



**destea**

department of  
Economic, Small Business Development,  
Tourism and Environmental Affairs  
FREE STATE PROVINCE

## **MEDIA STATEMENT**

**20 MAY 2021**

### **MEC MAKALO MOHALE COMMITS TO LOCAL ECONOMIC DEVELOPMENT**

**Bloemfontein.** MEC Makalo Mohale has begun a series of stakeholder engagements to ensure that everyone is pulling in the same direction with the goal of revitalizing and growing the Free State economy, particularly the township economy post-Covid 19.

Speaking to Free State's local government leadership which included Mayors, MMCs for Local Economic Development, and Municipal Managers, MEC Mohale acknowledged the devastation that the Covid19 pandemic is continuing to have on the local economy.. To save many enterprises from definite collapse due to the impact of strict lockdown regulations, the DESTEA introduced Economic Recovery Incentives whose aim was to provide financial support to Free State enterprises. These incentives targeted both the formal and informal sectors in the townships and rural areas, in order to save jobs and create new ones. To date, a total of R71 million was disbursed to assisting over 893 Free State enterprises.

DESTEA intends to sharpen its attention on Local economic development this financial year in order to ensure inclusive economic growth. Efforts will be made to enhance the District Development Model in order to pool financial and non-financial resources from national, provincial and local government. The role of functional and well capacitated Local Economic Development (LED) offices at local government was identified as being key to driving economic development and job creation. To this end, the meeting agreed that both the district and provincial LED forums will be immediately resuscitated and that these forums must ensure that the identified strategic projects are implemented.

The department was mandated to consult with municipalities and compile a catalogue of catalytic projects which will be used to engage potential investors. The proliferation of illegal businesses, mainly in the townships, was another issue the meeting discussed at length. Businesses in most townships operate without the necessary permits and many do not comply with the applicable business by-laws as well as the Businesses Act. Furthermore, there has been a proliferation of businesses operated by non-documented foreign nationals. In this regard MEC Mohale reiterated the commitment he made in his budget speech earlier this year when he said, "We will continue to focus on enforcement of business by-laws to curb trade in illicit goods, building of illegal business structures, and trading without business permits,"

This process, the MEC said, has already started with DESTEA team visiting municipalities to assess the efficiency of available by-laws and to assist municipalities with enforcement strategies. Recently, DESTEA team visited Koppies in Ngwathe Municipality to roll out this process. The exercise entails engagement with Municipality LED officials, Law enforcement officials, and the business community. Encouraging progress is being made in this regard.



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The local government leadership took the opportunity to voice their gratitude on MEC Mohale's leadership and commitment towards ensuring a better life for the people of the Free State. They also shared with the MEC, plans being undertaken by their respective municipalities to ensure economic recovery and growth. DESTEA's support and guidance in making these initiatives a reality will be highly appreciated.

**END**

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