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EASTERN CAPE
**POLICY
AND BUDGET
SPEECH**

2026/27

Province of the Eastern Cape

**ECONOMIC DEVELOPMENT,
ENVIRONMENTAL AFFAIRS & TOURISM**

**POLICY AND BUDGET
SPEECH 2026/27**

*Honourable MEC Nonkqubela Pieters
24 March 2026*

Honourable Speaker

Deputy Speaker

Honourable Premier

Members of the Executive Council

Honourable Members of the Provincial Legislature

Director General of the Province

Heads of Departments

Chief Executive Officers of our Public Entities

Captains of the Industry and Members of Business Community

Distinguished Guests

Manene nani manenekazi

Honourable Speaker, there is a truth about the Eastern Cape that has always been spoken, yet never fully acted upon: **this province is rich**. It is rich despite its people's circumstances. It is rich because of what the land, the sea, the sky and the spirit of its people hold together.

Our skies carry enough wind to power provinces beyond our own. Our coastline stretches eight hundred kilometres, drawing visitors from every continent. Our soil yields citrus and mohair of world-class quality. Our rivers, wetlands and biodiversity hotspots are among the most significant on earth. And our people, from our inland mountains to our ancient coastline, from our river valleys to our urban centres, possess a resilience and creative energy that no balance sheet can fully capture.

The central conviction of this speech is a simple one, but it demands to be stated plainly: **in the Eastern Cape, our environment is our economy**. Every wind farm that feeds the national grid, every tourist who walks our Wild Coast, every agro-processor who turns our citrus into export earnings, every young person employed in our green industries: all of this flows from the land and sea we have been entrusted to protect and grow. We cannot grow the economy by depleting what sustains it, and we cannot protect our environment without ensuring that our people prosper. This is the thread that runs through everything I will set out today.

Honourable Speaker, I am pleased to report that in the first nine months of 2025/26 financial year, our three provincial investment agencies attracted R2.282 billion in new investment, exceeding our R1.7 billion target. We provided financial support to 302 Medium, Small & Micro Enterprises (MSMEs) and 51 cooperatives. We expanded our protected areas estate by 19 686 hectares. In the third quarter alone, we recorded 1.3 million domestic tourism trips, making the Eastern Cape the second best-performing destination province in the country. These are not isolated achievements. They are different expressions of the same underlying truth that **when we invest wisely in our environment and our people, the economy responds**.

As we enter 2026/27 financial year, we do so against the backdrop of South Africa's historic G20 Presidency. Four G20 working groups were hosted in the Eastern Cape, bringing global decision-makers to our shores and placing our province before the world.

Our focus remains firmly on the priorities articulated by the Premier: accelerating economic growth, creating sustainable jobs, supporting MSMEs and cooperatives, advancing environmental sustainability, and building a capable and responsive state. As the African proverb reminds us, 'If you want to go fast, go alone. If you want to go far, go together.' We choose to go far, and we choose to go together.

THE ECONOMIC MOMENT: CONTEXT AND MANDATE

Madam Speaker, going far together requires that we understand clearly the terrain we are crossing. The world in which we operate is not a simple one. According to the January 2026 IMF World Economic Outlook, global growth is expected to hold steady at 3.3 per cent in 2026 before moderating to 3.2 per cent in 2027, weighed down by trade tariffs and persistent geopolitical uncertainty. For Sub-Saharan Africa the outlook is more encouraging, with growth estimated at 4.4 per cent in 2025, rising to 4.6 per cent in both 2026 and 2027. The G20 Leaders' Declaration from Rio de Janeiro in November 2024, with its emphasis on just energy transitions, sustainable industrial policy and inclusive growth, directly informs our provincial development opportunities. The G20 Africa Engagement Framework 2025 to 2030 offers a continent-specific roadmap with particular relevance to energy security, disaster resilience and sustainable industrialisation, priorities that sit squarely within DEDEAT's mandate.

Domestically, South Africa's real GDP grew by 0.5 per cent in the third quarter of 2025, supported by government reforms, strong metal prices and improved electricity supply. Full-year growth is projected to moderate from 1.2 per cent in 2025 to 1.4 per cent in 2026 and 1.7 per cent in 2027. In the Eastern Cape, quarterly GDP growth of 0.5 per cent in that same quarter placed us in the mid-range of provincial performance, with seven out of ten industries recording growth. Mining and quarrying led at 2.9 per cent, while agriculture, manufacturing, trade and transport all posted modest gains. A census undertaken at the ELIDZ found that operational investments grew their turnover by 11.7 per cent and contributed R4.4 billion into the province's export basket over the past twelve months.

Behind these aggregate numbers, however, lies a more urgent picture. Our provincial unemployment rate remains at 41.2 per cent. Every percentage point of that figure represents thousands of families without income, young people without purpose, and communities without the dignity of work.

As the Premier reminded this House: *Siyakha, siyakhathala, siyaphambili, sisonke.*

We are building. We care. We are moving forward, together. The programmes I will set out today represent our department's part in that effort, and we table them knowing that the measure of their worth is felt not in this Chamber, but in the lives of the people we serve.

The Department of Economic Development, Environmental Affairs and Tourism exists to lead the development of an innovative, sustainable and inclusive Eastern Cape economy. We hold a mandate that is unique in this province: we are responsible both for growing the economy and for protecting the natural environment that makes growth possible. We work with our public entities, ECDC, ELIDZ, Coega, ECPTA, ECGB, ECLB and AIDC-EC, to implement this mandate and maximise its impact.

In 2026/27 financial year, DEDEAT aims to catalyse 100 439 jobs during the seventh term of the provincial administration across priority sectors, leveraging our entities as key drivers.

The 2026 National Budget has emphasised infrastructure investment, industrial policy support and MSME development as key drivers of inclusive growth. The Premier has announced that the 5th Eastern Cape Investment Conference will be hosted this year, with a pipeline of investment declarations valued at approximately R50 billion. Our economic strategy is informed by rigorous sectoral analysis, including the film infrastructure economic impact study, the Grain Storage Industry Development Plan with the National Agricultural Marketing Council, and the comprehensive Coega SEZ Census Report in partnership with Statistics South Africa. These analyses confirm the importance of diversifying our economic base while deepening our comparative advantages. It is to those advantages that I now turn.

THE GREEN INDUSTRIAL ECONOMY: ENERGY AND MANUFACTURING

Madam Speaker, the Eastern Cape's most visible economic asset is one that did not exist a decade ago: we are South Africa's wind energy heartland, and our environment is directly powering our economy.

The province now hosts 19 operational large-scale renewable energy facilities, comprising 18 wind farms and one solar farm. Together with our peaking power plants, our generation capacity exceeds 2 200 Megawatts against a provincial peak demand of approximately 1 700 Megawatts. The Eastern Cape produces more electricity than it consumes during optimal conditions, exporting surplus power to the national grid.

In the past financial year, two wind farms totalling 224 Megawatts completed construction, with one already feeding power to the national grid. The Dassiesridge hybrid wind energy facility, comprising 63 Megawatts of wind energy and 45 Megawatts of battery energy storage, has completed construction and is progressing toward commercial operations. Two further wind projects under construction are on track for completion in 2026 and 2027, and a new wind farm with a total capacity of 95 Megawatts began construction in 2025/26 financial year.

The single most important infrastructure project now required to unlock the Eastern Cape's full renewable energy potential is the high-voltage transmission corridor from Gamma to Grassridge. The Environmental Authorisation for this corridor was issued in October 2025, a significant milestone. We now call on the Eskom National Transmission Company to prioritise the construction of the transmission lines in this corridor. Once built, they will be the highest-voltage transmission lines in the history of the province, unlocking many thousands of megawatts of new generation and catalysing billions in new investment. We have also undertaken extensive consultation with the Department of Forestry, Fisheries and Environment on the development of a Wind Farm-Vulture Sustainability Adaptive Management Framework, a necessary step to unlock approximately R41.2 billion in currently constrained wind energy investment. The province hosted a Social Dialogue on upskilling and reskilling for a Just Energy Transition in partnership with the International Labour Organisation, ensuring that the workers of today are ready for the industries of tomorrow.

At the Coega SEZ, the solar rooftop programme has advanced to the pre-due diligence stage, targeting financial close in early Quarter 1 of 2026/27 financial year, with 5 Megawatts to be installed across five buildings initially and 20 Megawatts across the remaining buildings thereafter.

The 100-Megawatt solar farm has been awarded project preparation funding by Infrastructure South Africa and approved as a Strategic Integrated Project. The 3 000-Megawatt gas-to-power project has also received Strategic Integrated Project status, with the IPP Office finalising terms of reference for an Independent Power Producer to develop a 1 000-Megawatt Liquid Natural Gas (LNG) power plant at Zone 13.

At the East London IDZ, the green energy pipeline is valued at approximately R2.9 billion. The Green Hydrogen Solutions (GHS) Hydrogen Project, a nationally designated Strategic Infrastructure Project, has received environmental authorisation and is progressing through front-end engineering and commercial structuring. The establishment of a dedicated Energy Special Purpose Vehicle for the ELIDZ has received concurrence from Provincial Treasury and DEDEAT and is now awaiting National Treasury approval. This will serve as the central mechanism for developing, owning and managing renewable and alternative energy infrastructure across the zone.

In 2026/27 financial year, we will accelerate the rollout of renewable energy infrastructure across both SEZs, advance the green hydrogen projects, and continue collaborating with GIZ, the Council for Scientific and Industrial Research, and other partners on capacity building for the green hydrogen economy.

The automotive sector, a key pillar of our industrial base, is navigating profound structural change. The closure of Goodyear in Gqeberha and retrenchments at Mercedes-Benz in East London are symptoms of a global industry in transition, driven by electrification, decarbonisation and shifting trade patterns. We do not pretend otherwise. But we also refuse to be defined by disruption when the evidence of renewal is equally clear.

The 150 per cent tax deduction for New Energy Vehicle investments announced in the State of the Nation Address, effective from March 2026, is a policy signal of enormous significance. Advanced negotiations with a Chinese company for a manufacturing facility at the East London IDZ could create up to 8 000 jobs, and the DTIC-approved R256 million SEZ Fund allocation for a commercial vehicle facility at the ELIDZ confirms that new investment is flowing into the sector even as old models are challenged.

Following the R200 million First Automotive Works Trucks investment pledge, the two-hectare staging platform in Zone 2 was completed in July 2025, and production volumes have already increased by 20 per cent from 5 000 units per annum, with a second staging platform now being developed. All 15 electric vehicle (EV) charging stations¹ committed in 2025/26 financial year have been successfully established across the province, from Gqeberha to Port St Johns and from Komani to Graaff-Reinet, at locations including nature reserves, hotels, service stations and sports stadiums. Any electric vehicle owner can now drive across our province without range anxiety. Our partnership with Zero Carbon Charge continues to advance the rollout of additional off-grid EV charging stations.

Our strategic partnership with the United Nations Industrial Development Organisation has

¹ The 15 EV charging stations established across the province are located at: East London (Virgin Active); Libode (Dan's Lodge); Port St Johns (Silaka Nature Reserve); Gcuwa (Shell Garage); Port Alfred (Royal St Andrews); Makhanda (Rhodes University); Maletswai (Limakatso Boutique Lodge); Komani (Queens Casino and Hotel); Middleburg (Nguni Lodge); Nxuba (TAMS Spar); Graaff-Reinet (Pick n Pay Family Supermarket); Gqeberha, The Windfarm (Shell Garage); Storms-river (Tsitsikamma Lodge); Willowmore (Engen Garage); Gqeberha (Nelson Mandela Bay Stadium).

secured 2 million euros (approximately R41 million) to support the creation of the Smart Industrial Academy. This is implemented by AIDC-EC in partnership with Deutsche Messe Technology Academy, with the scope now extended to include the SADC region. Through AIDC-EC, 49 MSMEs in the automotive aftermarket sector have been approved for acquisition of tools, equipment and machinery, backed by a budget of R20.4 million.

The Artisan Recognition of Prior Learning programme has seen 55 candidates successfully pass their trade tests and become formally certified as qualified artisans in various automotive trades. This directly strengthens our province's skills base and honours the dignity of workers whose expertise is now officially recognised. The Orion Engineered Carbons Tank Farm at the Coega SEZ became fully operational in March 2025, creating 63 operational jobs while securing the continued supply of carbon black to the local tyre industry, underlining how every link in our industrial chain matters.

General manufacturing and industrialisation remain central to our economy despite real pressures of slow growth, rising input costs and logistics constraints. Our collaboration with industry through the Eastern Cape Automotive Industry Forum and the Production Technology Association of South Africa continues to advance skills development across key manufacturing value chains, reinforcing the province's industrial competitiveness and deepening partnerships between government and the private sector.

The revitalisation of our industrial parks at Fort Jackson, Dimbaza, Butterworth and Vulindlela Heights continues to reposition these legacy sites as competitive, investment-ready industrial hubs. Vulindlela has secured a new investor committing R35 million and creating 35 jobs; Dimbaza has attracted three new tenants; Fort Jackson five new tenants; and Butterworth two new tenants, all on five-year leases. At Dimbaza, Phase 1 Site 8 has reached over 85 per cent completion.

Through the Jobs Stimulus Fund, R7.5 million was disbursed to 80 businesses, protecting 499 jobs. In 2026/27 financial year, R15.9 million has been allocated to this fund to continue protecting existing employment and stimulating new manufacturing jobs.

A R3 million skills development initiative with MerSETA will support the upskilling of 100 young people, and 11 learners have completed the Artisan Tooling Development Programme and will graduate at the end of March this year. The Manufacturing Support Centre registered 22 cases in the reporting period, impacting 108 jobs.

The Wild Coast Industrial Park represents our most exciting industrial frontier. The R49.9 million bulk infrastructure project, funded by the DTIC, is approximately 90 per cent complete, with a revised completion date of 15 April 2026. During construction, 80 local people have been employed and six local MSMEs contracted, on contracts ranging from R248 000 to more than R2.1 million. Committed investment associated with the park's development is currently estimated at R1.638 billion, set to create more than 1 000 operational jobs. Mthatha Fresh Vegetable Produce has signed a commercial proposal valued at R100 million, and Safiri has signed a project worth R470 million. In December 2025, the DTIC received a submission on the designation of the park as a Special Economic Zone, a milestone that would significantly enhance its investment profile.

The investments are in place. The authorisations have been granted. The negotiations are at an advanced stage. What is required now is execution, and on that we will not be found wanting.

INVESTMENT, THE DIGITAL ECONOMY AND OUR SPECIAL ECONOMIC ZONES

Honourable Speaker, as we position the Eastern Cape as a competitive investment destination, we do so with clear eyes about the global environment we operate in. Persistent geopolitical tensions, increasing trade fragmentation driven in part by the ongoing conflict in the Middle East, and rising economic risks require us to be both strategic and tactical in our approach. Our entities are actively positioning themselves in growth sectors aligned with prevailing global investment trends, particularly the digital economy and renewable energy, where international capital continues to flow despite global uncertainty.

Our Special Economic Zones have, over the past five financial years, attracted 51 signed investors with a combined value of R3.54 billion, set to create approximately 6 000 permanent jobs when fully operational. Cumulatively, our three SEZs have attracted R10.38 billion in investment. These are the foundations of our province's industrial future.

At the Coega SEZ, San Miguel's initial R480 million investment created 120 operational and 250 seasonal jobs, processing 40 000 tons of lemons into juice concentrate exported to 50 countries and 200 global customers in its first phase. The investor has committed a further R80 million Phase 2 expansion targeting 100 000 tons of processing capacity per annum by 2030.

The Mediterranean Shipping Company (MSC) has injected R670 million into its expansion, with construction commenced in November 2025 and expected for completion by the end of 2026, while Weidplas, an automotive component supplier, has received R34 million in funding for an expansion of its own facility.

The Coega SEZ Water Security Programme has grown to R2.1 billion, with four of six projects now under construction, R529 million committed, and 550 jobs created. Construction has also started on the 20-megalitre-per-day wastewater treatment plant within the SEZ, supported by the National Treasury's Blended Finance Initiative programme. This investment in water security is not incidental to economic development; it is a precondition for it.

In 2025/26 financial year, Coega SEZ secured five new projects in manufacturing, logistics and energy, at a combined investment value of R827 million, and the SEZ is closely monitoring ICT opportunities connected to undersea cable infrastructure.

The ELIDZ Manufacturing Incubator, an R86 million facility jointly funded by DEDEAT, the DTIC and the ECDC Economic Development Fund, is on track for formal launch in the fourth quarter of 2025/26 financial year. Seven entrepreneurs across agro-processing, jewellery and textile manufacturing, renewable energy, logistics and the automotive sector are already participating.

A black women-owned manufacturer has invested R198 million in advanced manufacturing at the ELIDZ, with machinery installation progressing and 289 employees being recruited.

Retail investment momentum across the province reinforces this confidence: the R60 million expansion of Boardwalk Mall in Gqeberha, the R150 million Ngqamakhwe retail facility, the R350 million Mbhashe LG Mall, the R270 million Capital Hotels Group development, and the new R70 million CFAO automotive dealership in Mthatha signal growing investor confidence across regions and sectors.

Collectively, our three provincial investment promotion agencies, ECDC, Coega Development Corporation and ELIDZ, attracted R2.242 billion in investments in 2025/26 financial year, surpassing the R1.7 billion target. The ECDC facilitated R1.079 billion, significantly exceeding its R450 million target. We will continue to work with the private sector through the Provincial Investment Council, the Eastern Cape Investment Conference, the Export Symposium, all of which are to be held this year, and the Eastern Cape Invest SA One Stop Shop.

Our investment promotion drive will begin with participation in the national South African Investment Conference, which forms a key part of the national investment agenda and will provide an important platform to showcase the Eastern Cape's competitive offering to both domestic and international investors. Our pipeline of development projects carried over from the last financial year is valued at approximately R35.3 billion, representing not only capital to be invested, but employment opportunities for thousands of our people, and increasingly, those opportunities are being created in the digital economy.

The digital economy is where the Eastern Cape's next wave of job creation is emerging. The Global Business Services sector has grown to create 6 000 jobs in the province, with significant potential for more. The R76 million ELIDZ Data Centre has been completed and will be officially launched in April 2026, positioning East London firmly within South Africa's national digital infrastructure network. The ELIDZ Digital Hub is being positioned as a platform for innovation, enterprise development and skills building. Two additional private sector digital economy investments attracted through the data centre ecosystem are scheduled for launch during 2026/27 financial year, and the DTIC-approved 800-seat Business Process Outsourcing facility represents a major opportunity for job-intensive growth, particularly for young people.

Our Eastern Cape Innovation Challenge concluded with 11 winners, all of whom are now being incubated at the Science and Technology Park across agro-processing, renewable energy, ICT and automotive sectors. A provincial hackathon resulted in five new technologies being developed, with one innovation already adopted by the Zone to improve operational efficiency. The ELIDZ Science and Technology Park continues to train beneficiaries in future-facing skills including Computer-Aided Design, additive manufacturing, digital technologies and artificial intelligence. These are the early signs of an innovation ecosystem taking root.

TOURISM, CULTURE, THE OCEANS ECONOMY AND AGRO-INDUSTRY

Madam Speaker, if there is one sector that most vividly connects our natural environment and our economic wellbeing, it is tourism. Visitors do not come to the Eastern Cape for our industrial parks, as important as those are. They come for the Wild Coast's ancient cliffs and unspoiled beaches. They come for the Baviaanskloof, one of the world's UNESCO-recognised biodiversity hotspots. They come for our Big 7, our cultural heritage, our languages and our people. When we protect the environment, we are building the tourism economy. When we build the tourism economy, we are creating the incentive to protect the environment.

The numbers reflect this truth. In the second quarter of 2025, international arrivals to the Eastern Cape rose to 76 800, an increase of 35.4 per cent year-on-year, and 5 per cent above pre-pandemic 2019 levels. Zimbabwe remained the leading source market at 15.1 per cent of arrivals, with the United Kingdom at 10 per cent and the United States at 9.3 per cent. Domestically, the Eastern Cape was the second best-performing destination province in Q2 2025, recording 1.3

million trips, the highest number of bed nights nationally at 6.7 million, and an average stay of 5.1 nights. Our cruise tourism is flourishing. Buffalo City recorded seven cruise liners in the 2024/25 financial year, carrying 7 726 tourists and generating R13.9 million in direct and R22.3 million in indirect economic impact.

Nelson Mandela Bay received 40 cruise liners in 2025/26 financial year, with an economic impact of R116.61million.

In 2026/27 financial year, ECPTA will drive 30 digital campaigns, 30 bespoke campaigns, three trade shows, four conferences and five signature events. Eight candidate tourism development sites have been identified along the Wild Coast through feasibility studies conducted in partnership with SANRAL. The Gwegwe Eco-Lodge at Mkhambathi Nature Reserve has been secured. The Boutique Hotel at Mkhambathi is set to open this year. The Baviaans Canyon hiking trail, representing a R19 million investment, is already operational. The Hole-in-the-Wall Resort in Coffee Bay and the Water World Fun Park in Buffalo City Metro have both passed compliance stages for national funding. The Lake Gariiep Initiative, a cross-border and inter-provincial flagship project, has secured pre-feasibility funding.

We are positioning the Eastern Cape as the Home of Sports and Creative Tourism, and with the Cricket World Cup matches in 2027 and the Springboks match against the Barbarians in June, we are working with municipalities, communities and the private sector to ensure that our infrastructure is ready, and our hospitality is world-class.

The film sector is proving its economic worth. Since its inception, the Eastern Cape Film Fund has seen R48.3 million in public investment, leveraging R553.4 million in production spending and creating 9 400 temporary jobs. In 2025/26 financial year, just under R1.979 million in Film Fund support has leveraged over R31 million in total project investment, creating 356 jobs and supporting 50 MSMEs. Among the projects supported are Dirty East, Not a Minor, Echoes of Pain, The Day Nelson Mandela Was Released from Prison, and Sound, Song and Soul: The Mandisi Dyantyi Process. These are not merely films; they are economic activity, employment, and the Eastern Cape's stories told to the world. In 2026/27 financial year, we will fund approximately 15 film projects at a cost of R21 million and support about eight emerging producers in creating original content for broadcasters and streaming platforms. Our Creative Industries Development Framework extends support through the three Creative Industry Hubs in Gqeberha, kuGompo and Mthatha.

Our coastline is not only a tourism asset. It is a working economic frontier. The oceans economy is gaining momentum, anchored by bunkering services in Algoa Bay, where AMSOL's R300 million and the MT Intrepid's R150 million investments demonstrate what is possible. Five project feasibility studies have been completed this year, covering the Port Elizabeth Cruise Terminal, the Kowie River Precinct Development, a Sardine Run Socio-Economic Assessment, the Siyazama Oyster Nursery and an Abalone Ranching study. At the ELIDZ, three companies are at advanced stages of piloting high-value aquaculture species including abalone, finfish and sea-based aquaculture products, with the deliberate approach of piloting first and scaling to commercial production.

The Tsweleni Rock Lobster Project in Port St Johns continues to demonstrate the power of targeted investment in small-scale fishing communities. Seven cooperatives, supported by R2.8 million from the Imvaba Fund with each cooperative receiving R400 000. This support has enabled them to acquire a R1.7 million lobster holding facility, establish a secondary cooperative to manage it, and secure

commercial buyers in Durban and the Western Cape. They are now working toward certifications to access export markets. This initiative is not just a fishing project. It is a model for how environmental stewardship and economic inclusion can be achieved simultaneously. The implementation of 51 public boat launch sites across 11 coastal municipalities continues, with Hamburg and Mzamba identified for potential small harbour development. Tourism coastal infrastructure at Cape Morgan, Hluleka, Mkhambathi, Silaka and Dwesa nature reserves has been completed.

The richness of the Eastern Cape is not only in its skies and seas. It is in its soil. Agro-processing is the bridge between what our land produces and what our people earn. The Fresh Produce Packhouse in Mthatha, a landmark investment of R15.4 million, is under construction and on track for completion by July 2026, providing formal market access for more than 100 fresh produce farmers. Once operational, the programme will extend to Alfred Nzo, Nelson Mandela Bay Metro and Buffalo City Metro.

Our grain sector analysis reveals a striking challenge. The province produces over 230 000 tons of maize annually, with the potential to increase this fivefold, yet our commercial grain storage capacity stands at 47 000 tons, compared to the national total of 18 million tons. Local milling companies import maize from other provinces to sustain their operations. The Grain Storage Industry Development Plan targets 500 000 tons of capacity and will require R2.083 billion in investment. Meanwhile, the Pondoland Grain Cluster, centred on a R472 million yellow maize processing plant in Flagstaff, will anchor a regional agro-industrial corridor connecting 500 small-scale farmers to the N2 route and beyond.

In the mohair sector, equipment provision has yielded tangible results: a 10 to 20 per cent revenue increase, a 10 to 15 per cent reduction in fibre downgrading, and a 15 to 25 per cent increase in premium market eligibility for participating producers. Sixty individuals have been trained as shearers, sorters and classers. This year marks a significant milestone with the commissioning of a new carding facility by Samil Natural Fibres in Ntabozuko, representing a R20 million investment in local processing capacity. The Eastern Cape produces more than 75 per cent of South Africa's mohair clip, and South Africa contributes 56 per cent of global mohair production. For too long, the bulk of processing and value addition has happened beyond our borders. This investment changes that. The wealth generated by our land must be captured here, in the communities of those who tend it.

The ELIDZ's agro-processing cluster supports three operational firms sustaining 541 jobs and R187 million in investment. MaXhosa's R100 million investment is catalysing a labour-intensive textiles value chain linking design, manufacturing and the localisation of inputs. Collondale Cannery's concentrated juice manufacturing operation strengthens downstream processing and creates stable demand for primary producers across the region. The Ripplemead Citrus Packhouse in Ngqushwa has received a R3.5 million optimisation allocation, with the contractor on site following handover on 19 February 2026. The Gamtoos Citrus Packhouse feasibility study has been completed, identifying a R65 million investment requirement. In May 2026, DEDEAT, the Eastern Cape Department of Agriculture and the Border-Kei Chamber of Business will host an Africa Agriculture and Agro-processing Indaba to shape the future of food production in the province through collaboration and innovation.

All of this, from our fisheries to our packhouses, from our mohair farms to our film sets, depends on one foundation: a natural environment that is protected, managed and passed on in better condition than we found it.

GOVERNING THE ENVIRONMENT THAT SUSTAINS US

Madam Speaker, I want to be direct about the role of environmental governance in this department's work. We do not protect the Eastern Cape's environment merely because legislation requires it, though it does. We do so because our entire economic future depends upon it. The tourists who fill our hotels, the investors who build our wind farms, the farmers who supply our agro-processors, the fishers who supply our export markets: all of them depend on a functioning, well-governed natural environment. Environmental governance is economic governance. In the Eastern Cape, the two are inseparable.

By the end of the third quarter of 2025/26 financial year, our department had conducted 87 compliance monitoring inspections, issued 48 administrative enforcement notices, and handed 46 criminal investigations to the National Prosecuting Authority. Through Operation Phakisa Initiative 5, we conducted joint enforcement operations along our coastline to curb unlawful developments, deforestation, marine resource exploitation and illegal sand mining. Our enforcement against the syndicated poaching of protected plant species, particularly succulents, continues with determination.

The Eastern Cape has been recognised by the Environmental Assessment Practitioners Association of South Africa as the leading province in processing Environmental Impact Assessments within legislated timeframes. In the reporting period, 99 per cent of all EIA applications were finalised within those timeframes. As the Premier noted, this agility is a genuine competitive advantage: any investor who wants to start a project here can be assured of our efficiency. We are committed to finalising 100 per cent of all EIA applications in the 2026/27 financial year, with compliance inspections scheduled for 90 facilities with significant environmental impact. We are actively strengthening our Green Scorpions capacity: recruitment is currently underway for five officials in our Compliance and Enforcement unit, and a further two posts are in the process of job evaluation. Once these appointments are concluded, the unit will reach its full complement of 49 posts, giving us the human resource foundation to enforce environmental legislation with the rigour and reach that our province demands.

Our protected areas estate continues to expand. Over 19 686 hectares of private land have been gazetted for intention to declare as protected areas. In Matatiele and Mount Fletcher, more than 64 000 hectares under six traditional authorities have been consented through community resolutions as part of protecting water resources in the upper uMzimvubu catchment. Eight Pondoland communities have obtained resolutions for the N2 Biodiversity Offset Programme. The Wildlife Conservation Bond project has completed its fourth year with rhino population growth rate targets being met. In 2026/27 financial year, we will remove 30 black rhinos through sales and custodianship to stimulate population growth and expand their range. The Game Industry Transformation Programme continues to donate animals to qualifying custodianship sites and to include historically disadvantaged individuals in the wildlife sector through the Eastern Cape Wildlife Industry Transformation Forum.

The province achieved its first Ramsar-designated site at Mkambati, a milestone for wetland conservation with immediate economic consequences. This internationally recognised status

is expected to attract eco-tourists, researchers and conservation-focused investors, creating sustainable employment for surrounding communities. This is the golden thread made visible. A wetland protected for its ecological value becomes a magnet for the investment and jobs our people need.

In 2025/26 financial year, R16.398 million was allocated for Expanded Public Works Programme environmental projects, creating all 500 targeted work opportunities across 11 projects in municipalities including Great Kei, Makana, Ndlambe, King Sabata Dalindyebo, Matatiele, Umzimvubu and Ntabankulu. These projects address waste management and alien plant infestation while providing livelihoods. In 2026/27 financial year, R16.941 million has been allocated, with 500 work opportunities across six regions, focusing on climate change adaptation, alien vegetation clearing, wetland rehabilitation and waste management. These are not merely environmental programmes. They are job creation programmes that pay a dividend in ecological health.

INCLUSIVE GROWTH: REACHING EVERY CITIZEN

The vision of an Eastern Cape where the environment and economy are one must ultimately be tested against the lives of real people, particularly those who have historically been excluded from the economy's benefits. MSMEs and cooperatives are the human infrastructure through which economic transformation takes place.

In 2025/26 financial year, we provided financial support to 302 MSMEs and 51 cooperatives, trained 604 MSMEs, exceeding our target of 400, and facilitated 759 jobs through the Jobs Stimulus and Imvaba Funds, exceeding our target of 650. A further 92 jobs were facilitated through MSME loans. The Eastern Cape Economic Development Fund has approved R99 million in direct and indirect funding, with a pipeline exceeding R250 million and a further R40 million at advanced stages. In 2026/27 financial year, with R50 million allocated, the Fund will focus on commercialisation in sectors where the province holds comparative advantage, particularly agriculture, manufacturing, agro-processing, aquaculture, medicinal cannabis and the audio-visual sector. We will provide financial support to 300 MSMEs and 65 cooperatives, train 500 MSMEs, facilitate 350 jobs through direct funding, and create or preserve 820 jobs through the Jobs Stimulus and Imvaba Funds. The Premier MSME Awards will be hosted with regional rounds from July to October 2026.

The ECDC's strategic transformation of its property portfolio continues to advance. Investor engagements are progressing across priority nodes including Mthatha, Butterworth, and Buffalo City. A notable intervention is the partnership concluded in Komani, where an ECDC property is being converted into student accommodation, directly responding to the growing demand for affordable student housing in areas where our young people study and work. The next generation of entrepreneurs, who will fill these spaces and create opportunities in these communities, is already among us.

"Inkunzi isematholeni." The champion bull is found among the calves.

Honourable Speaker, our future economic champions are among us today, and it is our responsibility to find them, back them and set them free. In 2025/26 financial year, we took youth entrepreneurship directly into communities across all six districts. Business management training reached 46 enterprises in Mount Frere and a further 54 in Mthatha and Nyandeni. Empowerment sessions in Qumbu, Elundini and Blue Crane Route reached over 245 young people, the

majority of them being young women. In Tsomo, in partnership with the German Cooperative and Raiffeisen Confederation, we equipped young people with the practical skills to establish and govern cooperatives, because in the rural Eastern Cape, a cooperative is not merely a business model; it is a lifeline.

In July, over 84 youth-owned MSMEs competed at our Entrepreneurship Pitching Challenge at Walter Sisulu University, with 10 enterprises receiving direct Absa funding and more than 220 young entrepreneurs attending the symposium. We also signed a Memorandum of Understanding with the National House of Traditional and Khoisan Leaders specifically to unlock opportunities for young people in rural and traditional authority areas. In November, thirty of our finest young entrepreneurs represented the Eastern Cape at the national Young African Entrepreneurs Institute and Absa Youth Entrepreneurship Week in Johannesburg. One placed fourth nationally. Three were selected for a year-long mentorship programme. They made this province proud.

At the ELIDZ, seven enterprises have been successfully onboarded into the automotive and manufacturing incubator programme, sustaining 35 direct jobs with a further 90 projected as production scales. The EC Innovation Challenge concluded with 11 winners, now incubated at the Science and Technology Park. The Agro-Industry Innovation Cluster supports five agro-processing entrepreneurs with over R5.8 million in funding mobilised.

As announced by the Premier in the State of the Province Address, the Centre for Investment and Marketing in the Eastern Cape is being repurposed as a dedicated Training and Skills Development Agency. DEDEAT will play a pivotal role in this transition, ensuring that CIMEC anchors learnerships, apprenticeships, internships and enterprise support across the province, translating skills development into sustainable livelihoods for our young people. This is a direct response to the structural challenge of youth unemployment and signals our determination to move beyond training for its own sake toward training that leads to work.

In 2026/27 financial year, we will host Regional Youth Awards across all districts, deepen our partnership with the National Youth Development Agency, and reach 400 youth enterprises with priority for young women, rural communities and sectors aligned with our province's comparative advantages.

Our support for informal traders reflects our commitment to the economy that communities depend on every day. To date, 32 beneficiaries have received Small Town, Township, and Rural Entrepreneurship Programme (STTREP) incentives valued at R793 111, of whom 78 per cent represent female-owned enterprises and 41 per cent youth-owned enterprises. On the spaza shop front, our regulatory work has yielded concrete results. Over 9 500 applications have been received, 8 468 inspections conducted, and 517 non-compliant food handling stores closed to protect communities from unsafe products. In 2025/26 financial year, 84 Eastern Cape applications were approved under the Department of Small Business Development's Spaza Shop Fund, representing R3.36 million in support to township and rural retailers. In 2026/27 financial year, we will intensify support through geo-mapping of spaza shops and food outlets, coordinated inspections with law enforcement, and ongoing training in partnership with development agencies.

Our commitment to persons living with disabilities is demonstrated through our partnership with the Disability Economic Empowerment Trust (DEET), now in its second year of a five-year Memorandum of Agreement with R3.5 million in annual funding. Six hundred persons with disabilities have been

recruited, with 45 per cent youth and 60 per cent women. Three hundred and forty-seven individuals have been trained in Employment Life Skills and Job Readiness, and 150 persons have benefited from the Entrepreneurship Development Programme, with 70 per cent youth and 61 per cent women. The NYDA has been engaged and 13 start-up applications submitted.

Eighteen participants from DEDEAT, DEET and State-Owned Entities completed the South African Sign Language 1A Training Programme in partnership with the University of the Witwatersrand, achieving a 90 per cent completion rate. The DEET Legacy Office Accessibility Renovation was completed and officially opened by the Premier and the MEC on 24 November 2025. The Willowmore mobile printing and internet café has reached 100 per cent completion and awaits formal handover.

Madam Speaker, the regulation of liquor and gambling is integral to our mandate to shape the economic environment in which businesses and communities operate. The illicit alcohol trade is now estimated at R25 billion nationally, causing substantial tax revenue losses, contributing to public health crises and undermining legitimate businesses. Our province is particularly vulnerable. The regulatory amendments introduced in March 2025, and adjustments from December 2025 introducing fee reductions for small traders and CPI-linked annual adjustments, reflect our effort to ensure that regulation supports compliant small businesses while firmly targeting non-compliance. The designation of ECLB inspectors as Peace Officers will significantly strengthen enforcement, reinforced by a Memorandum of Agreement with the SAPS and certain municipalities designating their officials as ECLB inspectors. The Provincial Underage Drinking Summit of June 2025 produced an implementation framework that brings together government departments, law enforcement, traditional leaders, faith-based organisations, business, academics and communities, and we will implement this framework with sustained determination in 2026/27 financial year. Looking beyond enforcement, the ECLB is exploring how the liquor sector can contribute to a transformed agricultural economy through the Langkloof Apple Production Project, working alongside Heineken, Absa, PALS and the ECDC to open doors for black farmers to participate in a high-value horticultural sector.

On the regulated gambling front, the financial performance of the sector demonstrates what targeted regulatory innovation can achieve. In the 2024/25 financial year, the gambling industry generated Gross Gaming Revenue of approximately R2.1 billion, contributing R188.9 million in taxes to the provincial fiscus. In the first ten months of 2025/26 financial year, the industry has already generated R2.67 billion in gross gaming revenue, with tax contributions of R216.2 million. Most remarkable is the growth in the bookmaker segment. The bookmaker revenue reached R1.145 billion in those ten months, with tax contributions of R75.6 million, an increase of over 480 per cent in bookmaker tax revenue compared to the full 2024/25 year. This is the direct result of the Eastern Cape Gambling Board's strategic approach to expanding and formalising licensed online bookmaker operations. Targeted regulation and innovation are delivering measurable results for the provincial fiscus. When our regulatory environment is well-governed, it protects the most vulnerable, grows the tax base, and frees resources for the services our people depend on.

A CAPABLE STATE IN SERVICE OF THE PEOPLE

Madam Speaker, none of the programmes and investments I have described today will achieve their purpose without a capable, ethical and accountable state.

Nelson Mandela once observed: “A good head and a good heart are always a formidable combination.” We are building both.

Of the Department’s current 39 Senior Management Service positions, 34 have been filled, representing an 87.2 per cent fill rate. Women now hold 18 of the 34 filled positions, representing 53 per cent of our senior management corps, surpassing parity and affirming our commitment to women’s leadership in government. The remaining five vacancies will be filled with preference given to candidates who further strengthen our equity profile.

We have strengthened our shareholder oversight framework through quarterly performance reviews, improved reporting standards, and regular strategic engagements between the Department and entity leadership. All entity boards are properly constituted, and all Chief Executive Officer vacancies have been filled. This governance foundation gives us the confidence to hold our entities accountable for the ambitious targets we have set for 2026/27 financial year.

In our 2025/26 financial year half-year report, DEDEAT recorded no irregular, fruitless or wasteful expenditure, with an average supplier payment turnaround of 9 days against the 30-day legislative requirement.

Our digital transformation journey continues, with the integrated management information system streamlining business processes and the e-permitting system for environmental authorisations now fully operational. We remain committed to fighting corruption through our strengthened internal audit function and comprehensive fraud prevention plan.

RESOURCE ALLOCATIONS: VOTE 9

It is this foundation of clean governance and financial discipline that gives our budget its credibility and gives our people reason to trust that the money tabled today will reach those for whom it is intended.

Madam Speaker, I present the budget allocation for the 2026/27 financial year as follows:

R thousand	2026/27	2027/28
Administration	296 569	305 840
Economic Development and Tourism	1 209 265	1 523 408
Environmental Affairs	433 476	388 861
Total payments and estimates	1 939 310	2 218 109

Transfers to Public Entities:

R thousand	2026/27	2027/28
Coega Development Corporation	455 436	768 820
Eastern Cape Development Corporation	390 395	382 274
Eastern Cape Gambling and Betting Board	68 143	71 209
Eastern Cape Liquor Board	83 969	86 653
Eastern Cape Parks and Tourism Agency	281 597	234 015
East London Industrial Development Zone	98 231	97 741
Total departmental transfers	1 377 771	1 640 712

CONCLUSION

Honourable Speaker, I began this address with a proposition that: in the Eastern Cape, our environment is our economy. Let me end with an account of what that proposition looks like in practice.

It looks like a wind turbine turning in the Karoo, feeding power to factories and homes across the country. It looks like a young woman from OR Tambo, certified as a qualified artisan, training the next generation. It looks like seven fishing cooperatives in Tsweleni, converting a lobster holding facility into a doorway to global export markets. It looks like a carding facility in Ntabozuko processing Eastern Cape mohair that, for too long, was processed elsewhere. It looks like eleven young innovators, incubated at the Science and Technology Park, commercialising technologies that did not exist a year ago. It looks like the first Ramsar wetland designation in our province, attracting eco-tourists and conservation investors to communities that have waited too long for economic inclusion.

But this proposition is only true if we do the work. It is only true if the transmission lines get built. If the packhouse opens on time. If the incubated entrepreneur becomes the employer. If the protected wetland becomes the destination that draws the visitor and the investor. If every programme we have tabled today is implemented with precision and accountability.

Umzingisi akanashwa. The diligent person does not suffer misfortune.

Let us be diligent in our work, precise in our commitments, and unwavering in our accountability to the people of the Eastern Cape.

I express my sincere gratitude to the Premier and my colleagues in the Executive Council for their support and leadership; to the Chairpersons and members of the Portfolio Committee for their oversight and guidance; to the Director-General, the Head of Department and the senior management team for their stewardship; to the CEOs and boards of our public entities for their implementation of our shared vision; and to all officials in the department and its entities for their daily dedication.

Above all, I thank the people of the Eastern Cape. Your land, your labour and your spirit are the foundation upon which everything we do rests.

Madam Speaker, I therefore table the Budget Vote together with the Performance Plans and Corporate Plans for the Department of Economic Development, Environmental Affairs and Tourism and its six public entities.

I THANK YOU.