

Speech by Minister Ronnie Kasrils: Eastern Cape Arbor Week
Event – Upper Mngqesha
Community – 4 September 2001

Premier M. Stofile, His Majesty King Sandile, Royal Family of Maqoma, Chief Lent Maqoma. Prince Z. Ncamashe

MEC Finance and Economic Affairs, Mr E. Godongwana

Members of the Provincial Legislature

Mayor, Amatole District Municipality

Representatives of the private sector forestry corporations

Community members of Upper Mngqesha

I am delighted to be with you today to celebrate National Arbor Week – Iviki Lezihlahla. Through our Arbor Week we celebrate the importance of trees in our lives and especially the importance of our indigenous forests. Today's event however has a particular focus.

We are here to emphasise the importance of trees in our economy and to launch the Forest Enterprise Development Initiative. This is a Government Initiative that seeks to address the twin evils of unemployment and poverty through the development of the forest sector. This is a national initiative but was originated in the Eastern Cape and much of the focus will be specifically on developing the forest sector in the Eastern Cape.

Later on today we will open the Upper Mngqesha Community Afforestation Project as one of many such projects that we hope to see developing in the Eastern Cape as well as in other parts of the country.

The Eastern Cape is already a leader in community forestry. Last month I was in this wonderful province to launch the Singisi Forest Project. This involved the sale of 60 000 hectares of state forests and a large sawmill to a company which is a joint venture between the private sector, the provincial government and 163 communities living around the forests. The communities now own 10% shares in the companies and workers will also be entitled to shares. This is the very first time that black South

Africans have become owners in a forestry company. I commend the provincial government, and MEC Gondongwana in particular, for this excellent initiative.

The Eastern Cape Forest Sector makes a significant contribution of the provincial economy. The forestry sector in the Eastern Cape comprises 170 000 hectares of plantations. This is less than 0.01% of the total area of the Province. Forestry only contributes 0,6% of the Eastern Cape GGP. We believe that both of these figures have the potential to grow significantly and to bring greater benefits to the province. The forestry sector provides employment for 8 700 workers in the Eastern Cape. R148-million is paid to forest industry workers annually. This too can grow.

In South Africa as a whole we have an estimated 18 800 small-growers owning 43 500 hectares of plantations. This represents an investment of R41,8-million and will generate R220-million for growers.

Unfortunately we can only say that 45 small-growers exist in the Eastern Cape representing less than 500 hectares of commercial plantations. We must increase this!

Technical studies have shown that a further 60 000 hectares of commercial plantations could be developed in the Eastern Cape, on communally owned land. There are sufficient water resources in this province to support such growth.

Development of this nature would create 3 000 direct jobs on plantations alone and generate an annual turnover of R150-million per annum before processing. Primary and secondary processing of this timber would create more employment and generate significant wealth for the people of the province.

This is the reason that we are launching the Forest Enterprise Development Initiative. The job of this initiative is to help communities and small entrepreneurs to develop forest related businesses. Our Departmental officials working in the province, will guide communities and help them avoid any pitfalls that may exist.

The vision of a vibrant forestry sector in the Eastern Cape is not without its challenges. Forestry is unique when compared to other agricultural crops in that trees

take a long time to grow. Some species take up to 30 years to mature. This means that specialised financial and planning support is required.

This initiative can also not succeed if embarked upon by government alone in the absence of the private sector. The private sector has a unique role to play in terms of accessing markets, finance and expertise for community based forestry. Government in turn recognises their role as being the creation of an enabling environment within which development of the forestry sector is made possible. This means creating an enabling administrative and licensing environment, improving access to information and business services, the development of rural infrastructure and improved skills development, training and education.

It is clear that DWAF alone is not in a position to create this environment but that this is indeed a challenge for co-operative, integrated governance at all levels.

I look forward not only to planting the first tree in the Upper Mngqesha Community Afforestation Project later on today and I look forward to returning to the province to launch many more such opportunities.

Thank you.