EXTRACT OF THE MINUTES OF THE 126TH ORDINARY COUNCIL MEETING HELD ON THE 15th DECEMBER 2020

"A2083 PROGRESS REPORT: DRAFT SEDIBENG GROWTH AND DEVELOPMENT STRATEGY (GDS 03)

Office of the Municipal Manager

11. **RESOLVED**

It is therefore resolved:

11.1 THAT Council adopt GDS 03.

12. ANNEXURES

Annexure "A" -Concept Note (Vaal Dev. Forum) v2"

*****

It is hereby certified that this is a true extract from the minutes of a meeting of the Sedibeng District Municipality.

Council held on 15th December 2020
Signed by:
Designation Executive Director
Legal And Support Services

23/12/2020

GDS 3

Growth Development Strategy

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EXECUTIVE MAYOR`S FOREWORD:

The restructuring and refocusing by all spheres of government in the first ten years of democracy has laid a solid foundation from which to ensure more deliberate alignment among our strategies and plans.

As a District we have an important role to play to guide our municipalities in contextualising our plans in line with national imperatives and grounding methods within the realities and specific areas of each Local municipalities of Sedibeng in the development and implementation of IDPs and programmes for sustainable development.

As municipalities we are also expected to play a leading role in ensuring that economic planning, infrastructure investment and development spending take place in accordance with the principles set out in the National Spatial Development Perspective (NSDP).

The Sedibeng Growth and Development Strategy (SGDS) 1,2 and 3 are developed as a critical tool to guide and coordinate the allocation local resources and private sector investment to achieve sustainable development outcomes.

SGDS 03 review will also play a vital role in ensuring effectiveness and coordinated delivery on the overall development objectives of our developmental Local Government.

SGDS should have the following characteristics to name but few:

1. It should provide direction and scope for district-wide development programmes and projects, within the context of a long-term perspective; taking into consideration the resources, economic, political, social and natural environmental constraints and opportunities.
2. It should be a vehicle to address the legacies of the apartheid space, economy, promote sustainable development and ensure poverty reduction and employment creation;
3. It should be a framework for both public and private sector investment, indicating areas of opportunities and develop ment priorities;
4. It should be focussed on addressing key implementation blockages and issues, including institutional reform;

This Growth and Development Strategy puts Sedibeng in a much stronger position to deal with important social, economic and physical development challenges. It will assist the district in deploying scarce resources in a more focused and coordinated manner, which in turn will strengthen the service delivery capabilities of the municipality.

While much has been done in Sedibeng, much more still needs to be done to grow and develop our region and our people. We have a vision of being the smart, creative and developmental metropolitan city – that is our destination, but to arrive at our destination we need a roadmap.

The Growth and Development Strategy 3rd generation will be our roadmap, guiding our actions and showing us the way during the next remaining years of its implementation. The GDS 3 reflects not only the thinking of the Municipality's leadership, but also captures the inputs of our local municipalities and stakeholders. Every citizen in Sedibeng can make a contribution to its development and it is our hope that the ideals expressed in the document will be embraced by all.

The GDS 3 will form the basis of all our medium and short-term planning and will guide our policy and our budget as we seek to implement our mandate, to make Sedibeng a better place in which to live, work and play – a place where progress is the norm and where people can enjoy the fruits of our young democracy.

Sustainability is key to the long-term improvement of the quality of life of all our citizens. This can only happen if the municipality has a clear understanding of what needs to be done.

The Growth and Development Strategy 3rd generation is the vehicle that will ensure compliance with this developmental requirement. The alignment of the Integrated Development Plan (IDP) with the Growth and Development Strategy 3 is the next important step in ensuring the implementation of our Growth and Development Strategy as a process has started. Sedibeng is looking forward to a continued partnership with our key external role-players in this regard.

Let us all embrace the Growth and Development Strategy and ensure Sedibeng ultimately become the smart, creative and developmental metropolitan city we all envisage.

I Thank You

..

Sedibeng District Municipality Executive Mayor

Cllr Busisiwe Modisakeng

Phase 1: Socio-economic analysis

1. INTRODUCTION AND BACKGROUND

The Growth Development Strategy (GDS) is a strategy that describes long-run vision for Sedibeng District Municipality (SDM) up to 2038. It articulates, in broad terms, the need to remedy past injustices, maximise current opportunities and celebrate future successes. It will continue to be subject to review on a 5-year basis, or where the need arises. The GDS does not replace any municipal plans such as Integrated Development Plans (IDPs), Spatial Development Frameworks (SDFs) or any other plans. The GDS informs the direction that municipal planning should take through a broad vision, policy statements and specific strategies with projects.

In September 2007 the Growth and Development Summit (GDS-01) was held and adopted and the place of the SDM in a Global City Region was discussed. MEC of Local Government, MEC Mahlangu stated that since Gauteng has moved to being a Globally City Region (GCR), the objective was to build Gauteng as an integrated and globally competitive province, where the economic activities of all municipalities complement each other as opposed to competing against one another. It is in the interests of the Sedibeng Region to have a long-term plan for growth and development that aligns with and translates national and provincial objectives into practical interventions. The National and Gauteng Provincial Growth and Development Strategies require localisation.

The GDS is an inspired strategy that describes a vision for Sedibeng up to 2038. It articulates, in broad terms, the need to remedy past injustices and to remove stumbling blocks for growth and development in the region. Weaknesses in the economy needs to be strengthened and strengths need to be protected and maximized. The GDS is a regional strategy for all stakeholders. It is not a municipal strategy on its own. The Sedibeng GDS focuses on both large scale, long-run catalytic projects and short-run projects that unlock the economic potential of the region. It focuses on a few high impact outcomes. The GDS could be compared to a Local Economic Development (LED) strategy but on a wider scale and on a regional level. Similar to LED, GDS initiatives affect everybody within a specific geographical region, including government, local communities and local business. Local government has a constitutional mandate to promote LED in terms of Section 153 of the Constitution. LED could be defined as all socio-economic activities, by all LED partners (government, business and local communities), within a specific geographical region with the aim to create jobs and improve quality of life for all. Other important factors in defining LED include:

- Improved local competitiveness and a focus on comparative advantages.
- Maximize local resources and local knowledge.
- Attempt to build and create jobs.
- Improve resilience, stability and diversification of local economy.
- Reduce poverty.
- Improve local participation.
- Balance between pro-development and pro-poor strategies and initiatives.
- Ensure the existence of a positive developmental and enabling environment.
- Ensure a quality physical environment

When compiling a GDS, global issues should also be taken into account. The first of the global issues is global warming. Climate change and its harsh realities are felt across the globe, creating uncertainty and negatively impacting growth and development plans. In South Africa in November and December 2011, world leaders tried to once again check progress in implementing previous agreements such as the Bali Action Plan (COP 13) and the Cancun Agreements (COP16) in a hope to fulfill the aims of the Kyoto Protocol adopted in 1997. Secondly, world security threats. Successes and challenges of the broader region are shared. And any unpredictability over a 20-year horizon is also shared. SADC countries face many social, development, economic, trade education, health, diplomatic, defence, security and political challenges. Many of these problems require the intervention of more than one country. Cattle diseases and organised-crime gangs know no boundaries. War in one country can adversely impact on the economies of its neighbours. Trade issues such as different product standards and tariff regimes threaten good trading across borders. As much as Sedibeng must embrace opportunities emerging from the SADC region, it must have a strategy that equally can withstand shocks and surprises along the way. Thirdly, financial crisis and impact on development. The financial collapse that emerged in the late 2000 is considered by many local economists to be the worst financial crisis since the Great Depression of the 1930s.

It resulted in the collapse of large financial institutions, the bailout of banks by national governments, and downturns in stock markets around the world. It contributed to the failure of key businesses, declines in consumer wealth estimated in the trillions of U.S. dollars and a significant decline in economic activity, leading to a severe global economic recession by 2008. Recovery, although visibly happening, is still fragile. South Africa, and even Sedibeng, has felt the pinch of the Global Credit Crunch. It felt it in a loss of appetite for investment into some of the large flagship projects, and in government's inability to keep the region's equitable share on par with rising costs of salaries and commodities. The District and Municipalities have felt it as more and more, as households struggle to pay for services.

Vision and objectives

"By 2030 Sedibeng should be well known as a leading "Metropolitan River City" with a strong, diverse economy and high quality standard of living. A city and regional success story where all its residents enjoy a healthy and safe environment and where everyone works, learns, earns and plays together".

The Sedibeng Growth Development Strategy (GDS) presents a multi stakeholder framework to propel us forward to a 2030 that today, we can only dream of. The vision is bold, but reachable; ambitious, but grounded in reality, truthful and optimistic. The realization of 2030 requires that we all hold firmly to the following principles and commitments. By 2030, poverty should be eradicated and nobody in the region goes to bed cold or hungry at night. Access to basic and essential services is a reality for all. All forms of income, including social grants are readily accessible. People have the relevant skills to thrive within the region. Employment and business opportunities are growing and constant. Sedibeng in 2030 has an economy that is diverse, robust and growing.

Percentage growth outstrips the national average Examples abound of how growth translates directly into broad-based black economic empowerment, ensuring that the benefits of growth are shared. The SMME sector continues to grow and flourish, making Sedibeng a very attractive destination for foreign and domestic direct investment. Low unemployment figures are attracting attention as a success story, nationally and internationally. Sedibeng in 2030 looks aesthetically better than in 2018. Human settlements of mixed typology have grown into delightful neighbourhoods where residents, businesses, schools and community programmes interweave and interact in harmony. In 2030 it is easy and safe to move around Sedibeng. It's a fun place to be. From home to work, to shop, a fun night out on the river and back home again is available to everyone.

In 2030 Sedibeng remains a beacon and shining example of democracy and good governance. Our government is known to be honest; our people are engaged and watchful. It is a region progressively exercising its constitutional rights and enjoying the full dignity of freedom. The 2030 vision is a vision that builds on the regions competitive advantages and integrates these areas into the wider urban and regional economies. It is a vision that understands the importance of engaging the private sector, the engine room of job creation, in joint local economic development initiatives, letting them take on the leadership, decision-making and investment choices, not out of charity, but because they make good sense for business – and for Sedibeng. Our goal is to grow and improve Sedibeng, but not to change what provides Sedibeng with its unique story. The history stays. The economic legacy stays. The river stays. But this vision embraces the new. We are ready to write new history, build new economies and maximize the river city potential. We want to keep intact the elements that have attracted people to come here or to stay here, and we want to attract more talented new comers who will contribute to making our place a beacon of hope and success.

The SDM region aspires to:

- Be a region of sustainable development, economic vitality, and lifelong learning;
- Be a region whose public services and facilities work to satisfy the needs of our citizens;
- Be a region of broad appeal for people of all ages and cultural backgrounds;
- Be a region of physical beauty with great appeal;
- Be a region of strong neighborhoods and communities;
- Be a region where it is easy to move around;
- Be a region with a high quality living environment; and
- Be a river city where locals and tourist love to meet

The Sedibeng Growth Development Strategy (GDS) presents a multi stakeholder framework to propel us forward to a 2030 that today, we can only dream of. The vision is bold, but reachable; ambitious, but grounded in reality, truthful and optimistic.

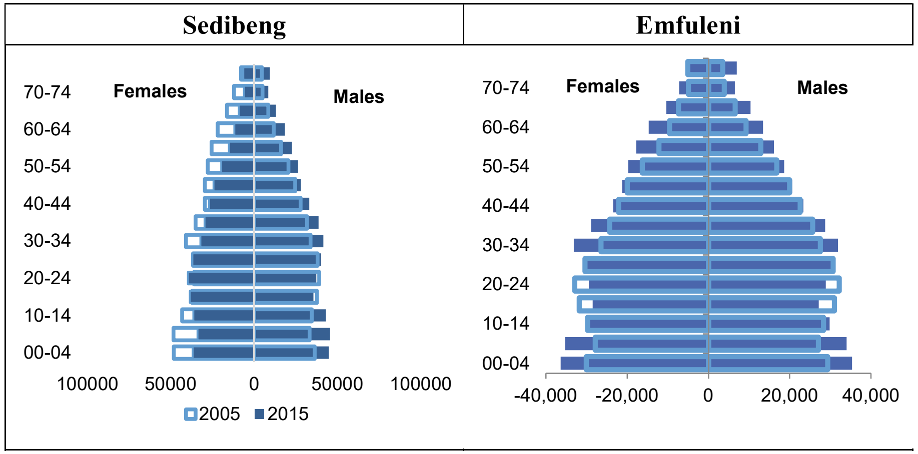
2. STATUS QUO: SOCIO-ECONOMIC PROFILE

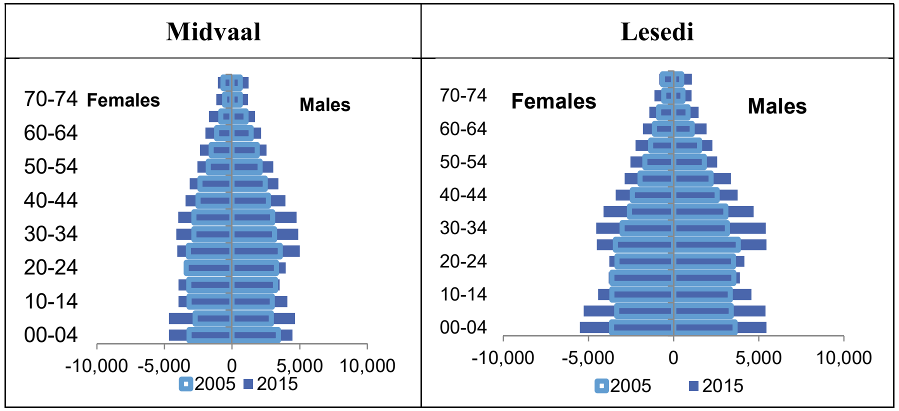
This section provides an in-depth analysis of the socio-economic profile of the SDM region, with some comparisons with other regions.

2.1 Population

The population structure of the Sedibeng region (including its local municipalities) has change notably between 2005 and 2015. Figure 1 below looks at the population dynamics in detail. For the district overall, female population has declined quite notable across all age cohorts (except 15-19, 20-24, and 25-29 age cohorts) between 2005 and 2015, whilst the same male population age cohorts have increased during the same period. Comparing local municipalities, Emfuleni was the only municipalities with declines in population, particularly for 15-19 and 20-24 age cohorts. In Midvaal and Lesedi, population increased between 2005 and 2015, for all age cohorts. Overall, the Sedibeng region has a youth population bulge and comprises of those between15 and 64 years of age which are part of the working age population.

Figure 2.1: Sedibeng's Population Pyramid in 2005 and 2015

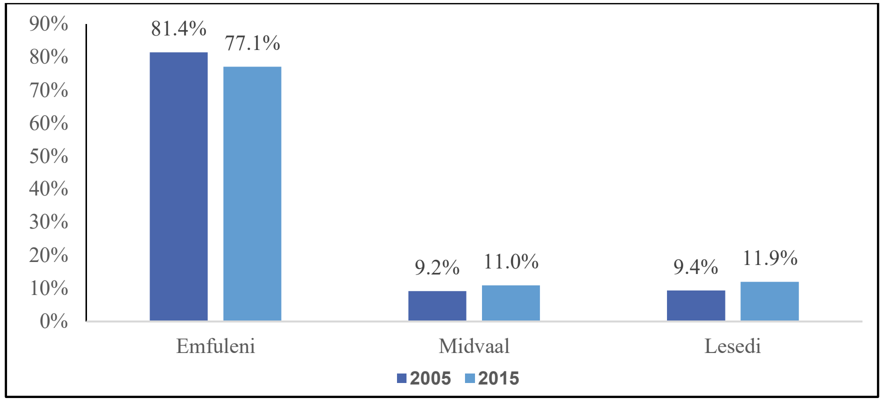




Source: IHS Global Insight (2016)

Figure 2.2 shows the local municipalities' share of the total regional population for 2005 and 2015. Although the share of population has declined between 2005 and 2015, Emfuleni accounted for the highest proportion of Sedibeng population, at over 70 per cent in 2015. In Midvaal and Lesedi, the share of population rose by over 1.5 percentage points between 2005 and 2015. Figure 2.3 and Table 2.1 provide a summary of the status quo of the population in Gauteng and Sedibeng.

Figure 2.2: Population shares in 2005 and 2015



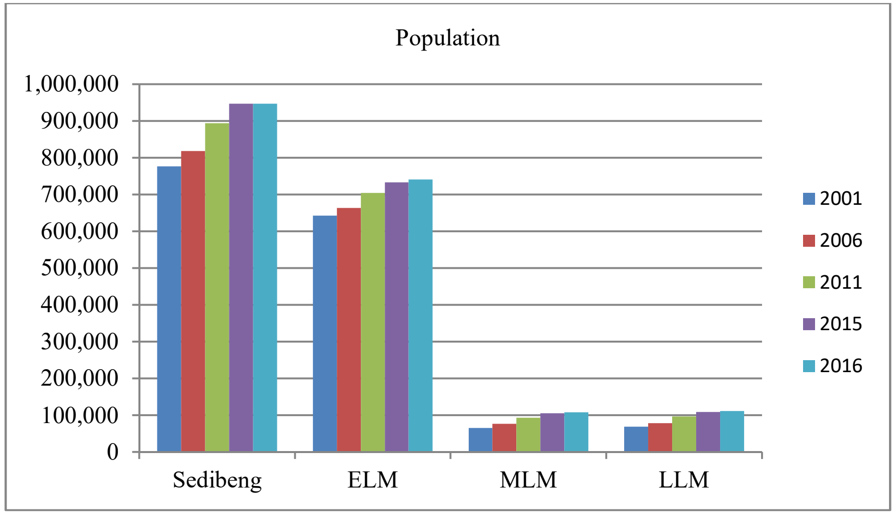
Source: IHS Global Insight (2016)

Table 2.1: Provincial, District and Local population

Year	Gauteng		Sedibeng		Emfuleni		Midvaal		Lesedi	
	Population	Population growth rate	Population	Population growth rate	Population	Population growth rate	Population	Population growth rate	Population	Population growth rate
1996	8 139 176		746 676		623 136		57 359		66 181	
1997	8 351 962	2.61	752 447	0.77	627 613	0.72	58 487	1.97	66 347	0.25
1998	8 566 079	2.56	758 588	0.82	632 022	0.70	59 827	2.29	66 739	0.59
1999	8 771 354	2.40	764 209	0.74	635 589	0.56	61 340	2.53	67 280	0.81
2000	8 975 132	2.32	769 883	0.74	638 835	0.51	63 031	2.76	68 017	1.10
2001	9 189 869	2.39	776 441	0.85	642 448	0.57	64 962	3.06	69 031	1.49
2002	9 408 139	2.38	783 517	0.91	646 149	0.58	67 068	3.24	70 300	1.84
2003	9 626 243	2.32	790 753	0.92	649 676	0.55	69 277	3.29	71 799	2.13
2004	9 857 202	2.40	799 066	1.05	653 780	0.63	71 677	3.46	73 610	2.52
2005	10 101 566	2.48	808 499	1.18	658 516	0.72	74 239	3.58	75 744	2.90
2006	10 348 748	2.45	818 410	1.23	663 306	0.73	76 910	3.60	78 193	3.23
2007	10 628 223	2.70	832 076	1.67	670 692	1.11	79 900	3.89	81 485	4.21
2008	10 903 317	2.59	845 966	1.67	677 909	1.08	82 915	3.77	85 141	4.49
2009	11 214 648	2.86	861 891	1.88	686 747	1.30	86 092	3.83	89 052	4.59
2010	11 555 339	3.04	878 112	1.88	695 879	1.33	89 419	3.86	92 813	4.22
2011	11 907 709	3.05	893 603	1.76	704 382	1.22	92 839	3.82	96 382	3.84
2012	12 250 534	2.88	908 025	1.61	712 064	1.09	96 185	3.60	99 775	3.52
2013	12 574 211	2.64	921 802	1.52	719 504	1.04	99 311	3.25	102 987	3.22
2014	12 874 997	2.39	934 707	1.40	726 516	0.97	102 201	2.91	105 990	2.92
2015	13 151 268	2.15	946 817	1.30	733 176	0.92	104 858	2.60	108 783	2.64
2016	13 427 665	2.10	959 955	1.39	740 967	1.06	107 430	2.45	111 558	2.55
Status quo	Increase in population to over 13 million people in the last two years.	Annual growth rate from 1996-2016: 3.25%	Population also increasing significantly during past 6 years.	Annual growth rate from 1996-2016: 1.43%	Population increased with 14 451 people in the last 3 years.	Annual growth rate from 1996-2016: 0.95%	Population increase with over 30 000 people in the last 10 years.	Annual growth rate from 1996-2016: 4.36%	Population also continuously increasing.	Annual growth rate from 1996-2016: 3.43%

Source: IHS Global Insight (2016)

Figure 2.3: Total population of the Sedibeng District and its locals



Source: IHS Global Insight (2016)

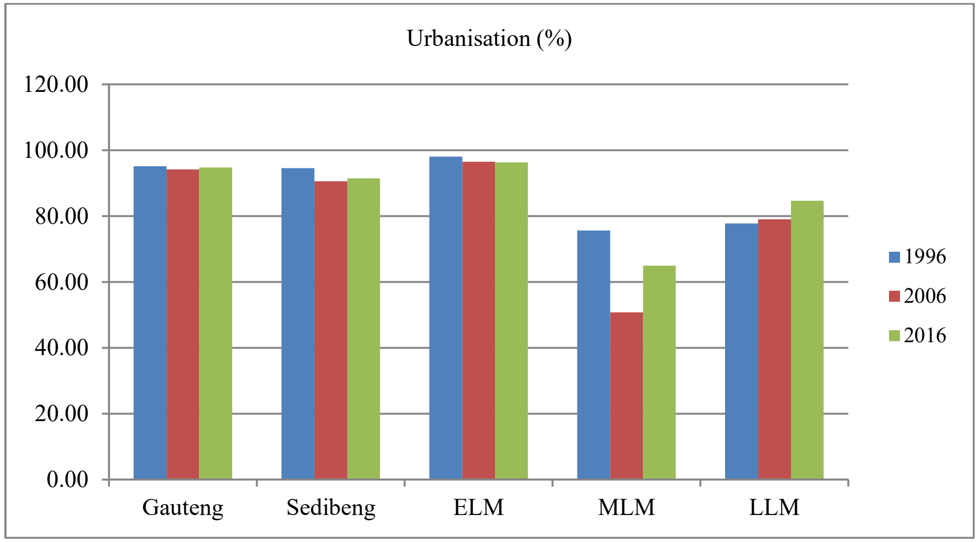
Implications for strategy development:

From Table 1 and Figure 3 it is evident that all of the region's population have increased year on year. ELM boasts the largest population in the comparison and is thus the largest contributor to Sedibeng's population. MLM has experienced the largest annual growth rate of all regions in the comparison, at over 4%. The region's rapid increase in their population is a cause of concern, especially when this growth occurs at a higher rate than GDP. This growth in the region's population could have dire environmental, social and economic consequences if it remains out of bound. Therefore, policies should aim at addressing rapid population growth together with determining how limited resources could be efficiently distributed in the region.

2.2 Urbanization

Urbanisation refers to the number of people living in the city/town. The table below provides detail and a comparison between urbanization in Gauteng Province and the components of Sedibeng. A summary of results is provided at the bottom of the table.

Figure 2.4: Percentage of urbanisation in 1996, 2006 and 2016



Source: IHS Global Insight (2016)

Table 2.2: Provincial, District and Local urbanisation

Year	Gauteng		Sedibeng		Emfuleni		Midvaal		Lesedi	
	Urbanisation	Growth rate	Urbanisation	Growth rate	Urbanisation	Growth rate	Urbanisation	Growth rate	Urbanisation	Growth rate
1996	95.15		94.55		98.07		75.61		77.80	
1997	95.11	2.58	94.13	0.33	97.89	0.53	71.66	-3.36	78.47	1.11
1998	95.06	2.51	93.67	0.31	97.69	0.50	67.56	-3.56	78.95	1.21
1999	94.86	2.18	93.00	0.02	97.41	0.28	62.74	-4.78	78.84	0.67
2000	94.56	2.01	92.20	-0.12	97.09	0.17	57.52	-5.79	78.43	0.56
2001	94.26	2.07	91.36	-0.06	96.74	0.21	52.33	-6.23	78.01	0.94
2002	94.06	2.16	90.94	0.44	96.57	0.40	50.66	-0.06	77.57	1.27
2003	93.89	2.13	90.54	0.49	96.42	0.38	49.30	0.51	77.21	1.66
2004	93.80	2.30	90.26	0.74	96.31	0.53	48.54	1.86	77.14	2.42
2005	93.94	2.63	90.33	1.25	96.39	0.80	49.28	5.16	77.87	3.87
2006	94.21	2.75	90.57	1.49	96.54	0.88	50.77	6.74	79.05	4.81
2007	94.76	3.30	91.15	2.33	96.85	1.44	53.56	9.58	81.12	6.94
2008	95.29	3.16	91.75	2.34	97.14	1.38	56.51	9.51	83.13	7.07
2009	95.55	3.14	92.00	2.16	97.26	1.43	58.03	6.61	84.25	6.01
2010	95.37	2.85	91.55	1.39	97.07	1.13	56.55	1.23	83.87	3.75
2011	95.45	3.14	91.56	1.77	97.07	1.22	57.07	4.78	84.44	4.55
2012	95.53	2.96	91.92	2.02	97.12	1.13	60.94	10.62	84.74	3.88
2013	95.65	2.77	92.31	1.94	97.18	1.12	64.38	9.08	85.20	3.78
2014	95.70	2.45	92.42	1.52	97.22	1.01	65.53	4.74	85.44	3.20
2015	95.06	1.46	91.73	0.54	96.55	0.23	65.10	1.93	84.87	1.95
2016	94.82	1.85	91.45	1.08	96.32	0.82	64.93	2.18	84.64	2.27
Status quo	Relatively constant at 95 % urbanisation for the province		Urbanisation have decreased over the last 20 years		Very high urbanisation that remains relatively constant around 96%		Level of urbanisation has increased over the last 10 years		Urbanisation remains constant at around 84%	
Ave annual growth from 1996 to 2016	3.22		1.21		0.84		3.04		4.17	

Source: IHS Global Insight (2016)

Implications for strategy development:

Figure 4 shows that when analysing the changes in the percentage of urbanisation during 1996, 2006 and 2016, Gauteng, Sedibeng and Emfuleni local municipality have remained relatively constant, whereas Midvaal shows lower levels of urbanisation in 2016 than in 1996. Furthermore, Lesedi have shown an increase in the percentage of urbanisation in the region. From the table it is clear that Emfuleni is more urbanised than Gauteng. In addition, out of the three municipal regions, Midvaal is the least urbanised. These figures suggest that more and more people are moving to the city/town in hope of job opportunities. The aforementioned brings with it a new set of challenges, as the rapid increase in urbanisation might lead to an increase in crime, pollution and congestion in the region. Therefore, development strategies should be implemented that not only aims at moderating the rapid rate of urbanisation, but allows for the sustainable development of regions to be able to meet the requirements of the community, town and the environment.

2.3 Education

The table below provides a summary of education in Gauteng Province and Sedibeng region with a focus on the level of education including percentage of no schooling, degree, and post graduate education. The main results are indicated in the last two rows of the table.

Table 2.3: Provincial, District and Local education figures from 2001 to 2016

Gauteng						
	No Schooling (%)	**Growth rate**	**Degree (%)**	**Growth rate**	**Post Grad. Degree (%)**	**Growth rate**
2001	5.15		2.22		1.17	
2006	3.71	-18.92	3.11	57.81	1.75	68.24
2011	2.23	-30.83	4.21	55.73	2.11	38.82
2015	2.03	0.71	4.44	16.28	2.22	16.45
2016	2.02	1.72	4.86	11.84	2.24	2.79
Status quo	Slight increase in percentage of people without formal schooling		Increase in percentage of people with a degree		Slight increase in percentage of people with a postgraduate degree	
Annual growth from 1996-2016		-2.13	10.98		8.98	

Sedibeng DM						
	No Schooling (%)	**Growth rate**	**Degree (%)**	**Growth rate**	**Post Grad. Degree (%)**	**Growth rate**
2001	5.96		1.13		0.44	
2006	4.25	-24.85	1.66	55.37	0.74	77.15
2011	2.63	-32.28	2.46	62.05	1.08	59.78
2015	2.37	-4.53	2.67	14.61	1.22	20.08
2016	2.39	0.80	3.00	12.53	1.27	4.01
Status Quo	Increase in percentage of people without formal schooling		Increase in percentage of people with a degree		Increase in percentage of people with a postgraduate degree	
Annual growth from 1996-2016		-2.55	11.24		12.68	

Emfuleni LM						
	No Schooling (%)	**Growth rate**	**Degree (%)**	**Growth rate**	**Post Grad. Degree (%)**	**Growth rate**
2001	5.47		1.08		0.42	
2006	3.78	-28.70	1.57	50.50	0.70	73.88
2011	2.30	-35.39	2.34	58.39	1.04	57.70
2015	2.13	-3.65	2.59	15.16	1.18	17.99
2016	2.13	1.10	2.90	12.89	1.22	4.00
Status Quo	Increase in growth rate of people without formal schooling		Increase in percentage of people with a degree		Increase in percentage of people with a postgraduate degree	
Annual growth from 1996-2016		-2.76	10.50		11.82	

Midvaal LM						
	No Schooling (%)	**Growth rate**	**Degree (%)**	**Growth rate**	**Post Grad. Degree (%)**	**Growth rate**
2001	7.11		1.75		0.74	
2006	5.08	-15.38	2.52	70.18	1.11	77.86
2011	3.14	-25.32	3.83	83.65	1.52	65.49
2015	2.68	-3.75	3.69	8.98	1.55	14.91
2016	2.63	0.56	3.99	10.73	1.55	2.29

Status Quo	Increase in growth rate of people without formal schooling		Increase in percentage of people with a degree		Increase in growth rate of people with a postgraduate degree is decreasing	
Annual growth from 1996-2016		-1.94		13.87		12.30
Lesedi LM						
	No Schooling (%)	**Growth rate**	**Degree (%)**	**Growth rate**	**Post Grad. Degree (%)**	**Growth rate**
2001	9.37		0.99		0.36	
2006	7.39	-21.15	1.58	80.02	0.67	111.24
2011	4.59	-37.93	2.04	59.13	0.91	69.01
2015	3.73	-18.73	2.17	20.15	1.18	45.75
2016	3.63	-2.69	2.38	12.62	1.22	6.25
Status quo	Decrease in percentage of people without formal schooling		Increase in percentage of people with a degree		Slight increase in percentage of people with a postgraduate degree	
Annual growth from 1996-2016		-1.87		14.39		22.60

Source: IHS Global Insight (2016)

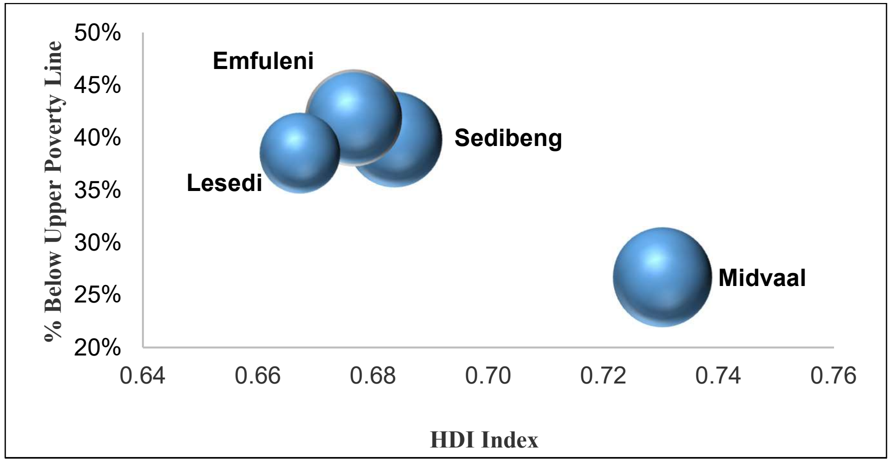
Implications for strategy development:

With regard to the category of "No Schooling", although all of the regions in the comparison have shown a negative annual growth rate in the number of people without some form of formal education, all regions except Lesedi LM have shown an increase in the number of people without formal education in the last year. In addition, in the comparison in the table above, Lesedi LM has made the most significant progress in terms of providing education and increasing the number of people with a university degree and postgraduate degree. As for the areas of Gauteng, Sedibeng, Emfuleni LM and Lesedi LM, the increase in the percentage of people with no form of education during the past year is an area that should be addressed. Although the number of people in these regions with a university degree and postgraduate degree keeps increasing, attempts should be made in increasing the provision of basic education. Investment is needed in building and maintaining new schools of adequate levels, as well as sourcing more teachers. Local government could look at acquiring assistance from the private sector, which could aid in the development of educational resources.

2.4 Poverty and Human Development Index (HDI)

The section provides analysis for different development indicators such as poverty as measured using the upper poverty line (ZAR 577), Human Development Index (HDI) and the levels of income inequality as measured by the Gini coefficient for the Sedibeng district and its regions.

Figure 2.5: Provincial, District and Local poverty and HDI in 2015

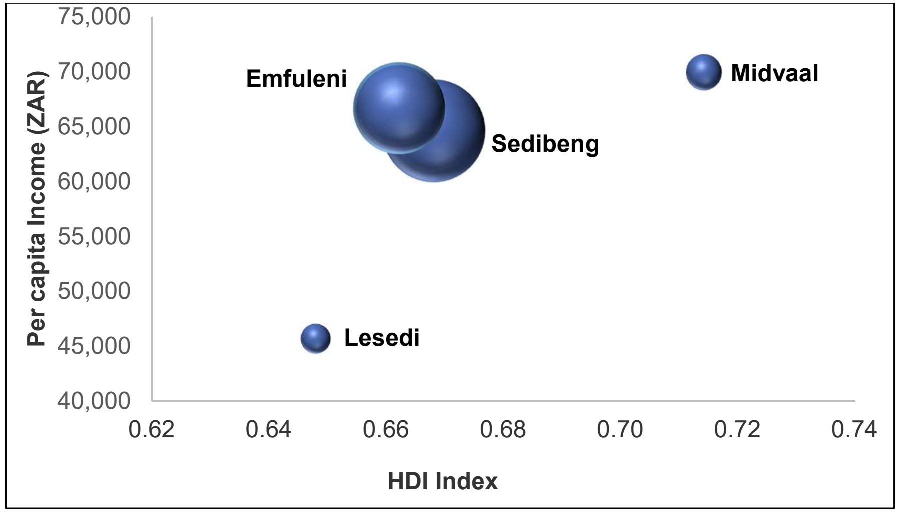


Note: The bubble size shows the Per Capita Income

Source: IHS Global Insight (2016)

Figure shows the link between poverty and the HDI for the Sedibeng district and its local municipalities. Although there is a negative relationship between the two indicators, Midvaal has the highest level of development and the smallest share of the population living below the upper poverty line.

Figure 2.6: Provincial, District and Local HDI and per capita income in 2015



Note: The size of the bubble indicates GDP-R of the regions

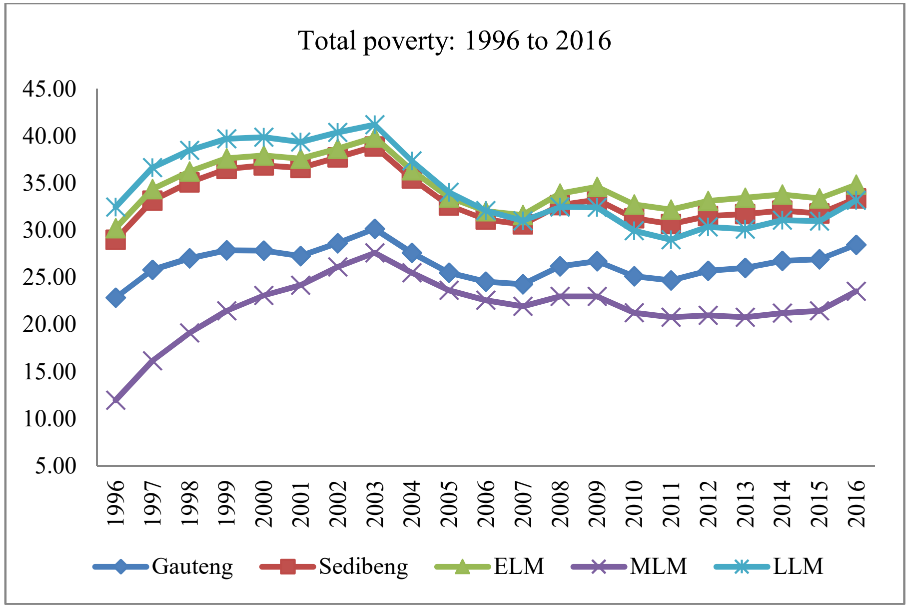
Source: IHS Global Insight (2016)

Figure shows the link between the HDI and the per capita income for Sedibeng and its regions. It indicates that high levels of development are associated with high per capita income. Midvaal had the highest HDI at 0.71 as well as the highest per capita income at R89 thousand in 2015, while Emfuleni had the lowest per capita income at R47 thousand and the HDI level of 0.66. Lesedi's income per capita was at R49 thousand and an HDI level of 0.65 for the same period

2.4.1 Total poverty

Total poverty refers to the total percentage of the population living below the lower poverty line. All regions have shown an increase in the percentage of people living in poverty, with over 33 % of Sedibeng's population belonging to this category. Although Emfuleni LM and Lesedi LM has over 33 % of their population living in poverty, Midvaal LM is faced with an average annual increase in poverty rates of over 4 % during the last 20 years.

Figure 2.7: Total poverty rates for the Gauteng, Sedibeng and its Locals



Source: IHS Global Insight (2016)

Table 2.4: Provincial, District and Local poverty figures from 1996 to 2016

Year	Gauteng		Sedibeng		Emfuleni		Midvaal		Lesedi	
	Total poverty	Growth rate	Total poverty	Growth rate	Total poverty	Growth rate	Total poverty	Growth rate	Total poverty	Growth rate
1996	22.84		29.00		30.20		11.97		32.45	
1997	25.80	12.98	33.15	14.29	34.36	13.77	16.15	34.87	36.64	12.91
1998	27.02	4.70	35.09	5.86	36.24	5.48	19.09	18.22	38.49	5.04
1999	27.88	3.19	36.51	4.06	37.63	3.83	21.45	12.37	39.70	3.16
2000	27.82	-0.20	36.88	1.01	37.93	0.79	23.08	7.58	39.87	0.42
2001	27.27	-1.99	36.62	-0.73	37.58	-0.92	24.15	4.66	39.36	-1.28
2002	28.62	4.95	37.73	3.05	38.65	2.85	26.11	8.10	40.37	2.57
2003	30.16	5.37	38.89	3.08	39.84	3.08	27.62	5.76	41.20	2.05
2004	27.60	-8.49	35.50	-8.73	36.38	-8.68	25.50	-7.64	37.36	-9.31
2005	25.50	-7.59	32.62	-8.09	33.48	-7.97	23.61	-7.42	34.02	-8.96
2006	24.55	-3.76	31.14	-4.55	32.02	-4.35	22.58	-4.38	32.07	-5.71
2007	24.27	-1.13	30.62	-1.67	31.61	-1.28	21.91	-2.97	31.01	-3.31
2008	26.18	7.87	32.67	6.70	33.89	7.19	22.97	4.86	32.47	4.70
2009	26.72	2.08	33.23	1.69	34.61	2.15	22.97	-0.02	32.43	-0.13
2010	25.13	-5.95	31.26	-5.91	32.72	-5.47	21.25	-7.48	29.96	-7.60
2011	24.66	-1.87	30.65	-1.97	32.18	-1.67	20.77	-2.25	28.98	-3.26
2012	25.68	4.13	31.51	2.82	33.10	2.87	20.97	0.95	30.34	4.69
2013	26.01	1.30	31.71	0.64	33.45	1.06	20.78	-0.89	30.12	-0.73
2014	26.75	2.84	32.10	1.23	33.79	1.01	21.20	2.02	31.05	3.09
2015	26.91	0.57	31.79	-0.96	33.39	-1.17	21.46	1.22	30.97	-0.27
2016	28.44	5.70	33.39	5.03	34.86	4.38	23.53	9.65	33.17	7.11
status quo	Increase in percentage of people living in poverty over the last few years		Percentage of people living in poverty averaging around 32% over the last few years		Percentage of people living in poverty averaging around 33% over the last few years		Increase in percentage of people living in poverty over the last few years		Increase in percentage of people living in poverty over the last few years	
Ave annual growth from 1996 to 2016	1.23		0.75		0.77		4.8		0.11	

Source: IHS Global Insight (2016)

Implications for strategy development:

From the graph it is evident that Emfuleni LM and Lesedi LM are the two main contributors to the increase in poverty rates in the Sedibeng District, where the rates in these areas are higher than Gauteng's average poverty rates. Midvaal LM seems to have the lowest poverty rates, however the 4 % annual increase from 1996 in poverty remains a concern. The average annual increase in the percentage of people living in poverty is of immense concern. This increase in poverty rates could also be due to the poor becoming poorer. In addition, due to the low economic growth of the region this percentage is likely to increase without the implementation of appropriate strategies. New areas for job creation and the involvement of communities should be explored, such as promoting tourism which allows for the creation of job opportunities across all skill levels, regardless of age, gender and race.

2.4.2 Human Development Index (HDI)

Table 2.5: Provincial, District and Local HDI figures from 1996 to 2016

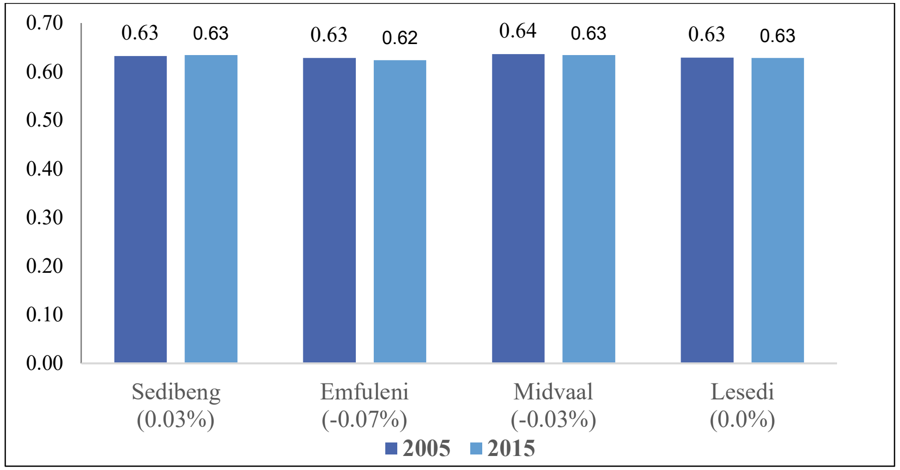
Year	Gauteng	Sedibeng DM	Emfuleni LM	Midvaal LM	Lesedi LM
1996	0.67	0.63	0.63	0.68	0.59
1997	0.67	0.62	0.62	0.67	0.58
1998	0.66	0.61	0.61	0.65	0.57
1999	0.65	0.60	0.60	0.64	0.56
2000	0.65	0.59	0.59	0.63	0.55
2001	0.64	0.59	0.58	0.62	0.55
2002	0.63	0.58	0.58	0.61	0.54
2003	0.63	0.58	0.58	0.61	0.54
2004	0.63	0.58	0.58	0.62	0.55
2005	0.64	0.59	0.59	0.62	0.55
2006	0.64	0.59	0.59	0.63	0.56
2007	0.64	0.59	0.59	0.63	0.56
2008	0.65	0.60	0.59	0.64	0.57
2009	0.66	0.61	0.61	0.66	0.59
2010	0.67	0.63	0.62	0.67	0.61
2011	0.68	0.64	0.64	0.68	0.62
2012	0.69	0.65	0.64	0.69	0.63
2013	0.70	0.66	0.65	0.71	0.65
2014	0.71	0.67	0.66	0.72	0.65
2015	0.71	0.68	0.67	0.72	0.66
2016	0.71	0.68	0.68	0.73	0.66
Total average annual growth	0.31	0.43	0.41	0.31	0.62

Source: IHS Global Insight (2016)

2.5 Income inequality (Gini Coefficient)

This section analyses income inequality in Gauteng and Sedibeng regions.

Figure 2.8: Regional Gini coefficients in 2005 & 2015



Note: Percentages in brackets indicate average annual growth rate between 2005 and 2015

Source: IHS Global Insight (2016)

Figure indicates the level of income inequality as measured by the Gini coefficient for Sedibeng and its locals. The figure shows there have not been any significant changes in the Gini coefficient in the Sedibeng region. In fact, it is worrying that over the past 10 years; only little progress has been made in reducing income inequality levels in the region. It is hoped that Gauteng's specific initiatives to reduce the levels of inequality, including the township economic revitalization and infrastructure investment, will accelerate the pace of reducing income inequality.

Table 2.6: Gini-coefficient analysis

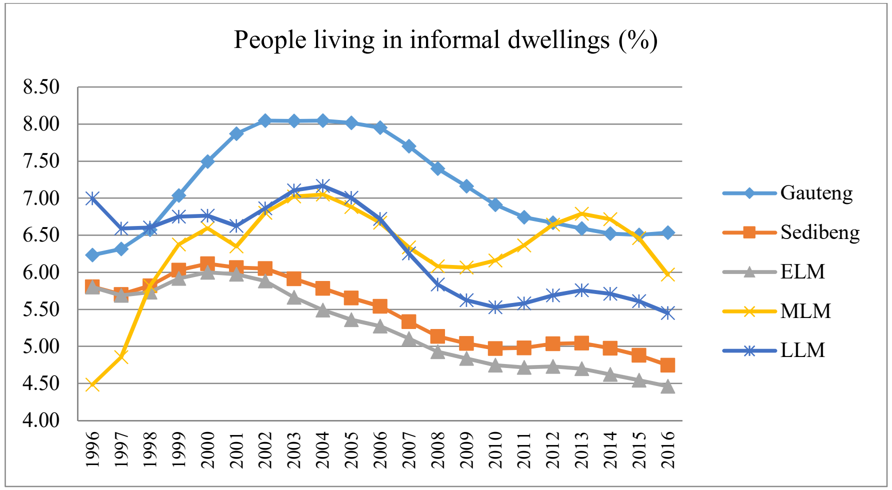
Year	Gauteng	Sedibeng	Emfuleni	Midvaal	Lesedi
1996	0.59	0.57	0.56	0.57	0.57
1997	0.61	0.59	0.59	0.59	0.59
1998	0.63	0.61	0.60	0.61	0.61
1999	0.64	0.62	0.62	0.62	0.62
2000	0.64	0.63	0.63	0.63	0.63
2001	0.64	0.63	0.63	0.63	0.63
2002	0.65	0.64	0.63	0.64	0.64
2003	0.65	0.64	0.64	0.64	0.64
2004	0.65	0.64	0.63	0.64	0.63
2005	0.65	0.63	0.63	0.64	0.63
2006	0.65	0.63	0.63	0.64	0.63
2007	0.65	0.63	0.63	0.64	0.63
2008	0.65	0.63	0.63	0.63	0.63
2009	0.65	0.63	0.62	0.62	0.62
2010	0.65	0.63	0.62	0.62	0.62
2011	0.64	0.62	0.62	0.62	0.62
2012	0.64	0.63	0.62	0.62	0.62
2013	0.64	0.63	0.62	0.62	0.62
2014	0.63	0.63	0.62	0.62	0.62
2015	0.63	0.63	0.62	0.63	0.62
2016	0.63	0.63	0.63	0.63	0.63
Overall annual average growth	0.37	0.58	0.58	0.52	0.49

Source: IHS Global Insight (2016)

2.6 Housing backlogs

This section deals with the percentage of people from the various regions that do not live in formal dwellings. The table below shows that over 6.5% of the people living in Gauteng lives in informal dwellings. From 2010 the province has not made any significant progress in decreasing the number of people living in informal dwellings. The region of Sedibeng sees a lower percentage of people living in informal dwellings when compared to that of Gauteng. When comparing the three local municipalities, Emfuleni LM is seen to be the municipality with the least amount of people living in informal dwellings whereas Midvaal LM has the largest amount of people living in informal dwellings. When looking at the annual growth rates over a 20-year period, Emfuleni LM is the only municipality that has managed to keep reducing the percentage of people living in informal dwellings, therefore this region has made some progression in providing formal housing.

Figure 2.9: Percentage of population residing in informal dwellings



Source: IHS Global Insight (2016)

Table 2.7: Provincial, District and Local informal dwelling figures from 1996 to 2016

Year	Gauteng		Sedibeng		Emfuleni		Midvaal		Lesedi	
	Number of people	Growth rate	Number of people	Growth rate	Number of people	Growth rate	Number of people	Growth rate	Number of people	Growth rate
1996	6.23		5.81		5.80		4.48		7.00	
1997	6.32	3.99	5.70	-1.00	5.69	-1.23	4.86	10.42	6.59	-5.53
1998	6.57	6.76	5.82	2.83	5.73	1.52	5.81	22.49	6.61	0.77
1999	7.04	9.59	6.03	4.42	5.92	3.82	6.37	12.40	6.75	3.02
2000	7.49	8.99	6.12	2.21	6.00	1.89	6.60	6.34	6.77	1.33
2001	7.87	7.54	6.06	-0.01	5.98	0.14	6.35	-0.78	6.62	-0.63
2002	8.05	4.66	6.05	0.67	5.88	-0.97	6.80	10.58	6.86	5.51
2003	8.04	2.26	5.91	-1.38	5.66	-3.24	7.02	6.63	7.10	5.72
2004	8.05	2.47	5.78	-1.14	5.49	-2.43	7.05	3.87	7.16	3.38
2005	8.02	2.08	5.65	-1.12	5.36	-1.69	6.88	1.11	7.00	0.60
2006	7.95	1.60	5.54	-0.75	5.27	-0.88	6.67	0.36	6.72	-0.95
2007	7.70	-0.50	5.33	-2.14	5.10	-2.13	6.33	-1.30	6.25	-3.01
2008	7.40	-1.45	5.13	-2.16	4.93	-2.37	6.08	-0.34	5.83	-2.54
2009	7.16	-0.44	5.04	0.04	4.84	-0.61	6.06	3.51	5.63	0.85
2010	6.91	-0.59	4.97	0.51	4.75	-0.56	6.16	5.52	5.53	2.42
2011	6.74	0.57	4.98	1.92	4.72	0.57	6.36	7.24	5.58	4.83
2012	6.67	1.75	5.04	2.76	4.73	1.35	6.64	8.14	5.69	5.56
2013	6.59	1.44	5.04	1.67	4.70	0.46	6.79	5.55	5.76	4.46
2014	6.52	1.36	4.97	0.00	4.62	-0.72	6.72	1.81	5.71	2.09
2015	6.50	1.83	4.88	-0.65	4.54	-0.79	6.46	-1.30	5.61	0.84
2016	6.54	2.62	4.75	-1.36	4.46	-0.72	5.97	-5.39	5.45	-0.42
status quo	Relative stagnation in the percentage of people living in informal dwellings		Percentage of people living in informal dwelling rotate around 5 % during last few years		Have shown the lowest percentage of people living in informal dwellings during the last 8 years.		Decrease to less than 6% per cent of people living in informal dwellings		Increase in percentage of people living in poverty over the last few years	
Ave annual growth from 1996 to 2016	3.65		1.43		-0.42		7.47		1.56	

Source: IHS Global Insight (2016)

Implications for strategy development:

Although, for the most part, the Sedibeng region is performing better when compared to the Gauteng province, the two municipalities of Midvaal LM and Lesedi LM are not making any significant progress in providing formal housing and in so doing reducing the percentage of people living in informal dwellings. Even though the Sedibeng region has recorded that only 4.75 % of the region's population lives in informal dwellings, this percentage translates to over 45 500 people. Therefore, more tangible efforts should be made in providing people with adequate housing. Accordingly, it is necessary to ensure that funding is correctly administered to adhere to the basic needs of the community.

2.7 Infrastructure

This section provides an analysis of household infrastructure.

Table 2.8: Regional access to household infrastructure in 2015

	Sedibeng	Emfuleni	Midvaal	Lesedi
Formal Housing	79.6%	82.0%	69.8%	73.2%
Sanitation	90.6%	90.9%	88.2%	91.0%
Water	96.4%	97.6%	88.6%	95.6%
Electricity	86.5%	88.8%	74.9%	82.6%
Refuse Removal	89.2%	90.2%	83.2%	88.1%

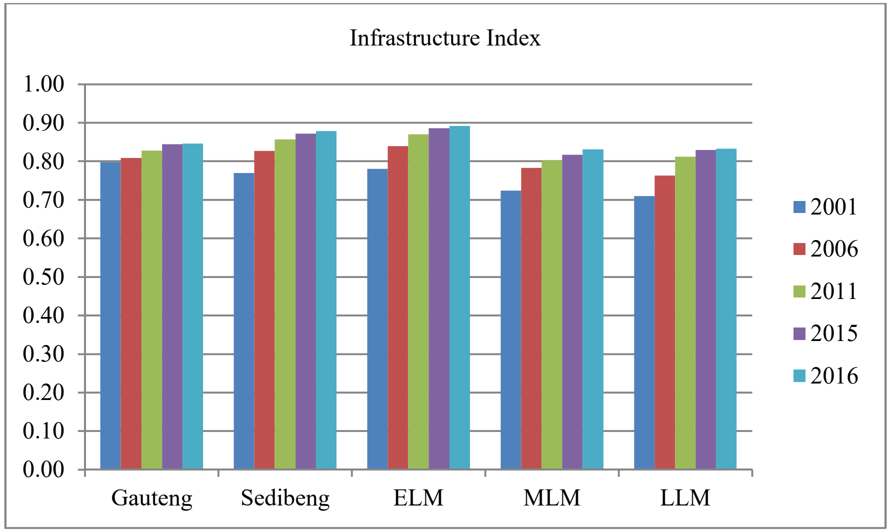
Source: IHS Global Insight (2016)

Note: The arrows show growth changes between 2005 and 2015. The red downward pointing arrows show a declining pace of provision of services, while the green upward arrows show an increase. Table shows the proportion of households with access to basic household's infrastructure for 2015 compared to the year 2005. The proportion of households with access to formal housing has declined in Sedibeng and it regions in 2015 compared to 2005. Households with access to electricity also declined in the same period. This may be reflective of a general shortage of electricity supply in the country as a whole.

2.7.1 Infrastructure Index

The infrastructure index is an index to measure how adequate a region's infrastructure is, where "1" signals perfect infrastructure and "0" signals inadequate infrastructure. Infrastructure refers to amenities that enable the economic activity of regions. This includes water, energy, utilities and sewer systems as well as transportation, distribution and communication networks.

Figure 2.10: Regional infrastructure index scores from 2001 to 2016



Source: IHS Global Insight (2016)

Table 2.9: Provincial, District and Local infrastructure index scores from 1996 to 2016

Year	Gauteng		Sedibeng		Emfuleni		Midvaal		Lesedi	
	Index	Growth rate	Index	Growth rate	Index	Growth rate	Index	Growth rate	Index	Growth rate
1996	0.81		0.78		0.79		0.76		0.71	
1997	0.81	-0.30	0.77	-1.40	0.78	-1.28	0.74	-2.85	0.70	-1.04
1998	0.81	-0.38	0.76	-0.85	0.77	-0.65	0.72	-2.77	0.70	-0.89
1999	0.80	-0.43	0.76	-0.20	0.77	-0.12	0.71	-1.02	0.70	-0.16
2000	0.80	-0.35	0.76	0.52	0.77	0.51	0.71	0.38	0.70	0.73
2001	0.80	-0.26	0.77	1.03	0.78	0.96	0.72	1.55	0.71	1.32
2002	0.80	0.12	0.78	1.46	0.79	1.50	0.73	1.34	0.72	1.34
2003	0.80	0.46	0.79	1.75	0.81	1.80	0.75	1.82	0.73	1.47
2004	0.81	0.28	0.81	1.51	0.82	1.54	0.76	1.67	0.74	1.37
2005	0.81	0.23	0.82	1.37	0.83	1.35	0.77	1.67	0.75	1.50
2006	0.81	0.20	0.83	1.15	0.84	1.12	0.78	1.44	0.76	1.53
2007	0.81	0.38	0.84	1.08	0.85	1.04	0.79	1.28	0.78	1.66
2008	0.82	0.57	0.84	1.00	0.86	0.98	0.80	1.04	0.79	1.64
2009	0.82	0.47	0.85	0.66	0.86	0.67	0.80	0.42	0.80	1.24
2010	0.82	0.44	0.85	0.43	0.87	0.47	0.80	-0.05	0.81	0.95
2011	0.83	0.55	0.86	0.37	0.87	0.41	0.80	-0.15	0.81	0.86
2012	0.83	0.47	0.86	0.26	0.87	0.32	0.80	-0.20	0.82	0.52
2013	0.84	0.55	0.86	0.37	0.88	0.44	0.80	0.16	0.82	0.29
2014	0.84	0.52	0.87	0.48	0.88	0.49	0.81	0.58	0.82	0.51
2015	0.84	0.45	0.87	0.67	0.89	0.61	0.82	1.19	0.83	0.80
2016	0.85	0.12	0.88	0.71	0.89	0.63	0.83	1.74	0.83	0.38
Status quo	Decrease in the growth rate of infrastructure index		Increase in the growth rate of infrastructure index		Increase in the growth rate of infrastructure index		Increase in the growth rate of infrastructure index		Decrease in the growth rate of infrastructure index	
Ave annual growth from 1996 to 2016	0.24		0.64		0.63		0.46		0.85	

Source: IHS Global Insight (2016)

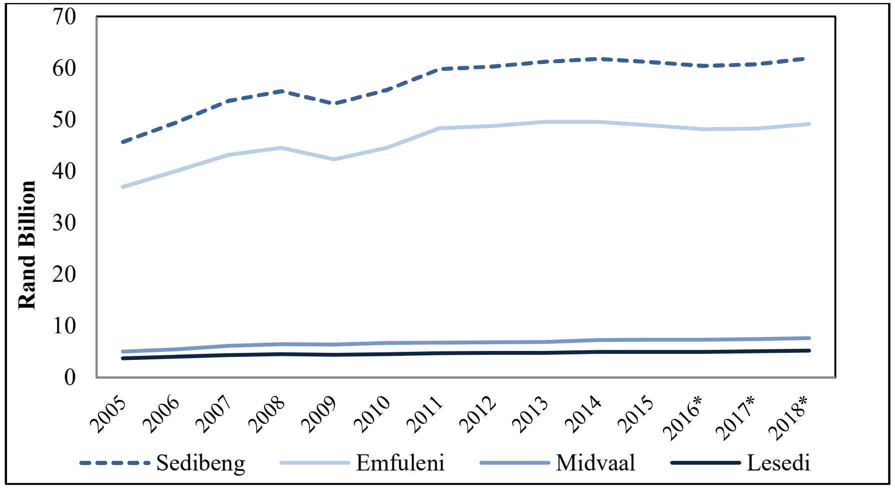
Implications for strategy development:

From the table and graph one can see that all of the regions have a very high infrastructure index score, suggesting that the infrastructure in these regions is well developed. It is evident that the Sedibeng District and ELM is outperforming the Gauteng province in terms of providing adequate infrastructure, according to their infrastructure index values. With regards to the annual growth rate of the regions' infrastructure, all of the regions in the comparison have a higher annual growth rate than Gauteng. Although the region showcases high infrastructure index values, the area is still plagued by potholes and failing sanitation and sewer systems. Pollution in the Vaal River has become a major area of concern as this is not only a vital source of water but also a key tourism hotspot. It is vital to implement strategies aimed at improving and maintaining sanitation and sewer systems as well as to revitalise the Vaal River.

2.8 Total Gross Domestic Product (GDP)

The economic performance of South Africa has been negatively affected by subdued growth in advanced and major emerging market economies in 2015. The South African economy is estimated to have grown by 1.2 percent in 2015, compared with 1.5 in 2014. The Gauteng province's economy is estimated to have grown by 1.2 percent also in 2015. This largely disappointing growth was mainly due to low commodity prices, weak capital flows and slow global trade. However, domestic economic prospects are expected to improve, supported by a mild recovery in commodity prices, and reduced concerns about Chinese near-term economic prospects. China is South Africa's biggest trade partner. Potential risks to this outlook include persistent drought conditions, low external demand from South Africa's trade partners and political uncertainties.

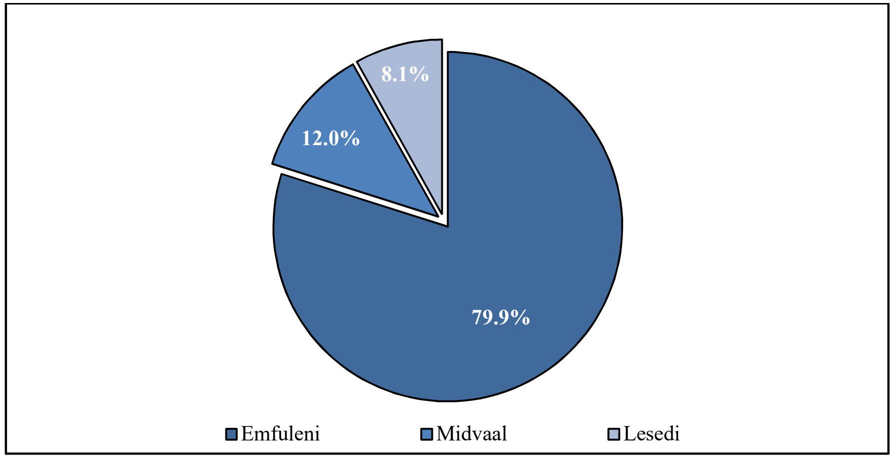
Figure 2.11: Gross Domestic Product by Region (GDP-R)



Note: * indicates forecasts

Source: IHS Global Insight (2016)

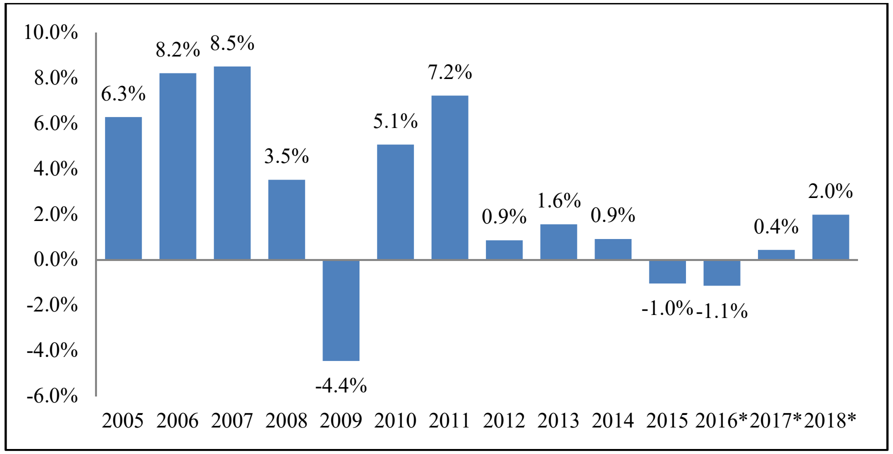
Figure 2.12: Share of Sedibeng GDP-R 2015



Source: IHS Global Insight (2016)

Due to the interconnectedness of South Africa's economy, the fragile recovery and the risks around the national economic outlook poses challenges for the province's economy. The Gross Domestic Product by Region (GDP-R) of the Sedibeng district municipality is estimated to have declined to R61.8 billion in 2015 from R62.1 billion in 2014, but accounted for 6 percent of the provinces of R1.1 trillion GDP in that year despite a decline in GDP-R growth rate. Emfuleni remain the center of economic activity of the district, accounting for 79.9 per cent of Sedibeng's GVA-R. With an estimated GDP-R of R7.3 billion in 2015, Midvaal was the second largest economy of the local municipalities, followed by Lesedi. Figure shows annual growth rate of Sedibeng from 2005 to 2018. Sedibeng's economic growth rate picked at 8.5 per cent in 2007 supported by strong growth in the manufacturing sector, the largest driver of economic activity in Sedibeng. Following the 2008 Financial Crisis, growth declined by 4.4 per cent, however, recovered strongly in 2010 and 2011. Since 2011, the Sedibeng economy has not been able to grow by more than 2 per cent and is only expected to record a 2 per cent growth rate in 2018. Similar to the district, growth in the local municipalities also declined sharply in 2009, and has since 2012, not been able to record pre-crisis levels. With the decline of the steel industry in the Southern Corridor, the municipalities of Sedibeng have experienced significant deindustrialization. This has had major negative effects on the region's economic growth rate.

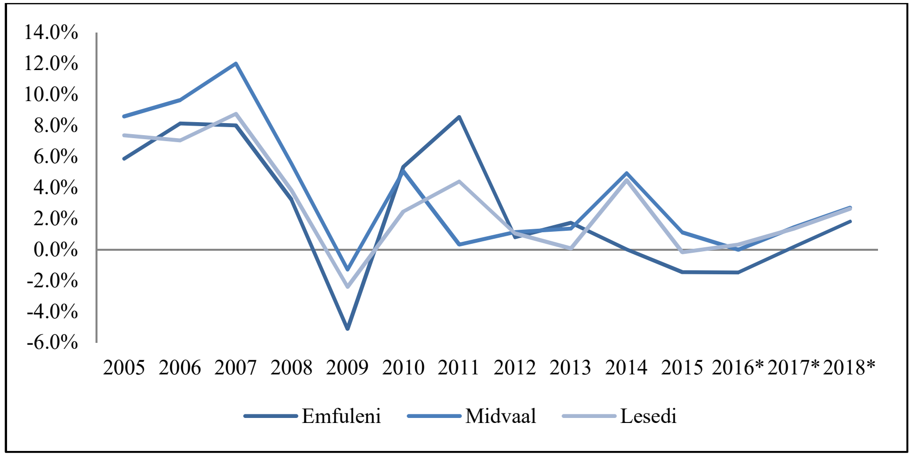
Figure 2.13: Annual Growth in GDP-R for Sedibeng



Notes: * indicates forecasts

Source: IHS Global Insight (2016)

Figure 2.14: Annual Growth in GDP-R for Sedibeng locals



Note: * indicates forecasts

Source: IHS Global Insight (2016)

2.9 GDP contribution per region

The contribution of SDM to GDP in Gauteng has declined from 5.7% in 1996 to 4.0% in 2016 indicating slow growth compared to the province. This decline is mostly due to the slow or lack of growth in the ELM area, although both the MLM and LLM areas showed strong growth. ELM is now only contributing 75.7% to the GDP of SDM while MLM and LLM are contributing 12.6% and 11.7%.

Table 2.10: GDP contribution (%) per region

Year	Sedibeng contribution to Gauteng	Emfuleni contribution to Sedibeng	Midvaal contribution to Sedibeng	Lesedi contribution to Sedibeng
1996	5.7	83.6	10.8	5.6
1997	5.5	83.2	10.8	6.0
1998	5.3	83.5	10.5	6.1
1999	5.3	83.6	10.1	6.3
2000	5.2	83.0	9.6	7.3
2001	5.0	82.5	9.4	8.0
2002	4.9	82.0	9.1	8.9

2003	4.6	81.2	9.4	9.3
2004	4.5	80.4	9.5	10.1
2005	4.3	79.7	9.7	10.6
2006	4.3	79.4	9.9	10.7
2007	4.3	78.8	10.3	10.9
2008	4.2	77.6	11.1	11.3
2009	4.1	76.6	11.7	11.7
2010	4.1	76.6	12.0	11.5
2011	4.2	76.8	11.9	11.4
2012	4.2	76.5	12.1	11.4
2013	4.1	76.2	12.3	11.5
2014	4.1	76.0	12.5	11.6
2015	4.1	75.8	12.5	11.7
2016	4.0	75.7	12.6	11.7
Status quo	The SDM's contribution to GDP in Gauteng has declined by -29.8% since 1996.	The ELM's contribution to GDP in SDM has declined by -9.4% since 1996.	The MLM's contribution to GDP in SDM has increased by 16.7% since 1996.	The LLM's contribution to GDP in SDM has increased by 108.9% since 1996.

Source: IHS Global Insight (2016)

The total gross domestic product (GDP) at constant prices indicating total production for the regions in comparison are listed below. All regions in the comparison have shown low growth of below 1 % over the last few years. Worst-off were SDM and ELM at close to 0% growth. Both MLM and LLM have contributed positively to the SDM growth but ELM with its low growth and declining economy, has a significant negative impact on GDP growth in the region.

Implications for strategy development:

The SDM region has experienced a declining contribution of only 4% to the economy of Gauteng from 5.7% in 1996. This decline is mostly due to the slow growth in ELM area. Support is needed to stimulate the economy of SDM by massive government and private sector investment. The region has been neglected by government over the last 20 years. For example, the regional sewer works has been promised for more than 10 years but has not been provided. This project will allow capacity for development which does not exist at the moment.

2.10 GDP per capita

GDP per capita give an indication of economic growth taking into account population growth. Economic growth needs to be higher than population growth for a region to develop. Table below is a comparison between Gauteng province and Sedibeng region. Gauteng has a much higher GDP per capita of R 80 947 versus R 45 672 for the Sedibeng region. Midvaal has the highest GDP per capita in the region. All areas within the region have stagnating or declining GDP per capita, indicating a region in recession. All areas indicate at least the last 3 years of negative growth and this trend confirms the current recession. This table is a good summary of the current economic situation. Radical economic transformation is needed to turn the situation around.

Implications for strategy development:

For the SDM, GDP growth per capita has been very low and even negative, especially since 2011. In real terms the GDP per capita has not increased over the last 20 years, since 1996. This situation indicates very low growth with a population growth which is higher than economic growth. More people need to become part of the economy by means of skills and business training, public works programmes and business development.

Table 2.11: Provincial, District and Local GDP at constant prices (R 1 000 000)

Year	Gauteng		Sedibeng		Emfuleni		Midvaal		Lesedi	
	GDP	Growth rate	GDP	Growth rate	GDP	Growth rate	GDP	Growth rate	GDP	Growth rate
1996	602 776		34 321		28 681		3 719		1 920	
1997	617 603	2.46	34 103	-0.64	28 386	-1.03	3 677	-1.14	2 039	6.20
1998	623 927	1.02	33 260	-2.47	27 756	-2.22	3 485	-5.20	2 018	-1.07
1999	636 253	1.98	33 673	1.24	28 160	1.46	3 402	-2.39	2 110	4.59
2000	668 870	5.13	34 654	2.91	28 775	2.18	3 336	-1.93	2 542	20.47
2001	680 885	1.80	34 231	-1.22	28 249	-1.83	3 228	-3.24	2 752	8.26
2002	710 168	4.30	34 472	0.71	28 258	0.03	3 149	-2.46	3 065	11.35
2003	730 602	2.88	33 808	-1.93	27 469	-2.79	3 185	1.16	3 153	2.88
2004	766 462	4.91	34 217	1.21	27 496	0.10	3 267	2.55	3 454	9.54
2005	805 164	5.05	34 669	1.32	27 625	0.47	3 360	2.87	3 682	6.60
2006	852 779	5.91	36 573	5.49	29 031	5.09	3 631	8.07	3 909	6.16
2007	902 276	5.80	38 782	6.04	30 577	5.32	3 978	9.53	4 227	8.12
2008	936 015	3.74	39 406	1.61	30 571	-0.02	4 384	10.23	4 450	5.28
2009	921 843	-1.51	37 790	-4.10	28 945	-5.32	4 429	1.03	4 415	-0.78
2010	952 568	3.33	39 403	4.27	30 166	4.22	4 720	6.56	4 516	2.29
2011	986 494	3.56	41 269	4.73	31 680	5.02	4 896	3.73	4 691	3.87
2012	1 011 350	2.52	42 020	1.82	32 145	1.47	5 081	3.78	4 793	2.18
2013	1 039 049	2.74	42 897	2.09	32 692	1.70	5 277	3.85	4 926	2.78
2014	1 060 937	2.11	43 430	1.24	32 989	0.91	5 411	2.54	5 029	2.09
2015	1 076 083	1.43	43 783	0.81	33 185	0.59	5 491	1.48	5 106	1.53
2016	1 086 928	1.01	43 843	0.14	33 207	0.07	5 514	0.42	5 121	0.29
Status quo	Above 1% growth over the last few years		Stagnating growth over the last few years		Stagnating growth over the last few years		Stagnating growth over the last few years		Low growth over the past few years	
Ave annual growth from 1996 to 2016	4.02		1.39		0.79		2.41		8.33	

Source: IHS Global Insight (2016)

Table 2.12: Provincial, District and Local GDP per capita at constant prices from 1996 to 2016

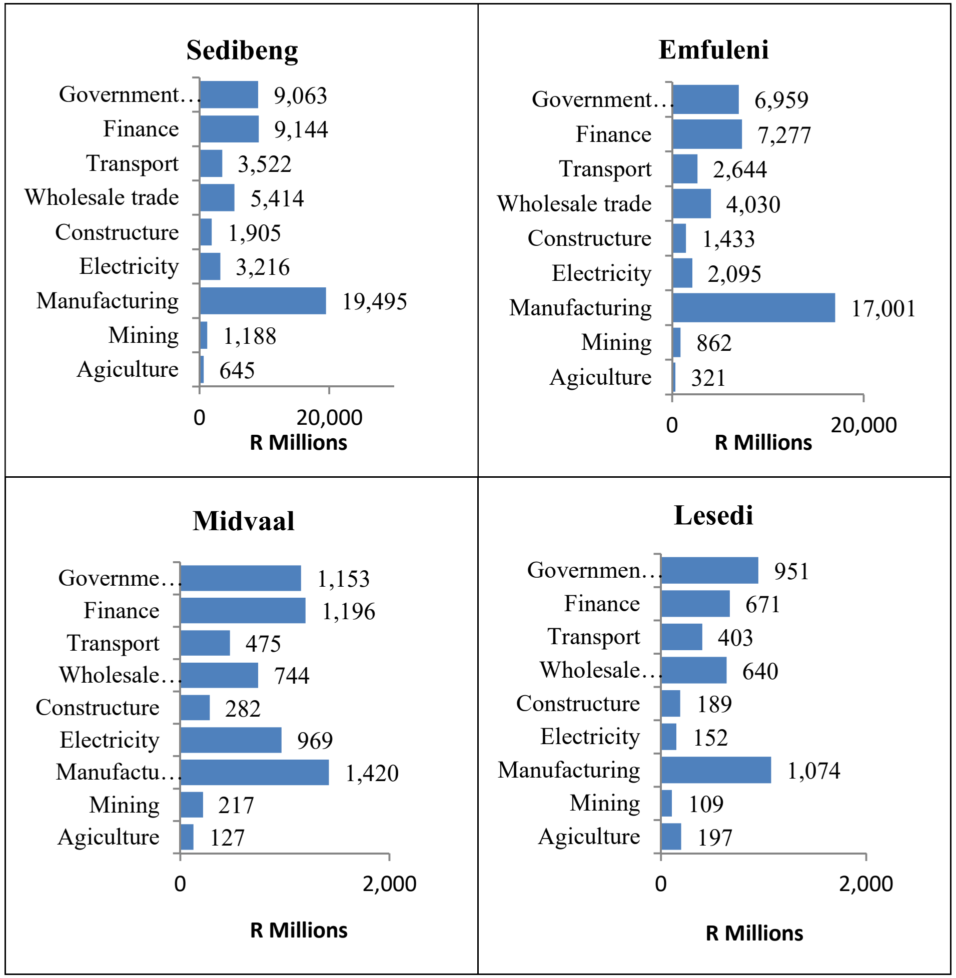
Year	Gauteng		Sedibeng		Emfuleni		Midvaal		Lesedi	
Year	**GDP per capita**	**% Annual growth**	**GDP per capita**	**% Annual growth**	**GDP per capita**	**% Annual growth**	**GDP per capita**	**% Annual growth**	**GDP per capita**	**% Annual growth**
1996	74 059		45 966		**46 027**		**64 848**		29 025	
1997	73 947	-0.15	45 323	-1.40	45 229	-1.73	62 871	-3.05	30 746	5.93
1998	72 837	-1.50	43 845	-3.26	43 917	-2.90	58 267	-7.32	30 239	-1.65
1999	72 538	-0.41	44 064	0.50	44 306	0.89	55 472	-4.80	31 372	3.75
2000	74 525	2.74	45 013	2.16	45 043	1.66	52 941	-4.56	37 386	19.17
2001	74 091	-0.58	44 087	-2.06	43 972	-2.38	49 703	-6.12	39 878	6.67
2002	75 484	1.88	43 998	-0.20	43 733	-0.54	46 958	-5.52	43 602	9.34
2003	75 897	0.55	42 755	-2.82	42 282	-3.32	45 989	-2.06	43 921	0.73
2004	77 757	2.45	42 822	0.16	42 057	-0.53	45 581	-0.89	46 930	6.85
2005	79 707	2.51	42 881	0.14	41 951	-0.25	45 270	-0.68	48 619	3.60
2006	82 404	3.38	44 689	4.22	43 769	4.33	47 224	4.32	49 999	2.84
2007	84 894	3.02	**46 609**	4.30	45 591	4.16	49 787	5.43	51 876	3.75
2008	**85 847**	1.12	46 582	-0.06	45 097	-1.08	52 885	6.22	**52 268**	0.76
2009	82 200	-4.25	43 846	-5.87	42 149	-6.54	51 456	-2.70	49 580	-5.14
2010	82 435	0.29	44 874	2.34	43 351	2.85	52 793	2.60	48 661	-1.85
2011	82 845	0.50	46 183	2.92	44 977	3.75	52 744	-0.09	48 675	0.03
2012	82 556	-0.35	46 277	0.20	45 144	0.37	52 835	0.17	48 042	**-1.30**
2013	82 633	0.09	46 536	0.56	45 438	0.65	53 143	0.58	47 838	**-0.42**
2014	82 403	**-0.28**	46 465	**-0.15**	45 408	**-0.07**	52 952	**-0.36**	47 452	**-0.81**
2015	81 824	**-0.70**	46 243	**-0.48**	45 262	**-0.32**	52 373	**-1.09**	46 942	**-1.08**
2016	80 947	**-1.07**	45 672	**-1.23**	44 816	**-0.99**	51 336	**-1.98**	45 905	**-2.21**
Status quo	Highest level reached in 2008. Declining trend since 2009. Low growth but positive.		Highest level reached in 2007. A stagnating trend since 2011. Very low and negative growth.		Highest level reached in 1996. Low and negative growth.		Highest level reached in 1996. Low and negative growth.		Highest level reached in 2008. Declining trend since 2009. Low but positive growth.	
Average growth per annum from 1996 to 2016	0.46		-0.031		-0.13		-1.04		2.90	

Source: IHS Global Insight (2016)

3. Sectoral analysis of the Sedibeng District Municipality

3.1 Analysis of 9 main economic sectors and sub-sectors

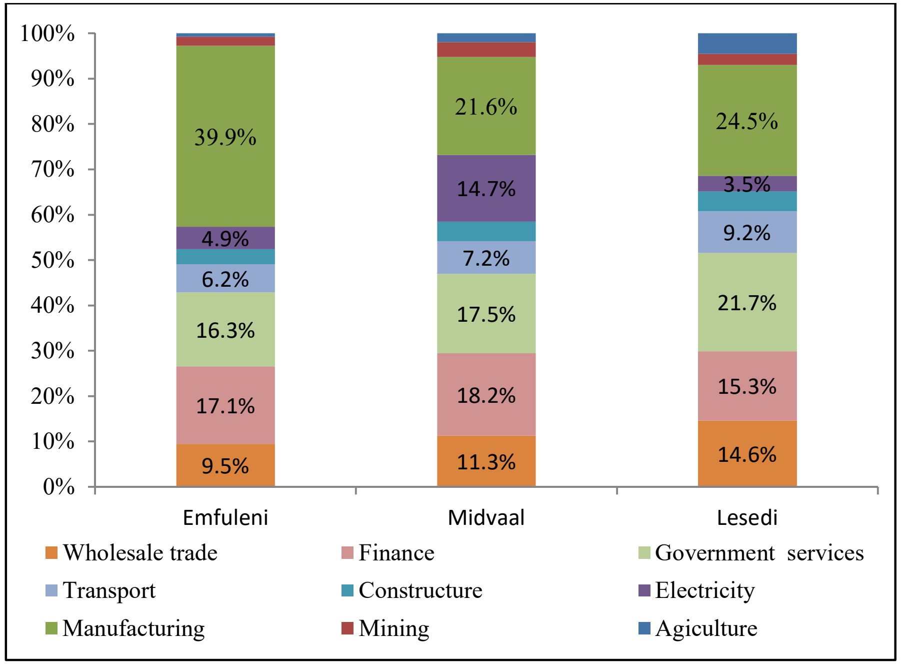
Figure 3.1: Broad economic sectors GVA-R in 2015



Source: IHS Global Insight (2016)

Although its contribution has declined over the years, the manufacturing sector remains a key driver of economic activity in the Sedibeng region. As such, due to its focus on this sector, the district and its regions are vulnerable to issues common to the country as a whole, such as electricity supply constraints, labour unrest and weak external and domestic demand.

Figure 3.2: Drivers of economic growth for the locals in 2015



Source: IHS Global Insight (2016)

The presence of manufacturing was much stronger in Emfuleni, accounting for 39.9 per cent of economic activity in 2015. In fact, manufacturing, electricity and construction (secondary sector) accounted for a combined 47.3 per cent of Emfuleni economic output. Activity in mining and agriculture (primary sector) are almost non-existent in Emfuleni. Lesedi was the only local municipality where agriculture and mining activity were relatively noticeable, accounting for 4.5 per cent and 2.5

per cent of activity in 2015. Finance was more dominant in Midvaal (compared to the other two locals), accounting for 18.2 per cent of the economy.

3.2 Gross Value Added (GVA) per 9 main sectors

The agriculture sector has shown low growth in the SDM region with an average annual growth of 0.7% (ELM -0.6% and LLM 4.4%) with regards to GVA. LLM had an average annual growth of 4.4% but ELM had a negative growth of -0.6%. The mining sector is in decline in the region with a negative growth rate of -0.4%, only the LLM has a positive growth rate for this sector. The manufacturing sector is also in decline with an average annual growth of -0.4% for SDM and -0.8% for ELM. This is a major problem if compared to the growth of 2.4% in Gauteng. LLM had an average annual growth of 6.4% in this sector. The construction sector has been growing at extremely high rates in all areas in the comparison, with SDM growing at an annual rate of 7.5%. The service sectors including trade, transport, finance and community services have shown relatively high growth rates over the last 20 years with growth between 3.9% to 4.8% for all service sectors with only the community services sector growing at a low rate of 0.8% in the SDM area . Overall SDM had an annual average growth rate of 1.5% compared to a 4.1% rate for Gauteng over the last 20 years. The table below is a summary of the possibility of employment creation and economic growth per sector. From the table it is the economic base sectors that generates the employment and growth and not the services sectors (non-economic base sectors).

Table 3.1: Summary of employment and growth characteristics per economic sector

Economic sector	Characteristic
Mining	Good for growth, not good for jobs. Low employment multiplier and weak backward linkages.
High skills management services	Good for growth, not good for jobs
Public sector employment (EPWP)	Good for jobs, not good for growth
Retail sector	Good for jobs, not good for growth
Manufacturing (Labour intensive)	Good for growth, good for jobs
Tourism	Good for growth, good for jobs. High employment multiplier and strong backward linkages.
Mid skilled services	Good for growth, good for jobs
Public sector	Not good for jobs or growth. Low employment multiplier and weak backward linkages.
Low investment	Not good for jobs or growth
Low skills services and education	Not good for jobs or growth
Transport, metals, fuels and construction	Low employment multiplier and strong backward linkages
Finance, electricity and water provision	Low employment multiplier and weak backward linkages.
Agriculture and wholesale trade	High employment multiplier and weak backward linkages.
Wood, furniture, textiles, clothing and food	High employment multiplier and strong backward linkages.

Table 3.2: Regional GVA growth per main sector

	Gauteng	Sedibeng	Emfuleni	Midvaal	Lesedi
Agriculture					
1996	3 544 784	364 449	209 573	71 762	83 113
2001	3 534 407	358 100	191 037	56 153	110 910
2006	3 674 587	343 743	160 820	51 758	131 165
2011	4 157 971	403 690	181 149	69 468	153 073
2016	4 199 386	416 725	185 676	74 562	156 487
Annual growth 1996 to 2016	0.9	0.7	-0.6	0.2	4.4
Mining					
1996	56 011 486	632 826	458 301	119 030	55 495
2001	48 532 303	530 247	391 985	78 976	59 285
2006	40 879 004	601 735	435 429	87 176	79 130
2011	31 951 640	682 210	491 594	112 431	78 185

2016	27 828 784	584 703	417 755	96 358	70 590
Annual growth 1996 to 2016	-2.5	-0.4	-0.4	-1.0	1.4
Manufacturing					
1996	104 388 810	10 951 294	9 825 718	718 873	406 703
2001	119 207 161	9 717 115	8 495 970	624 621	596 524
2006	145 466 323	10 467 058	8 914 614	708 978	843 466
2011	149 833 016	10 276 245	8 522 633	856 634	896 978
2016	154 644 276	10 171 462	8 328 640	915 627	927 194
Annual growth 1996 to 2016	2.4	-0.4	-0.8	1.4	6.4
Utilities					
1996	17 727 451	1 772 785	1 254 174	467 924	50 687
2001	16 401 784	1 410 064	1 029 373	319 985	60 706
2006	20 787 047	1 397 936	976 383	332 247	89 305
2011	21 683 348	1 639 837	1 075 229	467 108	97 499
2016	20 220 542	1 577 469	1 014 838	471 344	91 287
Annual growth 1996 to 2016	0.7	-0.6	-1.0	0.0	4.0
Construction					
1996	12 476 098	633 038	509 788	82 151	41 098
2001	12 111 667	563 653	449 480	61 893	52 280
2006	22 563 344	899 323	683 448	103 504	112 370
2011	32 541 420	1 351 061	998 031	182 166	170 865
2016	37 485 764	1 587 128	1 164 051	223 320	199 757
Annual growth 1996 to 2016	10.0	7.5	6.4	8.6	19.3
Trade					

1996	64 808 933	2 662 360	2 132 576	323 521	206 263
2001	78 300 318	2 979 785	2 345 777	303 507	330 502
2006	101 620 009	3 312 315	2 469 395	351 432	491 488
2011	121 743 450	4 134 685	3 005 042	512 213	617 430
2016	137 581 347	4 728 712	3 413 453	610 800	704 458
Annual growth 1996 to 2016	5.6	3.9	3.0	4.4	12.1
Transport					
1996	37 100 765	1 632 607	1 309 349	189 352	133 905
2001	54 636 865	2 264 748	1 787 173	219 614	257 960
2006	74 399 001	2 294 398	1 717 017	235 637	341 744
2011	87 999 808	2 634 977	1 931 057	318 668	385 252
2016	99 346 251	2 979 343	2 179 957	378 969	420 417
Annual growth 1996 to 2016	8.4	4.1	3.3	5.0	10.7
Finance					
1996	91 956 225	4 552 092	3 818 857	532 461	200 774
2001	133 126 285	6 163 646	5 254 959	563 574	345 113
2006	185 625 471	7 038 110	5 787 786	722 482	527 842
2011	230 113 731	8 108 999	6 477 010	963 080	668 908
2016	265 100 917	8 895 032	6 994 432	1 124 888	775 713
Annual growth 1996 to 2016	9.4	4.8	4.2	5.6	14.3
Community services					
1996	155 772 194	7 409 349	6 060 379	829 854	519 116
2001	152 465 490	6 622 681	5 335 013	623 215	664 452
2006	177 934 866	6 504 617	4 973 273	643 324	888 020
2011	216 468 574	7 919 063	5 923 996	912 931	1 082 136
2016	244 007 664	8 571 928	6 292 407	1 076 443	1 203 078

Annual growth 1996 to 2016	2.8	0.8	0.2	1.5	6.6
Total Industries					
1996	543 786 746	30 610 799	25 578 715	3 334 929	1 697 155
2001	618 316 279	30 610 038	25 280 767	2 851 539	2 477 733
2006	772 949 654	32 859 233	26 118 165	3 236 539	3 504 529
2011	896 492 958	37 150 767	28 605 741	4 394 700	4 150 325
2016	990 414 931	39 512 502	29 991 210	4 972 311	4 548 982
SB annual growth 1996 to 2016	4.1	1.5	0.9	2.5	8.4

Source: IHS Global Insight (2016)

The table below indicates the sectoral analysis of GDP for the SDM region. The manufacturing sector is the highest contributor to GDP in the region but its contribution has been declining from 3.7% in 1996 to 25.7% in 2016. Second largest sector is the finance service sector with a 22.5% contribution in 2016, from 14.8% contribution in 1996. The third largest sector is community services with a declining contribution at 21.6% in 2016. The fastest growing sector is the construction sector followed by Finance, and trade. The worst performing sectors were utilities, manufacturing and mining with negative growth rates.

Table 3.3: SDM Sectoral GDP analysis and contribution

Sector	1996	% Contribution of sector to total GDP	2016	% Contribution of sector to total GDP	Overall growth from 1996 to 2016	Average Growth per annum
Agriculture	364 449	1.19	416 725	1.05	14.3	0.7
Mining	632 826	2.07	584 703	1.48	-7.6	-0.4
Manufacturing	10 951 294	35.77	10 171 462	25.74	-7.1	-0.4
Utilities	1 772 785	5.79	1 577 469	3.99	-11.0	-0.6
Construction	633 038	2.07	1 587 128	4.02	150.7	7.5
Trade	2 662 360	8.70	4 728 712	11.97	77.6	3.9
Transport	1 632 607	5.33	2 979 343	7.54	82.5	4.1
Finance	4 552 092	14.87	8 895 032	22.51	95.4	4.8
Community services	7 409 349	24.20	8 571 928	21.69	15.7	0.8
Total	30 612 796	100.00	39 512 502	100.00	29.1	1.5

Source: IHS Global Insight (2016)

Implications for strategy development:

In terms of GVA growth, the economic base sectors have all experienced mostly negative real growth rates over the last 20 years. These sectors namely agriculture, mining, manufacturing are the main employment and growth creating sectors and need to growth at least at 2 to 3% per annum. Strategy development should focus on these sector and should attempt to turn-around this negative situation. The non-basic economic sectors are growing at acceptable rates but are not main contributors to economic growth with significant forward and backward linkages between sectors.

3.3 GVA analysis of 34 detailed sub-sectors

Economic base sub-sectors

If the Gauteng detailed economic base sub-sectors are compared to SDM, all sub-sectors in the SDM have shown a decline regarding the contribution to the Gauteng GVA. In terms of Gauteng and SDM the largest economic base sectors are metal products, fuel/petroleum/chemicals and food/beverages. The metals sub-sector contributed 25% to Gauteng in 1996 and only 15.9% in 2016. The sector's contribution to the SDM total GVA was 22.5% in 1996 and down to 13.7% in 2016. The fuel/petroleum/chemicals sub-sector contributed 4.1% to Gauteng in 1996 and only 3.4% in 2016. The sector's contribution to the SDM total GVA was 2.9% in 1996 and increased to 2.9% in 2016. The food/beverages sub-sector contributed 4.9% to Gauteng in 1996 and only 4.1% in 2016. The sector's contribution to the SDM total GVA was 2.5% in 1996 and decreased to 2.4% in 2016. The fastest growing sub-sectors from 1996 to 2016 in Gauteng were mining of metals and quarrying, the fuel/petroleum/chemicals sectors and electrical machinery sector with gold mining showing the lowest growth of -3.8%. SDM's fastest growing sectors were quarrying, transport equipment, and mining of metal ores with the lowest growth sectors being gold mining (-4.0), metals products (-1.1) and non-metallic products.

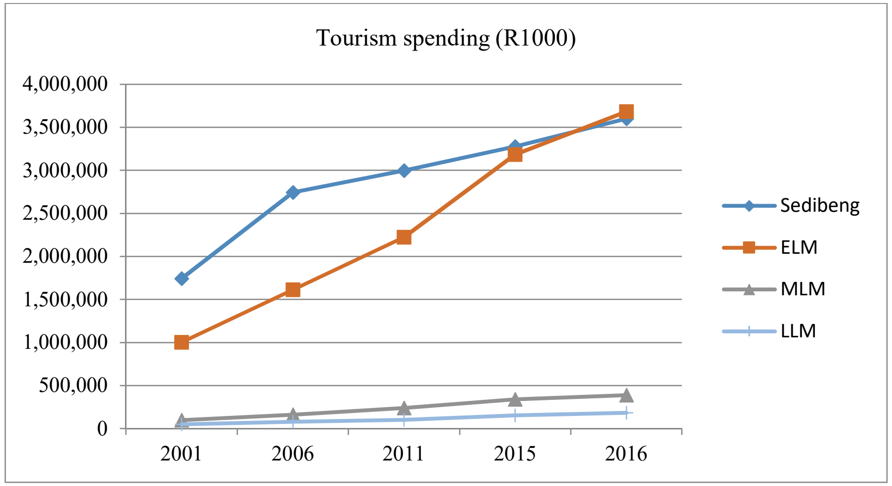
Non-basic sub-sectors

If the Gauteng detailed non-economic base sub-sectors are compared to SDM, all sub-sectors in the SDM have shown a decline regarding the contribution to the Gauteng GVA, except for real estate activities. In terms of Gauteng and SDM the largest non-economic base sectors for Gauteng are finance/insurance, other business activities and other services activities and for SDM are real estate activities, finance/insurance, other services and public administration. The real estate sub-sector contributed 6.9% to Gauteng in 1996 and increased to 8.5% in 2016. The fastest growing sub-sectors from 1996 to 2016 in Gauteng were post and telecommunications, finance/insurance and other business activities sectors with education showing the lowest growth of -0.5%. SDM's fastest growing sectors were post and tele-communication, finance/insurance, other business activities with the lowest growth sectors being education and health and social work.

3.4 Tourism

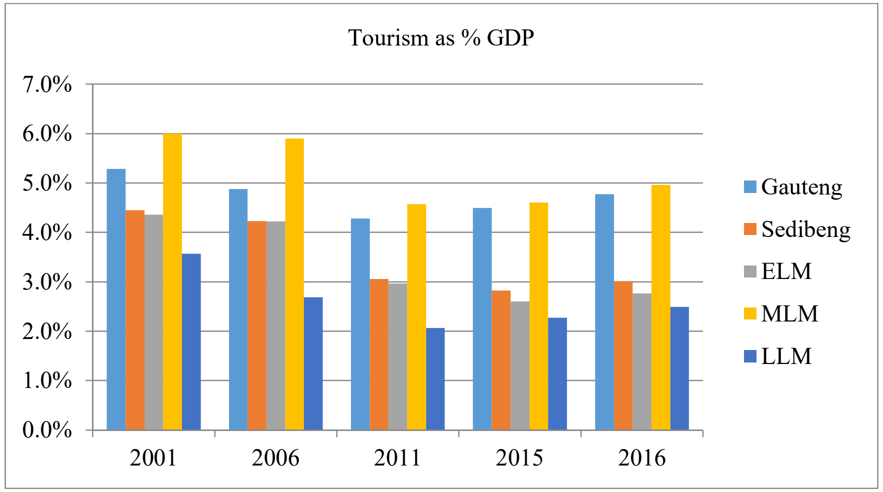
The following section addresses the tourism sector within Gauteng, Sedibeng and the three local municipalities of ELM, MLM and LLM. The sub-sections addressed include the total number of tourism trips within the various regions' (compromising of holiday and business trips), tourism spending and tourism's percentage share of GDP. All of the regions in the comparison have seen an increase in the total number of tourism trips to each area. MLM and LLM have seen the largest increase in the growth rate of tourism trips in 2016, as well as the largest increase in the annual growth rate. With regards to tourism spending, ELM, MLM and LLM have shown a larger increase in the growth of tourism spending than that of the Sedibeng district and the Gauteng province. In addition, ELM is the largest contributor to Sedibeng's total tourism spending, and has surpassed Sedibeng in 2016, as illustrated in the graph. With regards to tourism's percentage share of GDP, all regions in the comparison have shown an increase in tourism's share in 2016, however all regions have shown a negative annual growth rate from 2001. Tourism has the largest share of GDP in MLM, where from 2001 to 2016 tourism as a percentage of GDP has been more than that of Gauteng.

Figure 3.3: Regional tourism spending figures from 2001 to 2016



Source: IHS Global Insight (2016)

Figure 3.4: Regional tourism figures (% of GDP)



Source: IHS Global Insight (2016)

Table 3.4: Economic and non-economic base sub-sectors: GVA comparative analysis

Economic base sectors: Detailed GVA for 34 sub-sectors at constant prices (R 1000 000)	Gauteng			Sedibeng				
	1996	2016	1996 to 2016 annual growth	1996	2016	1996 to 2016 annual growth	Sub-sector contribution to Gauteng 1996	Sub-sector contribution to Gauteng 2016
Agriculture								
Agriculture and hunting	2 961	3 484	0.9	332	381	0.7	11.2	11.0
Forestry and logging	397	493	1.2	21	24	0.7	5.4	4.9
Fishing, operation of fish farms	185	221	1.0	10	10	-0.2	5.9	4.8
Mining								
Mining of coal and lignite	1 223	1 634	1.7	91	93	0.1	7.5	5.7
Mining of gold and uranium ore	48 298	11 515	-3.8	314	65	-4.0	0.7	0.6
Mining of metal ores	3 569	8 089	6.3	161	298	4.2	4.5	3.7
Other mining and quarrying	2 920	6 589	6.3	64	126	4.7	2.2	1.9
Manufacturing								
Food, beverages and tobacco products	17 250	25 327	2.3	844	1 043	1.2	4.9	4.1
Textiles, clothing and leather goods	1 355	2 002	2.4	50	59	1.0	3.7	3.0
Wood and wood products	9 431	12 538	1.6	280	304	0.4	3.0	2.4
Fuel, petroleum, chemical and rubber products	17 941	37 169	5.4	735	1 269	3.6	4.1	3.4
Other non-metallic mineral products	8 358	7 793	-0.3	578	449	-1.1	6.9	5.8
Metal products, machinery and household appliances	30 836	37 883	1.1	7 718	6 012	-1.1	25.0	15.9
Electrical machinery and apparatus	2 216	4 598	5.4	150	248	3.2	6.8	5.4
Electronic, sound/vision, medical & other appliances	1 881	3 549	4.4	51	76	2.5	2.7	2.2
Transport equipment	5 959	11 489	4.6	174	320	4.2	2.9	2.8
Furniture and other items NEC and recycling	9 157	12 291	1.7	367	385	0.2	4.0	3.1
Utilities								
Electricity, gas, steam and hot water supply	13 534	15 581	0.8	747	630	-0.8	5.5	4.0
Collection, purification and distribution of water	4 192	4 639	0.5	1 025	947	-0.4	24.5	20.4

Non-Economic base sectors: Detailed GVA for 34 sub-sectors at constant prices (R 1000 000)	**Gauteng 1996**	**Gauteng 2016**	**Gauteng 1996 to 2016 annual growth**	**Sedibeng 1996**	**Sedibeng 2016**	**Sedibeng 1996 to 2016 annual growth**	**Sedibeng Sub-sector contribution to Gauteng 1996**	**Sedibeng Sub-sector contribution to Gauteng 2016**
Construction	12 476	37 485	10.0	633	1 587	7.5	5.1	4.2
Trade								
Wholesale and commission trade	24 867	51 414	5.3	1 031	1 734	3.4	4.1	3.4
Retail trade and repairs of goods	27 776	60 453	5.9	1 180	2 210	4.4	4.3	3.7
Sale and repairs of motor vehicles, sale of fuel	7 698	18 579	7.1	312	603	4.7	4.1	3.2
Hotels and restaurants	4 466	7 132	3.0	137	180	1.5	3.1	2.5
Transport								
Land and Water transport	22 543	43 874	4.7	1 264	1 690	1.7	5.6	3.9
Air transport and transport supporting activities	7 868	19 113	7.1	129	271	5.5	1.6	1.4
Post and telecommunication	6 688	36 357	22.2	238	1 016	16.3	3.6	2.8
Finance and Insurance	27 259	137 182	20.2	748	2 623	12.5	2.7	1.9
Real estate activities	46 075	51 902	0.6	3 172	4 425	2.0	6.9	8.5
Other business activities	18 620	76 016	15.4	631	1 846	9.6	3.4	2.4
Community development								
Public administration and defence activities	41 922	69 212	3.3	1 778	2 239	1.3	4.2	3.2
Education	41 098	37 074	-0.5	2 808	1 876	-1.7	6.8	5.1
Health and social work	36 951	57 112	2.7	1 505	1 846	1.1	4.1	3.2
Other service activities	35 798	80 607	6.3	1 317	2 608	4.9	3.7	3.2
Total GDP	602 776	1 086 928	4.0	34 321	43 843	1.4	5.7	4.0

Source: IHS Global Insight (2016)

Table 3.5: Total tourism trips

Year	Gauteng		Sedibeng		Emfuleni		Midvaal		Lesedi	
	Total trips	% growth	Total trips	% growth	Total trips	% growth	Total trips	% growth	Total trips	Growth rate
2001	1 608 387		68 927		45 178		16 362		7 386	
2006	2 014 701	25.26	83 762	21.52	53 945	19.41	20 637	26.12	9 180	24.29
2011	2 833 915	40.66	116 078	38.58	72 859	35.06	30 684	48.69	12 535	36.55
2015	2 786 325	-1.68	114 497	-1.36	71 168	-2.32	29 971	-2.32	13 358	6.56
2016	2 962 970	6.34	123 230	7.63	76 169	7.03	32 445	8.25	14 617	9.43
status quo	Growth in number of tourism trips		Growth in number of tourism trips		Growth in number of tourism trips		Growth in number of tourism trips		Growth in number of tourism trips	
Ave annual growth from 2001 to 2016	16.84		15.76		13.72		19.66		19.58	

Source: IHS Global Insight (2016)

Table 3.6: Total tourism spending (R1000)

Year	Gauteng		Sedibeng		Emfuleni		Midvaal		Lesedi	
	Total spending	Growth rate	Total spending	Growth rate	Total spending	Growth rate	Total spending	Growth rate	Total spending	Growth rate
2001	18 785 386		1 743 872		1 001 485		99 344		50 300	
2006	31 218 278	66.18	2 743 123	57.30	1 612 581	61.02	160 605	61.67	77 236	53.55
2011	44 841 962	43.64	2 996 082	9.22	2 222 413	37.82	238 319	48.39	101 937	31.98
2015	63 123 525	40.77	3 276 304	9.35	3 181 888	43.17	337 929	41.80	154 225	51.29
2016	71 749 290	13.66	3 599 730	9.87	3 681 360	15.70	389 446	15.25	181 917	17.96
Status quo	Growth in tourism spending increased		Growth in tourism spending constant around 9 per cent		Lower increase in tourism spending than previous years		Lower increase in tourism spending than previous years		Lower increase in tourism spending than previous years	
Ave annual growth from 2001 to 2016	56.39		21.28		53.52		58.40		52.33	

Source: IHS Global Insight (2016)

Table 3.7: Provincial, District and Local Tourism figures (as % GDP)

Year	Gauteng		Sedibeng		Emfuleni		Midvaal		Lesedi	
	% of GDP	Growth rate	% of GDP	Growth rate	% of GDP	Growth rate	% of GDP	Growth rate	% of GDP	Growth rate
2001	5.3%		4.4%		4.4%		6.0%		3.6%	
2006	4.9%	-7.7%	4.2%	-5.0%	4.2%	-3.2%	5.9%	-1.7%	2.7%	-24.70%
2011	4.3%	-12.1%	3.1%	-27.7%	3.0%	-29.7%	4.6%	-22.5%	2.1%	-23.18%
2015	4.5%	5.0%	2.8%	-7.7%	2.6%	-12.1%	4.6%	0.6%	2.3%	10.07%
2016	4.8%	6.1%	3.0%	6.8%	2.8%	6.1%	5.0%	7.8%	2.5%	9.81%
status quo	Tourism's share of GDP remains around 4.5%		Tourism's share of GDP remains around 3.0%		Tourism's share of GDP has increased in 2016		Tourism's share of GDP has increased during the last 2 years		Tourism's share of GDP remains around 2- 2.5%	
Ave annual growth from 2001 to 2016	-1.89		-6.36		-7.27		-3.33		-6.11	

Source: IHS Global Insight (2016)

Implications for strategy development:

The lower increase in tourism's share of GDP is of concern specifically given the potential it has in contributing to economic growth. Especially given tourism's contribution (tourism spending) to the economy of ELM, this region should look at strategies to improve tourism in the area and to increase its share of GDP. Tourism creates employment opportunities, therefore increasing income and government tax revenues, increases an area's export, which in turn increase gross domestic product (GDP) and therefore economic growth. Local government support is essential together with establishing close net relations between the community and the private and public sectors. Pollution and inadequate management of resources hinders tourism growth in these regions and therefore corporate social responsibility together with sustainability could form part of newly formed legislation, where the natural environment and its resources would be able to be more effectively protected, as well as improve the region's marketing, branding and image building.

3.5 Economic base analysis

3.5.1 Location Quotient analysis

This Section provides an analysis of the location quotient (LQ) for the District compared with Gauteng Province. The location quotient is an important indicator of the level of specialization and concentration within a region. LQ is a measurement of the comparative advantage of a region compared to another region where the 9 main economic sectors are compared. If should be noted that the economic base sectors namely agriculture, mining, manufacturing and utilities are more important sectors compared to non-basic economic sectors (construction, trade, transport, finance, and community/government services). Economic base sectors have the potential for export and net export usually results in economic growth and development. The LQ scoring system is summarised in the table below:

Table 3.8: LQ scoring system

LQ score	Label	Explanation
0 to 0.99	Low	Local needs are not met. The sector is importing more than exporting.
1.0 to 1.50	Medium	The local needs of the region are met, and some export is taking place.
1.51 to 2.0	High	The sector is exporting and there is significant concentration and specialization in the sector. A score of 2 indicates that the sector is producing double of what could be locally consumed.
2.1 to 5.0	Very high	High levels of specialization, leading to local dependence on the sector.

Source: IHS Global Insight (2016)

3.5.2 Economic base sectors (Agriculture, mining, manufacturing)

Agriculture is an economic base sector and therefore an important sector for growth. The district has a higher LQ if compared to Gauteng, but both score are low. Only Lesedi has a medium to high score indicating export capacity. All other areas in the analysis are importing more agricultural products than what they are exporting, although the scores for all areas are improving slightly. This situation needs to be improved by strategically supporting agriculture throughout the region. Agriculture has the ability to provide jobs and improves food security, it also leads to industrialization and has many forward and backward linkages. The sector can provide hope for development of the region for the future.

Table 3.9: Regional agriculture LQ scores from 1996 to 2016

Agriculture	Gauteng	Sedibeng DM	Emfuleni LM	Midvaal LM	Lesedi LM
1996	0.18	0.32	0.21	0.63	1.38
2000	0.18	0.36	0.23	0.64	1.45
2005	0.18	0.39	0.23	0.62	1.46
2010	0.18	0.41	0.24	0.60	1.40
2015	0.20	0.49	0.29	0.68	1.57
2016	0.20	0.50	0.30	0.70	1.60
Status Quo	Low and stagnating	Low but improving	Low but improving slightly	Low but improving	Medium to high and improving

Source: IHS Global Insight (2016)

Mining is also an important economic base sector which is critical for economic development. The sector has shown negative growth in LQ over the last 20 years and this situation is not anticipated to shown a turn-around. The mining sector has been in decline in SA, and also in the region. All areas in the analysis have low LQ overall and this situation will continue. The only way that mining could be revitalised in the region is by finding new deposits of minerals, but this is not expected.

Table 3.10: Regional mining LQ scores from 1996 to 2016

Mining	Gauteng	Sedibeng DM	Emfuleni LM	Midvaal LM	Lesedi LM
1996	0.78	0.17	0.14	0.32	0.28
2000	0.56	0.16	0.15	0.25	0.20
2005	0.46	0.16	0.15	0.24	0.19
2010	0.43	0.21	0.19	0.29	0.22
2015	0.38	0.16	0.14	0.22	0.18
2016	0.40	0.14	0.13	0.20	0.18
Status Quo	Low and Rapidly declining	Low and stagnant	Low and stagnant	Low and declining	Low and declining

Source: IHS Global Insight (2016)

The **manufacturing** sector is critical for development and is one of the main economic base sectors in an economy with forward and backward linkages to all other sectors. Overall the sector has shown a slow decline in LQ, but the scores are generally in the high category. The district with all the areas have higher LQ scores if compared to Gauteng, with Emfuleni as expected having the highest LQ score of just below 2.0. An urgent revitalization strategy is needed to strengthen the sector. This sector is the critical sector for the regional economy to grow.

Table 3.11: Regional manufacturing LQ scores from 1996 to 2016

Manufacturing	Gauteng	Sedibeng DM	Emfuleni LM	Midvaal LM	Lesedi LM
2000	1.16	1.93	2.05	1.30	1.34
2005	1.16	1.92	2.06	1.34	1.43
2010	1.16	1.93	2.07	1.34	1.52
2015	1.12	1.84	1.98	1.27	1.51
2016	1.11	1.82	1.96	1.26	1.52
Status quo	Medium and declining	High and declining	High and declining	Medium and declining	Medium and improving

Source: IHS Global Insight (2016)

The **utilities** sector includes electricity and other essential services supply and is an economic base sector. The LQ for the region is medium to high and has improved over the last 20 years. Overall the region's LQ is higher than that of Gauteng. Midvaal, with the existence of local power stations has the highest LQ in the region. The continued existence of the utilities need to be maintained.

Table 3.12: Regional utility LQ scores from 1996 to 2016

Utilities	Gauteng	Sedibeng DM	Emfuleni LM	Midvaal LM	Lesedi LM
1996	0.92	1.24	1.08	2.80	0.82
2000	0.92	1.42	1.26	3.33	0.85
2005	0.90	1.61	1.39	4.27	0.87
2010	0.91	1.64	1.39	3.91	0.88
2015	0.87	1.57	1.35	3.51	0.82
2016	0.87	1.56	1.35	3.49	0.82
Status quo	Low and stagnating	Medium and increasing	Medium and increasing	Very high and increasing	Low and stagnating

Source: IHS Global Insight (2016)

Table: 3.13: Summary of LQ scores of economic base sectors in Sedibeng from 1996 to 2016

Sector	1996	2016	Comment
Agriculture	0.32	0.50	Low but improving, but still low
Mining	0.17	0.14	Low and declining
Manufacturing	2.13	1.82	High and declining but still high
Utilities	1.24	1.56	Medium and improving to high

Source: IHS Global Insight (2016)

3.5.3 Non-economic base sectors

The rest of the sectors namely construction, trade, transport, finance and community services are non-economic base sectors. These sectors are therefore not export sectors and the focus of this section is not on these sectors. The **construction** sector is stable at around the 1.0 LQ score indicating a medium level of specialization and current industry provides in local regional needs.

Table 3.14: Regional construction LQ scores from 1996 to 2016

Construction	Gauteng	Sedibeng DM	Emfuleni LM	Midvaal LM	Lesedi LM
1996	1.09	0.94	0.89	1.22	1.15
2000	1.09	1.02	0.98	1.24	1.20
2005	1.18	1.08	1.03	1.29	1.30
2010	0.98	0.98	0.94	1.11	1.12
2015	0.96	1.01	0.99	1.10	1.09
2016	0.94	0.99	0.97	1.08	1.06

Source: IHS Global Insight (2016)

The **trade** sector has a low LQ score, but the scores have increased since 1996. This indicates a growing sector in Emfuleni and Sedibeng. Both Midvaal and Lesedi areas have declining trade sector. The region does not supply all the services required in the region, but only approximately 78%.

Table 3.15: Regional trade LQ scores from 1996 to 2016

Trade	Gauteng	Sedibeng DM	Emfuleni LM	Midvaal LM	Lesedi LM
1996	1.02	0.71	0.67	0.87	1.04
2000	1.02	0.78	0.74	0.88	1.08
2005	1.04	0.78	0.73	0.86	1.10
2010	0.91	0.74	0.69	0.77	0.99
2015	0.91	0.77	0.74	0.78	0.98
2016	0.92	0.78	0.75	0.79	0.98

Source: IHS Global Insight (2016)

In terms of the transport sector, all areas have increasing LQ scores, although the scores are all still low to medium (Lesedi). Huge potential exists to expand this sector with only 79% of the regions required transport needs provided from within the region.

Table 3.16: Regional transport LQ scores from 1996 to 2016

Transport	Gauteng	Sedibeng DM	Emfuleni LM	Midvaal LM	Lesedi LM
1996	0.84	0.54	0.52	0.65	0.79
2000	0.90	0.61	0.59	0.69	0.81
2005	0.90	0.63	0.60	0.69	0.85
2010	1.06	0.76	0.72	0.78	1.01
2015	1.03	0.79	0.76	0.77	1.04
2016	1.02	0.79	0.76	0.76	1.01

Source: IHS Global Insight (2016)

The finance sector has been increasing across the region to above 1.0 LQ. This sector provides in the needs of the region.

Table 3.17: Regional finance LQ scores from 1996 to 2016

Finance	Gauteng	Sedibeng DM	Emfuleni LM	Midvaal LM	Lesedi LM
1996	1.04	0.77	0.75	0.94	0.68
2000	1.12	0.91	0.91	0.99	0.71
2005	1.12	0.96	0.98	1.03	0.70
2010	1.21	1.06	1.10	1.06	0.77
2015	1.23	1.04	1.09	1.02	0.76
2016	1.24	1.06	1.11	1.04	0.77

Source: IHS Global Insight (2016)

The government and community services sector has been increasing since 1996 to just below a LQ of 1.0. This sector just requires to be at or close to 1.0, and therefore provides in the needs of local residents.

Table 3.18: Regional government and community services LQ scores from 1996 to 2016

Government and Community services	Gauteng	Sedibeng DM	Emfuleni LM	Midvaal LM	Lesedi LM
1996	1.08	0.86	0.83	0.97	1.14
2000	1.06	0.92	0.89	0.96	1.15
2005	1.04	0.89	0.85	0.91	1.14
2010	1.08	0.95	0.92	0.93	1.16
2015	1.09	0.96	0.93	0.94	1.14
2016	1.10	0.96	0.94	0.94	1.14

Source: IHS Global Insight (2016)

Implications for strategy development:

The economic base sectors are the most important sectors for development. The agriculture sector has a 0.50 quotient for SDM, which indicates that the region only produces 50% or half of the need in agriculture for the region. The other 50% are imported, which has a negative leakage effect on the economy. All effort should be made to increase production in this sector. The mining sector is relatively small and stagnant in the SDM region. If possible new natural resources should be explored without a negative impact on the environment. The manufacturing sector is most important for the region with a LQ of just below 2.0 indicating a very strong and specialised sector. Some decline has been experienced and this trend should be stopped with relevant incentives for industrial development. The utilities sector also has an above 1.0 index indicating export capabilities with electricity and water supply. This sector's contribution to economic development must be increased. All of the non-economic base sectors are just below 1.0 index and all effort should be made to achieve at least a 1.0 index to ensure that all services all provided for within the region. Overall all sectors need at least an index of 1.0 to ensure the region is a net export region, which will accelerate economic development.

3.6 Tress index (level of diversification of the economy)

The Tress index is a measurement of the level of diversification of the economy of a region. The more diversified, the lower the impact on the economy if one or more of the sectors are affected. The index ranges from 0 to 100. A score of 0 means that the economy is totally diversified and all 9 main sectors are equally contributing to the economy. A score of 100 indicates that one of the 9 economic sector dominates the economy. If this sector is affected, the economy is vulnerable. A score close to 50 means the economy is moving towards diversification, but needs increased diversification.

Table 3.19: Index score explanation

Index score	Explanation of index score
76 – 100	Limited or no diversification of the economy. Economy dominated by one sector or even one firm. Economy vulnerable if this sector is affected.
61 – 75	Economy still not well diversified and dominated by one or two sectors. Economy still vulnerable.
51 – 60	The economy is showing improved levels of diversification, but is still dominated by two or three sectors
50	Midpoint of the index, average diversification levels.
49 – 40	The economy is diversifying but can still improve.
39 – 30	The economy is well diversified and most sectors are contributing.
29 – 0	The economy is moving to a stage where all 9 sectors are contributing equally to the economy for optimal economy growth and development.

The Tress index table below is a summary of how well the regional economy is diversified or not. Overall, if Gauteng and Sedibeng is compared, the index score in 2016 is similar for both regions at just below 50.00. This indicates diversified economies moving towards well diversified economies. Gauteng's index has stagnated just below the 50.00 index since 1996, but the Sedibeng index has significantly improved from a high 62 in 1996 to a score of 49. Sedibeng is mostly affected by the movements in Emfuleni and both areas have stagnating indexes since 2011. Emfuleni's index is still above 50 although it has improved significantly since 1996. In the region, Midvaal's economy is the most diversified with an index of 42. The target should be for Sedibeng to have a diversification index of between 45 to 40. The improvement of the agricultural sector, mining and transport should allow this index. The manufacturing sector is still the dominating sector and other sector must expand to improve the situation.

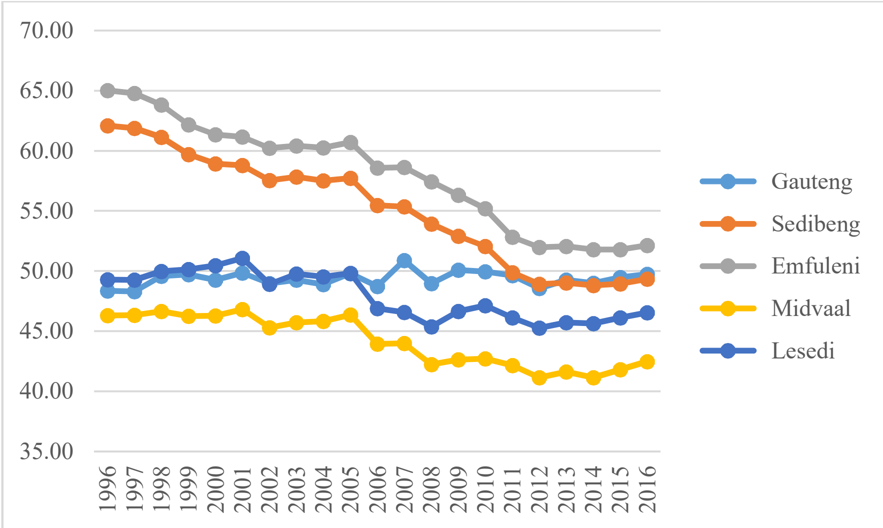
Implications for strategy development:

The Sedibeng region has similar Tress Index if compared to Gauteng Province. SDM has made improvements regarding the index but some stagnation has occurred since 2011. Both Midvaal LM and Lesedi LM have acceptable indexes, but Emfuleni LM has a huge impact on the index for SDM as Emfuleni contributes more than 80% of economic activities in the SDM region. The SDM index can only improve if ELM improve its index. ELM economy is still dominated by the manufacturing sector and specifically the steel and metals sub-sector. This sub-sector should be protected and other sectors in the region should be promoted such as agriculture, mining, tourism and others.

Table 3.20: Regional tress index scores from 1996 to 2016

Year	Gauteng	Sedibeng DM	Emfuleni LM	Midvaal LM	Lesedi LM
1996	48.35	62.09	65.01	46.30	49.29
1997	48.30	61.87	64.78	46.32	49.27
1998	49.57	61.14	63.83	46.66	49.98
1999	49.70	59.69	62.17	46.25	50.13
2000	49.25	58.92	61.35	46.27	50.47
2001	49.84	58.79	61.16	46.81	51.07
2002	48.96	57.55	60.23	45.29	48.90
2003	49.26	57.83	60.43	45.72	49.76
2004	48.89	57.51	60.26	45.82	49.53
2005	49.80	57.74	60.71	46.37	49.82
2006	48.72	55.47	58.57	43.93	46.88
2007	50.87	55.37	58.64	43.98	46.57
2008	48.96	53.93	57.44	42.22	45.38
2009	50.09	52.90	56.30	42.64	46.65
2010	49.95	52.06	55.20	42.72	47.14
2011	49.62	49.87	52.82	42.15	46.11
2012	48.56	48.92	51.99	41.13	45.26
2013	49.27	49.01	52.05	41.63	45.71
2014	49.00	48.82	51.80	41.14	45.64
2015	49.46	48.94	51.79	41.81	46.10
2016	49.74	49.35	52.14	42.47	46.54
Status quo	Very stable index just below 50.00, but a slight worsening index is presented	The index has significantly improved by 13 index points since 1996. The index is similar of that of Gauteng in 2016, below 50.00 index. No progress since 2011.	The index has also significantly improved by 13 index points, showing a more diversified index, but still above 50.00 index. No real progress since 2011.	The most diversified economy in region and still improving. A very good index at 42.00 index. However no real progress since 2008.	As a well-diversified economy with an index of 46.00 and still improving. However no real progress since 2006.

Figure 3.5: Tress index scores from 1996 to 2016



Source: IHS Global Insight (2016)

3.7 Employment

This section provides an analysis of the employment component of the Sedibeng DM regional economy with comparisons with Gauteng Province and local municipalities of the district. Table shows the labor market indicators in the Sedibeng region, for 2006 and 2015. Overall, the working-age population has increased across all Sedibeng locals. Significant increases were recorded in Emfuleni (not surprising since Emfuleni accounts for the largest share of district population) with an increase of 29 353 people, followed by Lesedi (18 728) and Midvaal (17 118). The labour force also increased across all the municipalities. What is of a concern is the magnitude of the increase in the number of unemployed people versus the number of employed people.

Table 3.21: Key labour market indicators of 2006 and 2015

Labour Market Indicator		Sedibeng	Emfuleni	Midvaal	Lesedi
Population (15-64)	2006	562,980	457,301	53,239	52,440
	2015	628,179	486,654	70,357	71,168
Labour Force	2006	305,596	252,085	34,073	19,439
	2015	426,324	342,374	50,410	33,540
Unemployment	2006	105,114	91,567	5,822	7,725
	2015	199,652	167,461	13,874	18,317
Employment	2006	200,483	160,518	28,251	11,714
	2015	226,672	174,913	36,536	15,223
Rates (%)					
Unemployment	2006	31.9%	34.8%	16.7%	25.0%
	2015	45.0%	48.7%	26.9%	37.5%
Employed/ Population ratio	2006	35.6%	35.1%	53.1%	22.3%
	2015	36.1%	35.9%	51.9%	21.4%
Labour Force Participation Rate	2006	54.3%	55.1%	64.0%	37.1%
	2015	67.9%	70.4%	71.6%	47.1%

Source: IHS Global Insight (2016)

The larger increase in the number of unemployed people compared to the employed indicates that the region's economy was not able to create enough jobs to absorb the majority of those entering the labour market, resulting in a relatively higher number of unemployed people. The exception was in Midvaal where there was a higher increase in the number of employed people compared to the unemployed. Similarly, when looking at the share of the population that is employed, Midvaal was the only municipality where the majority of the population was employed in 2015 at 51.9 per cent. This compares poorly with the other two municipalities. In Lesedi, only 21.4 per cent of the population was employed in 2015, whilst only 35.9 per cent in Emfuleni and 36.1 per cent in Sedibeng as a whole. High unemployment poses a challenge in the district as it has a direct impact on the district's socio-economic development.

3.8 Labour remuneration per economic sub-sectors (current prices, R 1000)

Economic base sub-sectors

Labour remuneration or income as salaries are discussed in this section. For both Gauteng and SDM the two largest sub-sectors of economic base sub-sectors are fuel/petroleum/chemicals and metals products. These two sub-sectors contribute 2.6% and 32.2% respectively to the total remuneration in the SDM region in 1996 to 2.9% and 20.9%. The two fastest growing sub-sectors in SDM since 1996 were other mining and quarrying and collection, distribution of water, while the slowest growing sub-sectors were textiles/clothing and gold mining.

Non-economic base sub-sectors

The two largest non-economic base subsectors in Gauteng are finance/insurance and other service activities, while for SDM the two largest sectors are other service activities and public administration contributing 9.7% and 9.3% respectively to remuneration in the SDM region

Table 3.22: Provincial and District labour remuneration per economic sub-sectors (current prices, R 1000)

Sub-sectors	Gauteng			Sedibeng		
	1996	2016	Growth rate from 1996 to 2016	1996	2016	Growth rate from 1996 to 2016
Agriculture and hunting	349 961	1 384 566	14.78	24 103	99 424	15.63
Forestry and logging	23 171	123 895	21.73	736	4 128	23.05
Fishing, operation of fish farms	9 917	67 294	28.93	356	1 864	21.14
Mining of coal and lignite	217 171	1 200 572	22.64	12 563	50 735	15.19
Mining of gold and uranium ore	6 116 870	19 509 751	10.95	31 795	82 509	7.98
Mining of metal ores	367 398	3 226 878	38.92	14 495	80 873	22.90
Other mining and quarrying (incl 22)	540 737	6 612 810	56.15	9 638	99 122	46.42
Food, beverages and tobacco products	2 873 632	25 657 540	39.64	128 327	1 015 565	34.57
Textiles, clothing and leather goods	1 020 504	2 325 693	6.39	34 511	66 754	4.67
Wood and wood products	2 735 169	15 942 587	24.14	71 373	362 490	20.39
Fuel, petroleum, chemical and rubber products	4 924 619	28 737 349	24.18	177 079	910 736	20.72
Other non-metallic mineral products	1 458 646	4 738 388	11.24	89 754	251 843	9.03
Metal products, machinery and household appliances	9 828 323	42 752 426	16.75	2 184 404	6 517 319	9.92
Electrical machinery and apparatus	862 560	3 498 007	15.28	52 183	187 581	12.97
Electronic, sound/vision, medical & other appliances	619 684	3 233 566	21.09	14 616	63 035	16.56
Transport equipment	2 400 424	12 074 383	20.15	62 286	336 086	21.98
Furniture and other items NEC and recycling	1 633 735	6 672 625	15.42	55 136	181 593	11.47
Electricity, gas, steam and hot water supply	1 717 205	8 363 671	19.35	123 217	456 203	13.51
Collection, purification and distribution of water	260 080	2 768 329	48.22	80 586	734 353	40.56
Construction	4 658 324	25 838 566	22.73	238 898	1 105 080	18.13
Wholesale and commission trade	6 938 316	40 898 608	24.47	314 492	1 539 977	19.48
Retail trade and repairs of goods	5 719 845	31 202 034	22.28	279 215	1 306 382	18.39
Sale and repairs of motor vehicles, sale of fuel	2 370 699	17 019 450	30.90	106 661	638 710	24.94
Hotels and restaurants	1 108 683	5 142 109	18.19	38 766	155 425	15.05
Land and Water transport	3 703 781	26 129 252	30.27	163 098	803 553	19.63
Air transport and transport supporting activities	2 451 644	15 158 201	25.91	29 990	165 583	22.61
Post and telecommunication	2 826 710	14 523 640	20.69	83 031	339 221	15.43

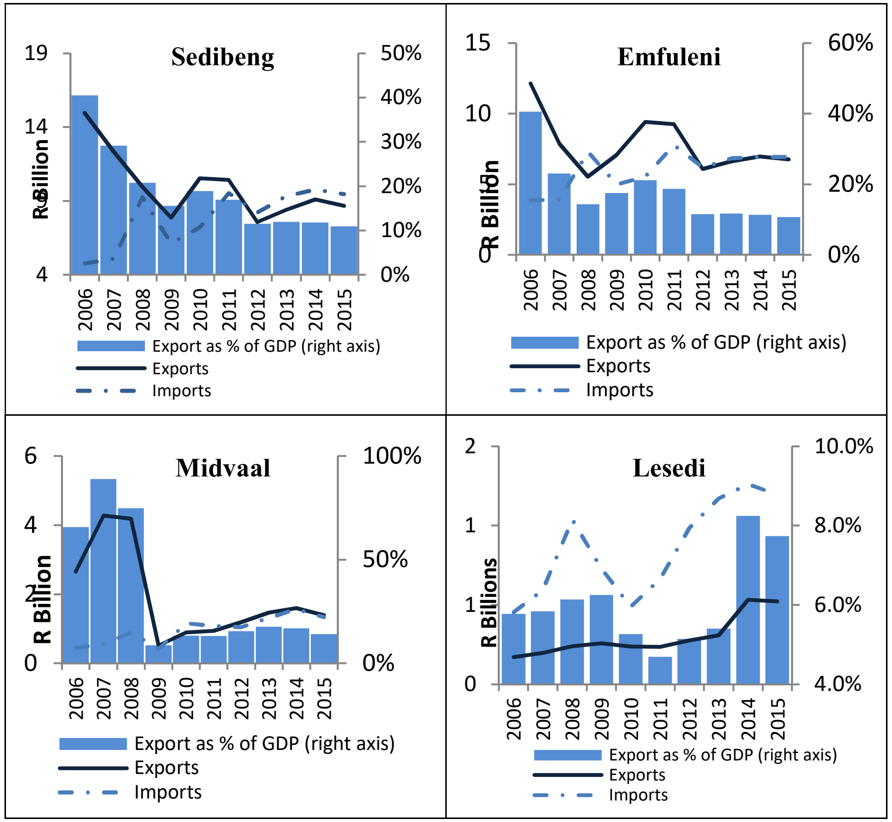
Finance and Insurance	8 432 101	112 614 952	61.78	171 278	1 633 524	42.69
Real estate activities	980 869	7 120 322	31.30	43 117	415 628	43.20
Other business activities	5 170 646	71 212 979	63.86	139 801	1 348 774	43.24
Public administration and defence activities	11 441 638	87 742 365	33.34	491 702	2 899 642	24.49
Education	11 155 115	42 539 235	14.07	767 995	2 201 719	9.33
Health and social work	9 545 960	61 376 243	27.15	393 033	2 025 883	20.77
Other service activities	9 344 479	92 537 028	44.51	346 540	3 032 841	38.76
Total Industries	123 808 618	839 945 315	28.92	6 774 774	31 114 153	17.96

Source: IHS Global Insight (2016)

3.9 Trade analysis

This section is an analysis of trade in the region relating to exports and imports. Figure shows that the value of exports has declined in Sedibeng, whilst imports rose. This was particularly so for Emfuleni, where the value of exports declined by just over five billion between 2006 and 2015. This may be indicative of low external demand for manufacturing goods; manufacturing accounts for the largest share of economic activity in Emfuleni.

Figure 3.6: Exports and Imports of Sedibeng and its locals from 2006 to 2015



Source: IHS Global Insight (2016)

3.9.1 Exports and imports

Net exports is a vital component of economic development and a region should therefore export more goods and services than imported goods and services. The table below is a summary of bet trade from 1996 to 2016 for SDM. Exports peaked in 2007 but has since then declined. On the other hand imports have increased at a steady rate, surpassing exports. The net trade for SDM is negative and increasing

Table 3.23: SDM net trade 1996 to 2016

Year	SDM total exports	SDM total imports	SDM net trade
1996	1 025 489	1 250 294	-224 805
2001	1 005 316	1 712 857	-657 541
2006	1 4 961 300	4 767 622	+ 10 193 678
2011	10 426 296	9 559 639	+ 866 657
2015	8 639 147	9 472 575	-833 428
2016	7 181 530	9 414 878	-4 233 348

Source: IHS Global Insight (2016)

Table below is a summary of exports for Gauteng and SDM from 1996 to 2016. During 2005 to 2007 SDM had a spike in exports (reason not known) contributing as much as 9.5% of the Gauteng exports. In 2009 ELM contributed 90.2% of the SDM region, but since then ELM has experienced a decline in exports and by 2016 only contributed 71.1% of exports. In 2016 MLM contributed 18.4% of exports of SDM while LLM contributed 10.4% of SDM exports. Both MLM and LLM have shown increased exports over the last 5 years.

Table 3.24: Provincial, District and Local total exports comparison (R1000)

Year	Gauteng	Sedibeng		Emfuleni		Midvaal		Lesedi	
	Exports	Exports	Contribution to Gauteng	Exports	Contribution to SDM	Exports	Contribution to SDM	Exports	Contribution to SDM
1996	79 318 548	1 025 489	1.3	808 162	78.8	94 617	9.2	122 709	12.0
1997	82 901 080	984 807	1.2	654 644	66.5	123 483	12.5	206 679	21.0
1998	91 318 083	860 798	0.9	679 024	78.9	125 338	14.6	56 435	6.6
1999	98 409 417	1 107 680	1.1	818 264	73.9	146 637	13.2	142 779	12.9
2000	121 393 624	1 082 260	0.9	779 840	72.1	166 551	15.4	135 868	12.6
2001	140 533 085	1 055 316	0.8	580 704	55.0	285 667	27.1	188 944	17.9
2002	162 687 111	2 071 197	1.3	1 194 884	57.7	721 365	34.8	154 947	7.5
2003	154 057 795	1 960 745	1.3	1 152 941	58.8	613 825	31.3	193 979	9.9
2004	173 320 958	4 188 976	2.4	1 150 096	27.5	2 719 216	64.9	319 663	7.6
2005	209 100 048	19 945 411	9.5	16 481 605	82.6	2 967 321	14.9	496 485	2.5
2006	269 167 866	14 961 300	5.6	12 132 741	81.1	2 657 463	17.8	171 095	1.1
2007	328 480 707	12 358 494	3.8	7 881 746	63.8	4 278 798	34.6	197 949	1.6
2008	469 952 341	9 966 700	2.1	5 539 717	55.6	4 187 414	42.0	239 568	2.4
2009	388 470 132	7 861 721	2.0	7 088 398	90.2	515 743	6.6	257 579	3.3
2010	441 679 114	10 538 731	2.4	9 409 371	89.3	891 755	8.5	237 604	2.3
2011	535 413 256	10 426 296	1.9	9 252 501	88.7	938 001	9.0	235 793	2.3
2012	548 046 260	7 534 663	1.4	6 073 339	80.6	1 186 333	15.7	274 990	3.6
2013	611 655 698	8 376 171	1.4	6 608 464	78.9	1 459 844	17.4	307 862	3.7
2014	641 547 569	9 113 466	1.4	6 981 517	76.6	1 598 392	17.5	533 557	5.9
2015	667 503 443	8 639 147	1.3	6 732 295	77.9	1 386 967	16.1	519 884	6.0
2016	708 267 152	7 181 530	1.0	5 107 197	71.1	1 324 957	18.4	749 375	10.4
Annual average growth 1996 to 2016	39.8	30.0		26.6		65.4		25.4	

Source: IHS Global Insight (2016)

Table below is a summary of imports in Gauteng and SDM from 1996 to 2016. In 2016 SDM contributed only 1.7% of the imports of Gauteng, while ELM contributed 79.7% to the imports of SDM while MLM contributed 10.0% and LLM only 10.4%.

Table 3.25: Provincial, District and Local total imports comparison (R1000)

Year	Gauteng	Sedibeng		Emfuleni		Midvaal		Lesedi	
	Total imports	Total imports	Contribution to Gauteng	Total imports	Contribution to SDM	Total imports	Contribution to SDM	Total imports	Contribution to SDM
1996	71 824 002	1 250 294	1.7	848 708	67.9	131 146	10.5	270 439	21.6
1997	80 877 246	1 263 480	1.6	896 449	71.0	95 329	7.5	271 702	21.5
1998	95 943 294	1 653 299	1.7	1 226 210	74.2	116 261	7.0	310 826	18.8
1999	90 998 143	1 365 606	1.5	994 371	72.8	116 866	8.6	254 368	18.6
2000	111 552 969	1 243 896	1.1	810 625	65.2	149 470	12.0	283 799	22.8
2001	132 948 575	1 712 857	1.3	935 139	54.6	206 450	12.1	571 267	33.4
2002	166 468 114	2 052 495	1.2	1 198 508	58.4	308 831	15.0	545 155	26.6
2003	154 269 667	1 737 970	1.1	907 724	52.2	362 099	20.8	468 146	26.9
2004	179 592 992	2 328 339	1.3	1 036 704	44.5	460 372	19.8	831 262	35.7
2005	206 886 636	3 257 415	1.6	2 365 479	72.6	412 051	12.6	479 884	14.7
2006	269 915 600	4 767 622	1.8	3 864 253	81.1	448 630	9.4	454 737	9.5
2007	325 287 321	5 080 494	1.6	3 918 824	77.1	567 677	11.2	593 992	11.7
2008	422 818 930	9 249 538	2.2	7 318 014	79.1	893 290	9.7	1 038 233	11.2
2009	333 470 515	6 128 244	1.8	4 983 264	81.3	418 539	6.8	726 440	11.9
2010	386 938 582	7 230 476	1.9	5 579 043	77.2	1 161 210	16.1	490 221	6.8
2011	466 716 254	9 559 639	2.0	7 803 393	81.6	1 088 189	11.4	668 057	7.0
2012	519 182 763	8 258 035	1.6	6 214 540	75.3	1 053 028	12.8	990 466	12.0
2013	584 234 258	9 372 310	1.6	6 872 887	73.3	1 323 831	14.1	1 175 591	12.5
2014	645 959 798	9 754 246	1.5	6 928 576	71.0	1 568 129	16.1	1 257 540	12.9
2015	681 027 215	9 472 575	1.4	6 939 854	73.3	1 335 159	14.1	1 197 560	12.6
2016	684 151 863	11 414 878	1.7	9 092 125	79.7	1 136 575	10.0	1 186 176	10.4
Total annual average growth 1996 to 2016	42.6	40.6		48.5		38.3		16.9	

Source: IHS Global Insight (2016)

4. INDEXES AND MODELLING

This section includes a selection of economic indexes and modelling in order to understand the local economy better.

4.1 Prosperity index

The prosperity index is a composite index comprising of three ratios' namely a relationship between total local income growth, total local growth in employment and total local economic growth in comparison with population growth in the area. The formulas are listed below:

- Index 1: economic growth (1996-2016)/population growth (1996-2016):

Gauteng = 4.02%/3.25% = 1.24

Sedibeng = 1.39%/1.43% = 0.97

- Index 2: income growth/population growth (1996 – 2016)

Gauteng = 3.72%/3.25% = 1.14

Sedibeng = 2.54%/1.43% = 1.77

- Index 3: employment growth/population growth (2010 – 2016)

Gauteng = 2.22%/3.25% = 0.68

Sedibeng = -1.06%/1.43% = - 0.74

4.2 Human development Index (HDI)

HDI is a composite development index developed by the UN. HDI takes into account life expectancy, education and GNI per capita. The index ranges between 1 and 0, with an index of 1 indicating perfect HDI, while an index of 0 indicates the lowest level of HDI. In general HDI levels have improved since 1994 and through to 2016. Sedibeng lacks behind if compared to the Gauteng province. Growth in HDI since 1996 to 2016 was 0.43% per annum for Sedibeng, compared to 0.31% for Gauteng.

Table 4.1: District and Provincial HDI comparison

Year	Sedibeng	Gauteng
2001	0.59	0.64
2011	0.64	0.68
2016	0.68	0.71

Source: IHS Global Insight (2016)

4.3 Gini-Coefficient Index

The Gini-coefficient index measures the inequality of income distribution in a specific region. A Gini-index of 0 represents perfect equality in income distribution and a Gini-index of 1 represents perfect inequality in income. Sedibeng has an equal income distribution if compared to Gauteng province. Growth in Gini coefficient since 1996 to 2016 was 0.58% per annum for Sedibeng, compared to 0.37% for Gauteng.

Table 4.2: Provincial and District Gini-Coefficient index comparison

Year	Sedibeng	Gauteng
2001	0.63	0.64
2011	0.62	0.64
2016	0.63	0.63

Source: IHS Global Insight (2016)

4.4 Economic base index (location quotient)

This index consists of two components namely the non-basic component with local consumption for goods and services and the basic component with export of goods and services which deliver income from outside the region into the region. Examples of such sectors are manufacturing exports and tourism, which attracts visitors from outside the region to the region. The Economic Base Index indicates which sectors of the local economy have high levels of specialization. A score of more than 1 indicates high levels of specialization, a competitive advantage and concentration of such industries. It also means that the region manufactures more than it could consume with respect to such sectors or industries, leading to exports. A score of less than 1 indicates that there is not enough produced for local consumption and the potential for increased production or delivery of services exists. The manufacturing sector is still the key sector in the Sedibeng area where specialization is at the highest levels. A score of 1.82 means that the region produces 1.82 times what could be consumed in the local economy. If a score is 0.20 for a sector, the region only produces 20% of what is needed in the region. The formula to calculate the location quotient = (employment per sector Sedibeng/total employment Sedibeng) / (employment per sector Gauteng/Total employment Gauteng). Import substitution in this regard is of importance.

Table 4.3: Provincial and District Economic Base index comparison

Sector	Sedibeng		Gauteng	
	2010	2016	2010	2016
Manufacturing	1.93	1.82	1.16	1.11
Mining	0.21	0.14	0.43	0.40
Agriculture	0.41	0.50	0.18	0.20

Source: IHS Global Insight (2016)

4.5 Economic Tress Index

The Economic Tress Index indicates the level of specialization or levels of specialization for the local economy. A score of close to 100 indicates a specialized economy with one or a few industries or sectors dominating the economy, while a score of 0 indicates total diversification of the local economy. The Sedibeng economy has shown trends of diversification over the last 10 years, but is still too focused on one industry if compared with Gauteng province.

Table 4.4: Provincial and District Economic tress index comparison

Year	Sedibeng	Gauteng
2010	52.0	49.90
2016	49.70	48.70

Source: IHS Global Insight (2016)

4.6 Input / output analysis

This section is based on the analysis done by the Vaal Research group early in the 2000’s. The sectors with the highest backward linkages are the sectors that require the most inputs from other economic sectors. Tourism is the highest, followed by trade, services, construction and manufacturing. This means that an increase in demand for tourism for example and growth in this sector will result in an increase in demand for sectors supplying the tourism sector. It should be noted that trade, services and construction have high backward linkages, these sectors are there to serve the local economy and have little potential to stimulate export (low export values) and stimulate the local economy. These sectors are not considered as key sectors to stimulate the local economy. Economic sector with high input values are importing the majority of inputs and have a negative impact on the local economy. Import-substitution needs to be investigated. The sectors with the highest export values need to be supported such as manufacturing and transportation.

Table 4.5: Linkages in the Sedibeng and mainly Emfuleni economy

Sector	Backward linkages	Import / total input	Forward linkages	Export / total output
Agriculture	16.4	73.8	60.2	17.7
Mining	22.3	69.3	75.1	24.9
Manufacturing	49.1	43.7	33.5	53.9
Electricity	36.7	33.0	58.6	24.3
Construction	49.2	45.9	11.3	20.7
Trade	83.2	2.9	23.3	10.0
Transport	15.4	75.2	10.5	49.3
Financing	16.9	68.7	16.5	52.8
Services	67.9	6.6	62.0	9.0
Tourism	87.2	3.0	42.6	9.3

Source: Vaal Research Group (2000)

The table below is a summary of sectoral multipliers in the local economy. In terms of labour, an increase in the demand for products and services in the tourism sector by R 1 000 000, will lead to the creation of 14.033 additional employment opportunities in the local economy. In terms of remuneration, Turnover, income and imports, an increase of R1 in the demand for products and services in a specific sector, will lead to increase in household income in the region by the amount as listed.

Table 4.6: Sectoral multipliers in the local economy

Economic Sector	Turnover	Income (GGP)	Imports	Labour (per R million)	Remuneration (household income)
Agriculture	1.217	0.240	0.861*	7.925	0.111
Mining	1.157	0.268	0.831*	4.817	0.108
Manufacturing	4.772*	0.396	0.813	5.120	0.229
Electricity/gas/water	1.325	0.785	0.586	6.191	0.404
Construction	1.198	0.434	0.813	7.172	0.270
Trade	2.073	0.867*	0.637	14.296*	0.551*
Transport	2.147*	0.293	0.860*	2.818	0.167
Financing	2.072	0.331	0.806	4.206	0.150
Services	2.500*	0.866*	0.527	20.110*	0.428*
Tourism and entertainment	1.202	0.942*	0.645	14.033*	0.640*

Note: Top three sectors are indicated with *

Source: Vaal Research Group (2000)

The top four economic sectors with the highest overall combined multipliers are Services, Trade, Tourism and manufacturing. The trade and services sectors are however support sectors and not drivers of the local economy. The two other sectors namely tourism and manufacturing are however critical sectors to drive the local economy to higher growth rates. Tourism has the potential to attract people from outside of the region and acts in the same manner as an export industry. The manufacturing sector has lower multipliers than the other 3 sectors has is the largest sector in the local economy. Even small increases in demand for these products will have substantial impact on the local economy. The tourism and manufacturing sectors are the key sectors in the local economic with the highest potential for income generation, employment creation, exports, and bringing money into the region. Rapid growth in these sectors will automatically result in the stimulation of support sectors such as trade, services, financing, transport and construction.

5. BASE LINE COMPARISONS

Table 5.1: Comparison of major Municipalities in South Africa with Sedibeng District Municipality

Data component (average in brackets)	Emfuleni LM	Sedibeng DM	Midvaal LM	City of Joburg Metro	City of Tshwane Metro	Ekurhuleni Metro	Buffalo City Metro	NMBM	Mangaung Metro	Metsi LM	Ethekweni Metro	Polokwane LM	Mbom-bela LM	Rusten-burg LM	City of Cape Town Metro
Size of area (sqkm)	966	4173	1722	1645	6368	1975	2536	1959	6284	1717	2291	3766	5394	3423	2440
Total population ('000)	721	916	95	4434	2921	3178	755	1152	747	149	3442	629	589	550	3740
% youth population (25.6)	25.6	25.4	23.2	23.2	23.2	24.3	26.4	25.5	26.9	26.3	25.2	30.1	29.8	24.1	24.8
Dependency ratio (per 100)(44.1)	43.80	43.8	41.9	37.6	39.0	39.4	47.9	46.0	47.5	44.3	42.8	54.3	51.6	37.9	43.6
Population growth (2.2)	0.92	1.43	3.9	3.2	3.10	2.5	0.69	1.36	1.5	2.5	1.08	2.13	2.1	3.5	2.6
Unemployment rate (29.1)	34.7	31.9	18.8	25.0	24.2	28.8	35.1	36.6	27.7	32.1	30.2	32.4	28.1	26.4	23.9
Youth unemployment rate (15-34)(38.0)	45.0	41.7	25.4	31.5	32.6	36.9	45.1	47.3	37.2	41.6	39.0	42.0	37.6	34.7	31.9
% of people over 20 with matric (31.9)	32.4	32.0	32.10	34.7	34	35.4	27.1	30.5	30.1	29.8	37.1	29.5	33.3	31.0	29.8
No of hh ('000)	220	279	29	1434	911	1015	224	324	231	46	956	178	162	199	1068
Average household size (3.1)	3.10	3.10	3.0	2.8	3.0	2.9	3.2	3.4	3.1	3.1	3.4	3.4	3.5	2.5	3.3
% Female headed households	36.3	34.7	26.3	36.2	35.8	31.3	45.8	40.6	40.8	32.5	40.0	44.8	38.9	26.4	38.2
% formal dwellings ((81.7)	85.3	84.8	80.2	81.4	80.7	77.4	72.5	87.2	83.7	83.9	79.0	89.4	92.7	68.7	78.4
% Housing ownership (51.3)	48.8	48.9	42.6	40.2	52.0	44.0	49.8	61.4	62.3	57.3	54.5	56.4	66.4	31.4	54.2
% average service provided (sewer, refuse, water, elect)(70.2)	85	38	71	85.4	77.8	78.0	68.3	83.8	69.3	77.8	74.8	50.5	46.0	60.2	87.8
Total revenue (R 000 000)	4207	307	638	35268	21658	24360	4398	7285	5417	655	24862	1804	1552	2774	25193

% Revenue growth per annum (2012 to 2014)	12.8	-8.8	11.7	2.8	8.1	12.4	14.6	4.4	22.8	9.9	9.1	6.9	8.9	15.1	9.5
Employee and councillor cost (growth)	864 (7.8)	209 (-5.5)	133 (0%)	8203 (6.9)	6055 (11.7)	4665 (5.8)	1147 (7.5)	1990 (2.1)	1142 (13.4)	196 (7.9)	6700 (0.4)	461 (4.9)	465 (6.7)	497 (17.3)	8084 (7.7)
Revenue surplus/deficit	431	23.7	50.8	781	192	2679	179	358	797	74	970	82	197	650	78
Capital expenditure	165	19.5	85	6591	4208	3943	839	1276	1063	54	5763	380	215	941	4207
% growth in capital exp	- 28.3	10.9	51.1	41.5	17.5	298.9	105.4	3.6	40.5	-18.6	31.9	3.7	-0.9	102.7	-0.5
Total assets	1202	24	197	12152	5471	10775	3051	2650	2038	11	13138	854	273	46	9877
Total liabilities	578	82	104	11304	6526	5314	883	2015	1468	7	10171	529	701	834	8139
Total number of employees (growth)	6040 (17.6)	614 (-30.5)	632 (0.0)	6562 (13.5)	29361 (26.3)	18644 (-1.1)	5039 (-2.2)	6940 (-18.5)	6454 (22.7)	1022 (-1.5)	25000 (8.7)	3330 (88.8)	1856 (0.0)	2555 (21.4)	28217 (5.2)
% of hhs with free access to water	75.5	0	43.1	15.6	12.1	43.7	19.1	25.9	6.1	54.3	54.8	78.0	90.0	1.5	69.4
% of hhs with free access to elect.	72.7	0	3.4	15.6	12.1	21.3	26.7	19.4	6.1	60.9	6.7	14.6	6.7	1.5	38.3
% of hhs with free access to sewer	16.8	0	3.4	15.6	12.1	43.5	19.1	25.6	6.1	17.4	33.4	34.2	1.2	1.5	58.0
% of hhs with free access to waste removal	16.4	0	3.4	15.6	12.1	3.3	19.1	25.6	6.1	26.1	61.6	56.2	1.2	1.5	40.4

Source: Municipal Year Book

6. POLICY ANALYSIS

This section includes an analysis of national, provincial and local economic development policies.

6.1 National development policies

6.1.1 National Development Plan (NDP)

The National Development Plan (NDP) is the overarching policy which provides a comprehensive framework for government in which all actions and objectives taken out on national, provincial and local spheres are directed. The NDP aims to eliminate poverty and reduce inequality by 2030. According to the plan, these goals can be realised by mobilising all South Africans, growing an inclusive economy, building capabilities, enhancing the capacity of the state and promoting leadership and partnerships throughout society. Furthermore, the plan identifies the task of improving the quality of public services as key to achieving transformation. This will require provinces to focus on identifying and overcoming the obstacles to achieving improved outcomes, including the need to strengthen the ability of the local government sphere to fulfil its developmental mandate. These policy initiatives essentially represent three approaches to development and improved service delivery, each approach redefining the state-society relationship. In it's the development, this comprehensive vision takes cognisance of previous national directives which precedes it. The NDP strives on the approaches of reconstruction set out by the RDP and mobilisation of citizens and markets as set out in the GEAR, in order to be sustainable. Taking these elements into account the aim is to develop an inclusive growth trajectory with a strong focus on social protection and improving the living standards of all South Africans.

The NDP lists the following elements for a decent living standard: income and employment, clean environments, nutrition, housing, water and sanitation, transport, education and skills, security, health care, and recreation and leisure. The policy aims to create a "virtuous cycle of wealth" by means of strong leadership, a capable state and active citizenship. This will result in improved economic opportunities, building capacities, reducing poverty and community development. The specific targets of the NDP are to reduce the number of people who live in a household with a monthly income below R419 per person from 39% to 0%, to reduce inequality (Gini-coefficient from 0.69 to 0.60), to reduce the unemployment rate by 2020 to only 14%, and annual GDP growth of 5.4%. The policy outlines 10 critical actions required to achieve the full potential of the republic and ensure a future where all South Africans can be part of a socially inclusive and virtuous country, these are specified as:

Table 6.1: NDP 10 critical actions and plans

No.	Critical actions and aims
1.	A social compact to reduce poverty and inequality, and raise employment and investment.
2.	A strategy to address poverty and its impacts by broadening access to employment, strengthening the social wage, improving public transport and raising rural incomes.
3.	Steps by the state to professionalise the public service, strengthen accountability, improve coordination and prosecute corruption.
4.	Boost private investment in labour-intensive areas, competitiveness and exports, with adjustments to lower the risk of hiring younger workers.
5.	An education accountability chain, with lines of responsibility from state to classroom.
6.	Phase in national health insurance, with a focus on upgrading public health facilities, producing more health professionals and reducing the relative cost of private health care.
7.	Public infrastructure investment at 10 percent of gross domestic product (GDP), financed through tariffs, public-private partnerships, taxes and loans and focused on transport, energy and water.
8.	Interventions to ensure environmental sustainability and resilience to future shocks.
9.	New spatial norms and standards – densifying cities, improving transport, locating jobs where people live, upgrading informal settlements and fixing housing market gaps.
10.	Reduce crime by strengthening criminal justice and improving community environments

With respect to the main trade and industrial development policy actions, chapter 3 and 7 sets out a clear and encompassing framework on which the pillars of these actions should be built. These pillars involve lowering the cost of living for individuals, certainty overall property rights, the improved infrastructure in key sectors such as energy and manufacturing, stimulation of employment through improved private public partnership formation and the use of various tax and skills incentives to improve the quality of the labour force. Moreover, chapter 7 directs the attention to an effective position of the economy in the global domain. In doing so, the NDP sets out the achievement of increased trade in local regions, improved partnership with financial institutions to expand business development whist also reducing corruption and red tape that can affect improvement and development in especially rural areas.

As the main directive policy, the importance and implementation of the NDP not only exits on a national level but responsibility more importantly lies with provincial and local government spheres. Taking cognisance of this responsibility, provincial and municipal stakeholders should ensure that all that all broad governing decisions and planning processes are aligned to the key objectives of the NDP. In other words, ensuring that all levels of governments are in cohesion, these role-players should incorporate the values of the NDP in policy development as well as their actions in service delivery in order to fulfil their developmental role.

The focus of the NDP is to allow the fruits of economic growth to be spread more equitably in a more inclusive economy. The NDP has the following approaches namely improved living conditions, poverty reduction, economic growth, employment, increased capabilities and opportunities. The NDP focuses on the following broad issues in relation to LED:

- Job creation through EPWP and policies;
- Infrastructure development;
- Environmental management;
- Improvement and transformation of urban and rural spaces (spatial planning and transport);
- Education and skills;
- Health care;
- Good governance; and
- Unity and cohesion.

The main objectives of the NDP are listed below:

- Increase exports
- Effective infrastructure
- Reducing the cost of living for low-income households
- Reduce regulatory compliance
- Support small businesses
- Expand skills base
- Access to finance
- Higher rate of investment
- More responsive labour market
- Rural development

The following spatial guidelines are provided:

- Transformation is required to reduce travelling distance and costs.
- Housing development in close proximity to exiting corridors and nodes.
- Increased urban densities.
- Improved public transport systems.
- Township opportunity development with development nodes.

The concept of the development state is supported by the NDP. Key factors for success include focused leadership, inclusive planning, institutional capacity, clear prioritization and responsibilities. The key proposals for economic development in the NDP include growth of export, skills development, youth job creation initiatives, increase open competition, lower the cost of transport and logistics and improve standards of living through income improvement. Job creation initiatives include the creation of an enabling environment, promote and support labour intensive industries/sectors, promote export and competition, capacity of government to implement policies.

Detail proposals in support of agro-industrial processing sector are listed in the NDP including: The linkage of farming activities to downstream processing of food, beverages and upstream suppliers into food manufacturing etc. Small farmers must be assisted to enter the market. Key sectors involved in this process include:

- Irrigation investment in infrastructure.
- Increased linkages between commercial and small farmers.
- Increased access to markets for small farmers.

- Land reform and tenure security.
- Technology development.

NDP focus on youth development include access to ECD, improved school system, introduction of youth service programmes in life-skills, entrepreneurship, expand FET training centres, provide education funding assistance, tax incentive to employ youths, expand learnerships, graduate recruitment programme, artisan training programmes.

A GDS could contribute to the objectives of the NDP in the following ways:

- Inclusive economic growth.
- Promote labour intensive industries.
- Grow exports and competitiveness.
- Improve government capacity.
- Diversification of the economy.
- Small, medium, micro enterprise development.
- Rural development.
- Spatial economic transformation (integration, densities, transport, investment in townships).

The National Development Plan aims to eliminate poverty and reduce inequality by 2030. South Africa can realize these goals by drawing on the energies of its people, growing an inclusive economy, building capabilities, enhancing the capacity of the state, and promoting leadership and partnerships throughout society. To accelerate progress, deepen democracy and build a more inclusive society, South Africa must translate political emancipation into economic wellbeing for all with clear objectives and actions:

Table 6.2: Vision 2030 priorities, objectives and actions

VISION 2030 PRIORITIES	OBJECTIVES	ACTIONS
Economy and Employment	The proportion of adults working should increase from 41 percent to 61 percent	Reduce the cost of living for poor households and costs of doing business through micro economic reforms.

VISION 2030 PRIORITIES	OBJECTIVES	ACTIONS
Economic infrastructure	The proportion of people with access to the electricity grid should rise to at least 90 percent by 2030, with non-grid options available for the rest	Move to less carbon-intensive electricity production through procuring at least 20 000MW of renewable energy, increased hydro-imports from the region and increased demand-side measures, including solar water heating
Environmental sustainability and resilience	A set of indicators for natural resources, accompanied by publication of annual reports on the health of identified resources to inform policy	Put in place a regulatory framework for land use, to ensure the conservation and restoration of protected areas
Inclusive rural economy	An additional 643 000 direct jobs and 326 000 indirect jobs in the agriculture, agro processing and related sectors by 2030.	Rural economies will be activated through improved infrastructure and service delivery, a review of land tenure, service to small and micro farmers, a review of mining industry commitments to social investment, and tourism investments
South Africa in the region and the world	Intra-regional trade in Southern Africa should increase from 7 percent of trade to 25 percent of trade by 2030.	Focus trade penetration and diplomatic presence in fast-growing markets (Asia, Brazil and Africa).
Transforming Human Settlements	Strong and efficient spatial planning system, well integrated across the spheres of government	Reforms to the current planning system for improved coordination
Health care for all	Increase average male and female life Expectancy at birth to 70 years.	Promote healthy diets and physical activity
Social protection	Ensure progressively and through multiple avenues that no one lives below a defined minimum social floor.	Together with social partners, determine a social floor that can be progressively realised through rising employment, higher earnings and social grants and other aspects of the social wage.
Building Safer Communities	In 2030 people living in South Africa feel safe and have no fear of crime. They feel safe at home, at school and at work, and they enjoy an active community life free of fear	Increase community participation in crime. Prevention and safety initiatives.

VISION 2030 PRIORITIES	OBJECTIVES	ACTIONS
Building a capable and developmental state	A state that is capable of playing a Developmental and transformative role.	Enhance the role of the Public Service Commission to champion and monitor norms and standards to ensure that only competent and suitably experienced people are appointed to senior positions
Fighting corruption	A corruption-free society, a high adherence to ethics throughout society and a government that is accountable to its people.	The National Anti-Corruption Forum should be strengthened and resourced.
Nation building and social cohesion	Our vision is a society where opportunity is not determined by race or birth right; where citizens accept that they have both rights and responsibilities	Bill of responsibilities to be used at schools and prominently displayed in each work place

6.1.2 National Spatial Development Perspective

The NSDP was introduced in 2006 as a national spatial guideline document. The NSDP requires the identification of areas of economic potential and areas of need. It is about spatial choices of areas with potential and decline. The policy requires government to identify comparative advantages of localities in terms of infrastructure and development potential. The approach of the NSDP is to focus the bulk of government investment in these areas with development potential. Areas with limited potential for development should concentrate on social investment such as skills development and community facilities. The NSDP aims to guide spatial prioritization on a national, provincial and local level. The National Spatial Development Perspective (NSDP) is a critical instrument for policy coordination, with regard to the spatial implications of infrastructure programmes in national, provincial and local spheres of government. Since its adoption, three factors have necessitated a review and update of the NSDP:

- New data on socio-economic trends;
- The development of IDPs and PGDSs and the continuing engagement in aligning them with the NSDP; and
- A renewed focus on decisive interventions to ensure accelerated and shared economic growth.

In order to contribute to the broader growth and development policy objectives of government, the NSDP puts forward a set of five normative principles:

Principle 1: Rapid economic growth that is sustained and inclusive is a pre-requisite for the of other policy objectives, among which poverty alleviation is key.

Principle 2: Government has a constitutional obligation to provide basic services to all citizens (e.g. water, energy, health and educational facilities) wherever they reside.

Principle 3: Beyond the constitutional obligation identified in Principle 2 above, government spending on fixed investment should be focused on localities of economic growth and/or economic potential in order to gear up private-sector investment, to stimulate sustainable economic activities and to create long-term employment opportunities.

Principle 4: Efforts to address past and current social inequalities should focus on people, not places. In localities where there are both high levels of poverty and demonstrated economic potential, this could include fixed capital investment beyond basic services to exploit the potential of those localities. In localities with low demonstrated economic potential, government should, beyond the provision of basic services, concentrate primarily on human capital development by providing education and training, social transfers such as grants and poverty-relief programmes. It should also reduce migration costs by providing labour-market intelligence to give people better information, opportunities and capabilities, to enable them to gravitate - if they choose to - to localities that are more likely to provide Sustainable employment and economic opportunities.

Principle 5: In order to overcome the spatial distortions of apartheid, future settlement and economic development opportunities should be channelled into activity corridors and nodes that are adjacent to or that link the main growth centres. Infrastructure investment should primarily support localities that will become major growth nodes in South Africa and the SADC region to create regional gateways to the global economy. NSDP principles are aimed specifically at focusing government action and investment, avoiding the so-called ‘’watering-can’’1-approach and enabling the Developmental State to achieve maximum social and economic impact within the context of limited resources. While the idea of focusing government spending on economic infrastructure in areas with some potential for economic development may seem to exclude many other areas from development, this is in fact not the case. Each sphere of government has its own distinct development tasks and related planning frameworks corresponding to the scale of operations and the area of jurisdiction. For these frameworks to be coordinated and strategically aligned, each sphere will have to adopt the NSDP methodology and approach. The adoption of the NSDP approach implies the following:

Undertaking rigorous analysis of the space economy to identify areas of economic significance with a view to focusing government investment and development interventions to ensure maximum and sustainable impact. The NSDP lists six categories of development potential as listed below:

Table 6.3: NSDP Categories of potential from a spatial perspective

Category	Measurement	Indicators
1. Innovation and Experimentation	Research, development and new technology	Relevant case studies and examples of innovation, capacity for research
2. Level of production of high value and diversified goods and services	GVA in specific sub-sectors and employment possibilities.	Level of GVA fuel, rubber, electronics, exports, employment
3. Labour intensive mass production of goods	Large unskilled labour pool, close to cheap transport links.	Such as mining, agriculture, manufacturing
4. Public Services and Administration	Public management for institutional arrangement of production, consumption. Also health, welfare and education.	Level of municipal management. Level of institutional capacity. Level of community services.
5. Retail and Services	Strong retail and services industry. Large markets with high income households.	High level of retail and services industry. Employment in retail and services. Income levels above average.
6. Tourism	Eco-scenery, culture, entertainment, good access rates, high quality facilities.	Number of tourism establishments. Number of people employed. Contribution of tourism.

Source: NSDP (2006)

6.1.3 New Growth Path

Although preceding the implementation of the NDP, the New Growth Path (NGP) directs and focuses on the ongoing industrialisation and employment stimulation needed to improve South Africa's economic performance. As such the primary aim is to increase economic growth in South Africa with a medium term focus of towards 2020. In this aim, economic growth of 6 to 7 percent is required in order to facilitate effective job creation processes contributing to the creation of five million additional job opportunities. In order to achieve this, the state is required to implement the needed strategies that seek to facilitate the expansion of the local economy. Key objectives of importance in this regard is to ensure a strong local currency that supports economic expansion whilst also allowing the needed room for imports that do not harm consumer prices. Furthermore, the policy necessitates the cognisance of the different needs of industries and ensuring that these are met in a sustainable manner especially focusing on infrastructure and skill development.

The NGP identifies six key economic sectors which include infrastructure development, agriculture, mining, green economy, manufacturing and tourism as having the potential to unlock employment opportunities as job drivers. The policy document proposes the following measures for improved economic development:

- Appropriate fiscal and monetary measures, which should be linked with measures such as a more competitive and stable exchange rate; and
- Targeted measures to improve the performance of the economy such as rural development, the strengthening of industrial and trade policies, the improvement of skills and education, the promotion of small businesses and co-operation, and the development of the African region.

Whilst providing these key measures needed for economic development, the NGP must be seen as leading economic policy amongst all levels of government. This does not include its primary focus of economic development but also the provided guidelines it directs to the development of crucial industrial policies on provincial and local levels. In these guidelines the NGP advocates for industrial policies that focus on:

- New sources of competitiveness with the focus on innovation and labour intensive productivity that enhances tertiary skill usage and efficient state involvement;

- Improvement in regional trade with the focus on exporting activities to rapidly growing economies in the South;
- The support of new trade opportunities which assist in reducing the dependence on mineral resources whilst stimulating others sectors such as ethical or organic goods;
- Export marketing that is centralised on the knowledge intensive industries.

The NGP's contribution to especially provincial and local government lies in the directive provided to ensure that the outlined broad rivers of industrial growth are encompassed in planning decisions. By following these directives, these key stakeholders have an important role to play in maintaining concentrated industry and trade policy which seeks to develop local export markets and in the process eradicating spatial inequalities. This should entail a clear comprehension of the spatial attributes of local regions and the positioning of the area specific resources in a manner that can contribute to rural development and export promotion. This will require local governments to facilitate the manufacturing of goods and establish needed supply chains in key economic clusters and hubs and foster an effective relationship with the private sector.

The NGP was released in 2010 as a "new" national economic development policy and the driver of the country's job strategy. In short the NGP aims to support employment, growth, the green economy and reduction of inequality. The policy aims to facilitate economic growth and employment growth. The policy identified seven "job drivers", all of which are labour intensive sectors. These job drivers have the responsibility to create jobs on a large scale. The seven key economic sectors or "job drivers" for job creation are listed below:

- Infrastructure development and extension: Public works and housing projects;
- Agricultural development with a focus on rural development and specifically
- "Agro-Processing";
- Mining value chains;
- Manufacturing and industrial development (IPAP);
- Knowledge and Green economy;
- Tourism and services; and
- Informal sector of economy.

The NGP also seeks to contribute to create decent work, and reduce poverty. The NGP aims to create jobs, economic growth, equity and environmental outcomes (green economy). The NGP wants to achieve infrastructure development, labour absorption in agriculture, mining and manufacturing value chains, focus on knowledge and green economies, maximize social capital and public services, and regional integration. Improved education and skills development are priorities regarding engineers, artisans, ICT. Entrepreneurship and SMME development are key strategies. Reduction of regulations and red-tape is also important.

6.1.4 IPAP

As an annual series of strategic documents, the Industrial Policy Action Plan represents an innovative and dynamic framework for policy interventions tailored specifically for the industrial sector of the economy. The purpose of the IPAP document is to expand value-added sectors, the promotion of labour absorbing industries, increase economic participation with the primary goal of inclusion of previously disadvantaged communities and the expansion of trade into regional markets. The plan is a key component of national government's plans to promote economic diversification and establish a competitive base with a higher global share of production. The policy is firmly entrenched in the objectives of the New Industrial Policy Framework (NIPF) which has been largely responsible for securing manufacturing led growth and the industrialisation. The 2017/2018 – 2019/2020 is the ninth annual iteration of the IPAD initiative which at its focus comes to grips with the extreme uncertain international markets the country is facing as well as addressing the key critical structural challenges in the local economy.

By acknowledging the importance of the manufacturing sector in the development of the economy, the IPAP policy identifies 15 underlining themes which are essential in ensuring the continued and sustained industrialisation of the economy:

Table 6.4: 15 underlining themes of the IPAP

Themes	Actions and strategies
Radical economic transformation	Upscale efforts towards securing shared and inclusive growth through decent job creation for all
Programme alignment	Efforts directed towards streamlining all efforts of state including policy development, decision making and dealing with bottlenecks on national provincial and municipal level.

Cutting red tape	Continued efforts to simply the investment framework with the aim of improving capital injections.
Strengthen efforts to raise domestic demand	Enhance public procurement and intensify efforts of private sector localisation and supplier development
Stronger labour intensity focus	Improving the linkage between primary and secondary sectors with a focus of labour intensive practices.
Improved export promotion	Support of new black-owned industrial export entrants and integrating to regional markets
Increased focus on local production	Strong initiative development supporting local production following on projects such as Proudly SA, and SOCs.
Reduced market concentration	Lowering barriers to entry for new market entrants especially in manufacturing sectors.
Industrial finance development	Promote financial support for higher levels of investment in the productive sectors of the economy
Strategic management of the fourth industrial revolution	Effectively managing new technological developments whilst adapting the economy to any foreseeable challenges especially those related to employment displacement.
Eradicate the establishment of the illegal economy	Avoidance and eradication of illegal economic activity including import dumping.
Beneficiation	Secure technology intensive production capabilities with the main aim of utilising SA's mineral endowment to gain competitive advantage.
Technology oriented approach	Optimise technological transfer and diffusion in all state departments whilst promoting the commercialisation of home grown R & D.
Gas industrialisation	Continued support for gas industrialisation with focus on the economic and employment multipliers these industries have to offer.
Greening	Promoting energy efficient production and carbon mitigation to all sectors of the economy in order to ensure a sustainable production base.

The identified ultimately underline the important aspects on which government wishes to direct industrial focus. In doing so the IPAP 2017/2018 demonstrates a response which takes cognisance of recent global and more importantly local pressing developments. In addition to this, the policy understands the importance of sector specific needs by outlining various transversal and sectoral interventions. The importance of the IPAP policy for local regions and levels of state in this sense lies in the recognition and utilisation of the policy objectives to foster the potential area specific resources to fully develop local manufacturing sectors. For the Sedibeng region in particular, characterised with strong historical manufacturing linkages, the IPAP can assist in navigating globalisation pressures and enhance a coordinated response to ensure the ongoing economic contribution of this sector in particular.

The overall focus of IPAP2 is to create jobs in the manufacturing sector. IPAP2 has three focus areas namely: to promote labour intensive industries, to broaden participation in economic transformation, and to raise competitiveness in manufacturing. IPAP focus areas are exports, industrial capacity, technology, skills development, and employment. LED and IPAP are interrelated as follows:

- Strengthening government/business labour engagement.
- Investment in skills.
- Support export and clamp down on illegal imports.
- Expand the regional economy.
- Extend incentives and financing.
- Leverage infrastructure development.
- Sectoral and industrial sector development.
- Funding allocation.
- Competitive industries with strong employment multipliers.
- Identify key developmental sectors.
- Cluster development and value chains.
- Support programmes in automotives, green industries, metals, plastics and chemicals, rail transport equipment, agro-processing, clothing, textiles, leather and footwear.

The DTI has recently released its "radical economic transformation plan" for the next 5 years. Some of the detail includes:

- Industrialization is the key driver of putting the economy on a new growth path.
- Increased support for the IPAP sectors through policy and incentives with IDC and EDD.
- Expansion of the SEZ concept to Dube, Harrismith, and one in North-West and Limpopo.
- Increased linkage with BRICS and Africa.
- Support black industrialists.
- Export promotion.

6.1.5 Regional Industrial Development Plan

The Regional Industrial Development Strategy (RIDS) is an underlining policy initiative implemented towards improving industrial development in the South African economy. Directed by the outcomes of the National Spatial Development Perspective, the policy recognises that the country's different economic sectors are still characterised by large scale inequalities. By acknowledging the unequal potential of these sectors the RIDS seeks to promote the consolidation of focused growth based on proven economic development potential. It does so by encouraging the promotion and importance of local economic development practices which are based on area specific needs. This entails the emphasis on partnership creation between the state, private sector and the community members. Furthermore, it makes provision of the converge for investment programmes and development planning by taking account of and providing responsibility to all local role players in the economy.

RIDS outline its strategic intent through several features which include:

- Enhancing and building capacities and potentials as identified in the NSDP together with addressing the spatial economic growth constraints and deal with market failure related to industrial development in municipalities,
- Close the gap in the contemporary policy framework whilst allowing the promotion of regional competitive productive capabilities, that promote regional economic performance
- Localised direct support to the SME sector using technical assistance funds and the creation of a predictable regional investment and business climate to attract private sector investments
- Increase production in, and improve competitiveness and diversification of, regional markets with potential for export and employment creation;
- Strengthen appropriate infrastructure support to regions and building effective industrial, trade and productive capacity
- Encourage all regions to attain their full economic and development potential.

By outlining these initiatives, the RIDS policy plays an essential and comprehensive part in the development of local communities and rural areas. It ultimately serves as policy tool supporting the identification of latent economic potential by providing sustenance for key industries and establishing a competitive advantage. The importance of the policy for local stakeholders therefore is imperative. The RIDS provides local stakeholders with the assistance and directive to identify market opportunities for businesses whilst additionally establishing a favourable environment that facilitates SME expansion and foster job creation. These initiatives prove pivotal as it can assist local communities not only create additional jobs but retain them and increase the access to capital.

6.1.6 SEZs

A SEZ is spatially demarcated areas and used as an instrument for attracting investment, creating jobs, increase exports, and testing of new policies, within a special business and infrastructure incentive area. In SA IDZs (Koega, East London, Richards Bay and OR Tambo airport) are SEZ's usually within the industrial sector and linked to an airport and have not been successful. Aspects for success include high level incentives, regulations, tax incentives, good governance and coordination, political support, high levels of privatization of management, global competitiveness. Further lessons include:

- SEZ must be special: focus on specific industries, and offer significant advantages.
- Good market access, location, logistics, labour, and regulatory environment.
- Strong macro-economic conditions and policy for example the exchange rate.
- Cost, flexibility, skills and stability of labour.
- Locality in a dynamic growth area and not in poor struggling area.
- PPP
- Marketing and promotion.

Specific incentives could include: tax exemptions for companies and individuals and import duties, zero rated value added tax (VAT), investment incentives for capital goods, cheap land and rental rates, delegated customs control.

The SEZ Bill of 2013, as released by the Minister of Trade and Industry, has the aim to promote and develop SEZ's. SEZ is an economic development tool to promote national economic growth and export by using support measures in order to attract targeted foreign and domestic investments and technology. The purpose for the establishment of SEZ's including:

- Establishment of industrial complexes which have a strategic national economic advantage for industries and manufacturing.
- To develop infrastructure to support the industrial uses.
- Attract foreign and domestic investment.
- Provide a location for investment.
- Enable the beneficiation of mineral and natural resources in value adding processes.
- Take advantage of existing industrial capacity and technology and integration with local industries.
- Promote regional development.
- Create decent work and other economic and social benefits in the region.
- Assist small business and cooperatives and skills development.
- Generation of new and innovative economic activities.

6.2 Provincial development policies

Premier David Makhura announced the **Ten Pillar Programme of Transformation, Modernisation and Re-industrialisation (TMR)** at his inaugural State of the Province Address (SoPA) on 27 June 2014. TMR programme aimed not just at the Gauteng Provincial Government but at the **Gauteng City Region (GCR)** as a whole.

6.2.1 GCR Economic Vision

Building Gauteng into a seamless, integrated, socially cohesive, economically inclusive region, underpinned by smart industries and sustainable development

Provincial 10 pillar programme

The following 10 pillar programme was presented by the Premier in order to allow for a radical transformation, modernization and re-industrialization of the Province:

- Radical economic transformation.
- Decisive spatial transformation.
- Accelerated social transformation.
- Transformation of government.
- Modernization of public service.
- Modernization of economy
- Modernization of housing and urban development.
- Modernization of public transport infrastructure.
- Re-industrialization of province.
- Taking the lead in Africa's new industrial revolution.

Key Interventions

- Strengthening the Diversified Space Economy
- Township Economy Revitalisation
- Re-industrialisation of Gauteng
- Public Transport Infrastructure
- Gauteng Freight and Logistics Hubs
- Sedibeng Regional Sanitation Scheme
- Aerotropolis
- Agritropolis
- Diversified Energy Mix
- Broadband, ICT and eGovernance

Strengthening Diversified Space Economy

- Gauteng has a fairly diversified economy, that prevents economic shocks when leading sectors decline – need to actively **strengthen the diversified space economy.**

City of Johannesburg (Central Corridor)

– Financial hub of the GCR
– Pharmaceuticals

- ICT
- Trade
- Services

City of Ekurhuleni (Eastern Corridor)

- Manufacturing and beneficiation
- Logistics and transport
- Aerospace and defence
- Aerotropolis

City of Tshwane (Northern Corridor)

- Administrative capital
- Knowledge and innovation
- Automotive industry development

West Rand District (Western Corridor)

- Formerly powerful mining region has undergone significant de-industrialisation due to the decline of the mining industry
- Need for new economic sectors
- Agribusiness/agroprocessing
- Green and blue economy will be the future

Sedibeng District (Southern Corridor)

- Steel industry and associated manufacturing and energy drove the economy; de-industrialisation due to decline of steel
- Steel and related industries revitalisation
- Vaal river tourism and Vaal River City
- Agritropolis

Sedibeng New cities:

- Savanna City
- Vaal River City
- Gauteng Highlands
    - 121 000 housing units in Mega Human Settlements
    - Logistics Hub west of Arcelor Mittal (link to N1)
    - Upgrades of Sebokeng and Meyerton WWTW and new Regional WWTW

Sedibeng Regional Sanitation Scheme

- Upgrade and extend bulk sanitation infrastructure to **unlock economic growth and sustainable human settlement expansion** in the south of Gauteng
- Upgrades to existing waste water treatment works and construction of a new mega waste water treatment plant and related infrastructure
- Interim upgrades underway but delays continue to hamper progress

Agritropolis

- Development of an agri-sector "Agritropolis" centred in the Sedibeng District with linkages to the West Rand and other rural nodes
- Production of high value agricultural produce utilising nurseries and hydroponics and establishment of agro-processing facilities
- Linkages to domestic, national and international markets
- Upgrading of the Vereeniging Market
- Upgrading of network infrastructure

Building New Cities in Gauteng Corridors

Entails the development of new nodes – private, public and public-private projects – that will transform the spatial form of the province

Sedibeng: River City, Gauteng Highlands, Savanna City, Arcerlormittal housing developments

Johannesburg: Modderfontein, Waterfall City, Steyn City, Lanseria, Masingita City, Linksfield and River Sands

West Rand: Thusanang City, Westonaria and Ebony Mine

Tshwane: New city in Nokeng, new Centurion City, Capital City Development

6.2.2 Gauteng Spatial Development Framework

As part of the Gauteng provincial government's comprehensive policy landscape, the Gauteng Spatial Development Framework 2030 was integrated in 2015. The framework builds on the previous GDSF 2011 that was the first attempt towards a greater integrated settlement, transportation and economic development vision for the people of Gauteng. Upon review, the newly implemented GDSF 2030 has taken into consideration the shortcomings of its predecessor. At its centre, the framework has the purpose to renew and reaffirm provincial government's responsibility of ensuring a well informed and guided spending approach that is directed towards rapid and sustainable economic, spatial and social development within the borders of the Gauteng province. The Framework is guided and based within the National legal framework as well as both international and municipal spatial policy directives. As fundamental part of the province's spatial planning and governance the framework is well aligned with other important policy initiatives such as the 10-Pillar Programme of Transformation, Modernisation and Re-Industrialisation 2014 and the Gauteng Rural Development Plan 2014.

The GDSF 2030 outlines a provincial strategy for a balanced polycentric spatial network that has the ability to foster improved community and resource mobility on both provincial and local level. The policy takes cognisance of the current spatial challenges facing the province which among the key concerns including highly fragmented spatial and socio-economic development, weak integrated land use and public transport capabilities and the presence of geographical barriers that restricts access for especially the younger cohort in the more urbanised labour market. As response to these challenges together with deindustrialised pressures in the province Southern and Western corridors, the GDSF 2030 outlines four key spatial development strategies directed to improve the spatial outlook for all surrounding areas in the province. These include a renewed focus of densification and infillment to central economic nodes and transport networks, the development of synergised economic clusters through improved agglomeration processes and increasing the protection of valuable land resources and improved water management.

Through the provision of these initiatives, the GDSF 2030 essentially provides a spatial context for the province in which metropolitan, district and local municipalities are able to establish a more local detailed SDFs. In doing so, the GDSF 2030 directs these detailed plans to be encompassed within five key focus areas each with its own set of high priority spatial development proposals. These keys areas and proposal are shown in Table 1.1 below. Taking these focus areas into account, the GDSF 2030 must be seen as a key policy initiative which provides a holistic approach that aims to direct the development support to the province's main urban areas and other primary, secondary and tertiary peripheral nodes. Any regional development plan whether on metropolitan, district or local level needs to take cognisance of the outlined framework and be consistently aligned to the overarching strategies .

Table 6.5: Five main focus areas outlined by the GDSF 2030

Focus area	High priority spatial development proposals
1. Shared economic prosperity	Maintaining economic productive capacity in highly concentrated areas.
2. Socio-economic integration	Densifying, diversifying and integrating all individuals in the mainstream economy with a focus on state owned land agglomeration and access.
3. Economic consolidation	Improved and concentrated focus on township development. Nodal and corridor establishment in these areas in order to improve access to public transport networks and diversify key economic activities.
4. Social and local economic support	Supporting spatial developments that are significantly linked to local economic development initiatives, improving mainstream network access and enhancing skill development that can facilitate the eradication of poverty.
5. Rural enterprise support	Protection of provincial areas demarcated for key environmental support, conservation and used or have the potential to be used for eco-tourism and rural economic activities.

6.2.3 Gauteng Industrial Policy Framework

The Gauteng province is seen as the largest urban economic area on the African continent and as such is one of the, if not the main driver for economic growth in

South Africa. In relation to the province's industrial development, the provincial government implemented the Gauteng Industrial Policy Framework (GIPF). The policy encompasses the province's vision for the development of its industrial sector with the main of diversifying economic activity and largely drive widespread decent employment creation for the region. Acknowledging the irregularities of the past and the impact it has had on the construction of the industrial environment, the GIPF sets out to carve the development of the province's economic sectors in such a way that it addresses the inequalities of the apartheid era. In doing so, the policy focuses particularly on the movement away from the dependence of resource driven economic activities rather emphasising the construction of a diversified industrial base consisting of largely green based and sustainable development practices.

Given the economic importance of the province to the national economic outlook, the GIPF is largely directed by the outcomes of the National Industrial Policy Framework (NIPF) and Industrial Policy Action Plans (IPAPs) which aim to drive South Africa onto an accelerated economic growth path. As such many of the strategic areas outlined for the province is overarching to those identified on a national level. These areas include amongst others sector specific strategies, innovative trade policy, tertiary skills and education improvement and the development, finance and support of small, micro and medium enterprises (SMMEs). Keeping in line with these focus areas, the GIPF identifies five key strategic thrusts that are essential for the province and its encompassing metropolitan, districts and local municipal areas. These include:

- Expansion of decent work opportunities;
- Development and expansion of medium tech- labour intensive manufactures;
- Strengthening inter-sectoral linkages through supply chain development;
- Enhancement of value addition and upgrading along supply chains; and
- Creation of an integrated and diversified industrial base in Gauteng.

Through the identification of these thrusts the GIPF acknowledges some of the most underlining challenges facing the province which undoubtedly is prohibiting its industrial development. These include a largely unskilled labour force together with disconnected sectors operating in "economic silos". Furthermore, the area seems to be constrained by largely low infrastructural capacity preventing the movement towards tertiary sector development and in the process contributing to economic exclusion and the lack of decent employment creation. In this regard the GIPF plays a fundamental role as its outlines the focus of growing more labour intensive sectors allowing the development of unskilled and semi-skilled workers. Additionally, it directs significant support to the establishment of foundries in the province with the aim of improving inter-sectoral linkages. This is supported by a focus on the enhancement of Broad Based Black Economic Empowerment initiatives especially in tertiary sectors such as services and manufacturing. These advancements have intricate implications for all areas within the border of the province as it signals a sustainable pathway for Gauteng's economic and spatial development whilst ensuring a virtuous cycle of investment for the area.

6.2.4 Gauteng Employment, Growth and Development Strategy

The Gauteng Employment Growth and Development Strategy (GEGDS) represents a multi-stakeholder strategy that has the main goal of driving the creation of a Gauteng province characterised for its inclusivity and the development of people in an equitable manner. Built primarily around the first strategic objective of the Gauteng MTSF, the policy outlines a comprehensive plan which identifies a number of key choices and programmes required to ensure a sustainable and healthy provincial economic structure. Through these provisions the GEGDS can be seen as a framework in which all departments whether on provincial, metropolitan, district or local level can refine and identify the fundamental drivers of change needed to create decent working opportunities and build towards an inclusive future where everyone can participate both socially and economically.

Through the efforts required to achieve its goal the policy directs a significant focus towards the promotion of green orientated and knowledgeable economic activity and the productive investment in people with the aim of eradicating poverty and inequality. Furthermore, it addresses the important role of effective state organs that support social cohesion and the creation of a decent, highly skilled and innovative labour force. In doing so, the document presents the needed pathway required to achieve sustainable growth which materialises through a social coalition or compact between various stakeholders including: relevant national, provincial and local government departments; organised business; organised labour; academia; non-profit and community-based organisations.

This GEGDS explains the strategic interventions by which Gauteng will work to make this innovating, green and inclusive economy a reality. The strategic interventions spelled out in this document are organised into 5 'strategic pillars which include:

- Transforming the provincial economy through improved efficiency (economic dimension);
- Sustainable employment creation (economic dimension);
- Increasing economic equity and ownership (equality dimension);
- Investing in people (social dimension); and
- Sustainable communities and social cohesion (social dimension).

These 5 pillars are designed to ensure convergence between the economic and social strategies of government, underpinned by environmental strategies to ensure sustainable resource usage. The pillars assume a strong, developmental state able to intervene to shape the economy that the province needs. Amongst other things a this means strong cooperative governance and coordinated government policies that deal effectively with complex, overlapping mandates that wrap services around the people in the province who need government to work cohesively. The strategy is well aligned with other industrial and spatial policies implemented currently. Although some overlapping does exist between these frameworks, the GEGDS does not displace these but rather confirm to what is expected from other strategies in order for the province to achieve the right kind of economic development.

Over time, the GEDGS aims to transform the Gauteng City-Region by moving the provincial economy onto a new growth trajectory, underpinned by endogenous growth and moving away from historical exogenous growth driven by the natural mineral and resource endowments of the province. To achieve the ultimate objective of the GEGDS, however requires cognisance of the strategic pillars on levels of state within the GCR itself. This includes local government, given the pivotal role these officials play in service delivery and the necessary industrial development for their communities.

The strategy was formulated by the EDD. The strategy is based on innovation, green growth and an inclusive economy. The five strategic pillars are:

- **Improved economic efficiency:** logistics, electricity supply, ICT, sectoral focus on automotive industry, tourism, clothing, textile, footwear, heavy metals, furniture, construction, mining, agriculture, petro-chemicals, services and transport.
- **Employment creation:** Prevent job losses in distressed sectors, utilize the CWP with a focus on food security, youth development, environmental quality, housing upgrades, partnerships with schools, utilize the EPWP in collaboration with the private sector, promotion of youth employment and entrepreneurship, focus on labour intensive sectors such as construction, transport, tourism, agriculture, food, manufacturing, green economy.
- **Increased economic equity and ownership:** SMME development, access to quality education, support cooperatives, procurement support.
- **Putting people first, invest in local people:** Safety nets, basic needs, education, health care, social security.
- **Sustainable communities and social cohesion:** Rural and agricultural development, food security, safe communities, mobility.

The strategy further includes 7 cross-sectoral drivers namely:

- Green economy and sustainable energy usage: job creation, manufacturing facilities, re-cycling projects, waste management.
- Innovation and knowledge: Technological, social, environmental and public service innovation.
- Economic, social and bulk Infrastructure:
- Socio-economic development with social protection.
- Green jobs.
- LED led by communities: Value adding, exports, SMME development, competition, capacity, partnerships,
- Skills development and education.
- Capacity building
- Spatial planning and rural development

The GEGDS is based on active industrial and sectoral development that promotes job creation, export, infrastructure development, SMME development, skills development.

6.2.5 Gauteng Vision 2055

The Gauteng Vision 2055 was launched as a comprehensive discussion document focused on in depth long term planning for the Gauteng City Region (GCR). As opposed to the provincial focus the GCR encompasses the Gauteng area together with surrounding functional areas in the North West province, Mpumalanga and the Free State. The documents expanded focus signals thinking beyond provincial borders and recognises the importance of cross provincial linkages, resource mobility and social and economic flows to the development of the region. The long term planning vision of the document assists in improving the response and adaptability of key stakeholders, officials, businesses and community members to the challenges of unemployment, poverty, inequality and climate change. In addressing these challenges Vision 2055 identifies four key pillars each ascribing the area and its members a roadmap towards the development of the GCR. These four pillars are outlined below:

Equitable growth

The first pillar outlined by the discussion document addresses the structural challenges inherent in the spatial and economic context of the GCR. By targeting this objective, Vision 2055 seeks to improve the inclusivity of growth and a more equitable distribution of resources to all members of the community, particularly those that were previously excluded. The following challenges and corresponding strategies in this regard are identified.

Table 6.6: Main challenges and possible strategies for equitable growth in the Gauteng province

Challenges	Strategies
▪ Structural challenges of unemployment, poverty and inequality. ▪ Unequal societal ownership patterns. ▪ Short term social and political imperatives. ▪ Unsustainable development contributing to environmental degradation.	▪ The construction of sectoral strategies including a movement away from the resilience of mineral resources to a diversified economy. ▪ Improving the spatial economy. Including the access to decent job opportunities for those in decentralised geographical locations. ▪ Building a resilient provincial economy that is properly prepared and structured for economic shocks whilst simultaneously ensuring fiscal consolidation. ▪ Improving regional competiveness through strategic investments directed towards previously neglected areas. ▪ The establishment of a green economy ensuring sustainable development and the effective use of natural resources.

Social inclusivity and cohesion

As part of the comprehensive framework, the improvement and development of the GCR inextricably depends on a harmonised society which can live in safe, peaceful, clean and healthy environments. By acknowledging the importance of the social inclusion of all members of society, Vision 2055 calls for affordable access to foundational needs as well as the construction of a vibrant society with a strong cultural background and heritage.

Table 6.7: Main challenges and possible strategies for social cohesion in the Gauteng province

Challenges	Strategies
▪ Deep fractures and divisions within spatial divided communities. ▪ Large income disparities that have been established primarily through intergenerational poverty and social exclusion ▪ Low levels of civic engagement and public participation aiding low levels of transformation	▪ Optimising the contribution of all participants in the region by fostering social integration and the elimination of racism. ▪ Improving the prospects of strong and sustained human potential through enhanced skill development and resource access contributing to personal growth. ▪ Reducing the marginalisation of vulnerable groups in the region and building social capital. ▪ Protection of younger cohorts and children, ensuring safe integration into the education system and labour market.

Sustainable development and infrastructure

Given the many spatial challenges the GCR faces, one of the core outlined pillars of Vision 2055 sets out to have a centralised focus on the development of infrastructural capacity built on a sustainable and green foundation. The challenge in doing so however is to find a balance on the high volume of resource requirements to address past imbalances whilst simultaneously allowing the production of goods and services that can satisfy the needs of an ever increasing population.

Table 6.8: Main challenges and possible strategies for sustainable development in the Gauteng province

Challenges	Strategies
▪ Large scale spatial inequalities ▪ Lack of affordable local infrastructure that allow access to main stream networks and employment services ▪ Large focus on resource intensive production	▪ Infrastructure development that is based on reducing carbon intensive practices ▪ Reduce political red tape in order to facilitate accelerated long term infrastructure and finance development ▪ Provision of ideal amenities, goods and services through improved regional linkages that can foster a more polycentric environment. ▪ Improving the financial stability of municipalities in order to produce and maintain solid road infrastructures and basic services such as water and electricity.

Good governance

Whilst the three previously outlined pillars all have a social and economic focus, the fourth pillar outlined in Vision 2055, addresses the increasingly responsible role that state structures play on provincial, district and municipal levels. The pillar particularly addresses the challenges of ensuring alignment across all municipal borders with regards to policy development and crucial decision making processes.

Table 6.9: Main challenges and possible strategies for good governance in the Gauteng province

Challenges	Strategies
▪ Inconsistent capability levels in public sector officials tasked with service delivery ▪ Lack of structured governance arrangements that are required to address and identify areas for improvement	▪ The creation of shared long-term vision for all community members that facilitates social cohesion and public private partnership formation ▪ Improving regional governance structures to ensure alignment across policy formulation and implementation avoiding disparate decision making
▪ High scale corruption that deters the use of effective resources and destroys social partnerships and trust ▪ Proliferation of officials in leadership roles which induce regional conflicts resulting in disparate visions and priorities	▪ Foster diversity by ensuring the involvement of all members of community of all ages, race, sex and place of origin

Outlining these challenges, the Gauteng Vision 2055 ultimately provides a comprehensive framework that is guided by the principles of the Freedom Charter and National Development Plan. The objectives articulated in the pillars above necessitate the establishment of the GCR as a vibrant value-adding economic centre that draws and grows talent, resources and opportunities in which all can participate – while remaining environmentally sustainable. Therefore, as part of the province's ideal of ensuring an aligned and linked policy landscape among, metropolitan, districts and local municipalities, key stakeholders in the area need to ensure their strategic focus correspond with the long term plans presented in Vision 2055. This alignment will prove pivotal as none of these municipal areas operate in isolation but are rather dependent on the wellbeing of the GCR as a whole.

6.2.6 Gauteng Township Economic Revitalization Programme (EDD)

In June 2014 the programme was launched in order to boost economic development in townships, to include people in the mainstream economy. Township economies are to be revitalized through enterprise creation, linkages to government services, boosting of key sectors, and the re-industrialization of the Gauteng economy. The Sectoral focus will be on manufacturing, ICT, tourism, construction (housing), infrastructure and real estate. The plan will also focus on improved spatial planning to improve access. The required fund has been established to assist labour intensive economic activities in townships. Incubators are planned in the West Rand to assist small business development. Other activities include export assistance and attraction of FDI to the townships.

6.3 District and local development policies

6.3.1 Sedibeng GDS II

The Sedibeng DM growth and development strategy (GDS) 2 is an inspired policy initiative that sets out a social and economic vision for the Sedibeng DM moving towards 2030. The GDS acts as a long term plan that is entrenched in the values of all important national and provincial legislative frameworks and seeks to localise these plans in the face of the regions' own unique composition providing a clear and stable growth path for the next two decades. Building on the first implemented GDS, GDS 2 recognises the shortcomings of its predecessor and builds upon the developmental framework that has been established rather than completely replacing it. In this regard the GDS 2, takes into cognisance the challenges preceding its implementation, how these challenges have been dealt with and the additional external challenges that have surfaced in the past five years under review.

At its core, the GDS 2 is a regional multi-stakeholder strategy as opposed to a specific municipal plan. It advocates and focuses on the importance that all community stakeholders including both private and public sector play in unlocking the economic and social potential of the region. By doing so the strategic direction as envisioned entails six comprehensive areas of particular concern as outlined below:

Table 6.10: Six main focus areas of the GDS 2

Areas of focus	Description
Township renewal	The Sedibeng region includes numerous townships in the area which are geographically. This significantly restricts human development and economic development of the area. The GDS 2 seeks to develop a coherent township strategy which can transform these communities into sustainable areas of living.
Urban renewal	Area is faced with a decaying business and manufacturing sector. The GDS 2 seeks to create enabling environment that attracts business and fosters a green manner of living and strategically make use of the resources at its disposal.
Rural development	The GDS 2 seeks to facilitate the inclusion of all, assisting the poor to achieve a good and acceptable quality of life. In doing so the strategy aims to increase production and productivity, provide equitable access to opportunities, provide meaningful employment opportunities and foster and reserve an ecological balance.
Human settlements	Eradication of slums replacing these areas with modern suburbs that are connected to the needed infrastructure such as roads and transport, electricity. The aim is to develop strong, safe and enriching community for all.
Clean energy	Keeping in line with the Gauteng Vision 2055, Sedibeng aims to be one of the leading communities in the fight against climate change and pollution. Plans include measures to expand mass transit and freight rail whilst also promoting the use of renewable energy including solar and wind power.
ICT connectivity	Provide integrated use of Information and communication technologies in key sectors such as manufacturing and agriculture to establish and create a "smart city".

In the outset of these strategic areas, the GDS 2 provides a focus on the importance of providing an environment for all its citizens that allow them to reach their full potential whilst assuring a good quality and safe manner of living. The strategy further advocates to the alignment to the 5Rs + 2 framework as outlined in the 2011 Sedibeng Stakeholder Summit. From this point of view, the GDS 2 substantiates that in order to unlock the regions' true economic potential requires, firstly the reinvention of the local economy. This entails the movement towards an innovate economy focused on increasing employment opportunities and sustainable livelihoods. Furthermore, it calls for renewing communities whilst simultaneously reviving the green economy. Finally, as part of this framework, the focus from a local point of view must encompass reintegrating the region provincially and in the process improving democratic values and good governance that eradicates any form of corruption.

The importance of the GDS 2 ultimately lies in its long term planning vision. As for any region or city, long term planning provides stability and cumulative actions that can build on one another and allows the region to reap the rewards of thought out strategic planning. Taking into consideration that uncertainty might arise as well as altering external environments, the GDS 2 much like its predecessor will be reviewed every five years as it is not legislated. However, for the Sedibeng region the GDS 2 provides a clear and comprehensive direction which must be followed by municipal managers to allow the optimal development and economic expansion of the area. For policymakers in particular the GDS 2, must be incorporated in all planning decisions as it provide relevant context for crucial strategic actions that have the potential to facilitate the creation of a consolidated urbanised area. Finally given its strong linkages with national policies such as the IPAP as well as the National Spatial Development Framework (NSDF) it directs attention to agglomeration potential of the area and the establishment of spatial hubs that can foster much needed industrial development.

In 2006 the stakeholders of Sedibeng concluded on the Region's first Growth Development Strategy (GDS 1). This was an enormous achievement reflecting months of cooperation and collaboration to create a shared and long term vision that could be realized over a 20-year span and hopefully fundamentally change the lives of the people of Sedibeng. The GDS 1 was officially approved, after rigorous stakeholder engagement in 2007. The production of Growth Development Strategy 2 was as a result of relevant, constant interrogation and assessment of GDS 1. Thus review of GDS 2 shall be viewed in line with regional vision, new policy developments, its achievements and challenges. The outcome of such a process will result in a concept document towards a draft GDS third generation. A district-wide Lekgotla represented by SDM and the 3 local municipalities shall convene to engage further on such a draft document, and then mandate public and stakeholder participation. Post public engagements and inputs, all municipalities in the region will then develop a set of implementable projects and programmes

6.3.2 Sedibeng District Municipality Integrated Development Plan (IDP) 2018 – 2019

As part of the District's legal mandate, the Integrated Development Plan serves as the principal planning instrument which guides and informs all planning, budgeting management and decision making processes of the municipality. Whilst the IDP process undertaken in the previous financial year of 2016/2017 outlines the five-year plan moving to 2021 this particular IDP serves as review. In this review the goal of the IDP 2018/2019 entails the incorporation of information and strategy development based on the various changes which have taken place over the course of the year. These changes revolve around the social and economic circumstances as well as various budget considerations. Moreover, the document outlines clear performance indicators to ensure mainstreaming of different designated groups based on gender, disability, youth and the elderly. Whilst structured around the specific requirements of the ongoing financial year, the IDP is still primarily directed by various national, provincial and local policy guidelines which outlines a medium term vision for the district towards achieving its various developmental objectives. These include among other the National Development Plan (NDP), Gauteng Ten Pillars (TMR), UN Sustainable Development Goals, Africa Union Agenda and SDM Growth and Development Strategy.

As the responsibility of the municipality is to strategically co-ordinate all efforts of locals in the district in the face of severe financial constraints, the IDP maps the process required to initiate the required projects, programmes and partnerships which can put the region on a significantly new trajectory. This particularly considers the possibility of seeing the district becoming a single authority metropolitan municipality. At the heart of the document lies the various key focus areas to which key financial and strategic consideration and support will be directed over the following five-years. These revolve around the 5R's and 2 imperatives as discussed below.

Table 6.11: Key priority areas of the Sedibeng Integrated Development Plan (IDP)

Key Priority areas	Discussion
Reinventing the economy	Consolidating existing sectors and exploring new sectors of growth and in this way build local economies to create more employment and sustainable livelihoods.
Renewing the communities	From low to high quality through the provision of basic services, improving local public services and broadening access to them. Also regenerate property development to improve quality of living for all.
Reviving a sustainable environment	Moving from waste dumps to a green region, by increasing the focus to improving air, water and soil quality and moving from being a producer and a receiver of waste to green city.
Reintegrating the region	Reintegrating the region with the rest of Gauteng, South and Southern Africa to move from an edge to a frontier region, by improving connectivity and transport links.
Releasing human potential	Moving from low to high skills, building social capital through building united, non-racial, integrated and safer communities.
Good and financial sustainable governance	Building accountable, effective and clean government with sound financial management, functional and effective councils and strong visionary leadership through compliance and competence.

Vibrant democracy	Promoting the ability of all South Africans to progressively exercise their constitutional rights and enjoy the full dignity of freedom. Promote more active community participation in local government, including further strengthening the voice of communities and making sure that community based structures such as ward committees, police forums, school governing bodies are legislatively supported to function effectively.

Whilst the IDP outlines the key aspects for improvement, it also places a significant emphasis on attaining an inclusive growth path. With this objective in mind the IDP is directed by the Mckinsey Global Institute bold priorities also known as the "big 5". These five priorities include particular focus on advanced manufacturing, infrastructure productivity, Natural Gas, Service export and raw and processed agriculture. Within these priorities, Sedibeng finds resonance with especially manufacturing, infrastructure productivity and raw and processed agriculture.

6.3.3 Spatial Development Framework (2015)

The District's Spatial Developmental Framework (SDF) outlines the relationship between spatial planning and the effective use of land. The SDF provides the necessary framework to facilitate inclusive, developmental, equitable and efficient spatial planning. With a primary vision for the district to grow in a metropolitan City the SDF has a crucial role to play. This involves providing the necessary spatial planning in which the district can facilitate a high population density, intensive movement of people, goods and services, extensive development of the geographical in size, intensity and complexity and finally the creation of multiple CBDs and industrial areas. In order to do so the SDF outlines a proposed conurbation area including Evaton, Sebokeng, Vereeniging, Vanderbijlpark, Meyerton and Savanna city. In doing so, the SDF identifies all significant corridors, nodes, urban development boundaries, precinct and lead projects for all three local municipal areas. Ultimately, the strategy provides a robust framework, including a clear vision, spatial structuring elements as well as guidelines and principles for informing and directing spatial planning in the area. These main principles captured in the SDF include the following:

Table 6.12: Main principles of the Sedibeng District Spatial Development Framework (SDF)

Main principles	
1.	Promote higher density areas and infill the urban core in line with national and provincial policy
2.	Promote environmental sustainability
3.	Promote effective appropriate use of high potential agricultural areas
4.	Facilitate the development of a continuous sustainable open space system
5.	Ensure functionally defined activity nodes
6.	Maximise efficiency of service infrastructure and transport systems
7.	Build sustainable internal linkages
8.	Facilitate the upgrading of existing settlements

Directed by the aforementioned principles, the SDF likewise outlines various planning and developmental objectives. These revolve around four aspects which include the implementation of identified restructuring initiatives, projects, directing both public and private investment in infrastructure in line with the vision of the Sedibeng SDF. Furthermore, the SDF aims to promote support and guide local the three municipalities to guide the development of each's respective SDF and finally to align all integrated development planning including infrastructure development. Some of the more prevalent projects specified in the outlined objectives include the Vaal Logistics Hub, Kliprivier Business Park and Graceview as well as the Vaal Fresh Produce Market. With all of the this in mind the SDF's purpose is to promote strategic forward planning in the district to guide development decisions. It must be used as tool by both private and public sector role-players as it lays forward a spatial logic to facilitate investment and direct future policy implementation for different forms of development. Ultimately through its provision of the set guidelines the SDF seeks to promote social, economic, environmental and agricultural sustainability of the district. Moreover, it assists in the preservation of the intrinsic assets such as high potential tourism areas, land reform possibilities and crucial nodes and corridors.

6.3.4 Southern Corridor Regional Implementation Plan

As part of the Gauteng Provincial Government plans to implement various strategies to radically address poverty, economic inequality and unemployment, the Sedibeng Southern Corridor regional implementation plan is aimed at creating new cities and economic nodes. The plan is one of five identified development corridors of the Gauteng region which includes strategies aimed towards a central, eastern, Northern and Western development corridor. These areas have been identified in order to target investment with the main purpose of restructuring the economy of the functional Gauteng city region. Injection of investment within the five corridors will results in a more diversified geographical economic landscape and truly position the province as the leading innovative economic hub in Africa. For the Sedibeng region in particular, the Southern Corridor regional implementation plan looks to move the local economies of the Midvaal, Emfuleni and Lesedi areas away from the dependence of the steel and manufacturing industry. This follows the ideals of modernization and diversification of economic staructures in the area with a greater focus attributed to tourism, entertainment, agro-processing and logistics all anchored around the Vaal River, Vaal Marina and Suikerbosrand Game Reserve. Various projects in this regard have been identified (listed below) and have already been met with widespread and positive investment from both the private and public sectors in the country.

List of prioritised projects in the Southern Corridor Regional Implementation Plan including various agricultural aspects as well as various urban developmental plans:

1. Sedibeng regional sanitation scheme
2. Vereeniging fresh produce market
3. Doornkuil Precinct
4. Vaal Logistics Hub
5. Vaal River City Development
6. Sedibeng Government Precinct
7. Lesedi Transit Hub
8. R59 Corridor
9. The Grace (Gauteng highlands)
10. Graceview (Gauteng highlands)
11. Langzeekoegat Precinct
12. Devon Tannery
13. Heidelberg CBD
14. Sicelo Precinct

Phase 2: Strategy development

7. VISION

*"By 2030 Sedibeng should be well known as a leading **"Metropolitan River City"** with a strong, diverse economy and high quality standard of living. A city and regional success story where all its residents enjoy a healthy and safe environment and where everyone works, learns, earns and plays together".*

The SDM region aspires to facilitate economic growth, limit unemployment leading to lower levels of poverty and inequality. In addition, the following aspects are also of importance:

- Be a region of sustainable development, economic vitality, and lifelong learning;
- Be a region whose public services and facilities work to meet the needs of our citizens;
- Be a region of broad appeal for people of all ages and cultural backgrounds;
- Be a region of physical beauty with great appeal;
- Be a region of strong neighborhoods and communities;
- Be a region that is easily accessible by all modes of transport;
- Be a region with a clean and healthy living environment; and
- Be a river city that attracts tourists to the cultural and heritage sites.

8. DEVELOPMENT PRINCIPLES AND GUIDELINES

8.1 Provincial guidelines

The following general provincial guidelines are adhered to:

- Transformation:
- Modernization:
- Re-Industrialization:

8.2 Sedibeng District Municipality Strategic Pillars:

- Re-investment (retain, attract, expand)
- Re-new community services (Inclusive rural economy (inclusive growth)
- Re-vive through sustainable development (waste, pollution, green economy)
- Re-integrate the regional economy
- Realising human capital potential
- Good governance
- Deeping democracy

9. REGIONAL SWOT ANALYSIS AND COMPARATIVE ADVANTAGES

9.1 Threats / weakness (what has a negative impact on region):

- High levels of pollution (water, air, waste, all types of pollution).
- Lack of infrastructure maintenance and extension/upgrading (all).
- An urgent need for a regional sewer works.
- Limited service delivery capacity.
- Crime (law and order in CBDs, enforcement of by-laws, selling of illegal goods).
- Development of Malls in townships affecting small businesses and entrepreneurship. Influx of foreigners affecting township businesses selling illegal goods (financial outflow).
- Occurrence of corruption.
- Limited institutional capacity throughout the district and its municipalities

- The allocation of powers and functions. Limited allocation of powers and functions to the district municipality.
- Some levels of political instability due to upcoming national elections.
- Low levels of institutional cooperation, coordination and partnerships.
- Lack of new local and foreign investment.
- Poor image and limited marketing.
- Low economic growth / high unemployment leading to high levels of poverty and inequality.
- Social housing by Provincial government leads to influx of poor people from other regions.
- Low skills levels of labour force including the youth (focus on required skills linked to the region's comparative and competitive advantages, for example agriculture, logistics and tourism).
- Decline of manufacturing sector with a focus on the steel industry. (re-industrialization)
- Fragmented spatial structure leading isolated communities. (low densities)
- Isolated and underdeveloped townships.
- Lack of quality and access community facilities for integrated planning for community development. (also for example access to the Vaal River). Community development facility study required.
- Declining attractiveness and competitiveness of the region.
- Lack of enabling environment for economic development.
- Poor public transport.
- Poor health facilities.

9.2 Strengths / opportunities (what is good and positive with potential in the region)

- Strategic locality (growth direction in Gauteng is south).
- Availability of water resources/bodies and management.
- Existing national and provincial access routes.
- Development corridors (N1, N3, R59).
- Availability of land.
- Low traffic congestion.
- Good quality natural environment.
- Rural character of the region.
- Existence of potential for agricultural development.
- Tourism features with quality tourism venues and facilities.
- Established but declining manufacturing specifically the steel industry.
- Active business chambers.
- Education facilities and including tertiary institutions.
- New cities in planning.
- Possible SEZ.
- Establishment and revitalization of possible jobs and skills development centres (incubators).
- Environmental clean-up actions.
- Public works programmes.

9.3 Barriers and stumbling blocks for growth and development

- Lack of Infrastructure development and maintenance regarding all essential services but especially sewer is a critical problem.
- Institutions: coordination and cooperation between local municipalities and the district municipality.
- The existence of high levels of all types of pollution, making the region unattractive for investors.

- Some policy uncertainty at national sphere negatively affecting the local region, for example the land policy, visa requirements, mining policy, industrial policy and import tariffs for protection of the steel industry. The policy uncertainty affects the key economic sectors in the region such as agriculture, manufacturing, the steel industry, mining and tourism.
- Political diversity and dynamics in the region; as a results of changes in political positions and national and local elections.
- The non-alignment of national, provincial and local government budget cycles.
- Poor image of the region and limited coordinated marketing efforts.
- Limited skills levels of the labour force.
- Lack of enabling environment.
- Lack of investment due to all of the above issues.

9.4 Comparative advantages:

- Existence of substantial water bodies, although some pollution has negatively impacted on the attractiveness and usefulness of the sources.
- Excellent strategic locality within the economic influence sphere of the Gauteng metropolitan regions.
- The availability of large portions of vacant land for all types of development.
- A well-developed tourism sector, with excellent facilities
- Existence of tertiary education institutions which includes two universities and a number of colleges.
- Existence of a range of cultural and heritage sites and facilities.
- The existence of a large labour force, although skills levels are generally low.
- A well-developed access system including a good roads system and low traffic volumes.
- A relaxed rural environment.
- Existence of strong business institutions such as a number of business chambers throughout the regions.
- The existence of the steel industry, although the industry has been in decline over the last few decades.
- Low production costs (fixed costs such as land rental etc.)

10. STRATEGY DEVELOPMENT GUIDELINES

10.1 Approaches

The following approaches and principles should form the basis for the strategies:

- A balance must be achieved between "pro-poor" and "pro-growth" initiatives.
- The implementation of strategies must lead to improvement in quality of life for all, especially the poor.
- The strategies must alleviate poverty and a total onslaught on poverty is required, focussing on all the components of poverty.
- Poverty should be reduced by means of business development, SMME support and providing a safety net for the poor by means of a basic needs approach. Entrepreneurial development will eventually lead to the creation of jobs, which is the ultimate goal of the strategy.
- The strategy must focus on the economic, physical and social components of the local environment.
- Local uniqueness, knowledge and resources must be optimized.
- The creation and improvement of diversity, stability, sustainability, specialist clusters and partnerships are of key importance.
- The strategies need to be implemented by means of projects, which in turn must be implementable, with clearly defined and measurable deliverables. The projects must be outcome-based.
- Projects and programmes must have short, medium and long term outcomes, but short term "quick wins" are of key importance to create interest, support and confidence in the process. Short term successes must be marketed.
- LED implementation success rests heavily on "local champions". "Local champions" could include local politicians, local officials, local business people and local community members.

- Local competitive advantages must be optimized.

Strategy principles include:

- Collaborative partnerships
- Integrated spatial development
- Local competitiveness
- Capable developmental governance
- Skills development
- Inclusive economy
- Pro-poor development
- Youth development
- Sustainable development
- Leadership and governance
- State-led, business driven, community based development.

Procedural principles include:

- Commitment by all stakeholders
- Inclusive development with a balance between pro-poor and pro-development.
- Strategic and integrated development

10.2 Economic Plan Guidelines

In line with relevant national, provincial and local policy considerations, the following are the guidelines of the municipal economic plan:

- Economic, spatial and social integration;
- Ensure an enabling economic environment exists for a thriving private sector with the aim of job creation;
- Skills development directed to support the local economy;
- Rural and agricultural development;
- Infrastructure for economic opportunities;
- Good governance; and
- Provision of basic needs to all communities.
- Building a diverse economy: Including Sectoral development focus on NGP, NDP and IPAP sectors.
- Developing learning and skillful economies: Skills gap closure, entrepreneurial culture development, leadership development.
- Develop inclusive economies: support the informal economy, inner city (CBD) development, township economic development, rural development, ease of entry to business, reliance and local resources, labour intensive, allocation of premises to operate from, reduce red-tape regulations, enabling environment, township economic development programme, BBBEE support, women and youth development, EPWP.
- Enterprise development and support: SMME development, BBEE support, Youth and women support, business development support, export promotion, SMME development (business development, capacity building and financial support), cooperative support.
- Economic governance and infrastructure: Capacity, management, administration, funding/finance, marketing, infrastructure, enabling environment, access to funding, branding.

11. THE ROLES AND RESPONSIBILITIES IN LED PLANNING AND IMPLEMENTATION

11.1 National and Provincial Government

- Provide strategic leadership;
- Provide broad policy guidelines;
- Create conducive and supportive environment for implementation;

- Ensure multi-sectoral engagement;
- Develop incentives;
- Improve local skills and capacity; and
- Monitor and evaluate performance.

11.2 Sedibeng District Municipality

The district municipality has the following roles to play within the region regarding economic development:

- The co-ordination of economic strategies and actions within the region.
- Support local municipalities in terms of skills training and capacity building.
- Facilitation of orderly development of the region in line within spatial planning and environmental principles.
- Formulate policies and implementation plans to stimulate economic development.
- Act as a developer if a gap is left by local business regarding economic opportunities.
- Ongoing research and analysis of local economic conditions and providing local municipalities and local business with recent data for effective planning and adaption and amendment of plans.
- Regional wide strategic planning in terms of institutions, services and investment planning.
- Create an enabling environment for economic development.
- Ensure a single vision with cohesion between all stakeholders, including the private sector.

11.3 Local Municipalities:

The role of the municipality is to:

- Attract and stimulate: Investment, business and industry through marketing actions.
- Lead: By means of local leadership, political stability, good governance and spatially grounded economic planning.
- Build and enable: Through skills development, entrepreneurship, participation and information provision.
- Circulate: Local partnership formation, linkage of formal and informal business and "buy local" campaigns.
- Facilitate and coordinate efforts between developmental stakeholders.

11.4 Business Community

- Be local drivers and champions of the process.
- Commit to the implementation of strategies in partnership with government.
- Participate in institutions and activities in implementation.
- Business support.
- Be active partners for business development and pro-poor activities.
- Assist with data provision.
- Be a watch dog over processes.
- Finance and funding investment opportunities.
- Create jobs.
- Provide advice to government.
- Monitor and assist with implementation.

11.5 Local Communities

- Participate in institution structures.
- Assist in the formulation and implementation of community projects.

12. CREATION OF AN ENABLING ENVIRONMENT

Government, and specifically local government, needs to create an enabling environment for local business and communities to prosper. The table present a "Tick-off" list for the creation of an enabling developmental environment

Table 12.1: Tick of list for the creation of an enabling environment

Primary factor	Secondary aspects	Primary factor	Secondary aspects
Partnership formation	Partnerships with business and communities, high levels of participation, co-operation, integration, allocation of functions and roles, involvement, empowerment, engagement, institutional relations (vertical and horizontal).	**Local government structures, policies and actions**	Good governance (accountable and transparent), legislation, policies (aligned with national and provincial policies), institutional structures, marketing and investment, information provision and support, capacity and skills development, budgeting and spending, regulations, procurement, co-ordination, fast decision-making, research and innovation, stop corruption, political stability
Local leadership	Local champions and drivers (politicians, officials, business leaders, NGOs, religious leaders, traditional leaders), clear policy directions, political stability, appropriate policy development, efficient decision-making structures.	**Poverty alleviation and social develop-ment (including arts, culture, sports and recreation)**	Quality of life, redistribution, people centred approach, pro-poor focus, community development, basic needs (services and facilities), social cohesion, safety nets (grants/subsidies), grow asset base of poor.
Economic development actions including LED	Market interventions, job creation initiatives, research analysis with surveys, policies and strategies, funding, skills development, comparative advantages, project implementation, SMME support, diversification, value-added product support, export support, labour based job drivers (NGP), attract and retain, incubators and mentors.	**Environment management and spatial development**	Integration of SDF, IDP and LED, rural-urban linkages, mixed use development, corridor development, nodal development, compact and dense development, land use management, clean quality environment, environmental management.
Infrastructure development	Hard infrastructure, soft infrastructure, budget and funding, capacity extension, maintenance.	**Human resource development**	Skills development, SMME development, mentorship, incubators and job training centres, labour force development.
Entrepreneur-ship development	Training and support, ease of doing business, tax incentives, regulations, access to finance, policies.	**Access opportunities including transport**	Access to economic opportunities, transport, ownership and assets, markets, community facilities, ICT, housing development.
Agricultural development actions (rural areas)	Access to land, finance, funding and grants, infrastructure, market access, research, project development, training and support.	**Safety and security**	Law and order, crime prevention.

Source: Own compilation

13. DEVELOPMENT STRATEGIES

Based on the analysis contained in this report, Phase 1 specifically, certain focus areas or strategies are listed. This report analysed policies which could impact on the regional economy. It is the view point of the authors that being in line with national, provincial and local policies would assist the municipality in obtaining support for its strategy and securing funding for project implementation. Strategies and resulting programmes / projects as listed below must lead to job creation and improvement of quality of life as a safety net to the poor (basic needs, subsidies and community projects). All the 9 strategies are of equal importance for implementation although they are listed in a specific order with strategy 1 and 2 providing the foundation, while strategies 3 to 6 are sectoral focussed. Township revitalization forms part of all 9 strategies but the concept is specifically highlighted in strategy 7 to indicate the importance of addressing the issues related to it. Strategy 8 and 9 have their focus on the strengthening of the role of tertiary education institutions and the development of small business. It should also be noted that the details and costs indicated per programme / project are estimates only and more detailed feasibility studies will be required during the implementation phase of this strategy. The programmes / projects should also focus on local assets such as:

- Natural assets: including agriculture, rivers and dams, minerals, and natural beauty.
- Strategic assets: Focus on strategic locality, infrastructure and the Strategy by stopping economic leakages.
- People assets: provision of improved skills and linkage to poor areas.

13.1 Sedibeng: GDS strategies and projects

The following strategies are formulated to achieve the vision:

Table 13.1: Nine (9) strategies enlisted in the GDS to attain the SDM's vision

Strategy	Explanation
Strategy 1	Institutional capacity development (good governance, accountability, effectiveness, sustainable, leadership, partnership, participation)
Strategy 2	Facilitation of spatial structural change, nodal and corridor development (incl housing and land)
Strategy 3	Regional infrastructural development
Strategy 4	Sectoral support and development: Manufacturing and re-industrialization
Strategy 5	Sectoral support and development: Agriculture and rural development (Agritropolis concept focus in Gauteng)
Strategy 6	Sectoral support and development: Tourism development and environmental management
Strategy 7	Township social and economic development (infra, indust hubs, indigenious knowledge, access to markets revitalization and community development (incl youth development) (Gauteng township revitalization strategy
Strategy 8	Maximize the impact of tertiary higher education (including youth development)
Strategy 9	Facilitation of business support and development (incl skills, entrepreneurship, finance and youth development)

Strategy 1: Institutional capacity development (good governance, accountability, effectiveness, sustainable, leadership, partnership, participation)								
Project ref no	**Programme / Project name (with description)**	**Priority rating (High, medium or low priority) including time frames**	**Extent (Flagship, major, medium, small localised project) Area affected Criteria to be provided**	**Lead implementation agent (roles, activities and funding)**	**Support implementation agents**	**Cost (budget required)**	**Possible Funders**	**Base line and KPI (key deliverables) and impact**
1.1	Improved cooperation amongst all local municipalities in the region	High	Total region	SDM and Provincial government (GP), COGTA. **Action:** Joint Mayor's Forum and joint MMs Forum for decision.	ELM, LLM, MLM	NA	Prov Gov (COGTA)	Lack of cooperation. Personal visits to municipalities
1.2	Improved partnership formation between SDM, private sector and higher education institutions	High	Total region	SDM and GP	Business chambers, NWU, VUT	NA	GP	Improved partnerships
1.3	Establishment of Vaal Development Forum and Development Corporation (Including Metsimaholo region)	High Flagship project	Total region Flagship project	SDM and GP	Business chambers, NWU, VUT	R 50 000	GP	None exists
1.4	Training of officials and councillors (and ward committees with CDW workers)	Medium	Total region	SDM and GP	Business chambers, NWU, VUT	R 1 million	GP	Improved skills levels
1.5	Re-alignment of powers and functions	High	Total region Flagship project	SDM and GP	ELM, LLM, MLM	R 50 000	GP	Requires amendments
1.6	Re-determination of the region's boundaries / demarcation.	Medium	Total region Flagship project	SDM and GP	ELM, LLM, MLM	R 500 000	GP	Finalise the issue
1.7	Improved by-law enforcement	Medium	Total region	SDM and GP	ELM, LLM, MLM	R 500 000	GP	Limited enforcement
1.8	Anti-fraud and Corruption drive	High	Total region	SDM and GP	ELM, LLM, MLM	R 100 000	GP	Visible action
1.9	Improve capacity of all sections at municipalities.	High	Total region	SDM and GP	ELM, LLM, MLM	R 5 million	GP	Lack of capacity
1.10	Adoption and implementation of all regional policies	High	Total region	SDM and GP	ELM, LLM, MLM	R 1 million	GP	Finalise all urgent policies
1.11	Improvement of research and development capacity	Medium	Total region	SDM, GP and NWU, VUT	ELM, LLM, MLM	R 500 000	GP	Ongoing research on economic and community development
1.12	Customer care centres	High	Total region	SDM, GP	ELM, LLM, MLM	R 6 million	GP	Set up structures
1.13	Promote shared services such as IT	Medium	Total region	SDM, GP	ELM, LLM, MLM	R 1 million	GP	Set up structures
1.14	Conduct an enabling environment and economic development assessment	High	Total region	SDM, GP	ELM, LLM, MLM	R 200 000	GP	Finalise assessment
1.15	Establishment the Sedibeng Development Agency / Entity (Including facilitation of investment and incentives packages for the region)	High	Total region	SDM, GP, national (eg. DTI, National Treasury, etc)	ELM, LLM, MLM	R 200 000	GP	Finalise assessment

Strategy 2: Facilitation of spatial structural change, nodal and corridor development (incl housing and land)								
Project ref no	**Programme / Project name (with description)**	**Priority rating (High, medium or low priority) including time frames**	**Extent (Flagship, major, medium, small localised project) Area affected Criteria to be provided**	**Lead implementation agent (roles, activities and funding)**	**Support implementation agents**	**Cost (budget required)**	**Possible Funders**	**Base line and KPI (key deliverables) and impact**
2.1	Finalise new regional SDF	High	Total region Flagship project	GP and SDM	ELM, LLM, MLM	R 500 000	GP	Needs revision
2.2	Prioritise and Support development corridors (R59, N1, N3, R42, R82)	High	Total region	GP and SDM	ELM, LLM, MLM	R 10 million	GP, DBSA, Nat Gov	Lack of services and investment
2.3	Prioritise and Support development nodes (Including CBDs)	Medium	Total region	GP and SDM	ELM, LLM, MLM	R 20 Million	GP, DBSA, Nat Gov	Lack of clear policy on nodes
2.4	Finalise implementation of River City project	High	Total region with focus Emfuleni Flagship project	GP and SDM	ELM	R 100 million	GP, DBSA, Nat Gov	Project not progressing
2.5	Finalise implementation of Northern development projects (Gauteng Highlands projects)	High	Total region with focus on Midvaal	GP and SDM	MLM	R 100 million	GP, DBSA, Nat Gov	Project not progressing
2.6	Ensure development of only sustainable affordable and subsidised housing projects in strategic areas as determined by the SDF	Medium	Total region	GP and SDM	ELM, LLM, MLM	R 500 million	GP, DBSA, Nat Gov	Projects must contribute to local economy
2.7	Identify and develop township zones	High	Total region	GP and SDM	ELM, LLM, MLM	R 100 million	GP, DBSA, Nat Gov	Kick start township economies
2.8	Finalise a vacant land development plan	High	Total region	GP and SDM	ELM, LLM, MLM	R 1 million	GP	Certainty on ownership and use of land
2.9	Facilitate an automated regional land use system which is development friendly.	Medium	Total region	GP and SDM	ELM, LLM, MLM	R 1 million	GP	Standardization of land use regulation
2.10	Doornkuil mixed use precinct	Medium Flagship project	SDM Region	SDM, GP	MLM	NA	GP	Implement the project
2.11	Develop and implement the Vaal Regional Spatial Development Framework	Medium	Cross border project	National dept, SDM	All other local municipalities	R 200 000	National Dept	Complete the plan.

Strategy 3: Regional infrastructural development								
Project ref no	**Programme / Project name (with description)**	**Priority rating (High, medium or low priority) including time frames**	**Extent (Flagship, major, medium, small localised project) Area affected Criteria to be provided**	**Lead implementation agent (roles, activities and funding)**	**Support implementation agents**	**Cost (budget required)**	**Possible Funders**	**Base line and KPI (key deliverables) and impact**
3.1	Regional sewer provision master plan with implementation and maintenance plan (regional sewer system and upgrade of Sebokeng works and Lesedi)	High Flagship project	Total region Flagship project	Nat Gov, GP, SDM	ELM, MLM	R 10 billion	Nat Gov	Lack of capacity
3.2	Regional water provision master plan with implementation and maintenance plan	High	Total region	Nat Gov, GP, SDM	ELM, LLM and MLM	R 5 billion	Nat Gov	Lack of capacity
3.3	Regional electricity master plan with implementation and maintenance plan	High	Total region	Nat Gov, GP, SDM	ELM, LLM and MLM	R 5 billion	Nat Gov	Lack of capacity
3.4	Regional roads and storm water master plan with implementation and maintenance plan	High	Total region	Nat Gov, GP, SDM	ELM, LLM and MLM	R 10 billion	Nat Gov	Lack of capacity
3.5	Regional waste management master plan with implementation and maintenance plan	High	Total region	Nat Gov, GP, SDM	ELM, LLM and MLM	R 5 billion	Nat Gov	Lack of capacity
3.6	Regional transport master plan with implementation and maintenance plan (including rapid bus system, rail extension and the rivers)	High Flagship project	Total region	Nat Gov, GP, SDM	ELM, LLM and MLM	R 5 billion	Nat Gov	Lack of capacity
3.7	Develop a renewable energy plan	Medium	Total region	Nat Gov, GP, SDM	ELM, LLM and MLM	R 5 billion	Nat Gov	Lack of capacity

Strategy 4: Sectoral support and development: Manufacturing and re-industrialization								
Project ref no	**Programme / Project name (with description)**	**Priority rating (High, medium or low priority) including time frames**	**Extent (Flagship, major, medium, small localised project) Area affected Criteria to be provided**	**Lead implementation agent (roles, activities and funding)**	**Support implementation agents**	**Cost (budget required)**	**Possible Funders**	**Base line and KPI (key deliverables) and impact**
4.1	Planning and development of SEZ (including logistics hub)(Vaal logistics hub)	High	Emfuleni area Flagship project	Nat Gov, GP, SDM, DTI, DBSA	Emfuleni LM, Business chambers	R 5 billion	DTI, DBSA	Lack of implementation and coordination of project
4.2	Re-industrialization of the Steel industry	High	Emfuleni area	Emfuleni LM, SDM	DTI, office of the Premier	R 100 000	Private sector (steel sector)	Growth and retention of the mega firm
4.3	Retention and extension of existing manufacturing firms (support to firms)	High	Total region	SDM, GP	DTI, office of the Premier	R 200 000	DTI	Implementation of the strategy

4.4	Planning and implementation of green economy sector	Medium	Total region	SDM, GP	DTI office of the Premier	R 200 000	DTI	Kick start the modern sector
4.5	Re-skill and training of labour force aligned to changing economy focusing on Artisan development programme	Medium	Total region	SDM, GP	ELM, MLM, LLM, VUT, NWU, DTI	R 3 million	DTI	Re-training of work force
4.6	Value-added and export promotion development programme	Medium	Total region	SDM, GP, DTI	ELM, LLM, MLM	R 5 million	DTI	Implement
4.7	Emerging contractors incubation programme	High	Total region	SDM, GP	ELM, LLM, MLM, VUT, NWU	R 5 million	DTI	Implement
4.9	Lesedi Transit Hub	Medium	Lesedi region	SDM, LLM, GP	VUT, NWU	R 5 million	DTI, DBSA	Implement

Strategy 5: Sectoral support and development: Agriculture and rural development (Agritropolis concept focus in Gauteng)								
Project ref no	**Programme / Project name (with description)**	**Priority rating (High, medium or low priority) including time frames**	**Extent (Flagship, major, medium, small localised project) Area affected Criteria to be provided**	**Lead implementation agent (roles, activities and funding)**	**Support implementation agents**	**Cost (budget required)**	**Possible Funders**	**Base line and KPI (key deliverables) and impact**
5.1	Agricultural hub development (Rietkuil Mega Agri Hub) including agric incubator with full value chain, and cooperative development (Doornkuil, Obed Nkosi Township, Langzeekoegat)	High	Total region with focus on ELM Flagship project	Dept of Rural development, SDM	ELM, LLM, MLM, GP	R 5 million	Dept of Rural Development	Start with implementation
5.2	Emerging Small farmer comprehensive support	High	Total region	Dept of Rural development, SDM	ELM, DTI, DBSA	R 100 million	DTI	Plan and implement
5.3	Skill training (lower skills, diplomas and degrees)	Medium	Total region	Dept of Rural development, SDM	VUT, NWU	R 20 million	Dept of Rural Development	Lack of training
5.4	Upgrading and revitalise of fresh produce market	High Flagship project	Emfuleni area	SDM	ELM, GP, business chambers	R 10 million	GP	Fully functional market
5.5	Rural Development Plan	Medium	Total region	SDM	DRDLR	R 2 million	GP	Limited plan.

Strategy 6: Sectoral support and development: Tourism development and environmental management								
Project ref no	**Programme / Project name (with description)**	**Priority rating (High, medium or low priority) including time frames**	**Extent (Flagship, major, medium, small localised project) Area affected Criteria to be provided**	**Lead implementation agent (roles, activities and funding)**	**Support implementation agents**	**Cost (budget required)**	**Possible Funders**	**Base line and KPI (key deliverables) and impact**
6.1	Integrated Environmental clean-up plan (water, air, waste). Includes water bodies management and public access plan	High	Total region Flagship project	SDM, ELM	LLM, MLM, GP, Dept of Environmental management	R 1 billion	Dept of Environmental management	Start integrated clean-up process
6.2	Regional marketing (branding) and tourism development plan. Including tourism nodes plan and tourism routes plans	High	Total region	SDM, Dept of Tourism	ELM, LLM, MLM, GP	R 500 000	Dept of Tourism	Finalise plan
6.3	Strengthen regional tourism and marketing Association (RTO)	High	Total region	SDM, Business chambers	ELM, LLM, MLM, GP	R 100 000	SDM	Support existing structures
6.4	Retain and support existing tourism product providers	Medium	Total region	SDM, Business chambers	ELM, LLM, MLM, GP	R 300 000	SDM	Start implementation
6.5	Tourism skills training programme	Medium	Total region	SDM, Business chambers	ELM, LLM, MLM, GP	R 500 000	SDM	Start implementation
6.6	Vaal River Tourism Development Plan (tourism route with piers)	Medium	Total region Flagship project	SDM, Dept of Tourism, GP	ELM	R 5 million	Dept of Tourism	Plan and implement
6.7	Annual events development plan	Medium	Total region	SDM, Dept of Tourism, GP	ELM	R 5 million	Dept of Tourism	Plan and implement
6.8	Tourism info centres	Medium	Total region	SDM, Dept of Tourism, GP	ELM, LLM, MLM	R 25 million	Dept of Tourism	Plan and implement
6.9	Revitalization of waterfronts including at Vaal Marina	Medium	Total region	SDM, GP	ELM, MLM	R 25 million	GP	Plan and implement
6.10	Suikerbosrand re-development	Medium	Midvaal and Lesedi	SDM, GP (GDARD, GTA)	LLM, MLM	R 25 million	GP	Plan and implement
6.11	Development and implement Bio-regional Environmental Plan	Medium	Total region	SDM, GP, GDARD	ELM, LLM, MLM	R 500 000	GP	Plan and implement

Strategy 7: Township social and economic development (infra, indust hubs, indigenious knowledge, access to markets revitalization and community development (Gauteng township revitalization strategy								
Project ref no	**Programme / Project name (with description)**	**Priority rating (High, medium or low priority) including time frames**	**Extent (Flagship, major, medium, small localised project) Area affected**	**Lead implementation agent (roles, activities and funding)**	**Support implementation agents**	**Cost (budget required)**	**Possible Funders**	**Base line and KPI (key deliverables) and impact**
7.1	Conduct a community facility assessment and development plan	Medium	Total region	SDM, GP	ELM, LLM, MLM, COGTA	R 500 000	COGTA	Finalise assessment plan
7.2	Youth skills development plan	High	Total region	SDM, GP	ELM, LLM, MLM, NWU, VUT, Business chambers	R 500 000	GP	Plan and implement
7.3	Internships development plan	Medium	Total region	SDM, GP	ELM, LLM, MLM, NWU, VUT, Business chambers	R 500 000	GP	Plan and implement
7.4	Re-cycling programmes	Medium	Total region	SDM, GP	ELM, LLM, MLM, NWU, VUT, Business chambers	R 500 000	GP	Plan and implement
7.5	Township tourism plan (incl tours, restaurants, routes, culture, local knowledge, heritage, arts and crafts)	Medium	Total region	SDM, GP, Dept of Tourism	ELM, LLM, MLM, NWU, VUT, Business chambers	R 500 000	Dept of Tourism	Plan and implement
7.6	Urban agriculture projects	High	Total region	SDM, GP	ELM, LLM, MLM, NWU, VUT, Business chambers	R 1 million	Dep of Agric	Plan and implement
7.7	Release land for private development	High	Total region	SDM,	ELM, LLM, MLM,	na	na	Plan and implement
7.8	Internet access support with WI-FI zones	High	Total region	SDM, GP	ELM, LLM, MLM,	R 500 000	GP	Plan and implement
7.9	Job creation subsidy programme	Medium	Total region	SDM, GP, DTI	ELM, LLM, MLM, NWU, VUT, Business chambers	R 2 million	DTI, GP	Plan and implement
7.10	Funding and finance for small business development		Total region	SDM, GP, DTI	ELM, LLM, MLM, Commercial banks	R 30 million	DTI	Plan and implement
7.11	Link township businesses to formal businesses for improved value chains		Total region	SDM, GP	ELM, LLM, MLM, NWU, VUT, Business chambers	na	Business Chamber	Plan and implement
7.12	Business and entrepreneurship training including idea development		Total region	SDM, GP	ELM, LLM, MLM, NWU, VUT, Business chambers	R 500 000	SETA	Plan and implement
7.13	Develop central markets for trade		Total region	SDM, GP, DTI	ELM, LLM, MLM, Business chambers	R 5 million	GP	Plan and implement

7.14	Promote service industry		Total region	SDM, GP, DTI	ELM, LLM, MLM, NWU, VUT, Business chambers	R 10 Million	DTI	Plan and implement
7.15	Ongoing research on township economy		Total region	SDM, GP, DTI	ELM, LLM, MLM, NWU, VUT, Business chambers	R 1 million	DTI, GP	Plan and implement
7.16	Indigenous knowledge development plan		Total region	SDM, GP, DTI	ELM, LLM, MLM, NWU, VUT, Business chambers	R 1 million	DTI	Plan and implement

Strategy 8: Maximize the impact of tertiary higher education (including youth development)								
Project ref no	**Programme / Project name (with description)**	**Priority rating (High, medium or low priority) including time frames**	**Extent (Flagship, major, medium, small localised project) Area affected Criteria to be provided**	**Lead implementation agent (roles, activities and funding)**	**Support implementation agents**	**Cost (budget required)**	**Possible Funders**	**Base line and KPI (key deliverables) and impact**
8.1	Strengthen partnerships with higher education institutions (HEI)	Medium	Total region	SDM, Business chambers	ELM, LLM, MLM, NWU, VUT	NA	NA	Start with re-look of MOUs
8.2	Analyse existing study programmes at HEIs (inputs from government and business)	High	Total region	Business chambers, SDM, NWU, VUT	ELM, LLM, MLM	na	na	Start process
8.3	Add additional study programmes such as agric, tourism, value chain, logistics, IT	Medium	Total region	Business chambers, SDM, NWU, VUT	ELM, LLM, MLM	na	na	Start process
8.4	Improved community engagement by HEIs	Medium	Total region	Business chambers, SDM, NWU, VUT	ELM, LLM, MLM	na	na	Start process

Strategy 9: Facilitation of business support and development (incl skills, entrepreneurship, finance and youth development)								
Project ref no	**Programme / Project name (with description)**	**Priority rating (High, medium or low priority) including time frames**	**Extent (Flagship, major, medium, small localised project) Area affected Criteria to be provided**	**Lead implementation agent (roles, activities and funding)**	**Support implementation agents**	**Cost (budget required)**	**Possible Funders**	**Base line and KPI (key deliverables) and impact**
9.1	Establishment of new incubators/job centres and support existing centres	High	Total region	SDM, GP	ELM, LLM, MLM, NWU, VUT, business chambers	R 10 million	DTI, GP	Plan and implement
9.2	Improved EPWP implementation with skills training	High	Total region	SDM, GP	ELM, LLM, MLM, NWU, VUT, business chambers	R 5 million	GP	Plan and implement

9.3	General business skills development projects	Medium	Total region	SDM, GP	ELM, LLM, MLM, NWU, VUT, business chambers	R 5 million	GP, SETAs	Plan and implement
9.4	Youth entrepreneurship, Internship and mentorship programmes	High	Total region	SDM, GP	ELM, LLM, MLM, NWU, VUT, business chambers	R 5 million	GP, SETAs	Plan and implement
9.5	Informal sector development plan (areas, structures, training, support)	High	Total region	SDM, GP	ELM, LLM, MLM, NWU, VUT, business chambers	R 5 million	GP, SETAs	Plan and implement
9.6	Working for water and fire programmes link to manufacturing	Medium	Total region	SDM, GP	ELM, LLM, MLM, NWU, VUT, business chambers	R 5 million	GP, SETAs	Plan and implement
9.7	Funding/finance support for start-up businesses	High	Total region	SDM, GP, DTI	ELM, LLM, MLM, Commercial banks	R 10 million	DTI, Banks	Plan and implement
9.8	Buy-local and support local campaign	Medium	Total region	SDM, Business chambers	ELM, LLM, MLM	R 200 000	SDM	Plan and implement
9.9	Unemployment data base linked to job centres	High	Total region	SDM	ELM, LLM, MLM, NWU, VUT	R 50 000	SDM	Plan and implement

14. CONCLUSIONS AND RECOMMENDATIONS

The Sedibeng District Municipality has a steady growth in population with low working age population. It is with serious concern to notice that economic growth and growth opportunities are limited in the region. Vaal has high level of unemployment and poverty. But Sedibeng municipalities play a major role providing services, thus an increase in the overall access to household basic services, with electricity lacking behind. In micro inspection of all IDPs by the District and Local Municipalities, it is evident that a lot of work has been undertaken in the rollout and implementation of planned projects and programmes, identified in GDS 2. All sectors of the region benefitted in these projects covering all 7 Priority Areas as anchored in GDS and all IDPs.

The Gauteng TMR gave strategic direction and basis for focus by both provincial departments and municipalities. A move to divide Gauteng into 5 Corridors: City of Johannesburg (Central Corridor), City of Ekurhuleni (Eastern Corridor) City of Tshwane (Northern Corridor), West Rand District (Western Corridor), Sedibeng District (Southern Corridor), served a foundation to enhance planning and focused service delivery agenda. A critical challenge for Sedibeng region is to undergo revitalization of industries in response to the decline of steel industry. Our focus is agritropolis and tourism, thus presenting a huge potential for regional growth and advancement. The planned Vaal River City will also propel the region to the next level, and create many job opportunities, advance potential for investments and SMME development.

The outcome of the 2-day District-wide Lekgotla shall lead to a draft Development Strategy for all municipalities to take ownership and implement with pride.

Basic indicators to assess progress and success of the strategy include:

- Number of people trained per year;
- Number of jobs, formal and informal, created per year;
- Amount of capital spending on major infrastructure per year;
- Provision of basic services to poor communities.
- Number and value of business plans submitted.
- Population growth, economic growth indicators.
- Number of houses built.
- Perceptions of services delivery.

LED is “everybody’s” business. The implementation of this Strategy will be the test for the success of the plan. Implementation will be a team effort with local champions taking the lead. The team include government, private sector and local communities. The region has the latent potential and natural resources to develop in an economic sustainable manner, with opportunities for all. This strategy caters for all with a basic needs approach within an enabling economic environment with promotes small business and entrepreneurial development. The strategy has been compiled within the frameworks of the NGP and NDP and is based on successful submission and obtaining of government and donors funding to revitalize economic projects.

ANNEXURE A: MAIN FLAGSHIP PROJECTS FROM GDS II

The following projects required a big push from a broad range of stakeholders:

1. Establishment of a Sedibeng Development Agency
2. Creation of a logistics hub
3. Completion of the Regional Sewer Scheme
4. Implementation of a rural development programme
5. Alternative energy programme
6. Implementation of an Integrated Transport Model
7. Implementing a comprehensive heritage programme
8. Establishment of a Single Regional Authority
9. Expanding and enhancing connectivity
10. Vaal 21

Flagship Projects

1. Sedibeng Economic Development Agency

Description of Project:	It is a municipal entity that is established to initiate, coordinate, manage and implement economic development projects in Sedibeng.
Impact of Project:	One Stop Shop for business and investment facilitation for Sedibeng, increase take up of incentives and opportunities that comes with investing in the area
Key Milestones:	• Market Sedibeng as a pre-eminent destination of choice for Investment • Facilitate Investment for the Region • Brand and Profile Strategic Catalytic Projects to unleash economic development for Sedibeng • Reducing Cost of doing business in Sedibeng and fast track development and re-zoning application • Manage and maintain Strategic Partnerships with other spheres of Government and Private Sector/ Investors
Stakeholders	• Investor Community- targeting pension funds and retirement industry • Target Government in other spheres and Parastatals • Private Sector • Local companies planning to grow and expand • Local Municipalities and neighbouring municipalities

2. Vaal Freight and Logistic Hub

Description of Project:	This is a Special Economic Zone to facilitate inland port for freight and logistics and facilitate movement of goods from manufacturing and other sectors for domestic, national and International destination since Vaal is one of the largest industrial hubs in Southern Africa and its proximity to Gauteng markets and its excellent rail and road transport networks make it a natural location for a logistics hub. The project seeks to designate certain infrastructure to support rail and road travel to and from Sedibeng to the domestic, national and International destination
Impact of Project:	• Reduce congestion and traffic on the road to deliver goods on time • Reduce maintenance cost for road maintenance • Shift road to rail intermodal facilities to address major issues of lowering inland transport costs and improve track and trace capacities • Realize economic development potential of the area through warehousing facilities, efficient loading, off-loading and freight transfer handling • Improve ICT and Connectivity through data interchange, electronic trading and consignment tracking and tracing- • Business Process Outsourcing growth
Key Milestones:	• Establish a Special Economic Zone to attract investment into the designated AREA • Increase competitive and comparative advantage Sedibeng (Vaal) has in freight forwarding, transfer, handling and warehousing with ease of travelling • Direct link to Container depot- Vaal Container Depot • Create new Infrastructure suitable for handling export orientated production (Iron and Steel) • Revive rail mode for local heavy Engineering, Iron and Steel, and Metal industries for manufacturing
Stakeholders	Universities, Private Sectors and Developers

3. Comprehensive Rural Development project

Description of Project:	To provide technical and infrastructure as well as logistical support to small and emerging farmers and cooperative
Impact of Project:	Agriculture.
Key Milestones:	To directly address the problems of start up by small scale and emerging farmers;
Stakeholders	To provide food security and address of rural poverty and create jobs;

4. Agricultural Cooperatives

Description of Project:	Rural Development Pilot Project in Midvaal
Impact of Project:	To develop infra-structures in and around Vaal Marine/Bantu Bonke areas;
Key Milestones:	To reduce the outflow of the rural poor into urban areas;
Stakeholders	To increase number of tunnels and create more job opportunities in an area;

5. Establishment of a River City Metropolitan Municipality

Description of Project:	The project relates to the processes of disestablishment of the current municipalities within the Sedibeng region and establishment of a single tier form of local government
Impact of Project:	The project will eliminate duplication, maximise efficiencies in service delivery and resource distribution and utilisation within the region by promoting: • Spatial integration and social development of all; • Equity, social justice and economic prosperity; • Local democracy Integrated affordable and efficient services and Consolidated local government
Key Milestones:	Management of Municipal Demarcation Board processes towards the establishment of the Metropolitan Municipality • Establishment of a Multi-Disciplinary Task Team to manage the transitional process • Empowerment of IGR structures through legislation to enforce their decisions through Councils • Management of decisions with potential impact on the region by a regional IGR structure e.g. Joint Political • Management Teams' (PMT) Forum • Conduct due processes for all municipal functions, e.g. ring fencing of all water and sanitation functions • Place moratorium on internal restructuring processes rather encourage inter-municipal assistance and deployment of resources • Facilitate inter-departmental, inter-municipal and discussion networks on metropolitan governance and integrated approach to service delivery • Consolidation of Budgets • Consolidation of Human Resources • Placement of employees • Consolidation of Assets • Re-alignment of organizational structure to one. • Consolidation of Financial Management • Standardisation of tariffs • Standardisation of operational procedures • - Standardisation of policies, etc
Stakeholders	• Sedibeng District Municipality • Emfuleni Local Municipality • Midvaal Local Municipality • Lesedi Local Municipality • Municipal Demarcation Board • Gauteng Department of Local Government & Housing • National Department of Co-operative Governance and Traditional Affairs • Local Communities • Business • Labour formations

6. Fibre Optic Connectivity and Roll out

Description of Project:	Roll-out of fibre to all municipal offices, clinics and libraries including CCTV sites: To successful install, commission and maintain a fibre optic connectivity solution within Sedibeng District Municipality and its Locals.

Impact of Project:	The installation of fibre in Sedibeng is being installed and is informed by the objectives that seek to create data connectivity to every municipal office, library, clinic and youth centres across the district. This will, amongst other things, lower the cost of doing business for vital economic players and increase economic participation by the broader society. In the long run, this will contribute towards reshaping the district's economy to be more inclusive and broad-based by opening up new opportunities for the marginalised communities. This strategy also takes into account being environmentally sensitive and can reduce Council's carbon footprint whilst at the same time ensuring economic growth and development. To provide connectivity to all of councils' buildings to ensure access to systems and solutions to assist the citizens. • To build the network infrastructure and information super-highway to encourage the development of an advanced workforce with better ICT silks. • To enhance economic productivity through ICT infrastructure development in order to lower the cost of doing business and increase connectivity for companies especially SMMEs. • To increase the ICT skills capacity within the public and the private sectors to create a pool of ICT practitioners and entrepreneurs. • To improve service delivery by providing high quality ICT services through e-government. • To build an economic and industrial sector with a focus on ICT. • To ensure that innovation becomes part of the economic network in Gauteng Province in relation to ICT. • To create employment in the ICT sector and the District. • To create a safe and healthy environment for the citizens of the District
Key Milestones:	Link all Municipal offices: • Provide backbone for CCTV • Extend network to education institutions • Integrate telephony onto fibre network. • Increase ICT Skills
Stakeholders	• Sedibeng District Municipality • Emfuleni Local Municipality • Lesedi Local Municipality • Midvaal Local Municipality • South African Police Services • Department of Education • Business Chambers • Telkom • Department of Health

7. Heritage Commemorative Events

Description of Project:	Heritage Resources Preservation and Commemoration of Identified National, Provincial and Regional Events. SDM has initiated the Sharpeville Heritage Precinct Legacy Project including significant heritage related events to preserve, promote and commemorate our local history, to promote social cohesion and nation building as well as contributing to the economic development of our region.
Impact of Project:	Preservation and promotion of Heritage Resources including Monuments, Museums, Plaques, Outdoor Art, Heritage trails/routes and other symbolic representations that create visible reminders of, and commemoration of our History.
Key Milestones:	Commemoration of National Days: Heritage, Human Rights, Signing of the S.A. Constitution, Signing of the Peace Treaty, Nangalembe, Boipatong and other Vaal Massacres
Stakeholders	• Sedibeng District Municipality • Emfuleni Local Municipality • Lesedi Local Municipality • Midvaal Local Municipality • National Dept of Arts and Culture • Gauteng Department of SACR • Department of Justice & Constitutional Development • Political Organisations • NGO's & CBO's eg. Khulumane • Human Rights Commission • Arts & Culture Organisations • S.A. History Archives • - S.A. Heritage Resources Agency

8. Sedibeng Regional Sanitation Scheme

Description of Project:	This is high impact project that is critical to South Africa national as it directly impacts on the national GDP. The estimated budget for the total solution is R4billion. It is aimed at addressing the following problems • Spillage of raw sewage into the Vaal river • Discharge of non-compliant effluent into the Vaal River • Negative environmental and health impact • Restricting the potential of socio economic growth and it's an impediment to investment potential of the province • The sanitation infrastructure within the Sedibeng Regional Municipality is old, resulting in high maintenance costs • and frequent availability and performance failures

	• The demand exceeds the design capacity of all Waste Water Treatment Works • The proposed solution is holistic in nature and broken down in 3 phases: short, medium and long term. These terms • are phased to address the identified challenges as per their priorities. • The solution proposes the expansion of existing waste water treatment plants i.e. Sebokeng from 100Ml/day to • 200Ml/day, Meyerton from about 10ml/day to 20Ml/day and construction of outfall sewers, mega pumps station and • a new Waste water treatment plant with a capacity of 147Ml/day. • The objectives of the project are as follows: • Deliver an effective solution that will eradicate the pollution into the Vaal River and its tributaries • Create bulk sanitation infrastructure for the Southern Gauteng Region • Institute interim measures to address immediate/emergency problems • Facilitate local economic development and job creation • Eradicate water &sanitation service delivery challenges, inhibiting both social & economic development in the region • To create institutional capacity to provide water services sustainable in the Region • To create project management capacity to deliver the project successfully • (Governance, Procurement, IGR, Funding, expertise and systems)
Impact of Project	The impact of the project will be in two folds one at a national level the other provincially as follows: **Nationally** • This project will have an impact on the Gross Domestic product (GDP) estimated at R3 Billion • It is expected that it will create employment opportunities of 12757 • The other impacts extends to an increase to household income, education opportunities etc. **Provincially** • This project will have an impact on the Gross Domestic product (GDP) estimated at R2 Billion • It is expected that it will create employment opportunities of 8900 • The other impact extends to an increase to household income, education opportunities etc. • The project will further unlock a number of developments i.e. Savannah city, low cost housing south of Johannesburg etc.
Key Milestones:	There are a number of key milestone but they can be summarised as follows: • **Short term** Ensure effluent compliance with all plant • **Medium Term -** Capacity expansion for Sebokeng by 100Ml/day Meyerton 10Ml/day Bulk reticulation refurbishment • **Long term -** Construction of totally new infrastructure as follows:New waste water treatment Plant for 147ml/day • Linking outfall sewer • Super Pump station
Stakeholders	**Short term** The stakeholders of this project are as follows: • South Africans Nationally • Gauteng Province • Sedibeng Region (Emfuleni and Midvaal Locals) • Department of Water Affairs • National Treasury • Provincial treasury • Emfuleni and Midvaal Communities

9. Alternative Energy Generation

Description of Project:	At a household level, the project is about the conversion of the solar energy (sunlight) into electricity for heating up of water for domestic use.
Impact of Project:	In line with the Government drive to reduce the dependence on fossil fuel for the generation of electricity, that is the drive towards clean and green energy (electricity) production, the project will effectively cut out the need to use the current conventionally produced electricity for heating up water for household use. The project can easily be extended to cover the need for heating up water for office use, small business use, sport and recreation use, etc.
Key Milestones:	Currently a district wide 3 year project is being rolled out to install Solar Water Geysers in the low to middle income households in the region. Also an Eskom run project to install 6000 Solar Water Geysers in the low income households of Emfuleni LM is underway. These were preceded by the installation of the Solar Water Geysers to 1500 households of Rusterval and Kanana.
Stakeholders	Sedibeng DM, Emfuleni, Midvaal, Lesedi LMs, GDLG&H, Eskom, Dept. Of Energy, the Business and Civic Organisations in the Sedibeng region.

10. Implementation of the Transport Model such as the BRT

Description of Project:	The project looks into the feasibility of developing an long term integrated public transport plan that looks into the Integration of modes of transport into the public transport system operating as a single seamless system.
Impact of Project:	Integration of the current independently operating modes of public transport into an integrated public transport system.
Key Milestones:	The project's feasibility will be dissected into phases, the Bus Rapid Transport, the Intercity (inter-municipal) Bus Transport, the Intercity (inter-municipal) Speed Train. Experiences and best practices will be sourced from the Johannesburg Metro and the GDRT. The feasibility of these projects is depended on the land use plan, the spatial development framework, and the local economic development plan. That is, the development of these plans must ensure that the framework and foundations are laid for the above integrated public transport system to be feasible..
Stakeholders	Sedibeng DM, Emfuleni and Midvaal LM, Gauteng Province (DRT, DLG&H, Provincial Treasury, Economic Development, Infrastructure Development), Johannesburg Metro, Ekurhuleni Metro.

The Sedibeng District and all Local Municipalities in the region committed to undertake and rolled out the following interventions in implementing second generation GDS (GDS II):

INTERVENTIONS	**STATUS**		
	COMPLETED	**NOT YET COMPLETED**	**NOT YET STARTED**
Strengthen industrial (steel and metal belt), commercial and business park (Waterfront) R42, R82 and R59 Corridors			
Revitalize township industrial parks (Hubs)			
Freight and Logistics Hubs in Emfuleni and Lesedi- Springs to support transport and manufacturing			
Revitalize rail connectivity within industrial base/ zone for movement of Goods and Cargo and commuter service for public transport(TIE)			
Maximize value chain with the building of Medical facility in Lesedi (LED)			
Reindustrialize Agriculture and Agro-processing potential in Midvaal(LED)			
Ease of transport/ movement of good in the East/ West Link (TIE)			
Vereeniging Inter-modal Public Transport partnership GPG Transport and Roads with PRASA			
Improve public transport to newly established townships and new developments(TIE)			
Cross border multi use Transport development within the triangle spine (Vereeniging-Vanderbijlpark-Evaton/Sebokeng Sasolburg area(TIE)			

INTERVENTIONS	STATUS		
	COMPLETED	NOT YET COMPLETED	NOT YET STARTED
Convene Investor Conference			
Training and capacity building for SMMEs and Cooperative(Ongoing)			
Empowerment of Vaal foundries for small component manufacturing			
Innovation Hub taking advantage of NW University and VUT(This was removed on the basis that the municipality does not have any control over it)			
Heidelberg/ Ratanda development funding(This should be omitted)			
Agricultural development capacity to support food security- Langzeekoegat and Midvaal			
Diversifying the economy to reduce reliance on the manufacturing and services sector.			
Entrepreneurship development support(Ongoing)			
Jameson Park Liquid transport and storage hub feasibility study to prop up rural industrial development			

INTERVENTIONS	STATUS		
	COMPLETED	NOT YET COMPLETED	NOT YET STARTED
Regional marketing to promote investment and opportunities in the Sedibeng region			
Sewer capacity to absorb further developments in Sedibeng			
The upgrading and improvement of Vosloo Park.			
Building on the intrinsic economic resources of the agriculture and tourism sectors across municipal boundaries through District-wide strategy and planning.			
The development of a proposed road to link Mario Milani Drive and Barrage Road, with office-related developments along this road which will act as buffer between the proposed residential area and the existing industrial area			
The development of offices adjacent to Barrage Road which will act as buffer to the proposed residential development to the south but will also optimise the development potential of these two roads			
The development of medium density residential neighbourhood (i.e. 2 to 4 storey walkups) in the remainder of the			

INTERVENTIONS	STATUS		
	COMPLETED	NOT YET COMPLETED	NOT YET STARTED
area, with adequate provision for social and community facilities.			
The development of the vacant land and Transnet land to the east of the Central Business District;			
The realignment of Mario Milani Drive to follow the flood line, incorporating the proposed marina area			
The provision of services where the majority of the population resides (Sebokeng/ Evaton) and other high density areas.**(TIE)**			
Protection of high potential agricultural and environmentally sensitive land while supporting and facilitating appropriate sustainable development of these areas.			
The creation of a large public open space and recreation area between Mario Milani Drive and the river, with opportunities for tourism facilities and/or residential development adjacent to Mario Milani Drive. This area could possibly also incorporate a marina at the existing quarry to be linked to the river, as indicated in the			

INTERVENTIONS	STATUS		
	COMPLETED	NOT YET COMPLETED	NOT YET STARTED
2010 Waterfront Precinct Development Proposals Plan			
The extension of the existing Aquatics Club to create a much larger and more comprehensive water sport area, which is integrated with the larger recreational area.			
The further improvement of Dickinson Park.			
Agro processing taking full advantage of the Agricultural capacity around Midvaal, Lesedi and Emfuleni.			
Intensive Agriculture- Maize triangle be strengthened with turnaround strategy for Vereeniging Fresh Produce Market to increase access to markets for Co-ops and small scale farmers			
Grow tourism and high end property development anchored along the Riverfront and Vaal dam development-Waterfront(Tourism)(Property development took place in the Vaal Marina area, due to the moratorium on development in the Emfuleni-area no new developments are allowed) The			

INTERVENTIONS	STATUS		
	COMPLETED	NOT YET COMPLETED	NOT YET STARTED
Vaal River City Development is also in the process)			
Township tourism anchored on the struggle routes and heritage sites			
Manufacturing support- FabLab project with VUT to support SMMEs and Co-ops			
Steel and Metal beneficiation for small component- steel belt along R59 through Vereeniging to Vanderbijlpark			
Freight and Logistics- Packaging, Distribution and Warehousing (Vaal Logistics Hub)			
The installation of the fibre optic cabling establishes SDM's vision for maintaining and enhancing communication throughout the District Municipality and to promote public infrastructural growth as per the key strategy "Improve ICT Connectivity in Sedibeng" in-line with the key deliverable "Reintegrating our Region" to ultimately establish the Sedibeng District as a Smart City.			
There are currently thirty five (35) identified and awaiting pre-			

INTERVENTIONS	STATUS		
	COMPLETED	NOT YET COMPLETED	NOT YET STARTED
approvals from the relevant institutions for declarations, there are two functional and operational museums (Vaal Teknorama Museum and Sharpeville exhibition centre which forms part of the Human Rights Precinct that includes the Phelindaba Heroes Acre at the Cemetery and the newly reconstructed Sharpeville Hall over and above this we have 33 maintained heritage sites.(Tourism & Heritage)			
Sedibeng has got 6 Fire & Rescue stations where 4 are in Emfuleni, one in Lesedi and one in Midvaal. The need for the establishment of satellite stations still exists.(Disaster Management)			
Midvaal Local Municipality takes pride in their three (3) sporting facilities and five (5) libraries including their state of the art Library in Sicelo. There is commitment to build a new one in Lakeside.(Social Development)			
Emfuleni Local Municipality boasts seventeen (17) sporting facilities ranging from George Thabe Stadium to President Park with a significant number			

INTERVENTIONS	STATUS		
	COMPLETED	NOT YET COMPLETED	NOT YET STARTED
of well-resourced Libraries, twelve to be precise. There is also a commitment to build a new one in Boitumelo.(Social Development)			
Lesedi Local Municipality has seven (7) sporting facilities and nine (9) Libraries. The MEC: SACR has made a commitment to construct two additional Libraries in Heidelberg Extension 23 and in Ratanda Extensin7.(Social Development)			
Currently, the Jameson Park, Impumelelo/Devon and the KwaZanele/Vischkuil sports facilities will be upgraded through the National Lottery Distribution Trust Fund. (Sports & Social Development)			
SDM has concluded Partnership programme between Gauteng Provincial Department of Economic and Vaal University of Technology (VUT) to support SMME's incubation and drive innovation through digital manufacturing with the establishment of a Fabrication Laboratory.			
Twenty-four (24) CCTV Street Surveillance Cameras have been installed in Vanderbijlpark, five (05) installed in Bedworthpark, four (04) in Meyerton and ten (10) in Ratanda. Eighteen (18) additional cameras have also been installed in Vereeniging.			
CCTV underground optic fibre reticulation has been completed in Vereeniging and Vanderbijlpark.			
Cameras in Ratanda are being streamed through a wireless transmission network back to the CCTV Surveillance Centre in Vereeniging.			
The discussions on the revival of Vaal 21 are underway, and all participating stakeholders share continued commitment in the process. Both Gauteng and Free State relevant political and administrative leaders share a common goal, i.e. the success of Vaal 21 concept.			

ANNEXURE B: ANALYSIS OF VAAL METROPOLITAN AUTHORITY

B1. BACKGROUND

The Municipal Demarcation Board announced officially announced on 07 August 2013, that through the demarcation process, that proposal DEM- 4059-3 was endorsed and that the formation of a Metro that comprised of an amalgamation of the Sedibeng District, the Emfuleni Local and the Midvaal Local Municipalities would be undertaken. In respect of the above, processes began to unfold towards the establishment of a Vaal Metro in 2016. Following the announcement of the MDB, the MEC for GoGTA in Gauteng issued a 14(5) Notice on 31 March 2014. The affected Municipalities convened a Joint Sitting on 16 April 2014 to nominate representatives to serve on the Political and Technical Steering Committees.

The Sedibeng District Municipality, with several other respondents, were served with court papers indicating that Midvaal Local Municipality had filed an application in the High Court to oppose the move to a Metro. An extract of the Settlement Agreement was made an Order of the Court which read as follows: the decisions of the First Respondent in respect of proposal DEM4059--3 made on 30 July 2013 (published under Notice 2109 of 2013 on 8 August 2013 in Provincial Gazette No.229) and 25 September 2013 (published under Notice 2914 of 2013 in Provincial Gazette Extraordinary No.303 on 17 October 2013) ("the decisions") are set aside; Any notices published in pursuance of the decisions after 30 July 2013 are set aside; Proposal DEM4059-3 is remitted to the First Respondent for reconsideration on the following basis: Any final decision in the reconsideration of such proposal will not be published prior to the 2016 local government elections; in taking any decisions in the reconsideration of such proposal, the First Respondent may rely on all steps lawfully taken by the First Respondent in relation to the decision or proposal DEM4059-3; The move to a Metro therefore remains on track for implementation in 2021 provided that the MDB reactivates the process. From Sedibeng District Municipality and local municipalities 2016 – 2021.

For the period 2016-2021, the Sedibeng District may adopt the following options:

- Remain ‘As-Is’ until 2021 with no transitional process towards a Metro and remain ‘As-Is’ after 2012.
- Remain ‘as-is’ until 2021 with a transitional process towards a Metro in 2021.
- Review Powers and Function between the District and the Locals so as to move more seamlessly towards a Metro in 2021.
- Review Powers and Functions with a view to remaining a District with Locals after 2021.

One of the key engagements that will need to be undertaken directly after the 2016 elections would be the review of Powers and Functions. A comprehensive discussion document on a review of Powers and Functions must be developed led by the Sedibeng District Municipality, for engagements by the current Councils and for the newly elected Councils directly after the elections.

B2. MOTIVATIONS FOR A METROPOLITAN SYSTEM

The departure point for a future Metro was to take the Sedibeng District (and its current demarcation) as the possible proposal for Metro. Extensive analysis and consultations have led to the realisation that a more feasible demarcation for a future Metro would be the consolidation of the current Emfuleni Local Municipality and the Midvaal Local Municipality.

A comparative analysis of the most recent areas that have been awarded Metropolitan status, ie Mangaung and Buffalo City, show that the proposed Metro would be comparable in the keys areas of geographic size, municipal budgets, population and economic contribution. In order to best achieve the objectives of local government, the incoming Metro presents with an opportunity to design a system that is effective and service-delivery orientated. One of the biggest challenges that have faced our Municipalities, especially large ones such as Emfuleni, is the ability to see each aspect of its operations in a clear and individually defined manner. With all of its management, resources and finances in a single ‘pot’ it becomes increasingly difficult to diagnose areas of underperformance and inefficiencies. Section 76 of the Municipal Systems Act provides that a municipality may provide a municipal service in its area or a part of its area through an internal or external mechanism.

An internal mechanism may be:

- A department or other administrative unit within its administration.
- Any business unit devised by the municipality, provided it operates within the municipality’s administration and under the control of the council in accordance with operational and performance criteria determined by the council.
- Any other component of its administration. An external mechanism may be:

- A municipal entity with which the municipality has concluded a service delivery agreement.
- Another municipal entity with which the municipality has concluded a service delivery agreement.
- An organ of state entity with which the municipality has concluded a service delivery agreement.
- A community-based organisation or other nongovernmental organisation competent to enter into such a service delivery agreement.
- Any other institution, entity or person legally competent to operate a business activity with which the municipality has concluded a service delivery agreement.

External Delivery Mechanisms

The Municipal Systems Act recognises the following kinds of municipal entities:

- A private company, as referred to in the Companies Act, 1973, established by one or more municipalities, or in which one or more municipalities have acquired or hold an interest.
- A service utility established by a municipality.
- A multi-jurisdictional service utility established by two or more municipalities.

B3. BENEFITS OF A METRO SYSTEM OF GOVERNANCE

The greater importance than the form of government, is the ability of the local government system to deliver on its key electoral mandates. That remains the criteria for any system of government. With unemployment and poverty still rife in our region, the question that the Demarcation Board must ask is which system of local government is best able to deliver a developmental state that can address the challenges of poverty and inequality.

International Lessons

Common traits in cities that have been successful in implementing long term growth strategies include:

- Sustained commitment to a coherent plan over periods exceeding electoral cycles
- Strong and often charismatic leadership and quality urban governance
- Ability to unlock access to significant resources
- An emphasis on catalytic investments in public infrastructure that unlocks opportunity and economic competitiveness and
- Established institutions capable of implementing bold and often complex initiatives.

Successful cities, according to current evidence, offer competitive A city that works for the poor, works for all. Deliberately dealing with poverty in an urbanised setting holds obvious advantages for the poor in getting access to services and opportunities. Due to economies of scale, governments are also increasingly abler to service the poor better in cities than in rural areas. The socio-political consequences of not addressing the needs of the urban poor are perhaps even a greater motivation for action. Yet, the ability of cities to address the conditions of poverty depends on urbanisation being combined with economic growth. Achieving sustained economic growth is therefore a precondition for sustained improvements in the lives of people. Sedibeng faces a strategic choice on how to deal with the needs of the poor – there is a tension between investment in subsidised basic services and productive investments in the urban economy.

Successful cities provide high quality living experiences

Successful cities provide high quality living experiences in which people want to settle and invest. A city that works for the poor cannot be a city with a poor living environment. A high quality environment is a reflection of the range of economic opportunities, cultural experiences, sense of safety and a quality physical environment. The availability of a range of effective and efficiently provided public services, transport and amenities are important factors in creating a high quality living experience. A key intervention most commonly utilised in smaller city strategies is to position for lifestyle investment and the creative class, both being dependent on good living experiences and urban quality.

Successful cities are home to healthy, tolerant and dynamic communities

Successful cities are home to healthy, tolerant and dynamic communities in which diverse groups can forge a common identity.

Successful cities are well–connected

Connectivity relates to availability of quality communications infrastructure, mass transit systems and excellent regional and international transport connections. Connectivity is a pre-requisite in establishing a foothold in trade and financial flows within a region and global context. Public investments in transport and communications infrastructure are key factors influencing competitiveness. A key strategic consideration in focussing on connectivity, relates to the challenge faced by small cities to remain relevant in the national spatial economy.

Successful cities provide agglomeration benefits

Increasing size generates agglomeration advantages since it stimulates a growing range of economic activity. Competitive agglomeration benefits are influenced by dispensable income, the cost of public services, transport, labour and other input costs, as well as the appropriateness of the labour skills to economic requirements. Where cities are unable to maintain a critical mass of economic activity, it can experience a quick loss of business and jobs. While agglomeration benefits are important to ensure growth the inverse is also true; inability to maintain agglomeration benefits can result in rapid decline.

Successful cities care about the environment and sustainability

Successful cities care about the environment and sustainability, and manage its environmental impact carefully as economic success increasingly becomes linked to environmental quality.

Successful cities invest in people

From ECD, through school education, to adult education and skills development in the workplace, successful cities invest in people.

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