

## ECDC says expected growth rate positive for the province

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Acting CEO talks to the latest Industrial Policy Action Plan, jobless growth, the infrastructure investment and government's SMME support.

"The projected 2,3% economic growth rate in the national budget speech is positive because players in the economic development field rely on government's projections to make estimates at the local level," says Eastern Cape Development Corporation (ECDC) acting chief executive Msulwa Daka.

But Daka warned that the 2,3% growth is embedded with risk and we need to be careful how we tread in the year ahead. This comes after Finance minister Pravin Gordhan warned that the world economy may enter a second recessionary wave in the budget speech this afternoon.

"There is some skepticism that we are not yet out of the woods. Commentators are worried that we may be in a rebound. There are still huge fiscal deficits in the West and there is a possibility of overpriced assets in the Far East which may result in asset price bubble.

The finalization of the Industrial Policy Action Plan is an exciting prospect. One of the pillars of this plan is investment into labour intensive industries such as alternative energy, green economies and export-based industries.

"This pillar is important because it indicates a path towards job creation. We have had jobless growth. We need to make an effort to combine growth with job creation than concentrating on economic growth alone," explains Daka.

He says ECDC is also excited that the minister has allocated R1,2 billion in the next three years on water and sanitation for rural households. Government is already conducting trials on alternative ways of delivering electricity and water in rural areas. ECDC is also involved in solar heating for RDP housing.

"The emphasis on Small Medium and Micro Enterprises (SMMEs) is also exciting. This is something ECDC can assist the minister with. The minister mentioned the capitalization of Development Finance Institutions (DFI) and we hope this will cascade into the province. More money in the DFI's means entrepreneurs will have access to funding," adds Daka.

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**Source:** Eastern Cape Development Corporation

**Web:** <http://www.ecdc.co.za/>