



Media Release
Friday 26th March 2010

**GREEN ECONOMY: A PLAN TO RELIEVE ECONOMIC STRESSORS OF THE
EASTERN CAPE**

A plan to bolster economic performance with Green Economy as a major reform was unveiled by the Eastern Cape MEC for Economic Development and Environmental Affairs, Mr Mcebisi Jonas in his Policy Speech for 2010/11.

This intervention is in – line towards bringing relief to the provincial economy as it endured severe effects of the global economic meltdown in which about 95 000 jobs were significantly lost mostly in the automotive and textile manufacturing sectors.

MEC Jonas indicates that: “funds meant to assist companies in distress flow to deserving enterprises.

The Department of Economic Development and Environmental Affairs (DEDEA) will work with the Eastern Cape Consultative Socio-Economic Council (ECCSEC) in support of the multi-stakeholder Rapid Response Coordinating Committee (RRCC) which was established last year. DEDEA’s contribution will be to guide the development of industrial action plans in response to identified economic stressors. It is important to note that due to regulatory constraints, the department cannot “bail-out” companies. However we have been leveraging off our regulatory and legislative mandates to create enabling environments conducive to attracting investors to the province. This has been done to off-set job losses in a number of companies which have been liquidated or closed”.

A target of concluding the current negotiations with textile investors to establish a textile plant in Fort Jackson by September was indicated as imminent. “It is projected that this investment will yield 1,200 permanent jobs in the first year of operations, with a projected 1,000 additional jobs every year for the next five years”.

Exploring the policy mechanisms to simulate the creation of new markets related to renewable energy and associated aspects as alternative industrial models in support of a Green Economy and decent work is imperative for the province.



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“We will sharpen our focus on identifying ways of utilising the system of carbon trading to attract and earn additional project funding in the province”.

“Launch a Buy Eastern Cape Campaign focusing on promoting primary production of inputs for manufacturing; promoting increased local content in production; popularising the campaign through use of champions, concerted marketing and influencing government procurement strategies; measuring, validating, accrediting and rewarding participation in the campaign; and preference to products emanating from the Green Economy will be facilitated.

The establishment of cooperatives of small scale farmers as a mechanism to successfully commercialise their operations and expand existing value chains which will contribute to the drafting of evidence-based development plans for the former homelands, geared towards delivering measurable impacts in an efficient manner was highlighted as central.

“A collaborative Provincial Trade and Investment forum will be established to coordinate these efforts for maximal effectiveness. The issue of overcoming the cost-disadvantages for industry in the Eastern Cape will be raised with National Treasury and the Department of Trade and Industry for establishing off-budget mechanisms to off-set these costs.

MEC Jonas further states that: “discussions with Transnet pertaining to the upgrading of East London Port are progressing and will continue in support of enhancing our export capability”.

The importance of supporting initiatives that seek to identify and commercialise alternate energy production through the establishment of sustainable Research and Development capabilities in the Eastern Cape Development Corporation (ECDC) and East London Industrial Zone (ELIDZ) was highlighted as key.



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“The process of establishing and enforcing a strong regulatory and policy backbone remains the central purpose of the department and priorities in this area include:

- Rolling-out the Provincial Industrial Development Strategy;
- The establishment of the Office of the Consumer Protector;
- Lobbying for VAT exemption for entities on transfers from the Department;
- Executing the Environmental Implementation Plan;
- Continued regulation and enforcement of Environmental Impact;
- Developing a Climate Change Mitigation strategy, inclusive of a regulatory framework for setting emission reduction targets and incentivising impact mitigation activities;
- Accessing and augmenting incentive packages in support of investment;
- Developing a framework for the promotion of Green Jobs within existing industry sectors as well as in emerging Green Industries;
- Promoting the establishment of credible research and development capacity in the Province;
- Continued regulation and enforcement of the Liquor and Gaming and Betting Industries, including a comprehensive assessment of the socio-economic impact of these industries”, emphasises MEC Jonas.



Province of the
EASTERN CAPE
ECONOMIC DEVELOPMENT AND
ENVIRONMENTAL AFFAIRS

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Note to the editor:

**Department of Economic Development and Environmental Affairs
(DEDEA):**

DEDEA strives for building a province where all her people share the benefits of sound environmental management, sustainable development and economic growth.

DEDEA's mission is to provide strategic leadership in developing a people-centred, equitably shared, Green Economy through effective programmes, strategic partnerships and responsive service.

Full version of the DEDEA Policy Speech for 2010/11 can be downloaded at:
http://www.dedea.gov.za/Speeches/Policy%20Speech%20230310_MEC%20Jonas.pdf

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