



Address by the Sedibeng District Municipality MMC Maipato Tsokolibane on the occasion of the Role of the University in Sedibeng Economic Development held on the 06th December 2010, in Sedibeng

Programme Director

The Vice Chancellor Prof Moutlana

Faculty Representatives

Distinguished Guests

Ladies and Gentlemen

I bring you warm greetings from the Sedibeng District Municipality. We feel very honoured to be invited here today to participate in these important engagements in our Region. Sedibeng is sitting right in the middle of challenges in its economic development.

We have just launched and established our Mayoral Investment Council. This is the body which will advise the Executive Mayor on investment opportunities for Sedibeng.

In the wake of this development, Sedibeng is preparing to launch the Sedibeng Development Agency, with a view to harness and explore the development and economic growth of the entire Region.

This body will be launched within the next three months. Your invitation could not have come at a more opportune time.

Your call to Sedibeng District Municipality to participate in this important seminar to discuss the role which the University could play in the economic development of the Region is not just a coincidence. It proves and shows that indeed all role players are thinking of the welfare of the citizens of this beautiful District.

In announcing and highlighting the key elements of government's programme of action in his inaugural State of the Nation Address in June 2009, President Jacob Zuma stated that the creation of decent work would be at the centre of our economic policies and would influence our investment attraction and job creation initiatives.

In line with our undertakings, we have to forge ahead to promote a more inclusive economy.

There is growing consensus that creating decent work, reducing inequality and defeating poverty can only happen through a new growth path

founded on a restructuring of the South African economy to improve its performance in terms of labour absorption as well as the composition and rate of growth.

The shift to a new growth path will require the creative and collective efforts of all sections of South African society. Following the speech by the President and the launch of the new growth path, the Sedibeng District Municipality has taken a serious examination at its recent studies and findings in its Sedibeng Territorial Review and **Steel Sector Strategy**.

The reports have made some interesting but unpleasant revelations which amongst others point to the following:

- A few people in Sedibeng have matriculation or have better qualifications, posing a key challenge in improving the lives of people and growing the economy.
- Industries turn to other sources of skilled labor due to skills in Sedibeng.
- Education institutions do not produce graduates of sufficient high standards.
- According to the statistics on education level, very few people have a matriculation and tertiary qualification.

- This translates into a shortage of skilled labor which poses a challenge to economic growth and development of Sedibeng region.
- Sedibeng is the largest exporter of base metals compared to other districts and metropolitan municipalities, exporting 69% of the province's output.

The metal/steel industry in particular can be seen to be in shortage of artisan skills such as moulders, fitters, mechanists, welders, pattemakers, cutters, IT technicians, draughtsman and computer aid designers and many others. The manufacturing sector provides almost three quarters of all the jobs hence it is the single most important employer in Sedibeng.

ArcelorMittal produces 70% of the steel in South Africa for both local consumption and exports. However, it is important to note that Vanderbijlpark Works while it being the largest inland steel mill in Sub-Saharan Africa, with a capacity of 4.4 million tonnes of liquid steel per annum.

The South Africa's primary steel industry 's contribution to the National Gross Domestic Product is about 1.7% and ArcelorMittal total market share is about 70% hence a contribution of 1.1% to the national GDP output. The need to harness this and create downstream industries and

beneficiation must be high on our agenda with a view to launch our future economic development.

We hope that the University will look at taking up the research posed by this opportunity.

In line with the higher education transformation summit declaration and recommendations especially around economic development, Sedibeng District Municipality proposes a District Wide Skills Forum which will be based on the principles of stakeholder forum.

This we see it more viable and sustainable because in the past years Sedibeng has strengthened its research unit and knowledge management department to continuously search for well informed solutions and skills needs for the region.

When the South Africa and Sedibeng District in particular becomes a nation of learners, students will be trained to assess complex situations, solve problems, and work with others in response to a range of unpredictable global challenges.

It is important to note that if Sedibeng can meet its labour needs with a well-prepared workforce, we will become a secure nation. Over and above this if we can provide a workforce proficient in the learning skills needed to adapt to job changes, enormous economic benefits will result. The

need to produce and fill the faster-growing, higher wage, information- and knowledge-intensive jobs is a must.

If we are to remain in the forefront of transforming knowledge into economic value, the government system of higher education must remain the world's leader in generating scientific and technological breakthroughs, and in preparing workers to meet the evolving demands for skilled labor."

To make sure solutions are delivered on the scale needed, the strategic plan must outline how change can be accomplished and what technological investments must be made to reach students and throughout the District.

Maybe in redesigning the education curriculum there is a need to create new regional centers of learning excellence that can specifically focus on improving and redesigning learning. These regional centers will help redesign learning by:

- Pushing the frontiers of learning science with new research.
- Exploring the role that the latest technological advancements can play in providing more effective learning techniques.
- Developing new innovative learning methods and models.

- Bringing together new partnerships to support new learning models.
- Providing appropriate training and retraining for faculty and students for implementing developed methods.
- Disseminating the best models and methods to higher education and other institutions to put them into practice.

The Sedibeng District has a vision for itself based on the belief that with the right education and skills, people can fulfill their potential, companies can compete and win, and the local population can prosper.

In conclusion, it is equally important to note that due to the changing economic structure, locally, nationally and internationally Sedibeng District needs new matching skills in areas of green economy, knowledge economy, agro processing, and beneficiation in areas of manufacturing.

It is in light of the above that Sedibeng District Municipality looks to the University to take up the challenges we have presented above with a view to improve the competitiveness of Sedibeng to create a competent cadre for specialized demand for the future.

I thank you