

Speaking Notes on techno-hubs expo and launch – 15 March 2018

Greetings and protocol

Introduction

Not even in my wildest imagination would I have thought that today I would be standing in front of you celebrating the launch, the expo and official handover of techno-hubs in KZN. If you asked me three years ago why we went on to bid for the R120 million from the Department of Science and Technology, I would have said “I am just trying my luck”. Little did I know that by putting the application forward, we would be starting a journey – a game changing project, whose destination does not exist, as there is no blue print nor algorithms that lead to a particular final destination.

There were times when I thought perhaps we had bitten more than we could chew, especially when our expenditure was way below par and we were threatened that the funding would be withdrawn. But nothing beats perseverance and persuasion. And so I stand here as a proud civil servant, knowing that I am part a project that will change the way we look at research, development and innovation, and role technology plays in human advancement.

My passion for research and technology started in 1993 when I joined the CSIR fresh from varsity. By then, the CSIR was and I hope it still is a hub of research excellence. It was there and then where I realised – if South Africa doesn't embrace technology, research and development, it will always remain an ordinary country. Countries that demonstrate real development, create spaces and platforms for technological advancement. It is only here where products are developed, tested and finally commercialised. It is here, where business

processes are re-engineered, for efficient production. This is what techno hubs are about.

In the old economic theory, emphasis was always placed on basic factors of production, namely, land, labour and capital and how to optimise on these for maximum production. However, it was discovered that despite equal endowment and optimisation of these factors, some economies still grew faster than others. That led to the discovery of one important factor of production – innovation, research and development. And so innovation is now a standard variable in economic analysis.

Defining a techno hub

Joe Svetlik (Aug 2017 - <http://home.bt.com/tech-gadgets/internet>) defines a techno hub as a community – informal or otherwise - that fosters innovation for technology startup companies. A tech hub can be a specific area like Silicon Valley, part of a city like London’s Silicon Roundabout, or a specific building or set of buildings where small startups can rent space alongside each other to share facilities and ideas.

Tech hubs create an environment specifically targeted at helping young technology companies thrive by encouraging experimentation, not demonizing failure, and helping firms network with other like-minded individuals and enterprises. It also makes it easier for firms to meet investors in order to get their project funded. It helps ideas germinate and companies prosper.

That’s the hope, anyway. Techno-hubs are a place for serendipity.

Preconditions for success

For techno hubs to be successful, the following among others are a must”

- A steady supply of skilled graduates, in science, technology, engineering (broadly) and mathematics,
- Cutting edge digital connectivity,
- Good location and transport infrastructure

Current hubs in KZN

Originally, our proposal had four techno hubs identified as you would have heard, namely Richards Bay; Newcastle, Margate and Pietermaritzburg. Apart from ensuring an equitable distribution of these across the province, we were also mind mindful of the existing competitive advantage of each site, the proximity to airport infrastructure and academic institutions. Unfortunately, Pietermaritzburg could not take off due to delays in environmental impact assessment. Given the fact that the grant allocation was for three years, funds had to be diverted to those hosts that were showing progress and needed funding.

Message to hub hosts

Let me turn to our respective hub-hosts. You are the anointed few in the province. You are inheriting assets that did not exist three years ago. You have been with us throughout this journey, and you have shown your willingness to make this project succeed. Of course we have had challenges, but that is common in any project. The bottom line is that your cooperation has ensured the delivery of this infrastructure in your area of jurisdiction. Please make full use of it. Mobilise investors, keep the asset in good shape, all the time.

Remember, this project falls squarely within the PGDP – goal one “Inclusive economic growth’ – enhancing the knowledge economy, and therefore the progress is monitored very closely and reported to the Provincial Executive Council at regular intervals.

The sustainability of techno hubs will depend largely on the ability of the hosts to market the offerings of their respective hubs to potential investors and on keeping these assets in top notch condition at all times.

Acknowledgments:

It would be inappropriate of me not to acknowledge the following:

- The department of Science and Technology – the main sponsor of this programme; without them, there would be no technohubs,
- The Treasury management team – led by Ms Neli Shezi, she made sure the project was always on budget and on time,
- My colleagues at EDTEA,
- The technical team – led by Tim Madgwick and Dr Clive Coetze – he led the team that drafted the proposal,
- GWI team for being on site to ensure quality delivery,
- The hub hosts for being with us all the way.

I wish I could tell you how this project will look like in 5 to 10 years from today. Unfortunately, I do not have a crystal ball through which I can predict the future. However, I do wish to see a product or products coming out of the hubs or a systems design that will redefine the way we produce things or do business, or a thought process that incorporates indigenous knowledge.

And so, here I stand, not only with a sense of pride, but with pleasing thoughts that what we have established, will catapult our province into new heights, and support the vision of the province as a gateway to Africa.

KZN is in business and open for business.

Delivered by:

S'miso Magagula

KZN Treasury