

# SA desperate for black industrialists - Zuma

By [Chris Bathembu](#)

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Government should help create South Africa's own black industrialists, President Jacob Zuma said in Johannesburg.



(Image: GCIS)

"There are many financial institutions that are under the control of government; they must shift in how they finance black business, they must encourage people to take risks to industrialise. We need black industrialists," he said at a Black Business Council breakfast hosted by the *New Age* newspaper and the SABC on Thursday.

"I said this before - we should move away from the notion of just buying shares. We have created opportunities as government. We need to engage with black business... I think it's important for them to come forward and say 'these are the kinds of plans we have'. Then as government, we can come in," Zuma told an audience of more than 300 people, mainly black entrepreneurs.

Government had created a number of instruments to promote manufacturing, including the automotive investment scheme estimated at over R2bn.

The Industrial Development Corporation (IDC) had dispersed R13.5bn to encourage investment in more than 268 companies. However, this was not enough for Zuma who said South Africa would find it hard to transform the economy fully as long as black entrepreneurs focused on buying shares instead of owning large businesses and industries.

"It needs to change. When we realised that Black Economic Empowerment was not producing the desired outcomes, we introduced the Broad-based Black Economic Empowerment policy to change things. We feel now we also need to step in to help create black industrialists."

There needed to be a shift in how financial institutions financed black emerging businesses, particularly black owned.

"We must seize the moment now and promote manufacturing as the backbone of our industrialisation drive for sustained economic growth," Zuma said.

## **'Violence should be condemned'**

In the two-hour long live television broadcast, Zuma also moved to caution that South Africa should avoid a "crisis point" in light of the recent wildcat strikes in the mining sector. He warned against the culture of violence during strikes. Several people were reportedly killed this week as the two-week long truck drivers' mass action intensified.

Doctors in Cape Town were forced to switch off life support on a man who suffered brain damage after being hit by a rock while driving in a truck.

"Violence should be condemned. We have mechanisms that allow people to engage on labour issues, violence should never be tolerated... Some of those trucks that were torched and destroyed actually belonged to small business," said Zuma.

He also described the Marikana incident, where more than 40 people died during a mine strike, as unfortunate. A Commission of Inquiry is investigating the events that had led to the Marikana incident and is expected to give its report early next year.

However, the President acknowledged that the protracted industrial action in mining had delivered a hard blow to South Africa's economy. The Treasury had put the estimated total rand production lost as a result of the strikes in platinum and gold mining sectors to R4.5bn. Up to R118m was lost in coal.

However, despite the figures, Zuma on Thursday said investor confidence in South Africa remained unaffected.

"Our economic data does not indicate a significant drop in business confidence yet since the strike and the global economic decline, but our responsibility is to ensure that we do not reach a crisis point."

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