



Opening Remarks By His Excellency, President Jacob Zuma to the inaugural Black Industrialists Indaba,

Gallagher Convention Centre, Midrand

25 March 2015

Deputy Minister of Trade and Industry, Mr Mzwandile Masina,
Gauteng MEC for Economic Development, Mr Lebogang Maile,
Members of the Presidential BEE Advisory Council,
Black Industrialists Advisory Panel, Representatives of business,
Esteemed delegates,
Fellow South Africans,

Good Morning!

I would like to welcome you all to the first Black Industrialists Indaba.

It was at this venue in October 2013, at the National Broad-Based Black Economic Empowerment Summit, that the concept of Black Industrialists was discussed in detail.

I had first raised the issue at a Black Business Council summit, where I wanted to know when we were going to see the growth of black industrialists in the country.

I said we wanted to see more factories and other means of production being owned by black people, for us to be able to say we are achieving economic transformation.

That is why we are gathered here today, to take forward that conversation about how to ensure that our Industrial Policy Action Plan enables us to achieve transformation by expanding opportunities to black entrepreneurs. The governing party, the African National Congress (ANC) has made its mission to achieve radical socio-economic transformation.

The next few years will thus be geared towards more visible action to achieve our goals.

I would like to remind you what informs our actions as the ANC government.

The ANC's approach to economic issues is informed by the historical principles espoused in the *Freedom Charter, Ready to Govern* and the *Reconstruction and Development Programme* and further elaborated in conference resolutions.

We approach economic transformation guided by the following pillars:

- (a) creating decent employment for all South Africans.
- (b) eliminating poverty and dealing decisively with extreme inequalities in our society.
- (c) democratising the ownership and control of the economy by empowering the historically oppressed, Africans and the working class in particular to play a leading role in decision-making.
- (d) restructuring the economy so that it meets the basic needs of all South African and the people of the region, especially the poor.
- (e) ensuring equitable and mutually beneficial regional development in Southern Africa, thereby fostering the progressive integration of the region, and
- (f) limiting the negative environmental impact of our economic transformation programme.

The vehicle for us to achieve these goals is a mixed economy. We defined the mixed economy in the ANC's 52nd national conference resolutions as an economy in which the state, private capital,

co-operative and other forms of social ownership complement each other in an integrated way to eliminate poverty and to foster economic growth.

We have also expressed our belief in a developmental state that is located at the centre of a mixed economy and which intervenes in the interest of the people as a whole.

We have defined the critical challenges we face currently as being unemployment, poverty and inequality.

Our policies are thus designed to reverse these challenges which result from the apartheid colonialism past. Fundamental to our economic transformation programme in particular, is the need to broaden the ownership, control and management of the economy. The black industrialists programme falls within this policy framework.

As a country, we should be proud of the successes gained through the broad-based black economic empowerment legislative framework so far.

But, despite the much celebrated gains, there are still segments of our economy that experience major challenges.

This is evidenced by the low participation of black people in critical economic spheres.

As we noted previously, black people still own three percent of the Johannesburg Stock Exchange, which points to the need to accelerate economic transformation.

Ladies and gentlemen

As part of changing the structure of the economy, in 2012, I requested the previous members of the Presidential Black Economic Empowerment Advisory Council to define the concept of black industrialists.

The Council's recommendations on the development of a Policy Framework for the development of black industrialists, together with the outcomes of the National Broad-Based Black Economic Empowerment Summit were tabled in Cabinet in March 2014.

Cabinet then mandated the Department of Trade and Industry to develop the policy framework.

In addition, the Black Industrialists Programme was launched in August 2014 under the leadership of Deputy Minister Masina.

The target as outlined, is to achieve the development of one hundred black industrialists over three years.

We believe there is room for the participation of many black entrepreneurs in the manufacturing sector as industrialists.

They will be able to benefit from amongst others the incentives provided for in the Industrial Policy Action Plan and the host of manufacturing incentives that government provides.

South Africa's manufacturing sector continues to contribute significantly to the country's economy despite the relative decline of about nineteen percent from 1993.

In 2013, it accounted for 15.2 percent of the GDP.

However, despite its importance to the economy, manufacturing is one of the least transformed economic sectors.

The National Industrial Policy Framework (NIPF) is the key policy document used to drive economic industrialisation, with primary focus on manufacturing and the service industry. Through the Framework we have made meaningful structural development and increased the competitiveness of South African manufacturing.

The vision espoused in the framework is to promote broader-based industrialisation path that is characterized by greater levels of participation by black people.

In doing this, it has become necessary to identify a customised programme that will ensure that black owned companies also participate in key sectors of the economy such as manufacturing, as per the industrial policy action plan.

We believe that the black industrialist policy framework is the right formula to transform the industrial landscape.

The policy will enable the necessary support mechanisms and financial products that could be taken advantage of by black business in stimulating rapid industrialisation.

We can draw lessons from countries such as Brazil, Japan, Malaysia and South Korea. These countries offer a significant insight on the journey of industrialisation.

Further, the strength of the black industrialist programme needs to take into consideration the participation of women, youth and people with disabilities.

Compatriots,

I wish to remind you that on the 26 June 2015, our country will celebrate 60 years of the Freedom Charter, which eloquently defines the minimum demands with regards to economic transformation.

On the 27 April, we celebrate Freedom Day, a day which came as a result of relentless struggles of our people.

These dates remind us of our journey to transform our country from apartheid and colonialism to a national democratic society.

They also remind us the road we must still travel, towards prosperity.

As delegates here you have an important role to play to shape this new path that we are building, the path towards visible and sustainable economic transformation.

We want tangible results arising from this historic summit. Future generations must refer back to this Indaba, when they talk about scores of factories and manufacturing plants that are owned by black entrepreneurs.

We wish you all the best with your deliberations.

Together we can move South Africa Forward!

I thank you.

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