

**Speech on the occasion of the sod-turning  
ceremony at the Aviation Supplier Park, funded  
under the SWEEEP – 19/08/2008**

Honourable Minister Mandisi Mpahlwa

Senior Officials,

Members of the media,

Ladies and Gentlemen,

Allow me to start off by conveying to you sincere apologies from Ambassador Lodewijk Briët, our Head of Delegation, as well as from Mr Gerard McGovern, our Head of Co-operation.

I am pleased, however, to stand in for my colleagues and must thank you for the privilege of being part of today's sod turning ceremony. This event bears testimony to the concrete progress made by the Centurion Aviation Village in further developing the Aviation Supplier Park, which in turn is directly aimed at supporting SMEs and BEEE companies in the aviation industry.

Central to the initiative are the promotion of growth, the fostering of enhanced skills in the industry, the creation of employment and the stimulation of further trade with European counterparts such as Airbus. This is definitely a cutting edge industry, where SA can use its added value on the whole African continent.

As you will know, employment creation is central to EU cooperation in South Africa – in fact, the joint EU–SA Strategy for the period 2007-13 allocates some 40% of the total financial resources, of €980 million, to job creation.

Equally, job creation is fundamental to the EU-SA Strategic Partnership. Its Joint Action Plan, adopted May 2007, highlights employment as central to developing stronger and sustainable cooperation in economic and other areas. The importance of employment was again re-emphasised, at the highest level, at the first SA-EU Summit held in Bordeaux, France, some three weeks ago.

We are proud to support a number of initiatives that underpin job creation in South Africa. The SWEEEP (Sector Wide Enterprise, Employment and Equity Programme) supports Government in its efforts to halve unemployment and to reduce poverty by 2014 – this, in turn, is also important to achieving the Millennium Development Goals.

A total amount of €50 million, or well over half a billion rand, has been allocated under this Programme (SWEEEP1 & 2) to date, of which R279 million has already been disbursed to various DTI projects. A fourth and last tranche payment of approximately €15 million (R180 million) is due to be disbursed in the near future. As the Programme enters its closure phase on 31st August, now is the time for evaluation and stock taking on the effectiveness and impact of our joint efforts under the SWEEEP.

The Delegation has been following with interest the initiatives that have been launched under the SWEEEP and in this regard, last year, Amb Briët was particularly pleased to have shared your platform at the launch of the Aerospace Industry Support Initiatives (on 27 August). Similarly,

the joint visit by Amb Briët and Director General Matona to the PPP-Fruit Canning Initiative in the Western Cape was welcomed in the first quarter of 2008.

A few weeks ago Amb Briët attended part of the DTI Executive Board Meeting at which new project proposals to benefit from SWEEEP funding were being discussed. More recently, our Head of Cooperation visited three SEDA technology incubators in Mpumalanga, observing that the EC grant appears to have made a worthwhile contribution to lifting poor small-scale farmers out of poverty – particularly pleasing was that some had managed to raise their monthly income from R750 to as much as R10.000, and having become self-sustaining in the process.

Built on the successes of SWEEEP, a new sector budget support programme for some €100 million will aim at improving the implementation of the Economic Cluster's Programme of Action: with, on the one hand, the objective of supporting sustainable job creation, skills development and thereby bridging the gap between the second economy and the first, and, on the other hand, strengthening joint departmental work as well as multi-stakeholder partnerships, towards finding joint solutions to unemployment challenges.

In addition, another programme proposal is currently under discussion; GEFSA: Growth and Employment Facility for South Africa, with the aim of increasing funding windows for potential entrepreneurs lacking collateral and access to finance to set up their own businesses. This €100 million programme, to be managed in conjunction with the European Investment Bank, will build on the experiences of another EU-funded DTI programme, the Risk Capital Facility.

Finally, Minister, I wish to reassure you on behalf of Ambassador Briët that the European Commission will continue to be a reliable and understanding partner, open to dialogue to help you better meet the challenges that face your country as it endeavours to achieve sustainable economic growth and to reduce poverty.

Thank you.

By C Salinas