

Launch of the Centre for Small and Medium Enterprise Development

22 September 2008

Speech by the Executive Mayor of Johannesburg, Councillor Amos Masondo, on the occasion of the launch of the Centre for Small and Medium Enterprise Development (CSMED), University of Johannesburg, Soweto campus, Pimville/Klipspruit, Soweto – Johannesburg

Programme Director

University of Johannesburg Vice- Chancellor: Prof Ihron Rensburg

Centre for Small and Medium Enterprise Development Director: Thami Mazwai

Business Leaders! Business men and women

Distinguished Guests

The Media

Ladies and Gentleman

Programme Director, it is a great pleasure to be with you tonight to celebrate the launch of the Centre for Small and Medium Enterprise Development.

What I find to be particularly pleasing is the fact that once again the University of Johannesburg is charting new waters by establishing this center. I have no doubt that this training center will grow to become one of the most important research institution of its kind in the country. I believe that the emphasis and focus will be on finding practicable solutions and viable alternatives to our uniquely South African challenges.

We welcome your approach that seeks to break away from the proverbial academic "ivory tower" to take the fruits of higher education to those in our communities who have been denied access for a long, long time. The redevelopment of this campus is in line with the broad vision of positioning the University of Johannesburg as a leader in the provision of quality education.

Programme Director, a stone throw from here, the Orlando eKhaya development is taking shape. This initiative and project is part of the City's effort to promote, facilitate and encourage economic development. Soweto, the biggest township in Johannesburg where 40% of Johannesburg's 3.8 million residents live provides us with the following information:

- Soweto residents spend R11 billion a year and that only 25% of this is spent in the Greater Soweto area.
- Further, it has been observed that Soweto residents will only buy goods and services locally if the shops are competitive; and
- That like all things Soweto is undergoing a change and there is a need for all of us to look into the future and adapt accordingly.

The City has made a commitment to invest adequate resources in infrastructure development. This includes the provision of clean water and sanitation, solid waste removal, roads infrastructure, electricity and so on. The City has already invested over R485 million in infrastructure in Soweto, to the tarring of roads alone.

The roads project, I must add was achieved five (5) months before our deadline of December 2005. Done without any compromise to quality and within budget.

I am sure that many of you who frequently visit Soweto, have noted the upgrades in the major transport nodes such as Baralink, which is being done in partnership with both Gauteng and National government.

Soweto is undergoing not just a face-lift, but also a radical reconstruction and the mood is one of excitement and vibrancy. As residents, investors and government we all need to play our part in nurturing this township's growth from a previously dormitory townships to a world class and sought after residential and tourist destination.

It makes me happy that people will start to think about Soweto as a place to go to rather than just a place that people come from. It is encouraging to see developers viewing Soweto as a place to invest in.

Programme Director, please allow me to remind you of the following:

- Orlando-Ekhaya, mentioned above, is a more than R1 billion project with mixed-use residential development comprised of townhouses, lakeside flats, shops, office buildings and entertainment facilities all contained within one precinct.
- The Jabulani central business precinct which will add a change in the skyline of Soweto with buildings arranged around open spaces and an emphasis on pedestrians and leisure activities. This will include the new Soweto Theatre, one of our 2010 legacy projects.
- Lufhereng will be the biggest mixed-use, mixed-income housing to be located at Doornkop, the largest development ever undertaken in any township.

The City of Johannesburg is actively promoting the growth of tourism and in the marketing of our unique heritage sites such as Vilakazi Street, the Hector Petersen museum and Kiptown.

To balance the impact of these economic developments initiatives we are also implementing the following:

- The Soweto Greening initiative
- We are planting 200 000 trees before 2010
- We are also grassing soccer fields and
- We are cleaning and rehabilitating the Klipriver and all its tributaries.

Programme Director, we believe that the potential for economic growth in Soweto is vastly underestimated.

Having said all the aforementioned, it is also quite obvious that there is a clear role for Small and Medium Enterprises in any meaningful economic development.

Within the City we are involved in a very productive project together with the Johannesburg Chamber of Commerce to train and mentor small, medium and micro enterprises especially with a view of expanding into the export markets.

About R1, 4 million has been invested in training programmes since 2006 to help entrepreneurs identify export opportunities and to assist them with trade promotion, infrastructure and knowledge about prospective markets.

The City's Economic Development Department is also taking initiatives to design projects to promote investment and the empowerment of black businesses in the City. A major initiative to encourage black entrepreneurs to become involved in the management of property and housing opportunities in the Inner City will soon come to fruition.

The 2010 FIFA World Cup has now become a tangible reality in our lives. Despite the fact that events of this magnitude are often dominated by multinational corporate sponsors I believe that there are a huge number of opportunities opening up for enterprising individuals and groups especially in the areas of tourism, hospitality and catering, transport, retail and wholesale.

Programme Director, I trust that this centre will enable budding entrepreneurs and prospective businessmen and women to think big. Yes, indeed, small and medium enterprises are vital to the economic health of a society but there is absolutely no reason why they should remain small.

Our country desperately needs people with a vision, with a sense of the big picture. Within the black business community we should produce people with an entrepreneurial spirit and a driving ambition to grow major enterprises across all sectors of the economy – from trade and retail, to construction and engineering, to mining, to tourism and the hospitality industry.

Programme Director, I am impressed by the broad vision and the ambitious nature of your Centre. I would like to congratulate the Vice- Chancellor, Professor Ihron Rensburg, for his leadership and salute Thami Mazwai for his effort and passion.

The Centre for Small and Medium Enterprise Development can be the small acorn that we plant today with the potential to grow into a massive oak tree dominating its surrounding landscape.

We support the Centre and hope that the lessons learnt will be of benefit to South Africa.

Thank you