



## **MEC Duma applauds multi-billion rand Wilmar project**

AS KwaZulu-Natal and the rest of the country's citizens observe Freedom month, commemorating the historic moment when they lined up in long queues to cast their votes for the first time, it is important to look at the road travelled over the years.

According to Siboniso Duma, KZN MEC for Economic Development, Tourism and Environmental Affairs and Leader of Government Business, government remains focused on ensuring that political gains are matched by the economic emancipation of the province's citizens. And while April 27, 1994 marked the death knell of apartheid government rule, its legacy is still felt in the economic realities of the country - and the government is tacking the challenge head on. This was the crux of the message delivered in the MEC's keynote address welcoming the opening of the Wilmar Palm Oil Refinery located in Richards Bay Industrial Development Zone (RBIDZ).

MEC Duma told guests that while construction on the multi-billion rand project had been delayed as a result of the global Covid pandemic, the Wilmar leadership had looked beyond the challenges that South Africa and other countries faced. "We pause to express our appreciation to Wilmar International. We thank the shareholders, top management, and all categories of staff for working with us over the years. Collectively, we have inspired hope for a better future," Duma said.

According to the MEC, the occasion marked an important milestone in the government's continued quest to ensure economic recovery and job creation; insisting that the mammoth project gives the province a strategic asset and "challenges us all to ensure that, as a nation, we derive maximum benefit from it". The Wilmar project has already created more than 1373 construction jobs, with 202 to be created upon completion. R1.27 billion has been spent so far.

Part of the capital has been used on a range of activities that include:

- Four commissioned tanks of crude palm oil;
- Pipeline from the port to the tank farm;
- Receiving tanks;
- Pipelines to the loading bay;

- Water, steam and air lines;
- Fire protection;
- Boiler and compressors.

MEC Duma added that the government had been equally encouraged by how Wilmar had actively engaged local SMMEs, and ensured that the local communities also benefitted from the project through the RBIDZ Nal'ithemba Enterprise Development Programme.

In addition, eight local enterprises in sectors such as agro-processing, chemicals and logistics have been integrated into Wilmar's supply chain. This engagement not only supports Wilmar's operations, it also encourages local enterprise development and industrial diversification.

The MEC further noted that to complement the use of imported crude palm oil, Wilmar is committed to sourcing at least 20% of its raw materials locally - specifically sunflower from local farmers.

“While it is widely accepted that progress is being made in speeding up socio-economic development, there is an urgent need to take advantage of being part of BRICS to fast-track the entry of previously disadvantaged communities into the mainstream economy. This is what this partnership represents,” Duma stressed.

He told guests that the Wilmar project underpins the country's celebrations of 30 years of freedom and democracy and demonstrates that KZN is open for business.

“As a government, we remain supportive of initiatives that are aimed at translating political freedom into economic freedom for the majority of ordinary members of society in this country. Through these projects, we are creating opportunities for many people who were condemned to townships and rural areas with no hope for survival.”

The event - attended by a number of leading figures in the private sector and government including DTIC Deputy Minister, Nomalungelo Gina as well as industry captains - was a further chapter in and a demonstration of government's efforts in creating an attractive climate for investment in both the region and the rest of KZN.

MEC Duma noted how KZN stood “head and shoulders” above other provinces, owing to its climate and how it provides a picture-perfect setting for sporting events, recreational activities and business operations.

“We have hosted captains of industry and entrepreneurs representing different sectors of the economy. Many of them have been here in Richards Bay. All our guests have recognised this province as being rich in natural attributes, from the favourable weather conditions to its great

natural tourism assets such as the warm-water coastline, the Drakensberg mountain range, and world-class game reserve areas. Many of them have offered to come back as tourists to sample the warmth of the people of KwaZulu-Natal. Importantly, a few years ago, we hosted a BRICS Business Council meeting here in our Techno-Park.”

The roundtable discussion, the MEC continued, focused on key issues, namely:

- Exploring investment opportunities offered by being part of BRICS.
- Facilitating business-to-business relations involving entrepreneurs in BRICS.
- Facilitating exchange programmes involving academics in the BRICS.
- Positioning RBIDZ as a destination for domestic and foreign direct investments.
- Unpacking the role of RBIDZ as an anchor for socio-economic development in KZN.

The discussion had generated much excitement in the business world - with an injection of investment to the value of R530 million in the RBIDZ region, and plenty of investors also keen on exploring business opportunities giving a much-needed boost in the form of foreign direct investments.

The MEC explained that the RBIDZ overall investment pipeline is valued at R138 billion, with most of the value attributed to energy related projects. About R140bn of the investment is projected to be operational by 2028.

The Wilmar project and other investments set for the region and province are expected to help deal with unemployment that has become rife.

“Before the outbreak of Covid-19, the manufacturing sector was the second largest in the country; generating more than 20% of the province’s employment, and contributing 25% to the province’s GDP. This was sparked by the investment incentives that this government offered to investors and companies that located their manufacturing base in our province,” the MEC reflected.

As part of ensuring KZN’s revival, provincial government has developed an Economic Recovery and Transformation Plan which focuses on key areas including agriculture. Government sees agriculture as one of the key pillars in ensuring both food security and economic development. According to the MEC, the main aim remains to transform key institutions in agriculture and the agri-business value chain through the inclusion of designated groups in agriculture. The aim of this transformation is to promote agricultural growth, offer multiple economic opportunities in the agricultural sector to improve yields, and provide access to markets for crops, livestock and other related sub-sectors.

The Wilmar management's commitment to source at least 20% of its raw materials locally means that local emerging farmers will be expected to produce 30 000 tons of sunflower seeds per year. "We are creating opportunities for women, youth and people with disabilities here in King Cetshwayo District.

"This goes to the heart of pushing for economic transformation and ensuring that all the province's citizens are active players in the KZN economy," concluded MEC Duma.



*Listening to the on-site presentation with other guests are (from third from left) KZN MEC for Economic Development, Tourism and Environmental Affairs, Siboniso Duma; Wilmar GM, Theiva Muthu; DTIC Deputy Minister, Nomalungelo Gina; and RBIDZ Board Chairperson, Adv Bheki Mbili.*