



**Western Cape
Government**

Economic Development
and Tourism



Citizen's Report 2018/19
Economic Development and Tourism



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MESSAGE FROM THE MINISTER OF ECONOMIC OPPORTUNITIES

In fulfilling our vision of a vibrant, innovative and sustainable economy in the Western Cape, the Department of Economic Development and Tourism continues focus on the creation and maintenance of an enabling business environment for private sector-led economic growth and jobs.

During the 2018/19 year, the consistent strategic approach and Project Khulisa sector-specific interventions were successful for the province, despite tough economic challenges in the economy.

The Ease of Doing Business strategy made it easier to operate a business in the Western Cape, and we achieved the R1 billion target in red tape savings and economic benefits as set out in the Provincial Strategic Plan 2014-2019.

The Western Cape recorded the lowest unemployment rate in South Africa, a higher economic growth rate than the rest of South Africa and outperformed the rest of the country on the national business confidence index.

I'd like to acknowledge and thank the department, under the leadership of Mr Solly Fourie, for their efforts in creating an environment conducive to economic growth and job creation.

While we celebrate successes, lessons learned throughout the reporting period will also help us shape our future efforts to serve the citizens of the Western Cape, better together.

Mr David Maynier



MESSAGE FROM THE HEAD OF DEPARTMENT

The year under review has once again provided the Department with the opportunity to establish itself as a leader in the creation of a conducive and growing economic environment.

The activities of the Department span a wide range of economic interventions and the aim of supporting a demand-led, private sector-driven approach to economic development was again successfully delivered.

The Department has a key role in stimulating economic growth through the creation of a conducive business environment. This in turn builds confidence within the regional economy and allows for investors to take the risk of investing in the region's economy because an economic enabling environment reduces the investment risk.

The Department contributes to the enabling of the confidence which business has in a region's economy, through the reduction of Red Tape, provision of Skills Development, Support to Small, Medium and Micro enterprises and working hard to establish catalytic economic infrastructure which provides incentives for investors through a plethora of ease of doing business interventions.

Thank you to all our business partners and economic stakeholders who have engaged with DEDAT over the year and contributed to our vision to grow the economy.

Mr Solly Fourie



STRATEGIC OVERVIEW

Vision

The Department's vision is a Western Cape that has a vibrant, innovative and sustainable economy, characterised by growth, employment and increasing equity and built on the full potential of all.

Provincial Strategic Plan 2014-2019

This plan sets out the Western Cape Government's vision, strategic priorities and action plan to create conditions for:

- economic growth.
- providing better education.
- achieving better health, safety and social outcomes for our citizens.

The Department of Economic Development and Tourism is the leading department for the Provincial Strategic Goal 1 (PSG 1): Create opportunities for growth and jobs.

Highlights for 2018/19

- The Ease of Doing Business strategy, achieved the R1 billion target in red tape savings and economic benefits, set in the Provincial Strategic Plan 2014-2019.
- Successful delivery on the Project Khulisa sectors (Tourism, Agri-processing and Oil and Gas services sectors), together with our continued support of other key sectors, shows that sector support across a wide range of the economy has flourished.
- Through the efforts of the Air Access team, 13 new direct flights, resulting in 750 000 new seats, have been landed directly into Cape Town.
- The unveiling of the "iconic" Madiba statue on the balcony of the City Hall was a great success with tourist numbers beginning to show an increase.
- There was continued support for the digital skill initiatives through the expansion of I-CAN Learn digital literacy programme which has established strong partnerships for digital training content with IBM and Google. In 2018/19, the I-CAN Learn training expanded to six new locations in four municipalities namely: Piketberg library, Velddrif library, Goedgezicht library, Porterville library, Saldanha Youth Café, and Bredasdorp Youth Café.
- The Atlantis Greentech Special Economic Zone (SEZ) was designated in October 2018. This will play a critical role in ensuring the WCG's objective of being a Green Economy hub, supporting jobs and growth in the green technology space. To date, the Atlantis SEZ has already attracted R680 million in investment, creating 312 jobs with 11 new investors (potential investment of R1.4 billion) already showing significant interest in the SEZ.
- The Apprenticeship Game Changer targeted two main areas: the number of learners entering the workplace and the number of completing the work placement period. As at December 2018, 11 275 youth entered workplaces and it is estimated that by end March 2019, 13 221 learners would have entered the workplace.

The detailed achievements of the Department are reflected later in this report under the various Programmes.

Future plans of the Department

The Department will continue to drive the creation of an environment which makes it easier for businesses to grow and expand. We will ensure that we put our Red Tape Reduction program "on steroids" and make sure that we unblock binding constraints to ensure that businesses find it easier to operate in the Western Cape. The Department is fully committed to fulfil its mandate to provide leadership for the continued establishment of an enabling environment for economic growth and expansion, leading to increased opportunities for prosperity for all citizens.

During the next year and the ensuing strategic period, the Department will seek to address:

- the challenges of Youth Unemployment;
- the needs of Informal Economies; Digital Economy and the 4th Industrial Revolution;
- Spatial Economic Growth;
- Economic Advocacy and building the "Open for Business" brand for the Western Cape; and
- continue to ensure that the economy of the Western Cape is resilient against Water, Energy, Waste disposal and Technology shocks.

ORGANOGRAM



Minister
Finance and Economic Opportunities

Mr D Maynier



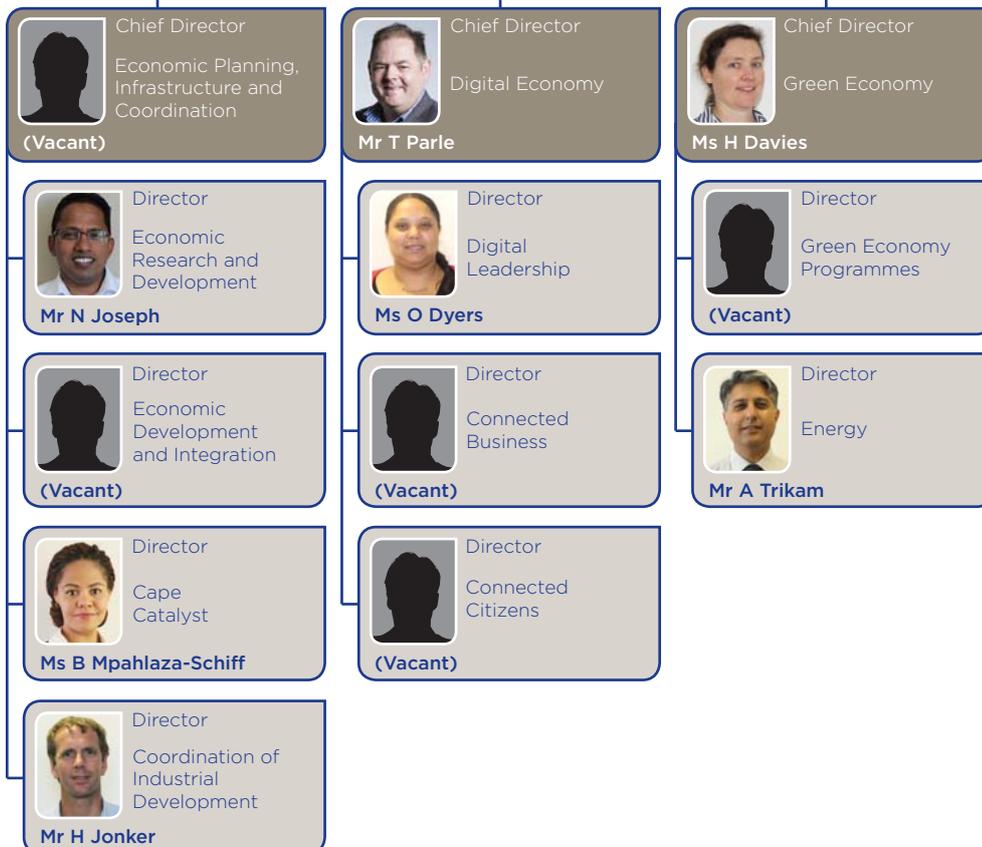
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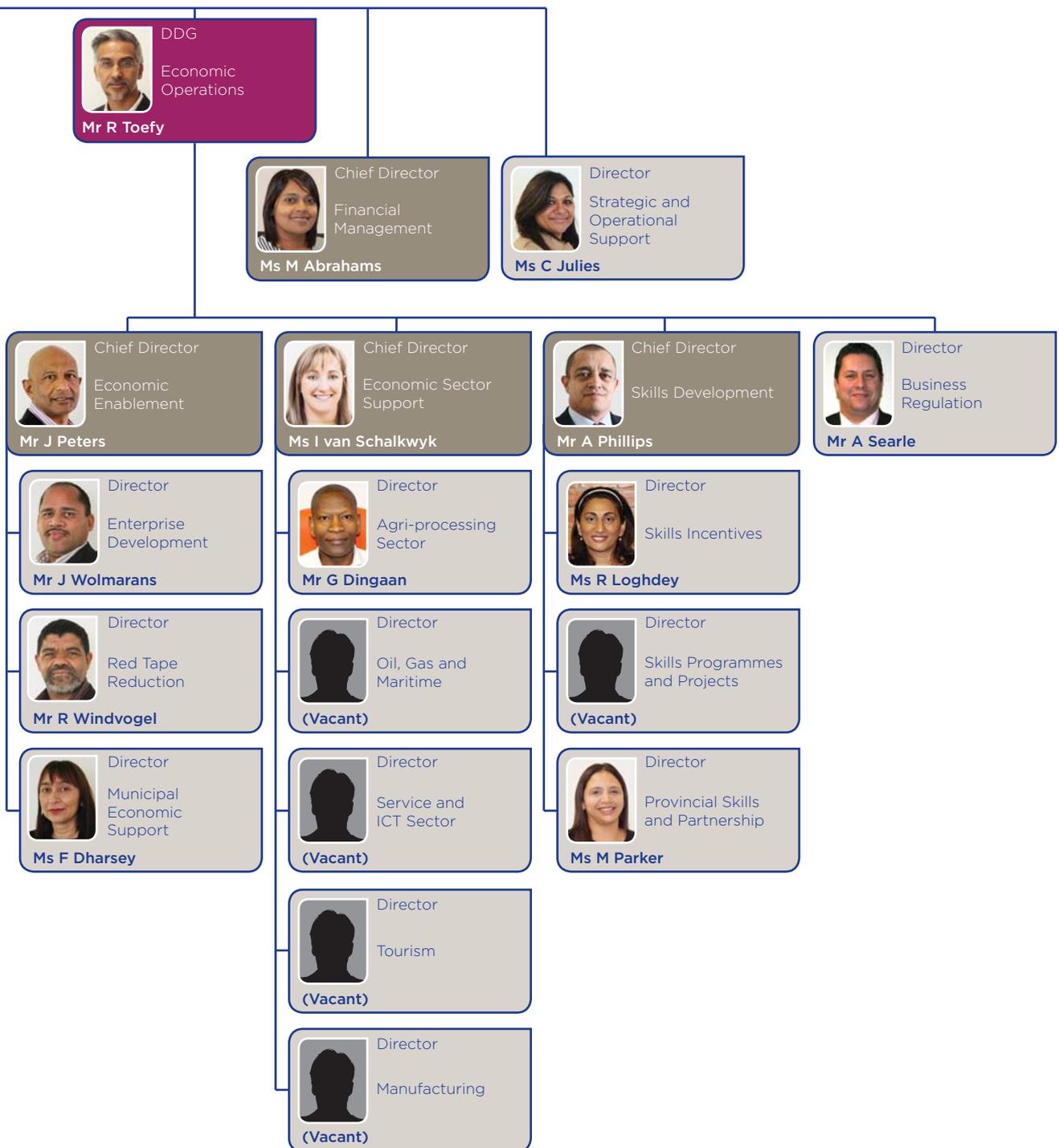
Mr S Fourie



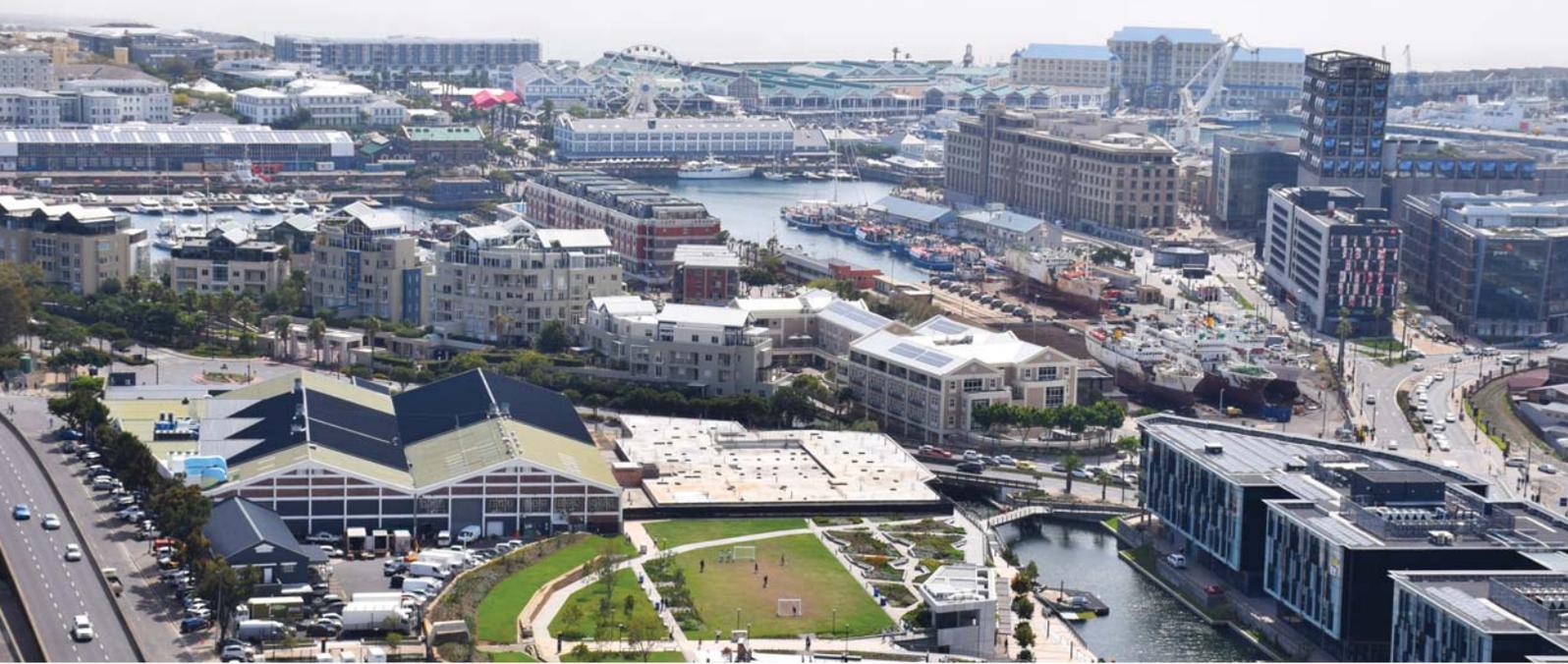
DDG
Economic Accelerators and Development

Ms J Johnston









OUR BUDGET

In terms of final expenditure over the past two financial years, the Department has managed to expend 98.94% or R424.396 million of its adjusted appropriation in the 2018/19 financial year, compared to the 98.51% or R399.303 million spent in the 2017/18 financial year.

Expenditure per Programme:

| Programme Name | Final Appropriation | Actual Expenditure |
|--|---------------------|--------------------|
| | R'000 | R'000 |
| Administration | 58 446 | 57 653 |
| Integrated Economic Development Services | 46 208 | 46 150 |
| Trade and Sector Development | 47 659 | 47 204 |
| Business Regulation and Governance | 9 731 | 9 684 |
| Economic Planning | 136 184 | 134 244 |
| Tourism, Arts and Entertainment | 59 670 | 59 339 |
| Skills Development and Innovation | 71 044 | 70 122 |
| Total | 428 942 | 424 396 |

OUR STAFF



NUMBER OF POSTS FILLED:

212

REPRESENTATION WITH REGARDS TO RACE , GENDER AND DISABILITY:

18 African Male
 54 Coloured Male
 4 Indian Male
 8 White Male
 28 African Female
 79 Coloured Female
 4 Indian Female
 15 White Female
 2 Foreign National
 4 Employees With Disabilities



ADMINISTRATION

PURPOSE To provide strong, innovative leadership and to deliver clean, efficient, cost-effective, transparent and responsive corporate services to the Department.

ACHIEVEMENTS

FINANCIAL ACHIEVEMENTS



- 1 Unqualified Audit Report
- An average of 15.79 days turnaround time for the payment of goods and services to beneficiaries where the legislative requirement is 30 days
- 98.95% expenditure spend against appropriated budget
- 5 Financial efficiency interventions implemented

CORPORATE SERVICES



- 1 Departmental events calendar developed
- 11 official documents translated
- 24 communications interventions supported

DEPARTMENTAL PERFORMANCE MONITORING



- 2 monitoring reports
- 4 quarterly performance reports
- Level 4 MPAT score for monitoring and Level 3 for evaluation

KNOWLEDGE MANAGEMENT



- 99.82% of Departmental records received, stored on Enterprise Content Management System
- 3 Learning networks facilitated

HIGHLIGHTS

- In building efficiency and cost effectiveness, while enriching service offerings to clients both internally and externally to the Department, the Financial Management unit institutionalised the Lean Thinking approach to all processes.
- In furthering efforts to enhance the capability of service delivery programmes to perform their daily financial management responsibilities, Financial Management revised its Financial Management Policy Manual and Financial Management Pocket Guide.
- Various strategies and related processes were integrated to enhance Financial Management's support service of which the following were the main strategies:
 - Promoting excellent client services.
 - Ensuring a legislative and policy framework in which efficient and effective processes may be implemented.
 - Ensuring the Department is suitably capacitated to meet its financial and governance standards
- Departmental Communications played a central role in facilitating relationships and ensuring that communication campaigns were properly briefed and implemented.
- The Knowledge Management unit has moved over to a dual document registry system comprising of both paper and electronic document stores.
- During the reporting period the system has brought about internal efficiencies in the filing and retrieval of information.
- The Departmental Performance monitoring unit coordinated the quarterly performance information process. It conducted the validation of performance to ensure data integrity and compiled quarterly reports, aligned to regulations.



INTEGRATED ECONOMIC DEVELOPMENT SERVICES

PURPOSE To promote and support an enabling business environment for the creation of opportunities for growth and jobs.

ACHIEVEMENTS

ENTERPRISE DEVELOPMENT



- 63 businesses expanded
- 6 Entrepreneurship promotions and/or business support interventions

MUNICIPAL ECONOMIC SUPPORT



- 6 Municipal business-facing services improved (in terms of either time, complexity and/or cost)
- 55 Local government-specific business processes and/or legislation improvements developed and proposed

RED TAPE REDUCTION



- Closure rate of cases referred for investigation: 74.5%
- Value of savings and benefits to the economy: R294. 47 million
- 15 Red Tape Reduction initiatives supported

HIGHLIGHTS

- The 2018 Funding Fair, in partnership with Deloitte, has been the most successful to date. The event was attended by close to 1 200 delegates and was supported by 20 funders who formed part of the 26 exhibitors on the day.
- In collaboration with the National Empowerment Fund (NEF), the Department continued its support to Pick n Pay's Township Economy Revitalisation Initiative. The initiative involves the conversion of existing retail spaces within townships into independently owned mini-supermarkets.
- The Advanced Emerging Business Support Programme was initiated, which provided training support to businesses in the following areas: the Cape Metropole, Paarl, George and Beaufort-West. The training focussed on areas such as sales and marketing, customer service, human resource and operations, business strategy and financial management.
- Entrepreneurs act as role-models and inspire others to follow their entrepreneurial ambitions. The Western Cape Entrepreneurship Recognition Awards showcased, recognised and supported inspiring, high-potential entrepreneurs. A total of 65 entries (over five categories) were received.
- Municipal support projects around the automation of the event and film business processing, were implemented in Mossel Bay, Cederberg and Drakenstein municipalities. This aimed to streamline the event and film permitting and management process that will promote a greater number of events and film opportunities in these regions.
- The ad hoc interventions by the Red Tape Reduction unit continued to deliver gains ranging from only tens of thousands of rands to more than R70 million in a single instance, involving the removal of the need for an environmental impact assessment for the shooting of a reality TV series in the rural backwaters of the Tankwa Karoo.



TRADE AND SECTOR DEVELOPMENT

PURPOSE To stimulate economic growth through industry development, trade and investment promotion.

ACHIEVEMENTS

TRADE AND INVESTMENT PROMOTION



- 15 investment projects realised
- R2.222bn Rand value of committed investment
- 752 jobs facilitated from committed investment
- 79 business agreements signed (including distributors and funders)
- R4.975bn estimated Rand value of business agreements signed (trade)

SECTOR DEVELOPMENT



- 3 Khulisa initiatives supported
- R3.609bn estimated value of trade and investment facilitated

HIGHLIGHTS

TRADE

- Wesgro realised a total of 15 investment projects to the value of R2.22 billion, against a target of R1.3 billion – R2.1 billion. This has assisted in the facilitation of 752 jobs and growing the Western Cape’s industrial base. Investment performance has also contributed to the objectives outlined in Project Khulisa through the commercialisation of investments in the priority sectors identified.
- Wesgro secured a total of 79 business agreements, with an estimated economic value of R4.97 billion, resulting in the facilitation of 921 jobs.
- The unit secured a deal worth R2 billion as a result of targeting high profile buyers for Africa Halal Week.

SECTOR DEVELOPMENT

Project Khulisa: Agri-processing

- The progress made in the Agri-processing sector in the 2018/19 financial year pertains to five priority focus areas namely:
- The Halal Industrial Park (HIP)/Halal Investment prospectuses: The pre-feasibility study (Phase 1) was concluded and in Phase 2 investor prospectuses were developed. Wesgro, in partnership with DEDAT and the Department of Agriculture (DoA), are leading the Investor/Developer Recruitment efforts. The scope of the

project was broadened from exclusively promoting investment into the three identified sites, to the whole of Western Cape, leading to Western Cape being positioned as a Halal Hub.

- Halal Export Promotion: Wesgro assisted companies in participating in outward missions to Senegal, Nigeria, UK, Thailand, Indonesia, Malaysia, Singapore, etc. to increase Halal exports from the Western Cape. Wesgro together with the Department hosted the inaugural Africa Halal Week in October 2018.

Project Khulisa: Oil and Gas

- The SBIDZ is at an advanced stage of putting the necessary infrastructure in place to attract investors into the IDZ zone. The success stories on this lever include the signing of the operator agreement for the Offshore Supply Base quay as well as the in-principle approval for seeding capital by DTI (SEZ fund) to develop the infrastructure projects in Saldanha.

Project Khulisa: Tourism

- Project Khulisa has identified Tourism as a major contributor to the economy and employment in the Province. In 2018 there were 174 893 jobs in the tourism industry. GVA grew by 3.5% to R15.5 billion in 2018. This will be discussed in relation to Tourism, Arts and Entertainment on Page 13.



BUSINESS REGULATION

PURPOSE To ensure an equitable, socially responsible business environment in the Western Cape - through general interventions within the trading environment and through specific interventions mandated by the Constitution and national and provincial legislation and policies.

ACHIEVEMENTS



- 30 strategic consumer NGO and other partnerships established



- R1.27m monetary value savings to consumers



- 95 consumer education programmes conducted



- 100% complaints managed



- 11 872 consumer education booklets/information material distributed



- 117 financial literacy workshops conducted
- 26 SMME engagements conducted

HIGHLIGHTS

- 2018/19 saw the Office of the Consumer Protector (OCP) continuing its work towards becoming an identifiable and trusted consumer dispute resolution authority for consumers within the Province.
- The Western Cape OCP remains the leading provincial office as far as number of cases logged, possibly as a result of accessibility to the service and the confidence displayed amongst citizens in utilising the service offered.
- The interventions by the OCP in complaints lodged, has directly saved affected consumers a total of R1, 27mil
- OCP has conducted numerous awareness/information campaigns and workshops with targeted groups and stakeholders across the Province. One of the mechanisms that contributed towards the success of the unit's campaigns was the number of various linkages fostered with print media and radio (especially community radio).
- These linkages were based on both parties acknowledging the need to provide citizens with access to information which would strengthen their ability to protect themselves in transactions with business
- Given a need to provide support to citizens faced with the challenge of not servicing debt, the programme embarked on specific consumer education initiatives which utilised industrial theatre as a medium for addressing the issue.
- The project was rolled out provincially and included presentations at schools, shopping malls, SASSA pay points, taxi/bus terminus.
- The OCP continues with the establishment of effective working relationships and partnerships with a wide spectrum of role-players within the consumer protection arena



ECONOMIC PLANNING

PURPOSE To provide support to the leadership of the Department in planning processes around which policies and strategies are developed, enhanced or applied to attain their intended objectives.

ACHIEVEMENTS

ECONOMIC POLICY AND PLANNING



- 1 economic strategies/policies or governance frameworks signed off
- 2 strategies/policies reviewed and or supported



RESEARCH AND DEVELOPMENT

- 10 economic research reports developed
- 1 implemented research agenda



BROADBAND FOR THE ECONOMY

- 8 broadband projects supported

KNOWLEDGE MANAGEMENT



- 5 reports on percentage improvement in partnering maturity
- 31 joint plans/projects between the WC Economic Development Partnership and partners



ENABLING GROWTH INFRASTRUCTURE AND INITIATIVES

- 4 infrastructure projects supported
- 5 design/innovation projects supported

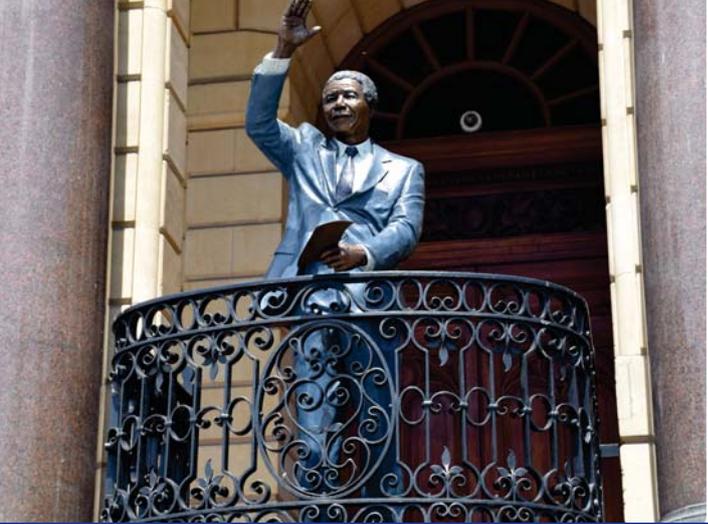


GREEN ECONOMY

- 6 Green Economy projects supported

HIGHLIGHTS

- The SBIDZ has signed lease agreements with investors, including South African companies as well as joint venture investors from Europe and the Middle East. Although some of the investors have not finalised their exact investment amount (subject to final design of facilities and sourcing of equipment), the total estimated investment amount is in the region of R3 billion.
- The Atlantis Green Technology SEZ, which is aimed at facilitating the growth of green and clean tech industries, received designation in 2018 after an intensive review and assessment process by the national SEZ Advisory Board. The SEZ was officially launched by President Ramaphosa in December 2018.
- 80 Atlantis learners were provided with career awareness and capacity training in the field of Green Technology; and plans have been developed to address the enterprise and skills development needs of the area to enable specifically the Atlantis Community to take up opportunities that the ASEZ may present to them.
- The Craft and Design Institute's Better Living Challenge project continued the collaboration between City of Cape Town, DEDAT, the Department of Human Settlements (DoHS), private sector, designers and innovators to address the challenges in living conditions for lower-income groups through innovative solutions.
- The I-CAN Elsies River Centre has a multi-level and multi-category digital skills programme incorporating free/introductory, DEDAT-supported, low-cost and user-paid training modules which are delivered through a combination of the I-CAN centre operator and various service providers and collaborators. Over the course of the year, 906 citizens participated in workshops, 704 citizens received free digital literacy training with a total of 15 679 recorded visits to the centre.
- A mobile-first business support digital platform was launched as part of the Department's digital adoption support programme for SMMEs. The platform now called JUMP, provides access to mapped services, tools and resources, opportunities and events for Western Cape small business. As at the end of the financial year, 2 941 entrepreneurs had signed up on the platform.
- The Energy Security Game Changer was established as a joint effort by the Western Cape Government, the City of Cape Town, and the five largest non-metro municipalities (Stellenbosch, George, Drakenstein, Saldanha Bay and Mossel Bay). The Game Changer continued its focus on five main areas, namely enhanced uptake of efficient water heating, the promotion of small-scale embedded power generation, the importation of liquefied natural gas (LNG) and implementation of and advocacy for energy efficiency.



TOURISM, ARTS AND ENTERTAINMENT

PURPOSE To facilitate the implementation of an integrated tourism strategy that will lead to sustained and increased growth and job creation in the tourism industry.

ACHIEVEMENTS

TOURISM PLANNING



- 1 stakeholder coordination strategy developed

TOURISM GROWTH AND DEVELOPMENT



- 2 tourism niche markets supported
- 2 tourism products supported.
- 328 tourism establishments/individuals supported/assisted
- 173 beneficiaries participating in the service level improvement programme

TOURISM SECTOR TRANSFORMATION



- 21 tourist guides developed
- 1 703 tourist guides registered
- 179 individuals/tourism-related businesses inspected or monitored

TOURISM DESTINATION MARKETING



- 34 tourism destination marketing initiatives supported
- R1 159 948 000m estimated economic value of tourism destination marketing initiatives supported

HIGHLIGHTS

- The Cape Town Air Access Team worked tirelessly at advancing connectivity to Cape Town through facilitating direct access to the City and expanding routes with 13 new routes and facilitating 14 route expansions.
- Following the drought, the tourism industry partners, private and public sectors, launched a “Nowhere Does it better Campaign”, a white label campaign, to reignite people passion in the destination and to show the world that the Western Cape is always open for business.
- During the 2018/19 financial year, the unit supported the cycle tourism niche market, with a focus on the development of three additional Cycle Routes, part of the Cycle Routes Network an initiative of the Western Cape Government namely the Cycle 364 Route, Cederberg Circuit Cycle Route and the Overberg Meander Route. To date, four routes have been launched namely the Cycle 364 Route, The Cederberg Circuit Cycle Route, Cross Cape and The Overberg Meander.
- The Madiba legacy project, which is one of the Khulisa Tourism initiatives, focuses on Madiba’s journey and traces the former President Nelson Mandela’s footsteps in the Western Cape to enable and encourage tourists to walk in his footsteps. This project formed part of the Centenary year of Madiba. In partnership with the City of Cape Town and the Department of Cultural Affairs and Sport (DCAS), the Department installed a Nelson Mandela statue on the balcony of the City Hall.
- The Journey to Service Excellence (J2SE) Programme was implemented in Hermanus during the 2018/19 financial year. The J2SE is aimed at creating a culture of service excellence within a destination and to embed a culture of service excellence at town level. The J2SE examines the whole tourism “value chain” i.e. all businesses which come into contact with visitors, including transport services, accommodation establishments, financial institutions, shops and any other businesses and authorities who come into contact with tourists.
- A further boost to the improvement of Tourism Service Levels was the implementation of the CATSSETA Accredited Customer Service Programme that was aimed at frontline tourism staff. The Department worked closely with municipalities and tourism offices in Beaufort West and George and the municipalities. A total of 52 businesses completed the programme.



SKILLS DEVELOPMENT AND INNOVATION

PURPOSE To facilitate the provisioning of Human Capital and Innovation skills in order to deliver on the economic Human Resource Development need of the Western Cape.

ACHIEVEMENTS

PROVINCIAL SKILLS AND PARTNERSHIP



- 95 employers supporting the Apprenticeship Game Changer
- 22 structured engagements, forums and events
- 280 recognition of Prior Learning and Mentor candidates trained
- 287 semi-skilled people trained through work-readiness programmes

SKILLS PROGRAMMES AND PROJECTS



- 294 semi-skilled people trained
- 52 artisanal candidates ready for trade testing
- 28 host companies participating in work placement

SKILLS INCENTIVES



- 4 collaborative skills interventions supported
- 10 structured and scheduled skills stakeholder engagements, forums and events

HIGHLIGHTS

- The establishment of the Western Cape SETA Cluster representing the coordination of 18 out of 21 SETAs within the Province is a great success. Quarterly meetings and regular communication between industry, SETAs and government improves information sharing which leads to an enhanced understanding of the value and roles of SETAs in the Skills Development value-chain within the Western Cape Economy.
- Skills training focussed on vocational and technically-related skills for priority demand-led trades and occupations to increase the quality and quantity of employable persons in the Province.
- Actively supported 298 artisan apprentices at host companies, sourced through the South African Oil and Gas Alliance, Golden Arrow Bus Company, Imperial Technical Training Academy at its various dealerships, etc. These learners have been supported with stipends over an 18-month period, monitored to ensure progress, identification of training gaps and appropriate corrective actions instituted.
- Continued with the preparation of qualification of an Apprenticeship model (A21 or Apprenticeships for the 21st Century) for certain occupations. These

occupations include: Solar Photovoltaic installers; water process controllers; bicycle mechanics; and Information Communication Technical Technicians. The Programme has been very active in the supporting of the roll-out of the A21 Centres of Specialisation across the six (6) public TVET colleges within the province.

- In the 2018/19 financial year the Department entered into an agreement with BPESA, City of Cape Town and EOH to train and place 200 learners with Companies in the BPO sector to gain workplace experience with the aim of becoming more employable. To date DEDAT surpassed this figure by placing 308 learners with companies in the BPO sector.
- The Department, through its Skills Incentives sub-programme, in collaboration with the Garden Route Skills Mecca and its key partners, Garden Route District Municipality, George Municipality, African Skills Village, the Western Cape SETA Cluster and South Cape College (amongst others), hosted the first "Youth on the Move: Gateway to Opportunity" event in George. Youth on the Move aims at connecting youth who are looking for opportunities with employers and organisations.





REFERENCES

Please see the Department's Annual Report for detailed information on departmental achievements and financial statements.

The full Annual Report is available at:
<https://www.westerncape.gov.za/dept/edat>

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