

Driving Trade and Investment in KwaZulu-Natal

Ladies and gentlemen, esteemed delegates, respected business leaders, and valued partners,

It is an honour to stand before you today at this significant KwaZulu-Natal Investment Conference under the theme: *"Unlocking KZN's Economic Potential: Driving Trade and Investment to Transform the Province's Future."* Our gathering here is a testament to our shared vision and collective resolve to drive sustainable growth and create meaningful opportunities for the people of KwaZulu-Natal.

When we discuss investment, we must remember that it's not simply about numbers; it's about people, purpose, and potential. As Warren Buffett wisely noted, *"The stock market is designed to transfer money from the Active to the Patient."* His words remind us that investment is not merely a transaction but a strategic, enduring commitment that brings long-term benefits to all stakeholders involved. For us in KwaZulu-Natal, this conference is an essential step in mobilizing not just capital but also our shared values to create a resilient and inclusive economy that serves our people and the continent.

The world faces an urgent call for investments that go beyond profit, investments that address social and environmental challenges. In a time of complex global uncertainties, it is our responsibility to direct our resources towards transformative initiatives, those that generate sustainable returns while building a more equitable and environmentally conscious society. We must ask ourselves how we can best harness our collective energy and financial resources to create the brighter future that we envision for KwaZulu-Natal and for the generations to come.

As we gather here today, we do so with an acute awareness of both the resilience and the challenges of the global economy. The International Monetary Fund anticipates global GDP growth to level at 3.2% through 2024 and 2025. Encouragingly, the economic outlook for major economies, including the United States, Brazil, the United Kingdom, and South Africa, has improved. For KwaZulu-Natal, this represents an opportunity to engage with the world on more dynamic terms, to forge partnerships, and to integrate into global value chains that can stimulate our local economy.

Of particular note is India, with a projected growth rate of 7% for 2024, establishing itself as the fastest-growing major economy. India's rapid ascent presents a strategic opportunity for KwaZulu-Natal to cultivate trade relations, leverage foreign direct investment, and expand our export markets. This partnership could serve as a catalyst for the expansion and diversification of our economic base, creating a lasting impact for businesses and communities throughout our province.

Yet, we must also remain vigilant. Geopolitical tensions, trade disputes, and recent shifts in political leadership worldwide demand a proactive approach. As South Africa and KwaZulu-Natal strive to become competitive investment destinations, we must continuously assess these global variables to ensure our province remains adaptable, resilient, and prepared to seize new opportunities as they arise.

Our economic indicators are promising. The South African economy grew by 0.44%, with KwaZulu-Natal's GDP increasing by 0.5% in the second quarter of 2024. Significant contributors to this growth include strides in electricity generation and enhancements in water distribution, critical infrastructure that enables a stable business environment. South Africa's recent achievement of 200 consecutive days without load shedding is a milestone that conveys to investors our dedication to ensuring reliable infrastructure that underpins sustainable enterprise and growth.

While South Africa registered a trade surplus of R54 billion, KwaZulu-Natal experienced a trade deficit of R3.2 billion in Q2 2024. This highlights the need for targeted strategies to attract foreign direct investment and to bolster our export capacities. In early 2024, KwaZulu-Natal saw a modest inflow of foreign investment, with three projects valued at USD 15.9 million. The presence of this conference underscores our commitment to creating more vibrant investment opportunities and to accelerating growth in this critical area.

KwaZulu-Natal's government is committed to fostering an environment that assures safety, security, and stability. Addressing crime remains a top priority as we implement robust strategies to mitigate risks and foster an atmosphere where businesses can operate confidently and without concern. Additionally, our infrastructure developments are advancing, with Transnet enhancing efficiencies and expanding the Durban Port, critical steps to solidify KwaZulu-Natal's position as a regional trade hub. These improvements are essential to optimizing logistics, facilitating trade, and attracting investment. The current upgrades in the N2/N3 corridor signify a province revamping itself in its quest to turnaround the tide.

Another key initiative underway is the development of direct air routes to the province, improving connectivity and facilitating trade, tourism, and investment. By enhancing KwaZulu-Natal's accessibility, we lay the groundwork for sustained economic growth, making it easier for goods, investors, and tourists alike to reach our vibrant province.

Encouragingly, the eThekweni Business Confidence Index recently rose to 63.1 in Q3 2024, up from 55.49 in Q2, a testament to the growing confidence in our local economy. This positive sentiment

speaks volumes to potential investors about KwaZulu-Natal's economic landscape, reinforcing our message that this is a province on the rise.

To capitalize on this momentum, the KwaZulu-Natal provincial government remains resolute in strengthening our strategic framework for trade and investment. Our primary initiatives include infrastructure investments, optimizing transport and logistics networks, and simplifying regulatory processes, all designed to foster a conducive business environment. We are also supporting local businesses in accessing global markets, aiming to increase KwaZulu-Natal's export capabilities and forge partnerships within the private sector to build an interconnected, competitive economy.

This conference stands as a landmark moment in our journey. It brings together influential business leaders, visionary thinkers, and committed stakeholders to engage in meaningful dialogue that will yield actionable outcomes. Today, we will not merely discuss investment; we will set in motion initiatives and partnerships that will unlock economic potential, drive growth, and revitalize our province.

I urge each of you to consider the vast potential of KwaZulu-Natal. The pledges and commitments to be made today represent more than financial investments; they are declarations of faith in our future, in our people, and in the promise of a shared vision. Let us remember that the true measure of our success will not be in numbers alone but in the lives we uplift, the communities we strengthen, and the resilience we build for KwaZulu-Natal. This is a moment to turn aspirations into action, channelling our collective commitment into meaningful investments that contribute to a brighter, more inclusive future. We are not here merely to talk about potential; we are here to unlock it, courageously and purposefully, believing that KwaZulu-Natal can and will become a beacon of growth and opportunity.

As we leave here today, let us carry forward a renewed sense of purpose to make this vision a reality. Together, we have the chance to drive real change that goes beyond boardrooms and bottom lines, creating a legacy of sustainable growth, dignity, and opportunity that will benefit generations to come. Thank you for your commitment, your ambition, and your belief in the future of KwaZulu-Natal.