

Media Statement of Economic Development and Environmental Affairs MEC Mcebisi Jonas for delivery at a media launch event of the historic Job Summit – held on 5 June 2012 at the Regent Hotel in East London at 10:00

Programme Director

MECs here present

Representatives from Government, Business and the labour movement

Representatives of various media houses

We are here to inform our nation and particularly the people of the Eastern Cape that the province is gearing itself to launch an integrated and sustainable offensive against one of the greatest challenges facing this province in particular and South Africa in general, high unemployment.

We will on Thursday and Friday this week (7-8 June 2012) at the East London ICC, be hosting a Provincial Job Summit that will comprise of all key stakeholders to reflect on our Provincial Job Strategy and to make pledges on what we are going to do together to fight the unemployment scourge in our province which is among the highest in the country.

The President and the Premier have declared unemployment, alongside poverty and inequality as a crisis that must be fought with all our might as a nation collectively because all our interventions to address high poverty levels, particularly the social wage and social security system, are hamstrung as they cannot make the required dent on structural poverty. Of course we have saved many households from extreme poverty over the last ten years, registering a ten percent reduction in poverty and almost wiping off people living in extreme poverty. However, a sustainable solution lies in shifting most households from reliance on social security to production engagement and wealth creation in the economy of the Eastern Cape. We will invariably also be reducing levels of inequality which are the second highest in the country.

The Premier pronounced in the State of the Province Address in February this year that we plan to create over 150 000 decent jobs for our people by 2015. She tabulated a comprehensive programme of repositioning the Eastern Cape and making it a main player in the economic landscape of the country with over R103 billion secured through massive lobbying for targeted investment on the economic infrastructure of the Eastern Cape. The ambitious programme also projects to boost our economic growth rate to 5% by 2016, of course if our resilience to the global economic crisis shown over the last 12 months is sustained. The massive economic infrastructure we announced serves as a stimulus for higher private sector investment and we

are confident that all other players will come on board and help in turning around the Eastern Cape and deal with over 41% unemployment rate in terms of the expanded definition of the recent Quarterly Labour Force Survey of Stats SA. We are five percent higher than the national average of 36% expanded unemployment rate, and this needs a different approach.

The Job Strategy of the Eastern Cape, which will be launched during the Job Summit, seeks to ensure that all interventions place job creation at the center. The Job Strategy takes a holistic approach with five pillars that include:

- Job retention;
- New jobs in priority sectors;
- Social economy;
- Economic infrastructure; and
- Skills development.

Specific interventions include the Expanded Public Works Programme, Industrial Job Stimulation Programme launched last year, expedited major economic infrastructure projects, applications to DBSA Jobs Fund, Agro-industrial value chain, Auto Cluster that continues to grow with the launch of a R2 billion Chinese investment in Coega recently. We have also seen the much talked about Project uMthombo taking a new turn with the signing of a R1.5 billion Joint Study Agreement between PETRO SA and a Chinese Petrochemical giant – SANOPEC. Two weeks ago the Premier led the first blasting for the production of coals, saying Eastern Cape a GIANT IS AWAKENING.

Given the levels of unemployment, poverty and inequality in the Eastern Cape, the Province indeed needs to run while others are walking, for us to be able to close the gap of years of gross under investment in this province's economy over decades. Many interventions have been made but none have sufficiently begun to turn macro elements of our provincial economy that characterized a labour reserve constituted by two homelands whose primary purpose was to systematically exclude the African majority from real development in protecting a system of apartheid.

Eastern Cape Premier Noxolo Kiviet will lead the summit supported by all Members of the Executive Council while five National Ministers will be joining us to outline National Government's contribution to the strategy of creating jobs for our people. They include Ministers Gugile Nkwinti, Ebrahim Patel, Mildred Oliphant and Malusi Gigaba, who will first join the closed session on Intergovernmental Relations before the official start of the summit with a particular on the National Infrastructure Plan. After that session, they will brief the media on how national government would augment our endeavors to create jobs for the people of the Eastern Cape.

This summit will run concurrently with the Jobs Fair, which will be launched by Minister of Labour Ms. Mildred Oliphant, where job seekers will have an opportunity to interact directly with potential employers. There will be an exhibition by both public and private sectors in order to provide the necessary information about the opportunities that exist for the unemployed in the Province.

Another key feature of the summit is the launch of the Amathuba Jobs Portal by the Department of Roads and Public Works on Thursday evening in an effort to assist semi-skilled and unskilled work- seekers to find work opportunities, and employers to find workers, and in this way, reducing the number of unemployed persons in the Province by creating a **“one stop job shop”** for jobs within the Provincial Government of the Eastern Cape.

In short the responsibility of building a free, democratic, non-racial, non-sexist and prosperous South Africa and Eastern Cape is a societal responsibility, hence our call to work together to do more than what individual players can achieve. Our people deserve better and we are committed insuring delivery of a better life for all together. The Job Summit will help ensure that our three year programme of action represents the most coherent, integrated and focused intervention ever to address macro and structural challenges that bedevil our effort to build a better society.

We trust that the media will contribute in taking the national development dialogue, particularly in respect of the Eastern Cape, to a higher level. This dialogue must go beyond stimulus events, to a way of life for these efforts to bring the desired results.

I thank you

Mr. Mcebisi Jonas (MPL)

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