



**Member of the Executive Council
For Finance, Economic Development & Tourism
FREE STATE PROVINCE**

**VOTE SPEECH-DEPARTMENT OF ECONOMIC
DEVELOPMENT AND TOURISM (DEDT)**

**HON. M.K. MAKUME
MEC FOR FINANCE, ECONOMIC DEVELOPMENT AND TOURISM
FREE STATE PROVINCE**

21 APRIL 2026

Hon. Speaker Mr. Mxolisi Dukwana
Hon. Deputy Speaker Me. Nolitha Ndungane
Hon. Premier Me. MaQueen Letsoha-Mathae
Members of the Executive Council
Members of the Free State Legislature
Director-General of the Province
Heads of Departments
Chairpersons of the Boards
Chief Executive Officers of Public Entities
Business and civil society
Members of the media, viewers and listeners at home
Esteemed Ladies and Gentlemen.
Dumelang!

INTRODUCTION

Hon. Speaker, I am humbled and privileged to present the Department of Economic Development and Tourism's budget vote. We are here to recommit ourselves to the core strategic priorities of the seventh administration as depicted in the Medium-Term Strategic Plan —driving inclusive growth and job creation, reducing poverty and the high cost of living, as well as building a capable, ethical, and developmental state.

Hon. Members, today's Budget Vote tabled during a significant month in history of this country. On 6 April 1979, Solomon Kalusha Mahlangu—a freedom fighter, dedicated struggle activist, and Umkhonto we Sizwe (MK) combatant of the ANC—was executed/ hanged by the apartheid regime; it was on 10 April 1993 when the world lost an outstanding liberation fighter, a prominent South African Communist Party *Chris Hani* who was assassinated outside his Boksburg home. Bahaeso, it was on 24 April 1993 when we lost one of the outstanding giants, an internationalist, a unifier, a gender activist and the longest-serving president of the ANC, NTATE Oliver Reginald Tambo who died of stroke and a long battle with illness.

In six days' time, on 27 April, South Africans will commemorate Freedom Day. This day was not won easily; it stands as a powerful milestone marking the end of more than 300 years of colonialism, segregation, and apartheid. It ushered in a new democratic dispensation, the adoption of a progressive Constitution, and the inauguration of Umata Nelson Rolihlahla Mandela as the first President of a free and democratic South Africa. Indeed, it is a special day that signifies liberation, the restoration of human dignity, and the promise of equality for all citizens regardless of race. It is a day that reminds us of the immeasurable sacrifices made by individuals and nations to break away from the chains of unjust segregation by a selected few.

Bongata ba bana ba thari e ntsho bo lwanetse tokoloho ena eo re lokelang ho tshabana le yona ka madi a bona. May their souls rest in eternal peace. As we take up the baton and advance the struggle for economic emancipation and social justice, we pay solemn tribute to them and to the many other liberation fighters whose sacrifices secured our freedom and continue to inspire our path forward.

Honourable Members, it is imperative that we recognise 2026 as a year of decisive action—a year in which we must fix and stabilise local government, while accelerating economic growth and transformation. This calls for the urgent and effective implementation of policies and resolutions that are directed at improving the lives of all South Africans.

To realise this vision, we require a capable, skilled, and ethical public service. We rely on public servants to apply their expertise diligently in advancing government's mandate of delivering quality services to our people. They must uphold the highest standards of integrity in all that they do and remain guided by a clear understanding that their foremost responsibility is to serve the public. Above all, they must consistently put the people first.

In everything that we do or say, we dare not fail to put the people first.

Hon Members, it remains imperative for government to continue investing deliberately and consistently in the development of our youth, as we strive to build a skilled, capable, and future-ready workforce that can effectively advance our national and provincial priorities. In this regard, we call upon both the public and private sectors to partner with us in creating meaningful opportunities for unemployed graduates. By providing access to workplace experience, mentorship, and skills development initiatives, we can bridge the gap between education and employment.

Such collective efforts will not only empower our young people with the competencies required in a modern economy but will also strengthen our ability as a government to fulfil our commitment to building an inclusive economy and decisively tackling the persistent challenge of unemployment.

Honourable Speaker, it remains within our mandate as a department to advance inclusive economic empowerment by creating platforms that enable the meaningful participation of youth, women, and persons with disabilities in trade and business, including opportunities beyond the borders of South Africa.

Honourable Members, to realise this objective, we must move beyond market access initiatives and intensify our investment in non-financial support. This includes assisting local enterprises to modernise and digitise their operations, comply with regulatory requirements, and adopt sustainable practices, particularly in key sectors such as agriculture and manufacturing.

We therefore urge our local businesses to actively participate in business development workshops and similar platforms, as these provide valuable opportunities to engage with industry leaders, experts and key stakeholders, share knowledge, and unlock pathways into the mainstream economy.

Hon Members, today's budget is about the people and not numbers. Our people have had enough of promises and long speeches; hence, our budget focuses on the realities facing our people on the ground. This is because our struggle was never only about political democracy but about inclusive economic and social transformation, equality, access to food security, job opportunities, restoration of human dignity and rights.

In everything that we do or say, we dare not fail to put the people first.

FREE STATE GROWTH AND DEVELOPMENT STRATEGY

Honourable Members, we are pleased to announce that the Free State Province has successfully finalised its Growth and Development Strategy. This pivotal framework is designed to drive comprehensive, inclusive economic growth, while advancing long-term development and improved service delivery. The Strategy serves as an essential instrument for integrating the diverse developmental needs, challenges, and opportunities that exist across the provincial landscape. It provides a coherent and coordinated approach to planning and implementation, ensuring that our efforts are aligned, responsive, and impactful in addressing the aspirations of our people.

NATIONAL AND PROVINCIAL ECONOMIC OUTLOOK

On the domestic front, South Africa continues to experience weak economic performance due to structural challenges and logistical constraints. As a result, Statistics South Africa says the country's economy grew by 0.5 percent in 2024 and 1.1 percent in 2025. Considering the latest economic challenges that are currently taking place globally, such as increased geopolitical tensions through the 2026 Middle East conflict, the domestic economy is projected to grow by 1.0 percent in 2026.

Over the medium term, from 2025 to 2030, the provincial economy is expected to experience a gradual and uneven recovery. Real provincial GDP is projected to increase from 2.15 percent in 2025 to 3.02 percent by 2029, averaging 2.27 percent over the period.

To achieve stronger long-term growth, we must focus on industrialization, strengthening agricultural value chains, ensuring energy security, attracting investment, and easing logistical constraints that continue to limit economic expansion.

Hon Speaker, economic activity within the province remains unevenly distributed across regions. In 2025, the Mangaung Metropolitan Municipality accounted for the largest share of provincial GDP at 50.04 percent (R189.8 billion), while the Xhariep District Municipality contributed the smallest share at 1.86 percent (R7.0 billion). The remainder was distributed across Thabo Mofutsanyana at 16.9 percent, Fezile Dabi at 16.4 percent, and Lejweleputswa at 14.8 percent.

Hon Members, the province recorded exports of R12.8 billion in 2025, above imports of R12.2 billion. Exports were led by food, beverages and tobacco, as well as machinery and transport equipment, with African markets remaining the primary destination. This strong continental presence presents significant opportunities under the African Continental Free Trade Area.

Hon Members, this strong continental presence presents favorable prospects under the African Continental Free Trade Area. On the import side, the province's largest categories were fuel, petroleum, chemical and rubber products (R2.7 billion), metal products, machinery and household appliances (R2.6 billion), and electrical machinery and apparatus (R1.9 billion). Imports predominantly sourced from Asia, from which total imports amounted to R5.9 billion, led by electrical machinery and apparatus (R1.8 billion), metal products and machinery (R1.3 billion), and fuel and chemical products (R1.2 billion).

Hon Speaker, unemployment remains one of the most pressing socio-economic challenges confronting the Free State. As at the fourth quarter of 2025, the province's official unemployment rate stood at 37.2 percent, with youth unemployment, among those aged 15 to 34 years, reaching an alarming 52.2 percent. Hon Premier, the data further reveals a stark age-related disparity. Unemployment is most severe among young people aged 15 to 24 years, where it peaks at 58.6 per cent, before declining significantly to 16.9 per cent among those aged 55 to 64 years. This trend underscores the persistent structural

barriers that continue to limit labour market entry for our youth and calls for targeted and decisive interventions.

DEPARTMENTAL APPROPRIATION

The Department of Economic Development and Tourism together with the provincial entities is allocated a total budget of **R533.3 million**, which will be strategically deployed across its core programmes to advance economic growth, enterprise development, and tourism expansion within the province.

This allocation is disseminated as follows:

- Programme 1: Administration receives an allocation of R177 million.
- Programme 2: Economic and Small Business Development is allocated R250 million, representing the largest share of the budget. This investment underscores government's commitment to accelerating inclusive economic growth, strengthening SMME development, and expanding support to township and rural enterprises. Included within this allocation are funds specifically earmarked for public entities
- Programme 3: Tourism is allocated R106.3 million, which will be directed towards the development and promotion of the provincial tourism sector, infrastructure enhancement, destination marketing, and the diversification of tourism products. Included within this allocation is R46.1 million specifically earmarked for the maintenance and refurbishment of resorts. This investment is critical to improving infrastructure quality, enhancing visitor experience, and strengthening the competitiveness of our provincial tourism assets.

PROGRAMME 1: ADMINISTRATION

Honourable Members, the overarching objective of this programme is to provide leadership and strategic management in full compliance with applicable policy and legislation, while also rendering appropriate support services to all other programmes.

Honourable Speaker, at the core of our priorities is the advancement of good governance and full compliance. The department has attained a clean audit outcome in the previous financial year, and we are resolute in sustaining this achievement. To this end, we will ensure that all valid invoices are paid within 30 days, maintain a consolidated annual procurement plan and asset register, and continue with regular entity oversight engagements. We will further strengthen inclusive economic participation by directing at least 40 per cent of procurement towards women-owned businesses, while also conducting Occupational Health and Safety inspections to safeguard a conducive working environment.

Honourable Members, in advancing service delivery, the department will undertake frontline service delivery monitoring, complemented by staff and client satisfaction surveys to assess performance and identify areas for improvement.

Building an ethical and accountable institution remains paramount. Accordingly, we will implement ethics and anti-corruption campaigns, finalise financial disclosures, and undertake investigations and lifestyle reviews to reinforce a culture of integrity.

To promote a capable and professional workforce, the department will assess key projects with recommendations, conduct a skills audit, and implement targeted training programmes aimed at enhancing employee competence and organisational performance. In addition, we will continue to advance inclusivity

through training initiatives on gender equality, youth development, and disability rights.

Honourable Speaker, in strengthening communication and embracing digital transformation, we will implement our communication strategy and finalise a digital transformation plan, while modernising internal business processes to improve efficiency and service delivery. We will also reinforce business continuity and performance monitoring systems to ensure organisational resilience.

Employee wellness remains a priority. The department will support employees through health initiatives, including HIV testing services and health risk assessments, to promote a healthy and productive workforce. Furthermore, we remain committed to workforce transformation by advancing gender representation in senior management and achieving employment equity targets for women, youth, and persons with disabilities.

Honourable Members, these commitments reflect a balanced approach to strengthening governance, improving service delivery, empowering our workforce, and driving transformation. Through these measures, we are confident in delivering sustainable and meaningful outcomes for our province.

PROGRAMME 2: ECONOMIC AND SMALL BUSINESS DEVELOPMENT

Hon. Speaker, this programme is consciously positioned to drive a conducive environment for inclusive economic development in our province. It places particular emphasis on empowering small businesses as engines of growth, innovation and job creation, while fostering a resilient and sustainable economy that benefits all our people.

Hon Members, allow me to deliberate on attainment for the 2025/26 financial year as well as the plans for the 2026/27 financial year.

Economic Development

Honourable Speaker, agriculture remains a cornerstone of the Free State economy, with a strong concentration in districts such as Xhariep and Thabo Mofutsanyana, where it contributes up to 24 percent and 16.5 percent of local economic activity respectively in those regions, and present significant opportunities for beneficiation.

Honourable Members, with the sector projected to grow at an average of 2.89 percent annually up to 2030, the Department will intensify efforts to scale up agro-processing, particularly in districts where primary production dominates. This will include targeted support for agro-processing facilities, the expansion of cold-chain and logistics infrastructure, and the integration of emerging producers into sustainable market value chains. Our strategic intent is clear: to move the province up the value chain by transforming raw agricultural output into higher-value processed goods, thereby creating sustainable employment and advancing rural industrialisation.

Honourable Speaker, in parallel, we are confronted with the urgent need to accelerate economic diversification in districts heavily dependent on mining. The Lejweleputswa District remains structurally vulnerable, with mining still accounting for 31 per cent of its economic activity. The continued decline of this sector has directly contributed to rising unemployment, currently estimated at 54.5 percent.

In response, the department will prioritise targeted diversification interventions in Lejweleputswa by promoting alternative and sustainable sectors identified in the district profile. These include manufacturing and agro-processing, renewable energy—particularly solar energy—and engineering and business

services. These interventions will be reinforced through focused investment promotion and strategic infrastructure support, aimed at unlocking new pathways for job creation, reducing long-term socio-economic risk, and building a more resilient and inclusive district economy.

Enterprise Development

Hon Members, at the centre of our economic strategy lies a clear and deliberate objective: to accelerate economic growth through targeted and impactful enterprise support. In the 2026/27 financial year, we will support 1 200 Micro, Small and Medium Enterprises (MSMEs) through non-financial interventions. This represents a progressive increase from previous years and demonstrates our sustained commitment to expanding access to essential business development services.

In strengthening enterprise development further, we will introduce structured mentorship programmes, providing direct guidance to 50 MSMEs. This intervention is designed to ensure that emerging enterprises are not only established but are adequately supported to grow, sustain themselves, and scale within competitive markets.

To ensure that our interventions are informed by evidence and responsive to real sectoral challenges, the Department will produce one MSME sustainability report containing actionable recommendations. In addition, we will continue to convene research colloquiums with relevant stakeholders to deepen collaboration, enhance knowledge exchange, and strengthen policy coherence across sectors.

Honourable Members, in our pursuit of efficient utilisation of local resources and the deepening of localisation, we will support six (6) value chains. This will reinforce local production systems, strengthen supply linkages, and enhance economic retention within our districts. Furthermore, we will produce two (2)

market intelligence reports to equip businesses with the necessary insights to remain competitive and responsive to market dynamics.

In recognition of the need to broaden inclusion within the economy, we will also support three small-scale miners, thereby facilitating their integration into the broader economic value chain.

The Department is acutely aware that declining MSME sustainability and limited township business ownership continue to exert pressure on employment creation, particularly in districts such as Fezile Dabi, where manufacturing and mining remain significant contributors to economic activity. In response, we will intensify the Enterprise Support Programme and the Distribution and Wholesale Programme, with specific focus on:

- Bulk buying support for township and rural enterprises
- Shared business infrastructure and trading facilities
- Integration of local suppliers into district-based value chains

Through our departmental service centres, we will continue to provide hands-on support to businesses in areas such as regulatory compliance, formalisation, and access to finance, thereby improving business survival rates and long-term sustainability.

Honourable Speaker, we are also intensifying skills development in digital technologies to ensure that MSMEs are equipped to participate meaningfully in an increasingly digital economy. From digital literacy to e-commerce readiness, we are preparing entrepreneurs to compete in modern and evolving markets. This is complemented by expanded mentorship support, which provides practical business guidance, market intelligence, and operational support to enhance enterprise resilience.

Honourable Members, our people are no longer interested in promises; they demand action. As a department, we are committed to delivery, not rhetoric.

Last year, in this House, I committed that the department would introduce an online application system for MSME incentives in the Free State. I am pleased to report that this commitment has been fulfilled. For the first time, we introduced an online business incentives application system aimed at improving fairness, transparency, accountability, and accessibility in the allocation of support to businesses, including access to equipment and infrastructure to enhance productivity and job creation.

We acknowledge that the system experienced initial implementation challenges. However, we are continuously refining it, learning from implementation, and strengthening communication with all applicants to ensure transparency and trust in the process.

This intervention is designed to enable MSMEs to penetrate mainstream economic activity, strengthen productivity, build capacity, and participate meaningfully in township and district economies, while advancing value chain beneficiation and local economic sustainability.

During the first application window, opened from 11 to 21 July 2025, we received over 1 000 applications. Following a rigorous assessment process, approximately 120 businesses across the province were approved for support to acquire business equipment and refurbish business premises.

While the numbers may appear modest relative to demand, the impact is significant, given resource constraints. These interventions are already improving productivity, strengthening compliance, and enhancing the sustainability of local enterprises.

In the second application window, we received 970 applications, bringing the total number of applications across both windows to 2 034. The total investment committed to this initiative amounts to R22.5 million.

Honourable Premier, our people are eager for implementation—and that is precisely what we are delivering. We will continue to intensify support to the business community of the Free State. I am also pleased to note that MSME beneficiaries from Fezile Dabi are present today and can attest to their growth journey, serving as living testimony of what targeted support can achieve.

Furthermore, 128 spaza shops across the Free State have benefited from the Coca-Cola Beverages South Africa (CCBSA) programme, which supported refurbishments to improve infrastructure, compliance, and competitiveness. This intervention strengthens township and rural economies while improving access to quality goods and services.

We have also intensified our Business Pitching Training Programme, equipping entrepreneurs with the skills to present viable business cases, attract investment, and position themselves for growth opportunities. In addition, we will provide financial support to 60 MSMEs to enable expansion, sustainability, and operational stability.

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On industrialisation and manufacturing recovery, Honourable Speaker, manufacturing remains a critical anchor sector, contributing 29 percent to the Fezile Dabi economy and over 18 percent in Thabo Mofutsanyana. However, provincial manufacturing performance has weakened, alongside a sharp contraction in construction, which now contributes only 1.6 percent to GVA in 2024.

To reverse this trajectory, we will strategically leverage key industrial assets, including the Maluti-A-Phofung Special Economic Zone, existing industrial parks in Mangaung and Fezile Dabi, and district manufacturing nodes aligned to logistics and transport corridors.

We will mainstream two (2) manufacturing MSMEs into industrial production systems to strengthen industrial participation. In addition, we will produce an advisory on capital formation to guide investment decisions, and implement one initiative to support MSME acquisitions, enabling expansion and sustainability.

We will further deploy targeted incentives, including subsidised rental space and operational support, to attract labour-intensive industries. Importantly, we will strengthen public-private collaboration to unlock stalled investments, stimulate industrial output, and reposition manufacturing as a key driver of inclusive growth and employment creation.

Honourable Members, as part of our commitment to accelerated industrial transformation, we convened the Industrialisation Indaba, a strategic platform that brought together industry stakeholders across key sectors of our provincial economy. This engagement validated our policy direction and strengthened partnerships necessary for effective implementation.

Through this engagement with business leaders, manufacturers, investors, and development partners, we are aligning government action with industry realities. The outcomes of this Indaba will strengthen collaboration, unlock investment, and ensure that industrialisation in the Free State is driven by practical, implementable solutions that create jobs and drive inclusive growth.

Strategic Projects and Investment Unlocking

We are in a mode to unlock provincial private sector investments, particularly within the renewable energy space. These investments are creating significant employment opportunities, revitalising previously marginalised local economies, and opening supply chain opportunities for local MSMEs.

By working hand in hand with stakeholders, we are ensuring that these projects deliver inclusive growth, local procurement participation, and long-term economic prosperity for our communities.

Hon Members, across all programmes, partnerships remain the backbone of our success. Cross-province collaboration ensures that we learn from one another, align strategies, and maximise impact. Strategic alliances with the private sector strengthen our implementation capacity and expand economic opportunity.

Together, we are building a resilient and diversified economy — one that empowers MSMEs, protects consumers, attracts investment, and creates sustainable jobs for the people of the Free State

To give practical effect to these deliberations, we have established the Lake Gariep Task Team to develop a comprehensive business case to drive the implementation of catalytic projects within the Gariep Dam precinct.

This technical task team comprises representatives and officials from the Free State, Northern Cape, and Eastern Cape provinces, reflecting a coordinated inter-provincial approach to unlocking the economic potential of the Gariep region.

We have also recorded an increase in provincial private sector investment — a clear signal of growing business confidence in the Free State. This upward trajectory reflects our deliberate efforts to create a stable, predictable, and enabling environment for investment.

To stimulate increased private sector investment, we will facilitate seven (7) catalytic projects, creating an enabling environment for large-scale economic activity. Additionally, we will implement a Karoo Corridor development initiative, contributing to regional economic development. These targets reflect a balanced and strategic approach to economic development. They emphasize growth, inclusivity, innovation, and sustainability. While ambitious, these targets are achievable through collaboration, accountability, and a shared commitment to progress. Let us move forward together, to ensure that these plans translate into tangible outcomes that benefit all our communities.

Free State Development Cooperation (FDC)

We have also undertaken the important task of verifying and updating the lease contract register. This process ensures that every occupant of FDC-owned property has a valid and compliant lease agreement. Through this intervention, we are restoring proper governance, enforcing compliance, and safeguarding provincial assets.

In addition, the FDC will conduct a thorough review of its property portfolio. Non-performing assets will be identified and get disposed off in a responsible and transparent manner. The proceeds from these sales will be strategically utilised to reduce existing debt and to fund priority projects that stimulate economic growth, create jobs, and support enterprise development across our province.

These measures reflect our commitment to sound financial management, improved revenue collection, and the protection of public assets. We are determined to reposition the FDC as a catalyst for inclusive economic growth — efficient, accountable, and sustainable.

The Maluti-a-Phofung Special Economic Zone

Hon Speaker, the Maluti-a-Phofung Special Economic Zone (MAP-SEZ) continues to occupy a strategic position in advancing industrialisation, investment attraction, and sustainable job creation in the Free State. The stability, governance and performance of our provincial entities remain central to this administration's economic development agenda, and MAP-SEZ remains a key instrument in this regard.

Through sustained and focused efforts, the Zone has strengthened meaningful and mutually beneficial partnerships with the private sector, firmly positioning itself to fulfil its developmental mandate and contribute to regional industrial growth.

We are pleased to report that, during the reporting period, MAP-SEZ successfully concluded new investment agreements with two companies. At full operational capacity, these investments expected to create 45 direct jobs, while also contributing to local industrial activity, skills development, and downstream economic opportunities within the Maluti-a-Phofung area.

Hon Members, in reinforcing the importance of institutional stability and leadership continuity, we have appointed Chief Executive Officer (CEO), and we are confident that under his leadership, the Zone will consolidate operational stability, strengthen investor confidence, and accelerate the delivery of socio-economic impact in line with government priorities.

This administration remains resolute in ensuring that MAP-SEZ operates as a credible, stable and high-performing development institution, capable of driving inclusive growth and supporting the broader industrial recovery of the Free State.

Consumer Awareness, Protection and Education

Hon Members, protecting the rights of our consumers remains a non-negotiable priority of this administration. During routine inspections, our Consumer Unit successfully identified and removed a range of non-compliant items from circulation.

These interventions, which include community centred consumer awareness programmes, intelligence driven inspections and visibility enforcement, form part of the unit's ongoing mandate to safeguard consumer rights, protect public health, and enforce compliance with applicable legislation.

The removal of unsafe and non-compliant goods from the market contributes significantly to maintaining market integrity and reinforcing consumer confidence in our economy. Beyond enforcement, we have strengthened

consumer education initiatives to empower residents with knowledge of their rights and responsibilities.

Consumer protection is another key area of focus. In this financial year, we will conduct 40 consumer awareness sessions, empowering citizens with knowledge of their rights. We will also resolve consumer complaints within 90 days, improving service delivery and accountability. Furthermore, we will continue to conduct proactive inspections to ensure compliance with industry standards and the Consumer Protection Act.

An informed consumer is a protected consumer, and we will continue expanding awareness campaigns across communities to ensure that no citizen is exploited or misled in the marketplace.

Trade Shows, Access to Market, and Media Engagement

Hon Speaker, to ensure sustainability beyond funding, we have strengthened market access initiatives. 'Tourism Tuesday' online initiative continues to serve as a platform to market and promote diverse tourism products and entities, increasing visibility and encouraging domestic travel.

'Business of the Week' departmental social media initiative highlights local enterprises on a rotational basis, providing exposure and connecting businesses to broader audiences and potential clients.

A total number of 12 tourism MSMEs, spanning hospitality and travel services, was supported to package and promote the Free State to international buyers, thereby strengthening enterprise participation in global value chains.

In addition, the entity hosted three (3) United Kingdom-based media representatives interested in authentic cultural experiences, as part of our strategy to target international community/tourists.

Expanding market access is essential for enterprise growth. In the coming year, we will support twelve (12) enterprises to participate in trade fairs, exposing them to new markets and opportunities. Additionally, we aim to register 40 enterprises on the Trade Portal, enhancing their visibility in both local and international markets.

Our focus on enterprise competitiveness and productivity will be advanced through the implementation of two (2) sectoral cluster development initiatives. We will also support five (5) enterprises to participate in productivity programmes, improving efficiency and output.

Liquor and Gambling

In advancing the regulatory mandate of the Free State Gambling, Liquor and Tourism Authority, we are placing deliberate focus on strengthening governance within the liquor-licensing environment. Central to this is the automation of the licensing system, which will modernise application, adjudication and compliance processes.

This intervention is not merely about efficiency—it is about restoring integrity to the system. By digitising records and introducing transparent tracking mechanisms, we will decisively curb fraudulent licences, eliminate duplication, and close loopholes that have historically been exploited. This reform positions the entity to deliver a credible, accountable, and investor-friendly regulatory environment.

The proliferation of illicit alcohol remains a serious threat—not only to the economy, but also to public health and community safety. In response, the Authority will intensify coordinated enforcement through targeted blitz inspections, working in close partnership with the South African Police Service and customs authorities. These operations will focus on dismantling illegal distribution networks, confiscating counterfeit products, and ensuring that only

compliant operators remain active in the market. Through these sustained interventions, we aim to protect consumers, safeguard legitimate businesses, and reinforce the rule of law across the province.

In the gambling sector, the entity is actively exploring the licensing of online gambling as a strategic lever for revenue enhancement. As digital platforms continue to reshape the industry, it is imperative that the province positions itself to regulate and benefit from this evolving landscape. The introduction of a structured licensing framework for online operators will not only broaden the provincial revenue base but also ensure that such activities occur within a controlled, compliant and socially responsible environment.

In this regard, the entity is in the process of finalising and rolling out a comprehensive Revenue Enhancement Strategy. This strategy will consolidate efforts across both liquor and gambling streams, identifying new revenue opportunities while strengthening existing collection mechanisms. It will further ensure that revenue generation balanced with strong regulatory oversight, compliance enforcement, and responsible industry practices.

Hon Speaker, to complement these initiatives, the entity will continue to implement rigorous and continuous inspections to combat illegal gambling activities. These inspections will target unlicensed operators, enforce compliance with licensing conditions, and protect vulnerable communities from the harmful effects of unlawful gambling practices. Through intelligence-led operations and strengthened inter-agency collaboration, we are committed to maintaining a fair, transparent, and well-regulated gambling environment.

We also wish to highlight progress regarding the Phakisa Raceway, a strategic provincial asset with significant potential to contribute to economic growth, tourism and job creation.

Following a resolution by the Executive Council, a dedicated Member of the Executive Council will be assigned to lead the development of a comprehensive turnaround strategy for the raceway. This intervention underscores government's commitment to revitalising the facility, enhancing its commercial viability, and repositioning it as a premier motorsport and events destination. The turnaround strategy will focus on strengthening governance, attracting investment, and unlocking the Raceway's full potential as a catalyst for regional economic development.

Through these targeted interventions, the Free State Gambling, Liquor and Tourism Authority reaffirms its commitment to clean governance, economic growth, and the protection of our communities

Infrastructure development remains a critical pillar. In 2026/27, we will refurbish or build twelve (12) enterprise business infrastructure facilities, including hubs, factories, and spaza shops. This investment will provide the physical platforms necessary for businesses to operate efficiently and competitively.

To ensure guided infrastructure development, we will conclude seven (7) municipal IDP alignment initiatives, strengthening coordination between local government planning and economic development priorities. At the same time, we will complete one (1) procurement localization initiative, promoting the use of locally produced goods and services.

Our commitment to research, innovation, and technology development continues with the compilation of one advisory on innovation and technology. This will ensure that enterprises are equipped to adapt to rapidly evolving technological landscapes.

In pursuit of sustainable job creation, we will support digital hub, providing a platform for innovation and skills development. We will also implement seven (7) strategic sector projects in collaboration with partners, leveraging

partnerships to maximize impact. Additionally, innovative enterprises will be supported through the incubation programme, nurturing high-potential startups.

We remain committed to building an inclusive economy and reducing the cost of living. To this end, we will implement ease of doing business interventions, reviewing administrative processes and sector regulations that will be impactful to small enterprises. While no cost-of-living analysis report planned for 2026/27, we will continue to monitor economic pressures and respond where necessary.

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PROGRAMME 3: TOURISM

The primary objective of this programme is to ensure adequate planning, sustained growth, meaningful development, and transformative progress of the tourism industry, in line with our broader economic transformation agenda.

Hon Members, before I turn my focus to the plans under this programme for the 2026/27 financial year, allow me to briefly reflect on the notable achievements of the 2025/26 financial year. We prioritised targeted marketing initiatives aimed at promoting newly established thematic routes and flagship events. This deliberate intervention was designed to diversify the provincial tourism product offering and to strategically position the Free State to compete within specialised and niche tourism markets

Hon Members, among the key interventions undertaken was the targeted marketing and promotion of three newly established thematic routes, each carefully designed to enhance the diversity, appeal, and competitiveness of the provincial tourism offering.

Firstly, the Coffee Festival in Marquard, which has been strategically positioned to cater for coffee enthusiasts and the broader lifestyle tourism market, thereby introducing a distinctive experiential tourism product within the province.

Secondly, the Cosmo Route Thematic Experience in Fouriesburg, which highlights the province's rich botanical diversity, complemented by the striking sandstone landscapes that characterise this scenic and unique destination.

Thirdly, the Camino Hiking Trails in the Maluti–Drakensberg Mountains, which promote outdoor and adventure tourism, with specific emphasis on Sentinel Peak, located within the broader Maluti–Drakensberg mountain range.

In addition, Hon Speaker, the department successfully promoted major sporting and cultural events, most notably the COSAFA Cup and the Mangaung African Cultural Festival, hosted in June and September 2025 respectively. These flagship events not only attracted substantial visitor numbers but also played a pivotal role in strengthening the positioning of the Free State as a unified, competitive, and attractive tourism destination brand

Strategic Partnerships and Intergovernmental Collaboration

Hon Members, the department has strengthened strategic partnerships across all spheres of government and with key industry stakeholders. These collaborations have been instrumental in leveraging resources, improving coordination, and maximising the return on tourism investments.

Through close collaboration with district municipalities and the provincial government, District Tourism Forums were successfully convened across the first three quarters of the financial year. These forums remain critical platforms for alignment, coordination, and the effective implementation of tourism programmes at local level.

At a national level, participation in South African Tourism structures, including the CEO and Chief Marketing Officer Forums, culminated in the adoption of the Unified Marketing Strategy 2029. This milestone ensures strategic alignment across provinces and strengthens South Africa's global tourism competitiveness.

Furthermore, the Maluti–Drakensberg Transfrontier Programme continues to serve as a key regional platform, facilitating coordinated tourism marketing across the Free State, KwaZulu-Natal, the Eastern Cape, and the Kingdom of Lesotho. Through formal Memoranda of Understanding, participating nodes have expanded cross-border marketing initiatives and strengthened regional integration.

A notable initiative under this framework was the Maletsunyana Braai Festival, where the Free State was represented by three tourism SMMEs from the travel services sector, promoting summer tourism packages for adventure and camping markets.

Hon Speaker, we also recognise the strategic opportunity presented by the Absa Run Your City Series. The department is actively engaging relevant stakeholders, including the Provincial Department of Sport, Arts and Culture and Recreation, as well as the Mangaung Metropolitan Municipality, to secure the hosting of this prestigious event in the Free State. This initiative holds significant potential to stimulate local economic activity, support SMMEs, and rejuvenate urban tourism nodes.

Digital Marketing and Market Intelligence

Honourable Members, in response to the evolving digital landscape, the Department intensified its focus on content-driven marketing campaigns across digital platforms. Daily content dissemination through Facebook and Instagram has enhanced visibility of the province's tourism offerings and strengthened public engagement.

As a result, the Department recorded a 50 percent increase in social media following in 2025 compared to the previous year. This growth trajectory coincided with a 3 percent increase in domestic tourist arrivals during the second quarter of 2025, compared to the same period in the preceding year.

In strengthening visitor services, two Visitor Information Centres (VICs) located in Clarens and Parys successfully completed Smart VIC training in preparation for the national digital transformation rollout. This intervention will significantly enhance service delivery, visitor experience, and the integration of digital technologies in tourism operations.

Furthermore, the SANParks Kgodumodumo Dinosaur Interpretive Centre achieved a remarkable milestone of over R1 million in revenue collection. This achievement underscores the economic value of heritage tourism and its contribution to sustainable local economic development.

Sector Performance, Targets, and Development Priorities

Honourable Speaker, tourism remains a critical driver of economic growth, job creation, and community upliftment. In this regard, the Department has set measurable outputs to guide implementation and track performance.

To increase tourism market share, the province will implement eight tourism sector development initiatives in line with the Free State Tourism Sector Strategy 2020–2030. These interventions are aimed at strengthening planning, coordination, and sector sustainability.

In addition, twelve niche market interventions will be implemented to target specialised tourism segments, including eco-tourism, cultural tourism, and adventure tourism, thereby diversifying the provincial tourism portfolio.

Tourism infrastructure remains a priority, with two infrastructure maintenance initiatives scheduled for completion to ensure safe, functional, and attractive tourism facilities.

To strengthen partnerships, four regional tourism promotion programmes will be implemented in collaboration with key stakeholders, enhancing destination visibility and market reach.

In advancing tourism safety, the Department will implement four targeted safety initiatives, recognising that safety remains a decisive factor in visitor confidence and repeat travel.

To promote inclusive economic participation, six community-based tourism initiatives will be supported, ensuring that local communities derive direct and meaningful benefits from tourism activities.

Furthermore, five service excellence campaigns will be undertaken to enhance customer experience and improve competitiveness across the sector.

Honourable Members, in line with our commitment to gender equality, four projects dedicated to women empowerment in tourism will be supported, reaffirming that indeed *“wathint’ abafazi, wathint’ imbokodo.”*

To improve enterprise development, ten market access opportunities will be facilitated for tourism businesses, complemented by four targeted training interventions to strengthen skills and capacity within the sector.

In addition, five tourism activation events will be implemented in partnership with stakeholders to stimulate demand and enhance visitor experiences.

Within the eco-tourism and resorts programme, the Department targets a 20 percent average occupancy rate at provincial resorts, reflecting improved utilisation and enhanced visitor confidence.

Structural Reform and Institutional Strengthening

Honourable Speaker, as part of institutional strengthening, the Department is currently assessing the potential integration of the tourism function of the FSGLTA into the Tourism Branch of the Department. This is aimed at improving coordination, efficiency, and strategic alignment within the sector.

We remain steadfast in our support for Free State event promoters whose initiatives continue to position the province as a competitive tourism destination. These events are not merely social occasions; they are economic catalysts that stimulate local spending, create employment, and enhance the cultural vibrancy of our province.

Unlocking Tourism Potential and Addressing Constraints

Honourable Members, while the Free State records the third highest tourism spend per capita nationally, significant potential remains underutilised, particularly in Thabo Mofutsanyana, Xhariep, and the Mangaung Metro.

To address this, the Department will leverage key district-specific assets, including the Maluti Mountains and Golden Gate area, the Drakensberg eco-tourism corridor, and the cultural and heritage offerings of Mangaung.

Strategic collaboration with the private sector will focus on unlocking high-value infrastructure investments, improving market access, and strengthening destination marketing. Furthermore, we will actively address cross-cutting challenges, including digital infrastructure limitations and safety perceptions, which continue to constrain international tourism growth.

CONCLUSION

As I conclude, Bo Mmê le Bo Ntate, it remains our steadfast commitment as the Seventh Administration to serve the people of this Province loyally, diligently, and selflessly, ensuring that we remain a responsive and capable government that provides solutions to the many challenges faced by our people on a daily basis.

Honourable Speaker, allow me to express my sincere appreciation to the African National Congress, a noble, historic, and distinguished movement to which many South Africans have entrusted their hopes and aspirations, for having bestowed upon me the honour of representing it in this esteemed House.

I also wish to extend my appreciation to Honourable Premier “Mama Action” MaQueen Letsoha-Mathae for entrusting me with the responsibility of leading this critical Department. Her visionary leadership, steadfast guidance, and unwavering support continue to inspire us in our collective pursuit of improving the lives of the people of the Free State.

Allow me further to acknowledge the continued support and constructive cooperation of my colleagues in the Executive Council, as well as the Honourable Members of this Legislature.

I would also like to extend my sincere gratitude to the Acting Head of Department, Members of the Boards, Chief Executive Officers of our public entities, and all officials within the Department and its entities. Your dedication, commitment, and willingness to consistently go beyond the call of duty remain instrumental in advancing our developmental mandate.

Finally, I wish to express my deepest appreciation to my wife and my entire family for their unwavering love, encouragement, and support, which continue to sustain me in the execution of my responsibilities.

In everything that we do or say, we dare not fail to put the people first.

I THANK YOU.