

**SPEECH BY MR RONNIE KASRILS, MP, MINISTER OF WATER  
AFFAIRS AND FORESTRY, AT THE CONGRESS OF THE SOUTH  
AFRICAN TIMBER GROWERS' ASSOCIATION (SATGA) IN  
PIETERMARITZBERG, KWAZULU-NATAL ON 24 MAY 2001**

I am delighted to join you here in this wonderful part of the country on this important occasion. I was sorry to miss your congress last year. My wife was in hospital at the time and I therefore asked the Chief Director of Forestry of the Department of Water Affairs and Forestry to deliver my speech on my behalf.

Firstly allow me to congratulate you on your decision to merge with the Forest Owners Association to form Forestry South Africa. It seems to me that this will facilitate more effective representation of the sector as a whole, as well as optimising the use of precious resources. I am always open to see the representatives of the industry and to discuss any concerns you may have and I am delighted that you have decided to consolidate your representation under a single umbrella. I hope that the remaining forestry representative bodies will soon follow your example.

Last week a number of industry representatives joined us in Parliament for the annual budget vote on Water Affairs and Forestry. I was delighted that they were able to be present and to hear the confidence that I and my fellow parliamentarians expressed in the sector. In particular I expressed our Government's belief that small scale forestry can play an important role in rural development and can bring previously disadvantaged South Africans into the formal economy.

Having expressed my support of the sector I would like to present a number of challenges to you and to the industry as a whole. Please accept these in the constructive light in which they are offered.

The first of these is black economic empowerment. Although some progress has been made on bringing more black growers into your organisation I must encourage you to strengthen these efforts. The future of the industry depends on the acceptance and support of the public. This support will grow once ordinary South Africans see much greater black representation. In this light I would ask the new Forestry South Africa to make a formal report to me on the extent of black ownership in the forestry sector. I would like to hear about progress in your sector in particular. This would include the growers who are part of the large company schemes, as well as independent growers. I would be very encouraged if the report would include perspectives from black growers themselves as I understand that they have some concerns about the market for their product. I would also like to hear about whether the large companies have any plans to bring black representation, and community representation in particular, into their ownership structure.

Our efforts to restructure our Category A plantations have provided us with some important experience in this regard. In the Eastern Cape North the consortium includes four community trusts which in total represent 164 communities, all of which will have shares in the company. In the KwaZulu-Natal package. The consortium will include the local traditional leadership, representing their communities, as well as representatives of the small timber growers through the Khulunathi scheme. In the Northern forests package, the Cabinet has agreed to set aside 10% of the shares for a community trust. I would like to propose that the large private companies emulate this example and establish community trusts so that their neighbouring communities can own shares in the companies. I am quite sure that the investment this would require will be more than worthwhile in terms of the local support from the communities. I would like to know the industry's opinion about this.

The second challenge is to assist with the conversion of unsustainable weed areas into sustainable plantations where appropriate. I was very pleased to receive a

report from my staff on the emerging partnership between your organisation and my Department on the conversion of wattle jungles to productive assets, particularly in the Eastern and Southern Cape. Uncontrolled wattle stands, or wattle jungles, are a real threat to our environment and at the same time offer no economic benefit. It was in this light that the industry made an agreement with both my water and forestry staff that we should co-operate to convert such areas to sustainable plantations. The *Working for Water Programme* will also be involved in this project. In light of this, your approach to the Department to co-operate in the Southern Cape is to be welcomed and I look forward to hearing the successful outcome of the discussions. I would like to challenge the industry to work in even more areas of the country and to co-operate in an ongoing manner in eradicating invasive trees from our waterways and our environmentally sensitive areas. I am also pleased to hear that my Department will be co-operating with the industry on research for a sterile wattle clone, which could go a long way to maximising benefit while reducing environmental costs.

The third challenge is in the arena of value addition. I understand that much of the timber you grow is currently exported in the form of wood chips. While this is an important economic activity it generates much less value added than the processing of the timber inside the country. We all have a duty to promote maximum job creation and investment inside the country. It may be possible to interest one of your international customers in the development of a processing facility in South Africa or to work with a local customer to develop new capacity to use the wood inside the country and I would like the industry to let me have their comments on this matter.

Finally I would like to ask you to become increasingly involved with the restructuring of my Department's Category B and C plantations. We hope that the first of these, the Mbazwana/Manzengwenya complex, will go out on tender before the end of this year. Thereafter we need to find a way to place the smaller plantations in the hands of community groups or small businesses. You have

considerable expertise in this regard and I hope that we will be able to call on your assistance. We do, however, need to resolve the matter of the State employees in these plantations and my Department is working with the National Treasury and the Department of Public Service and Administration in this regard. I know that you have had contact with the Department in this regard, but please feel free to make proposals to me should this be appropriate.

In closing let me remind everyone of the importance of working together for the development and reconstruction of our society. Organisations such as yours have an important role to play in ensuring that all South Africans have the dignity of employment, development and self fulfilment that all rightly deserve. I would like to believe that all members of SATGA are committed to such values.