



Investing in the place of the rising sun

Interview with the Mpumalanga Economic Growth Agency's CEO

During the height of the COVID-19 pandemic, M.I. Mahlangu was appointed Acting CEO of the Mpumalanga Economic Growth Agency (MEGA), the trade and investment institution of the Provincial Government of Mpumalanga. Now permanently in the role as head of the province's development finance institution, he takes us through the agency's work, their flagship projects, how they're keeping ESG in mind, and shares some of MEGA's exciting plans for the year.

PLEASE DESCRIBE THE SERVICES OFFERED BY THE MPUMALANGA ECONOMIC GROWTH AGENCY.

- MEGA offers the following products and services which are aimed at achieving its mandate:
- On property development, the agency offers project management services, including the development and management of immovable property.
 - On enterprise and agricultural development, the products and services offered include provision of funding, including the granting of housing loans.
 - On trade and investment, the services include the marketing of the province as an investment destination of choice by packaging investment projects which are showcased to investors who seek to invest in the province. Other services include assisting our SMMEs in the province with export support to enable them to export their products internationally.

PLEASE SHARE SOME OF YOUR MOST MEMORABLE MOMENTS AS CEO OF MEGA.

- We have completed the merger that has taken years to be completed and ensured that all employees at MEGA are placed into the structure.
- The agency struggled for many years to obtain satisfactory audit results due to legacy issues inherited from its predecessors. After many years of audit disclaimers, qualified audit opinions, for the first time the agency obtained an unqualified audit opinion with matters of emphasis.
- The agency project managed the MIFPM from inception until completion of bulk infrastructure prior to handing over the construction of top structures to DPWRT.
- The agency also managed the establishment of the Nkomazi SEZ from inception until designation by the Minister and to a point where the Nkomazi SEZ entity is in place with its own board and management.
- We have forged strategic partnerships with various institutions to advance our developmental mandate relating to investment attraction, to mention a few we are implementing partnership with the Office of the Premier where we are disbursing funds to MYDF beneficiaries including the provision of post-investment support. We are also redeveloping

our shopping centres and industrial parks in partnership with strategic development partners who bring with them capital and experience in property portfolio development and management.

WHAT ARE YOUR FLAGSHIP PROJECTS?

- Redevelopment of the Kabokweni and Siyabuswa Shopping complexes which have a value of R143-million and R 100-million, respectively.
- Revitalisation of Ekandustria Industrial Park which will ensure an increase in the number of jobs sustained in the park from the current 2 000 to 5 000. The value of the investment will be known once the planning phase and funding arrangements have been completed.
- Another flagship project is the housing of the InvestSA One Stop Shop in the province which is being implemented jointly with the DTIC, geared towards providing investors with services to fast-track projects and reduce government red tapes when establishing a business.

YOU BECAME ACTING CEO DURING THE PANDEMIC – HARD TIMES FOR US ALL. SINCE YOU BECAME CEO, WHAT HAVE BEEN SOME OF THE STRUCTURAL CHANGES YOU HAVE IMPLEMENTED IN THE ORGANISATION, RESULTING IN GROWTH AND OPTIMISM?

The approved turn-around strategy and its implementation plan outlines all

critical success factors that the agency must address towards its journey to self-sustainability. The results are evidenced by the key achievements already outlined earlier.

WHAT ARE THE MOST CRITICAL ESG POLICIES AND PRACTICES EMBEDDED IN MEGA?

As a 3D provincial business enterprise, MEGA is expected to be self-sustainable by creating a sustainable investment portfolio which is strong enough to drive the economic transformation agenda of government. For this vision to be realised, the agency has embedded the environmental, social and governance components into its strategy, policies and systems. These components consider the needs and ways in which to generate value for all organisational stakeholders (such as employees, customers and suppliers and financiers).

As an investment driven organisation, we take the following into consideration when evaluating investment deals:

- We consider environmental, governance, safety and social issues associated with potential investment opportunities when evaluating a portfolio investment.
- We do not invest in companies or projects that do not respect human rights, including the use of children and discriminatory practices.
- We continually engage with relevant stakeholders such as local communities, all spheres of government, business community, etc. to communicate on ESG matters.
- Follow strict guidelines that prohibit bribery and other improper payments to officials and follow anti-money laundering laws and regulation.

WHAT ARE THE ECONOMIC GROWTH TRENDS IN THE PROVINCE?

The province's three biggest sectors are manufacturing, mining and agriculture (which includes forestry and fishing).

The following are some of the economic sectoral observations:

- **Agriculture:** As a champion industry and agro-processing, agriculture is considered one of the most critical sectors due to its high labour intensity. It is imperative to support

commercial farmers whilst also providing opportunities for small scale farming.

- **Mining:** Coal mining industry will still be with us for the next 30 years according to research. There are still some good export opportunities in the coal mining industry. There are opportunities presented through the infrastructural challenges within the transport and logistics side of the industry.
- **Manufacturing:** Agro-processing is centered primarily in the Lowveld region and makes a valuable contribution to the provincial economy's manufacturing sector. Mpumalanga has a diverse manufacturing sector that accounts for 15% of provincial GDP.
- **Renewable energy:** We must consider the importance of an energy mix for the country. Opportunities pointed out at the Provincial Energy Summit include Emalahleni as a Renewable Energy Hub.

WHAT IS YOUR OPINION OF THE JUST ENERGY TRANSITION?

MEGA has noted how energy security, climate change and the just transition have featured prominently in the provincial government's engagements, particularly as the COVID-19 pandemic subsided from the end of 2021.

There are no specific strategies or regulations that would inform MEGA's approach except those expressed as part of the collective efforts of the provincial government on climate change and the just transition.

To this end, MEGA plans to undertake research that will assist it to identify opportunities in the green economy.

DO YOU HAVE EXCITING PLANS FOR THE COMING YEAR THAT YOU WOULD LIKE TO SHARE WITH OUR READERS?

- We are looking at locating an Agro-processing Industrial Park within the MIFPM precinct. The MIFPM currently sits on 41 Hectares, i.e. 15.8% of the 259 Hectares, and locating this major industrial park within the precinct will serve as a catalyst for accelerated economic growth and development in the province.

- We are also advocating for the establishment of three co-operative banks, one per region, under the direct ownership of municipalities. This initiative presents a viable option towards mobilisation of the funds for investment in productive sectors of the township and rural economy whilst promoting the financial inclusion of our people.
- We will continue to implement multi-year projects that commenced in the previous financial years jointly with our strategic development partners.

MEGA is the official development finance institution, trade and investment arm of the Mpumalanga Province, tasked with providing funding for SMMEs, co-operatives, housing finance, industrial infrastructure so as to deliver growth and development of the Mpumalanga economy.

Therefore, exciting developments are happening at the Mpumalanga Economic Growth Agency, and we want to share this important directional update with you. As mentioned earlier we moved to a new facility and our new address, and phone number have changed, as shown below.



MBOMBELA NEW ADDRESS:
MEGA OFFICE PARK
02 Eastern Boulevard, Riverside
MBOMBELA, Mpumalanga,
1200.

Telephone: +27 13 492 5818
Email: info@mega.gov.za
Website: mega.gov.za.

BUFFELSPRUIT ADDRESS:
Malelane Area
Telephone: +27 13 973 1049.

SECUNDA ADDRESS:
Heunis Street, Grand Palace Building,
2nd Floor, Suite C3.
Telephone: +27 017 634 8458/4199.

NKANGALA ADDRESS:
215 Iridium Street, Ekandustria,
Telephone: +27 13 933 3421

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WE ARE OPEN FOR BUSINESS. ■**