhize officiated in the function where certificates and licences were conferred to more than 30 budding mining entrepreneurs in Vryheid.

These operators had been trained in all aspects of mineral prospecting, excavation, packaging and transportation.

Most of the beneficiaries hailed from various parts of the Zululand districts and were former miners that were retrenched when coal demand started dwindling in the early 1990s. The project is fully supported by the national [Department of Minerals and Energy Affairs](#).

Also, the province's [Trade and Investment entity better known as](#) (TIKZN), in partnership with the Department of Minerals and Energy (DME) and the [Department of Economic Development](#) and Tourism continue to promote mining in this province.

A number of major mining companies from abroad have already visited and discussed possible opportunities in the KZN mining sector. On a recent mission to India, TIKZN found that over 60% of the enquiries generated were mining related, with a significant number looking at exploration projects that they could partner in.

Therefore, ***Ladies and Gentlemen***, the hosting of this conference in this province will assist in terms of marketing KZN as a potential destination for investors wishing to invest in mining.

We want KwaZulu-Natal to be an example of an environment where mining flourishes with entrepreneurs from historically disadvantaged population groups and remote communities benefiting and contributing towards socio-economic development.

With those few words, I wish to express my appreciation to all of you. Thank you once again for inviting the provincial government to be part of this historic conference.

I thank you,