



**Remarks by President Jacob Zuma on the occasion of the visit to the Granfield
Chicken Abattoir project**

Reitz, Free State Province

28 February 2014

Free State Premier, Mr Ace Magashule,

Minister of Labour, Ms Mildred Oliphant,

Deputy Minister of Economic Development, Ms Hlengiwe Mkhize,

MECs, Mayors present,

Commissioner of the Unemployment Insurance Fund,

Commissioner of the Compensation Fund,

Grain Field Chickens management

Senior officials,

Good day to you all.

We have just completed a tour and a briefing on this successful project.

We are here to view the project, receive an update on progress made and the impact that it is having on the lives of the people of the Reitz.

I am truly pleased with what I have heard and seen.

This visit takes place during an important year. We are celebrating 20 years of freedom this year.

We are taking stock of achievements scored in the past 20 years and also in the past five years in particular, in improving the quality of life of our people.

In doing so, we are happy that we have made a lot of progress in improving the quality of life. South Africa is a much better place now than it was before 1994. There are many success stories in many communities.

We admit that there is still a lot of work to be done, but indeed, lots of achievements have also been scored.

We regard this visit here as being our celebration of freedom and progress with you, the community of the Reitz.

It is a day for us to share the good story that you have to share with the rest of the country.

This is the story of how you were able to take a difficult situation, like the economic recession, and turn it around into an economic and social success!

In 2009 when this government came into office, we had made it clear that we would focus primarily on five priorities.

These are education, health, creating decent work, rural development and land reform and the fight against crime.

Creating decent work and rural development are the primary reason we are together here today.

We have done a lot in the past five years to extend services such as water, sanitation, electricity, housing, health care, social grants and quality education.

We have also continued to work with business and labour to create jobs. Last year more than 650 000 jobs were created, which means progress is being made.

However it has not always been like that in the past four years.

This government came into office during a crippling recession in 2009. We lost a million jobs.

Fortunately these have been recovered. But before then, our country was caught up in a grip of uncertainty. Many people were in financial difficulties due to the 2008 recession.

In response to that economic recession which began in 2008, stakeholders comprising of the Presidential Economic Joint Working Group, namely organised Labour, Business and Government met in December 2008 to consider how South Africans should respond collectively to the prevalent negative economic conditions.

We all agreed on the need to assist those who had been retrenched to find jobs or other income generating opportunities.

In fulfilling the provisions of the framework document and the need to provide relief to workers in difficulty, the Unemployment Insurance Fund and the Industrial Development Corporation bond was launched in April 2010, with an initial investment of 2 billion rand.

As you are aware, the Grain Field Chickens project forms part of such initiatives supported by government to support job creation and job retention.

Government has invested 350 million rand in this project with UIF contributing 65 million rand and the IDC contributing slightly over 23 million rand.

The joint funding has assisted the project to expand and manage its operational capacity to produce and slaughter about 760 000 chickens per week. We congratulate you on this achievement.

Most importantly, the partnership has managed to create 958 new jobs in the Reitz area. This is no doubt good news to many families in this area.

Another good story, ladies and gentlemen, is that workers here at Grain Field own 23% in the business. Therefore, the model of this deal somehow addresses key government initiatives, one of them being broad based economic empowerment.

I am further informed that the staff profile of this company is biased towards women and youth.

This contributes to efforts to address the issues of youth unemployment.

The workers should learn as much as possible about the poultry industry so that in future they too can tap into the funding provided by the UIF and IDC in order to cement and improve South Africa's objective of being a leader in the export market of poultry products.

This initiative epitomises the benefits of working together to eradicate poverty and joblessness.

Besides job creation, this project also contributes significantly to ensuring that South Africa fulfils its obligation of securing food for its inhabitants.

It also rings true in fulfilling government efforts of creating conducive conditions for South African businesses to be competitive in the cut throat global poultry industry.

Let me also add that this wonderful outcome, even though it was established as a result of a recession, has actually given birth to 205 business deals being approved, reflecting a geographical spread covering all the nine provinces in the country. So it is not just the Grain field project.

In this way, the initial 2 billion rand investment was able to result in the creation of 22 263 new jobs and managed to save 20 288 jobs.

The combined jobs created and saved therefore stands at 42 551. It is a remarkable story indeed for our country.

That is why we say it is amazing that a recession can actually be turned into an opportunity for growth and development.

The huge demand for the UIF/IDC led to the further placement of an additional 2 billion rand and to date UIF has invested 4 billion rand.

Fifty percent of the second leg of the second bond will be invested in the six poorest provinces outside Gauteng, Western Cape and KwaZulu-Natal.

Currently, a maximum investment amount of R100 million per transaction has been reduced to R50 million to ensure that the UIF fund reaches as many clients and rural beneficiaries as possible.

This government is doing all it can to assist our people to earn a living.

We are happy that in most of these cases people have not waited for government to do something for them. They have been innovative and all government had to do was to provide funding and technical assistance.

This culture of *vukuzenzele*, of people doing things for themselves must be promoted countrywide so that we can build a truly prosperous society.

As we mark 20 years of freedom, we are happy that we have such good stories.

The story of Gran Field Chicken project proves that South Africa is a much better place to live in now. There are more opportunities that did not exist before, especially for black people.

The onus is on us now to work harder together, to move South Africa forward.

We must work together to develop more successful projects that will lead us to prosperity.

The future looks bright. The future is full of promise.

The people must just seize the opportunities, and use the support that government provides, to build a better life for themselves and their communities.

I thank you.

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Pretoria