

MEC MVOKO HIGHLIGHTS RESILIENCE OF EC ECONOMY DESPITE CONSTRAINED ECONOMIC ENVIRONMENT

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EASTERN CAPE Finance MEC Mlungisi Mvoko has called for the provincial administration to work as a unity to grow the economy of the Province.



Finance MEC Mlungisi Mvoko presenting the 2023 MTBPS at the Provincial Legislature, Bhisho

MEC reiterated that the economic and fiscal environment of the country and the province is constrained, but despite that, the Eastern Cape economy is showing clear signs of resilience.

He said that when he tabled the Province's Medium-Term Budget Policy Statement at the Provincial Legislature in Bhisho yesterday.

"For 2023, economic growth for the province is anticipated to average 0.9 per cent, gradually improving to 1.8 per cent for the near-term. Agriculture, manufacturing,

construction, and transport are expected to drive growth recovery over the coming medium-term period,” said MEC Mvoko.

“In terms of employment by economic sectors in the third quarter of 2023, the Eastern Cape recorded increases in agriculture, finance, community and social services as well as in the private households on a quarter-on quarter basis. Year-on-year, there were significant increases in employment for Agriculture at 19 000, Trade at 13 000, Finance and business services at 41 000, and Community and social services at 34 000.”

MEC Mvoko also conceded that the domestic economy has steadily managed to improve its ability to absorb labour and create jobs since the end of the Covid-19 pandemic.

“According to the latest report by Stats SA, the province recorded an increase of 15 000 in the number of employed individuals in the third quarter of 2023 as compared to the second quarter. Year-on-year, the total increase in provincial jobs was 99 000. The province also recorded a decrease of 22 000 people in the unemployed category from 949 000 to 926 000. These movements within the labour market led to a subsequent and slight improvement in the provincial joblessness rate which declined by 0.9 percentage points between Q2 and Q3 of 2023. Accordingly, the Eastern Cape Province’s official unemployment rate stands at 38.8 per cent, representing a gradual decline from the above 40 per cent rate we observed in previous quarters,” he added.

MEC Mvoko said the priorities of this year’s MTBPS seek to:

- **Build on current economic resilience towards higher economic growth through public (infrastructure) and private investment.**
- **Strengthen responsible fiscal resources management to sustain provincial development gains; and**
- **Provide continued support to the poor and vulnerable, and protecting front-line services.**

Turning to efforts to sustain economic recovery and inspire growth, MEC Mvoko said the Province will continue to create a conducive environment for private sector investment. He mentioned manufacturing Agro-processing, automotive, renewable

energy, Film, tourism and even ICT as some of the industries where investment focus is placed.

“You would appreciate that the resilience of our economy that I have mentioned, and the figures that are associated with that, have materialised because of the efforts by government, especially in the space of investment attraction and promotion, and spending on economic infrastructure,” he said.

He added that linked to the creation of a conducive environment to inspire growth, are the public investments that government is channelling towards building of economic infrastructure, mentioning ongoing infrastructure projects that are implemented by SANRAL, Transnet that are worth billions of rands.

MEC Mvoko, however, cautioned that there is a great need to strengthen the delivery arm of these economic infrastructure projects, if the Province is to derive value.

“The province has since introduced a model of Infrastructure coordination, monitoring and support to deal with these challenges as the coordination of infrastructure demands the line of sight that includes Provincial Treasury, Public Works and Infrastructure and the Office of the Premier. This model allocates three technical streams i.e. Budget Monitoring led by Provincial Treasury, Project Monitoring and Implementation led by the Department of Public Works and Infrastructure (DPWI) and Service Delivery Monitoring (SDM) and site visits that are led by Office of the Premier,” he said.

Explaining how this year’s adjustments affected the budget, MEC Mvoko said the Province has a net addition of R857.6 million to the main budget allocation of R91.6 billion, taking our adjusted appropriation to a total of R92.4 billion. The addition will mainly cater for the public sector wage agreement that was not budget for.

The conditional grants have been affected by the fiscal consolidation in that the main appropriation amount of R14.6 billion in the 2023/24 Main Appropriation has now been adjusted downward by R761 million, leaving us with an adjusted appropriation of R13.8 billion, he said.

“If we unite in support of the fundamentals of this policy statement, we are destined to deliver to the next administration an Eastern Cape that has strong economy, stable public finances and protected social wage,” he concluded.