

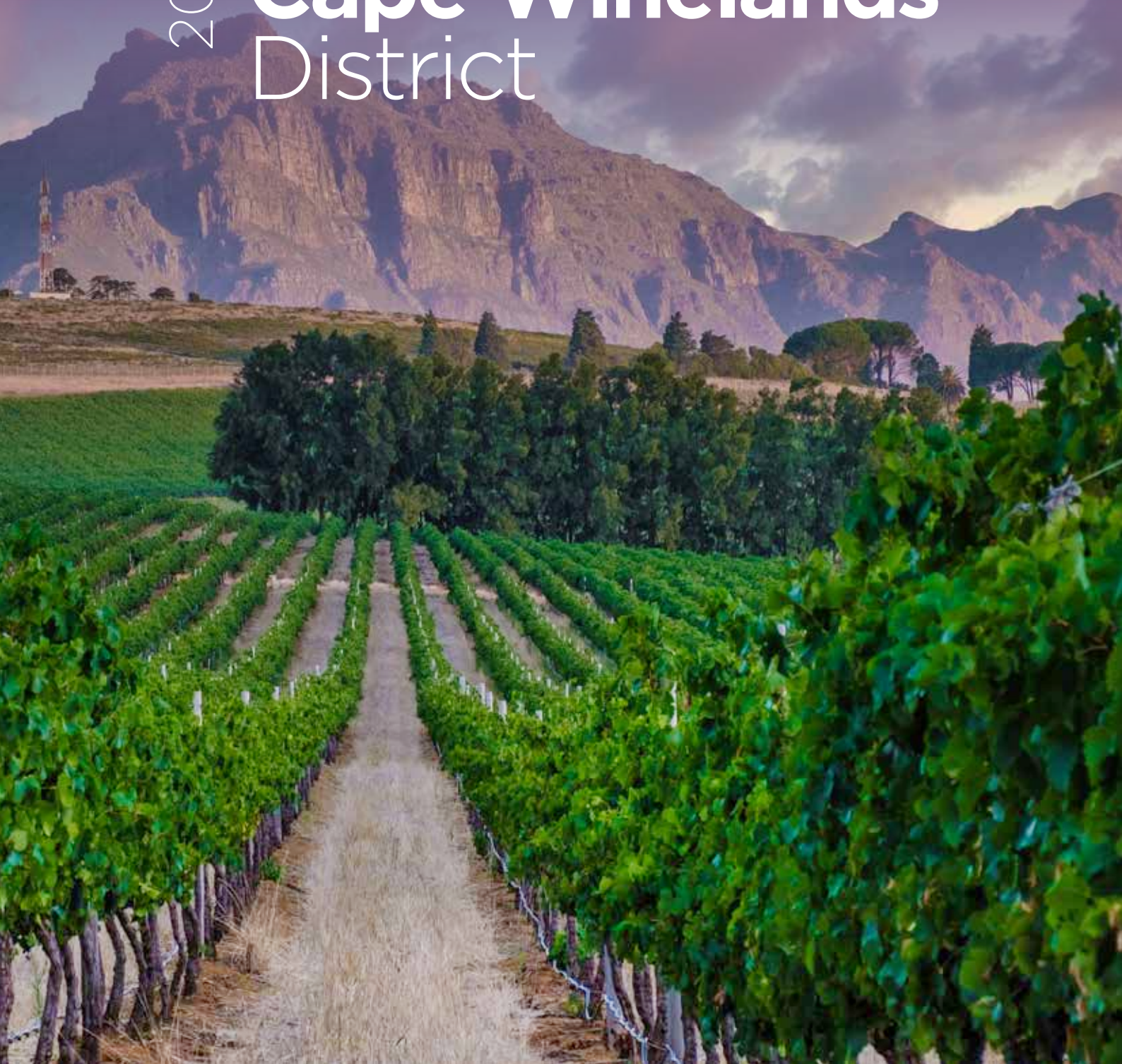


Western Cape
Government

2023-24

Municipal Economic Review and Outlook

Cape Winelands District





Western Cape
Government

2023-24 **Municipal
Economic
Review and
Outlook**



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The successful completion of the 2023-24 Municipal Economic Review and Outlook (MERO) has been made possible through the collaborative efforts of a diverse group of individuals, each contributing their unique expertise to the publication. Our appreciation goes to the researchers, authors, coordinators, designers and editors – whose collective work has shaped the content of the 2023-24 MERO this year. This document stands as a testament to their hard work, relentless efforts and passion for quality research. To each individual who contributed to the 2023-24 MERO, your determination and unwavering dedication are greatly appreciated – thank you.

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2023-24 MERO FOREWORD

The Western Cape's distinct and incredible regions have buoyed its diversified economy, supporting job creation and economic recovery. Despite the many challenges the Province faces, its favourable economic trajectory perseveres, demonstrating its flexibility and agility to respond to shifting economic paradigms.

While urgent crises like the power emergency, ineffective logistics and transportation, slow economic growth, unemployment, poverty, and rising living expenses must be actively addressed, the Province also has a number of growth prospects that, when taken advantage of, have the potential to significantly boost the Western Cape economy.

The 2023-24 Municipal Economic Review and Outlook (MERO) provides valuable insights, enriching our understanding of the region's multifaceted dynamics stemming from an abundance of information contained in this impressive document.

The MERO provides critical information which will inform the Western Cape Government's and municipalities' next planning cycle, providing the ability to use the up-to-date data to address economic concerns and take advantage of numerous opportunities, especially within a constrained fiscal environment.

The economic intelligence informs municipal integrated development plans, spatial development frameworks, local economic development strategies and budgets, aiding evidence-based decision-making and the implementation of the Joint District and Metro approach to enable Province-wide socio-economic development.

To provide access to a wider range of socio-economic intelligence, the MERO is constantly sourcing fresh data. The innovations in the 2023-24 MERO include an examination of geographical tax data that offers economic information at the town level, trends in the real estate market, information on social grants, as well as migration and urbanisation. Deepening the spatial granularity of the MERO studies is achieved through the use of maps for data representation.

We trust that all users will find this publication most useful, giving a fresh approach to planning and policy development. We especially want to thank all the departments, agencies, municipalities, and the research and development team for their contributions to this cutting-edge publication.

A handwritten signature in black ink, appearing to read 'Mireille Wenger', written in a cursive style.

Ms Mireille Wenger
Minister of Finance and Economic Opportunities

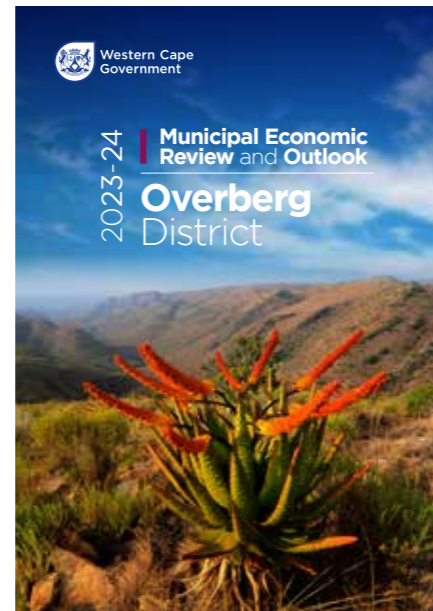
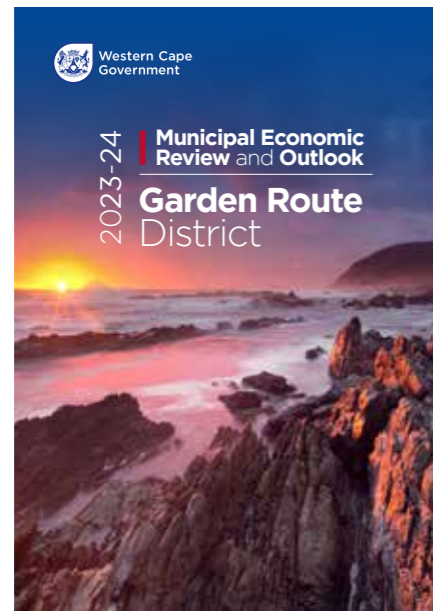
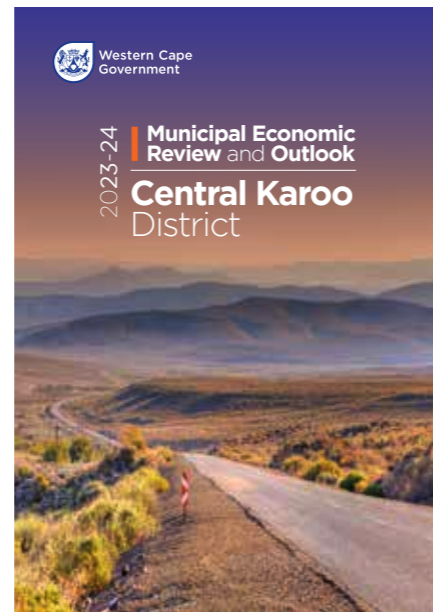
24 November 2023

ACRONYMS AND ABBREVIATIONS

ACVV	Afrikaanse Christelike Vrouevereniging
ASFR	Age-Specific Fertility Rate
BFAP	Bureau for Food and Agricultural Policy
BPO	Business Process Outsourcing
CBD	Central Business District
CKD	Central Karoo District
COVID-19	Coronavirus
CPI	Consumer Price Index
CSIR	Council for Scientific and Industrial Research
CTICC	Cape Town International Convention Centre
CWD	Cape Winelands District
DOL	Department of Labour
DRIM	Directorate Research and Information Management
DSD	Department of Social Development
EME	Exempted Micro Enterprise
EU	European Union
FET	Further Education and Training
FLISP	Finance Linked Individual Subsidy
FNB	First National Bank
FPL	Food Poverty Line
FTE	Full-Time Equivalent
GBV	Gender-Based Violence
GDP	Gross Domestic Product
GDPR	Gross Domestic Product Per Region
GFCF	Gross Fixed Capital Formation
GRD	Garden Route District
GWh	Gigawatt Hour
HDI	Human Development Index

HSRC	Human Sciences Research Council
HUG	Help Us Grow
IDP	Integrated Development Plan
IDZ	Industrial Development Zone
IRDP	Integrated Residential Development Programme
IRM	Infrastructure Reporting Model
IT	Information Technology
KET	Karoo Eisteddfod Trust
KFC	Kentucky Fried Chicken
KWV	Koöperatiewe Wijnbouwers Vereniging Van Suid-Afrika
LGSETA	Local Government Sector Education and Training Authority
MERO	Municipal Economic Review and Outlook
MFSI	Municipal Financial Sustainability Index
MICE	Meetings, Incentives, Conferences and Exhibitions
MOD	Mass participation; Opportunity and access; Development and growth (MOD) Programme
MTEF	Medium Term Expenditure Framework
MTREF	Medium Term Revenue and Expenditure Framework
MW	Megawatt
MYPE	Mid-Year Population Estimate
NASA	National Aeronautics and Space Administration
NDP	National Development Plan
NGO	Non-governmental Organisation
NPO	Non-profit Organisation
NSC	National Senior Certificate
OD	Overberg District
OPMII	Overview of Provincial and Municipal Infrastructure & Investment
PERO	Provincial Economic Review and Outlook
PFA	Priority Focus Area

PPFR	Preferential Procurement Policy Framework Regulations
PPU	Provincial Population Unit
PYEI	Presidential Youth Employment Initiative
QR	Quick Response
QSE	Qualifying Small Enterprise
RCL	Rainbow Chicken Limited
RDP	Reconstruction and Development Programme
SA	South Africa
SAB	South African Breweries
SANSA	South African National Space Agency
SAPS	South African Police Service
SARB	South African Reserve Bank
SARS	South African Revenue Service
SASSA	South African Social Security Agency
SMEC	Snowy Mountains Engineering Corporation
SMME	Small, Medium and Micro Enterprise
SSEG	Small-Scale Embedded Generation
TFG	The Foschini Group
TVET	Technical Vocational Education and Training
UISP	Upgrading of Informal Settlements Programme
UNDP	United Nations Development Programme
UNESCO	United Nations Educational, Scientific and Cultural Organization
VAT	Value Added Tax
WCD	West Coast District
WCED	Western Cape Education Department
WCSEB	Western Cape Supplier Evidence Bank
WHO	World Health Organization
WWF	World Wide Fund For Nature
YES	Youth Employment Service



2023-24 MERO BOOKLETS

CONTENTS

- Introduction and background
- Report outline

WESTERN CAPE INFOGRAPHIC SUMMARY

SECTION A: MACROECONOMIC PERFORMANCE AND OUTLOOK

PAGE
28

DISTRICT INFOGRAPHIC SUMMARY

SECTION B: ECONOMIC GROWTH AND JOBS

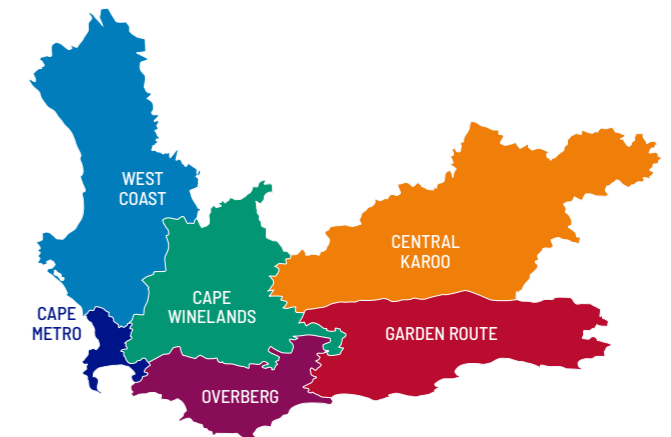
PAGE
32

- Introduction
- Regional GDP and employment performance
- Municipal GDP and employment performance
- International trade profile
- Tourism
- Investments
- Concluding remarks

PAGE
120

SECTION C: SAFETY AND WELLBEING

- Introduction
- Demographics
- Income and inequality
- Poverty
- Health
- Education
- Housing and access to basic services
- Crime
- Concluding remarks





1. INTRODUCTION AND BACKGROUND

1.1 INTRODUCTION

The mosaic that is the Western Cape encompasses the vibrant Cape Metro, internationally renowned as one of the world's premier cities, as well as the expansive vistas of the Karoo. The fynbos-clad peaks of the Overberg and the alluring coastlines of the Garden Route draw both domestic and international travellers. Agriculture is a defining feature of the Province, extending from the Olifants River along the West Coast, where wheat fields thrive, to the vineyards of the Cape Winelands and the apple and pear orchards of the Overberg. Against this backdrop, Local Government fosters an environment that propels communities and enterprises towards prosperity.

Through evidence-based decision-making, opportunities for growth and development can be unlocked. To this end, the Municipal Economic Review and Outlook (MERO) makes use of a variety of data sources to provide a detailed analysis of socio-economic trends in municipal areas of the Western Cape. It is hoped that this analysis will inform policy, planning and budget allocation at the Local Government level. The MERO is an accompanying document to the Provincial Economic Review and Outlook (PERO), which provides economic intelligence at the Provincial level.

The comprehensive economic overview presented in the MERO is disaggregated at the metro, District and municipal levels. National economic and employment data are sourced from Statistics South Africa (Stats SA), while data pertaining to gross domestic product for the various regions of the Western Cape (GDPR) and Provincial employment data are obtained from Quantec. The most recent available statistics are used to ensure an accurate assessment of trends. The publication uses regional GDPR data for 2012 to 2021, while figures for 2022 are estimated.

Data for the various socio-economic indicators is sourced from Provincial departments, namely Treasury, Health, Education, Infrastructure, Social Development and Local Government. Tourism data is sourced from Wesgro and S&P Global and crime data from the South African Police Service (SAPS). District and local municipalities have provided additional insights into recent local development by completing the annual Municipal Perception Survey.

Lastly, the **review employs Spatial Tax Panel data developed by the National Treasury and the Human Sciences Research Council (HSRC), the first-ever use of data from this source in a MERO.** The Spatial Tax Panel was developed as part of a project by the Cities Support Programme that is aimed at mining the administrative tax data available within the Secure Data Facility of the National Treasury. The MERO can now present town-level information related to full-time equivalent (FTE) employment and wages at a subsector level thanks to Spatial Tax Panel data. This adds substantial value to the analysis of overarching municipal trends presented by previous publications. In addition, the Western Cape Government has developed a dashboard to display economic, gender, equality and youth trends between 2014 and 2022. The dashboard can be accessed by scanning the QR code.



CENSUS 2022. Demographic data from Census 2022 was released in October 2023, disaggregated to a municipal level. For the 2023/24 MERO, only the population data was utilised. Other demographic information was obtained from several sources, including Quantec and the Department of Social Development. Additional results from Census 2022 can be obtained from the Stats SA Census Portal, accessible through the QR code.

DATA DISCLAIMER. The South African Revenue Service (SARS) Spatial Tax Panel data only accounts for the activities of individuals and firms in the formal sector, and the spatial component is based on postal codes. The data excludes information concerning the informal sector and non-tax-registered firms. Furthermore, the data excludes individuals earning less than R2 000 per annum.

1.2 REPORT OUTLINE

The 2023/24 MERO is structured as follows:

SECTION A: MACROECONOMIC PERFORMANCE AND OUTLOOK

In the wake of COVID-19, it is evident that the contours of global economies have been reshaped by the pandemic. This transformation is not merely a product of the direct effects of COVID-19, but also of a complex interplay of forces that have rippled through nations and markets. Geopolitical tensions, economic fluctuations and environmental challenges have converged to create a landscape where uncertainty prevails. South Africa has not been spared these international impacts. This section discusses key elements that influenced the country's economy – and that of the Western Cape – in 2022 and the first quarter of 2023.

SECTION B: ECONOMIC GROWTH AND JOBS

Given the rapid population growth in the Western Cape, promoting economic growth and facilitating job creation are of paramount importance. Chapters in this section therefore address the following:

- **GDPR and employment**

This section analyses the performance of the economy in 2022, with a particular focus on economic recovery post-2020. An in-depth review of FTE employment at a town level and a disaggregated sector level compared with what is presented for GDPR data generates a new understanding of economic intricacies at a municipal level. The assessment of town-level employment data also enables greater insight into the spatial dynamics of where citizens work and live. In addition, an economic outlook for 2023 and 2024 is provided in the District and municipal economy review.

- **International trade**

Beyond the exchange of goods, international trade is an enabler of economic growth and attracting new investment. This section takes an in-depth look at historical trade trends and identifies the leading products imported to and exported from the District. Identification of the leading trading partners enables analyses of current and potential challenges to increasing exports and points to possible opportunities for trade.

- **Tourism**

The Western Cape is a world-renowned tourism destination. Each of the five districts and the Cape Metro offers unique natural landscapes, diverse activities and a range of accommodation services – a combination that proves attractive to domestic and international tourists alike. The industry has the potential to transform the economic prospects and employment opportunities of the various districts. As such, trends for 2022 are reviewed to identify the key markets and opportunities.

- **Investment**

Public sector investment serves as a catalyst for private sector investment, nurturing communities and supporting sustainable development. This section reviews current and future public sector infrastructure budgets as well as spending on contractors in 2021/22. In addition, it provides a glimpse of private sector sentiments through an analysis of building plans passed and completed and of gross fixed capital formation (GFCF) trends.

SECTION C: SAFETY AND WELLBEING

This section delves into the social trends that shape the identity of the District. Population dynamics, income, housing needs and essential services are reviewed to provide a detailed illustration of the socio-economic dynamics within the District and municipal areas, shedding light on social disparities. The section includes a nuanced examination of healthcare, education and crime metrics. Overall, it provides a comprehensive view of community wellbeing and future prospects, showing the interplay of social and economic undercurrents in the District.





2022 WESTERN CAPE

AREA **129 462.2km²** | AREA **10.6%** OF SOUTH AFRICA | DENSITY **55.7/km²** | SEAT **Cape Town**

CAPE METRO, WEST COAST DISTRICT, CAPE WINELANDS DISTRICT, OVERBERG DISTRICT, GARDEN ROUTE DISTRICT, CENTRAL KAROO DISTRICT

POPULATION 7 433 020

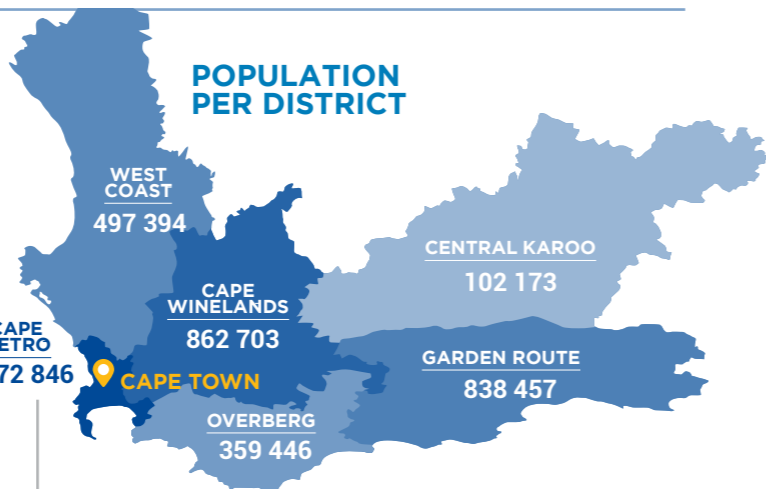
Male **49.4%**
Female **50.6%**

AGE SPLIT

0-14yrs **24.1%** | 15-64yrs **68.9%** | 65+yrs **7.1%**

ESTIMATED POPULATION GROWTH

1.5% 2022e | 1.6% 2023f | 1.6% 2024f | 1.6% 2025f | 1.6% 2026f



HOUSEHOLDS 2 145 570

R7 689 Average median income | **349 056** Indigent households

ACCESS TO SERVICES

99.4% Access to water (piped or tap) | **96.6%** Access to electricity | **97.9%** Access to solid waste removal | **95.2%** Access to improved sanitation

TOURISM

OVERSEAS VISITORS 18.5% | **DOMESTIC VISITORS 81.5%** | **OVERNIGHT VISITORS 44.4%** | **DAY VISITORS 35.1%**

Top activities: Cuisine (14.4%), Scenic drives (13.9%), Culture/heritage (10.5%)



13.7% CONTRIBUTION TO SOUTH AFRICA

GDPR R764.7 BILLION

2021

JOBS 2 301 352 EMPLOYED | 15.9% CONTRIBUTION TO SOUTH AFRICA

GDPR FORECAST: 2.3% 2022e | 0.5% 2023f | 1.1% 2024f

R107 661 GDPR PER CAPITA (2021 current prices)

Estimated 2022e **125 491** JOB GAINS

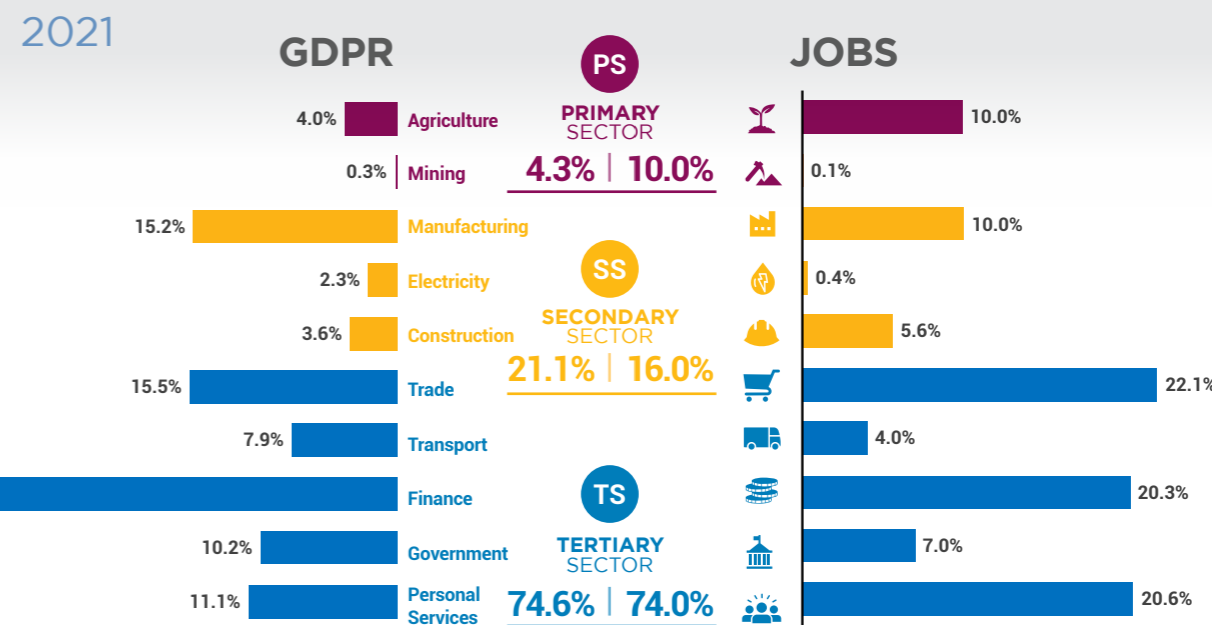
24.5% Estimated 2022e UNEMPLOYMENT RATE

INTERNATIONAL TRADE 2022

IMPORTS **R337.2 BILLION** | EXPORTS **R188.7 BILLION**

Top 3 exported products: Citrus fruit, Petroleum oils other than crude, Grapes. Top 3 export destinations: Netherlands, United States, United Kingdom.

SECTORAL CONTRIBUTION



See reference list for sources

SECTION

A

MACROECONOMIC PERFORMANCE AND OUTLOOK

1. GLOBAL ECONOMIC CONTEXT



The PERO provides an in-depth analysis of macroeconomic and socio-economic trends pertaining to the Western Cape and can be accessed through the QR code.

As the world emerged from the COVID-19 pandemic, Europe grappled with the intensifying Ukraine-Russia conflict. The reverberations of these events were felt along supply chains, resulting in a relentless uptick in inflation across the globe, with food and energy prices soaring to unprecedented highs in 2022.

While commodity prices eased in the first quarter of 2023, they look set to remain above the benchmarks established before the pandemic. The Ukraine conflict continues to impact oil and wheat prices. Should this geopolitical turmoil continue, it may further elevate food, fuel and fertiliser prices. Alongside these events, El Niño threatens to wreak havoc on global crop yields in 2023, affecting food security and pushing food prices to even higher levels.¹

In a bid to tackle inflation, the world's central banks – including the Federal Reserve, the Bank of Canada, the Bank of England and the European Central Bank – hiked interest rates in 2022 and continued their strategic stance in 2023. As a result, global headline inflation, which hit 8.7 per cent in 2022, is predicted to decline to 5.2 per cent in 2024.

Amid these conditions, the International Monetary Fund downgraded global GDP growth projections from the 3.5 per cent estimated for 2022 to a more muted 3.0 per cent for 2023 and 2024.

Given the turbulence in Ukraine and the slower-than-expected recovery of the Chinese economy, uncertainty about trade persists. Furthermore, other variables – including inflation rate volatility and the unpredictable responses of financial markets to monetary policy changes – can impact GDP projections, leaving economies navigating uncharted waters in 2024 and beyond.

¹ (International Monetary Fund, 2023).

2. DEVELOPMENTS IN THE SOUTH AFRICAN ECONOMY

South Africa has not been sheltered from the push and pull of global economic currents, and the South African Reserve Bank (SARB) has aligned its response to inflation with that of its international counterparts. In the course of 2022, South Africa also found itself grappling with the dual challenge of floods in KwaZulu-Natal and persistent load-shedding, making this an arduous period for the country.

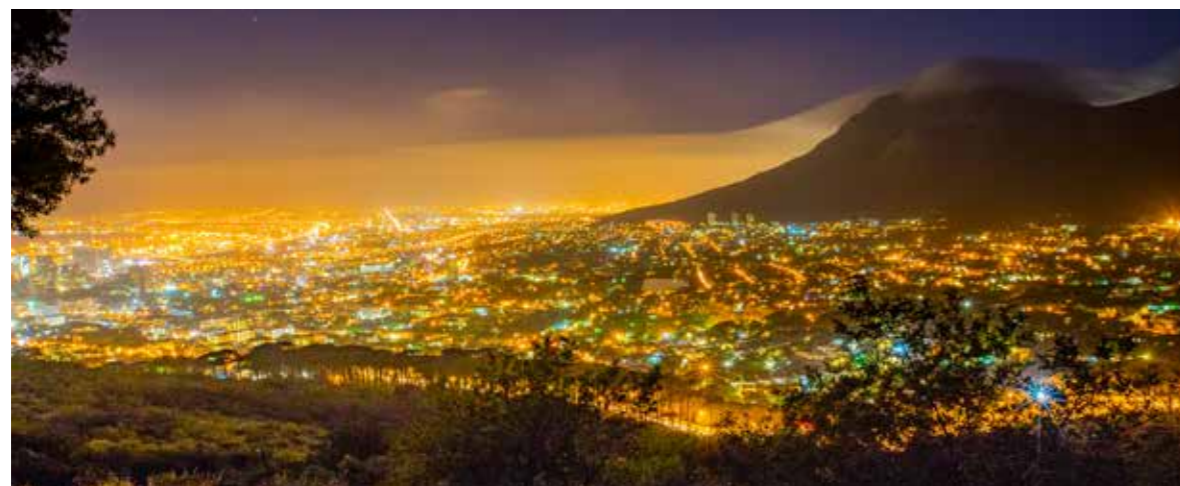
Amid this turbulence, South Africa's GDP increased by 0.4 per cent in the first quarter of 2023, predominantly buoyed by the finance and manufacturing sectors.

In the context of a slow recovery from the setbacks of 2020 and 2021, the labour market struggled with ongoing job losses and surging unemployment, which stood at 32.6 per cent in the second quarter of 2023. In addition, a surge in inflation mid-2022 saw food prices outpace the Consumer Price Index (CPI) for other goods. The relentless rise in petrol prices, together with the unyielding repo rate increase, chipped away at household purchasing power throughout 2022. Households were finally able to breathe a sigh of relief in July 2023 when inflation waned to 4.7 per cent. This development prompted the SARB to hold the repo rate steady at 8.25 per cent, thereby concluding the interest rate hiking cycle initiated in November 2021. July 2023 marked a shift, with petrol prices falling as the South African rand gained ground against major international currencies.

These improvements notwithstanding, business confidence is faltering in 2023 in the face of ongoing load-shedding, escalating government debt and rising production costs. It is anticipated that the performance of the finance, transport and mining sectors will steadily improve as manufacturing, construction, trade and general government services strive to stay afloat.

GDP growth prospects remain subdued, with a modest increase of 0.4 per cent projected for 2023 and a rise of 1.0 per cent for 2024.²

The prospect of continued load-shedding in 2023 affects businesses and households alike. The effect of the outages on the mining sector, a key player in the economy, is especially harmful, not least at a time that the sector is also affected by reduced commodity prices. South Africa's economic prospects going into 2024 are thus uncertain, with GDP growth expected to be subdued compared with expansion in other developing market economies.



² (South African Reserve Bank, 2023).

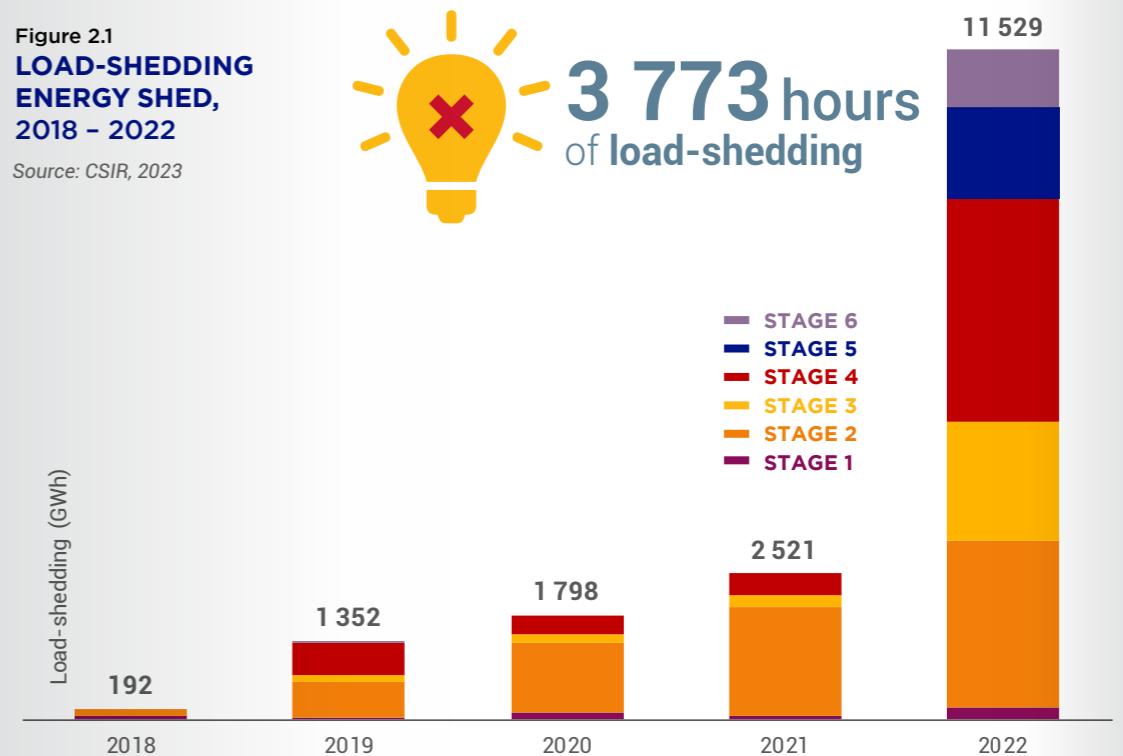
THE SOUTH AFRICAN ENERGY CRISIS



Adequate access to electricity is at the heart of economic activity, especially for sectors such as mining and manufacturing, and is a basic necessity for South African households. However, 2022 was a year of substantial challenges in generating sufficient electricity to meet demand: 3 773 hours of load-shedding were recorded, which amounted to 11 529 gigawatt hours (GWh). The resultant knock-on effect was a drop in income for businesses and employees alike – negatively affecting business expansion, consumer expenditure and the economy as a whole. These trends have continued into 2023, with load-shedding occurring on most days.

Figure 2.1
LOAD-SHEDDING ENERGY SHED, 2018 – 2022

Source: CSIR, 2023



Load-shedding severely curtailed productivity in 2022, affecting output and, ultimately, GDP. The SARB has estimated that load-shedding reduced GDP by between 0.7 and 3.2 percentage points. Other institutions³ put the loss at between 0.4 and 4.2 percentage points.⁴

Ever reliant on coal, South Africa aims to increase power generation through the use of other energy sources, including nuclear energy, natural gas, solar energy and wind, as it decommissions its coal power stations over the next 10 to 30 years. Furthermore, even as they lack a reliable supply of power, South African households and businesses are paying considerably more for electricity, with prices having increased by 139.8 per cent since 2013. By comparison, the CPI increased by 56.0 per cent during the same period.

In an effort to be less reliant on Eskom, many households and businesses are investing in rooftop solar generation, battery storage solutions and diesel-operated generators, the latter being an unsustainable option given escalating fuel prices. Diesel is significantly more expensive than electricity. In an effort to keep their doors open, businesses have had to bear the brunt of rising operating costs and reduced profit margins.

³ These institutions include Absa, First National Bank, Investec, PwC South Africa and Intellidex.

⁴ (Janse van Rensburg & Morema, 2023).

3. DEVELOPMENTS IN THE WESTERN CAPE ECONOMY

Less reliant on the mining and personal services sectors, and with a more finance-oriented economy than other provinces, the **Western Cape increased its contribution to the South African economy by 0.1 of a percentage point in 2022, accounting for 14.3 per cent of GDP in this year.** This uptick has been chiefly attributed to significant growth in the finance, trade and transport sectors.

Capitalising on global demand for South African produce and wines, the agriculture sector has expanded by an impressive 37.1 per cent over the past decade. Furthermore, the finance and personal services sectors grew by 27.5 per cent and 21.9 per cent respectively over the same period, indicative of the rapid urbanisation that has occurred in many parts of the Western Cape in recent years. Urbanisation, fuelled by semigration, has led to a hike in property prices and increased the demand for housing and other public services in the Province.

An estimated 2.3 per cent growth in GDP in 2022 notwithstanding, the prospects for economic expansion within the Western Cape were limited during this year by load-shedding and logistical difficulties at the Port of Cape Town and with the national rail network.

On the employment front, the Western Cape made notable gains in 2022, with finance, personal services, manufacturing and trade being the principal catalysts of job creation. As a result, **unemployment in the Province stood at 24.5 per cent in 2022 – a rate considerably lower than the 33.9 per cent unemployment in the country overall.**

The first quarter of 2023 witnessed further job growth as the unemployment rate declined to 21.6 per cent, the lowest in the nation. Moreover, the Western Cape had the highest labour market absorption rate in South Africa in the first quarter of 2023: 53.6 per cent. Despite these gains, both Provincial and national labour markets face persistent challenges, including elevated unemployment among the youth and individuals with low levels of education. Joblessness has led to poverty within these groups and necessitated the provision of governmental support. Given the substantial youth demographic, addressing youth unemployment is of great importance.

The **Western Cape recorded Greenfield investments worth R13.3 billion in 2022, resulting in the creation of 2 315 employment opportunities.** International trade has provided further stimulation of the Provincial economy. The Western Cape has become a powerhouse in the export of fresh and processed food, with a substantial volume of grapes, oranges, apples, mandarins, pears and lemons being sent to countries such as the Netherlands, the United Arab Emirates, the United Kingdom, China and Russia in 2022.

However, amid the opportunities lie challenges that constrain farmers. These include escalating input and transport costs, suboptimal operations at the Port of Cape Town and disruptions in power supply. Stringent regulations aimed at combating the proliferation of the false codling moth and the spread of the citrus black spot in Europe may constitute additional obstacles for citrus growers.

Globally renowned for its superb wines, the Western Cape's viniculture sector contributes substantially to international trade, with wine ranking as the third most exported product in 2022. The sector has carved out a distinctive niche within the broader tourism spectrum that renders the Western Cape an exceptional destination for both domestic and international tourists. Slightly impacted by a global dip in wine consumption, exports observed a slight decline in 2022. Furthermore, the wine sector is contending with dwindling profitability, a trend that is putting the livelihoods of about 45 610 individuals working in primary production activities at risk.

The foremost international portal into the Province, Cape Town International Airport has registered growth in passenger numbers since 2020. In 2022, the number of domestic and international arrivals rose to 6.1 million and 2.2 million respectively. This marked a decrease in domestic arrivals relative to the figure for 2019 (8.1 million). International arrivals, however, showed near complete recovery from the hardship inflicted by COVID-19 (the number of international arrivals for 2019 was 2.4 million).⁵ By April 2023, the number of international arrivals had fully rebounded to pre-pandemic levels while domestic arrivals were at 80.0 per cent of the 2019 total. This indicates that the outlook for the tourism sector in 2023 is promising.⁶

While the prospects for trade, tourism and investment in the Western Cape are good, the Province cannot be viewed in isolation from South Africa as a whole. As such, the poor outlook for national energy security and lack of business confidence in the country overall may compromise growth in the Western Cape.

Against this background, the forecast for Provincial GDP growth in 2023 is a modest 0.5 per cent, which is expected to reach 1.1 per cent in 2024.⁷



⁵ (Airports Company South Africa, 2023).

⁶ (Wesgro, 2023).

⁷ The GDP forecast for the Western Cape is derived from the South African Reserve Bank (SARB) July 2023 national forecast using the Standardised Regional data from Quantec released in August 2023.

ENERGY RESILIENCE IN THE WESTERN CAPE

Through the Energy Resilience Programme, the Western Cape Government aims to reduce the Province's reliance on Eskom for electricity.

The Programme comprises six strategic intervention categories, namely:

- Disaster mitigation and management to minimise the impact of load-shedding.
- A Provincial Integrated Resource Plan to provide an evidence-based and cost-optimal series of energy options to enable planning and investment.
- A demand-side management programme to enable proper sizing and cost reductions regarding alternative energy systems along with negotiations about load-shedding buffering for the Province.
- A new energy generation programme to enable the generation, procurement and trading of low-carbon energy.
- A network development programme providing for the maintenance and expansion of the required grid infrastructure to enable the movement of energy.
- Increased investment in the energy sector.⁸

For the Western Cape Government to achieve the goal of an efficient, sustainable and affordable electricity supply, a considerable amount of public investment is required. The Cape Metro has allocated 10.7 per cent of the region's municipal capital expenditure towards energy infrastructure, while the Garden Route District (GRD) aims to spend 21.5 per cent of its municipal capital budget on energy infrastructure. Reliable electricity in the Cape Metro, the business capital of the Province, is of paramount importance in maintaining productivity.

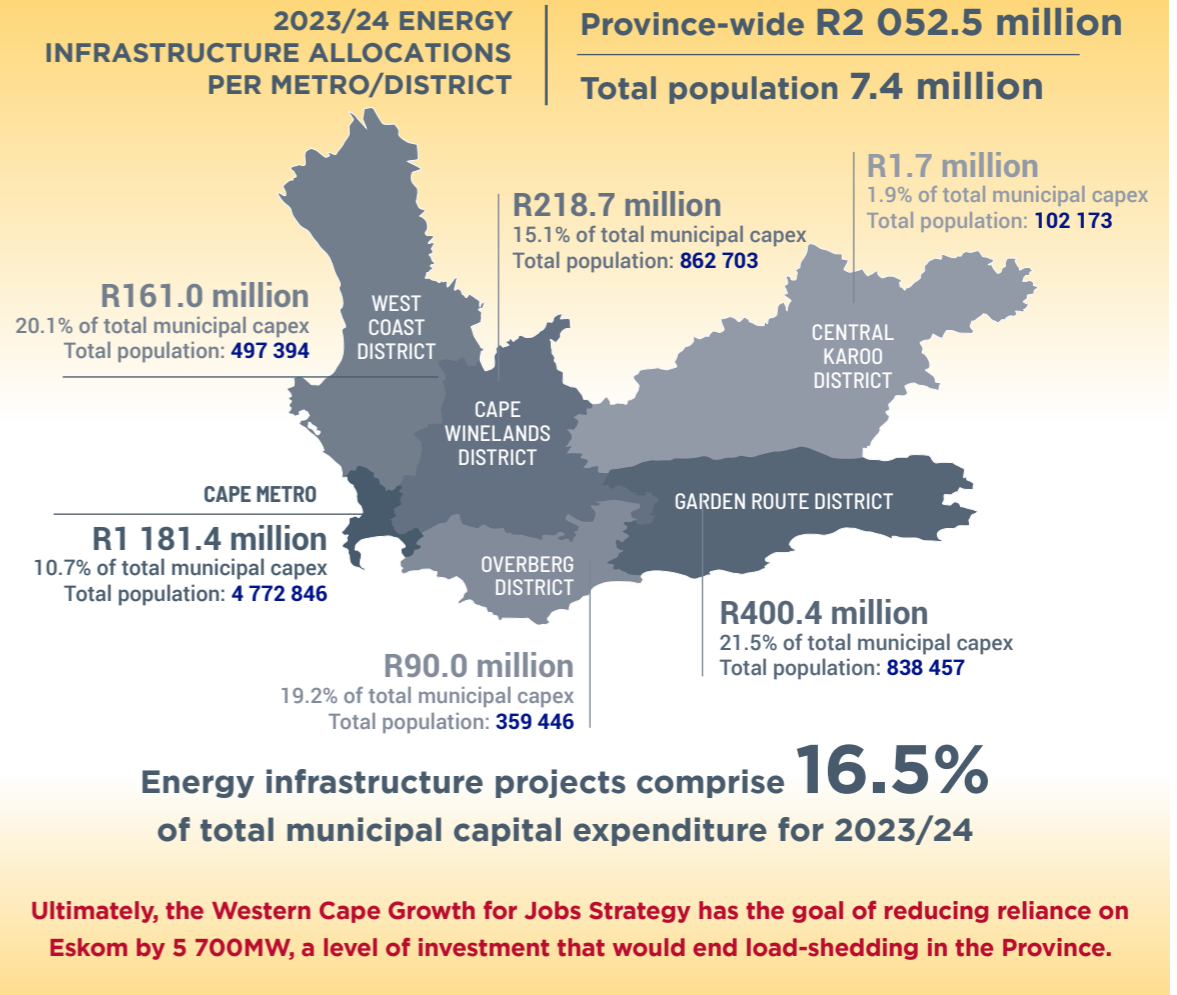


ON A LARGER SCALE, the Western Cape, especially the Central Karoo District (CKD), is uniquely positioned to make use of both wind and solar energy to generate electricity. In 2022, 16 environmental authorisation applications were submitted for wind and solar developments in the Province, 13 of which are planned for the CKD.⁹ If realised, these projects could contribute significantly to new economic opportunities.

⁸ (Western Cape Government, 2023).

⁹ (Department of Forestry, Fisheries and the Environment, 2023).

2023/24 MTREF MUNICIPAL ENERGY INFRASTRUCTURE EXPENDITURE



Source: Western Cape Provincial Treasury, 2023

Along with investing in energy infrastructure projects, **municipalities across the Western Cape are adopting small-scale embedded generation (SSEG) programmes.**¹⁰ In addition, **wheeling is being piloted in the City of Cape Town as well as by the George Municipality.**¹¹

By adopting SSEG programmes, municipalities can reduce their reliance on Eskom and move towards carbon neutrality – all while stimulating private sector investment in solar rooftop installations and thus job creation.

SSEG programmes allow consumers to generate their own electricity through solar rooftop installations, while feeding excess supply back into the grid.



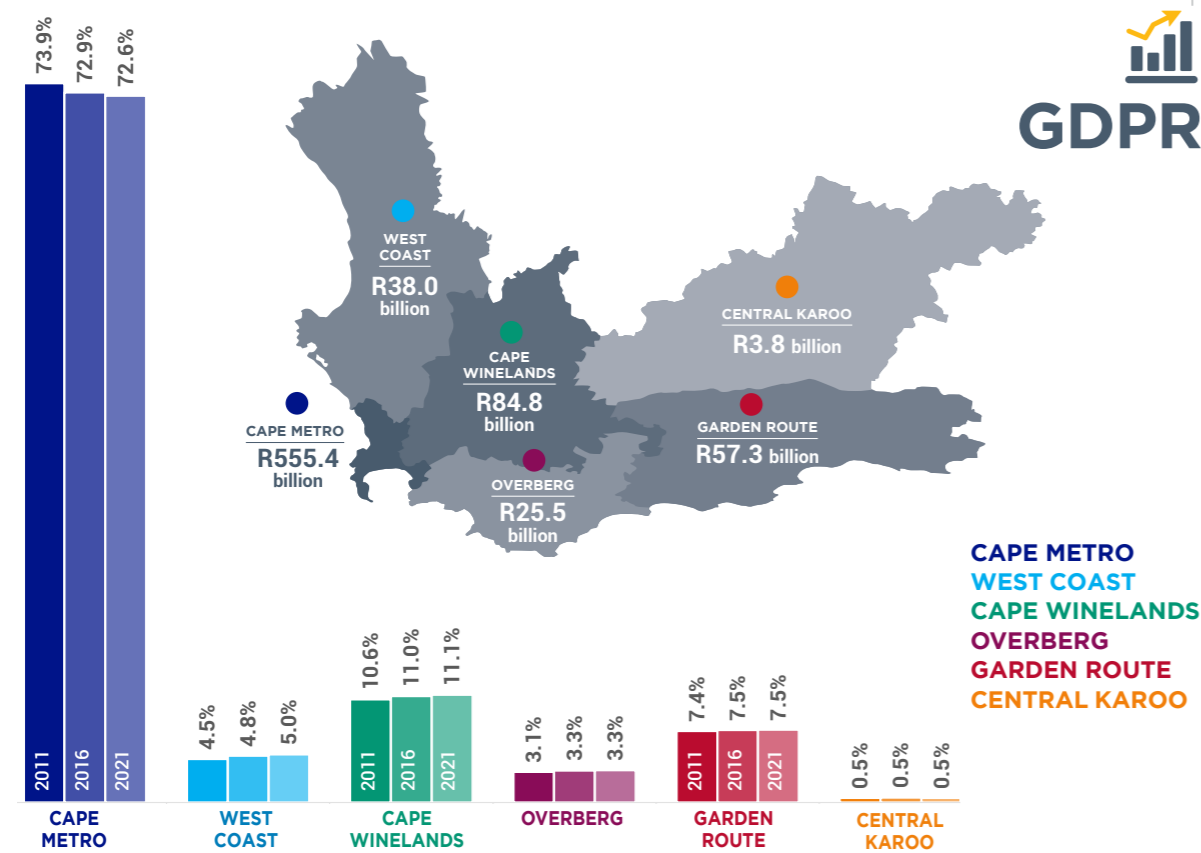
Wheeling is the transportation of electricity from a supplier to a third party, through a network not owned, controlled or leased by either party.

¹⁰ (GreenCape, 2023).

¹¹ (South African Local Government Association, 2023).

3.1 REGIONAL GDP AND EMPLOYMENT PERFORMANCE

Figure 3.1
REGIONAL CONTRIBUTIONS TO PROVINCIAL GDP (CURRENT PRICES),
2012 - 2021

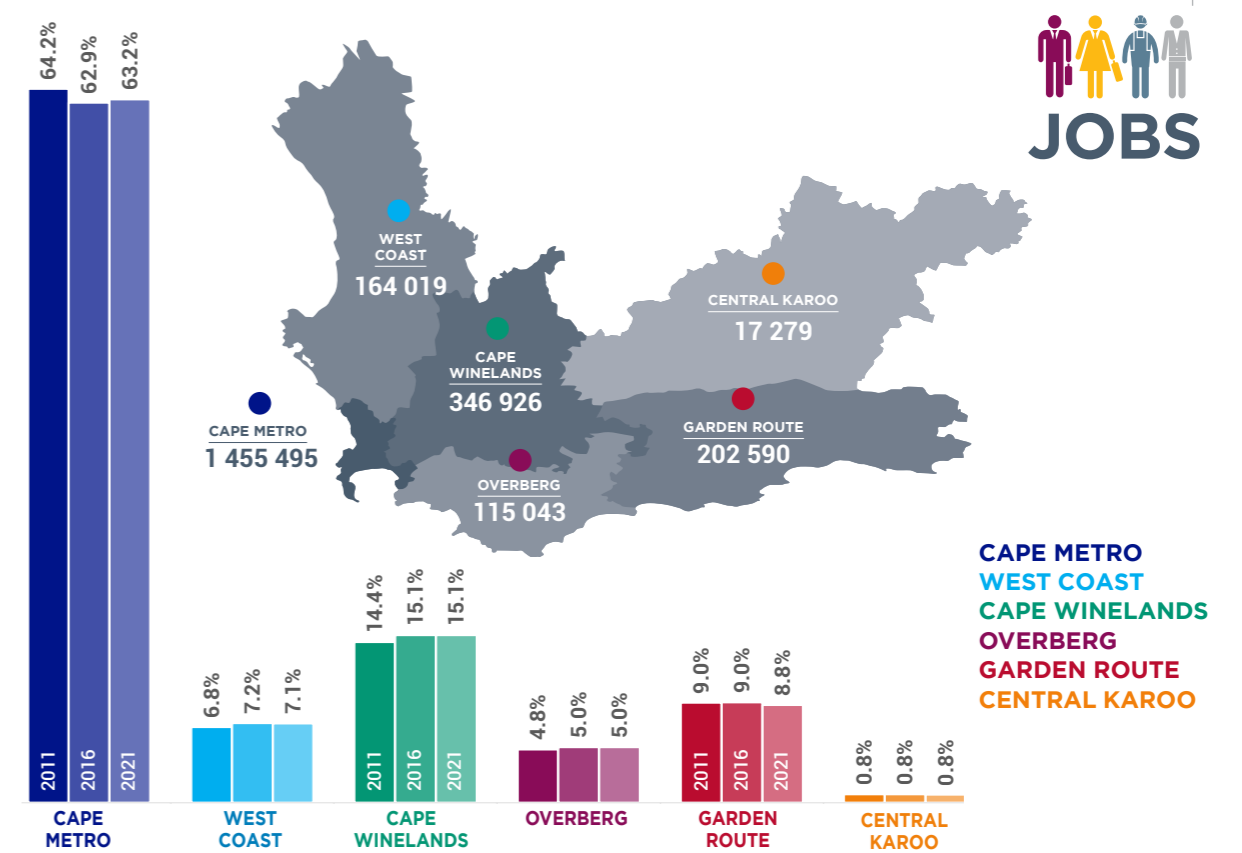


Source: Quantec research, 2023

With a GDP of R555.4 billion in 2021, the Cape Metro dominated the economic landscape of the Western Cape during that year, contributing 72.6 per cent of Provincial GDP and accounting for 63.2 per cent of employment in the Western Cape. The finance and general government sectors are foundational to the Cape Metro's economy, which features a concentration of capital-intensive industries that rely on skilled labour. By contrast, the districts tend to rely on labour-intensive forms of agriculture for employment, resulting in the employment contributions of these regions exceeding their GDP contributions.

A noticeable shift has occurred over the past decade, with the Cape Metro's contribution to the Provincial economy decreasing and the contributions from most other districts - especially the West Coast District (WCD) and the Cape Winelands District (CWD) - increasing. The increase in the contributions from the WCD and CWD is largely as a result of the strong growth in the agriculture sectors of these two regions in recent years. The contributions of the CKD, which has a limited amount of economic activity, have seen little change.

Figure 3.2
REGIONAL CONTRIBUTIONS TO PROVINCIAL EMPLOYMENT,
2012 - 2021



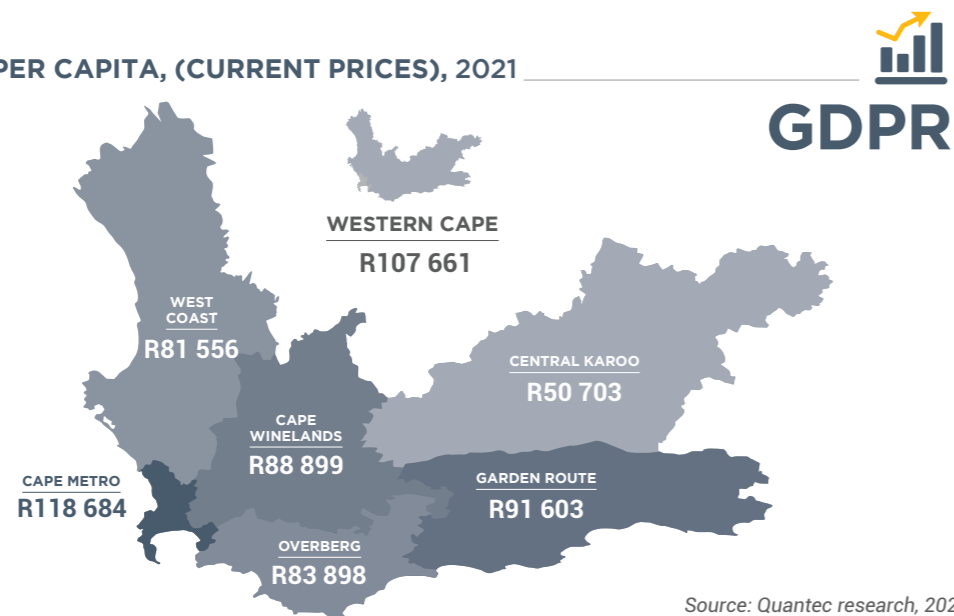
Source: Quantec research, 2023



GDPR PER CAPITA

GDPR per capita is useful in assessing a population's economic wellbeing and living standards. It shows the average economic output generated per individual, thereby providing a valuable measure of the overall prosperity and quality of life across the Province. As an international service and trade hub, the Cape Metro area has the largest regional economy and the highest living standards in the Western Cape. While the GRD has the third-largest economy of the Province in terms of GDPR, it leads the districts with regard to living standards, followed closely in the rankings by the CWD. The population of the Western Cape is constantly expanding, fuelled by in-migration; however, the historical long-term economic growth trend has been declining, and GDPR per capita is thus also on a downward trend.

Map 3.1
GDPR PER CAPITA, (CURRENT PRICES), 2021



Source: Quantec research, 2023

As much as GDPR per capita serves as a gauge of average living standards, it doesn't reflect how wealth is distributed within a population. The GRD has the highest income inequality in the Province, recording a Gini coefficient of 0.608 in 2022. This was primarily due to high levels of income inequality in the Bitou and Knysna municipal areas. By contrast, the CKD, where residents have a lower standard of living than the inhabitants of other districts, had a below-average level of income inequality in 2022.



Figure 3.3
REGIONAL SECTORAL GDPR CONTRIBUTIONS TO PROVINCIAL GDPR, 2021 (%)

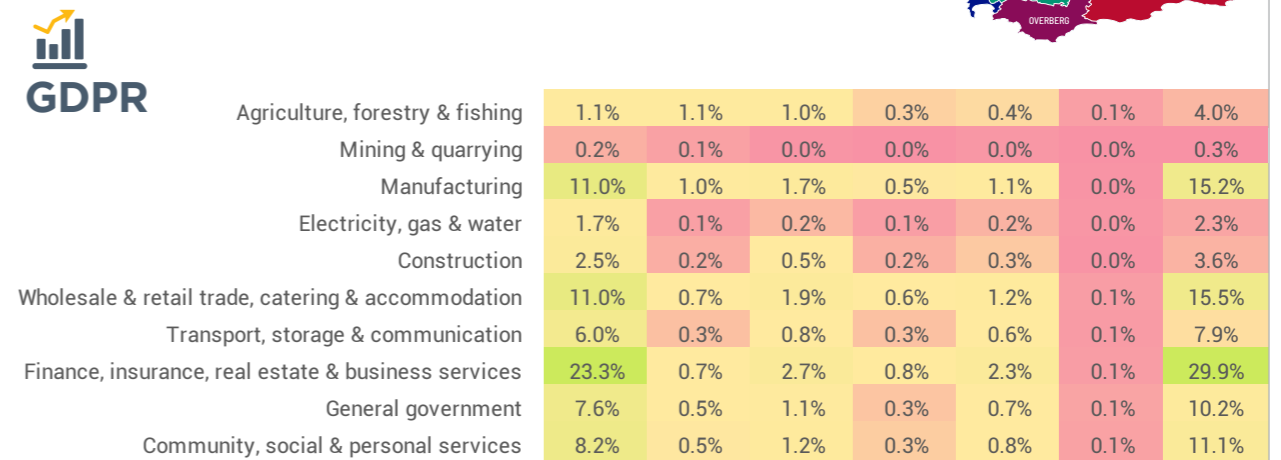
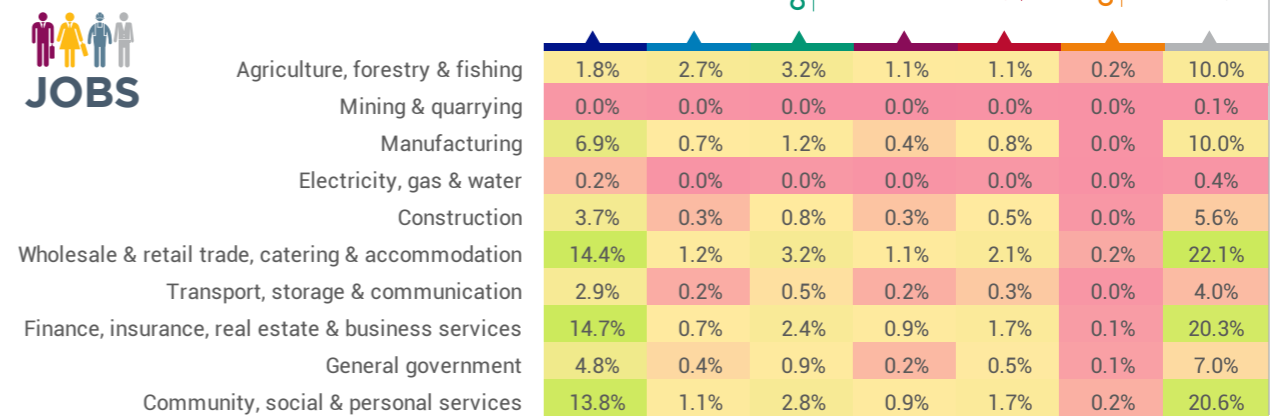


Figure 3.4
REGIONAL SECTORAL EMPLOYMENT¹² CONTRIBUTIONS TO PROVINCIAL EMPLOYMENT, 2021 (%)



Source: Quantec research, 2023

The activities of the finance, trade, personal services and manufacturing sectors in the Cape Metro contribute substantially to Provincial GDP and employment. This trade hub is known for its tech and business process outsourcing (BPO) industries. Key manufacturing industries include clothing, textiles, food and beverages, and electronics. The BPO industry is becoming an essential driver of job creation and an important means of attracting foreign investment to the Province, having created 3 257 new jobs in 2022. The Cape Metro area is also the epicentre of the Western Cape's promising film and media industry.

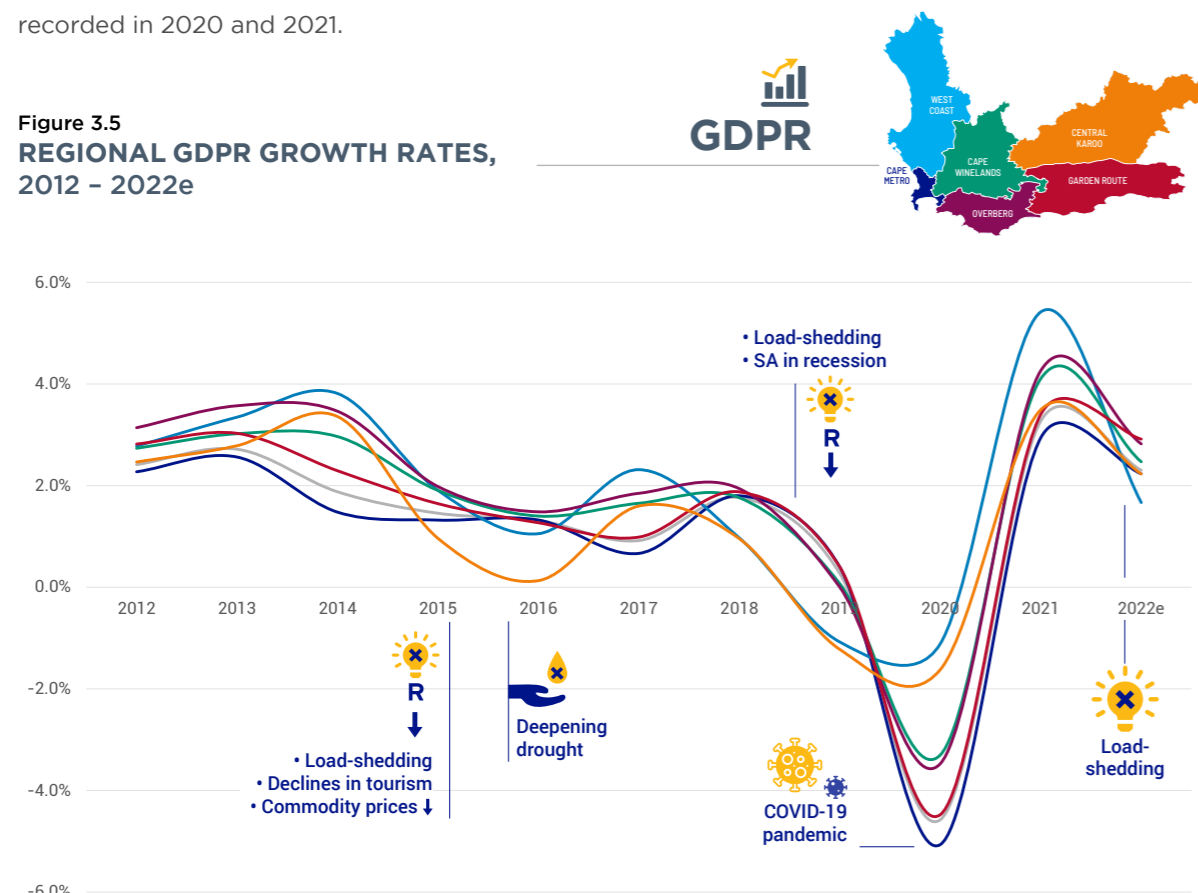
The growing urban centres of Paarl and Stellenbosch, in the CWD, are leading growth among regional areas through the trade, finance and personal services sectors. At the same time, the rising popularity of George as a tertiary service centre for the GRD means that it is also a growing contributor to the Provincial GDP. Despite offering several opportunities for the mining and renewable energies industries, the sparsely populated CKD contributes the least to the Provincial economy and employment.

¹² Includes formal and informal employment.

Thanks to the strong performance of the agriculture sector in 2021, GDPR in the districts witnessed a recovery in the course of this year from the lows induced by the COVID-19 pandemic, although the Cape Metro's GDPR lagged behind that of 2019. However, in 2022, the estimated 2.2 per cent GDPR growth in the Cape Metro surpassed that of 2019. The Cape Metro was the primary source of GDPR growth in the Western Cape in 2022 (accounting for 1.7 percentage points of the growth), while the CWD and GRD contributed 0.3 of a percentage point and 0.2 of a percentage point respectively.

Unfortunately, employment trends did not follow that of the GDPR. Although large-scale job gains were recorded in the Cape Metro, CWD and GRD in 2022, they did not make up for the severe losses recorded in 2020 and 2021.

Figure 3.5
REGIONAL GDPR GROWTH RATES, 2012 - 2022e



Source: Quantec research, 2023 (e denotes estimate)

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022e
Western Cape	2.4%	2.7%	1.9%	1.5%	1.3%	0.9%	1.8%	0.3%	-4.6%	3.3%	2.3%
— Cape Metro	2.3%	2.6%	1.5%	1.3%	1.3%	0.7%	1.8%	0.4%	-5.1%	2.9%	2.2%
— West Coast	2.8%	3.3%	3.8%	1.9%	1.1%	2.3%	1.0%	-1.1%	-1.1%	5.4%	1.7%
— Cape Winelands	2.7%	3.0%	3.0%	1.9%	1.4%	1.7%	1.8%	0.1%	-3.3%	4.1%	2.5%
— Overberg	3.1%	3.6%	3.5%	2.0%	1.5%	1.8%	1.9%	0.0%	-3.5%	4.3%	2.8%
— Garden Route	2.8%	3.0%	2.3%	1.6%	1.3%	1.0%	1.9%	0.4%	-4.5%	3.4%	2.9%
— Central Karoo	2.5%	2.8%	3.4%	1.0%	0.1%	1.6%	1.0%	-1.2%	-1.6%	3.5%	2.2%

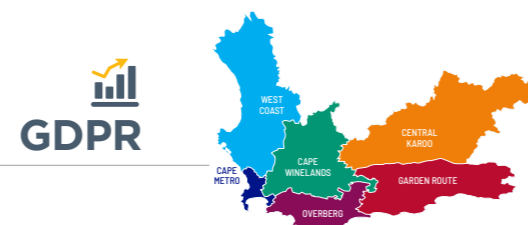
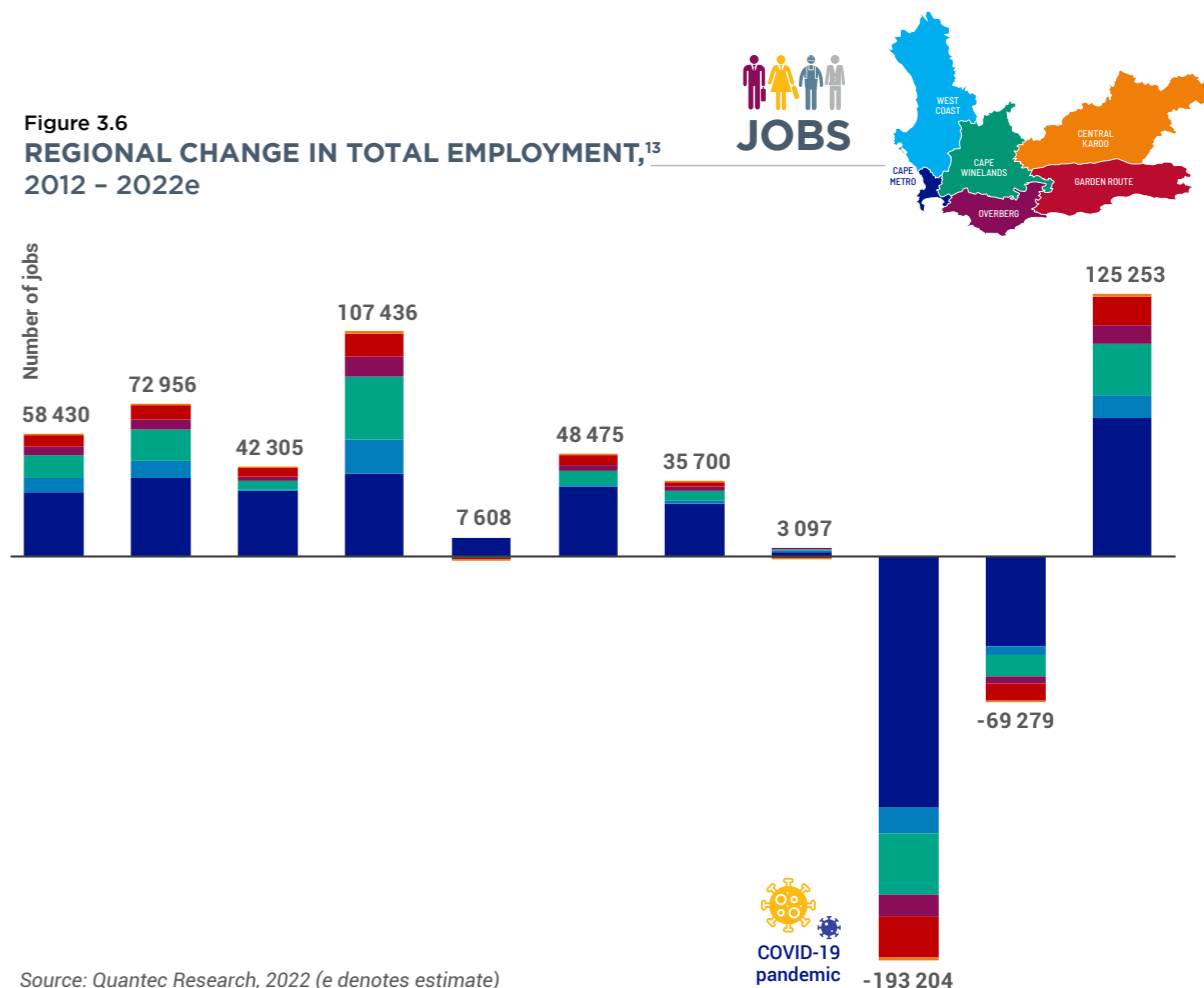


Figure 3.6
REGIONAL CHANGE IN TOTAL EMPLOYMENT,¹³ 2012 - 2022e



Source: Quantec Research, 2022 (e denotes estimate)

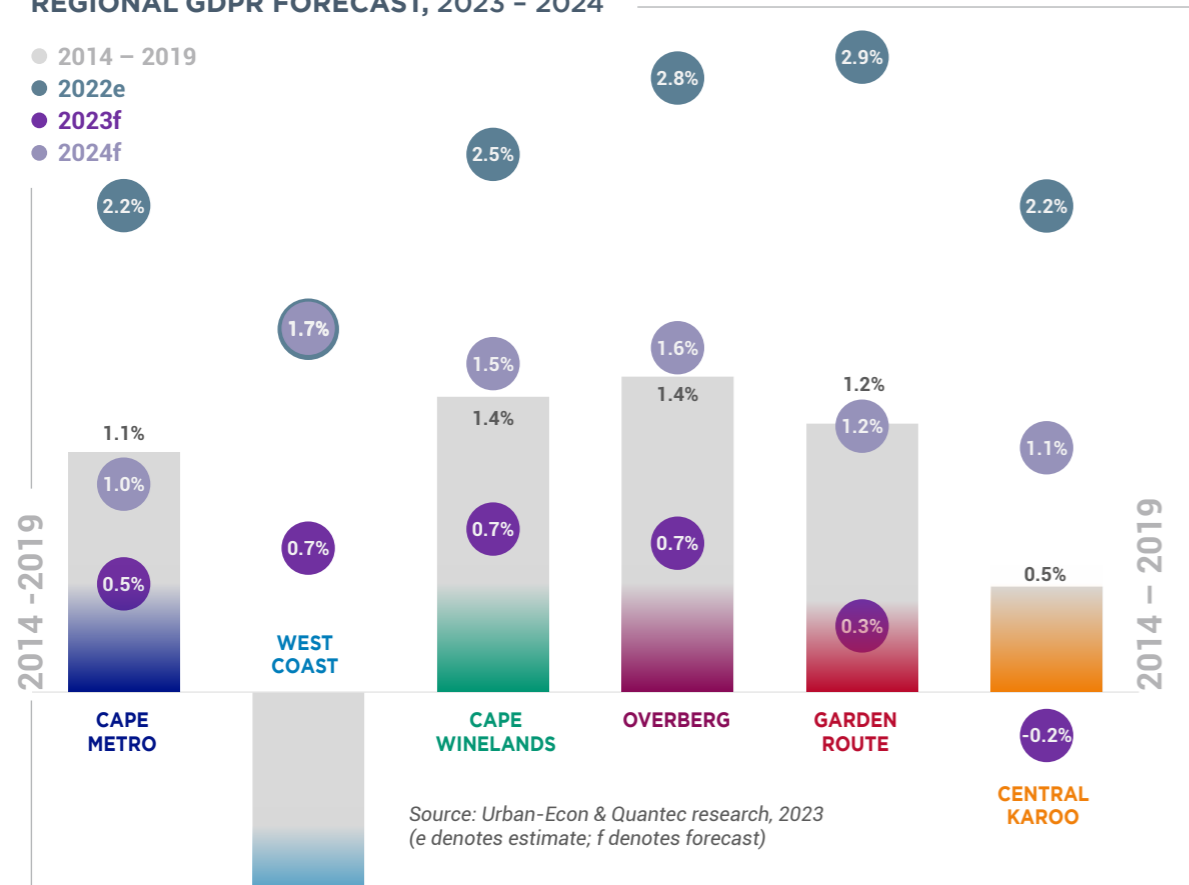
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022e
Western Cape	58 430	72 956	42 305	107 436	7 608	48 475	35 700	3 097	-193 204	-69 279	125 253
— Cape Metro	30 480	37 356	31 127	39 676	8 925	33 233	25 274	1 766	-119 943	-43 255	65 911
— West Coast	6 811	8 359	706	16 247	-393	922	1 030	594	-12 186	-4 072	10 882
— Cape Winelands	11 121	14 657	4 396	29 703	-97	7 027	4 924	1 255	-29 444	-9 863	24 944
— Overberg	4 092	5 007	1 799	9 658	-160	2 678	1 860	238	-10 256	-3 755	8 999
— Garden Route	5 499	7 043	4 210	10 791	-527	4 493	2 514	-707	-19 801	-7 824	13 514
— Central Karoo	427	534	67	1 361	-140	122	98	-49	-1 574	-510	1 003



¹³ Includes formal and informal employment estimates.

Despite the momentum gained in 2022, it is forecast that GDP growth will slow across the districts in 2023, with growth in the CKD expected to contract by 0.2 per cent. GDP growth will probably expand in 2024 if the effects of inflation, interest rate hikes and load-shedding on consumer and business confidence can be contained. If job growth coincides with the stabilisation of inflation, interest rate hikes and load-shedding, these GDP gains can translate into improved living standards. The outlook for 2024, however, remains above the five-year average GDP growth recorded before the COVID-19 pandemic for most regions.

Figure 3.7
REGIONAL GDP FORECAST, 2023 - 2024



WESTERN CAPE GROWTH FOR JOBS STRATEGY

Over recent years, the Western Cape Government has identified the need for a strategy to increase the Provincial economic growth rate and, to the extent that growth continues to falter in South Africa, decouple the Province's growth trajectory from that of the rest of the country. This gave rise to the Western Cape Growth for Jobs Strategy, issued in 2023. The strategy has several important aspects:

- **Clear principles are set out in a strategic framework** that has guided thinking and decisions.
- **Crucial priority focus areas (PFAs)** shape decisions about the nature of the interventions needed to maximise impact.
- **Key levers, enablers and accelerators** facilitate the achievement of these goals.

The strategy's vision is for a Provincial economy that achieves breakout economic growth, resulting in sufficient employment and opportunity, and a sustainable, resilient, diverse and thriving economy – one that generates confidence, hope and prosperity for all.

This vision is further expressed through the goal that by 2035, the Western Cape will be a R1-trillion inclusive economy in real terms and growing between 4.0 per cent and 6.0 per cent annually. This will be achieved through enabling a competitive business environment in which growth is driven through businesses seizing opportunities.

PRIORITY FOCUS AREAS FOR HORIZON 1 (UP TO 2026)



The full Growth for Jobs Strategy can be viewed using the QR code:



Source: Western Cape Government, 2023

Building on agriculture and agro-processing industries, the regions of the Western Cape are becoming more service-oriented. The finance, transport, personal services and trade sectors were among the most significant contributors to regional GDP in 2022. Furthermore, the trade sector played an important role in creating employment, with 6 513 new formal full-time opportunities created for retail workers in non-specialised stores in 2022, most of which were in the Cape Metro area (99.8 per cent).

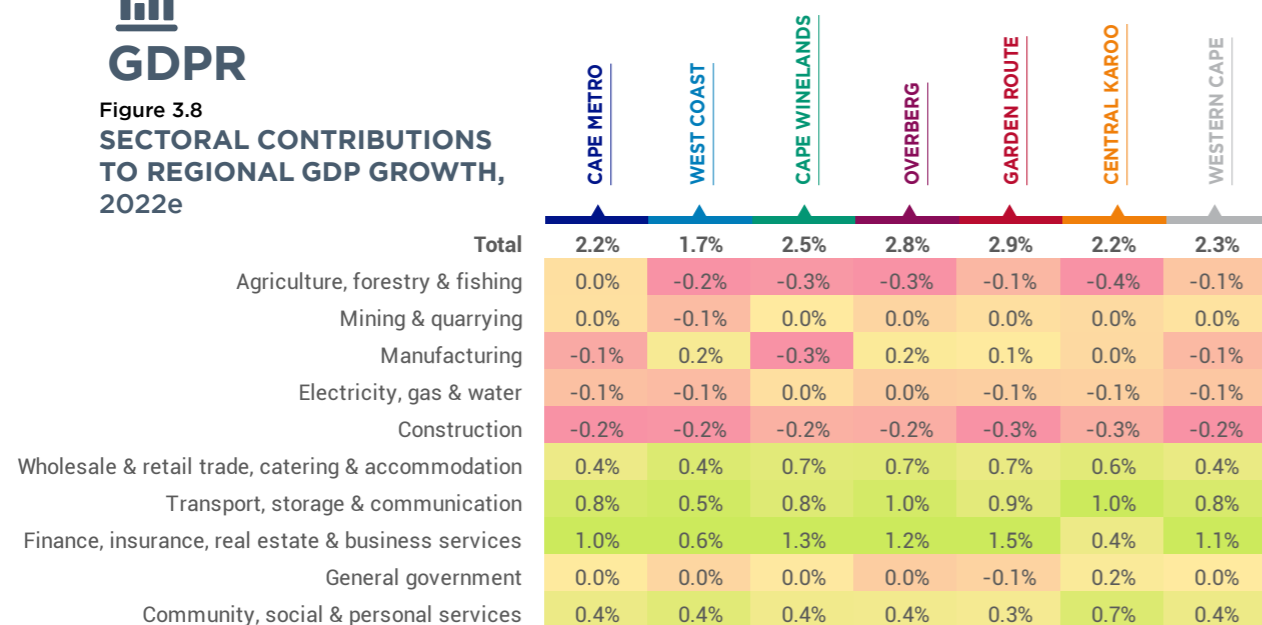
The agriculture sector is estimated to have stagnated or contracted across the Province in 2022. This was primarily due to a normalisation of trends, as the sector had recorded exceptional growth since 2020 because of high international commodity prices. Despite this, 5 950 new jobs were created in the perennial crop industry, mainly in pome and stone fruit farming in the CWD, bush fruit and nut farming in the Overberg District (OD) and citrus farming in the WCD.

The WCD and OD manufacturing sectors also contributed to the positive GDP performance of the two districts. Food and beverage manufacturing is becoming increasingly important to the economy of the WCD, with seafood processing, winemaking, grain processing and rooibos tea production adding value to primary agriculture and fishing sector activities.

Featuring rolling canola fields, fruit orchards and an extensive coastline, the OD has a manufacturing sector that is dominated by food production. However, strong growth in manufacturing industries such as printing, the production of motor vehicle parts and accessories, and the production of paper and plastic goods signals potential economic diversification and strengthening of the local agricultural value chain. The provision of goods for the transport industry and of the packaging which ensures that fresh and processed food from the OD can be distributed nationally as well as globally adds depth and resilience to the District's economy.

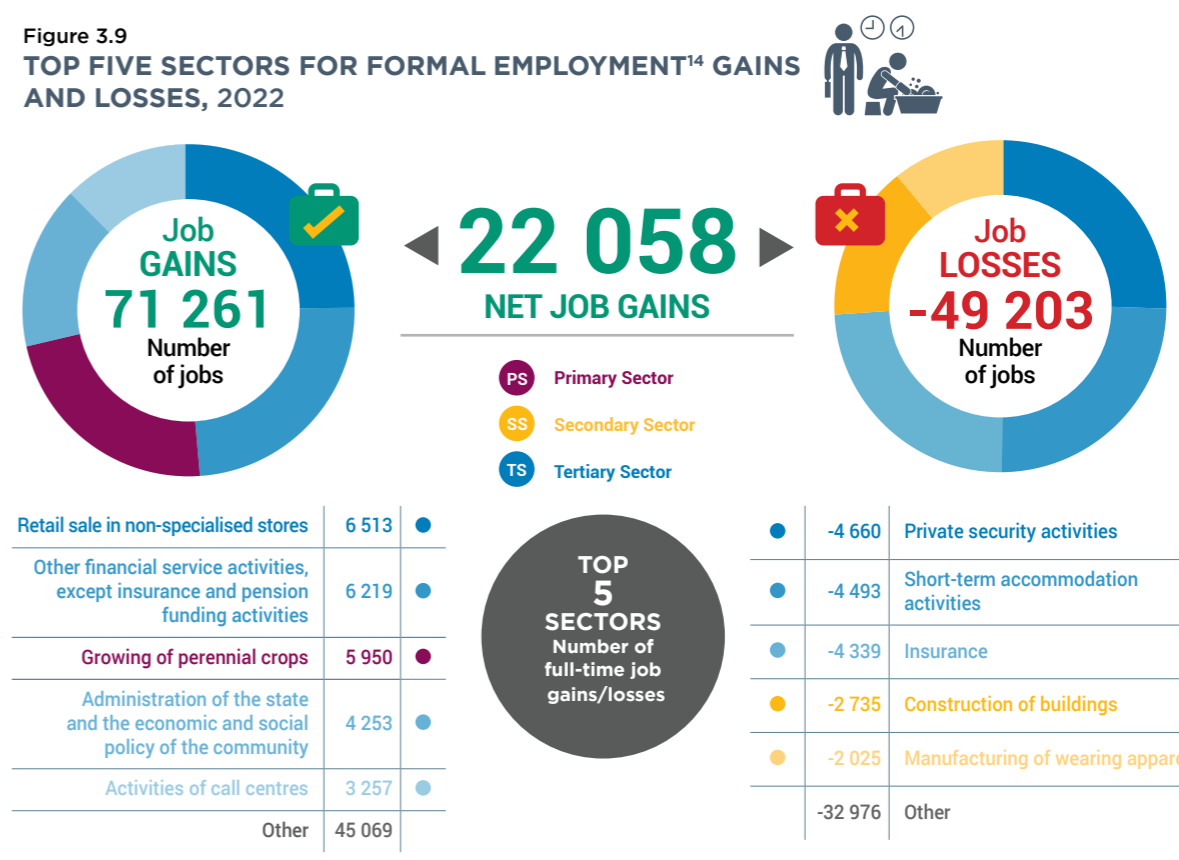
GDPR

Figure 3.8
SECTORAL CONTRIBUTIONS TO REGIONAL GDP GROWTH, 2022e



Source: Quantec research, 2023 (e denotes estimate)

Figure 3.9
TOP FIVE SECTORS FOR FORMAL EMPLOYMENT¹⁴ GAINS AND LOSSES, 2022



Source: Nell, A & Visagie, J. Spatial Tax Panel 2014 – 2022 (dataset). Version 3. National Treasury Cities Support Programme and Human Sciences Research Council (producer and distributor), 2023

While certain industries saw employment creation in 2022, others continued to shed jobs, a trend emblematic of the general decline of the South African economy. Amid job losses, households are coming under pressure from rising food and fuel prices, and higher interest rates. The increasing cost of living has damaged the domestic tourism industry, resulting in 4 493 formal job losses in short-term accommodation activities in the Province (mostly in the Cape Metro, GRD and OD). Surprisingly, the CKD recorded an increase of 43 jobs in this industry, signalling the return of business travel through this District.



¹⁴ Because of the in-depth data made available through SARS and the HSRC, this publication is able to present FTE employment data at a more disaggregated level than would be possible using only GDPR data, which is aggregated to a 10-sector level.

INFORMAL EMPLOYMENT¹⁵

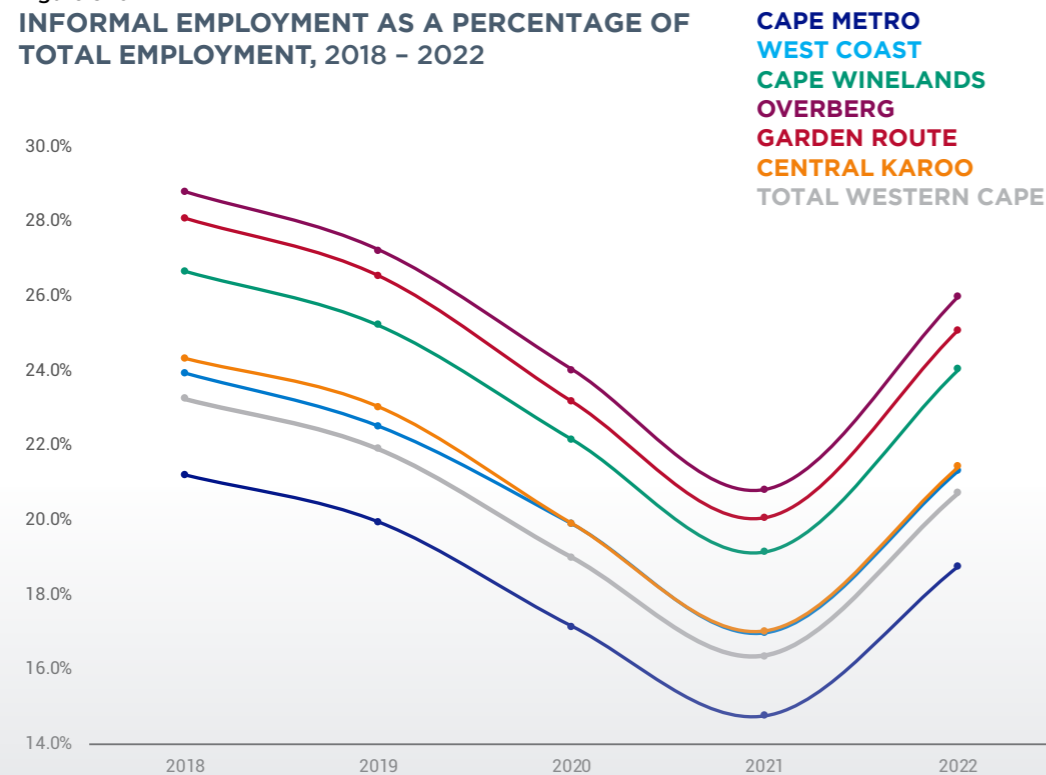
From spaza shop owners in the Cape Metro to the hairdresser operating from a Beaufort West home in the Central Karoo, the informal sector is pivotal in generating employment opportunities in the Province.

Typically, the informal economy creates jobs during economic downturns as those departing formal employment find jobs in the informal sector or become self-employed. However, the sector has not taken on this role in South Africa post-COVID, indicating that the informal economy is recovering from the pandemic at a slower pace than the formal economy.

In the Western Cape, the share of total employment originating in the informal sector has varied over time, declining from 23.3 per cent in 2018 to 16.4 per cent in 2021 as businesses dealt with the effects of COVID-19 restrictions. Encouragingly, a resurgence of informal employment was recorded in 2022, when the informal economy increased its contribution to overall employment to 20.7 per cent.

The trade sector, in particular, has a high proportion of informal jobs, accounting for 32.2 per cent of the informally employed. The construction industry also provides a significant number of informal employment opportunities, although this total has waned in recent years.

Figure 3.10
INFORMAL EMPLOYMENT AS A PERCENTAGE OF TOTAL EMPLOYMENT, 2018 - 2022



Source: Quantec research, 2023

¹⁵ Quantec obtains its employment information from South Africa's most authoritative labour data sources, namely the Quarterly Employment Statistics (QES) and the Quarterly Labour Force Survey (QLFS), both produced by Stats SA. The QES data is sourced from a subset of non-agricultural businesses and provides a quantification of formal employment (note that domestic staff are also excluded from this subset). The QLFS is based on household data and provides statistics for both formal and informal employment. To reconcile variations between the formal employment values derived from these datasets, Quantec adopts the QES formal employment figure, augmenting it with the figures for formal agricultural and domestic worker employment. The aggregate employment data gleaned from the QLFS is then utilised to determine informal employment, which is deduced as a residual. This remainder surpasses the QLFS-reported tally for employment because of the incorporation of small, medium and micro enterprises (SMMEs), a segment that the QES does not encompass.

Figure 3.11
SECTORAL INFORMAL EMPLOYMENT CONTRIBUTION TO TOTAL EMPLOYMENT, 2022



	CAPE METRO	WEST COAST	CAPE WINELANDS	OVERBERG	GARDEN ROUTE	CENTRAL KAROO	WESTERN CAPE
Primary sector	26.2%	18.8%	29.0%	28.5%	27.2%	24.6%	21.7%
Agriculture, forestry & fishing	26.4%	19.0%	29.2%	28.5%	27.3%	24.7%	21.6%
Mining & quarrying	8.5%	9.3%	5.5%	12.8%	7.7%	6.6%	50.0%
Secondary sector	20.4%	19.4%	15.5%	22.0%	25.4%	25.4%	29.6%
Manufacturing	14.8%	13.5%	12.9%	18.1%	19.1%	20.1%	29.7%
Electricity, gas & water	11.4%	9.5%	12.1%	15.6%	14.9%	16.4%	21.3%
Construction	31.0%	31.4%	23.1%	28.5%	34.1%	33.9%	30.7%
Tertiary sector	20.0%	18.6%	16.7%	23.0%	25.7%	25.1%	20.6%
Wholesale & retail trade, catering & accommodation	32.2%	30.7%	27.1%	35.1%	36.7%	38.2%	41.6%
Transport, storage & communication	28.7%	26.0%	30.2%	36.1%	37.0%	34.8%	36.8%
Finance, insurance, real estate & business services	15.3%	14.0%	12.9%	18.4%	21.4%	19.5%	18.7%
Community, social & personal services	15.6%	15.1%	11.6%	16.9%	19.6%	19.4%	9.2%

Source: Quantec research, 2023

In the CKD, where economic activity is primarily driven by the general government sector, employment hinges on the activities of small, medium and micro enterprises (SMMEs) more than in any other region. Such enterprises are fundamental to the region's prosperity, as compensation for those who are informally employed is typically lower than pay earned by their formal counterparts. This is especially true of the trade, construction and agriculture sectors.

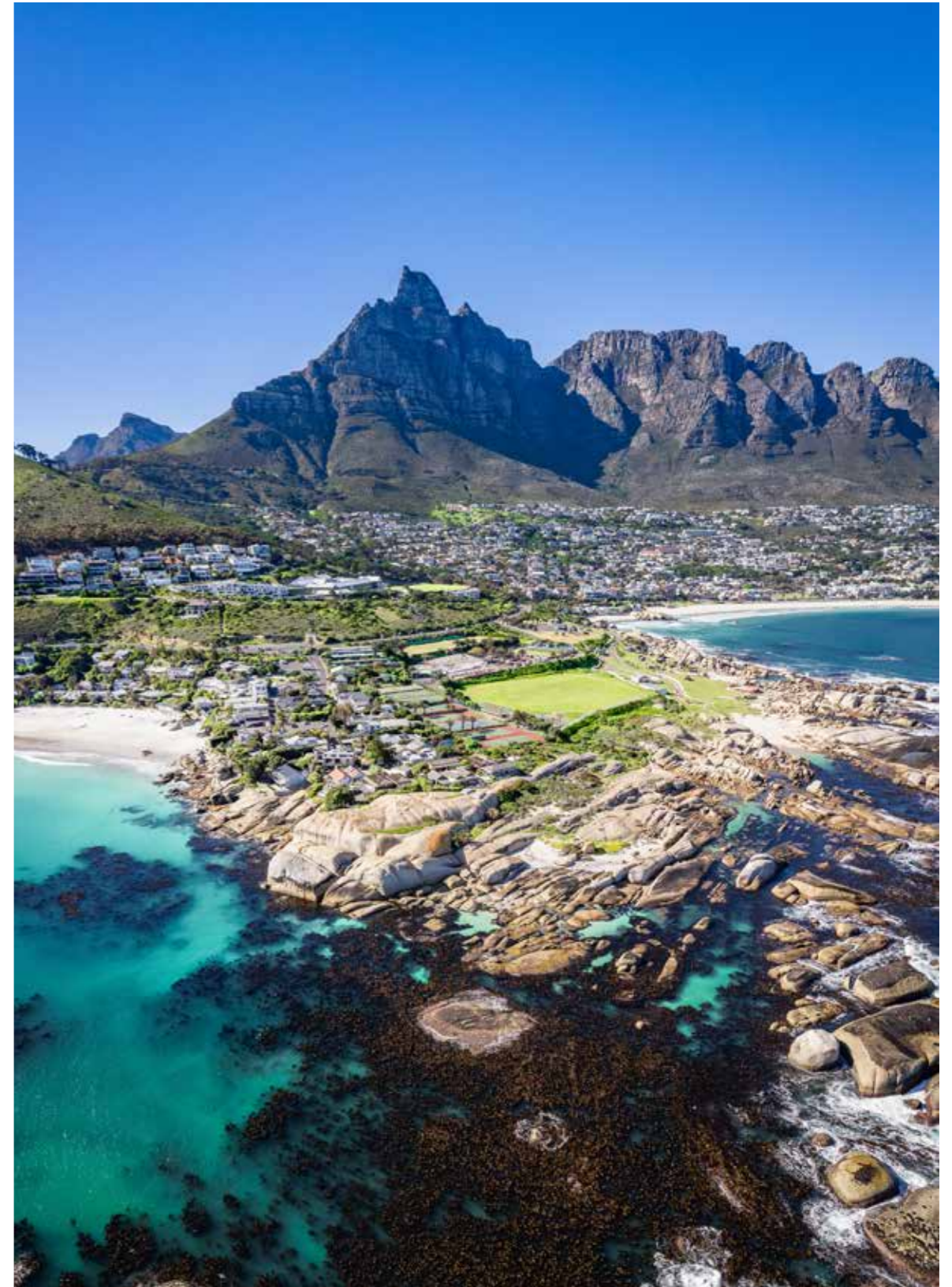
Across the districts, employment in informal agriculture contributes substantially to the overall jobs total, especially in the WCD, CWD and OD. However, informal agricultural workers typically earn less than the minimum wage, meaning that informal agricultural employment, while essential, does not always enable workers to escape the poverty trap.



4. CONCLUDING REMARKS

Post-COVID, the global economy continues to face challenges linked to the aftereffects of the pandemic, notably the disruption of supply chains. Russia's invasion of Ukraine has added to the stress on the economy, mainly through exacerbating food and fuel price inflation. Furthermore, additional geopolitical tensions and uncertainties linked to climate change are taking a toll on economic activity.

South Africa's economic journey is being influenced by these global dynamics, as the country is grappling with inflation, unemployment and energy security concerns. The economic evolution of the Western Cape is marked by a strategic shift towards a service-oriented economy prompted by the expansion of the finance, trade and transport sectors. Job creation and growth continue despite the numerous difficulties with which the Province is currently confronted, reflecting the Western Cape's adaptability in the face of changing economic paradigms.

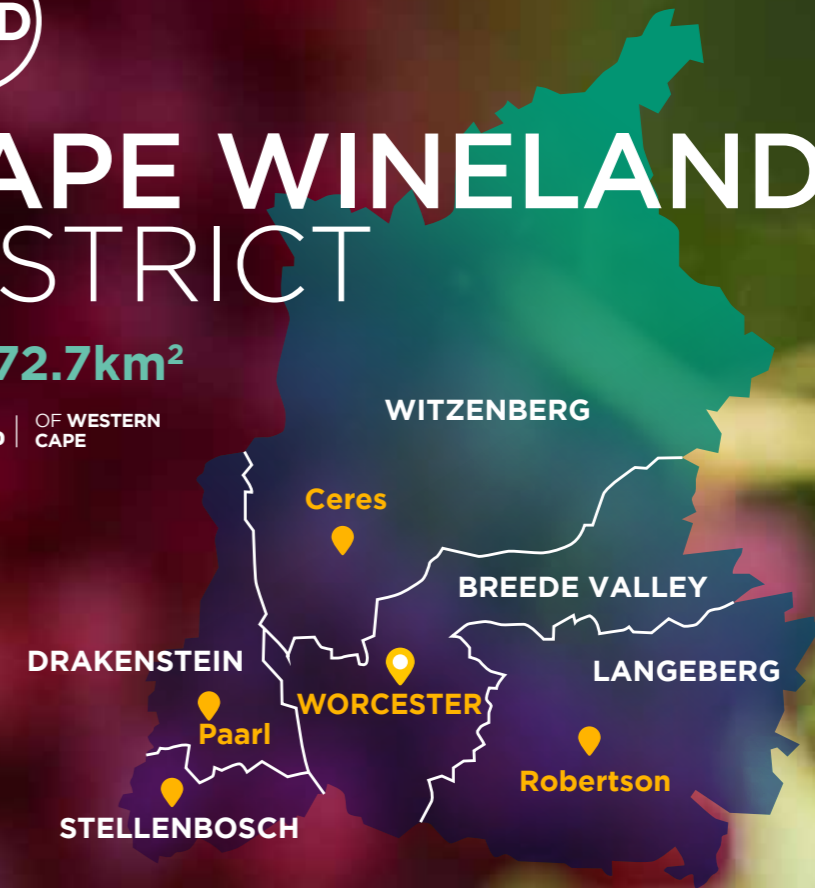




CAPE WINELANDS DISTRICT

21 472.7km²

16.6% | OF WESTERN CAPE



CAPE WINELANDS DISTRICT

2022

AREA 21 472.7km² | **AREA** 16.6% OF WESTERN CAPE | **DENSITY** 45.1/km² | **SEAT** Worcester

MUNICIPALITIES | WITZENBERG, DRAKENSTEIN, STELLENBOSCH, BREEDE VALLEY, LANGEBERG

POPULATION

862 703

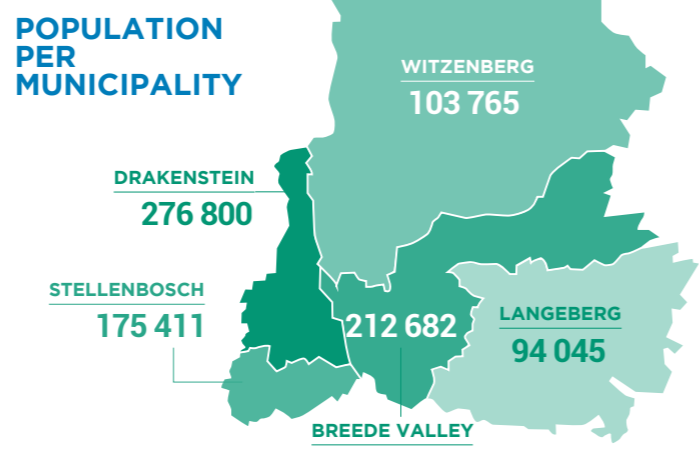
Male 49.5%
Female 50.5%

AGE SPLIT

0-14yrs 25.0% | 15-64yrs 69.2% | 65+yrs 5.8%

ESTIMATED POPULATION GROWTH

2022: 1.6% | 2023f: 1.6% | 2024f: 1.6% | 2025f: 1.7% | 2026f: 1.7%



HOUSEHOLDS

261 743

R6 040 Average median income | **47 842** Indigent households

ACCESS TO SERVICES

99.4% Access to water (piped or tap) | **96.2%** Access to electricity | **95.5%** Access to solid waste removal | **96.6%** Access to improved sanitation

TOURISM

VISITORS | OVERSEAS 14.0% | DOMESTIC 86.0% | OVERNIGHT 43.3% | DAY VISITORS 56.7%

ACTIVITIES | Top activities: Culture/heritage 24.7% | Scenic drives 16.5% | Outdoor activities/nature 13.9%

11.1% CONTRIBUTION TO WESTERN CAPE

R84.8 BILLION GDP

2021

GDPR FORECAST | 2022e: 2.5% | 2023f: 0.7% | 2024f: 1.5%

R88 899 GDP PER CAPITA (2021 current prices)

346 926 EMPLOYED | **15.1%** CONTRIBUTION TO WESTERN CAPE

24 944 Estimated 2022e JOB GAINS

14.7% Estimated 2022e UNEMPLOYMENT RATE

INTERNATIONAL TRADE 2022

R14.6 BILLION IMPORTS

R53.1 BILLION EXPORTS

Top 3 exported products: Citrus fruit, Wine, Grapes

Top 3 export destinations: Netherlands, United Kingdom, China

SECTORAL CONTRIBUTION 2021

Sector	Contribution to GDP	Contribution to Jobs
PRIMARY SECTOR (PS)	9.0% 21.2%	21.1%
Agriculture	8.8%	21.1%
Mining	0.2%	0.0%
SECONDARY SECTOR (SS)	22.0% 13.7%	8.2%
Manufacturing	15.7%	8.2%
Electricity	1.9%	0.3%
Construction	4.4%	5.3%
TERTIARY SECTOR (TS)	69.1% 65.1%	70.7%
Trade	16.8%	21.2%
Transport	6.8%	3.2%
Finance	24.6%	16.0%
Government	9.7%	5.9%
Personal Services	11.1%	18.9%

See reference list for sources

SECTION **B**

ECONOMIC GROWTH AND JOBS

1. INTRODUCTION

At the heart of the picturesque landscape of the CWD are iconic wine farms that produce some of the world's finest wines. At the same time, fruit orchards dot the landscape - a lifeline for local communities employed in primary production and processing activities. The local municipal areas within the CWD are Witzenberg, Drakenstein, Stellenbosch, Breede Valley and Langeberg.

Witzenberg is renowned for its apple and pear orchards, while Langeberg is the heart of the fruit-canning industry. Drakenstein, home to the bustling node of Paarl, has a diverse economy encompassing agro-processing and business services. Stellenbosch is surrounded by lush vineyards and internationally acclaimed wineries. This town is home to numerous finance and tech head offices and Stellenbosch University, which attracts students from across South Africa and abroad. Lastly, Breede Valley, well known for its winemaking capabilities and table grape exports, completes the CWD.

Several sectors' performances underpin the District's economic prospects, with international trade, tourism and private and public sector investments serving as catalysts for new economic opportunities, job creation and the overall wellbeing of local communities, which are all discussed in this section.

2. REGIONAL GDPR AND EMPLOYMENT PERFORMANCE

2.1 Trends and GDPR forecast

Diagram 2.1
MUNICIPAL GDPR AND EMPLOYMENT CONTRIBUTIONS, Cape Winelands District, 2021

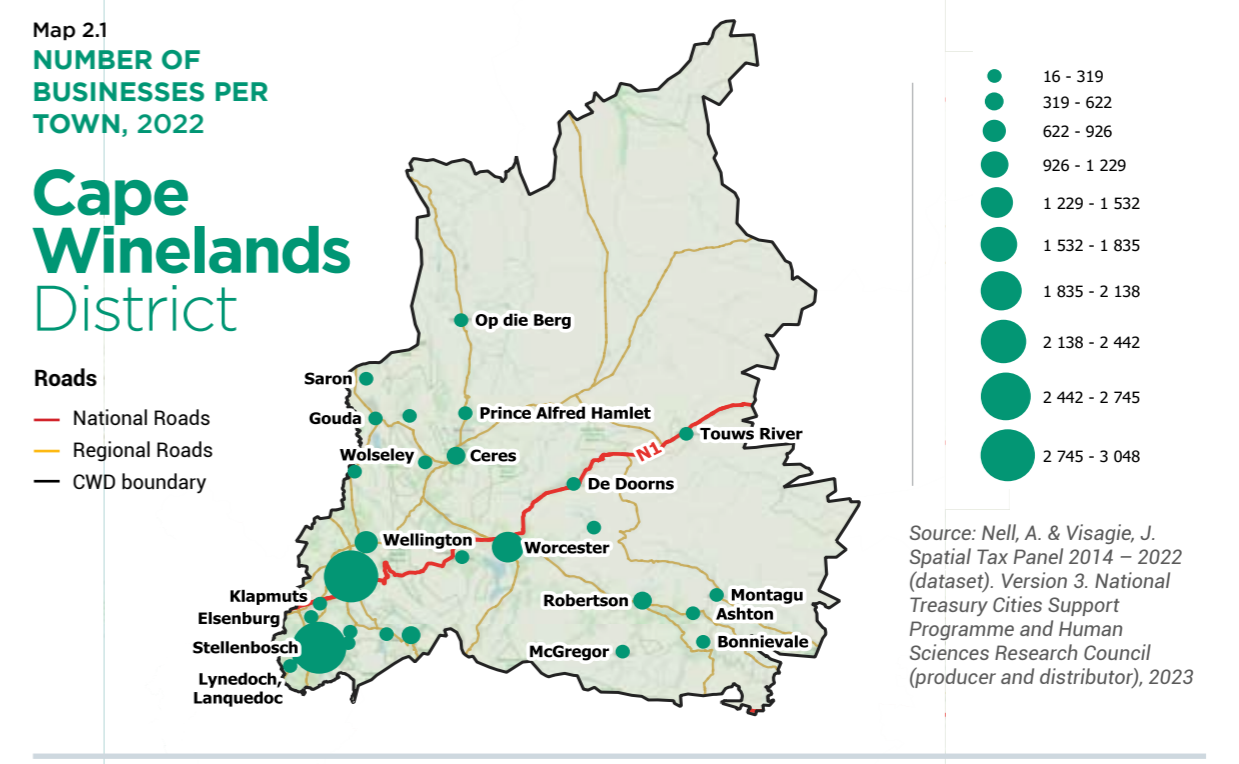
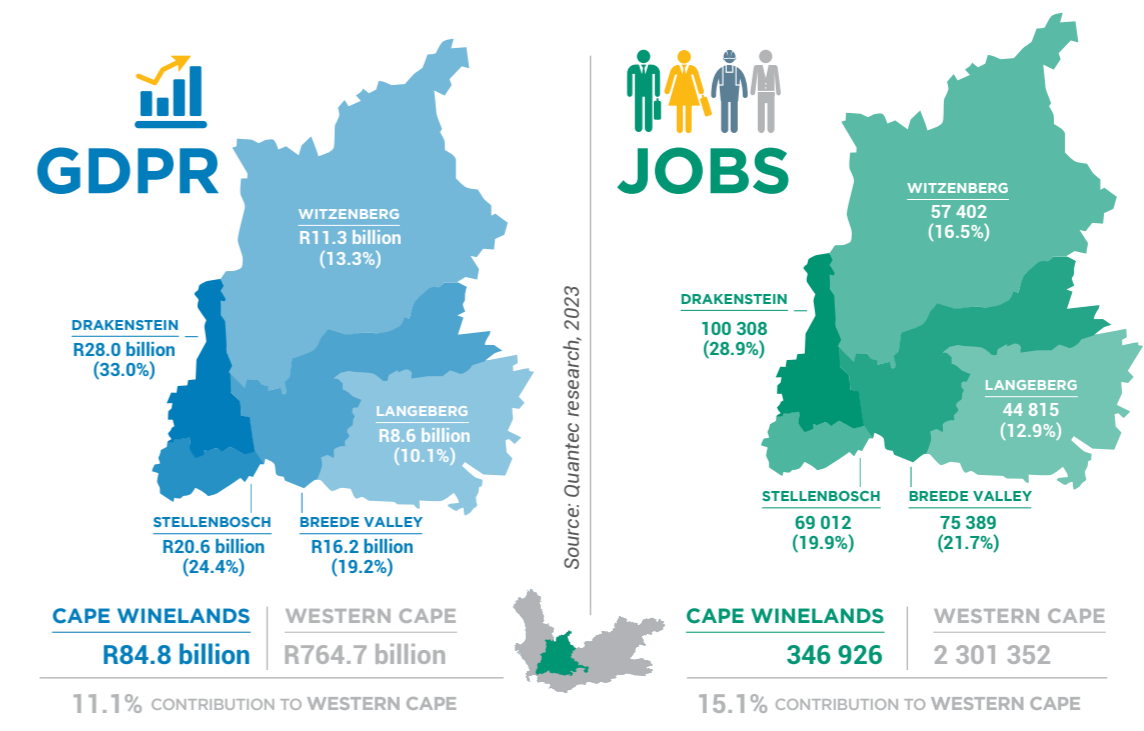
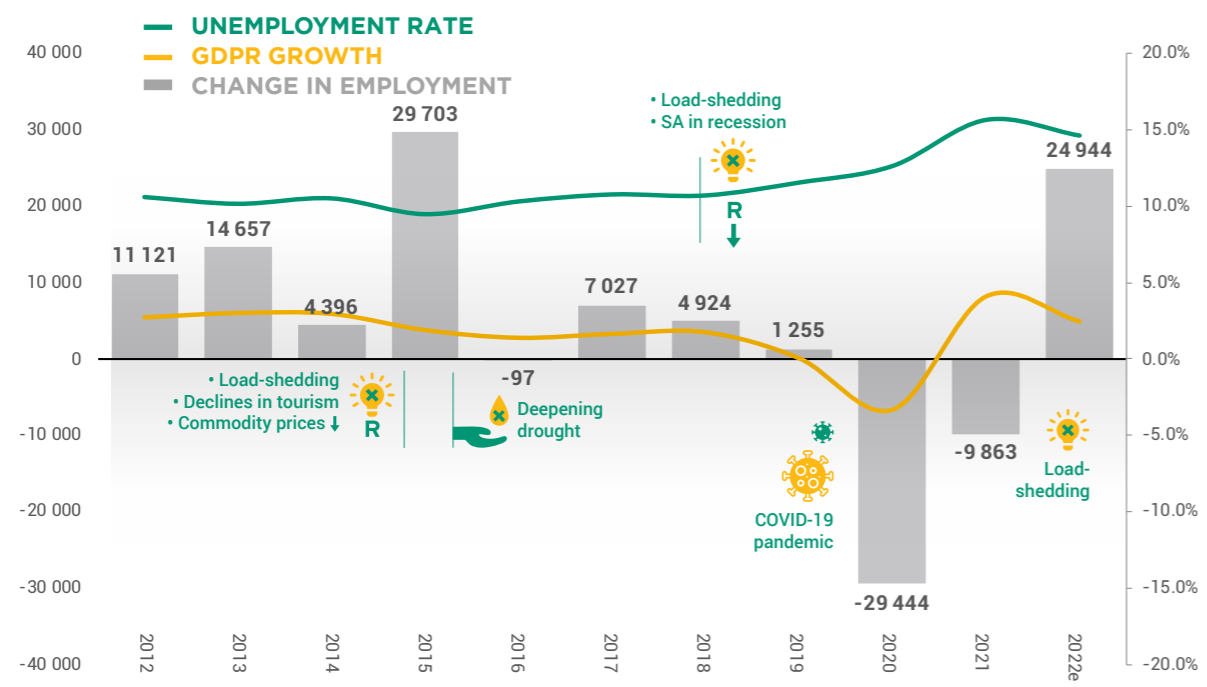


Figure 2.1
GDPR, EMPLOYMENT GROWTH AND UNEMPLOYMENT RATE,
Cape Winelands District, 2012 – 2022e



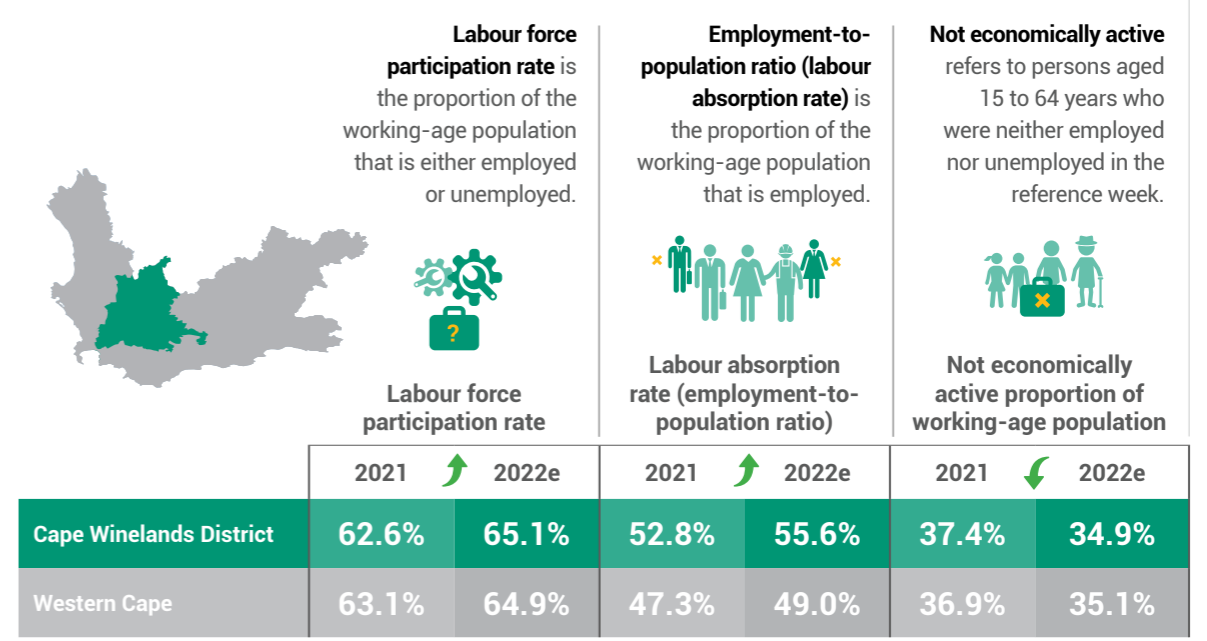
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022e
Change in employment	11 121	14 657	4 396	29 703	-97	7 027	4 924	1 255	-29 444	-9 863	24 944
GDPR growth	2.7%	3.0%	3.0%	1.9%	1.4%	1.7%	1.8%	0.1%	-3.3%	4.1%	2.5%
Unemployment rate	10.6%	10.1%	10.5%	9.5%	10.3%	10.8%	10.7%	11.5%	12.6%	15.7%	14.7%

Source: Quantec research, 2023 (e denotes estimate)

The CWD is the largest District economy in the Province. It has a vibrant tertiary services sector, mainly in the Drakenstein and Stellenbosch municipal areas. In 2021, the CWD had a GDPR of R84.8 billion, which accounted for 11.1 per cent of the Provincial GDPR. Furthermore, because of the labour-intensive nature of the prevalent agriculture sector, formal and informal employment made up 15.1 per cent (346 926 workers) of Provincial employment.

The economy of the CWD has been growing at a steady but slow pace since 2018, when it was affected by severe drought conditions. The COVID-19 pandemic was devastating to those in the tourism and wine industries. However, other agricultural pursuits boosted the local economy thanks to favourable commodity prices. This resulted in a smaller GDPR contraction in the CWD (3.3 per cent) than in the Province (4.6 per cent). In 2021, with the agriculture sector still benefiting from high commodity prices and the return of tourists, the GDPR fully recovered from the pandemic-induced recession, registering growth of 4.1 per cent. As commodity prices normalised and the South African economy recorded soaring interest rates, food inflation and fuel price hikes, growth slowed, reaching an estimated 2.5 per cent in 2022.

Diagram 2.2
LABOUR PROFILE, Cape Winelands District, 2021 – 2022e

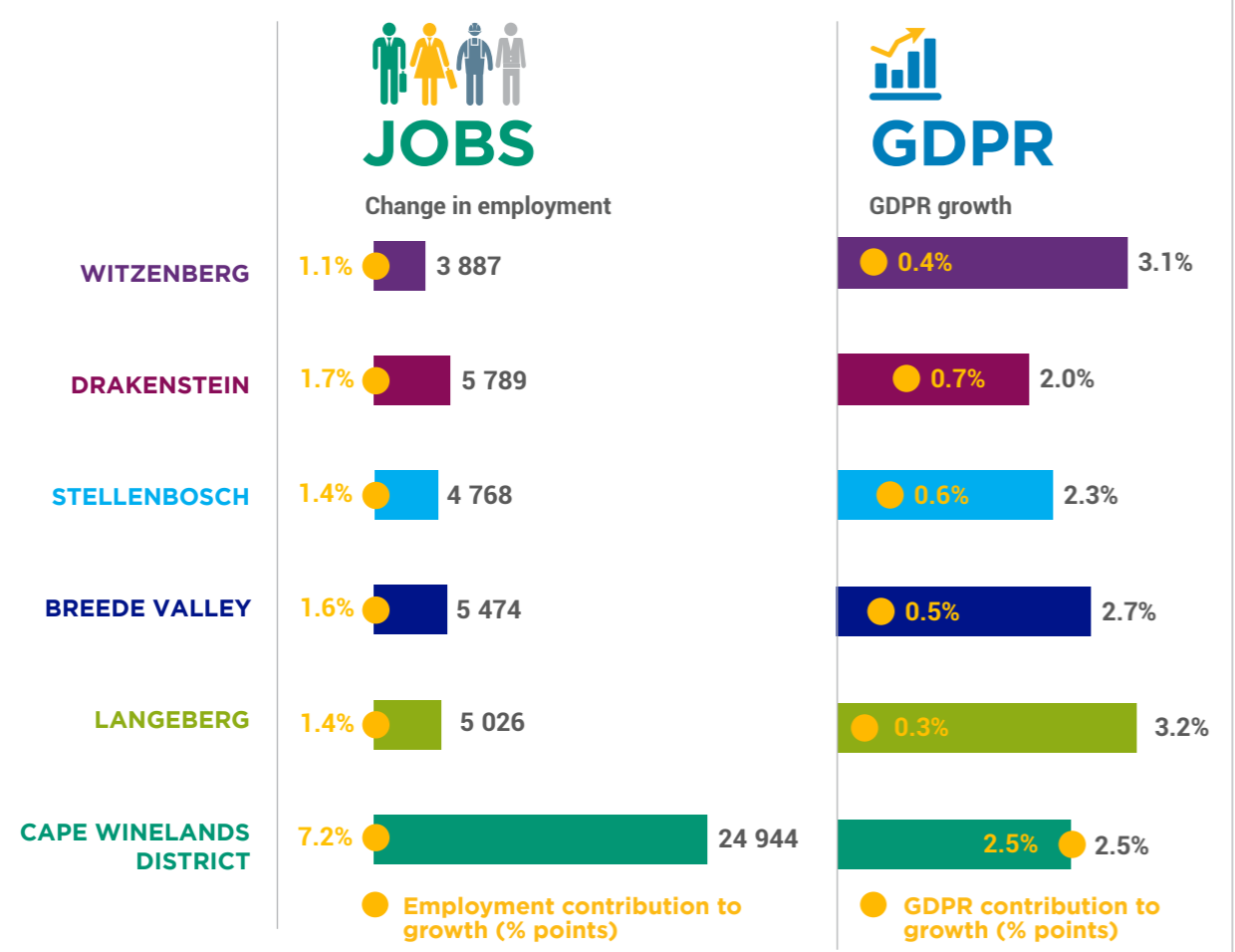


Sources: Quantec research, 2023 (e denotes estimate)

Employment did not rebound to the same degree as GDPR, as the South African economy remained under pressure in 2021 and 2022. In 2020, many workers withdrew from the labour force, resulting in declining labour participation because of the impact of COVID-19, including the sudden drop in available job opportunities. However, in 2022, the labour force participation rate recorded a resurgence of 2.5 percentage points. Many workers could be reabsorbed into employment, a development indicated by the 2.8 percentage point increase in the labour absorption rate. In 2022, the CWD's labour absorption rate (55.6 per cent) was substantially higher than that of the Province (49.0 per cent), indicating that an above-average number of job seekers are employed in the CWD. These favourable labour market conditions led to a much-needed reduction of 1.0 percentage point in the unemployment rate, which had been steadily increasing since 2019. On a positive note, the CWD generally has a lower unemployment rate (14.7 per cent in 2022) than that of the Province (24.5 per cent). However, the job surge of 24 944 formal and informal jobs did not offset the jobs lost in 2020 and 2021, indicating the need for further growth.



Figure 2.2
MUNICIPAL CONTRIBUTIONS TO GDP AND EMPLOYMENT GROWTH,
Cape Winelands District, 2022e

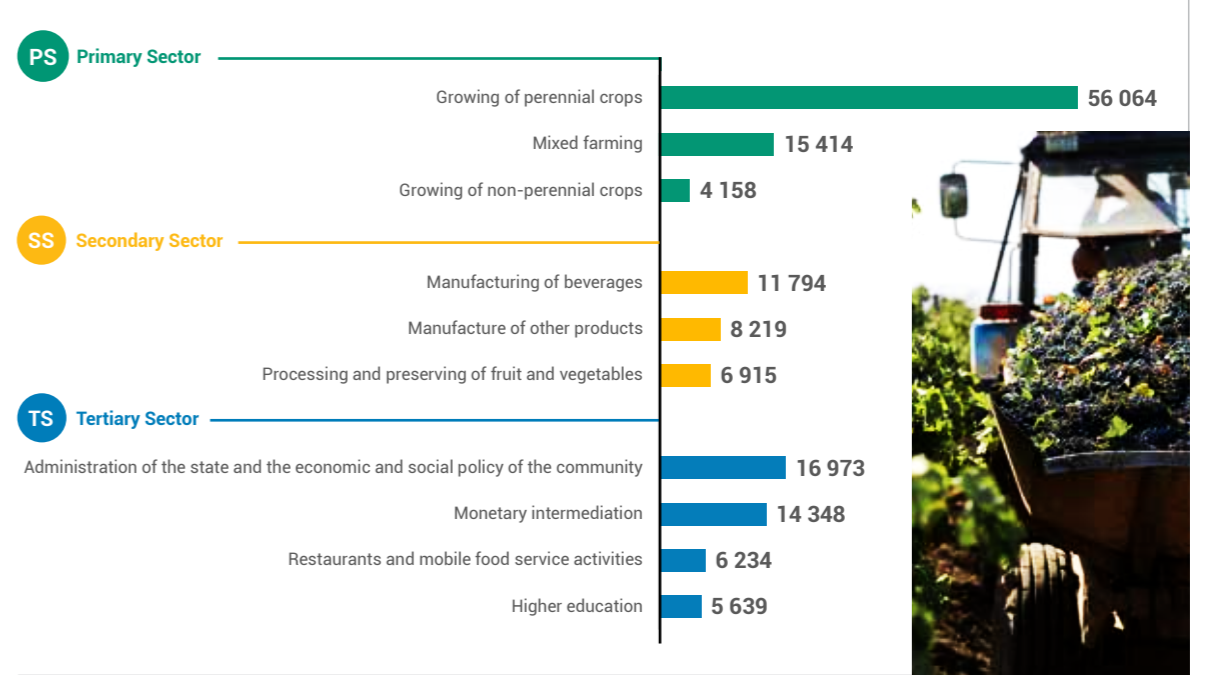


Source: Quantec research, 2023 (e denotes estimate)



The CWD's GDP performance in 2022 was primarily driven by the Drakenstein municipal area. This region grew by an estimated 2.0 per cent, making a 0.7 percentage point contribution to GDP growth. Drakenstein has the largest municipal economy in the CWD, and its GDP accounted for 33.0 per cent (R28.0 billion) of the District's GDP in 2021. The Stellenbosch municipal area also made a notable contribution to GDP growth in 2022 (0.6 of a percentage point).

Figure 2.3
TOP 10 SECTORS BY NUMBER OF FTE JOBS,
Cape Winelands District, 2022



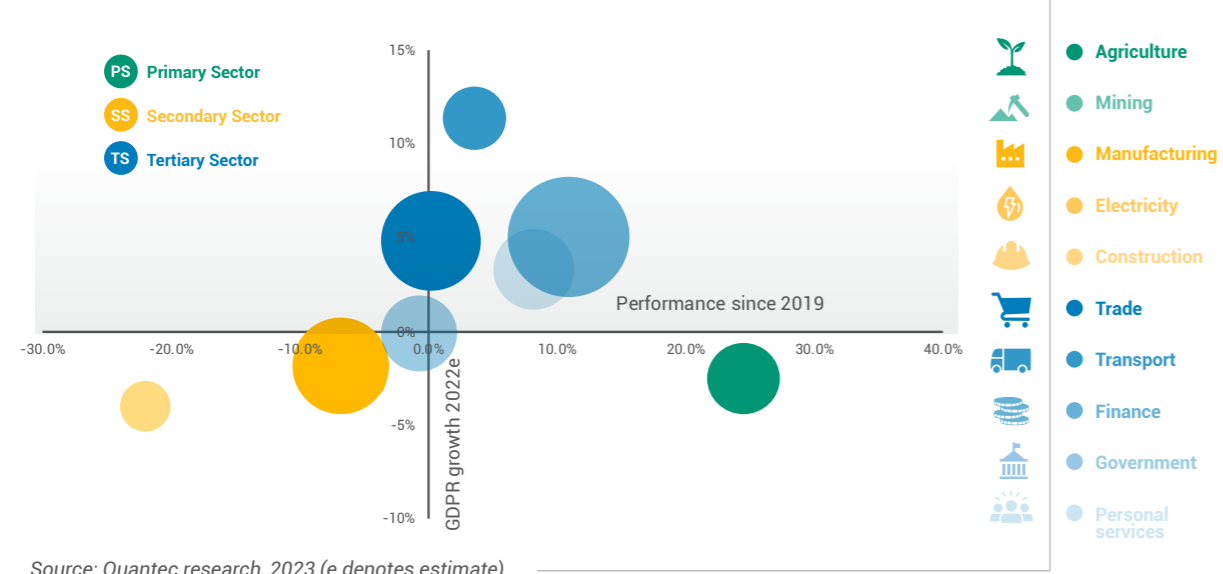
Source: Nell, A. & Visagie, J. Spatial Tax Panel 2014 – 2022 (dataset). Version 3. National Treasury Cities Support Programme and Human Sciences Research Council (producer and distributor), 2023

The Drakenstein municipal area contributed the most to employment growth (1.7 percentage points). The Breede Valley municipal area also emphasised its importance as a valuable contributor to the CWD economy. Employment growth here contributed 1.6 percentage points to employment growth in the District, followed by a 1.4 percentage point contribution each from the Stellenbosch and Langeberg municipal areas. The vibrant and growing towns of Stellenbosch, Paarl and Worcester have led to the dominance of the finance sector, which contributed R20.8 billion (24.6 per cent) to the District's GDP in 2022. Other significant sectors in terms of their GDP contribution include trade (16.8 per cent) and manufacturing (15.7 per cent). These sectors also contributed notably to employment; agriculture was the primary source of formal employment opportunities, underscoring the importance of this sector to the CWD economy. In 2022, the largest subsectors to provide employment included perennial crop production (56 064 jobs),¹ mixed farming (15 414 jobs) and non-perennial crop production (4 158 jobs). The dominance of agriculture in employment gives a glimpse of the socio-economic challenges prevalent in the CWD, including a lack of tenure security, low wages and seasonal work resulting in inconsistent income levels throughout the year.

In addition, state administration (16 973 jobs) and monetary intermediation (14 348) were subsectors that contributed substantially to CWD employment. The higher salaries in these industries, juxtaposed with the lower and inconsistent wages for those involved in primary agriculture activities, fuel inequality in the CWD.

¹ Mainly grapes and pome and stone fruit.

Figure 2.4
GDPR PERFORMANCE PER SECTOR,
 Cape Winelands District (%)



Source: Quantec research, 2023 (e denotes estimate)

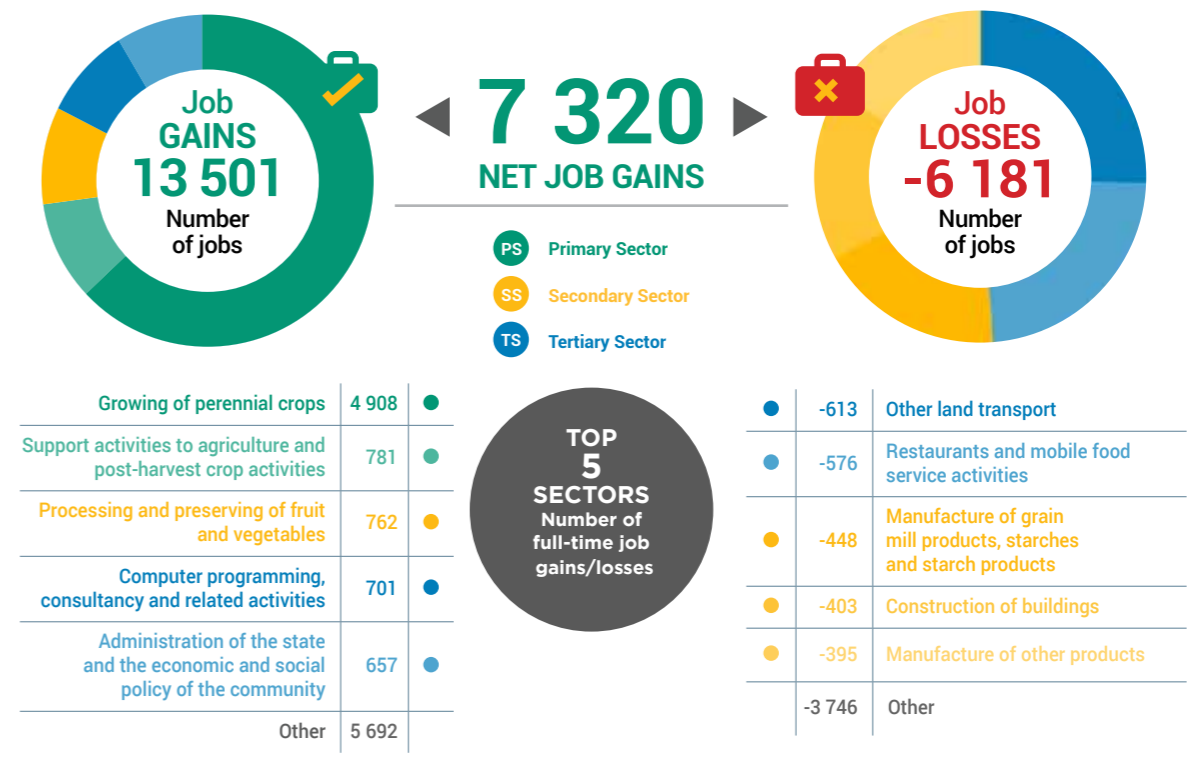
In 2022, the finance sector grew by an estimated 5.0 per cent, contributing the most to the GDPR growth of the CWD. The transport and trade sectors also contributed substantially to the positive performance in 2022, boosted by increased employment. This affected household spending, the rise in tourism and the general increase in economic activity as the demand for transport services increased. However, an essential transport subsector, namely freight transport, faced challenges. Strikes at the Port of Cape Town and the rising cost of capital and other inputs dampened the performance of the sector, to the extent that 613 land transport jobs were lost in 2022.

In 2022, the primary and secondary sectors contracted. As a result, the mining, manufacturing, electricity, gas and water and construction sectors operated at levels lower than those recorded pre-COVID-19. Load-shedding and rising input costs in the agriculture and construction sectors were among the primary growth deterrents in 2022. A reduction in wine exports, attributed mainly to shipping challenges at the Port of Cape Town, also cast a shadow on the manufacturing sector. In addition, lockdown conditions in China, a growing South African wine market, reduced trade. Inflation in Europe, especially Germany, which is a leading market for South African wines, affected consumer demand.² The Port of Cape Town challenges also compromised citrus and other fruit exports.

² (Wines of South Africa, 2023).



Figure 2.5
TOP 5 SECTORS FOR FORMAL JOB GAINS AND JOB LOSSES,
 Cape Winelands District, 2021 - 2022



Source: Nell, A. & Visagie, J. Spatial Tax Panel 2014 – 2022 (dataset). Version 3. National Treasury Cities Support Programme and Human Sciences Research Council (producer and distributor), 2023

Despite the estimated 2.5 per cent agriculture sector contraction in 2022, the sector played an important role in job creation. This was especially the case with perennial crop production, for which the labour force grew by 4 908 workers. The agricultural value chain in the CWD was further strengthened by job creation in subsectors such as fruit and vegetable processing and preserving (762 jobs) and agriculture and post-harvest support activities (781 jobs).

The slow recovery of tourism and the reduced purchasing power of households amid high inflation resulted in substantial formal job losses in the restaurant industry (576 jobs). Manufacturing subsectors such as grain mills and other products also shed jobs, as wheat prices soared because of the Ukraine-Russia conflict.

Table 2.1
GDPR FORECAST PER SECTOR, Cape Winelands District (%), 2015 – 2024f

SECTOR	Trend					
	2015 – 2019	2020	2021	2022e	2023f	2024f
PS Primary Sector	-1.6%	21.2%	5.4%	-2.5%	-2.9%	-0.9%
Agriculture, forestry & fishing	-1.6%	21.7%	5.4%	-2.5%	-2.9%	-0.9%
Mining & quarrying	0.3%	-7.1%	4.7%	-3.9%	2.0%	-1.0%
SS Secondary Sector	-0.3%	-11.7%	3.8%	-2.4%	-0.7%	-0.9%
Manufacturing	-0.5%	-10.6%	5.7%	-1.9%	-1.1%	-2.3%
Electricity, gas & water	-0.6%	-5.1%	3.2%	-2.7%	2.3%	1.3%
Construction	0.3%	-16.5%	-1.6%	-4.0%	-0.3%	2.9%
TS Tertiary Sector	2.4%	-3.4%	4.0%	4.7%	1.2%	2.4%
Wholesale & retail trade, catering & accommodation	1.8%	-12.2%	7.5%	4.8%	0.6%	1.9%
Transport, storage & communication	2.3%	-10.2%	2.4%	11.4%	-0.3%	3.0%
Finance, insurance, real estate & business services	4.1%	2.4%	3.4%	5.0%	4.5%	3.8%
General government	1.3%	1.6%	-2.2%	-0.1%	-2.7%	0.2%
Community, social & personal services	0.8%	-2.8%	7.7%	3.3%	-1.4%	1.2%
Total Cape Winelands District	1.4%	-3.3%	4.1%	2.5%	0.7%	1.5%

Source: Quantec research, 2023 (e denotes estimate; f denotes forecast)

Looking at 2023, the GDPR is forecast to slow further to 0.7 per cent before showing a slow uptick of 1.5 per cent in 2024, marginally surpassing the performance of the five years preceding the COVID-19 pandemic. The finance sector is expected to continue to be the driving force behind the economic performance of the CWD. However, given load-shedding challenges, the manufacturing sector is expected to decline in 2023 and 2024. At the same time, high fuel prices will dampen the prospects of the transport sector in 2023.

Also forecast to decline in 2023, the construction sector is anticipated rebound in 2024 as public sector capital infrastructure spending projects are implemented over the medium term. These projects will total R5.5 billion over the 2023/24 Medium Term Expenditure Framework (MTEF) period. An uptick in the number of approved building plans in Paarl and Stellenbosch will contribute substantially to the economy once construction commences. Despite the uncertainty regarding the outlook for several sectors, the GDPR growth rate for 2024 is forecast to exceed the average growth rate recorded between 2015 and 2019.



2.2 Comparative advantage

The sectoral comparative advantages of the CWD can be leveraged to promote local economic growth and job creation. When a sector has a comparative advantage in a region relative to the rest of the country, it means that businesses within the sector tend to have a greater presence in this region than they do nationally – meaning that the region can capitalise on its local strengths in efficiency and production. The sector is typically able to meet local needs while also serving a larger market outside the region. In the CWD, this is the case for the agriculture, construction, trade, finance and manufacturing sectors (in terms of GDPR). This points to a diverse economy, with each municipal area contributing to these comparative advantages.

The strength of the agriculture sector stems from the fertile Witzenberg and Breede Valley municipal areas, which record higher comparative advantages than the other three municipal areas in the District. The concentration of construction activities in Drakenstein showcases the growth of this regional service centre. The comparative advantage of the trade sector lies in the wholesale, retail and tourism activities in Stellenbosch and Langeberg. Lastly, Stellenbosch is the epicentre for finance, business services and manufacturing.

Table 2.2
LOCATION QUOTIENT IN TERMS OF GDPR AND EMPLOYMENT, Cape Winelands District, 2021

	GDPR	JOBS
PS Primary Sector	1.20	2.02
Agriculture, forestry & fishing	3.13	2.97
Mining & quarrying	0.02	0.01
SS Secondary Sector	1.14	0.90
Manufacturing	1.14	0.87
Electricity, gas & water	0.59	0.62
Construction	1.64	0.98
TS Tertiary Sector	0.94	0.88
Wholesale & retail trade, catering & accommodation	1.20	1.00
Transport, storage & communication	0.90	0.79
Finance, insurance, real estate & business services	1.00	0.86
General government	1.05	0.83
Community, social & personal services	0.63	0.80

Source: Quantec research, 2023

Location quotients provide a way of assessing whether a sector has a comparative advantage in a region. A location quotient measures the local representation of a sector against the national representation of this sector.

A location quotient greater than one indicates that the sector in question has a comparative advantage in the region relative to its competitiveness nationally. A location quotient of less than one suggests that the sector's position in the region is weaker than its position nationally. A location quotient of one indicates that the sector has the same advantage regionally that it does nationally.

LOCATION QUOTIENT	Classification	Interpretation
Less than 0.75	Low	Regional needs are not being met by the sector, resulting in an import of goods and services in this sector.
0.75 to 1.24	Medium	The sector is meeting most local needs. The region will be both importing and exporting goods and services in this sector.
1.25 to 4.99	High	The sector is serving needs beyond the border, exporting goods and services in this sector to other regions or provinces.
More than 5.00	Very high	This is indicative of a very high level of local dependence on the sector, typically in a "single-industry" community.

By reviewing the changes over time to the location quotients in terms of employment of various sectors, it is possible to group the sectors according to their potential for further development in the local economy.



Diagram 2.3

SECTORAL POTENTIAL

Cape Winelands District

PS Primary Sector SS Secondary Sector TS Tertiary Sector



The agriculture sector forms the foundation of economic activity in the CWD. It dictates income levels and thus household spending in the local economy. Furthermore, it enables several agro-processing activities and is the leading contributor to exports from the CWD. In 2021, the sector was valued at R7.4 billion and accounted for 32.7 per cent of formal employment opportunities, also providing informal and seasonal work opportunities. Most farm workers are concentrated in Ceres (Witzenberg) and De Doorns (Breede Valley). This hints at the socio-economic conditions in these communities, as agricultural work is characterised by lower wage levels. However, the sector is losing its comparative advantage in terms of labour. Despite the uptick in 2022, job losses over the past decade have fuelled this trend. Job losses in the agriculture sector have led to faster urbanisation, as farm workers have had to relocate. This trend, in turn, has prompted the growth of informal settlements in prominent urban centres, where the chances of finding employment are greater.

The economy of the CWD is slowly becoming more oriented to the tertiary sector. It has a high comparative advantage in the trade sector, which is growing. This can be attributed to population growth, which is fuelling retail demand for food, the tourism industry and the wholesale of food items. The finance and transport industries are showing an increase in their comparative advantage. The finance sector is centred on financial service provision in Stellenbosch, which has diverse business services. The growing comparative advantage in this sector will fuel urbanisation trends in the main commercial centres of Stellenbosch, Paarl and Worcester while creating the need for well-planned and maintained business districts and corridors.



Furthermore, the finance sector relies largely on semi-skilled (46.9 per cent) and skilled workers (31.0 per cent). Given the work-from-home trends prevalent in this sector, well-functioning municipal spaces that are a welcoming place to live for families can attract skilled labour to municipal areas. Such occurrences of in-migration create demand for homes, which benefits real estate and construction activities. This is a prevalent trend in the Drakenstein and Stellenbosch municipal areas.

The transport, storage and communication sector also offers ample opportunities, as Stellenbosch is a growing tech hub. Logistics forms an integral part of the functioning of Paarl and Worcester, highlighting the importance of the N1, which connects the District to ports in the Cape Metro and the rest of the country. Given the cold storage needs of the local industry, strategically located industrial spaces that are well serviced and have a constant supply of energy are integral to this industry's operations and growth potential. At an aggregate level, the manufacturing sector only has a medium comparative advantage, which has been declining over the past decade. However, certain subsectors, such as footwear and transport equipment manufacturing, are showing opportunities for the strengthening of their operations.

The most concerning trend is the declining comparative advantage prevalent in the beverage production industry. Numerous challenges have affected wine production and exports in recent years, including the ban on alcohol sales in 2020, logistical challenges at the Port of Cape Town, the effects of load-shedding on irrigation and changing consumer demand. In the face of these challenges, the industry has remained relatively optimistic, with an increase in domestic consumption recorded in 2022 and a general rise in producer prices forecast up to 2032.³ However, the number of private and producing cellars in the CWD declined from 465 in 2012 to 340 in 2022, while the number of primary grape growers decreased from 1 585 in 2012 to 1 145 in 2022.⁴ The industry has also recorded a steady rise in the breakeven point because of increased input costs. By contrast, grape yields have only marginally improved, creating challenging conditions for wine producers to remain profitable. Substantial investment is required to upgrade farms and replace ageing vineyards so that the wine industry can regain its former glory.



³ (BFAP, 2023).

⁴ (SA Wine Industry Information and Systems, 2023).

3. MUNICIPAL GDPR AND EMPLOYMENT PERFORMANCE

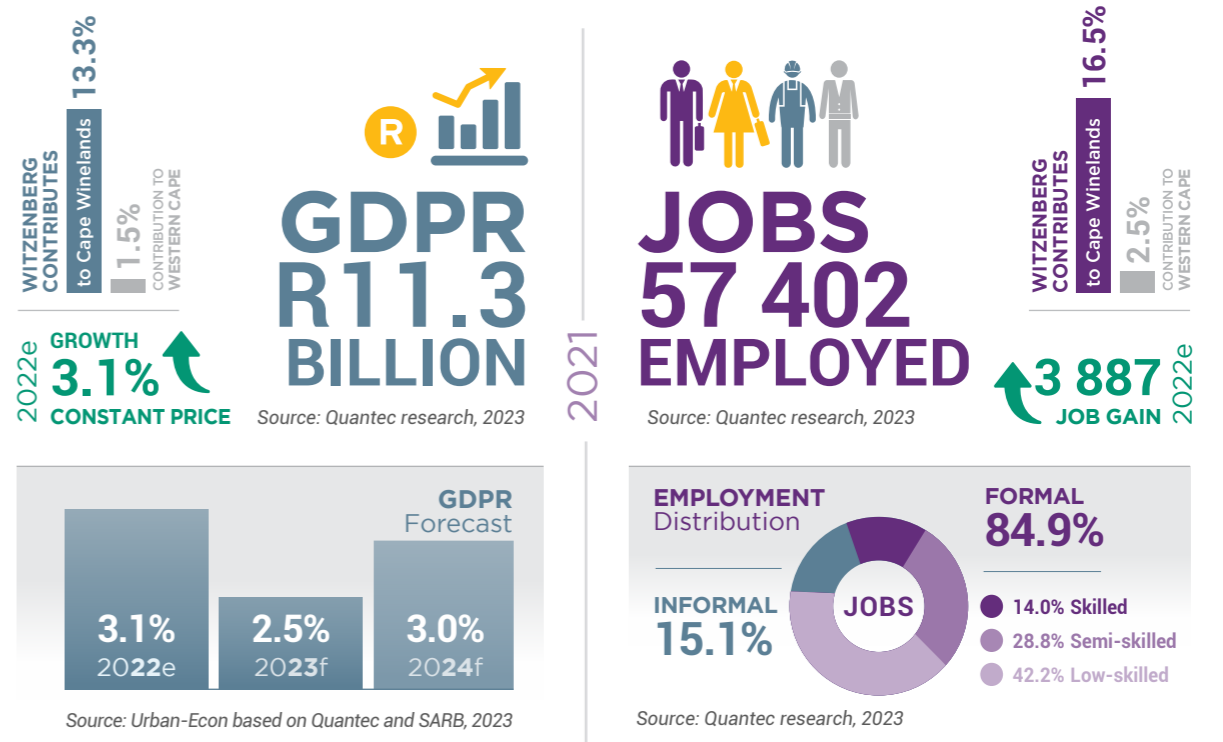
3.1 WITZENBERG MUNICIPAL AREA

10 752.7km² | 50.1% of the Cape Winelands

The Witzenberg municipal area is well known for producing export-quality deciduous fruit, vegetables and wine. It has also created a footprint as a family and adventure tourist destination. The municipal area encompasses five towns: Ceres, Tulbagh, Wolseley, Op die Berg and Prince Alfred Hamlet. These towns provide goods and services for the local agricultural industry, with some agro-processing also taking place. Ceres is known for its fruit orchards, and the area is currently the country's largest producer of dessert peaches. It hosts the famous annual Ceres Cherry Festival. The Matroosberg mountains are often blanketed in snow during winter months, attracting many tourists to spend a day in and around Ceres.

Tulbagh is renowned for its historic Cape Dutch architecture, showcasing beautifully preserved buildings from the 18th and 19th centuries. Wolseley, nestled in the fertile Breede River Valley, is celebrated for its tranquil atmosphere and vineyard vistas. Prince Alfred Hamlet, a quaint farming town, provides a serene retreat for those seeking respite amid the Witzenberg municipal area's natural splendour.

Diagram 3.1
GDPR (CURRENT PRICES) AND EMPLOYMENT, Witzenberg

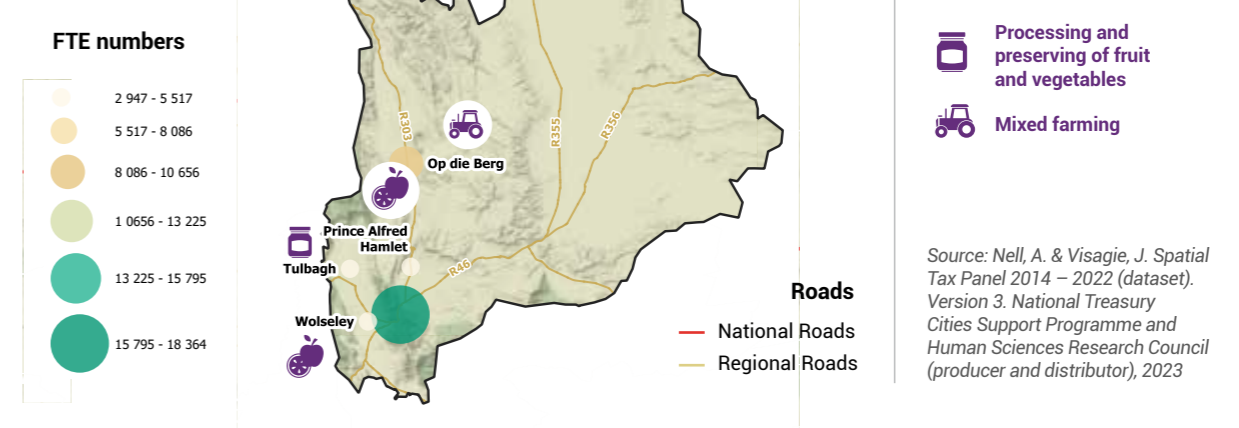


EMPLOYMENT PROFILE

Unemployment rate	Labour force participation rate	Labour absorption rate (employment-to-population ratio)	Not economically active proportion of working-age population
2021 ↘ 2022e	2021 ↗ 2022e	2021 ↗ 2022e	2021 ↘ 2022e
10.6%	65.6%	58.7%	34.4%
9.8%	68.1%	61.4%	31.9%

Source: Quantec research (e denotes estimate)

Map 3.1
NUMBER OF FTE JOBS PER TOWN AND MAIN SECTOR, Witzenberg, 2022

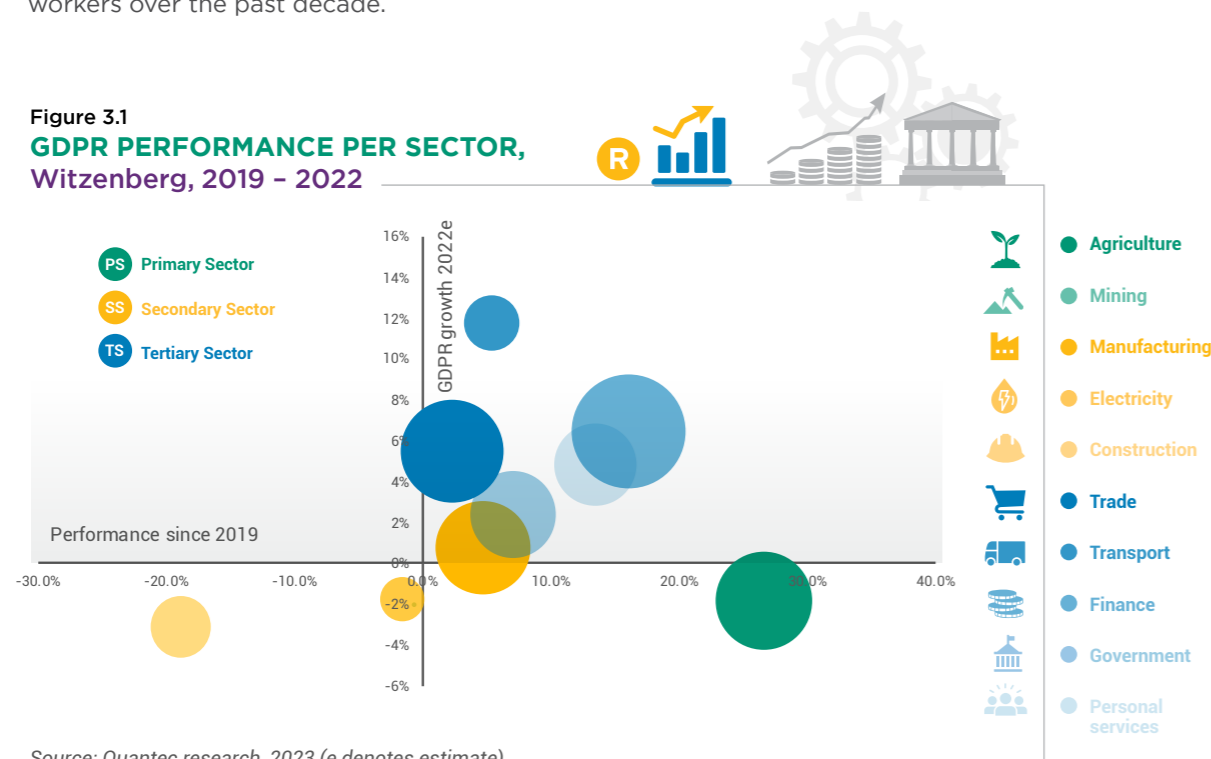


With a contribution of R11.3 billion in 2021, the Witzenberg economy is the second smallest in the CWD after Langeberg. Because of the strength of the local agriculture sector, this municipal economy contracted the least in 2020 (0.8 per cent) compared with the broader CWD (3.3 per cent). This was because agricultural activities could continue during level 5 lockdown conditions and as a result of producers benefiting from high commodity prices. Despite the slight contraction in the municipal economy, job losses were severe. They continued into 2021, with 4 276 formal and informal job losses recorded over the two years. This led to a rise in the unemployment rate. Despite GDPR slowing to an estimated 3.1 per cent in 2022, there was a general increase in the workforce and employment opportunities, with formal employment increasing by 2 443 jobs.

In 2022, the Witzenberg municipal area recorded the highest labour force participation rate (68.1 per cent), which exceeded that of the Province (64.8 per cent). Furthermore, the labour force participation rate increased by 2.5 percentage points in 2022, much faster than the 1.8 percentage point increase reported for the Western Cape. As workers returned to the labour market, the labour absorption rate increased by 2.8 percentage points to 61.4 per cent in 2022. The favourable labour market conditions led to a reduction in the unemployment rate.

The unemployment rate in the Witzenberg municipal area is the lowest in the District (and one of the lowest in the Province). The agriculture sector is the predominant source of employment, with perennial⁵ crop production providing the most jobs in this sector (18 319 jobs). The second-largest share of jobs is provided by mixed farming, with formal jobs standing at 9 245 people in 2022. This affects the general income levels of local communities, as the median monthly income is approximately R4 736 for these subsectors. The prevalence of agriculture sector jobs also affects the skill levels in the municipal area: 42.2 per cent of workers are low-skilled, followed by 28.8 per cent semi-skilled workers. Fortunately, job creation has favoured low-skilled and semi-skilled workers over the past decade.

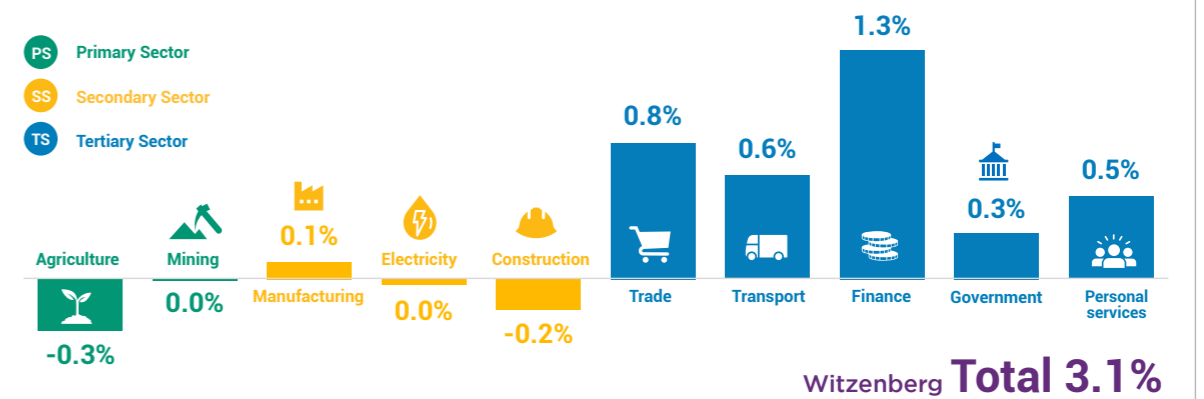
Figure 3.1
GDPR PERFORMANCE PER SECTOR,
Witzenberg, 2019 - 2022



Source: Quantec research, 2023 (e denotes estimate)

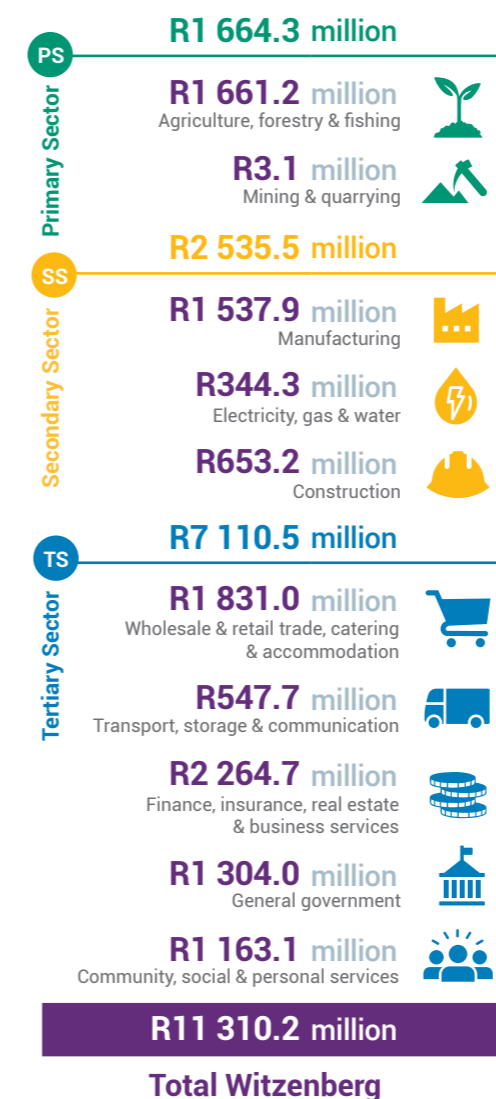
⁵ Apples, pears and stone fruit.

Figure 3.2
SECTORAL CONTRIBUTION TO GDPR GROWTH (PERCENTAGE POINTS),
Witzenberg, 2022e



Source: Quantec research, 2023 (e denotes estimate)

Figure 3.3
GDPR DISTRIBUTION,
Witzenberg,
R million, 2021



Source: Quantec research, 2023

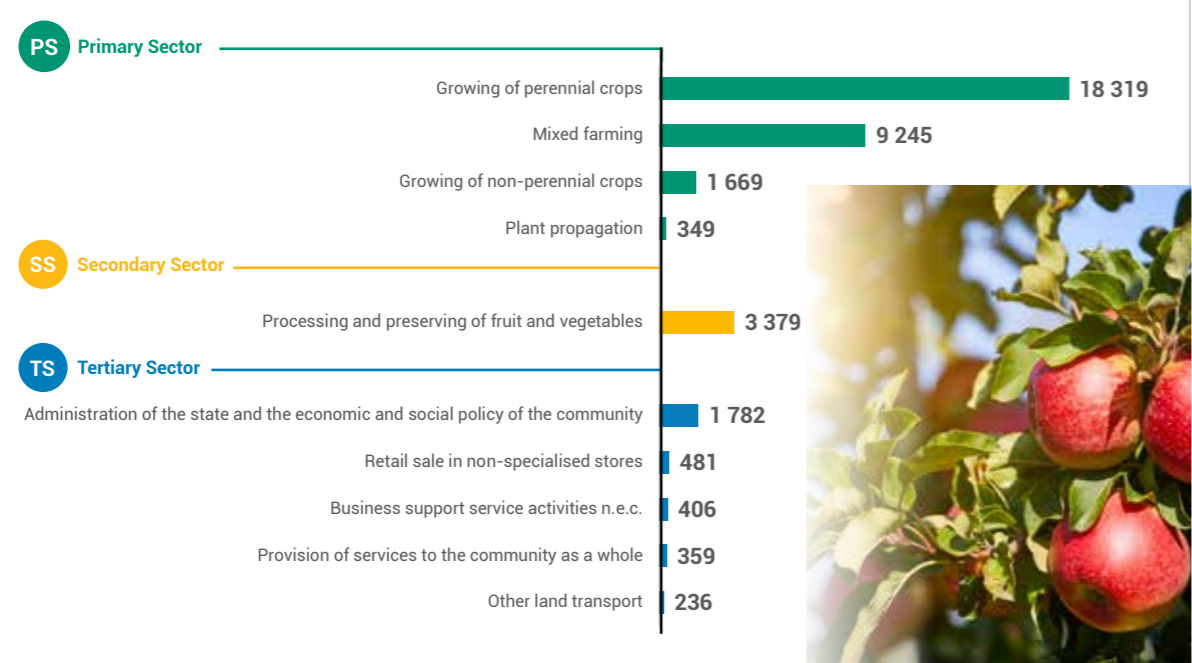
Regarding GDPR, the finance, trade, agriculture and manufacturing sectors are the cornerstones of the Witzenberg economy. Collectively, these sectors accounted for 64.5 per cent of GDP in 2021. The finance sector's activities are mainly driven by business services. At the same time, wholesale and tourism are pivotal in the performance of the trade sector. Manufacturing is centred on processing and preserving fruit and vegetables, as well as on winemaking.



The Ceres Valley is one of the country's most important apple- and pear-growing regions. Ceres Fruit Growers is an integral player in the local agriculture value chain. Not only is it actively involved in primary production, but through its subsidiary Tru-Cape, the company markets fruit worldwide. At the same time, Link Supply Chain Management, another subsidiary, provides for storage and transport needs. The company also owns Ceres Fruit Processors, which produces fruit juice concentrates and purées. These products are used as inputs for other manufacturing processes, including the production of beverages, baby food, syrups, sauces and jams. Other integrated enterprises in the area include De Keur, which produces a range of fruit and vegetables, also packing and marketing its produce.

In 2022, the estimated 3.1 per cent GDP growth was primarily a result of the strong growth recorded for the finance, trade and transport sectors. These sectors contributed 1.3, 0.8 and 0.6 percentage points to GDP growth, respectively. Overall, most sectors had surpassed their 2019 performance by 2022, the exceptions being the local construction, mining, and electricity, gas and water sectors. The construction sector contracted further in 2022 (by an estimated 3.1 per cent), as input costs rose substantially. Input costs in agriculture for goods such as fertiliser also increased markedly. At the same time, hail damaged certain crops, leading to a slight agriculture sector contraction (1.8 per cent).

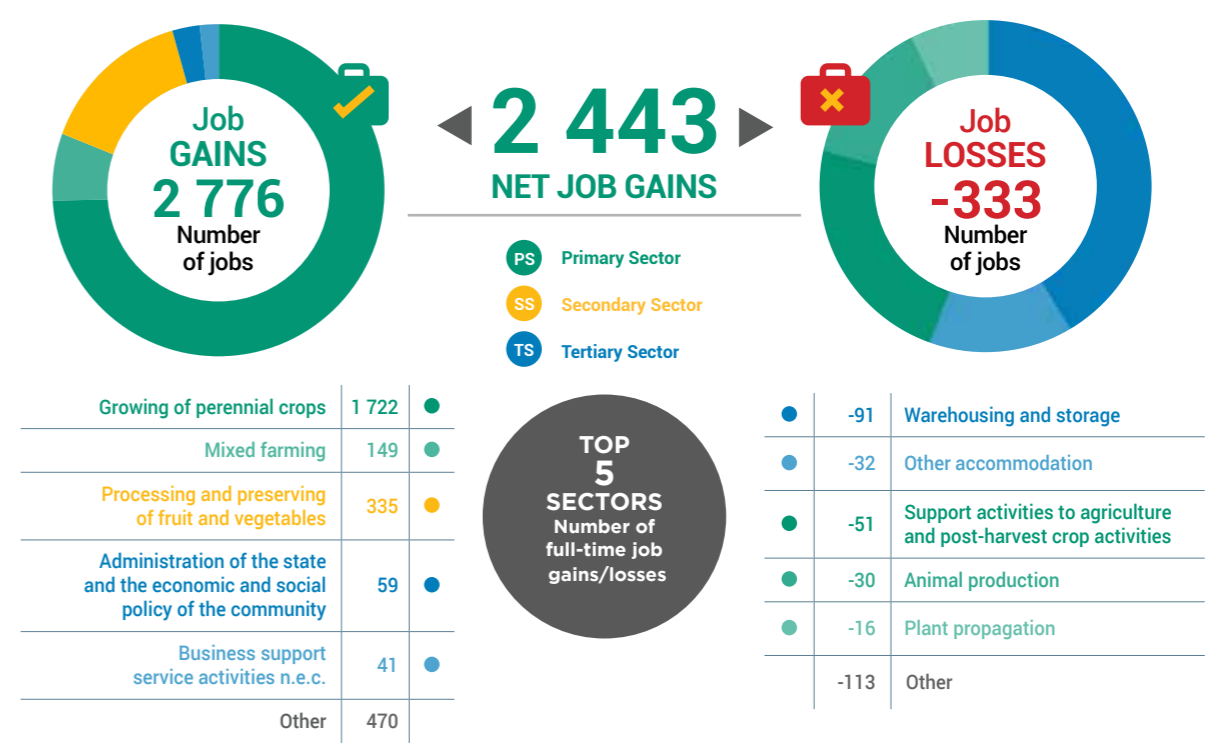
JOBS | Figure 3.4
TOP 10 SECTORS BY NUMBER OF FTE JOBS, WITZENBERG, 2022



Source: Nell, A. & Visagie, J. Spatial Tax Panel 2014 – 2022 (dataset). Version 3. National Treasury Cities Support Programme and Human Sciences Research Council (producer and distributor), 2023

Despite this reduction, the sector was responsible for a substantial number of job increases, with perennial crop production creating 1 722 additional jobs. Fruit and vegetable processing also grew, creating 335 additional job opportunities. Smaller subsectors in the area such as animal production and agricultural support activities shed jobs.

Figure 3.5
TOP 5 SECTORS FOR FORMAL JOB GAINS AND JOB LOSSES, WITZENBERG, 2021 – 2022



Source: Nell, A. & Visagie, J. Spatial Tax Panel 2014 – 2022 (dataset). Version 3. National Treasury Cities Support Programme and Human Sciences Research Council (producer and distributor), 2023

The Witzenberg economy is expected to expand by 2.5 per cent in 2023 and a further 3.0 per cent in 2024. This nearly equates to the average GDP performance between 2015 and 2019, when GDP expanded by an average annual rate of 3.1 per cent. The agriculture sector is forecast to contract further over this period as international prices normalise. However, the finance and trade sectors are forecast to show strong growth. This momentum can improve the wellbeing of local communities if job creation follows. Furthermore, public sector infrastructure and service delivery will need to be sustained if an enabling environment for businesses is to be ensured.



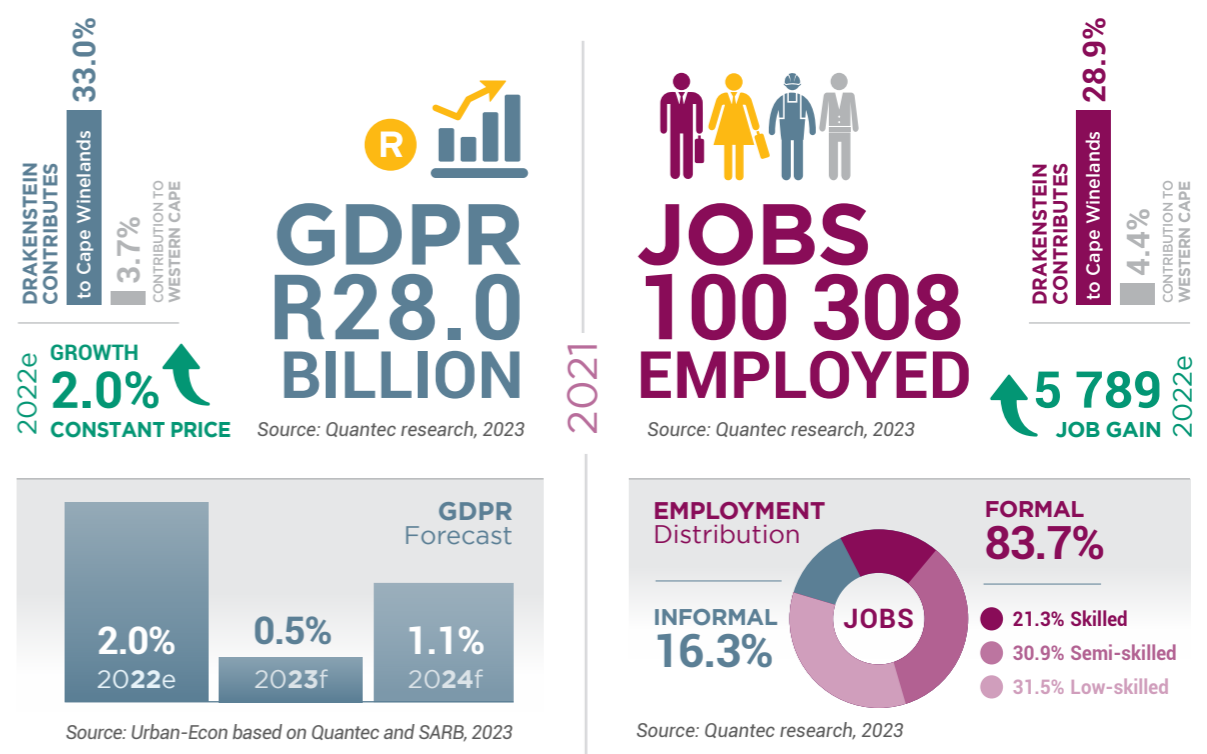
3.2 DRAKENSTEIN MUNICIPAL AREA

1 537.6km² | 7.2% of the Cape Winelands

The Drakenstein municipal area stretches from Saron's lush vineyards to bustling Paarl, the epicentre of economic activity. The municipal area is surrounded by the Wemmershoek, Simonsberg and Obiqua mountains, which provide a scenic landscape and plenty of adventure for nature enthusiasts. South of Paarl, estate developments dominate the landscape. The N1 corridor offers ample opportunity for growth, both by providing a connection with the ports in Cape Town and the broader South Africa and through enabling regional interconnectivity such as with the town of Klapmuts – a primary growth node in the Stellenbosch municipal area.

Wellington is known for its welcoming atmosphere and historic appeal. It features elegant old buildings and the breathtaking Bainskloof Pass, a favourite route for hikers and nature enthusiasts. Gouda, nestled in the picturesque Slanghoek Valley, is renowned for its agricultural offerings as well as delectable cheeses and fruit orchards, while Hermon serves as the Drakenstein municipal area's epicentre for grain and livestock production.

Diagram 3.2
GDP (CURRENT PRICES) AND EMPLOYMENT, Drakenstein



EMPLOYMENT PROFILE

Unemployment rate	Labour force participation rate	Labour absorption rate (employment-to-population ratio)	Not economically active proportion of working-age population
2021 ↘ 2022e	2021 ↗ 2022e	2021 ↗ 2022e	2021 ↘ 2022e
19.7%	61.6%	49.4%	38.4%
18.7%	63.8%	51.8%	36.2%

Source: Quantec research (e denotes estimate)

Map 3.2
NUMBER OF FTE JOBS PER TOWN AND MAIN SECTOR, Drakenstein, 2022

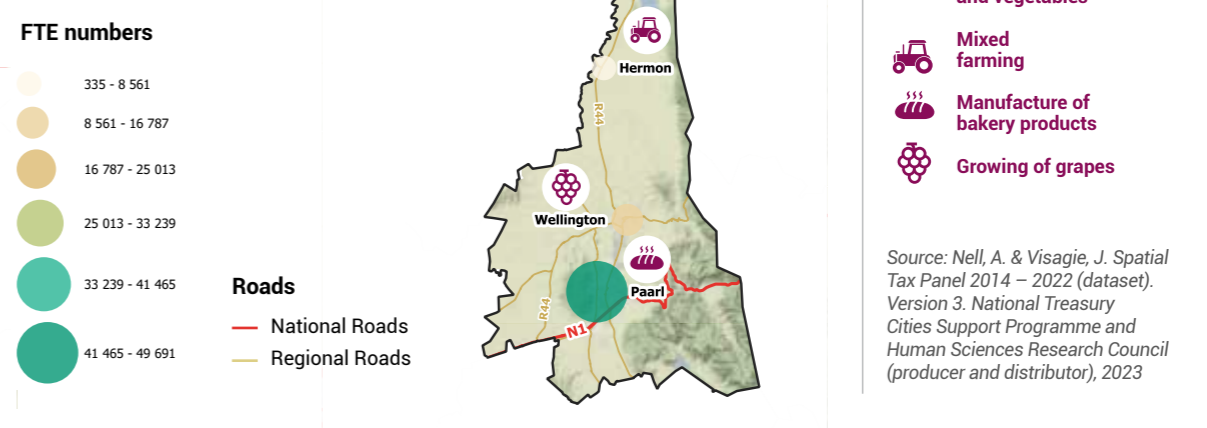
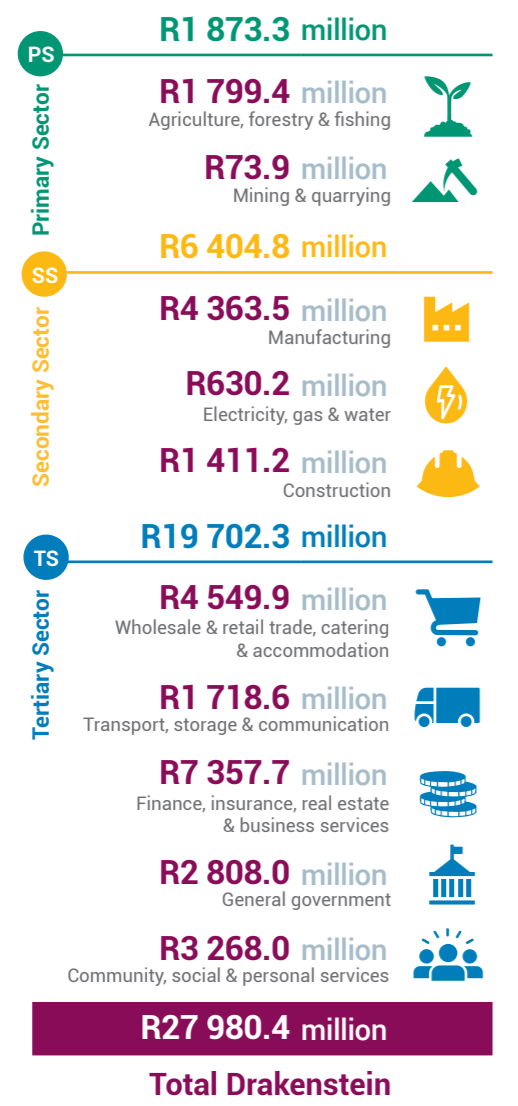


Figure 3.6
GDPR DISTRIBUTION,
Drakenstein,
R million, 2021



Source: Quantec research, 2023

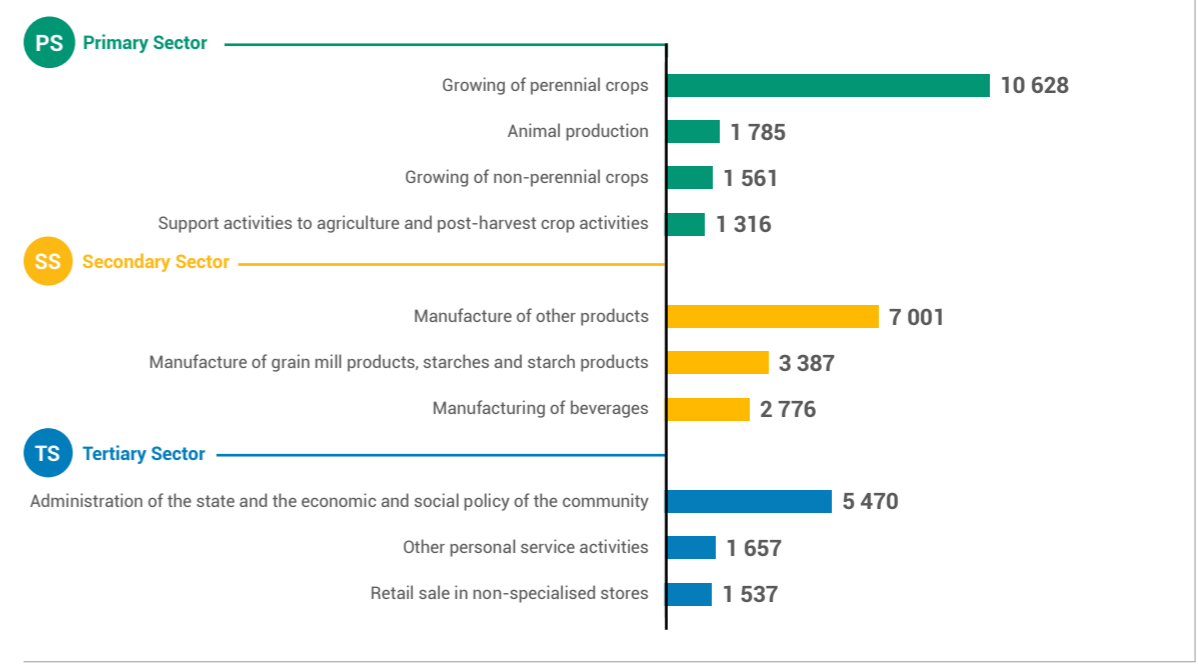


The Drakenstein economy is the largest in the CWD and the leading source of regional economic growth. The small-town feel of Paarl and its proximity to Cape Town have created a booming property market, with the construction of lifestyle and retirement estate developments having boomed in recent years. In 2021, the economy was valued at R28.0 billion and provided employment to 100 308 formal and informal workers (16.3 per cent of workers). Despite Paarl being a regional public and commercial service hub, formally employed workers are mainly low-skilled (31.5 per cent) and semi-skilled (30.9 per cent), as the agriculture and manufacturing industries support a substantial number of formal jobs. Perennial crop production was the single-largest employing subsector in the municipal area in 2022, providing 10 628 job opportunities, 1 277 more than in the previous year.



JOBS

Figure 3.7
TOP 10 SECTORS BY NUMBER OF FTE JOBS,
Drakenstein, 2022



Source: Nell, A. & Visagie, J. Spatial Tax Panel 2014 – 2022 (dataset). Version 3. National Treasury Cities Support Programme and Human Sciences Research Council (producer and distributor), 2023

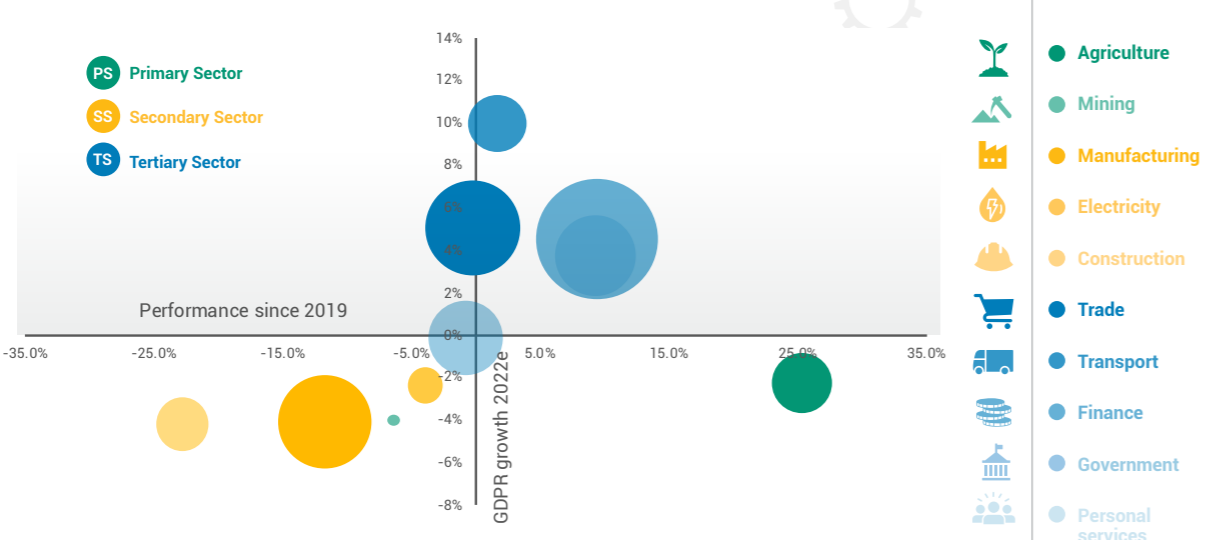
In terms of GDPR, the most significant sectors for economic activity included finance (R7.4 billion), trade (R4.5 billion) and manufacturing (R4.4 billion). These sectors accounted for 58.2 per cent of municipal GDPR in 2021. Operations that produced baked goods,⁶ grain mill products and beverages were the leading sources of manufacturing jobs in the Drakenstein municipal area, which is home to many well-known brands. These include Sasko, KWV, Picardie Spring Water, AquaBella, Rhodes Food Group, Cape Fruit Processors and a host of wine producers. The decision by Distell, which was recently acquired by Heineken Beverages, to relocate to Klapmuts to consolidate its production, bottling, warehousing and distribution facilities will further strengthen this local sector thanks to the production facility's proximity to Paarl.



⁶ Included in Figure 3.7 as "manufacture of other products".

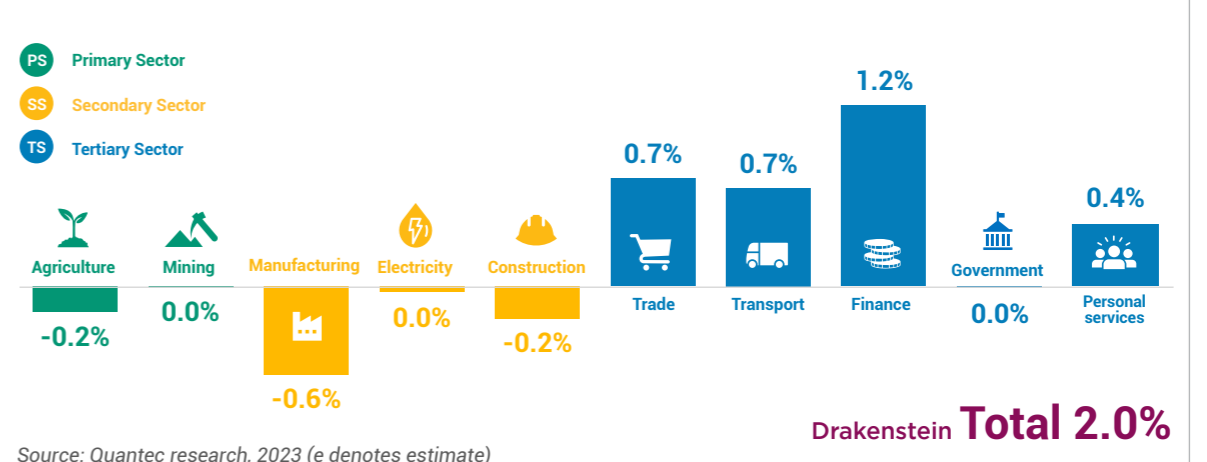
It is estimated that in 2022, the economy of Drakenstein grew by 2.0 per cent. Despite the slowdown in economic growth compared with the GDPR performance of 2021, the 2022 estimate signals a full recovery from the 4.1 per cent contraction recorded in 2020. Job creation remained under pressure as more formally employed workers lost their jobs. However, informal employment increased substantially in the Drakenstein municipal area, especially in agriculture and trade activities. The boost from informal employment significantly impacted the unemployment rate, which declined by 1.0 percentage point in 2022 to 18.7 per cent. Notwithstanding the decline, the unemployment rate in the Drakenstein municipal area remains the highest in the CWD. The job market continues to be constrained, with formal employment opportunities declining marginally in 2022. However, informal opportunities increased substantially, especially in agriculture and trade. Job creation over the last decade has favoured those who are either skilled or semi-skilled, emphasising the importance of skills development initiatives to ensure increased local employment.

Figure 3.8
GDPR PERFORMANCE PER SECTOR, Drakenstein, 2019 - 2022



Source: Quantec research, 2023 (e denotes estimate)

Figure 3.9
SECTORAL CONTRIBUTION TO GDPR GROWTH (PERCENTAGE POINTS), Drakenstein, 2022e



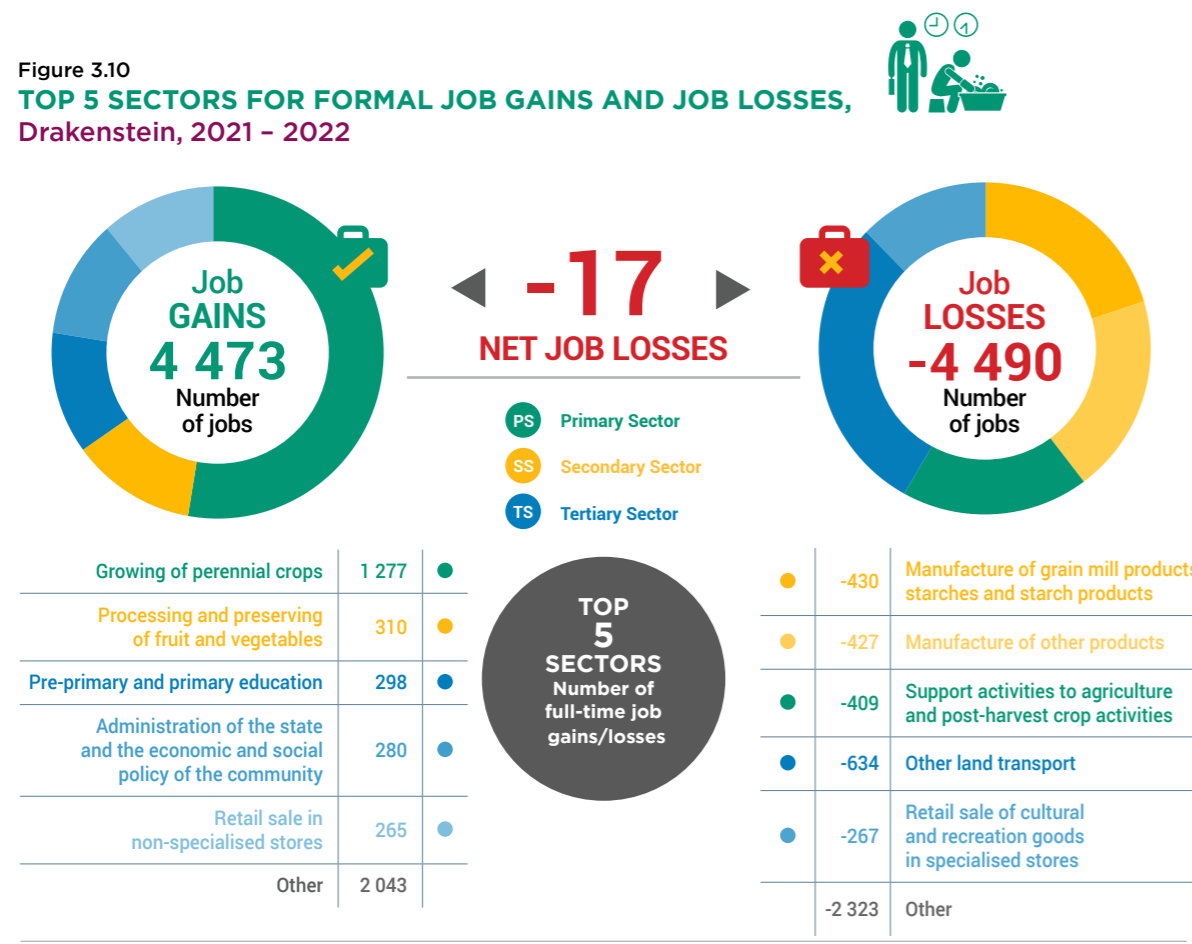
Source: Quantec research, 2023 (e denotes estimate)

The sectors that contributed the most to GDPR growth in 2022 included finance (1.2 percentage points), and transport and trade (both contributing 0.7 of a percentage point). However, GDPR growth prospects were hampered by contractions in the primary and secondary sectors and in the general government sector. Load-shedding, escalating inflation, rising fuel costs and interest rate hikes had a negative impact on many local industries. Despite the contraction in the agriculture sector, which resulted from bad weather conditions during the year and logistical challenges at the Port of Cape Town, it continued to operate at elevated levels, making a valuable contribution to regional exports. The export of locally produced fruit and food products requires a value chain that encompasses business services, wholesalers, transport providers and logistics specialists. All are locally available through enterprises such as United Exports, the Hoekstra Group, Delecta Fruit, Fruitworks, Afrigistics and Megafreight, to name a few.

Tourism forms an integral part of the Drakenstein economy, especially wine tourism, and tourism spending is essential to the local trade sector. However, as the tourism industry is still recovering from the 2020 slump, the trade sector, while expanding substantially in 2022 (5.0 per cent), is yet to operate at the levels recorded before 2020. Other industries that have not recovered from the 2020 losses include mining, manufacturing, electricity, gas and water, and construction.



Load-shedding and rising input costs resulted in an estimated GDP contraction of 4.1 per cent in the manufacturing sector in 2022. This led to job losses, especially in grain mills (430 jobs) and other operations (427 jobs). The poor performance of the agriculture sector affected those working in support activities and post-harvest handling the most, with these subsectors shedding 409 jobs. Reduced production activities also affected the local freight industry, which shed 634 jobs. While the formal manufacturing and transport sectors may have shed jobs, job growth in the informal sphere was recorded. This increase in jobs emphasises the importance of the activities of small, medium and micro enterprises (SMMEs) in the Drakenstein municipal area.



Source: Nell, A. & Visagie, J. Spatial Tax Panel 2014 – 2022 (dataset). Version 3. National Treasury Cities Support Programme and Human Sciences Research Council (producer and distributor), 2023

Forecasts for 2023 indicate that economic activity will continue to slow down as load-shedding affects farmers, manufacturing businesses and households. Other constraints, principally high interest and inflation rates, are likely to further dampen business confidence and household purchasing power. The agriculture sector is also forecast to contract further, with high input costs and bad weather affecting crop production. However, the economic performance will normalise to a degree in 2024, with GDP forecast to expand by 1.1 per cent.



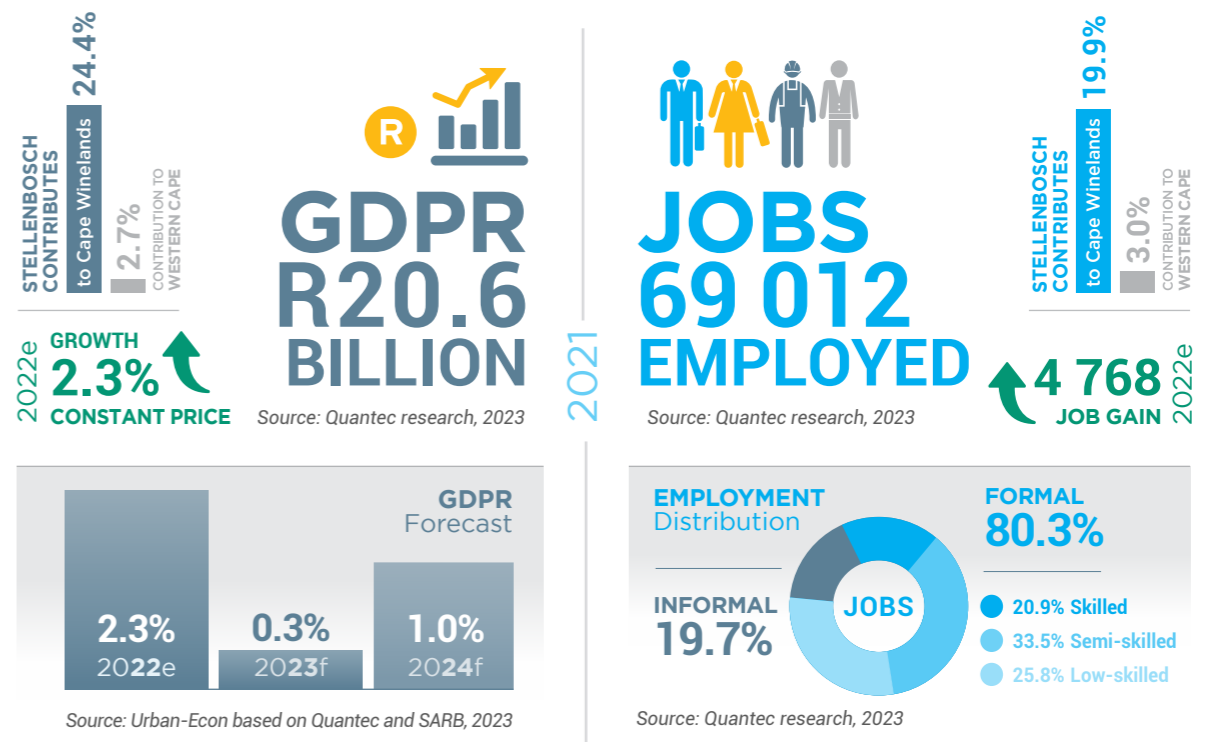
3.3 STELLENBOSCH MUNICIPAL AREA

831.0km² | 3.9% of the Cape Winelands

The Stellenbosch municipal area, located in the heart of the CWD, boasts a multitude of unique attributes that make it an enchanting destination. Its most distinctive feature is its well-preserved Cape Dutch architecture, with historic buildings lining the streets of Stellenbosch town. The second-oldest town in the country, Stellenbosch, is renowned for its architectural heritage and prestigious Stellenbosch University, which contributes to a vibrant cultural and intellectual atmosphere.

Franschhoek, the “French Corner”, is celebrated for its exceptional culinary scene. It offers a delectable fusion of French and South African flavours, and is a favourite among local and international tourists. Because of recent developments in the area, Klapmuts is considered a regional growth node thanks to its regional connectivity. Other smaller settlements dot the landscape, namely Raithby, Pniel, Kylemore, Koelenhof, Muldersvlei, Jamestown, La Motte, Vlottenburg and Lynedoch. These settlements are mainly residential, with those who live there employed in local agricultural and manufacturing industries.

Diagram 3.3
GDP (CURRENT PRICES) AND EMPLOYMENT, Stellenbosch



EMPLOYMENT PROFILE

Unemployment rate	Labour force participation rate	Labour absorption rate (employment-to-population ratio)	Not economically active proportion of working-age population
2021 ↘ 2022e	2021 ↗ 2022e	2021 ↗ 2022e	2021 ↘ 2022e
16.2%	62.0%	52.0%	38.0%
15.2%	64.5%	54.7%	35.5%

Source: Quantec research (e denotes estimate)

Map 3.3
NUMBER OF FTE JOBS PER TOWN AND MAIN SECTOR, Stellenbosch, 2022

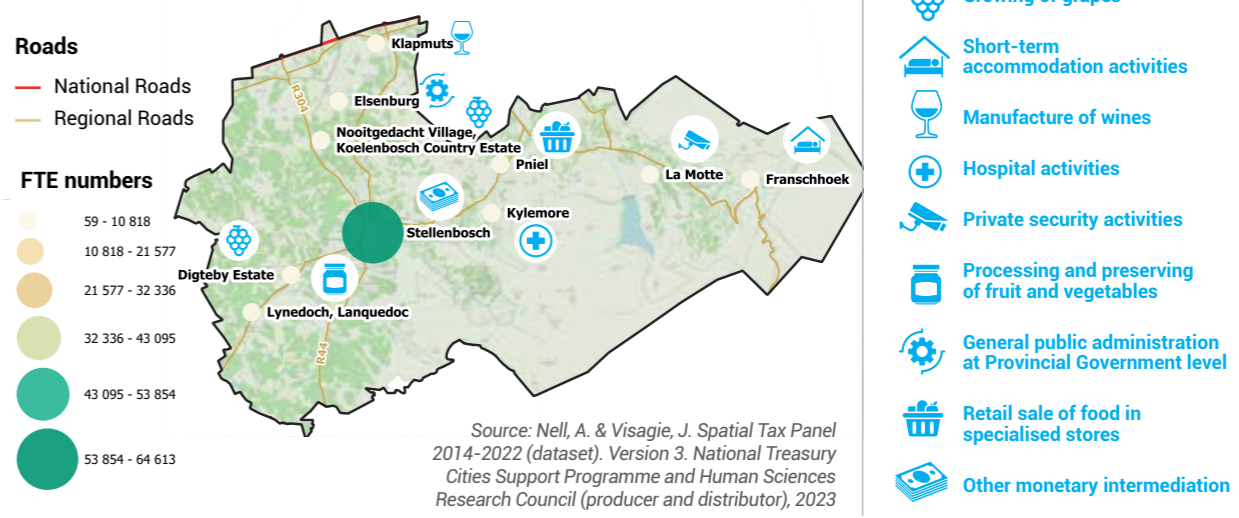
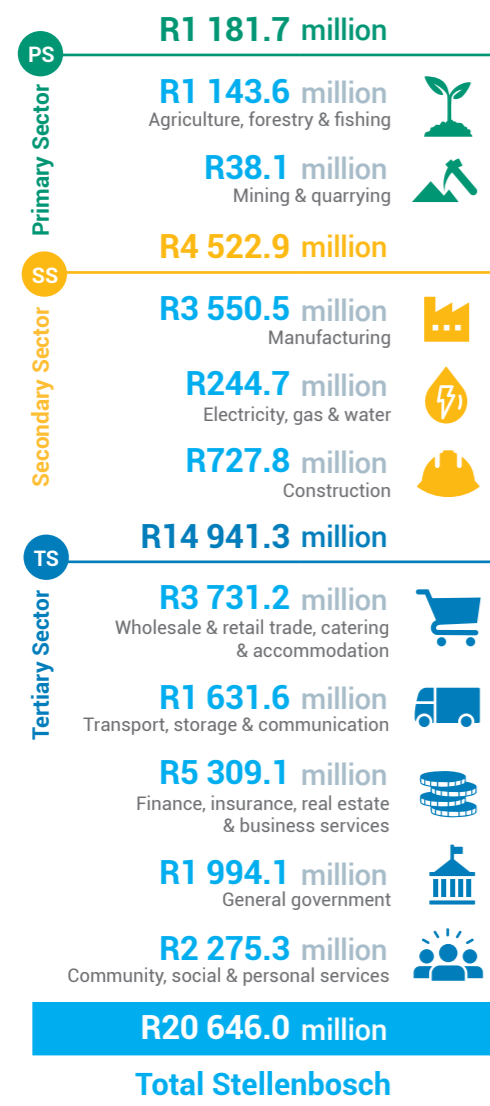


Figure 3.11
GDPR DISTRIBUTION,
Stellenbosch,
R million, 2021



Source: Quantec research, 2023

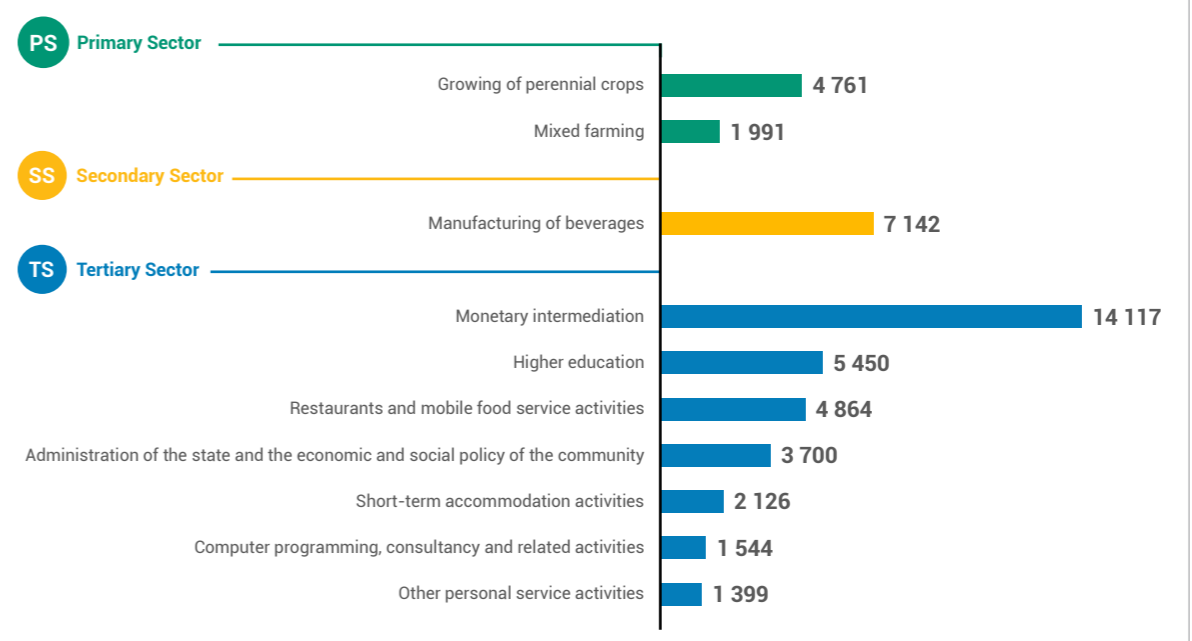


In 2021, the Stellenbosch municipal area had a GDPR of R20.6 billion and provided employment to 69 012 people. The economy of the municipal area is underpinned by the well-established agriculture sector, which specialises in grape production for its world-renowned wineries – the latter a catalyst for trade and tourism. However, the town of Stellenbosch is also home to the head offices of Capitec, Remgro and PSG, as well as local offices of financial service providers such as Citadel Wealth Management, Brenthurst and Adviceworx. It stands to reason that the sector that contributed the most to the local economy is finance (R5.3 billion in 2021), accounting for 25.7 per cent of GDPR. As such, the single leading source of formal employment in 2022 was monetary intermediation, providing jobs for 14 117 people. This was followed by beverage manufacturing (mainly wine), which provided employment to 7 142 people. The stark contrast between the median monthly income of these two industries (R27 446 and R8 940, respectively) gives a glimpse of the prevailing reality of inequality in the Stellenbosch municipal area.



JOBS

Figure 3.12
TOP 10 SECTORS BY NUMBER OF FTE JOBS,
Stellenbosch, 2022



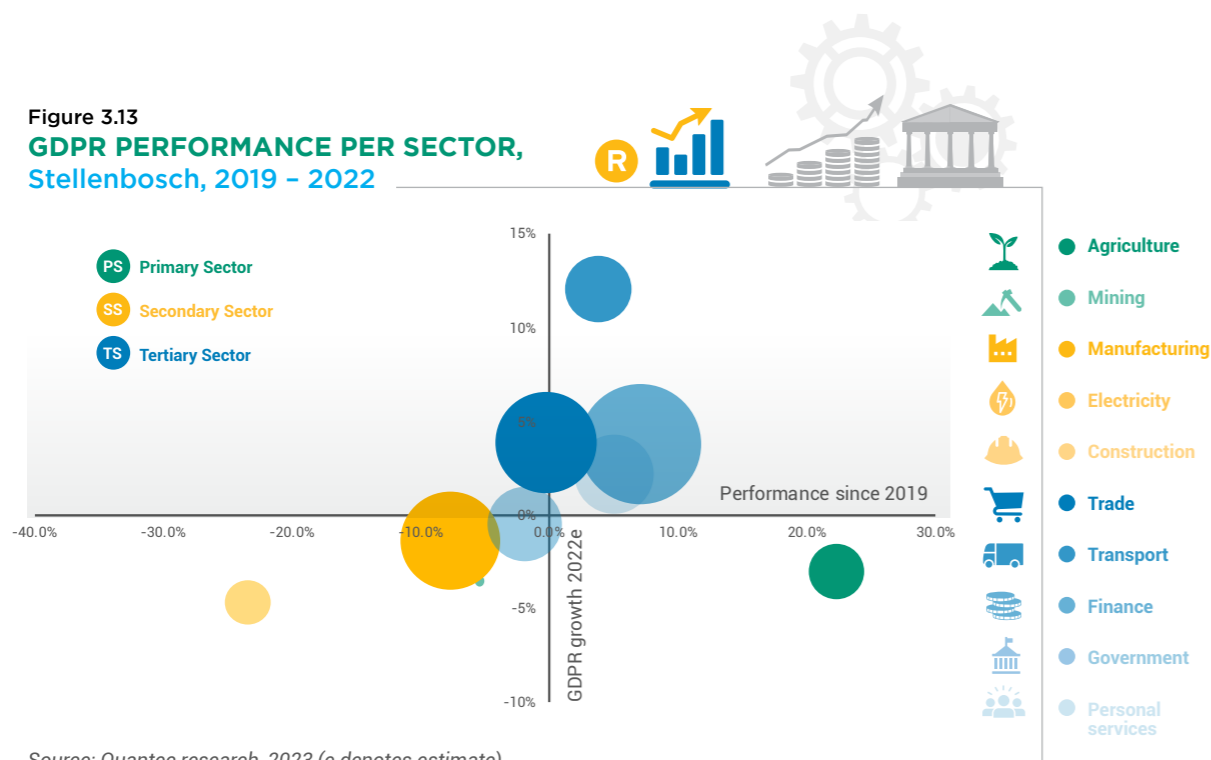
Source: Nell, A. & Visagie, J. Spatial Tax Panel 2014 –2022 (dataset). Version 3. National Treasury Cities Support Programme and Human Sciences Research Council (producer and distributor), 2023.

The varying skill levels required for the industries and the presence of Stellenbosch University make for a high prevalence of skilled (20.9 per cent) and semi-skilled (33.5 per cent) workers. Informal sector activities, especially those in the trade, agriculture and personal services sectors, are an essential source of employment (19.7 per cent in 2021). While approximately 25.8 per cent of workers are low-skilled, job creation in recent years has favoured semi-skilled and skilled workers, with limited opportunities for low-skilled workers. Access to education and skills development initiatives in communities with high levels of unemployment will therefore be essential for social upliftment in the long run.



It is estimated that in 2022, the economy of the CWD expanded by 2.3 per cent, signalling a full recovery from the economic downturn in 2020. This positive economic performance also increased the number of both formal and informal jobs in the CWD. However, the addition of 4 768 formal and informal jobs was not sufficient to offset the job losses of 2020 and 2021. The Stellenbosch municipal area's labour market conditions were such that job seekers re-entered the market in 2022 after exiting in 2020, with the labour force participation rate increasing by 2.5 percentage points to 64.5 per cent. The increased number of available job opportunities resulted in the labour absorption rate expanding to 54.7 per cent. These improvements led to a welcome 0.9 percentage point reduction in the unemployment rate, which stood at 15.2 per cent in 2022. While this rate is relatively high compared to the CWD average (14.7 per cent), it is substantially lower than the Provincial unemployment rate (24.5 per cent).

Figure 3.13
GDPR PERFORMANCE PER SECTOR,
Stellenbosch, 2019 - 2022



The sectors that contributed to GDPR growth in 2022 were finance and transport, both accounting for 1.0 percentage point, followed by trade, which contributed 0.6 of a percentage point. The leading source of new jobs in the CWD in 2022 was computer programming, consultancy and related services (669 jobs); the activities of this industry are captured in the transport, storage and communications sector. The Stellenbosch municipal area is growing as a tech hub. Techno Park is home to leading enterprises, including Entersekt,⁷ Genasys,⁸ Mezzanine,⁹ Methys,¹⁰ PBT Group¹¹ and Praelexis.¹² The finance sector's performance was boosted by growth in business services; subsectors such as design services expanded their workforce by 206 people. Other professional, scientific and technical activities also recorded substantial job gains (181 jobs).

⁷ Providing secure digital payment and data channels and authentication solutions.
⁸ Cloud-based solution for the insurance industry.
⁹ A subsidiary of Vodacom.
¹⁰ Specialising in data engineering, digital design, performance management, software development and cloud-hosting services.
¹¹ Data architecture, data modelling and data engineering.
¹² Machine-learning specialists.

Despite the strong performance of the trade sector, tourism, which forms a critical component of this sector locally, was still on a trajectory of recovery. This industry is crucial for the economy of Franschhoek, where the leading source of jobs is accommodation services. In 2022, international arrivals to the Province did not reach pre-pandemic volumes. Domestic tourism was affected by reduced household purchasing power amid the macroeconomic challenges of high inflation, rising fuel prices and increased interest rates. This resulted in 448 job losses in the restaurant and mobile food service industry.

Figure 3.14
SECTORAL CONTRIBUTION TO GDPR GROWTH (PERCENTAGE POINTS),
Stellenbosch, 2022e

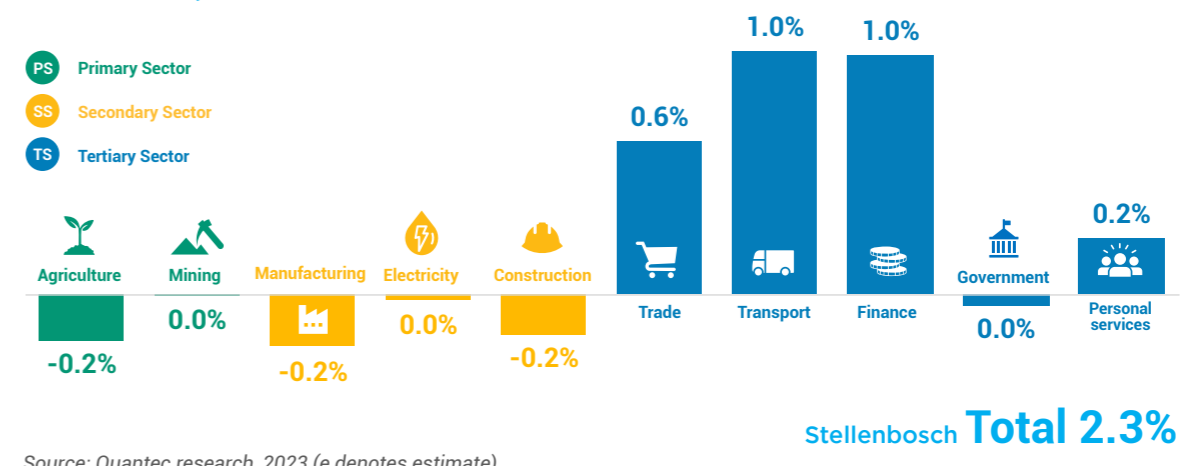
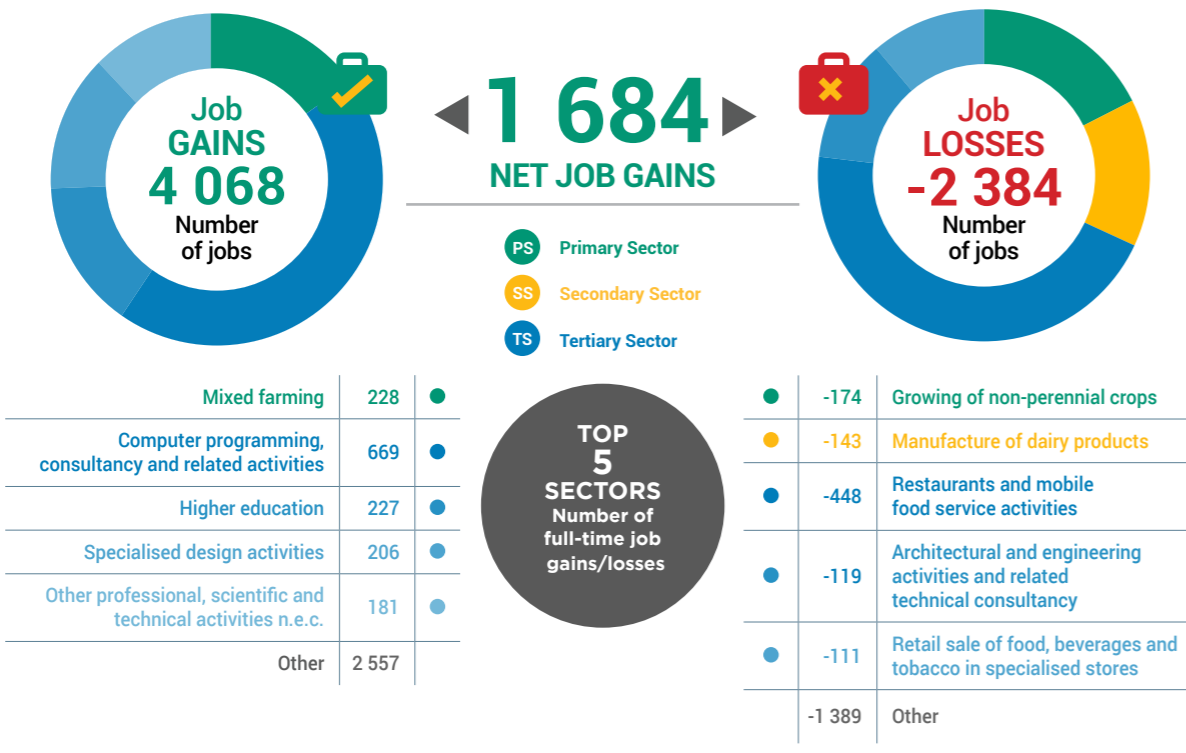


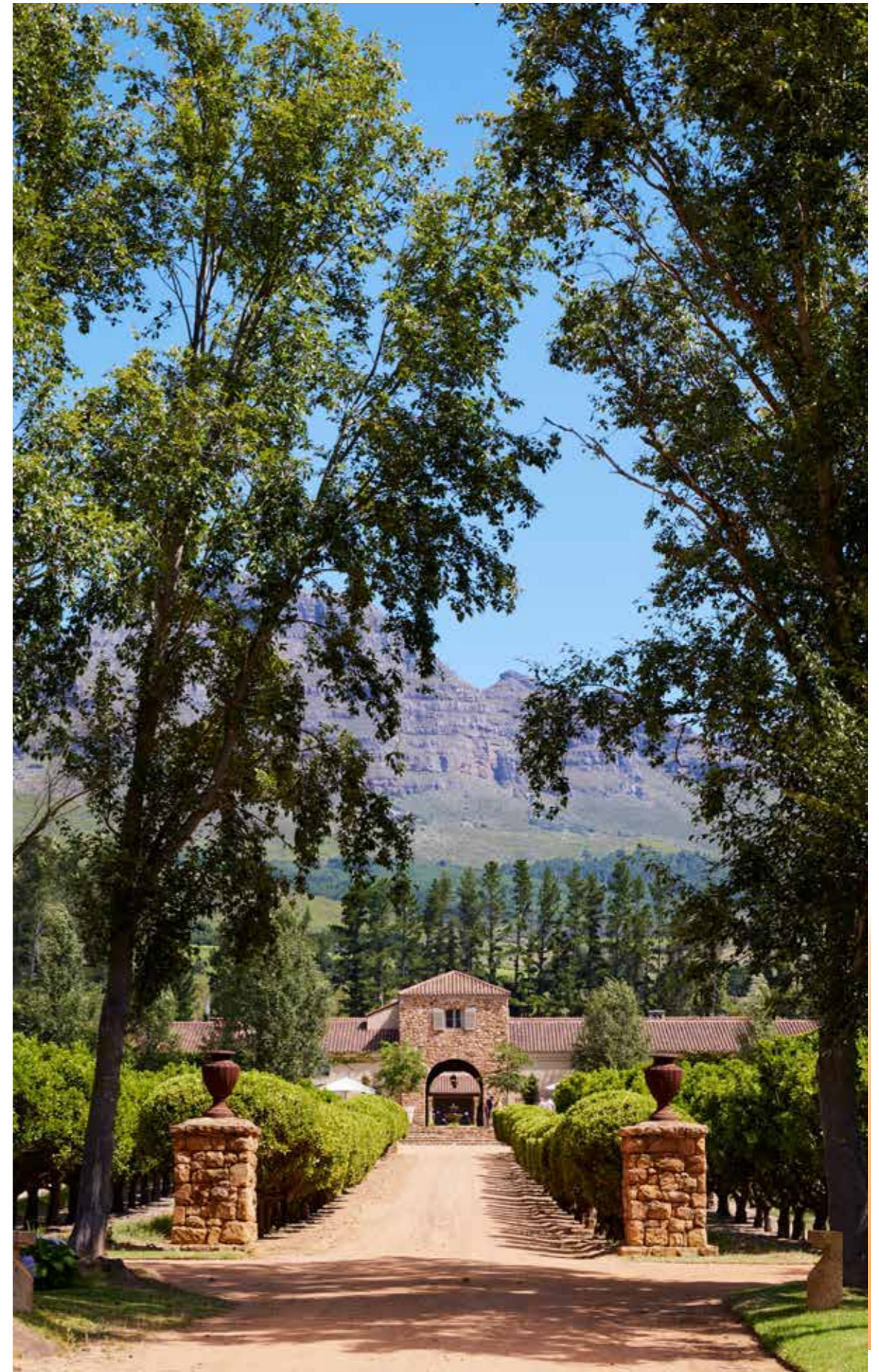
Figure 3.15
TOP 5 SECTORS FOR FORMAL JOB GAINS AND JOB LOSSES,
 Stellenbosch, 2021 - 2022



Source: Nell, A. & Visagie, J. Spatial Tax Panel 2014 – 2022 (dataset). Version 3. National Treasury Cities Support Programme and Human Sciences Research Council (producer and distributor), 2023

Furthermore, overall GDP growth prospects were hampered by contractions in the primary and secondary sectors. With the exception of agriculture, which recorded growth rates of 20.3 per cent in 2020 and 5.0 per cent in 2021, these two sectors are still performing at lower levels than in 2019. Load-shedding in 2022 negatively affected farmers and manufacturers alike, dampening output capabilities.

The economy of South Africa remains under pressure in 2023, buckling under load-shedding, constrained consumer spending and reduced business confidence. In this context, near stagnant GDP growth of 0.3 per cent is forecast for 2023 for the Stellenbosch municipal area. Agriculture, manufacturing, construction, general government and personal services are all expected to underperform because of the macroeconomic strains hampering business activity. However, GDP growth prospects are more optimistic for 2024 (1.0 per cent), as it is anticipated that tourist activities and strong finance sector growth will boost the local economy.





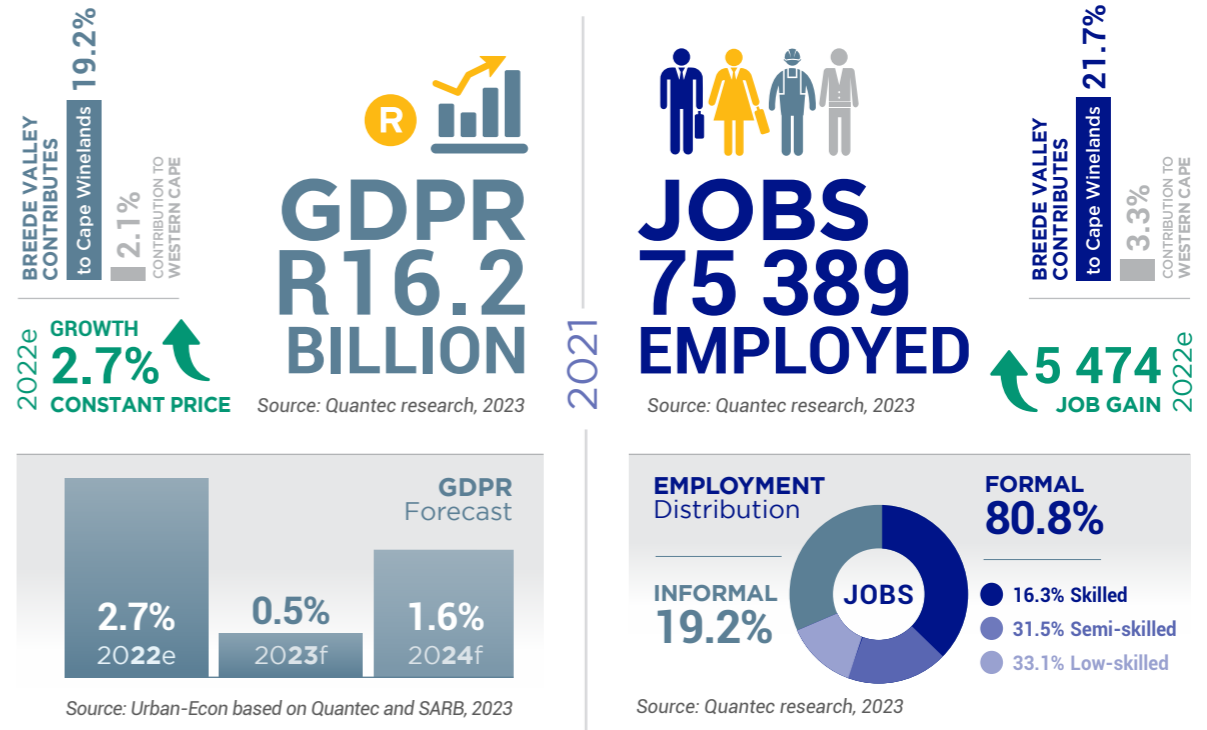
3.4 BREEDE VALLEY MUNICIPAL AREA

3 833.4km² | 17.9% of the Cape Winelands

The Breede Valley municipal area offers a unique blend of natural beauty, agricultural bounty and historic charm that sets it apart as a remarkable destination. Its most distinctive features are the meandering Breede River and Brandvlei Dam, which provide a lifeline to the region's lush vineyards and fertile orchards.

Vineyards dominate the landscape of the Breede Valley, with De Doorns specialising in export-grade table grapes. Rawsonville and Worcester, in turn, produce grapes that are destined for the local wine industry. In contrast to the fertile Breede Valley is the town of Touws River, known as the gateway to the Karoo. Once a small railway town, it now marks the start of Route 62, the longest wine route in the world.

Diagram 3.4
GDPR (CURRENT PRICES) AND EMPLOYMENT, Breede Valley

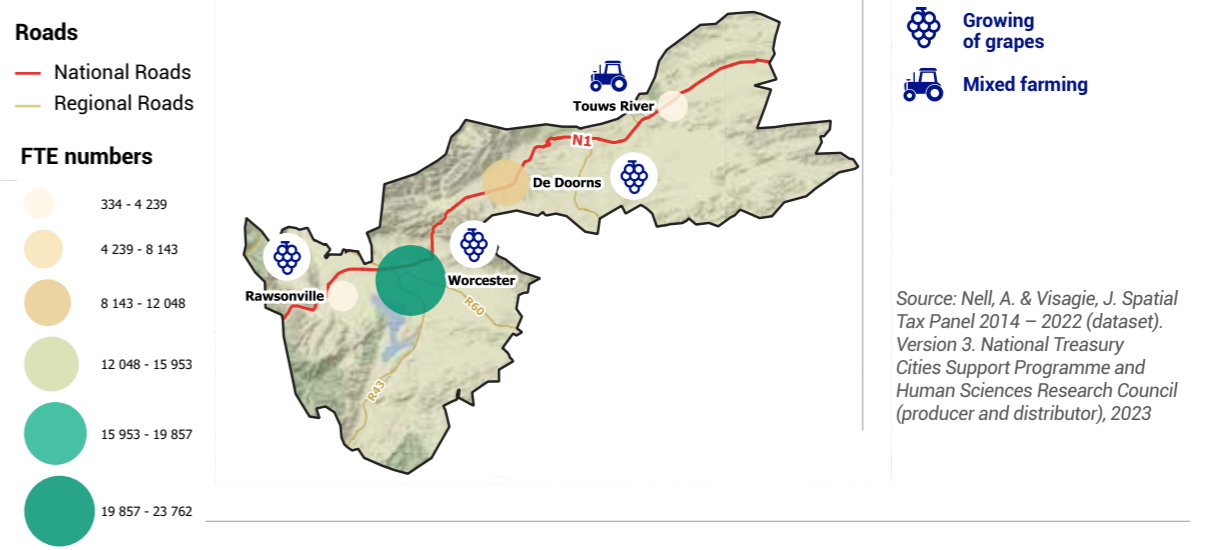


EMPLOYMENT PROFILE

Unemployment rate	Labour force participation rate	Labour absorption rate (employment-to-population ratio)	Not economically active proportion of working-age population
2021 ↘ 2022e	2021 ↗ 2022e	2021 ↗ 2022e	2021 ↘ 2022e
15.7%	62.4%	52.6%	37.6%
14.6%	64.9%	55.5%	35.1%

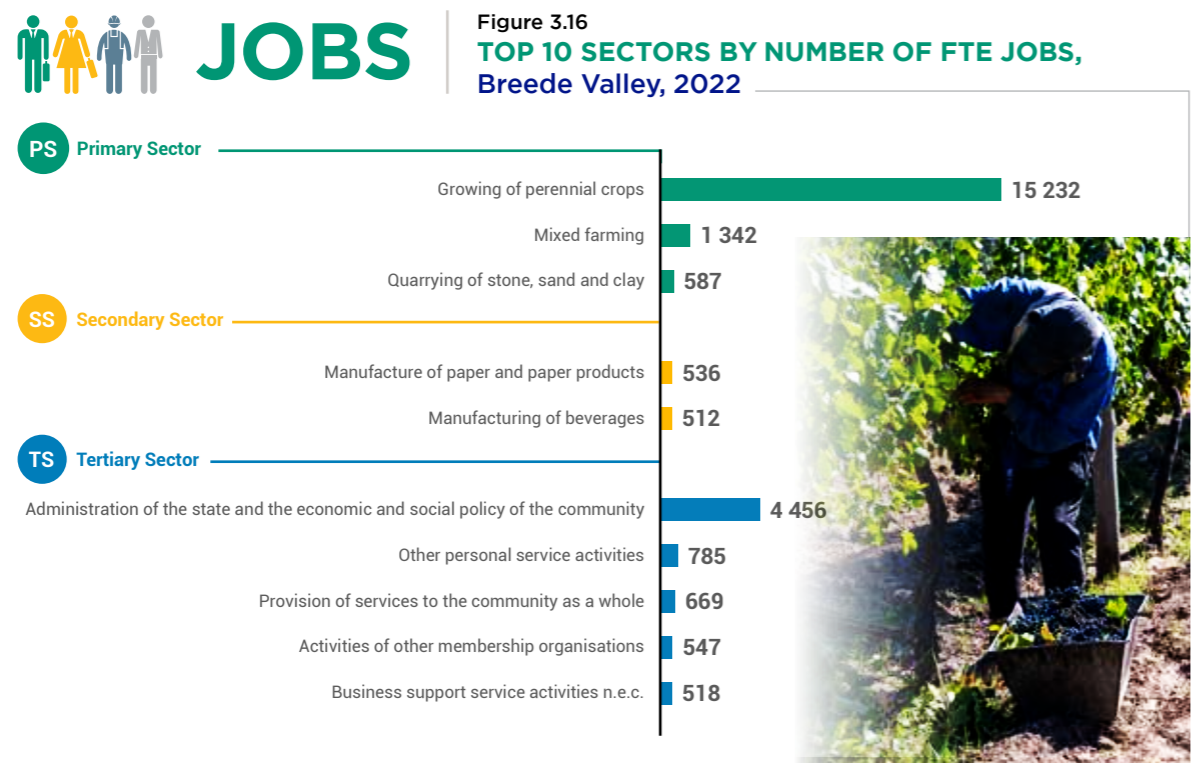
Source: Quantec research (e denotes estimate)

Map 3.4
NUMBER OF FTE JOBS PER TOWN AND MAIN SECTOR, Breede Valley, 2022



In 2021, the Breede Valley municipal area recorded a GDPR of R16.2 billion while employing 75 389 people, 19.2 per cent of whom were informally employed. The economy of the Breede Valley is securely invested in grape farming, whether through the cultivation of fresh grapes for the local and international markets or the production of wine. This leads to a labour force skewed towards low-skilled (33.1 per cent) and semi-skilled (31.5 per cent) workers. The local wine industry also contributes to tourism, as the area is popular for weekend getaways, sporting events and festivals.

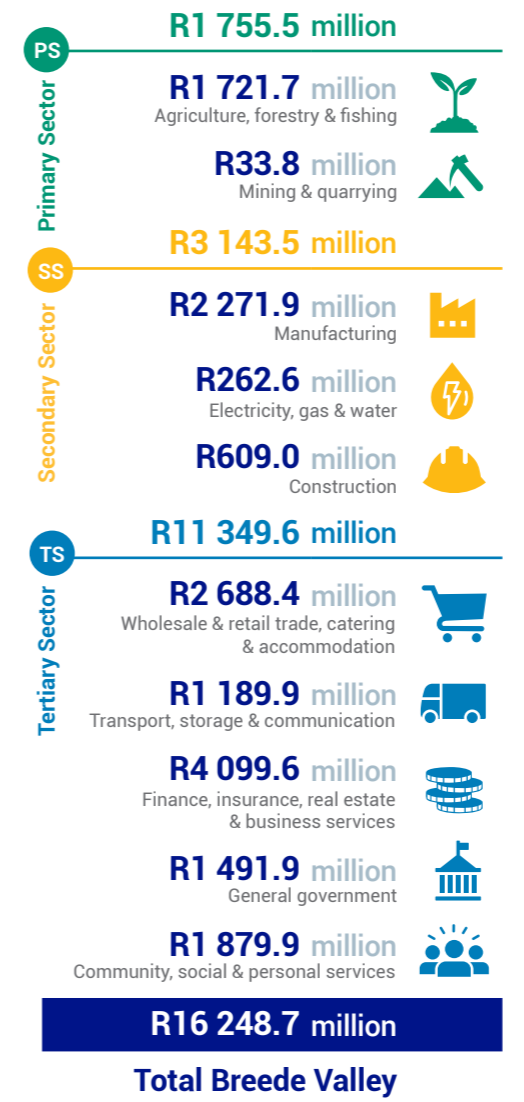
Worcester serves as the commercial hub of the municipal area, resulting in the finance sector being the largest in terms of GDPR. The finance sector had a GDPR of R4.1 billion (25.2 per cent of GDPR) in 2021 and is predominantly made up of business services such as those provided by bookkeepers, insurers, lawyers and security specialists. This sector was also the leading source of economic growth in 2022. In addition, Worcester is a centre for public administration. There is a strong local and Provincial Government presence in the town, including the Breede Valley Municipality, Cape Winelands District Municipality, Brandvlei Correctional Centre, the Worcester regional public hospital and Brewelskloof Hospital, which is a specialist tuberculosis hospital, with 4 456 people being employed locally by the public sector.



Source: Nell, A. & Visagie, J. Spatial Tax Panel 2014 – 2022 (dataset). Version 3. National Treasury Cities Support Programme and Human Sciences Research Council (producer and distributor), 2023

Other prominent sectors in terms of GDPR include trade (16.5 per cent of GDPR) and manufacturing (14.0 per cent of GDPR). The high levels of urbanisation and large number of tourist activities contribute substantially to the vibrant trade environment in Worcester. The leading manufacturers in the Breede Valley municipal area are the 22 wineries in the Rawsonville, Slanghoek, Goudini and Breede River areas and the 11 wineries in the Worcester and De Doorns areas. Other manufacturing includes agro-processing (Safari Dried Fruit & Nuts, Sasko bakery, RCL Foods and Breede River Valley Bottling) and the production of packaging materials for fruit growers. The latter reflects the prevalence of the well-developed grape-growing value chain in the area. In addition to encompassing a substantial number of agro-processing industries, the area is also home to Hextex, a local fabric producer that reopened in 2022 after being closed in 2020 and 2021.

Figure 3.17: GDP DISTRIBUTION, Breede Valley, R million, 2021



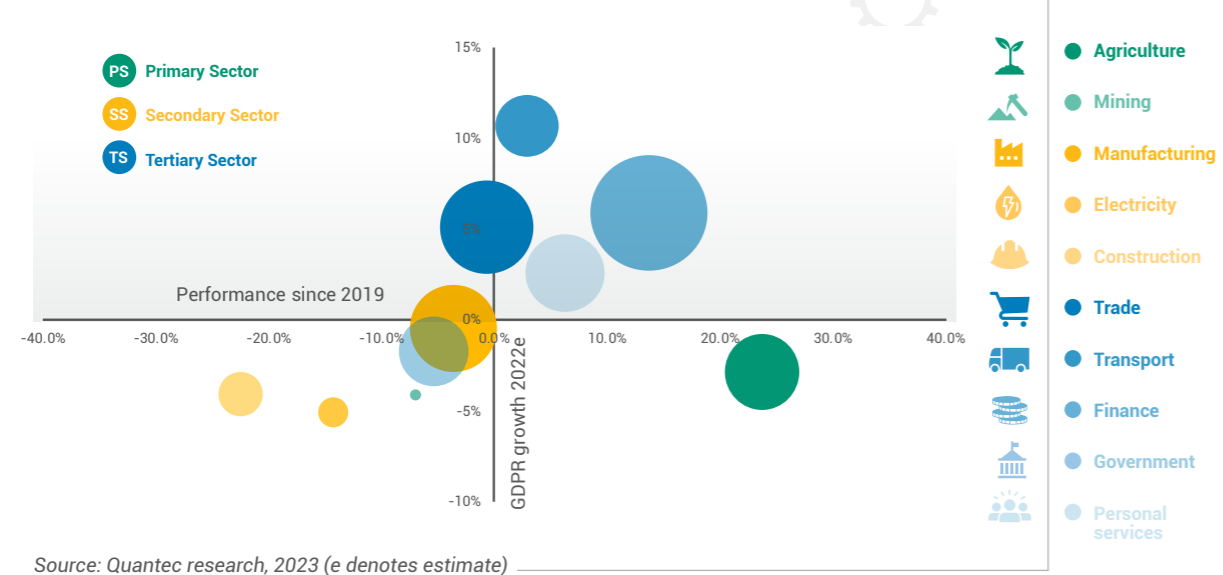
Source: Quantec research, 2023

The livelihood of the De Doorns community primarily depends on grape production, with Modderdrift Boerdery, Matroosberg Grapes and Mooigezicht Estates growing, packing and exporting grapes. Other companies, notably Hexco and Sapex, provide export services for producers. In addition, Hexkoel has established itself as one of the leading packhouses in De Doorns, having expanded its operations by 10 500m² in 2022 in response to expansion within the grape industry. The well-developed value chain is favourable to local communities during times of growth and good market conditions such as those that have prevailed in recent years, as evidenced by the strong growth of perennial crop production jobs (1 239 jobs) in 2022. However, the dependence on grape production also makes the area vulnerable, an aspect that was apparent during the 2018 drought. Furthermore, reliance on seasonal labour contributes to the area's socio-economic challenges. The large influx of workers increases the demand for housing and other services, often resulting in more people living in informal settlements. Furthermore, the seasonality of work also contributes to alcohol and drug abuse, which has a negative impact on the wellbeing of rural communities.¹³



¹³ (Breede Valley Municipality, 2023).

Figure 3.18
GDPR PERFORMANCE PER SECTOR,
Breede Valley, 2019 – 2022

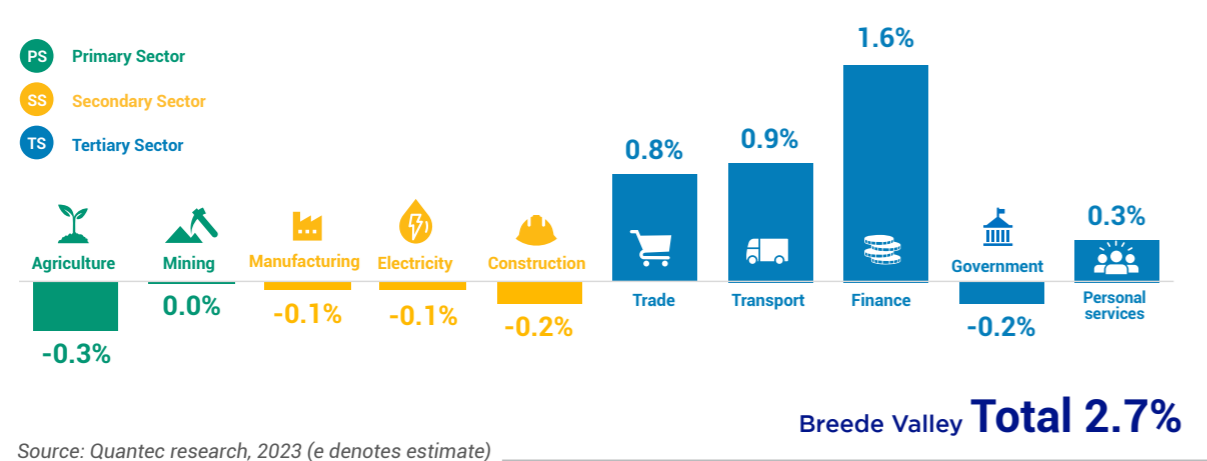


Source: Quantec research, 2023 (e denotes estimate)

It is estimated that in 2022, the GDPR of the Breede Valley municipal area expanded by 2.7 per cent, a substantial slowdown from the 4.2 per cent recorded in 2021. This decline in growth was primarily due to a 2.9 per cent contraction in the agriculture sector, which was severely affected by load-shedding, logistical challenges at the Port of Cape Town, the increased international competition for table grape exports and rising input costs. Despite the contraction, the agriculture sector remains operating at levels exceeding those of 2019 because of solid growth in 2020 and 2021.

Other industries that contracted and continue to operate at levels below those recorded before the COVID-19 pandemic include mining, manufacturing, electricity, gas and water, construction and general government. The trade sector was one of the leading sources of economic growth in 2022, contributing 0.8 of a percentage point to GDPR growth. However, it too has not yet fully recovered from the effects of the pandemic, with high inflation, increased fuel prices and interest rate hikes lowering household purchasing power. These challenging economic conditions resulted in 987 formal job losses across various industries in the Breede Valley in 2022.

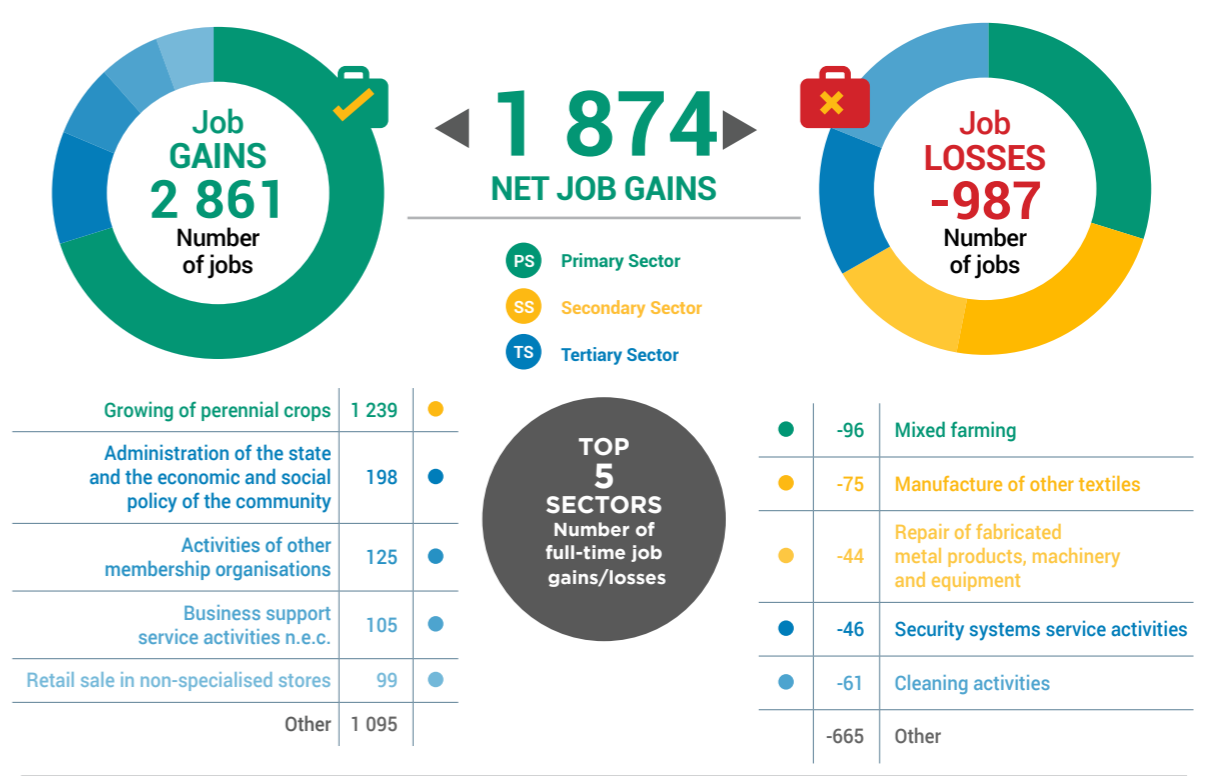
Figure 3.19
SECTORAL CONTRIBUTION TO GDPR GROWTH (PERCENTAGE POINTS),
Breede Valley, 2022e



Source: Quantec research, 2023 (e denotes estimate)

Despite GDPR rebounding fully in 2021 from the COVID-19-induced recession of 2020, the job market continued to deteriorate. However, in 2022 workers returned to the labour force, evidenced by the labour force participation rate increasing to 64.9 per cent. The recovery of business activities during the year led to new job opportunities, resulting in a 2.8 percentage point increase in the labour absorption rate. Improved labour market conditions in 2022 led to a decline in the unemployment rate, which fell by 1.1 percentage points to 14.6 per cent. While this decline in the unemployment rate will relieve impoverished communities, the 2022 rate nonetheless remains above the unemployment rate of 2019 (11.6 per cent), a reminder that substantial economic growth is required to regain all of the jobs lost since 2020. To ensure that the local labour force can be employed in new opportunities, skills development is essential, as more work has been available for semi-skilled persons in recent years.

Figure 3.20
TOP 5 SECTORS FOR FORMAL JOB GAINS AND JOB LOSSES,
Breede Valley, 2021 – 2022



Source: Nell, A. & Visagie, J. Spatial Tax Panel 2014 – 2022 (dataset). Version 3. National Treasury Cities Support Programme and Human Sciences Research Council (producer and distributor), 2023

However, slow growth for employment may be on the cards. With the all-important agriculture sector expected to continue its declining trend in 2023, GDPR is forecast to expand by just 0.5 per cent in the course of this year. Fortunately, economic revival is expected in 2024, when GDPR is forecast to expand by 1.6 per cent because of anticipated strong growth in the trade and finance sectors. Construction is also expected to contribute positively, as public sector expenditure on capital projects is likely to boost the industry.



3.5 LANGEBERG MUNICIPAL AREA

4 517.9km² | 21.0% of the Cape Winelands

Against the backdrop of the majestic Langeberg mountain range, the Langeberg municipal area's distinctive combination of natural grandeur and cultural richness makes it a captivating destination within the Cape Winelands. The Langeberg municipal area is well known for its wine route (Route 62), the longest in the world. The municipal area includes the towns of Robertson, Ashton, Bonnievale, McGregor and Montagu, with Robertson being the main service centre. Montagu, known for its dried fruit, hot springs and picturesque mountain pass, offers relaxation and outdoor adventure in equal measure. Ashton, a town that thrives on agriculture, is renowned for its vineyards, orchards and fruit-canning activities. Robertson, the "valley of wine and roses", boasts world-class wine estates and botanical gardens, seamlessly blending viticulture and natural beauty.

Diagram 3.5
GDP (CURRENT PRICES) AND EMPLOYMENT, Langeberg

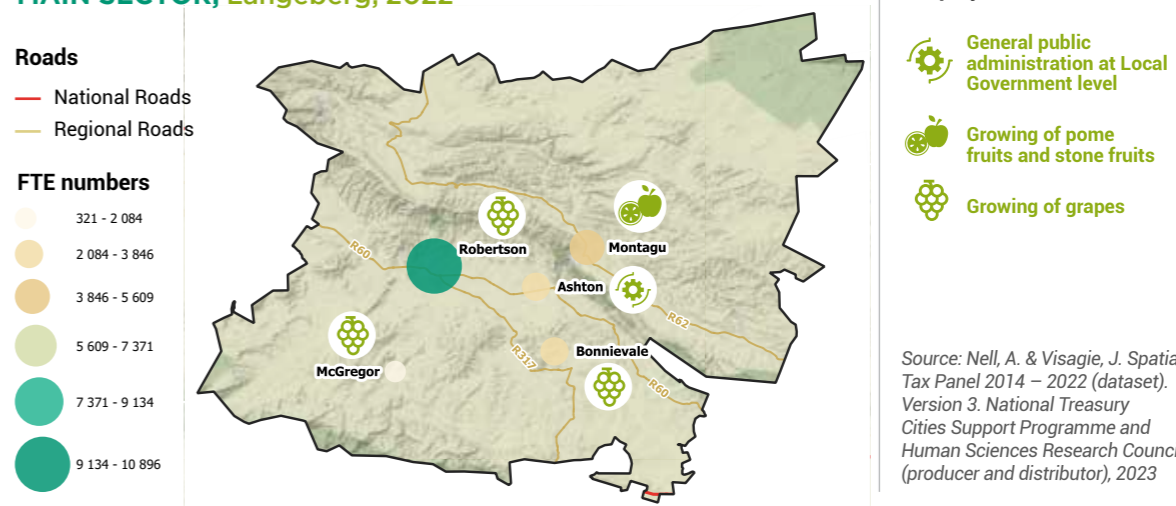


EMPLOYMENT PROFILE

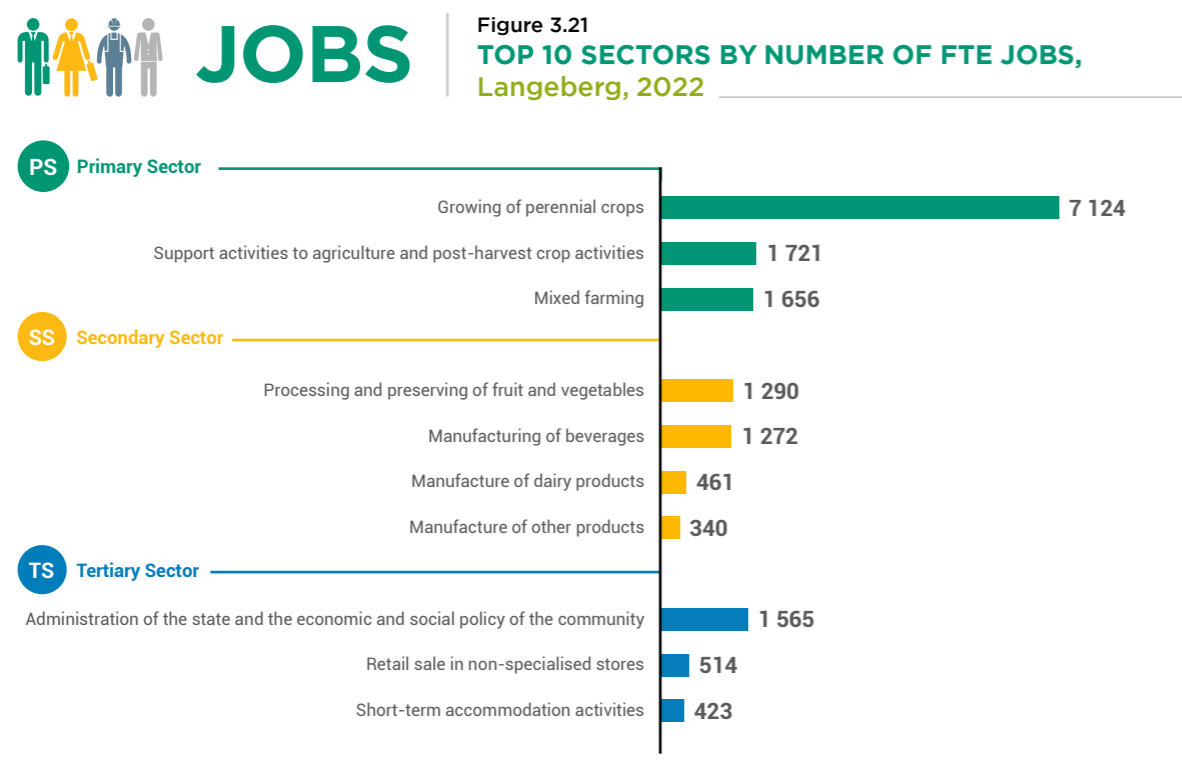
Unemployment rate	Labour force participation rate	Labour absorption rate (employment-to-population ratio)	Not economically active proportion of working-age population
2021 ↘ 2022e	2021 ↗ 2022e	2021 ↗ 2022e	2021 ↘ 2022e
11.4%	62.8%	55.6%	37.2%
10.2%	66.2%	59.5%	33.8%

Source: Quantec research (e denotes estimate).

Map 3.5
NUMBER OF FTE JOBS PER TOWN AND MAIN SECTOR, Langeberg, 2022



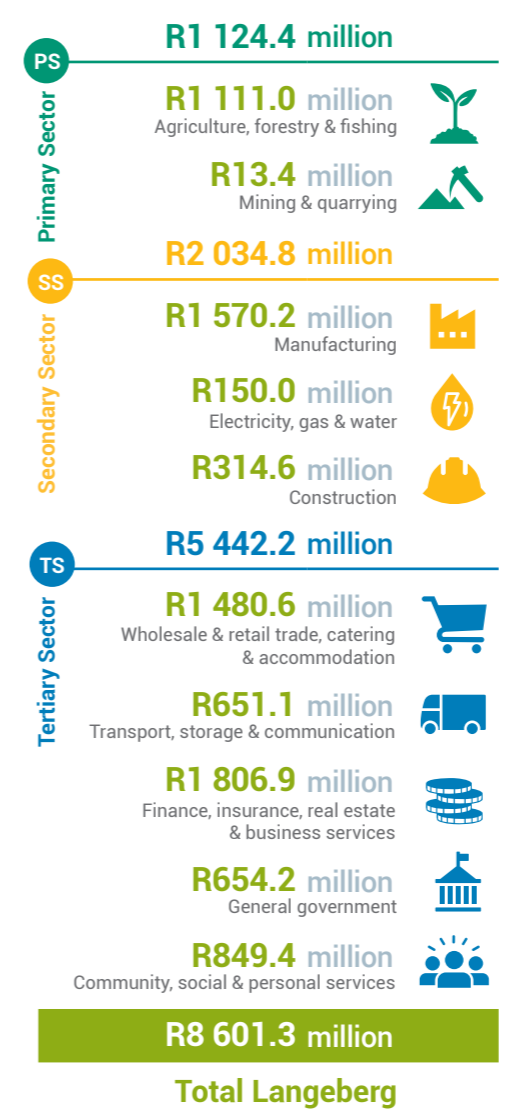
The Langeberg municipal area has the smallest economy in the CWD. With a GDPR of R8.6 billion, it accounted for 10.1 per cent of the CWD economy in 2021. Given that most of its economic activities relate to the well-developed agriculture industry, most of the workers in the municipal area are low-skilled (32.1 per cent). In addition, the informal sector is a major local employer, contributing 29.9 per cent to employment in 2021. Most of the informal workers are employed in agricultural activities. Grapes and stone fruit are the primary crops in the Langeberg municipal area, which relies on seasonal labour. Perennial crop cultivation was the leading industry in 2022, providing 7 124 job opportunities, of which 628 were new jobs. The dominance of primary sector activities results in generally lower income levels. At the same time, the inconsistency of earnings leads to various socio-economic challenges within the Langeberg municipal area.



Source: Nell, A. & Visagie, J. Spatial Tax Panel 2014 – 2022 (dataset). Version 3. National Treasury Cities Support Programme and Human Sciences Research Council (producer and distributor), 2023

Robertson has a diverse economy. The town serves as the focal point for commercial and public sector activities in the Langeberg municipal area, with public administration being one of the leading employers in 2022 (1 565 jobs). The Langeberg Municipality is situated in Robertson, as well as a Provincial hospital and a prison. However, the most significant economic sector in the municipal area in terms of GDPR was finance; this sector contributed 21.0 per cent (R1.8 billion) to the local economy in 2021, although it did not provide a large number of jobs. Finance comprises various business services, including packaging, security and accounting. The manufacturing sector contributed 18.3 per cent (R1.6 billion) to the economy while formally employing a substantial number of workers, especially in industries such as fruit and vegetable processing and preserving, and beverage and dairy production. The Robertson Wine Route features several wineries, including a number of household names: Graham Beck, Robertson, Van Loveren and Ashton Winery. These wineries constitute the bedrock of the local tourism industry, which makes a large contribution to the local trade sector.

Figure 3.22: GDP DISTRIBUTION, Langeberg, R million, 2021



Source: Quantec research, 2023

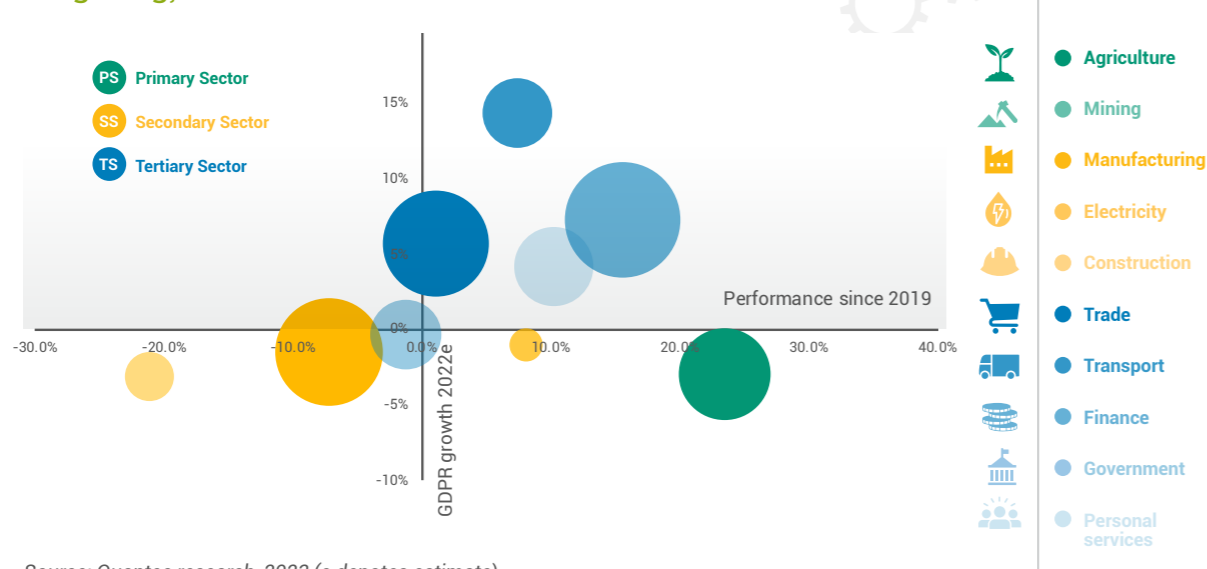
In 2021, this sector comprised 17.2 per cent (R1.5 billion) of the GDPR of the Langeberg municipal area. New shops, including a Checkers and a Shoprite opening in Robertson, as well as a KFC, Clicks and a SaveMor in Montagu, have contributed to the 5.6 per cent growth of the trade sector in 2022.¹⁴ The informal trade sector also expanded, with the number of licensed informal traders growing from 96 in 2021 to 140 in 2022.¹⁵

The Ashton economy is primarily dependent on fruit processing and preserving. Langeberg & Ashton Foods, a division of Tiger Brands, employs 250 permanent workers and 4 300 seasonal workers.¹⁶ The planned closure of this plant poses a substantial risk to the livelihoods of Ashton residents. Other prominent agro-processors in Ashton include Ashton Extracts, a fruit concentrate producer. Dairy processing, which provides formal employment to 461 people, is concentrated in Bonnievale and Montagu, with several producers operating in the area (including Montagu Cheese, La Mont Cheese, Mooivallei Dairy and Parmalat). Montagu has become the epicentre of dried fruit production thanks to its favourable climate and vast peach, plum and apricot orchards. Well-known brands that originate from the Langeberg municipal area include Montagu Dried Fruit & Nuts, Capedry and Locarno Dried Fruit & Nuts. The prominence of these manufacturers has given rise to a need for more semi-skilled workers in recent years.



¹⁴ (Langeberg Municipality, 2023).
¹⁵ (Langeberg Municipality, 2023).
¹⁶ (Tiger Brands, 2022).

Figure 3.23
GDPR PERFORMANCE PER SECTOR,
Langeberg, 2019 – 2022

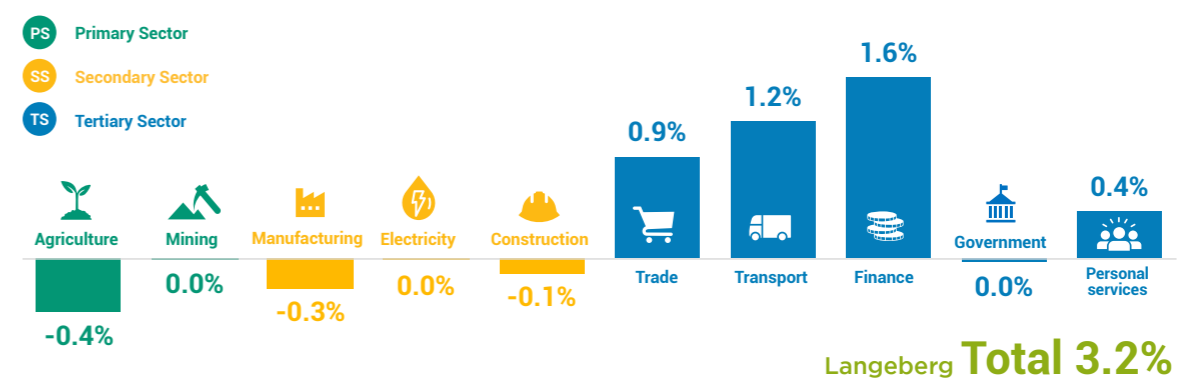


Source: Quantec research, 2023 (e denotes estimate)

In 2022, the economy expanded by an estimated 3.2 per cent. This growth was primarily fuelled by the strong performances of the finance and transport sectors, which contributed 1.6 percentage points and 1.2 percentage points, respectively, to GDP growth. However, the leading employers in the Langeberg municipal area (agriculture and manufacturing) recorded contractions, detracting from the economic growth potential of the municipal area. Rising input costs and load-shedding affected farmers and manufacturers. Despite the contraction, the agriculture sector continued to be boosted by the 21.8 per cent expansion of 2020 and the 4.7 per cent growth recorded in 2021. The single-largest job-creating sector in 2022 was support activities for agriculture and post-harvest crop production (1 214 jobs), followed by perennial crop production (628 jobs), highlighting the value of the grape and fruit production value chain. However, some subsectors recorded formal job losses, including mixed farming (224 jobs).



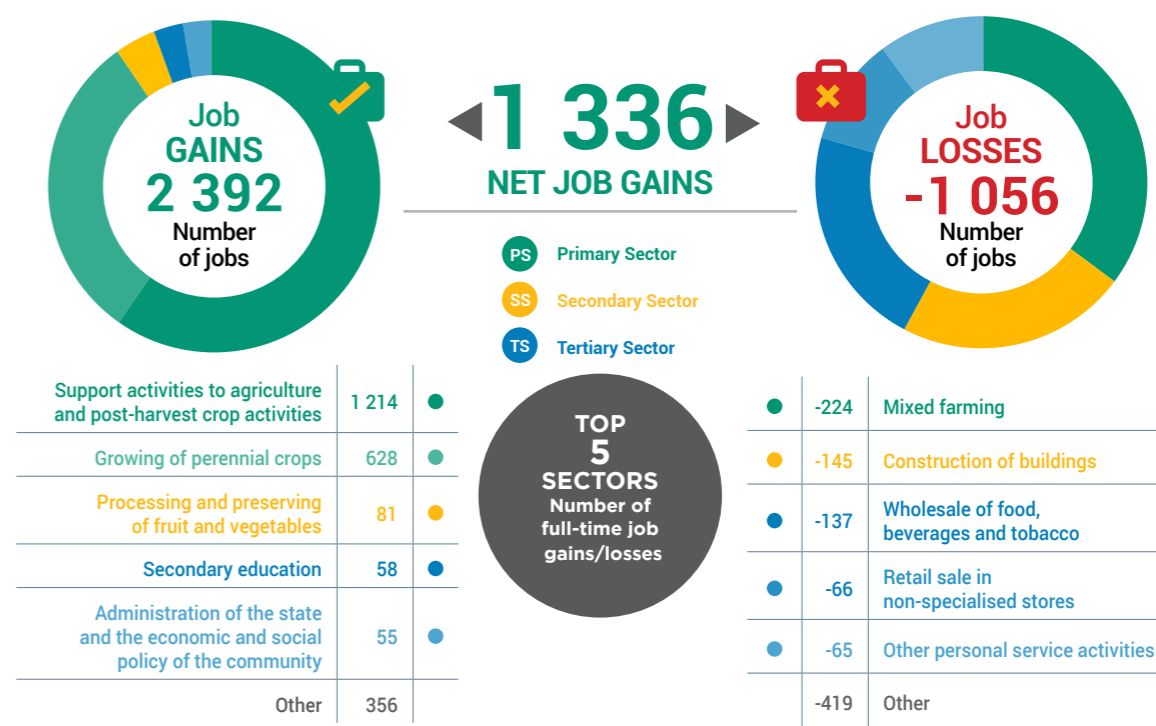
Figure 3.24
SECTORAL CONTRIBUTION TO GDP GROWTH (PERCENTAGE POINTS),
Langeberg, 2022e



Source: Quantec research, 2023 (e denotes estimate)

Despite its prominence in the local economy, the manufacturing sector has not recovered from COVID-19. Other sectors that have not regained their losses include mining, construction and general government.

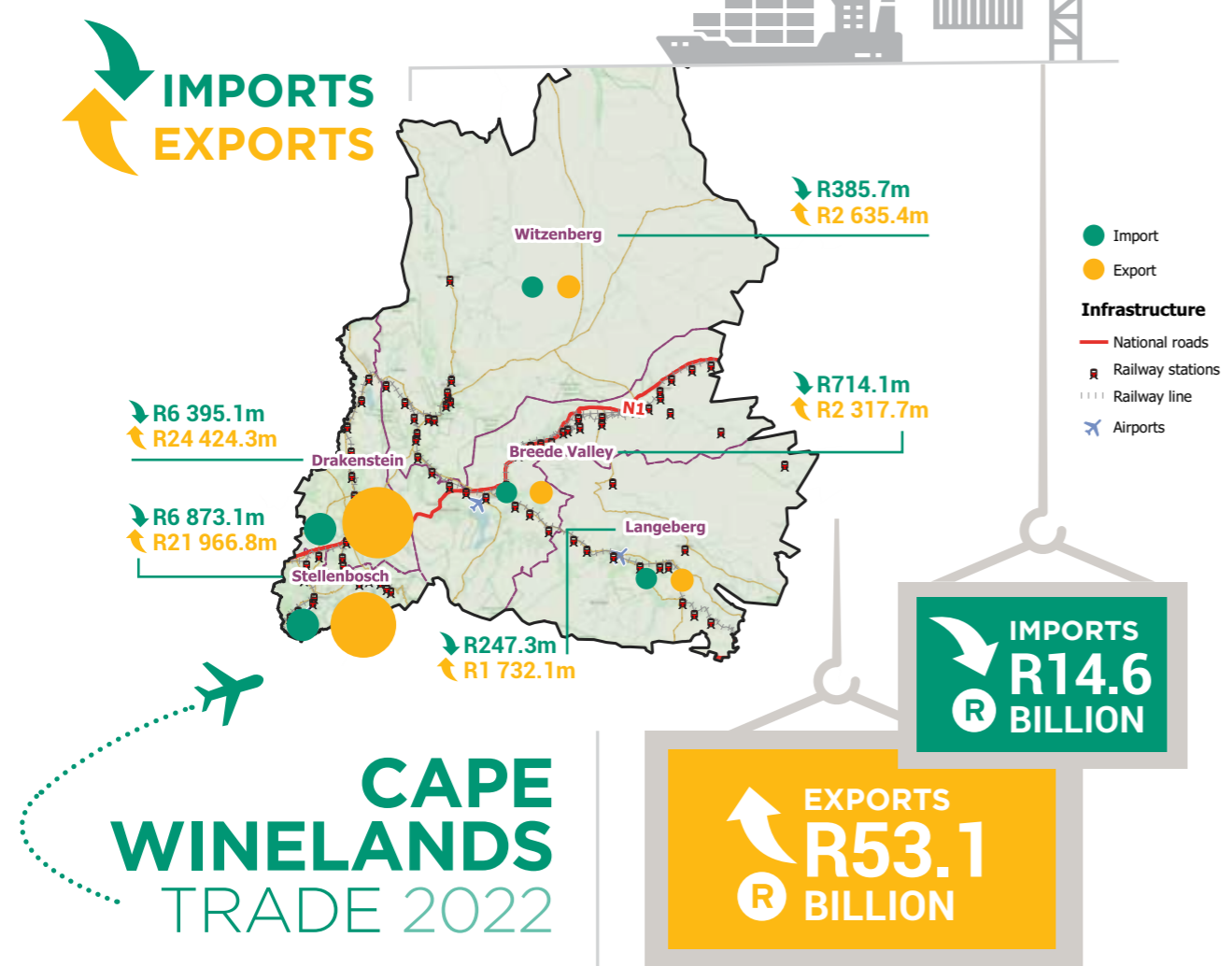
Figure 3.25
TOP 5 SECTORS FOR FORMAL JOB GAINS AND JOB LOSSES,
Langeberg, 2021 – 2022



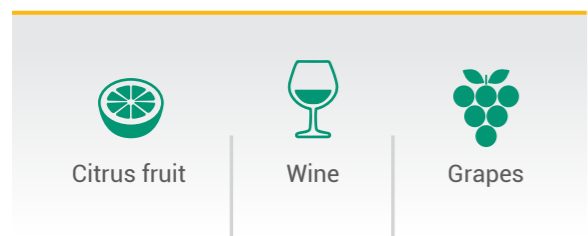
Source: Nell, A. & Visagie, J. Spatial Tax Panel 2014 – 2022 (dataset). Version 3. National Treasury Cities Support Programme and Human Sciences Research Council (producer and distributor), 2023

GDPR growth in the Langeberg municipal area is forecast to slow to 0.7 per cent in 2023, with agriculture and manufacturing still underperforming. The continued impact of load-shedding on these sectors is substantial. A resurgence of 1.9 per cent is forecast for 2024 thanks to strong expected growth in the trade, transport and finance sectors. However, uncertainty around the future of Langeberg & Ashton Foods poses a substantial risk to the Langeberg economy.

4. INTERNATIONAL TRADE PROFILE 2022



TOP 3 EXPORTED PRODUCTS



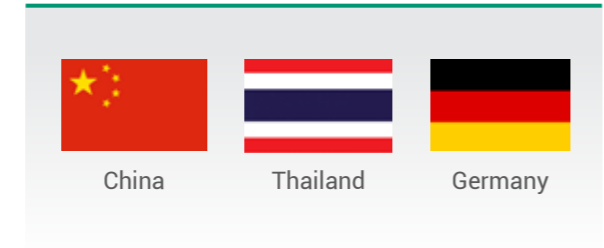
TOP 3 EXPORT DESTINATIONS



TOP 3 IMPORTED PRODUCTS



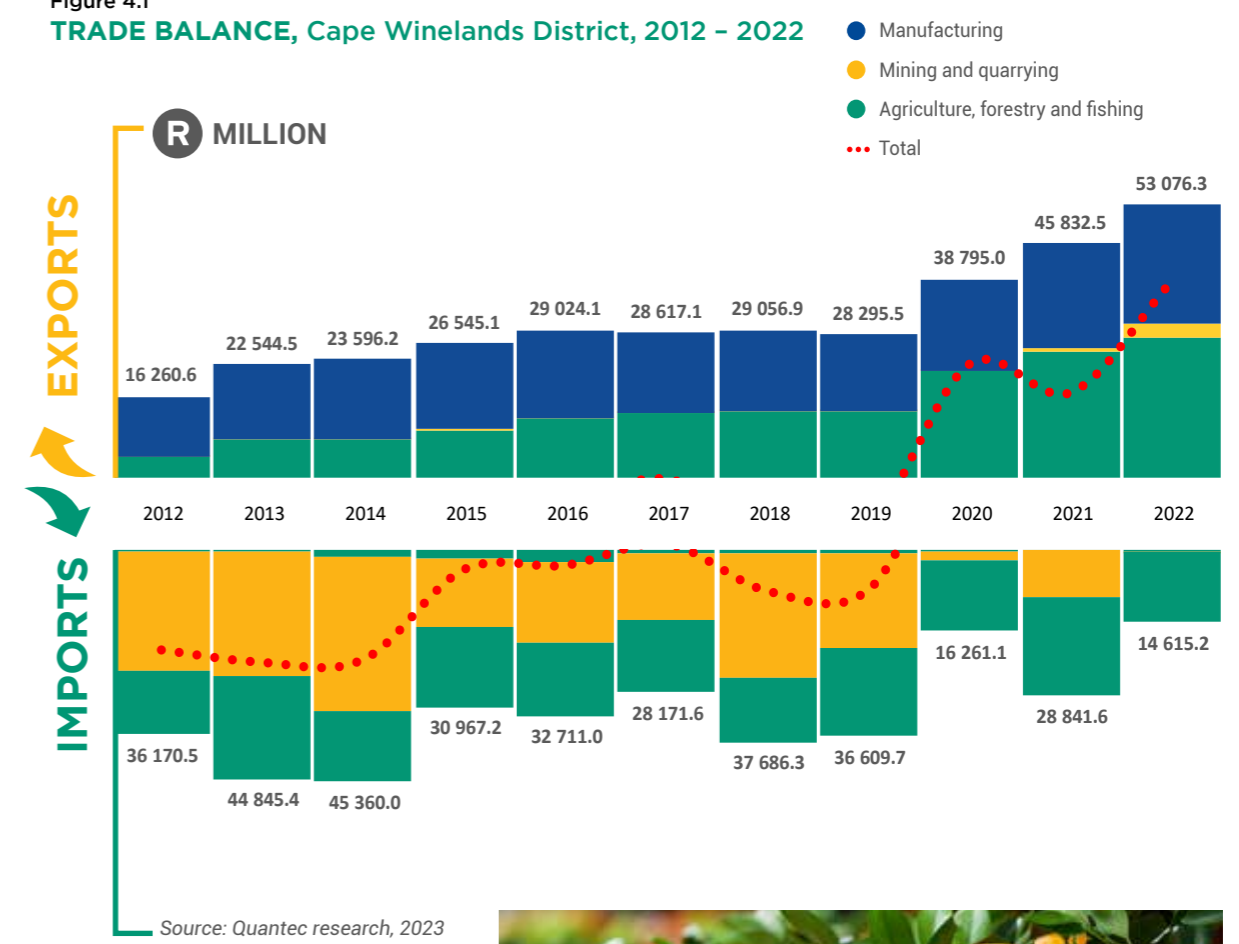
TOP 3 IMPORT DESTINATIONS



Source: Quantec research, 2023

Agriculture and agro-processing dominate the CWD's international trade performance, which has become a central part of the District's economic landscape.

Figure 4.1
TRADE BALANCE, Cape Winelands District, 2012 - 2022



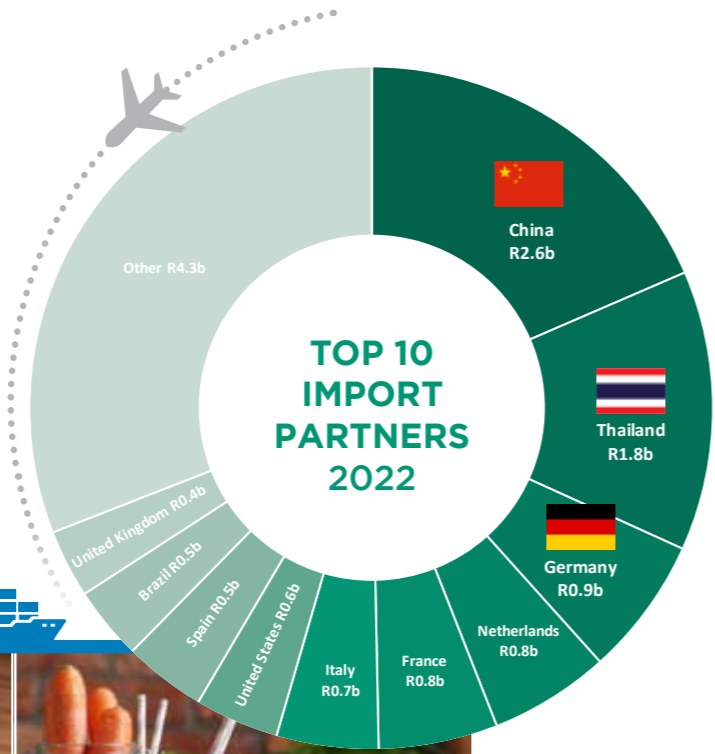
Given the region's famous wine valleys, namely Stellenbosch, Franschhoek and Paarl, it is not surprising that there is a high international demand for wine originating in the CWD. The District's agriculture sector drives the CWD trade balance. Agriculture and manufacturing have been the key drivers in pushing the District out of a negative trade balance and into a positive surplus of R38.5 billion in 2022. Even more impressively, the CWD's trade balance improved during a time of global trade challenges, including those presented by the Ukraine-Russia war, market fluctuations, exchange rate volatility, an unreliable electricity supply, severe lockdown regulations (which affected alcohol trade in 2020) and the hacking of Transnet Port Terminals in 2021. The latter involved various container terminals, including those in Cape Town.

The CWD is home to world-renowned vineyards and a variety of fruit farms, including apple, apricot and citrus fruit farms. Agro-processing is also an essential sector in the District, with the production of fruit and vegetable juices, wine and other fermented beverages all playing a part in the success of the District.

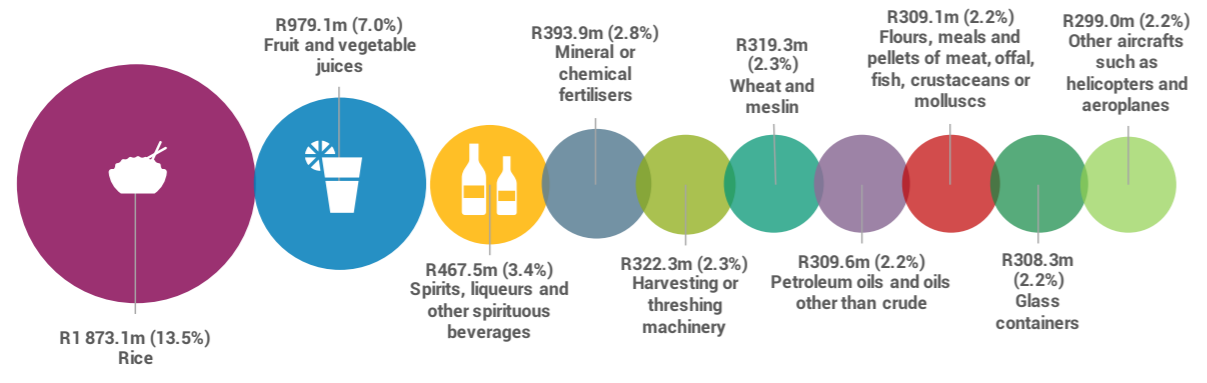
IMPORTS

Cape Winelands District, 2022

TOTAL
R14.6
BILLION



TOP 10 IMPORTED PRODUCTS



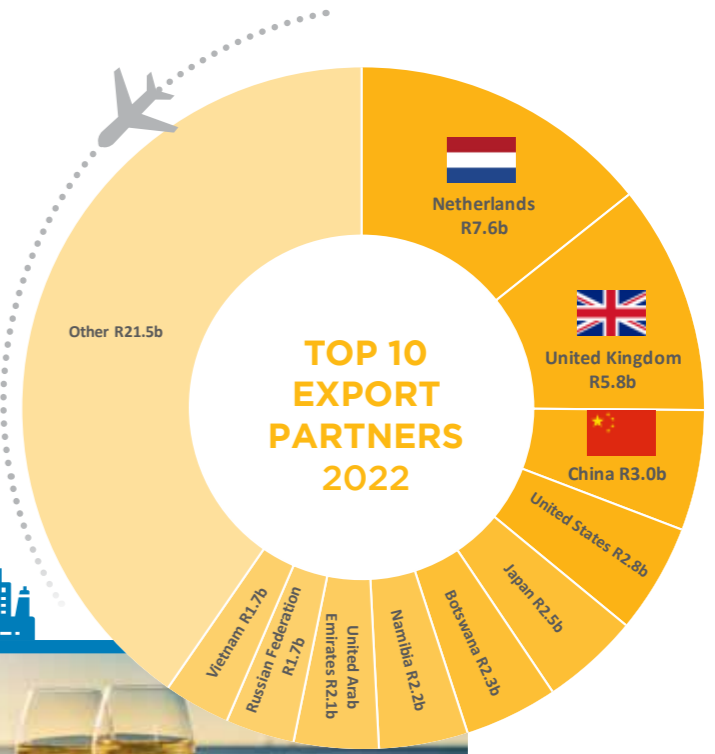
Source: Quantec research, 2023

In assessing imports into the CWD, a clearer picture of the District's production value chain emerges. Fertilisers (R393.9 million), harvesting or threshing machinery (R322.3 million) and fishmeal or pellets used in both animal feed and fertiliser (R309.1 million) were among the top 10 imports into the District in 2022. These are all essential for stimulating the yield of crops, enabling harvesting and providing adequate feed for livestock. An interesting import into the CWD is rice, the top import in 2022. Pioneer Foods owns Spekko Rice, which is based in Paarl. Spekko is a major retail brand of rice in South Africa, offering various rice products sourced from Thailand. Fruit and vegetable juices were the second-highest import of the District in terms of value, with a total of R979.1 million in 2022. The District also produces fruit and vegetable juices for export, with total exports of these goods reaching R1.7 billion in the same year. Imports are required to maintain production and distribution when there is a shortage of relevant fruits and vegetables because of seasonality or local harvest slumps.

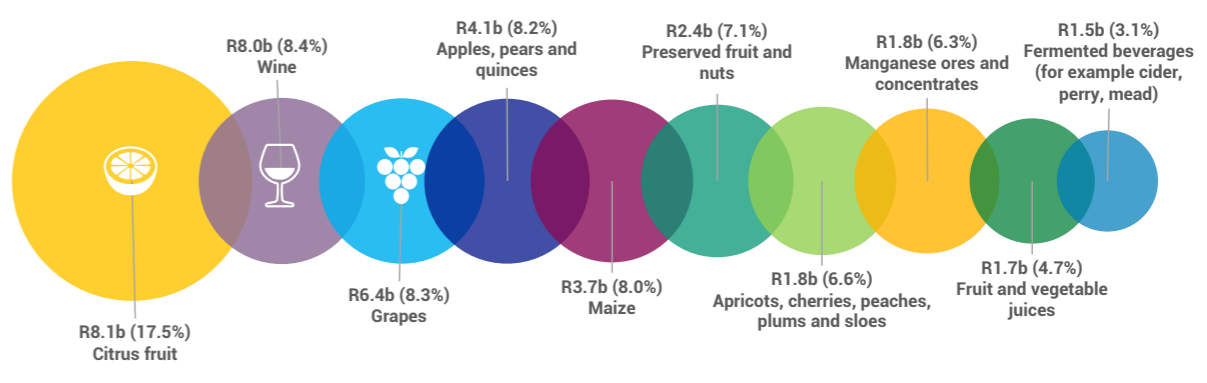
EXPORTS

Cape Winelands District, 2022

TOTAL
R53.1
BILLION



TOP 10 EXPORTED PRODUCTS



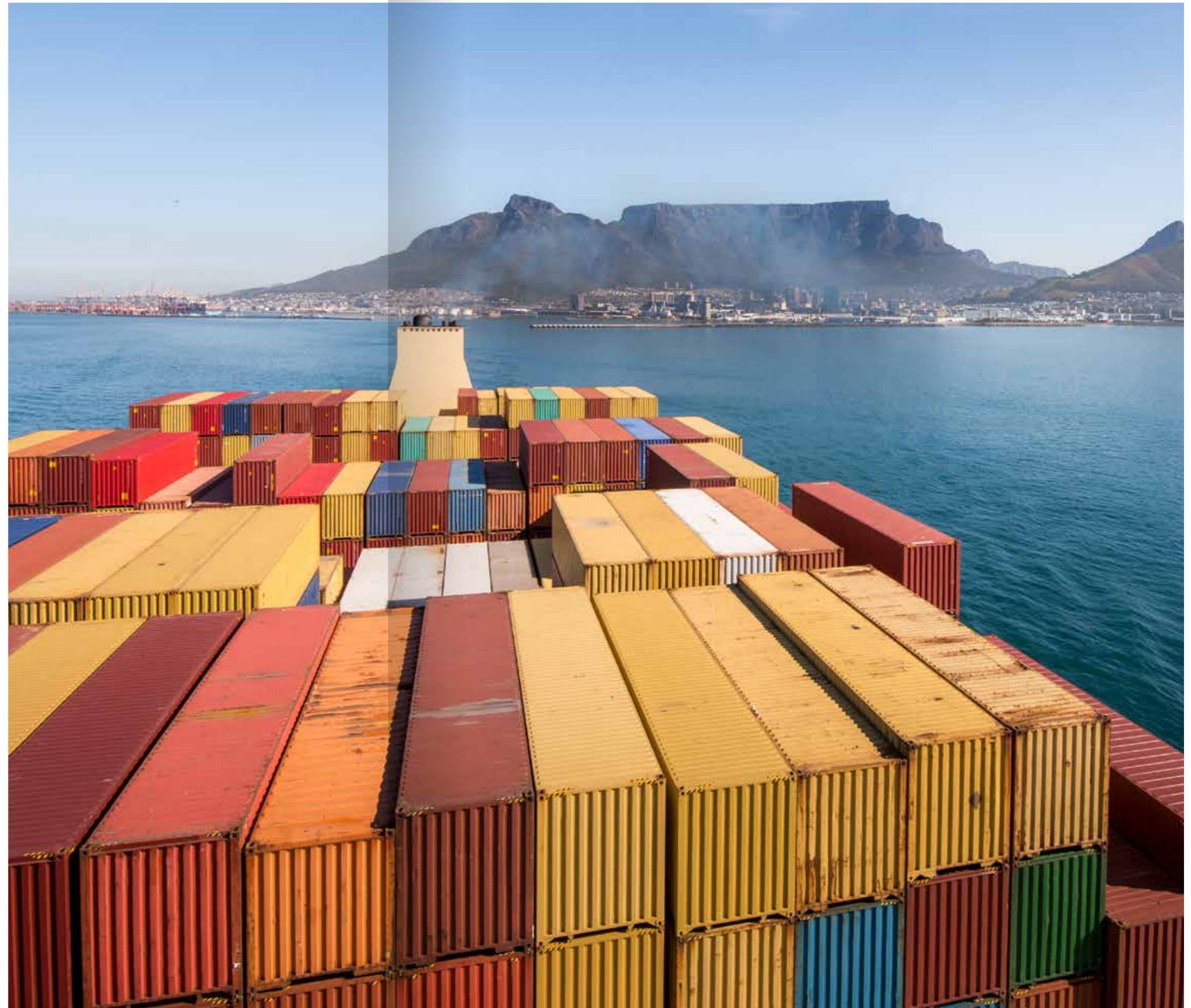
Source: Quantec research, 2023

As the CWD is internationally renowned for its award-winning vineyards and wineries it is to be expected that wine would be among the top exports of the District. In 2022, the CWD produced 70.2 per cent of South African wine exports (R8.0 billion). Although the volume of South African wine exports decreased by 5.0 per cent in 2022,¹⁷ the value of the exports increased by 2.6 per cent. Several factors explain this phenomenon, including favourable international pricing and the weakening of the rand.

¹⁷ (South African Wine Industry Information and Systems, 2022).

Major international markets for grapes, mainly farmed in De Doorns, and wine from the region include the United Kingdom and the Netherlands. The Netherlands is the District's leading trading partner, importing products worth R7.6 billion in 2022. The Netherlands is also a top trading partner of the country overall, and it was in this context that the Dutch government undertook an economic mission to South Africa in mid-2023 that was centred on agriculture. His Majesty King Willem-Alexander and Her Majesty Queen Máxima participated in the mission along with Piet Adema, Minister of Agriculture, Nature and Food Quality.¹⁸ The visit focused on sustainable and inclusive growth that can strengthen trade relationships.

Other South African commodities in high demand include citrus fruit, apricots, cherries, peaches, plums, sloes and fruit and vegetable juices. Fruit and vegetable juice exports reached a value of R1.7 billion in 2022. Most of these goods were exported to Japan - another significant trading partner of the CWD. A large share of the fruit and vegetable exports is accounted for by well-known juice manufacturer Ceres Fruit Juices, which distributes a variety of juices to all continents, Antarctica being the only exception.



¹⁸ (Royal House of the Netherlands, 2023).

4.1 Municipal imports and exports

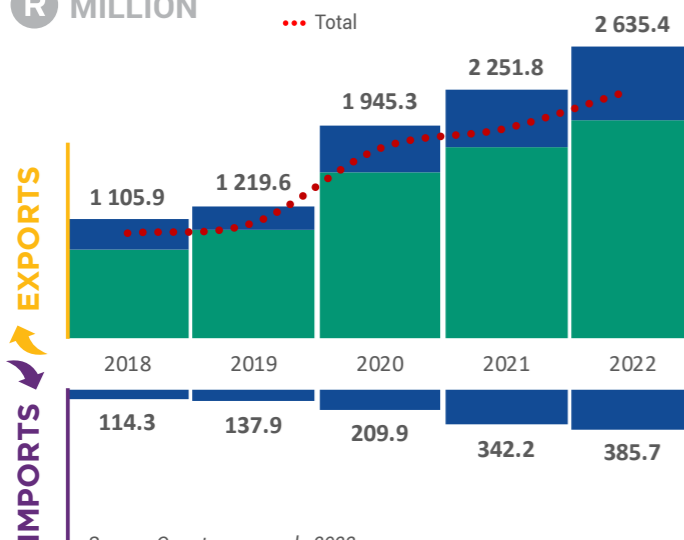
WITZENBERG TRADE PROFILE 2022



TRADE BALANCE

R MILLION

- Manufacturing
- Mining and quarrying
- Agriculture, forestry and fishing
- Total



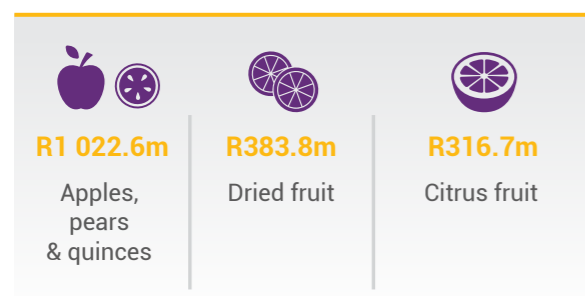
Source: Quantec research, 2023

ECONOMIC CONTRIBUTION



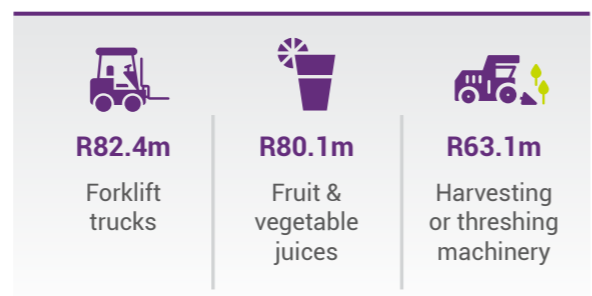
Source: Quantec research, 2023

TOP 3 EXPORTED PRODUCTS



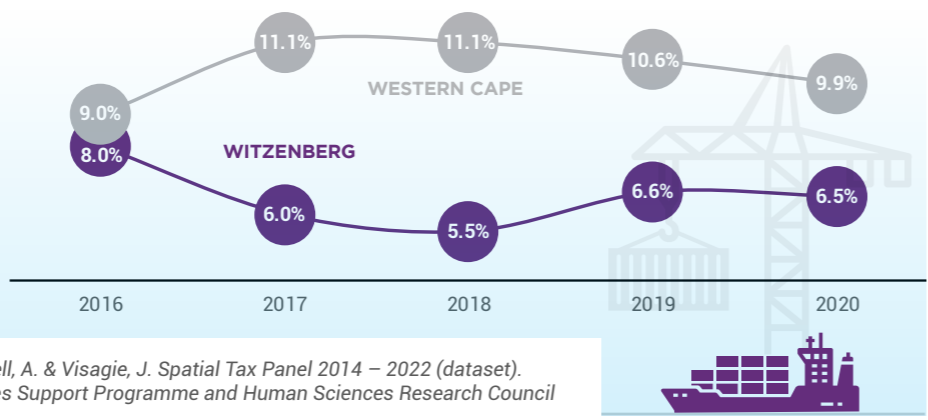
Source: Quantec research, 2023

TOP 3 IMPORTED PRODUCTS



PERCENTAGE OF BUSINESSES REGISTERED AS EXPORTERS

REGISTERED EXPORTERS



Source: Quantec research and Nell, A. & Visagie, J. Spatial Tax Panel 2014 – 2022 (dataset). Version 3. National Treasury Cities Support Programme and Human Sciences Research Council (producer and distributor), 2023

The Witzenberg municipal area, defined by the Ceres mountain range, is known for its fertile lands, cultivating apples, pears and other fruits for the agro-processing industry. Companies such as Good Hope Fruit, Dutoit Agri and Ceres Fruit Juices (a Pioneer Foods subsidiary) contribute significantly to agro-processing, resulting in a positive trade balance, which is primarily driven by the agriculture sector. In 2022, the top exports, including apples, pears, dried fruit and citrus fruit, totalled R1.7 billion, with the area's total exports reaching R2.6 billion.

Imports reveal agricultural activities in the region, with forklift trucks and harvesting machinery aiding fruit farming. These imports enabled the production and processing of apples, pears and quinces, as well as citrus fruit, worth R1.0 billion and R316.7 million, respectively, in 2022. This benefited companies such as Dried Fruit Direct and Cecilia's Farm, and generated R383.8 million in exports.

Fruit and vegetable juice manufacturing significantly impacts the local economy. Although not a top export, fruit juice exports amounted to R276.6 million in 2022. To maintain steady operations during low local harvests or when certain fruits are unavailable, Ceres Fruit Juices imports juice. This occurs when local fruit costs are prohibitively high. In 2022, fruit and vegetable juices were among the top imports to the region, valued at R80.1 million.



Ceres Fruit Juices

Named after the town of Ceres, Ceres Fruit Juices is a well-known brand that specialises in producing fruit juices and related products. It was founded in 1982 with the aim of using vast local fruit resources to make high-quality products that did not include artificial colourants and preservatives. The company sources fruits locally and internationally to produce a variety of juices, including apple, grape, mango and cranberry juice. In addition, the company has developed other products to meet consumer demand, notably fruit juice blends, fruit smoothies, sparkling juices and flavoured water.

Over the years, Ceres Fruit Juices has grown and expanded its reach to international markets. It exports products to countries such as the United Kingdom, United States, Canada and Australia, as well as many countries in Asia and Africa. To keep pace with sustainability movements and consumer needs, the company has made changes to its packaging. The new packaging, the result of a \$6.25 million investment in 2020, is considerably more environmentally conscious thanks to the use of plant-based materials and an alternative inner lining that can be recycled. The new design also allows for 200ml cartons to be resealed after opening - making the cartons more convenient for the market.¹⁹ In addition, Ceres Fruit Juices has started making use of paper straws.

¹⁹ (Food Business Africa, 2020).

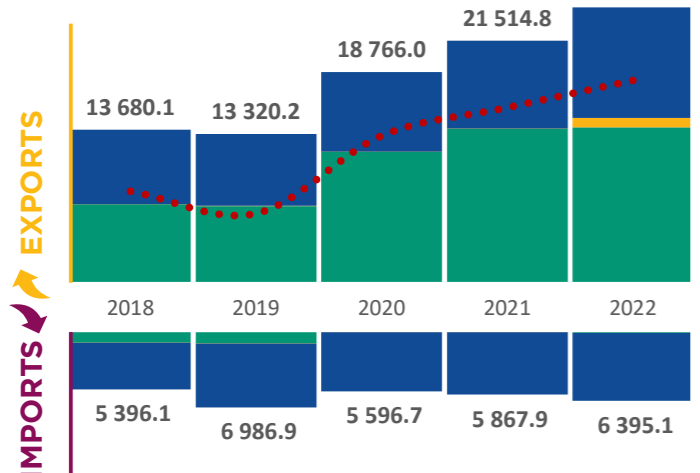
DRAKENSTEIN TRADE PROFILE 2022



TRADE BALANCE

R MILLION

- Manufacturing
- Mining and quarrying
- Agriculture, forestry and fishing
- Total



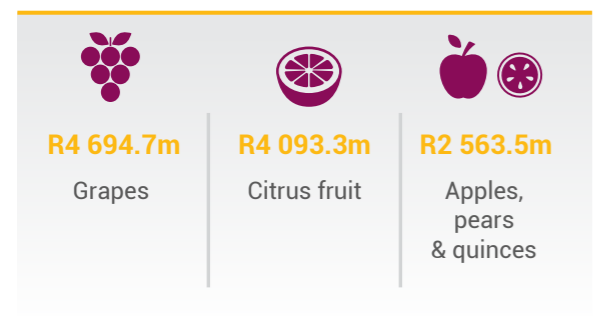
Source: Quantec research, 2023

ECONOMIC CONTRIBUTION



Source: Quantec research, 2023

TOP 3 EXPORTED PRODUCTS



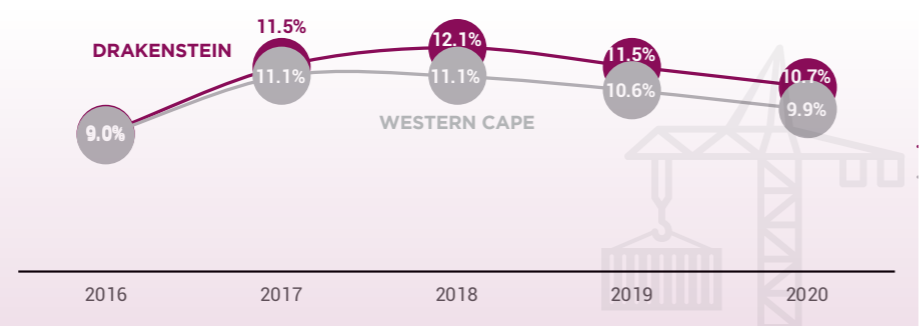
Source: Quantec research, 2023

TOP 3 IMPORTED PRODUCTS



PERCENTAGE OF BUSINESSES REGISTERED AS EXPORTERS

REGISTERED EXPORTERS



Source: Quantec research and Nell, A. & Visagie, J. Spatial Tax Panel 2014 – 2022 (dataset). Version 3. National Treasury Cities Support Programme and Human Sciences Research Council (producer and distributor), 2023

The Drakenstein municipal area is defined by its vast vineyards, with agricultural towns dotted among the farmlands. Only 10.7 per cent of businesses in the area are registered exporters. However, the region has experienced a positive trade balance throughout the review period, with a surplus of R18.0 billion in 2022, primarily because of the agriculture sector. The municipal area's economy is predominantly centred in the towns of Paarl and Wellington – both well-known hubs of the CWD.

The top import into the Drakenstein municipal area in 2022 was rice imported from Thailand, valued at R1.9 billion. As previously mentioned, this does not reflect the production capabilities of the region but rather shows the presence there of large rice distributors, including Pioneer Foods in Paarl. The municipal area's other top imports tell a story of agricultural prowess, and wine and whisky production. Fishmeal and pellet imports (R210.3 million), which are used in animal feed production and as an organic fertiliser, benefit the growth and harvest of the region's exported grapes, deciduous fruits and citrus fruits. These three fruit products are the top exports of the area and are distributed primarily to Europe and the Middle East. In 2022, exports of these commodities amounted to an astounding R11.4 billion. The favourable soil conditions in the area give rise to high-quality fruit and the region is known to specialise in grapes, including the Shiraz, Chardonnay and Cabernet Sauvignon varieties.²⁰



²⁰ (SA Wine Industry Information and Systems, 2022).

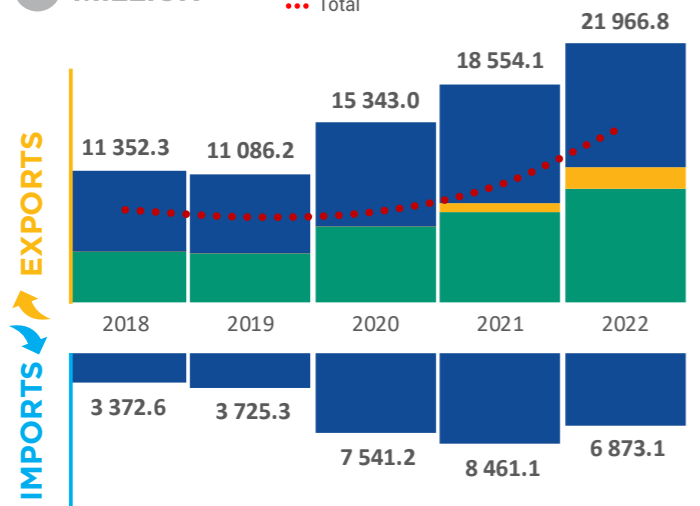
STELLENBOSCH TRADE PROFILE 2022



TRADE BALANCE

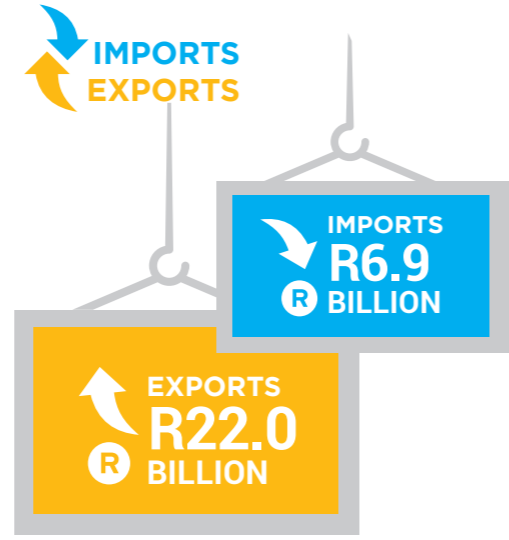
R MILLION

- Manufacturing
- Mining and quarrying
- Agriculture, forestry and fishing
- Total



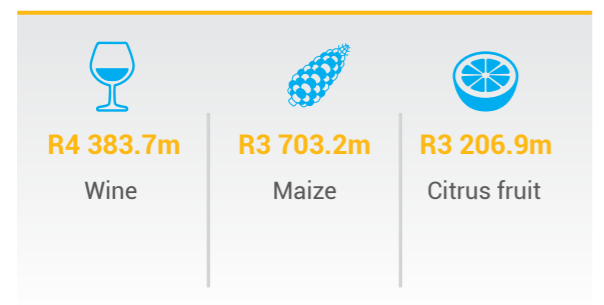
Source: Quantec research, 2023

ECONOMIC CONTRIBUTION



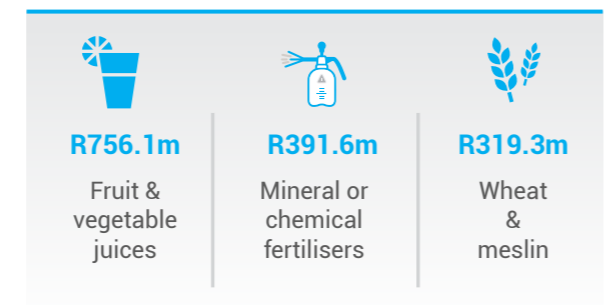
Source: Quantec research, 2023

TOP 3 EXPORTED PRODUCTS

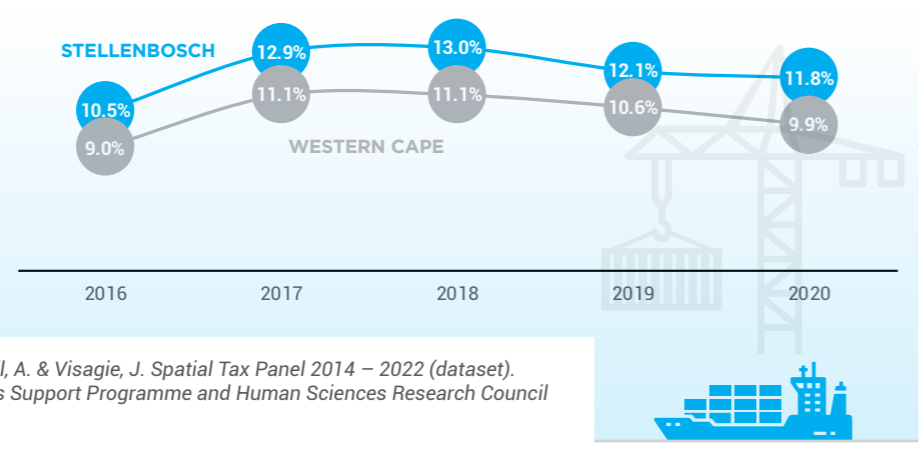


Source: Quantec research, 2023

TOP 3 IMPORTED PRODUCTS



PERCENTAGE OF BUSINESSES REGISTERED AS EXPORTERS



Source: Quantec research and Nell, A. & Visagie, J. Spatial Tax Panel 2014 – 2022 (dataset). Version 3. National Treasury Cities Support Programme and Human Sciences Research Council (producer and distributor), 2023

The Stellenbosch municipal area dominates trade in the CWD. The area recorded a positive trade balance, which reached R15.1 billion in 2022 – an upswing of 49.5 per cent compared with the previous year.

The municipal area's production capabilities unfold in a story simply told through the growing of grapes and centred on the creation of world-renowned wines, which are exported to countries such as the United Kingdom, Germany and the Netherlands. Imported inputs such as mineral or chemical fertilisers (R391.6 million in 2022) facilitate the growth of grapes and a variety of citrus fruits. The latter accounted for exports worth R3.2 billion in 2022, while grapes were processed into wine by various acclaimed producers, including Spier, Skilpadvlei and Zevenwacht.²¹ Wine exports from the Stellenbosch municipal area amounted to an astonishing R4.4 billion in 2022, partly because of the high levels of tourists wishing to ship South African wines to their home countries.

The presence of Rhodes Food Group's facility on the northern border of the Stellenbosch municipal area has resulted in fruit and vegetable juices being the most significant import into the region. In 2022, juices to the value of R756.1 million were imported into the area. Rhodes Food Group is a well-known brand that manufactures a variety of canned goods and juice-based beverages. Imported juices are needed to maintain production levels at the facility when the local supply of fruit and juices is low or the required produce is not in season. The importation of wheat and meslin to the value of R319.3 million in the same year can be credited to the presence of a large importer of feed and grain, Bester Feed & Grain. This agricultural trading company imports grains such as wheat, barley, maize and oats, as well as ingredients used in animal feed.

Although only small amounts of maize are grown in the Stellenbosch municipal area, the commodity is among the top exports in terms of value. In 2022, maize totalling R3.7 billion was exported from the area. The maize was primarily exported to Asia, including Japan and Vietnam. This is due to the fact that there is an exporter registered in the region, as most maize in the Western Cape is cultivated in the George, Swartland, Swellendam and Theewaterskloof municipal areas. The Stellenbosch municipal area boasts the highest percentage of registered exporters in the District at 11.8 per cent.

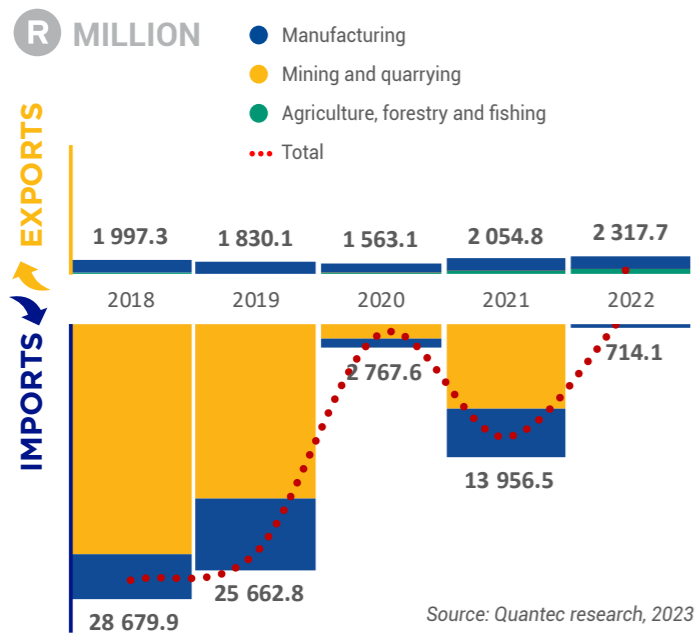


²¹ (Wesgro, 2022).

BREED VALLEY TRADE PROFILE 2022



TRADE BALANCE



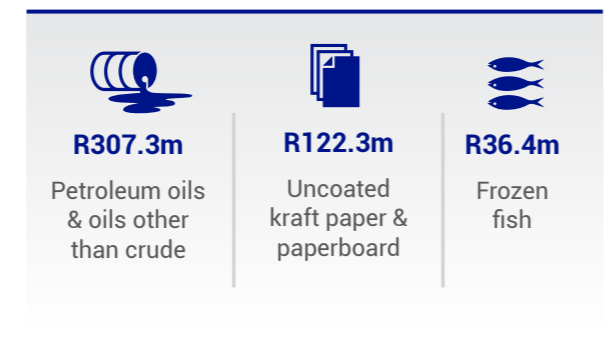
ECONOMIC CONTRIBUTION



TOP 3 EXPORTED PRODUCTS

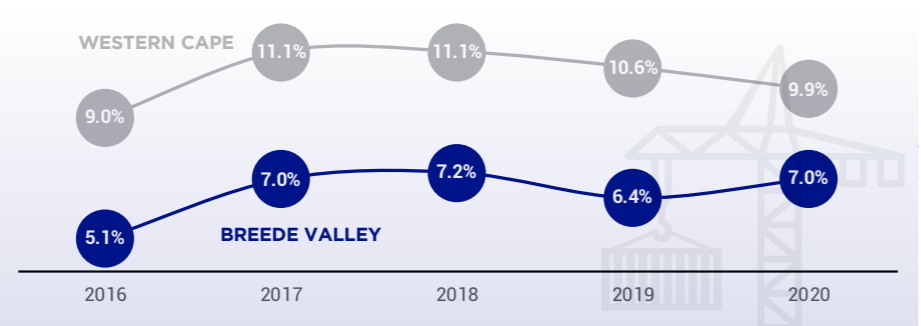


TOP 3 IMPORTED PRODUCTS



PERCENTAGE OF BUSINESSES REGISTERED AS EXPORTERS

REGISTERED EXPORTERS



Source: Quantec research and Nell, A. & Visagie, J. Spatial Tax Panel 2014 – 2022 (dataset). Version 3. National Treasury Cities Support Programme and Human Sciences Research Council (producer and distributor), 2023

The Breede Valley municipal area lies at the foot of the Matroosberg mountains, and its northernmost tip of Touws River signifies one's entry into the arid Karoo. Its proximity to the Breede River, impressive soil quality and mild climate conditions have allowed the agricultural sector to flourish. In recent years, the agriculture sector has grown significantly, exceeding the negative trade balance of the mining and quarrying sector and the manufacturing sector and resulting in a positive trade balance of R1.6 billion for the CWD in 2022. Only 7.0 per cent of businesses in the municipal area are registered exporters, meaning that the export market is dominated by a few large enterprises or that goods produced in the region are exported through head offices registered elsewhere.

The importation of frozen fish (R36.4 million) and kraft paper and paperboard (R122.3 million) both speak to the prominence of agro-processing and manufacturing activities in the area. Kraft paper and paperboard are used in the packaging of goods such as grapes and wine, which are among the top exports of the region. In 2022, grape exports were valued at R917.8 million while those of wine totalled R847.1 million. Imports of petroleum oils (R307.3 million) can be attributed to the presence of the BP Atlantic and Engen Petroleum Limited storage facilities in Worcester. In contrast to the exports that are related to the agriculture value chain, the third-largest export from the Breede Valley municipal area was baths, shower baths and sinks valued at R170.6 million in 2022. These exports can be attributed to Victoria + Albert, which manufactures baths, basins and more. The head office of this company is in the United Kingdom but its production facility is located in Worcester.



Hexkoel

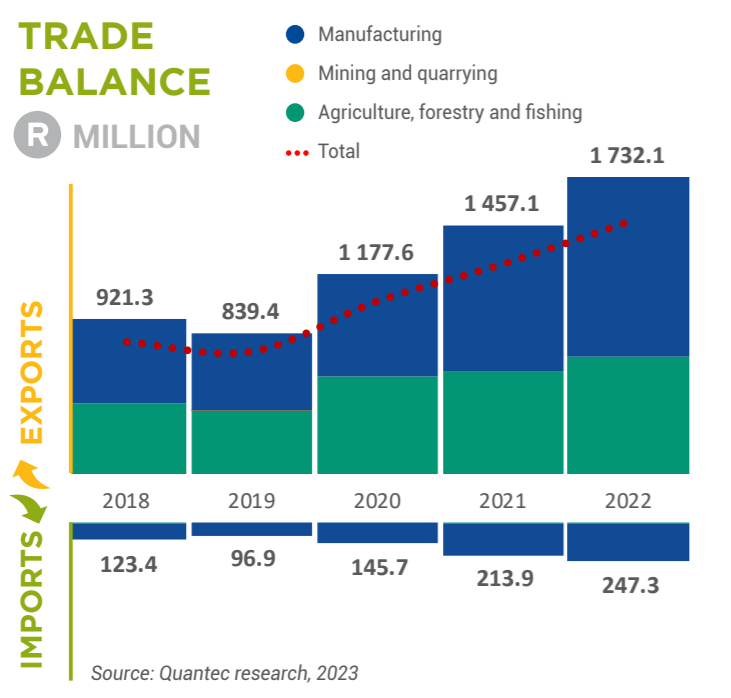
Hexkoel has served as the central cooling and distribution hub for the Hex River Valley's table grape industry for more than four decades, receiving packed grapes from local packhouses, precooling them and ensuring that they are stored and distributed to local and international markets correctly.

At full capacity, Hexkoel can store 2.5 million cartons of grapes valued at approximately R325.0 million. In February 2023, it recorded its highest weekly intake, namely 2.0 million cartons. High winds in Cape Town have slowed port loading, making it crucial for Hexkoel to be able to absorb extra fruit volumes.

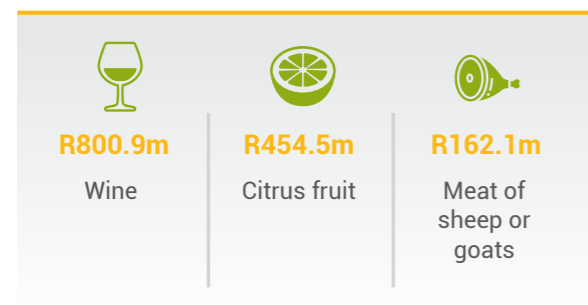
Despite facing load-shedding for up to eight hours daily, the Hexkoel cold storage facility has maintained operations, managing record grape intakes for the 2023 season. This achievement is due to the facility's timely expansion to allow for 4 100 pallets, and on-site electricity generation capacity. To enable better maintenance of the cold chain during load-shedding, this project also included the construction of airlock loading bays and the inclusion of a directed service passageway.²²

²² (FreshPlaza, 2023).

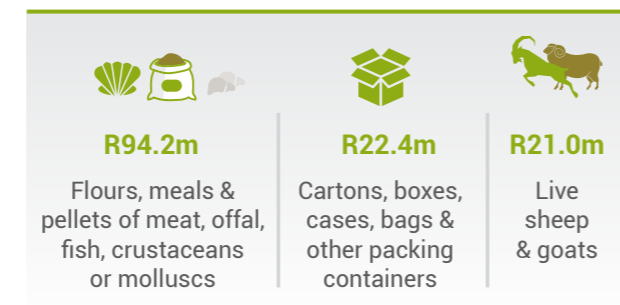
LANGEBERG TRADE PROFILE 2022



TOP 3 EXPORTED PRODUCTS



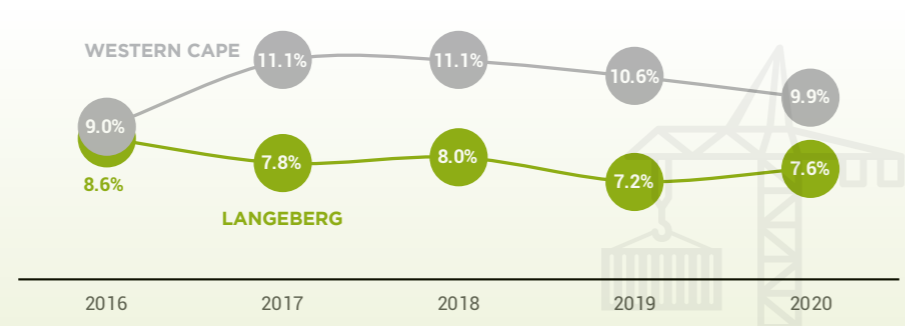
TOP 3 IMPORTED PRODUCTS



Source: Quantec research, 2023

PERCENTAGE OF BUSINESSES REGISTERED AS EXPORTERS

REGISTERED EXPORTERS



Source: Quantec research and Nell, A. & Visagie, J. Spatial Tax Panel 2014 – 2022 (dataset). Version 3. National Treasury Cities Support Programme and Human Sciences Research Council (producer and distributor), 2023

The picturesque Langeberg municipal area is known for its natural beauty and agricultural activities, as well as for charming towns such as Robertson, Montagu and McGregor. Between 2018 and 2022, the area maintained an increasingly positive trade balance; furthermore, it did not experience any adverse effects on trade during the COVID-19 pandemic in 2020. The trade balance amounted to R1.5 billion in 2022, an increase of 19.4 per cent compared with the previous year. This was an impressive feat, since only 7.6 per cent of businesses in the area were registered exporters in 2020. Agriculture and manufacturing are the sole drivers of the trade economy within the region, which is to be expected given the fertile nature of the land and the favourable climate.

The significance of agriculture is evident in the municipal area's imports, with fishmeal and oil (R94.2 million) being the top import in 2022. These products are used in animal feed and as an input for fertiliser. Healthy crops resulted in a bountiful wine season, with wine exports totalling R800.9 million in 2022. Wineries in the area are among the most well-known in the Western Cape, with the likes of Graham Beck, Ashton Winery, Robertson Winery and Bonnievale Wines all located in the Langeberg municipal area. The importation of cartons, boxes and cases (R22.4 million) is strongly linked to the activities of the wine industry, facilitating the proper packaging of goods distributed locally and internationally.

A flourishing agriculture sector also resulted in the exportation of citrus fruit worth R454.5 million in 2022, with naartjie and lemon orchards dotted throughout the Robertson and Bonnievale surrounds and at the foot of the Langeberg-Wes Mountain Catchment Area. The agriculture sector includes animal husbandry, with sheep and goat meat being among the top exports in 2022 (R162.1 million). Ovine farming is concentrated on the eastern border of the municipal area, just outside Bonnievale. Live sheep and goats are imported to maintain production and facilitate adequate levels of breeding among the South African sheep and goat population. Live sheep and goats worth R21.0 million were imported in 2022 to support local meat production in the area.



5. TOURISM

CAPE WINELANDS DISTRICT



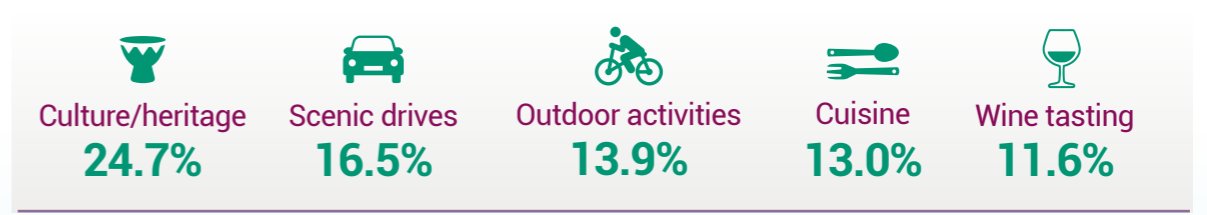
Hiking and nature enthusiasts can enjoy CapeNature's Assegaibosch and Jonkershoek nature reserves, while Mont Rochelle Nature Reserve provides iconic views of Franschhoek. Adventure options abound, ranging from 4x4 ziplining in Ceres to the renowned Breede River Canoe Marathon. History enthusiasts can enjoy a host of museums. These include the Transport Riders Museum, which pays tribute to the unique history of Ceres, as well as the Afrikaanse Taalmonument in Paarl and the Huguenot Memorial Museum in Franschhoek, which both give a glimpse of the diverse cultural roots of the region. Local eateries range from family-friendly spots to fine-dining (and award-winning) restaurants in Franschhoek and Stellenbosch.



The CWD is an easy drive from the Cape Metro and Cape Town International Airport, making the Stellenbosch and Drakenstein municipal areas an ideal location for day trips (56.7 per cent of visitors to the CWD). At the same time, Witzenberg, Breede Valley and Langeberg are ideal for longer getaways, especially weekends. The lush vineyards, award-winning wineries and historic Cape Dutch farmsteads beckoned both domestic (86.0 per cent) and international (14.0 per cent) tourists in 2022. While wine tourism may be the region's lifeblood, the CWD offers much more than cellar tours and wine tastings.

In 2022, the most popular activities included culture and heritage activities (24.7 per cent), scenic drives (16.5 per cent), outdoor pursuits (13.9 per cent) and dining at gourmet restaurants (13.0 per cent). Approximately 11.6 per cent of tourists took part in wine-tasting experiences. Wine tourism offers a unique opportunity to create brand awareness and generate additional sales for wineries. Wine tourists typically spend between 20.0 per cent and 50.0 per cent more than non-wine tourists, highlighting this industry's valuable role in the local economy.

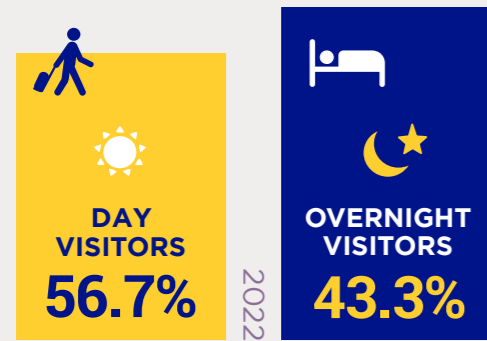
2022 TOP 5 TOURIST ACTIVITIES



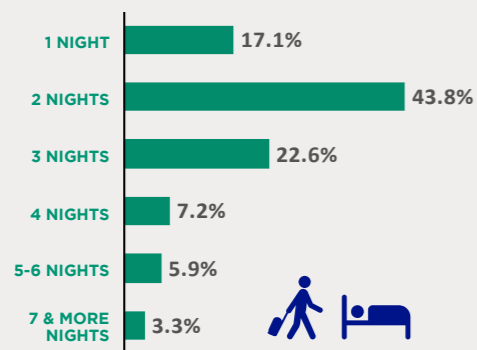
Cape Winelands District Tourism

Cape Winelands District Tourism

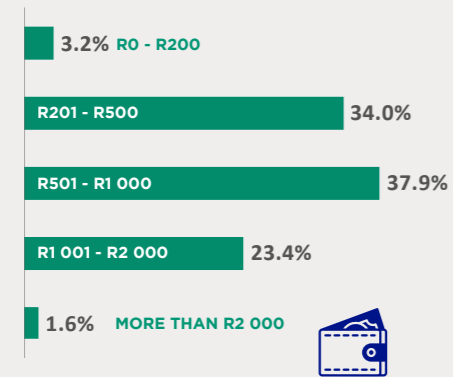
OVERNIGHT VS DAY VISITORS



2022 AVERAGE LENGTH OF STAY BY VISITORS



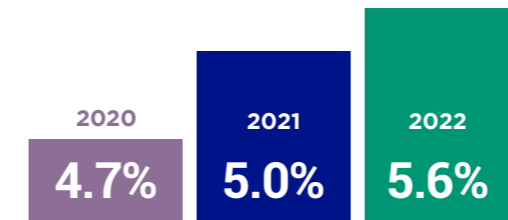
2022 AVERAGE DAILY EXPENDITURE BY VISITORS



Numerous accommodation options are available in the CWD, catering for the 43.3 per cent of visitors who stayed overnight in 2022. Some of the most popular options include self-catering accommodation (30.3 per cent), guest houses (24.9 per cent) and hotels (24.5 per cent). Most overnight guests stay for two nights (43.8 per cent), which gives them the opportunity to explore the CWD and enjoy the experiences and products that it offers. Overnight guests are an essential source of income and jobs for the local economy, with 53.9 per cent of overnight guests paying between R1 000 and R2 000 a night for their accommodation. Most accommodation sector jobs are in Stellenbosch (1 647), Franschhoek (757) and Montagu (381). In Franschhoek, accommodation sector jobs account for 15.4 per cent of formal employment, highlighting the dependency on tourism for economic prosperity. Encouraging an increase in the number of extended stays can boost the benefits of tourism in the CWD, as a large share of tourists (37.9 per cent) spend between R500 and R1 000 a day; furthermore, 34.0 per cent spend between R200 and R500 a day. Events such as the Stellenbosch Wine Festival, the South African Cheese Festival, Wordfees, the Franschhoek Bastille Festival, the Tulbagh Spring Arts Festival, the Robertson Wacky Wine Weekend and the Wine on the River Festival also attract visitors and promote tourist spending.



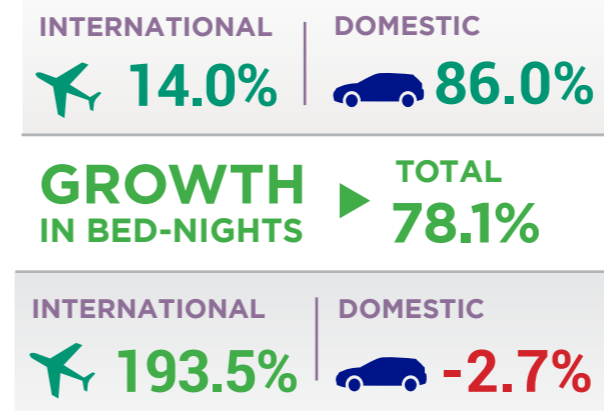
TOURISM SPEND AS A SHARE OF GDP



Source: S&P Global, 2023

In 2022, tourist spending accounted for 5.6 per cent of GDP, a 0.6 of a percentage point increase on the contribution for 2021. The rise in spending is emblematic of the steady recovery that tourism in the District is making from the difficulties brought about by the pandemic. This positive trajectory was fuelled by the substantial improvement in international bed-nights (193.5 per cent). Dampening the prospects of the industry, which is more reliant on domestic visitors, was the 2.7 per cent decline in domestic bed-nights. The deteriorating South African economy has affected household spending substantially, especially concerning non-essential items such as eating out and other tourist activities. Rising fuel costs also hampered potential travel, taking a toll on formal accommodation sector employment. In 2022, 340 job losses were recorded in this sector, mostly in Stellenbosch.

2022 TRAVELLERS



Source: S&P Global, 2023



Cape Winelands District Tourism

In contrast to this trend, Robertson recorded increased accommodation sector jobs. Local multiday events and festivals are essential to the industry and encourage overnight stays. In 2022, Robertson, Montagu and McGregor recorded a 22.3 per cent increase in tourist arrivals, a remarkable recovery from 2020.

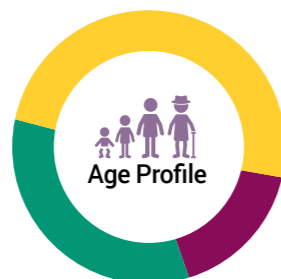
2022

TOP 3 MAIN PURPOSES OF VISIT



94.2% Leisure/Holiday
2.9% Education
1.1% Business

TOP 3 VISITOR PROFILES 2022



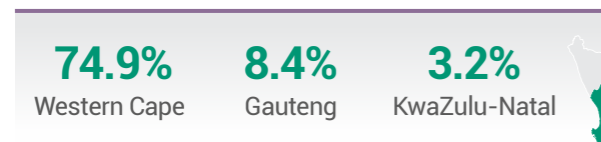
15.0% 21-35 yrs
30.6% 36-50 yrs
43.3% 51-70 yrs



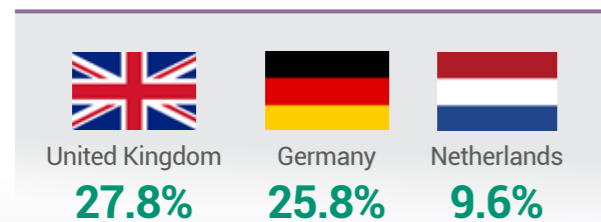
26.9% One person
48.2% Two people
9.1% Three people

While the deteriorating economy may curtail domestic tourism, weakened exchange rates benefit international tourists. In 2022, most international tourists hailed from the United Kingdom (27.8 per cent) and Germany (25.8 per cent). These are also the leading export markets for local wines, emphasising the strong links between the agricultural and tourism industries.

TOP 3 DOMESTIC TRAVELLERS



TOP 3 INTERNATIONAL TRAVELLERS



Cape Winelands District Tourism

Visitors to the CWD are aged mainly between 50 and 70 (43.3 per cent) and travel in pairs (48.2 per cent). Most use their own vehicle for travel (70.6 per cent), while a smaller share make use of rental cars (26.6 per cent). This highlights the importance of safe, well-maintained local routes that connect the primary tourism nodes with corridors that traverse the CWD. Road maintenance requirements are being addressed through MTEF projects such as the routine maintenance of the R44, roadworks on the Spier road and the rehabilitation of the Paarl-Franschhoek road.

TOP 3 MODES OF TRANSPORT USED BY VISITORS



AN AWARD-WINNING DESTINATION



Great Wine Capitals, a global network of winery regions, hosted its annual awards ceremony at Weltevrede Wine Estate in Bonnievale in October 2022. Winners in the CWD included:

- Accommodation **Babylonstoren**
- Architecture and Landscape **Weltevrede**
- Innovative Wine Tourism Experiences **Weltevrede**
- Authentic South African Experience Award **Klein Goederust**
- WWF Conservation Pioneer Award **Tanagra**



With a score of 28.69 on the Tourism Sentiment Index, Stellenbosch is ranked 34th out of the top 100 most loved destinations in the world, largely for its wineries and vineyards.

CAPE WINELANDS DISTRICT TOURISM TRENDS 2022

Unless otherwise stated, tourism indicators are sourced from *Cape Winelands Tourism Trends 2022*, published by Wesgro. The full report can be accessed using the QR code. The report uses regional visitor-tracking surveys to compile a tourism profile per region. Visitor-tracking surveys can only be used as a proxy to indicate the key trends within the region, owing to the survey collection method and sample size. Given the survey collection method and sample sizes, visitor-tracking surveys can only provide a partial sense of key trends within a region, and the figures derived from the surveys should not be considered precise. Furthermore, the information cannot be compared with that collected in other regions or in previous years, or with information released by South African Tourism.



6. INVESTMENTS

Both public and private sector investments play a pivotal role in the economic growth of the CWD. Public sector investment catalyses private sector engagement, resulting in a transformative impact on communities and towns. The public sector directly enhances residents' quality of life by channelling resources into critical infrastructure. It creates an attractive environment in which private enterprises can thrive. These enterprises, enticed by improved accessibility, reliable utilities and a skilled workforce fostered by public investments, are more inclined to establish businesses and expand their operations in these regions than they are in others. In 2021, private investment contributed R12.6 billion to the District's GDP. As the private sector flourishes, job opportunities multiply, local economies diversify and incomes rise, ultimately improving the socio-economic fabric of the community. Thus, the synergy between public and private investments generates a virtuous growth cycle, driving sustainable development and economic empowerment.

6.1 Public sector investment

Throughout the valleys, farming towns and tourist hubs of the CWD region, strategic investment by Provincial and Local Government plays a significant role in maintaining a suitable environment for businesses to operate and communities to live, ensuring social welfare and economic growth. In the short term, the injection of funds breathes life into the local economy, as communities reap the rewards of increased capital expenditure and prospects for new job opportunities. However, the true reward unfolds in the long run when the resultant operational activities of these investments stimulate growth that echoes across the District. Constraints to public sector investment have become more prevalent, with challenges such as load-shedding, high poverty levels and sluggish economic growth negatively affecting Local Government's revenue-generating capabilities. However, in the face of adversity, the resolve of the local municipalities has proven to be unyielding, and investing in infrastructure remains a priority.

The pressing challenges presented by ageing water supply infrastructure and load-shedding have significantly impacted sustainable water provision in the CWD. Given the District's economic reliance on agriculture and its growing population, the Witzenberg (R19.4 million) and Stellenbosch (R117.2million) municipal areas have put water management as one of the priority items within their annual budgets. Moreover, wastewater management is under pressure throughout the District. Accordingly, the Drakenstein and Langeberg municipal areas have allocated the most significant proportions of their budgets to wastewater management – R275.8 million and R29.5 million, respectively.

As load-shedding continues and concerns about productivity and economic stability rise, many municipal areas are seeking alternative energy sources to minimise the effects of electricity constraints. The Stellenbosch municipal area, in particular, has allocated much of its budget (R113.2 million) to energy infrastructure. Energy infrastructure projects in the Stellenbosch municipal area include high-voltage substations valued at R75.0 million provided for in the 2023/24 Medium Term Revenue and Expenditure Framework (MTREF) budget period and medium-voltage substations and networks valued at R72.8 million envisaged for the same period.

As international trade and tourism play a significant role in the District's economy, adequate road infrastructure is paramount. This infrastructure allows for the movement of goods and people through the CWD. For this reason, the Witzenberg, Breede Valley and Langeberg municipal areas have allocated R25.6 million, R49.6 million and R17.5 million respectively in their 2023/24 budgets to improving road infrastructure. Recognising the significance of challenges related to water management, electricity and transport, making strategic investments in improving and adapting infrastructure allows the region to work towards ensuring a reliable and sustainable water and electricity supply for both its agriculture sector and growing urban communities. These actions will be pivotal in enhancing the region's resilience when it is faced with water-related crises and fostering long-term economic growth.

Table 6.1
BUDGETED CAPITAL EXPENDITURE,
Cape Winelands District, 2023/24

DESCRIPTION R million	Witzenberg	Drakenstein	Stellenbosch	Breede Valley	Langeberg	Cape Winelands
Municipal governance and administration	R2.2	R20.9	R34.7	R17.2	R13.7	R11.0
Executive and council	R0.0	R0.0	R0.0	R0.2	R0.5	R0.0
Finance and administration	R2.2	R20.9	R34.7	R17.1	R13.2	R10.8
Internal audit	R0.0	R0.0	R0.0	R0.0	R0.0	R0.2
Community and public safety	R5.1	R49.6	R28.6	R19.3	R22.9	R35.4
Community and social services	R2.0	R2.9	R7.3	R1.0	R1.5	R6.2
Sports and recreation	R0.9	R8.1	R6.5	R11.3	R5.9	R0.0
Public safety	R1.7	R5.1	R7.0	R6.0	R15.5	R29.1
Housing	R0.5	R33.5	R7.9	R1.0	R0.0	R0.0
Health	R0.0	R0.0	R0.0	R0.0	R0.0	R0.1
Economic and environmental services	R26.0	R34.6	R95.5	R49.6	R20.6	R61.3
Planning and development	R0.4	R0.0	R19.8	R0.0	R3.1	R59.4
Road transport	R25.6	R34.6	R73.1	R49.6	R17.5	R1.8
Environmental protection	R0.0	R0.0	R0.0	R0.0	R0.0	R0.0
Trading services	R40.0	R352.3	R346.0	R104.4	R62.4	R0.0
Energy sources	R6.5	R41.4	R113.2	R41.4	R16.2	R0.0
Water management	R19.4	R27.2	R117.2	R13.2	R11.3	R0.0
Wastewater management	R0.1	R275.8	R53.1	R48.8	R29.5	R0.0
Waste management	R14.0	R7.9	R62.5	R1.0	R5.3	R0.0
Other	R0.0	R0.0	R0.0	R0.0	R0.0	R0.0
Total infrastructure spend	R73.3	R457.4	R504.8	R190.5	R119.5	R107.7
Infrastructure spend as a percentage of GDP	0.6%	1.6%	2.4%	1.2%	1.4%	0.1%

Source: Western Cape Provincial Treasury, 2023

In the 2023/24 MTEF, the CWD is allocated a total Provincial infrastructure investment of R5.5 billion. This amounts to 16.8 per cent of the overall Provincial infrastructure budget for this period.

The Western Cape Government will invest R1.4 billion in roads and public transport under the 2023/24 allocation. A substantial R120.0 million investment has been earmarked within this budget for upgrading the R310 roadway. This ambitious project stands out as the largest infrastructure initiative for the CWD during this period. The roadway is a major artery into the CWD,

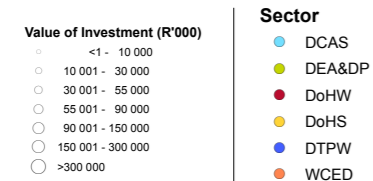
one that serves as a gateway to the region's remarkable attractions; it also provides passage for trade between the CWD and the Cape Metro area. The government's emphasis on maintaining and improving this road is thus essential in realising the potential of tourism, trade and transport in the area. Other notable road infrastructure projects for this budget period include a R100.0 million resealing of the R46 roadway between Wolseley and Touws River, and an R80.0 million resealing of the N1 east of Paarl towards Du Toitskloof.

Housing infrastructure expenditure will be to address housing challenges and promote equitable urban development. In the Drakenstein municipal area, specifically in Paarl, Wellington and Mbekweni, there is a significant unmet need in the entry-level and affordable housing markets, and a potential oversupply in higher-valued markets. Therefore, there is a great need for the building of Integrated Residential Development Programme (IRDP) housing in the CWD. Budget allocations for IRDP housing projects in Worcester and Paarl amount to R50.0 million and R41.5 million, respectively.



Maps supplied by DEA&DP: Spatial Information Management

Map 6.1
TOTAL DEPARTMENTAL MTEF
INFRASTRUCTURE BUDGET AND NUMBER
OF PROJECTS, Cape Winelands District,
2023 - 2026



WC PROVINCIAL DEPARTMENT	No of Projects & Programmes	2023/24 MTEF (R'000)	2024/25 MTEF (R'000)	2025/26 MTEF (R'000)	MTEF Total (R'000)
● Cultural Affairs and Sport (DCAS)	2	1 700	0	0	1 700
● Education (WCED)	7	142 000	85 000	150 000	377 000
● Health and Wellness (DoHW)	59	91 873	113 424	79 507	284 804
● Infrastructure (Human Settlements; DoHS)	39	269 848	148 004	202 980	620 832
● Infrastructure (Transport and Public Works; DTPW)	41	1 400 542	1 529 917	1 263 669	4 194 128
● Environmental Affairs and Development Planning (DEA&DP)	3	9 500	0	0	9 500
Total	151	1 915 463	1 876 345	1 696 156	5 487 964

Source: Provincial Infrastructure Reporting Model (IRM), Western Cape Provincial Treasury, 2023

The map indicates the distribution of infrastructure projects over the MTEF period. The total value of investment (projects and programmes) is indicated in the accompanying table for the applicable region or district. Source: The data represents an extract from the Provincial Infrastructure Reporting Model (IRM), as of 28 February 2023. Monitoring the accuracy of information in the reporting model is ongoing and continues to receive attention with the aim to progressively make improvements.

Concerns regarding the rapid expansion of Kayamandi and the lack of adequate infrastructure for people living here have led to Stellenbosch Municipality allocating R30.7 million towards upgrades.²³ Kayamandi has also received a significant private investment via the Kayamandi Fibre Project, which involves bridging the digital divide by providing affordable internet access to the settlement. The fibre roll-out commenced in 2022, with approximately 4 440 homes having been connected to the fibre grid by the end of the year.²⁴ Many permanent and seasonal workers move to the CWD in search of employment opportunities in agriculture and tourism. The District is therefore characterised by a large number of agricultural workers and high levels of semigration from both neighbouring districts and provinces.

The CWD has a young population, with 32.7 per cent of the District's residents being younger than 20 in 2022. Total learner enrolment increased by 0.8 per cent between 2021 and 2022, and learner retention increased by 0.4 of a percentage point in the same period. The upkeep and continuous improvement of education remain among the District's leading priorities. Allocations for education infrastructure in the CWD will in 2023/24 be focused on upgrading Dal Josaphat Primary School in Paarl (R60.0 million) and Waveren Secondary School in Tulbagh (R35.0 million). Moreover, the budget also includes the construction of a new high school in Ashton (R77.0 million) and a new primary and high school in Klipmuts (R90.0 million). Ashton only has one high school, which has a learner-teacher ratio of 40.8.²⁵ An additional school will therefore alleviate capacity constraints and improve the educational outcomes in the Langeberg municipal area.

Education is a priority for the region, as many families have relocated to the area and there is urgent demand for primary and secondary school facilities. Over the long term, additional education infrastructure, along with new schools, classes and scheduled maintenance, will be required in the CWD if access to education is to keep up with increasing demand and educational outcomes are to be improved. Moreover, new subject offerings in the science and mathematics fields (such as engineering, technology and coding) will allow the CWD to advance its educational capabilities and remain up to date on modern schooling. Improved educational outcomes will ultimately enable learners in the District to take advantage of higher-paying employment opportunities and thus generate more income.

In the realm of health infrastructure, the Western Cape Government is committed to several critical projects. Ceres Hospital, for example, will undergo upgrades and, more notably, property reshuffling, having acquired new premises to house a community day clinic. For the past eight years, Ceres Hospital has been running at between 90.0 per cent and 95.0 per cent occupancy, often reaching 100.0 per cent.²⁶ It serves a population of approximately 130 000 people.²⁷ The project is valued at R40.0 million and will alleviate pressure by relocating patients from the hospital who can be treated in the clinic, thereby freeing up beds in the hospital. Additional notable allocations include the R23.8 million addition of an acute psychiatric ward at Robertson Hospital. Psychiatric care is essential in regions where drug and alcohol abuse is prevalent and facilities dedicated to mental health are scarce. Lastly, Paarl's growing population and surroundings have prompted a need for a new community day clinic in the town. The new Paarl day clinic project allocated R36.4 million in the 2023/24 to 2025/26 budget period. It will consolidate the services of Mbekweni Clinic, Phola Park Clinic and Dalvale Clinic, and include a chronic care unit, an acute treatment area, a rehabilitation unit, a dental unit and a pharmacy. The location of the clinic will be between Dalvale and Mbekweni.

²³ (Stellenbosch Local Municipality, 2019).

²⁴ (Daily Maverick, 2022).

²⁵ (Department of Basic Education, 2022).

²⁶ (Western Cape Government, 2023).

²⁷ (Stellenbosch University, 2023).

Infrastructure Development Score, Cape Winelands District, 2022

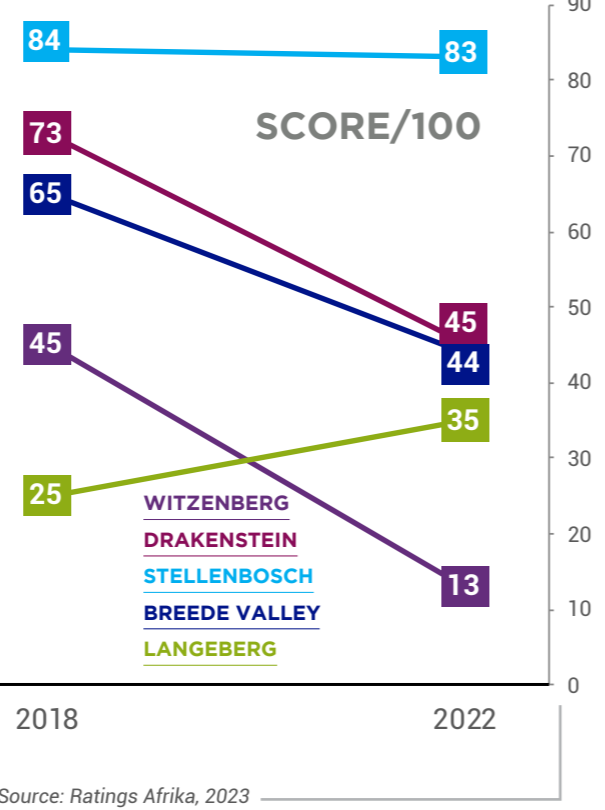


Ratings Afrika's well-known Municipal Financial Sustainability Index (MFSI) measures the operating performance, liquidity management, debt governance, budget position and infrastructure development of local municipalities in South Africa. Each component is scored out of a hundred. The MFSI aims to support municipalities in their decision-making to ensure financial sustainability, which Ratings Afrika defines as "the financial ability of a municipality to deliver services and to develop and maintain the infrastructure required by its residents without unplanned increases in rates and tariffs, or a reduction in the level of services. Furthermore, the municipality should be able to absorb financial shocks caused by natural, economic, political and other disasters, such as COVID-19, without external financial assistance."



In the CWD, the Stellenbosch municipal area scored the highest in infrastructure development in 2018 and 2022. However, Langeberg was the only municipal area to show an improvement in its infrastructure score between 2018 and 2022, increasing its total from 25 to 35. Conversely, the Drakenstein, Breede Valley and Witzenberg municipal areas have all shown a drastic decrease in development scores, which fell by 28, 21 and 32 points, respectively. Population growth in the CWD is high, and infrastructure development needs to remain a priority for all municipal areas if they are to maintain service delivery and combat the effects of urbanisation.

Figure 6.1
INFRASTRUCTURE DEVELOPMENT SCORE, Cape Winelands District, 2022



Source: Ratings Afrika, 2023



The **Overview of Provincial and Municipal Infrastructure Investment (OPMII)**, published by the Provincial Treasury, provides further information about the 2023/24 budgeted Provincial Government infrastructure spend. The report can be accessed by scanning the QR code.



6.2 Public sector procurement

Public sector procurement processes in the CWD can facilitate the development of SMMEs. Moreover, procuring goods and services from SMMEs and other designated groups advances bottom-up local economic development and creates a competitive local market. While this kind of spending has benefits, the National Treasury recommends that it be between 2.0 and 5.0 per cent of total expenditure. Only the Cape Winelands District Municipality's spending is within this guideline, while the proportion of spending for most municipalities is below the guideline.

Preferential procurement policies²⁸ provided for under the Preferential Procurement Policy Framework Act (Act No. 5 of 2000), Section 217, allow for a fair, equitable and transparent mechanism to empower persons or categories of persons disadvantaged by unfair discrimination.

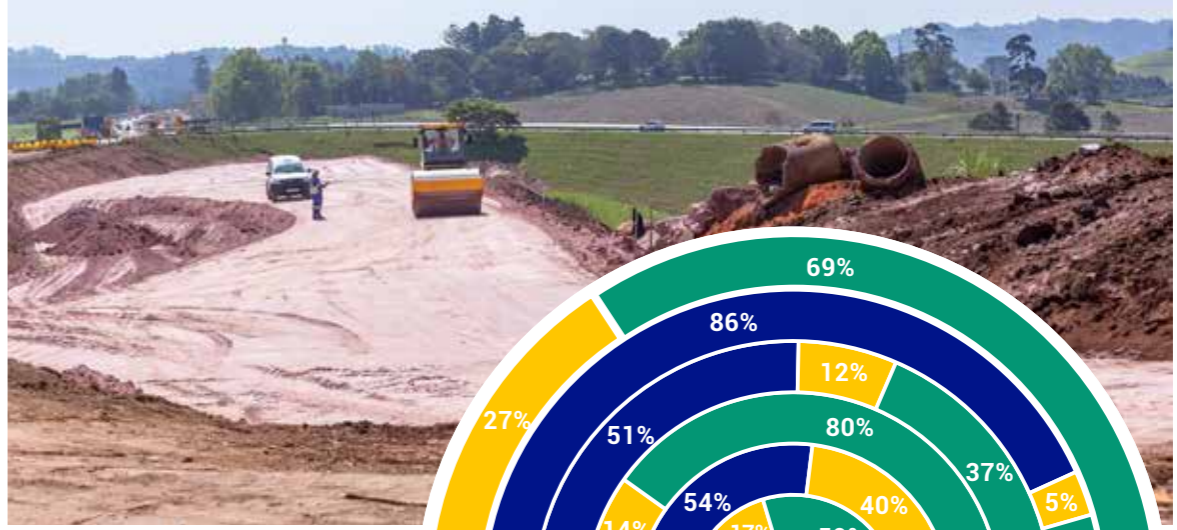


Figure 6.2
PROPORTION OF SPENDING ON CONTRACTED SERVICES PER MUNICIPAL AREA, Cape Winelands District, 2022/23

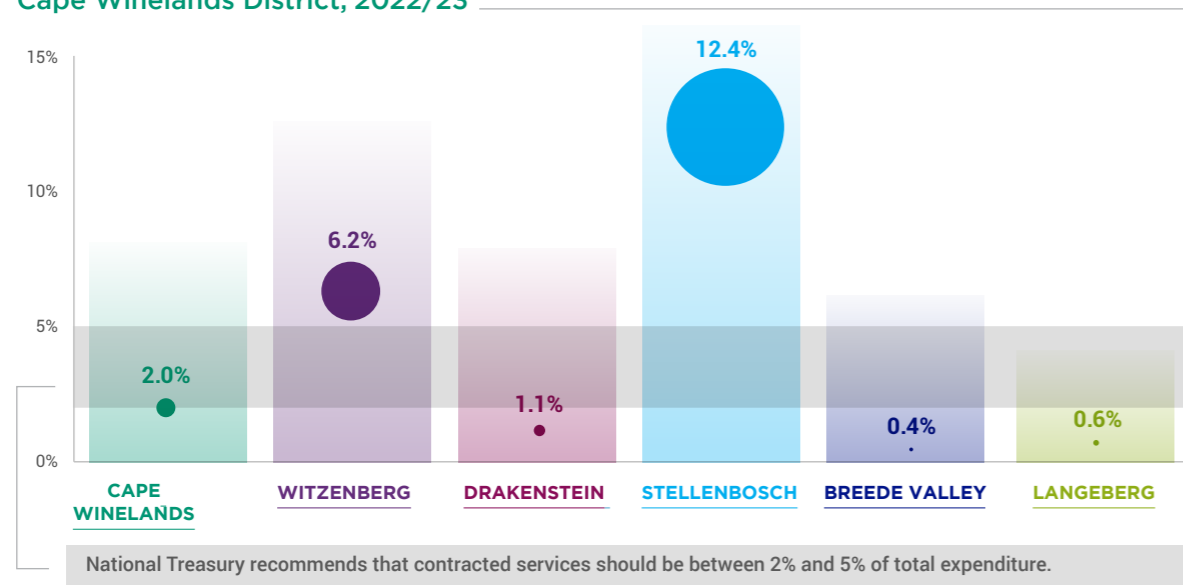


Source: Western Cape Provincial Treasury

²⁸ The information regarding black ownership, black women ownership and ownership by other designated groups was split to avoid duplication of expenditure, as a supplier can be both black-owned and a youth.

A considerable share of the expenditure on contracted services in the Drakenstein and Langeberg municipal areas in the 2022/23 period (80.0 per cent and 69.0 per cent of contracted spend, respectively) related to infrastructure initiatives, notably wastewater system upgrades. Outsourced services in the Witzenberg, Stellenbosch and Breede Valley municipal areas accounted for the highest proportion of contracted services expenditure, making up 54.0 per cent, 51.0 per cent and 86.0 per cent of total contracted services expenditure, respectively. A high volume of spending on outsourced services indicates a lack of public capacity to undertake services such as waste removal and recycling.

Figure 6.3
CONTRACTED SERVICES AS A PERCENTAGE OF TOTAL OPERATIONAL EXPENDITURE, Cape Winelands District, 2022/23

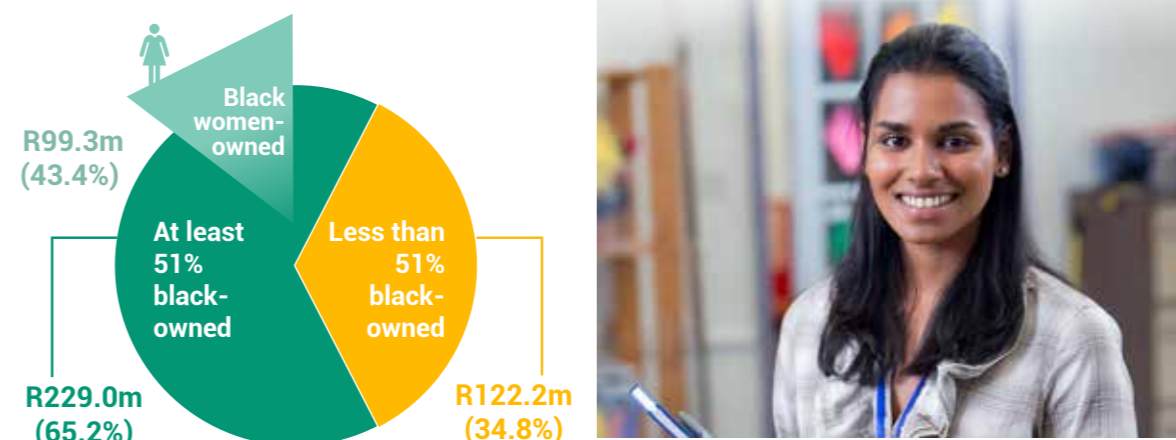


Source: Western Cape Provincial Treasury, 2023



6.3 Public sector spending on designated groups²⁹

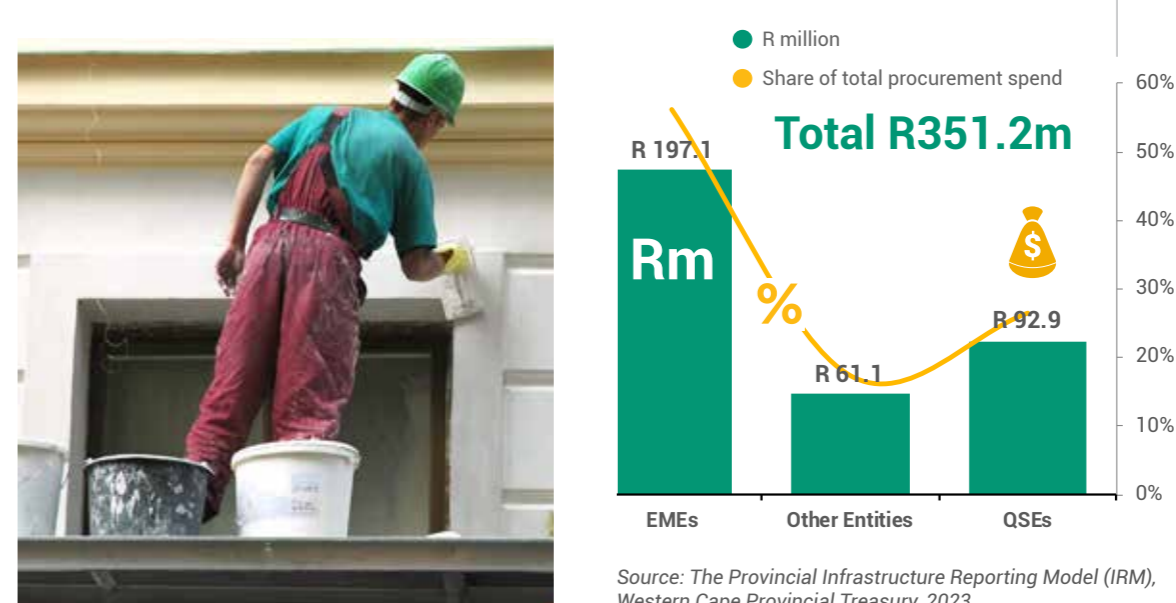
Figure 6.4
EXPENDITURE ON REGISTERED BLACK-OWNED COMPANIES, Cape Winelands District, 2022/23



Source: The Provincial Infrastructure Reporting Model (IRM), Western Cape Provincial Treasury, 2023

In the CWD, a noteworthy investment of R229.0 million was directed towards predominantly black-owned companies, with a significant portion (R99.3 million or 43.4 per cent) spent on majority black women-owned companies. Given the historical social exclusion of women, particularly black women, this shows that the public sector is committed to reducing the marginalisation created by past inequalities and the social exclusion of women, particularly black women.

Figure 6.5
EXPENDITURE ON REGISTERED SMMES, Cape Winelands District, 2022/23



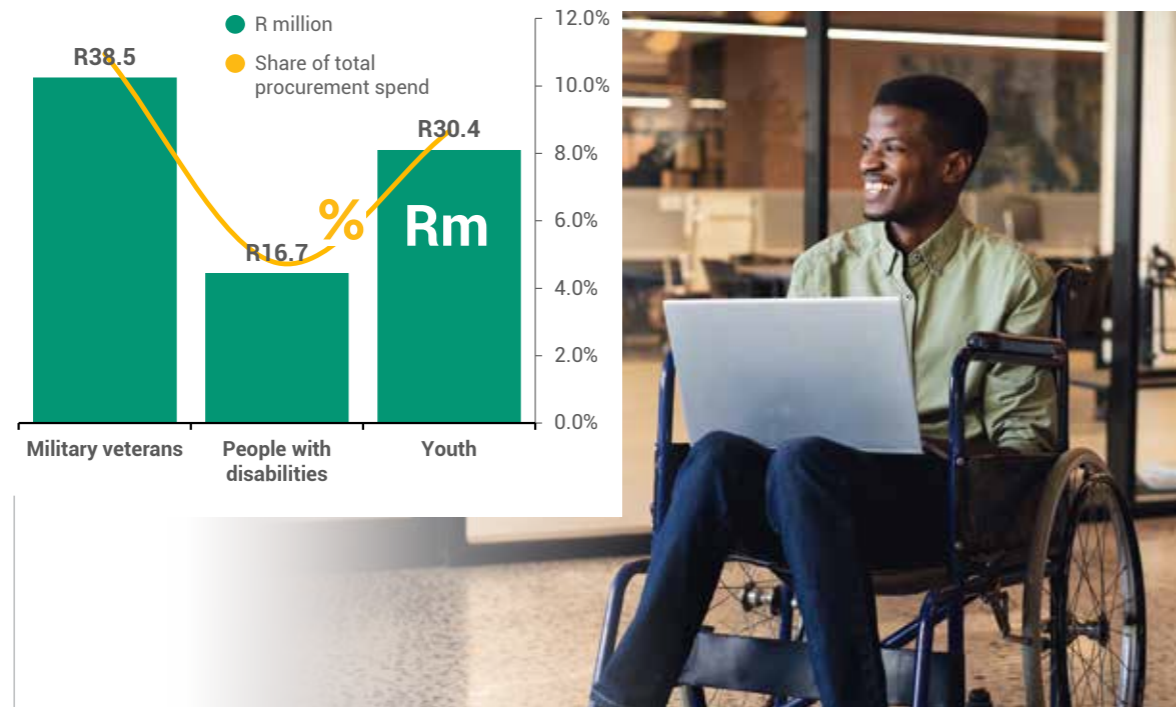
Source: The Provincial Infrastructure Reporting Model (IRM), Western Cape Provincial Treasury, 2023

In the context of the CWD, R197.1 million (56.1 per cent of the total SMME spend) was directed to exempted micro enterprises (EMEs). Procurement from EMEs was mainly related to services, including security services, cleaning services and property maintenance services. It also encompassed outsourced support for services concerning social care, medical care and educational support. Given the vastness of the CWD and the remote locations of many settlements, spending on school

²⁹ The term "designated groups" refers to a) black designated groups, b) black people, c) women, d) people with disabilities or e) small enterprises as defined in Section 1 of the National Small Enterprise Act (Act No. 102 of 1996).

transport is essential to ensuring that all learners have access to education, regardless of location or economic circumstances. The procurement spend on qualifying small enterprises (QSEs) was mainly on transportation services for scholars in Montagu and Stellenbosch. Interestingly, the goods and services procured from SMMEs differ significantly from those sourced from larger enterprises, with construction contractors being the primary focus in the latter instance. This reveals strategic differentiation in procurement practices and showcases how the CWD leverages the unique strengths of various enterprises, promoting local economic growth and fostering a vibrant business environment.

Figure 6.6
PAYMENTS TO DESIGNATED SUPPLIERS, Cape Winelands District, 2022/23



Source: The Provincial Infrastructure Reporting Model (IRM), Western Cape Provincial Treasury, 2023

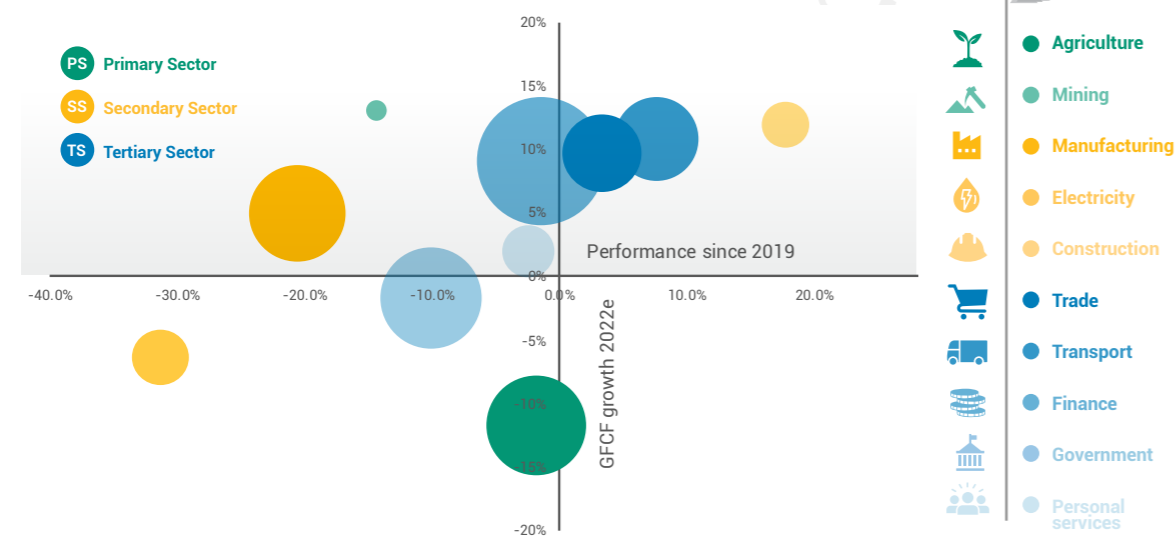
At R38.5 million or 10.9 per cent of total expenditure, spending on military veterans accounted for the highest percentage spent on designated suppliers. This total marked a substantial increase from 2021/22, when R15.1 million was spent on military veteran-owned businesses. Conversely, spending on people with disabilities accounted for the lowest proportion of expenditure on enterprises owned by persons in the designated categories (only 4.8 per cent). Additionally, procurement from youth-owned enterprises increased, with a total expenditure of R30.4 million being recorded against the R17.9 million spent during the previous term. Given the high youth unemployment rate, procuring goods from youth-owned enterprises and encouraging companies owned by the youth to register on the Western Cape Supplier Evidence Bank (WCSEB) and municipal supplier databases is of paramount importance.

6.4 Private sector investment

The natural beauty, sectoral diversity and economic success of the CWD attract substantial private sector investment. Investments have been made in housing development, renovations and shopping space, showing that the CWD is a popular area in which to work and live. Moreover, substantial investment in industrial and warehousing space has proven the CWD to be suitable for production activities and manufacturing business expansion.



Figure 6.7
GROSS FIXED CAPITAL FORMATION,
Cape Winelands District



Gross fixed capital formation (GFCF) refers to the acquisition or development of assets used in bolstering production or generating higher levels of income.

	R million 2021	Percentage contribution	Performance since 2019	GFCF growth 2022e
PS Primary Sector	R1 956.8	15.5%	-2.5%	-11.1%
Agriculture, forestry & fishing	R1 876.4	14.9%	-1.9%	-11.7%
Mining & quarrying	R80.4	0.6%	-14.4%	13.1%
SS Secondary Sector	R2 754.5	21.8%	-18.1%	3.7%
Manufacturing	R1 747.8	13.8%	-20.6%	5.0%
Electricity, gas & water	R590.9	4.7%	-31.3%	-6.4%
Construction	R415.8	3.3%	17.7%	12.0%
TS Tertiary Sector	R7 924.3	62.7%	-2.1%	6.5%
Wholesale & retail trade, catering & accommodation	R1 124.9	8.9%	3.3%	9.7%
Transport, storage & communication	R1 325.6	10.5%	7.6%	10.9%
Finance, insurance, real estate & business services	R3 064.5	24.3%	-1.4%	9.1%
General government	R1 905.7	15.1%	-10.1%	-1.7%
Community, social & personal services	R503.7	4.0%	-2.4%	2.0%
Total Cape Winelands District	R12 635.6	100.0%	-6.4%	3.2%

Source: Quantec research, 2023

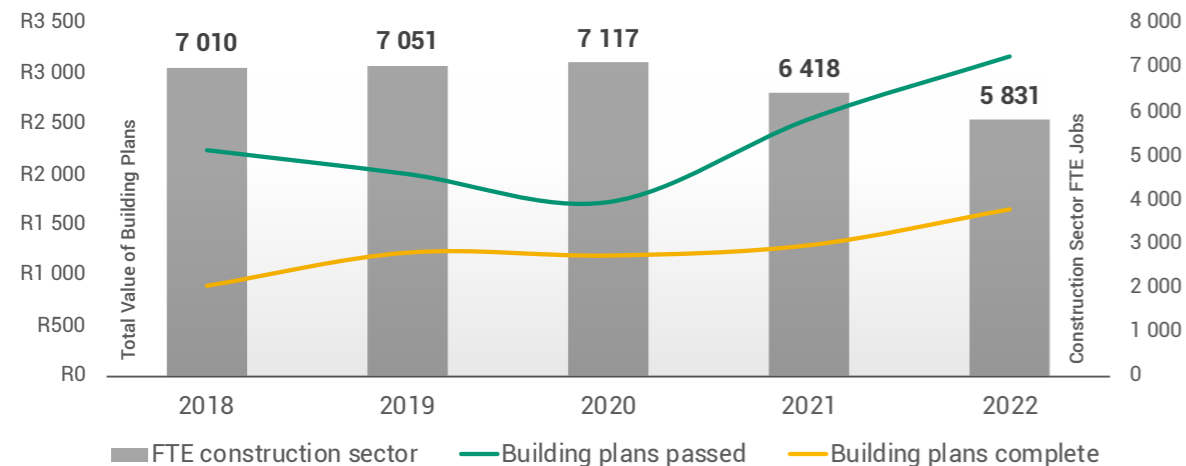
Recovery from the 11.5 per cent contraction in gross fixed capital formation (GFCF) registered in 2020 has been slow. In 2021, GFCF increased by 1.9 per cent, reaching a total value of R12.6 billion before picking up speed with an expansion of 3.2 per cent in 2022. This growth was primarily driven by increased investments in the transport and finance sectors, which played a crucial role in bolstering economic activity. It is estimated that the transport sector witnessed a substantial surge in GFCF in 2022 (10.9 per cent). Following closely on the heels of this sector was the finance sector, with an estimated 9.1 per cent rise in GFCF. Furthermore, the construction sector is estimated to have registered a 12.0 per cent increase. The construction sector has shown an impressive recovery from the effects of COVID-19 restrictions, with GFCF expanding by 17.7 per cent between 2020 and 2022.

Despite these positive developments, it is essential to note that few sectors have, as yet, fully regained pre-pandemic levels of GFCF, with the secondary sector still 18.1 per cent below its 2019 position. The electricity, gas and water sector was the most negatively affected, and in 2022 was 31.3 per cent below the level recorded in 2019. Nevertheless, the trade sector has regained pre-pandemic levels, recording an estimated GFCF increase of 3.3 per cent higher than its 2019 position. This indicates the revival of the CWD's tourism sector, which was one of the sectors most severely affected by the COVID-19 pandemic. Household growth, especially in Paarl, further drives the demand for new retail spaces, as well as residential property.

Prior to 2020, the value of building plans passed was on a declining trend. However, semigration trends have resulted in renewed interest in the CWD, leading to a substantial increase in building plans passed. Construction activity has also slowly improved since 2020, with the value of building plans completed also increasing, albeit at a slower pace than building plans passed. However, despite these positive trends, formal jobs declined in 2021 and 2022, as real output was negatively affected by rising construction costs. In contrast to the formal construction sector shedding jobs, the informal sector has shown robust activity with increased employment opportunities. This highlights the importance of SMME activity in the sector and the value subcontractors hold in creating jobs in the construction sector.



Figure 6.8
TOTAL VALUE OF BUILDING PLANS PASSED AND COMPLETED, CONSTRUCTION SECTOR FTE JOBS, Cape Winelands, 2018 – 2022³⁰ (R million)



Sources: Stats SA and Nell, A. & Visagie, J. Spatial Tax Panel 2014 – 2022 (dataset). Version 3. National Treasury Cities Support Programme and Human Sciences Research Council (producer and distributor), 2023

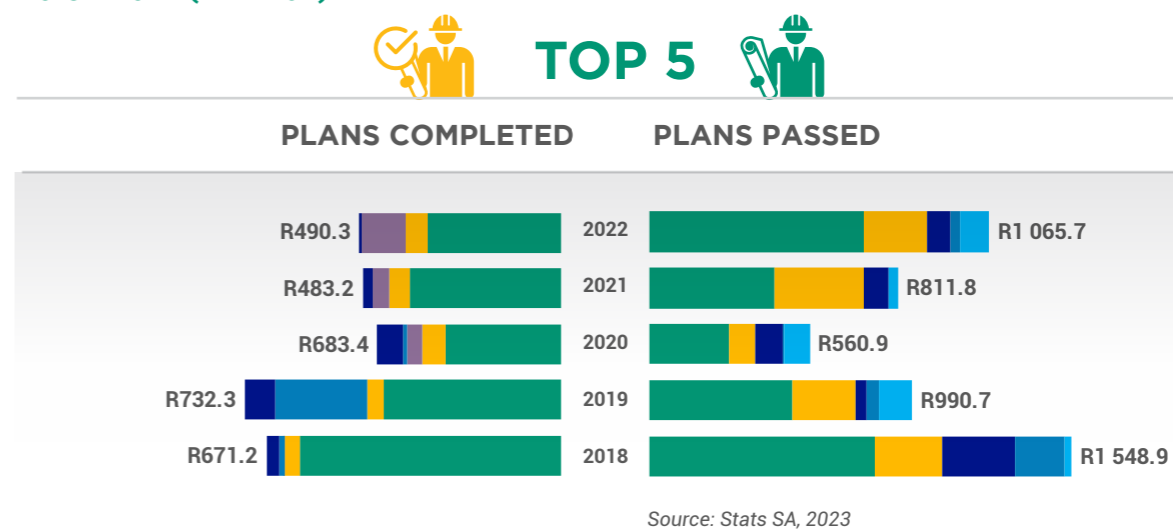
Throughout the municipal areas under consideration, residential building plans, additions and alterations were the top highest-valued building plans passed and completed. This high level of expenditure indicates a large volume of personal investment in the region, proving that the CWD has become an attractive location in which to live. Given its proximity to the Cape Metro and its remote farmland feel, the region has become a popular destination for retirees and young families. Residential building plans completed between 2018 and 2022 in the Breede Valley, Drakenstein and Stellenbosch municipal areas totalled R606.9 million, R1.3 billion and an astounding R1.9 billion, respectively. In Langeberg, the value of building plans passed rose from R39.7 million to R77.8 million between 2021 and 2022.³¹

The development of Stellenbosch Bridge in the Stellenbosch municipal area is a notable investment in the region. The mixed-use development project aims to create a functional “smart city” with business incubators, residential living areas, retail space, outdoor activity space and educational facilities. The development will be built near the N1, allowing residents and businesses easy access to the Cape Metro area. Moreover, Stellenbosch Bridge is anticipated to attract tourists, as it will include a hedge maze fashioned out of spekboom plants that is being described as Africa’s most extensive labyrinth. It is hoped that the maze will attract tourists while serving an environmental purpose, as spekboom is known to be very effective in sequestering carbon dioxide from the atmosphere.

Notably, residential building plans passed between 2018 and 2022 in the Stellenbosch municipal area were valued at R2.2 billion. Stellenbosch Central has also become a hot spot for residential developments, partly because of the ongoing demand for private student accommodation. A noteworthy development in this regard is The One – a high-end student accommodation facility. The One, which aims to offer luxury student living, consists of 508 units that vary in size and price, starting at R1.6 million.

³⁰ Stats SA published building plans passed and completed for selected municipalities across South Africa. For the CWD, only statistics for the Breede Valley, Drakenstein and Stellenbosch municipal areas are presented.
³¹ (Langeberg Municipality, 2023).

Figure 6.9
VALUE OF BUILDING PLANS PASSED AND COMPLETED, Stellenbosch, 2018 – 2022 (R million)



The value of building plans passed³² can be a leading indicator of development investment, while building plans completed³³ can be a lagging indicator. This means that the value of building plans passed can give an indication of future construction investment into the CWD, while the value of building plans completed provides a snapshot of the current level of construction investment in the District.

- Residential buildings
- Additions and alterations to residential buildings
- Additions and alterations to non-residential buildings
- Industrial and warehouse space
- Shopping space
- Office and banking space
- Interior alterations
- Schools, nursery schools, crèches and hospitals
- Other non-residential buildings

Residential building plans passed in the Drakenstein municipal area in the same five-year period were valued at R3.0 billion – with plans worth R1.2 billion being passed in 2022 alone. Large estates in the region such as Val de Vie Winelands Lifestyle Estate, Groot Parys Lifestyle Estate and Honeydew Country Estate are among the many developments in the area, indicating the substantial demand for housing. Luxury housing, as exemplified by the Drakenzicht development, is also in high demand in the Drakenstein municipal area. Drakenzicht is an estate offering homes for which the starting price is R7.0 million. Paarl and its surrounds have become extremely popular among families who are moving out of cities and looking for a slower-paced lifestyle. These families typically seek business and employment opportunities in Paarl Central along with schools offering a high standard of education. The prominence and popularity of local schools are a further asset to the local economy, as sporting events, such as the annual derby between Paarl Gimnasium and Paarl Boys’ High School, can draw crowds of up to 5 000 people.

Some of the highest-valued building plans passed and completed between 2018 and 2022 were for industrial and warehouse space. Completed developments in Breede Valley, Drakenstein and Stellenbosch were valued at R120.3 million, R94.8 million and R183.2 million, respectively. In 2022, industrial and warehouse space to the value of R63.0 million was completed in Langeberg, which is a substantial increase from the R42.0 million recorded in 2021.³⁴

³² Number of residential building plans passed for buildings larger than 80m².
³³ Value of non-residential buildings completed (constant prices).
³⁴ (Langeberg Municipality, 2023).

High levels of industrial and warehouse space investment are indicative of a thriving manufacturing and logistics sector, a positive economic development that is also indicated by the transport sector performing well. GFCF in this sector was 7.6 per cent higher in 2022 than the pre-pandemic level of 2019 and was fuelled by an estimated growth of 10.9 per cent in 2022.

Moreover, despite the manufacturing sector experiencing a decline of 8.5 per cent in GFCF in 2021, investment by businesses in this sector is anticipated to partially recover by 5.0 per cent in 2022. Property investment will assist in the further recovery of the sector, which is still experiencing the effects of the economic downturn of 2020.

Figure 6.10
VALUE OF BUILDING PLANS PASSED AND COMPLETED, Breede Valley, 2018 - 2022 (R million)

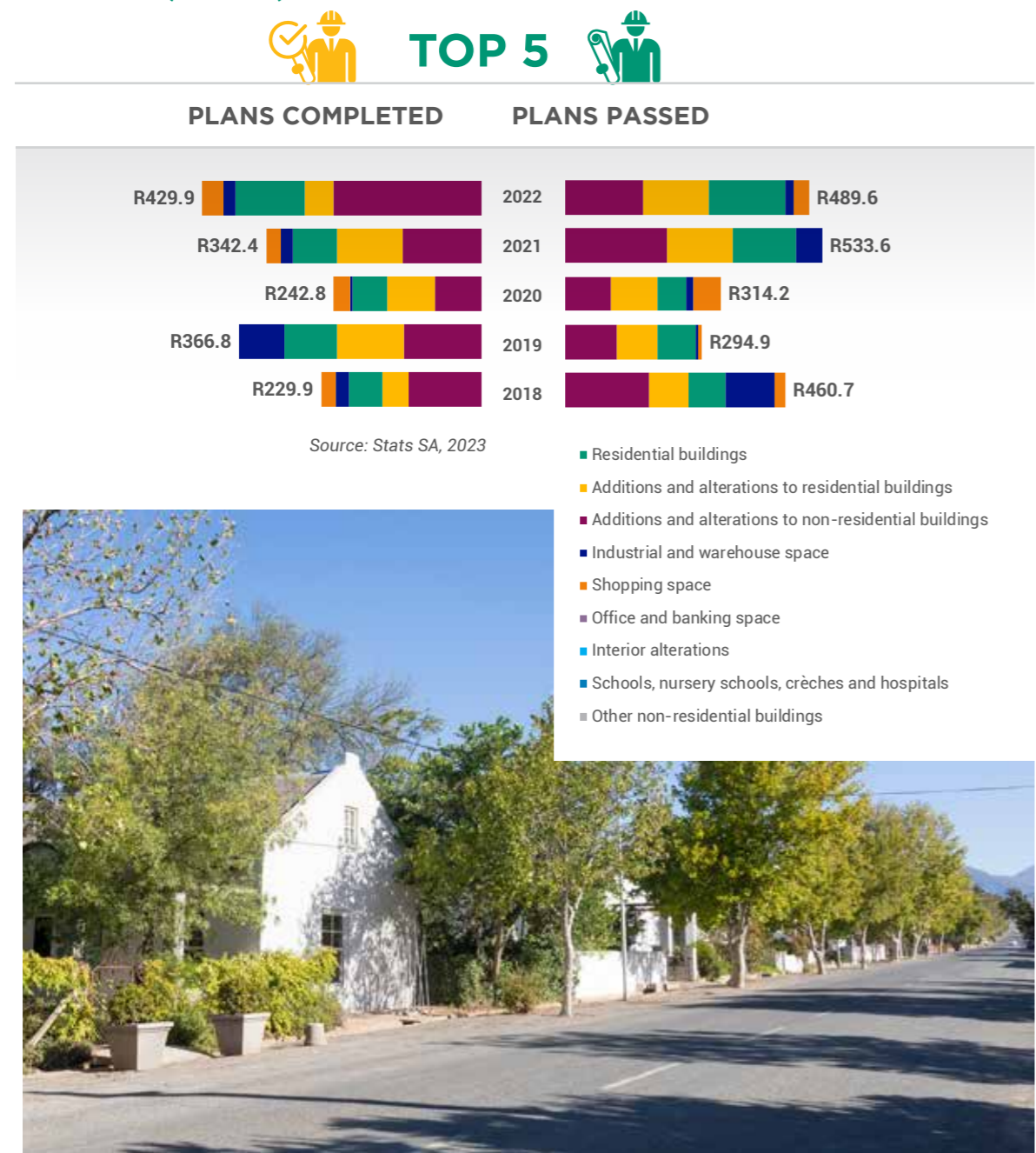
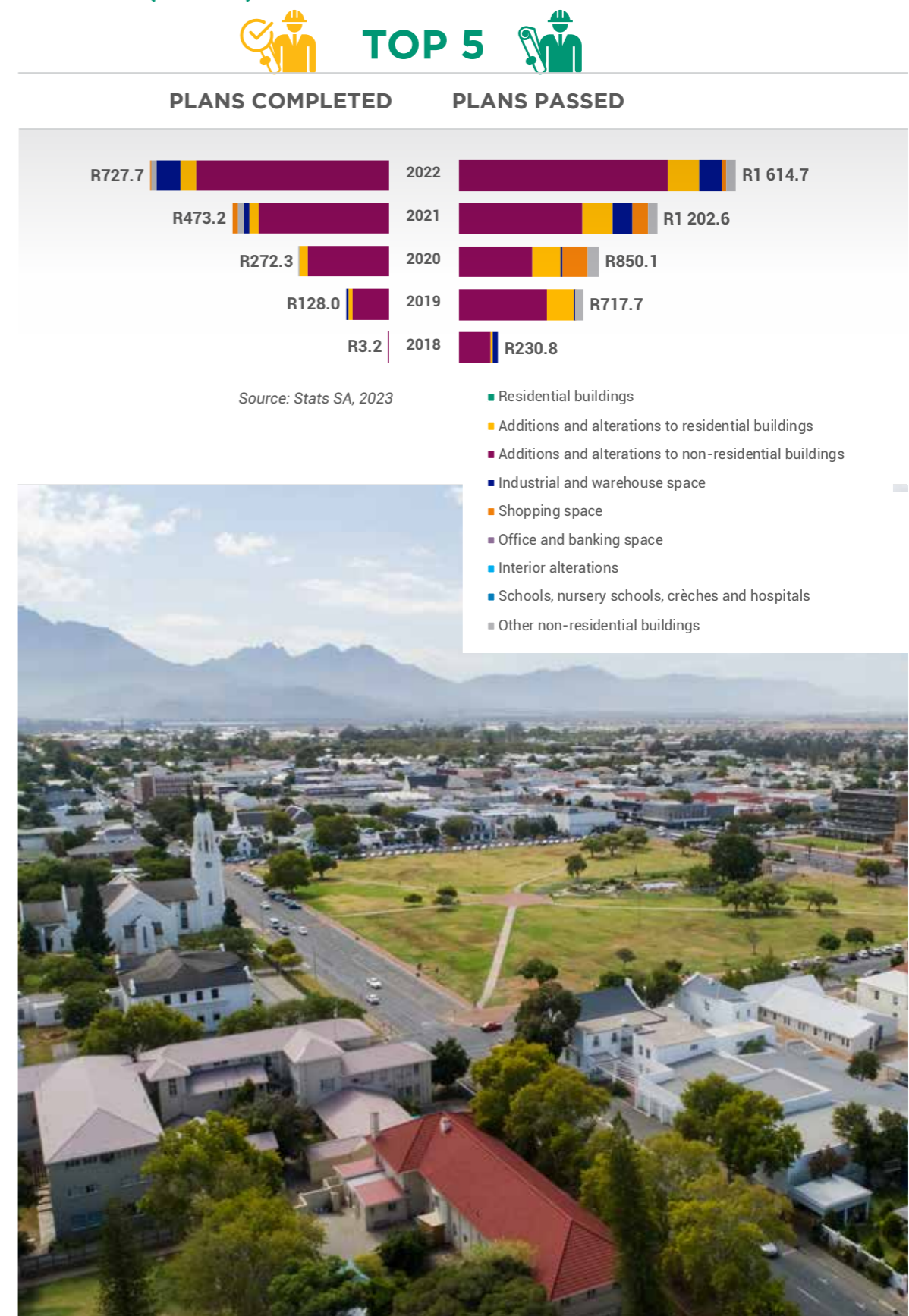


Figure 6.11
VALUE OF BUILDING PLANS PASSED AND COMPLETED, Drakenstein, 2018 - 2022 (R million)



7. CONCLUDING REMARKS

The CWD is a vital economic powerhouse within the Province. It offers a dynamic tertiary services sector, makes substantial contributions to the Provincial GDP and plays a significant role in regional employment. Despite facing challenges related to drought, the COVID-19 pandemic and global economic fluctuations, the CWD demonstrated resilience in its economic recovery in 2022, with positive signs of growth in both GDP and employment.

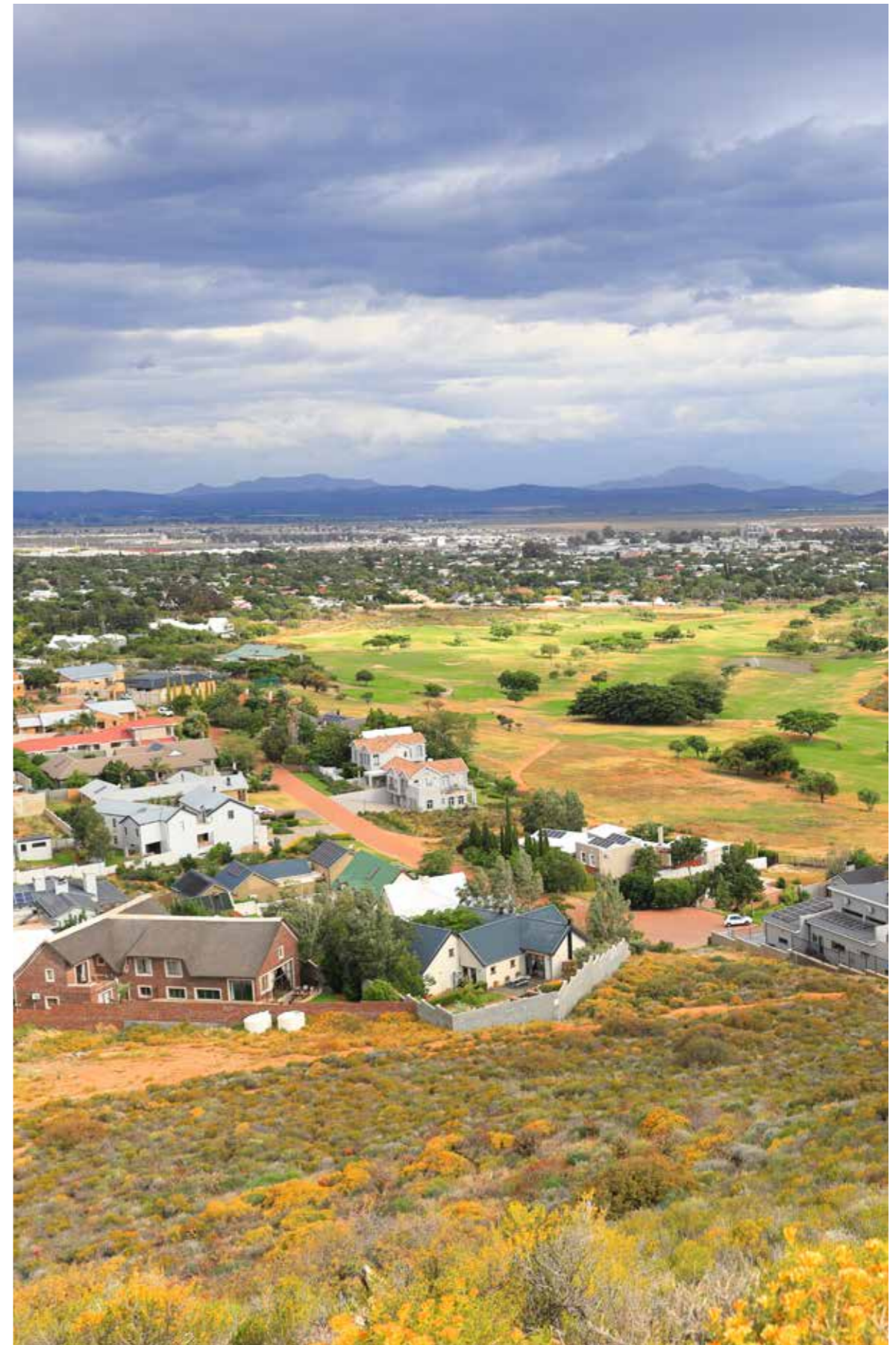
The District's agriculture sector, bolstered by favourable commodity prices and a return of tourists, played a pivotal role in this recovery. However, it also faced socio-economic challenges concerning income disparity and seasonal employment fluctuations. Sectors such as finance, trade and agro-processing complemented this growth but brought to light issues of inequality because of differing wage structures.

The CWD's impressive trade balance improvement and diverse agricultural landscape, including renowned vineyards and fruit farms, contribute significantly to its economic success. Despite tourist activity improving in 2022, the industry faces domestic constraints because of economic pressures, something that has impacted accommodation sector employment and other related activities.

Investments in road infrastructure and strategic planning with regard to water management and electricity supply demonstrate the municipal commitment to sustainable growth and resilience when faced with crises. Furthermore, the CWD's attractiveness as a residential destination, particularly for retirees and young families, is evidenced by substantial investments in residential building projects. Its unique blend of urban amenities and rural charm, coupled with proximity to major transportation hubs, positions the region for continued growth.

The CWD showcases resilience and potential, which are driven by a diverse economic landscape, agricultural strength and strategic investments. While challenges persist, the District's commitment to sustainability and economic development paves the way for a promising future. Looking ahead to 2023 and beyond, economic forecasts suggest a gradual recovery, with the finance sector expected to remain a driving force. However, other sectors are anticipated to face challenges related to load-shedding and high fuel prices. The construction sector, particularly, is poised for growth with the implementation of infrastructure projects over the MTREF period.

To foster economic growth and job creation in the CWD, the agriculture sector should continue to be supported and diversified, with a focus on addressing income disparity and seasonal employment fluctuations, potentially through workforce development and training programmes. The tourism industry should be further stimulated, addressing domestic constraints and boosting employment in the accommodation sector. Additionally, investment in road infrastructure, water management and electricity supply should be sustained, ensuring the region's resilience during crises and supporting economic growth. Furthermore, the District's attractiveness as a residential destination should be capitalised on, creating opportunities in construction and related sectors. Ongoing strategic investments and long-term planning should be a priority to drive economic development and sustain the CWD's promising future in the face of challenges such as load-shedding and high fuel prices.



SECTION **C**

SAFETY AND WELLBEING



1. INTRODUCTION

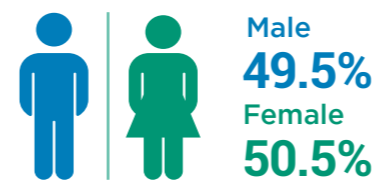
This section explores the social trends that shape the CWD. By examining population dynamics, housing demand, essential services, household stability, healthcare, education and crime indicators, valuable insights can be gained into the lives of citizens and the local economy. An analysis of population dynamics casts light on the evolving landscape of the CWD, offering a profound understanding of key aspects of society and their implications for economic development, labour markets and resource allocation.

Access to basic services such as water, electricity, sanitation and waste removal emerges as crucial for community wellbeing and progress. Healthcare, educational outcomes and crime indicators are examined to develop an understanding of the CWD's broader social and economic landscape. These pillars encompassing health, education and safety reflect wellbeing, future generations' potential and community challenges.

Understanding crime indicators is vital to comprehending community safety and wellbeing, pivotal elements in shaping the CWD's essence. Crime rates and safety conditions impact citizens' lives, overall quality of life and the region's attractiveness for economic development. Thus, crime indicators are integral components of the social trends and indicators explored in this section.

2022 CAPE WINELANDS DEMOGRAPHICS

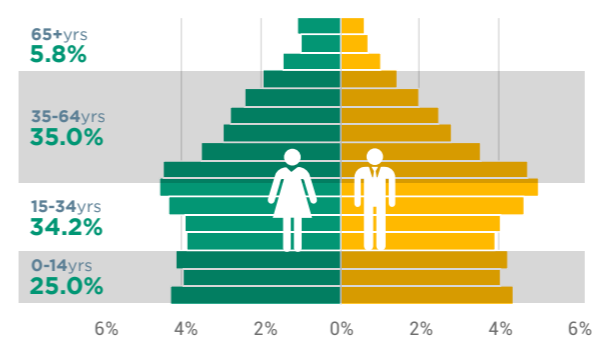
POPULATION 862 703



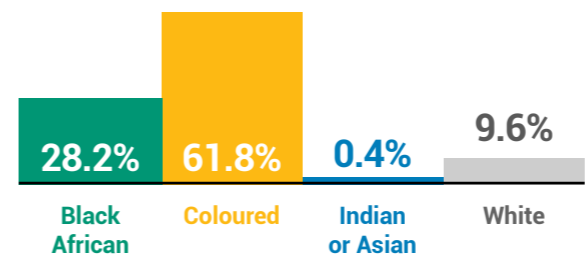
AGE SPLIT



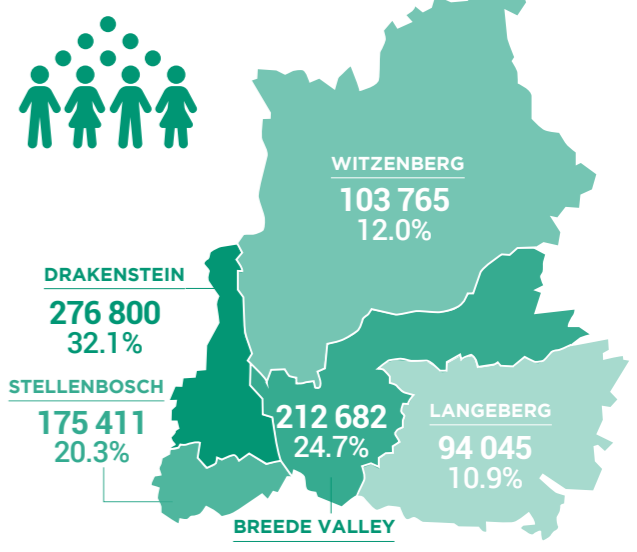
GENDER AND AGE DYNAMICS



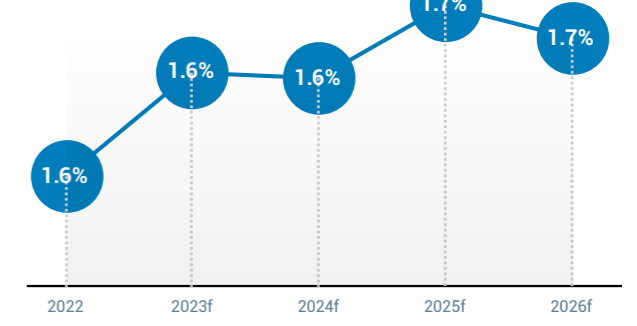
RACIAL SPLIT



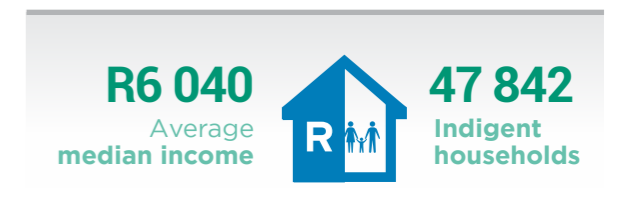
POPULATION PER MUNICIPALITY



Estimated POPULATION GROWTH



Number of HOUSEHOLDS 261 743



The Socio-Economic Profiles (SEPs) released by Provincial Treasury will contain an analysis of the age, race and gender distributions from Census 2022. Furthermore, an overview of household numbers and access to services will be provided. These Census 2022 indicators are excluded from the MERO due to the late release of the data by Stats SA.

2. DEMOGRAPHICS

A review of demographic trends sheds light on the age structure of populations within municipal areas and the District overall. Recognising and comprehending these population dynamics is paramount for effective planning and providing services and resources that are tailored to the distinct needs of various age groups. Whether it entails early childhood development programmes, educational opportunities or support systems for the ageing population, understanding demographics enables the formulation of targeted strategies that are able to meet the diverse requirements of the community.

A country experiencing a simultaneous increase in its youth population and a decrease in fertility rates has the opportunity to benefit from a “demographic dividend”. This refers to an increase in economic productivity resulting from a growing workforce in comparison with the number of dependants.³⁵

With overall population growth, a higher ratio of working-age persons means a bigger labour force for production. A lower dependency ratio means less diversion of resources and time from productive work to care for the young and elderly. If this scenario occurs, the increased growth that results constitutes a demographic dividend.³⁶



The CWD boasts a diverse population spanning urban and rural areas. The District’s population in 2022 was estimated at 862 703. A considerable share of this total was concentrated in urban hubs such as Stellenbosch, Paarl, Worcester, Wellington and Franschhoek, which are known for their economic and educational opportunities. This has resulted in denser populations within these localities.

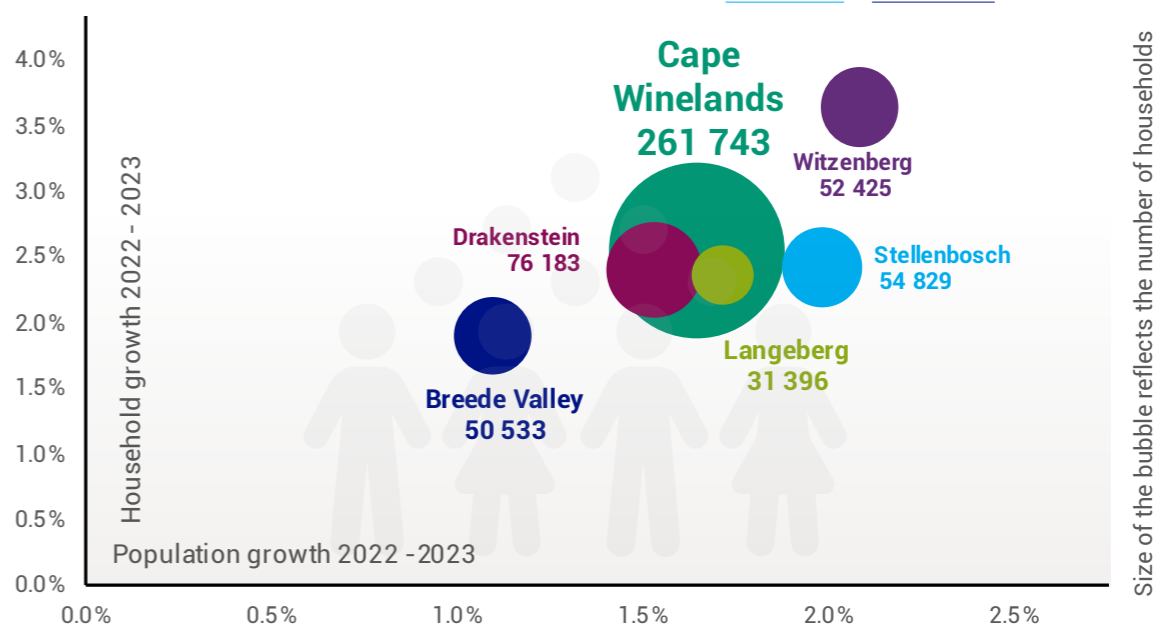
By contrast, vast rural regions feature farming communities and agricultural lands. It is worth noting that the Drakenstein municipal area has the largest population of municipal areas in the CWD, accounting for an impressive 32.1 per cent of the District’s population as well as 28.4 per cent of households. The latter range from single-family homes to communal living arrangements, often in response to income disparities, with urban areas housing wealthier households. Household growth is expected to average 2.4 per cent annually over the next five years.

³⁵ (UNFPA, 2020).

³⁶ (Stats SA, 2017).



Figure 2.1
POPULATION AND HOUSEHOLD GROWTH, Cape Winelands District, 2022



Source: Western Cape Government PPU, 2023. Provincial, District and local municipality population estimates by sex and age (2002 – 2037) based on Stats SA MYPE base year 2022 (February 2023)

The population dynamics of the CWD reflect a fascinating blend of people from different age groups. Investments in education, employment opportunities and specialised services are vital for fostering community wellbeing given the 1.6 per cent average population growth anticipated for the 2023 to 2027 period. In 2022, within the CWD population, the largest racial group was the coloured population, which constituted 61.8 per cent of residents. The second-largest racial group was the black African population, accounting for 28.2 per cent of the District’s inhabitants, while the white population accounted for 9.6 per cent. Among the District’s population segments, the Indian or Asian population constituted the smallest share of residents (0.4 per cent).

In 2022, the population of the CWD was predominantly composed of individuals aged 35 to 64, who made up 35.0 per cent of the population. The youth (15 to 34 years) constituted the second-largest share of the population, accounting for 34.2 per cent of residents.

This indicates that the CWD was primarily home to working-age individuals and young adults in 2022. A significant population segment consisted of those younger than 14, underscoring the importance of early childhood development and the need for adequate primary school facilities within the municipal areas. Meanwhile, people older than 65 accounted for only 5.8 per cent of the population. The presence in the CWD of a sizable working-age population may lead to a more robust and productive workforce, which would benefit economic growth.

The areas that are anticipated to see the highest population growth within the District are Witzenberg and Stellenbosch. Forecasts indicate a promising average annual increase of 2.0 per cent in the populations of these municipal areas between 2023 and 2027. Drakenstein and Langeberg are not far behind in the growth trajectory, given that each is expected to expand by 1.6 per cent within the same reference period. With its historic charm and strategic location, Drakenstein is likely to attract businesses seeking to tap into its potential. The growth in Langeberg is anticipated to enrich the area's agricultural heritage while generating new opportunities for sustainable development.

Within the Stellenbosch municipal area, a distinct age composition was apparent in 2022. The youth population was the largest, accounting for a substantial 40.8 per cent of residents. Following closely behind were those between the ages of 35 and 64, who constituted 31.5 per cent of the population. This composition is primarily attributed to the presence of the acclaimed Stellenbosch University, which attracts students from across South Africa and around the world. Notably, Stellenbosch had the lowest percentage of children younger than 14 out of all the municipal areas in the CWD, signifying a unique demographic distribution within the region.

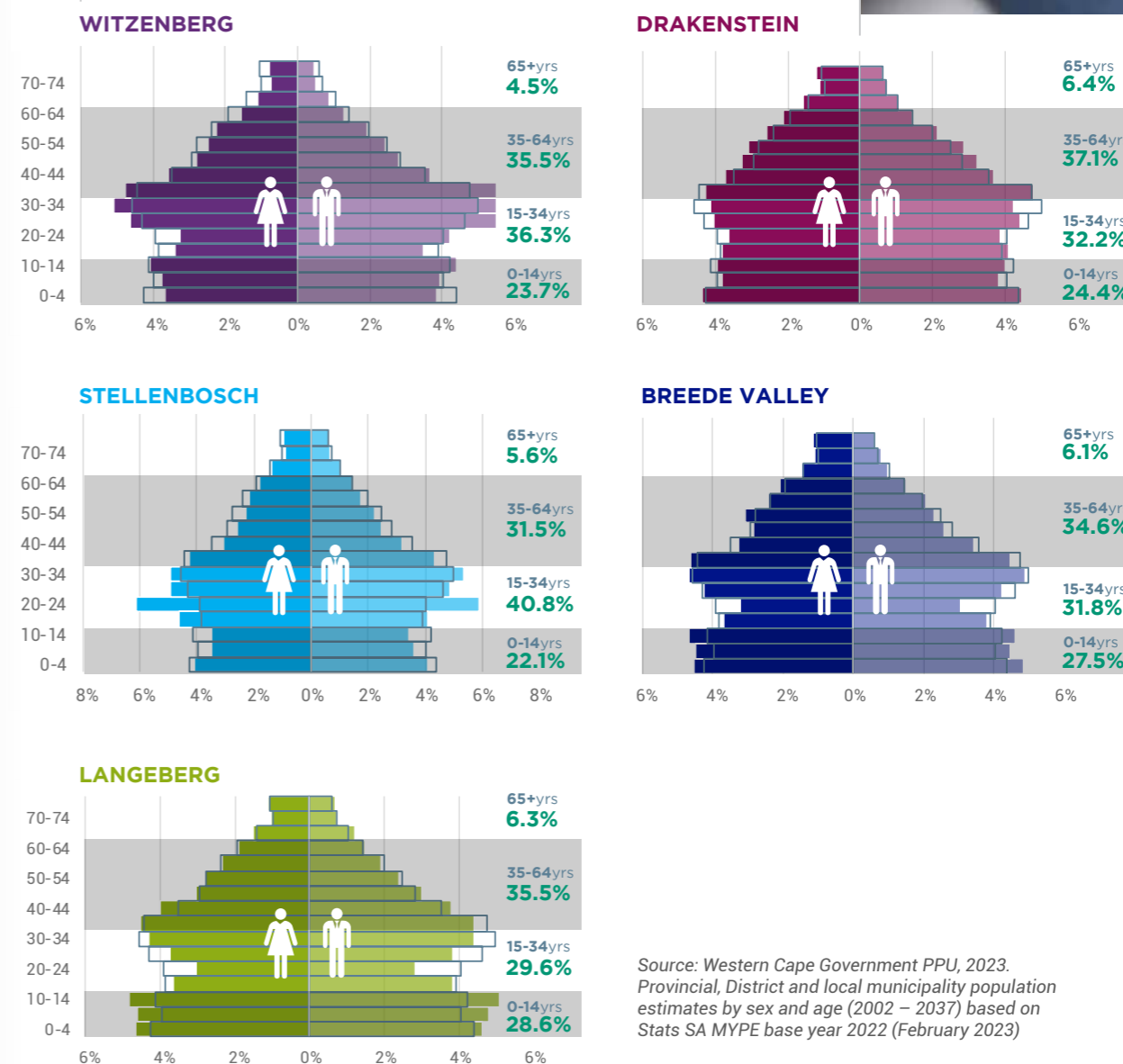
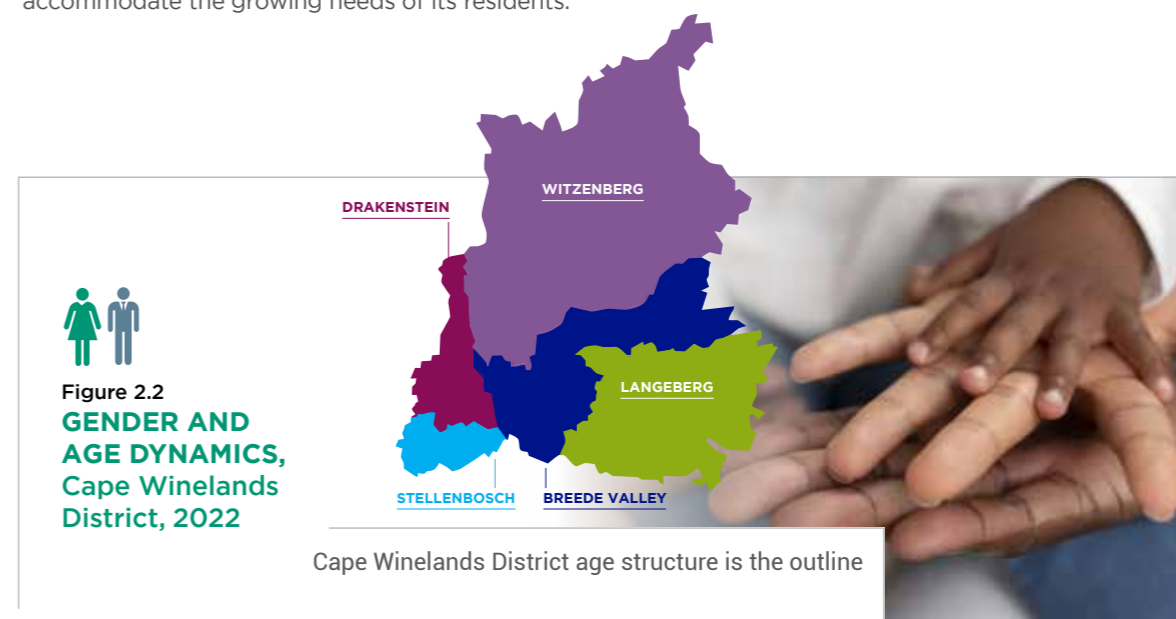
The Langeberg municipal area was estimated to have the smallest population in 2022, most of which was coloured (70.6 per cent). The area also had the smallest share of black Africans, who accounted for only 19.4 per cent of the Langeberg population. Additionally, the Langeberg municipal area had the smallest proportion of working-age residents, who constituted only 65.1 per cent of the total population. Langeberg municipal area hosted the highest percentage of children younger than 14 in the District, who accounted for 28.6 per cent of the population. The smaller working-age population, coupled with the large child population, profoundly impacts the wellbeing of local communities, as the smaller size of the labour force influences economic productivity. At the same time, there is a high dependency on those who work (these people mainly have jobs in the agriculture sector). This leads to higher poverty levels and dependence on the public sector for income support.

In contrast with the relatively robust growth predicted for other areas, the Breede Valley municipal area is forecast to expand at a slower pace over the next five years, namely 1.1 per cent. This is the lowest expected growth rate within the CWD. This anticipated slower growth can be attributed to limited access to suitable housing opportunities and ongoing economic challenges. Consequently, more people are expected to migrate to established urban centres and nodes in search of better prospects. This influx of people may increase illegal occupation and land invasions if the demand for housing outpaces its availability.³⁷

A few key factors come into play when considering overall population growth in the CWD. Access to essential services within the District and housing availability contribute significantly to this growth. Additionally, the CWD is known for its promising economic opportunities and esteemed educational institutions, including Stellenbosch University and prestigious schools. These institutions foster skills development and provide employment prospects, attracting individuals to the District.³⁸

³⁷ (Breede Valley Municipality, 2022).
³⁸ (Stellenbosch Municipality, 2022).

As the population of the CWD continues to evolve and expand, it is important to address the challenges of housing and economic development while ensuring that the region's infrastructure and services can accommodate the growing needs of its residents.



Source: Western Cape Government PPU, 2023. Provincial, District and local municipality population estimates by sex and age (2002 – 2037) based on Stats SA MYPE base year 2022 (February 2023)

Sports and recreation are vital in promoting culture, improving health and wellbeing, advancing education, boosting the economy and fostering social upliftment in communities. Sports statistics demonstrate their significant role in reducing crime rates among communities actively engaged in such activities. Community-based mass participation programmes in recreation, culture and sports, such as those offered under the Division of Rural and Social Development’s programme in the CWD, prioritise non-competitive enjoyment over competitive sports, aiming to create and nurture social cohesion among youth and within communities.³⁹ As such, the CWD municipalities have collectively allocated R32.0 million towards sports and recreation infrastructure in the region. By providing valuable opportunities for developing essential life skills, sports and recreation help at-risk youth navigate challenges and avoid violence, crime and drug abuse.⁴⁰

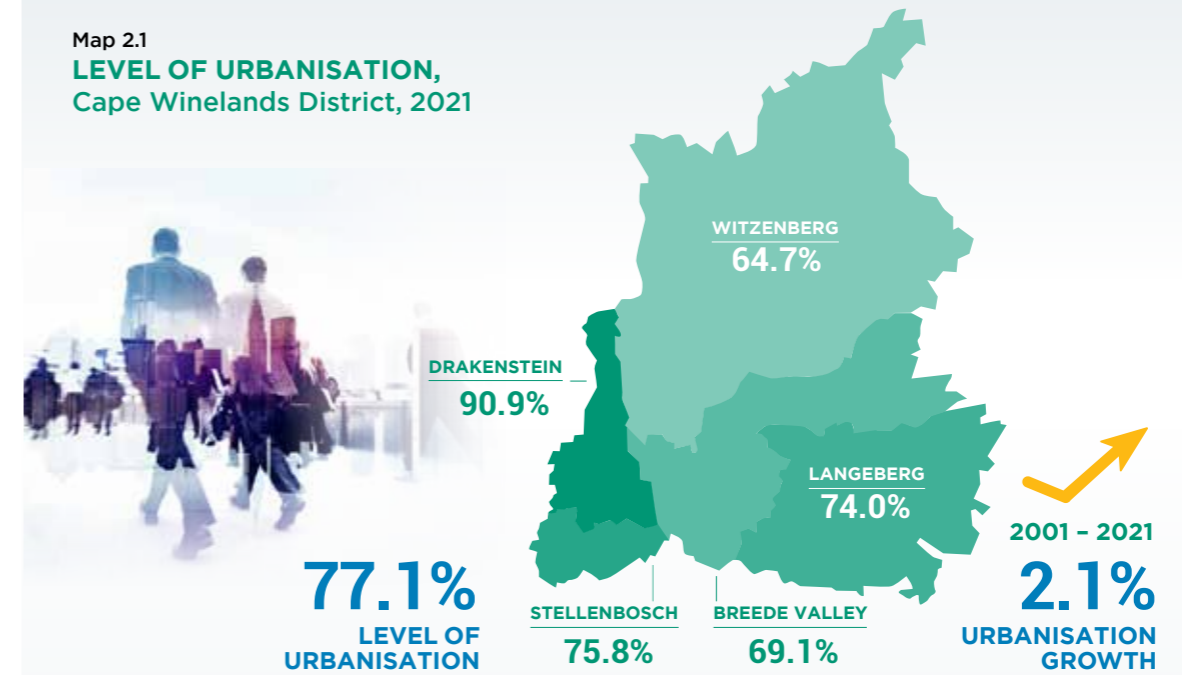


³⁹ (Cape Winelands District, 2023).
⁴⁰ (UNODC, 2020).

URBANISATION

The CWD experienced a low urbanisation rate of only 2.1 per cent over the 2001 to 2021 period. According to the 2001 Census data and modelled population estimates, the urban proportion of the District’s population grew from 75.0 per cent in 2001 to 77.1 per cent in 2021.

Map 2.1
LEVEL OF URBANISATION,
Cape Winelands District, 2021



Source: Western Cape Department of Social Development, Provincial Population Unit, 2023

In 2021, Drakenstein stood out as the most urbanised municipal area in the District, with a 90.9 per cent urban population, primarily concentrated in Paarl, Wellington and Mbekweni. Combined, this urban population accounts for about 84.0 per cent of the total municipal population living in urban areas, while about 9.1 per cent reside in rural areas. Notably, Mbekweni exhibits above-average population density, which has significantly grown since 2001. It is notable to see that the rural population in Drakenstein increased by 3.0 per cent over the same period when the urban population in Paarl was declining.

In 2021, the Stellenbosch municipal area was the third-largest in terms of population in the CWD and also had the second-highest urbanisation rate (75.8 per cent) in the CWD. Half of the population resided in the greater Stellenbosch area, encompassing locations such as Kayamandi, Stellenbosch town, Cloetesville, Idas Valley and more. From 2001 to 2021, urbanisation experienced growth in Klapmuts, Idas Valley, Koelenhof, Cloetesville, Paradyskloof and Franschhoek. Kayamandi, previously a significant contributor to the urban population, witnessed a decline in its share because of substantial development in smaller suburbs such as Klapmuts, Idas Valley and Paradyskloof. This expansion around Kayamandi is now placing pressure on the area, resulting in spillover into rural areas.

Over the 2001 to 2021 period, Langeberg saw a 9.6 per cent increase in urbanisation. During this timeframe, the majority of the population resided in the urban towns of Robertson, Montagu and Bonnievale, with Bonnievale and Ashton accounting for 8.0 per cent and 9.0 per cent of the total, respectively.

This increase in urbanisation can be partially attributed to the growing urban population share in Zolani and Nkqubela township in Robertson, where Nkqubela also recorded the highest population density in 2021. Consequently, the population share of the rural area has diminished by 9.6 per cent.

Breede Valley had the second-lowest urbanisation rate in the District from 2001 to 2021, at 0.9 per cent. The majority of the population was concentrated in Greater Worcester, making up 41.5 per cent of the total population, while 30.9 per cent resided in rural areas. Urbanisation predominantly occurred in Zweetemba, De Doorns and Rawsonville during the same period. In contrast, Worcester experienced the most significant decline in its urban population share among all the towns in Breede Valley. Zweetemba also displayed a high population density and saw an increase in population density from 2001 to 2021.

A significant portion of the population, approximately 35.3 per cent, lived in the rural region of Witzenberg. Another 43.3 per cent of the population resided in the greater urban areas of Ceres, which encompass Bella Vista, eNduli and Ceres, with Tulbagh representing the largest proportion of the urban populace. Furthermore, the most notable urbanisation was projected to have taken place between 2001 and 2021 in Pine Valley (Wolseley), Tulbagh and eNduli (Ceres). By 2021, eNduli had achieved a notably high population density, potentially doubling its 2001 figures. Pine Valley also displayed a considerably high population density.

Source: Department of Social Development (DSD), Directorate Research and Information Management (DRIM), Provincial Population Unit (PPU), 2023. Western Cape Urbanisation 2001 to 2021, Additional: Districts and Local Municipalities version 1 (July 2023)

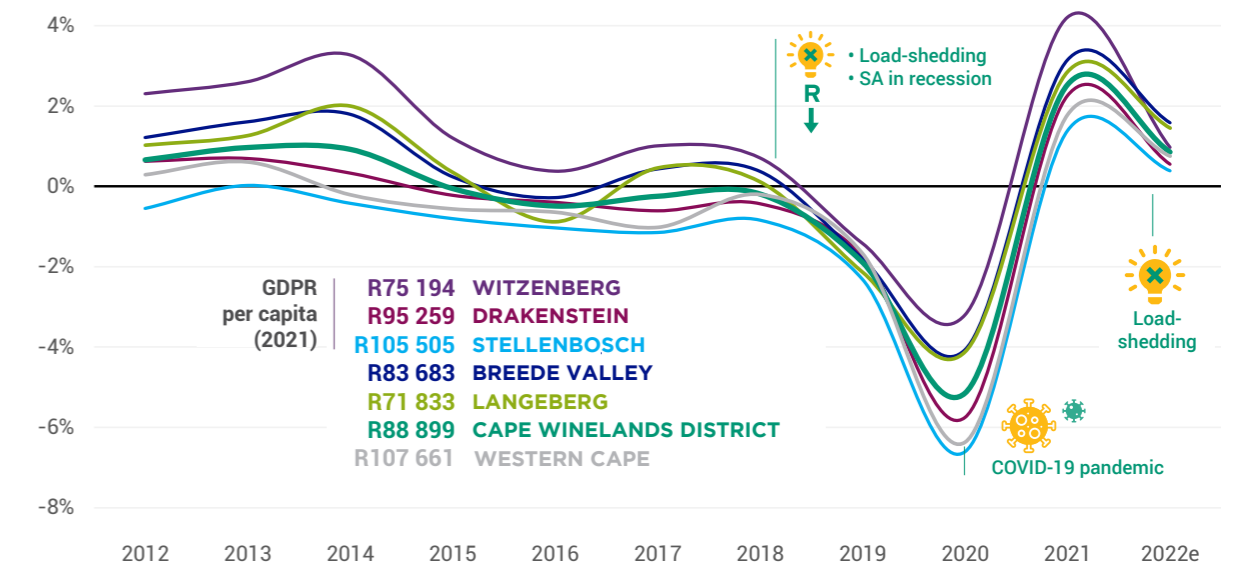


3. INCOME AND INEQUALITY

3.1 Income levels

In 2021, the CWD's GDPR per capita was R88 899, significantly lower than the Province's R107 661. The Stellenbosch municipal area had the highest GDPR per capita, namely R105 505. By contrast, the Langeberg municipal area had the lowest GDPR per capita (R71 833). The COVID-19 pandemic significantly impacted economic growth, decreasing GDPR per capita across all areas in 2020. The lockdown and business closures resulted in job losses and income reductions for most communities. This, in turn, led to lower consumer spending, affecting overall economic demand.

Figure 3.1
GDPR PER CAPITA GROWTH, Cape Winelands District, 2012 - 2022



Source: Quantec research, 2023 (e denotes estimate)

GDPR per capita measures the total economic output level relative to the population's size. Given that populations and economies differ from one region to another, the GDPR per capita is useful for comparing living standards across regions. Growth in GDPR per capita is a summary indicator of economic development in a region.

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022e
Western Cape	0.3%	0.6%	-0.2%	-0.6%	-0.6%	-1.0%	-0.2%	-1.7%	-6.4%	1.8%	0.8%
Cape Winelands District	0.7%	1.0%	0.9%	-0.1%	-0.5%	-0.2%	-0.2%	-1.9%	-5.1%	2.5%	0.9%
Witzenberg	2.3%	2.6%	3.3%	1.2%	0.4%	1.0%	0.7%	-1.4%	-3.2%	4.2%	1.0%
Drakenstein	0.6%	0.7%	0.3%	-0.2%	-0.4%	-0.6%	-0.4%	-1.7%	-5.7%	2.3%	0.6%
Stellenbosch	-0.6%	0.0%	-0.4%	-0.8%	-1.0%	-1.1%	-0.8%	-2.3%	-6.6%	1.4%	0.4%
Breede Valley	1.2%	1.6%	1.8%	0.2%	-0.3%	0.4%	0.4%	-1.8%	-4.1%	3.1%	1.6%
Langeberg	1.0%	1.3%	2.0%	0.3%	-0.9%	0.5%	0.1%	-2.1%	-4.1%	2.9%	1.5%

GDPR per capita in the CWD grew by 2.5 per cent in 2021, outpacing the modest 1.8 per cent achieved by the Province during the same period. Although the estimated GDPR per capita growth slowed to an average of 1.0 per cent in 2022, it remained higher than that of the Province. While the area is well known for its wine production and tourism, it also encompasses a range of other economic activities and sectors that contribute to its economic diversity.

The Stellenbosch municipal area, which is primarily focused on agriculture and wine production pursuits, had the lowest GDPR per capita growth in 2021 (1.4 per cent) and the lowest estimated GDPR per capita growth for 2022 (0.4 per cent). It is important to note that GDPR per capita growth depends on economic performance and population growth. In this case, the economic performance slowed even as the population increased significantly, resulting in low growth.

Witzenberg stood out, recording the highest GDPR per capita growth in 2021: an impressive 4.2 per cent. However, in 2022, growth slowed to 1.0 per cent as GDPR activity became more constrained. This area is primarily reliant on agriculture and is known for its fruit production, especially of apples and pears. With food production remaining essential as COVID-19 ran its course, the area thus showed resilience. In some cases, the demand for fresh produce increased as people focused on healthy eating, leading to stable or increased incomes for local farmers.

Map 3.1
MEDIAN INCOME PER TOWN, Cape Winelands District, 2022

Source: Nell, A. & Visagie, J. Spatial Tax Panel 2014 – 2022 (dataset). Version 3. National Treasury Cities Support Programme and Human Sciences Research Council (producer and distributor), 2023

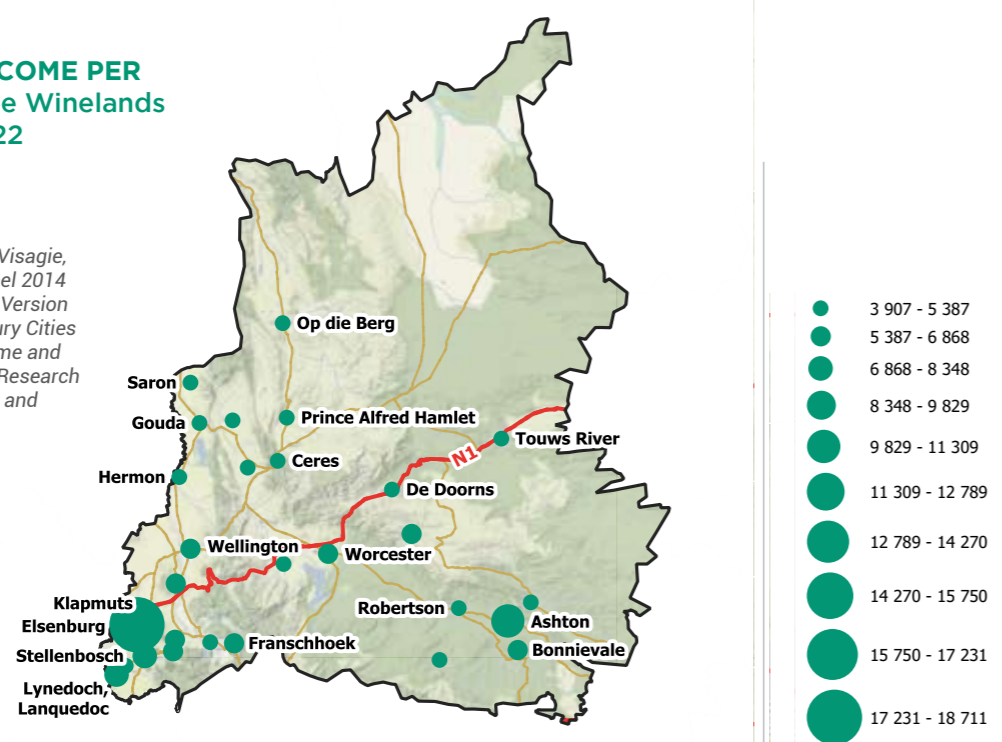
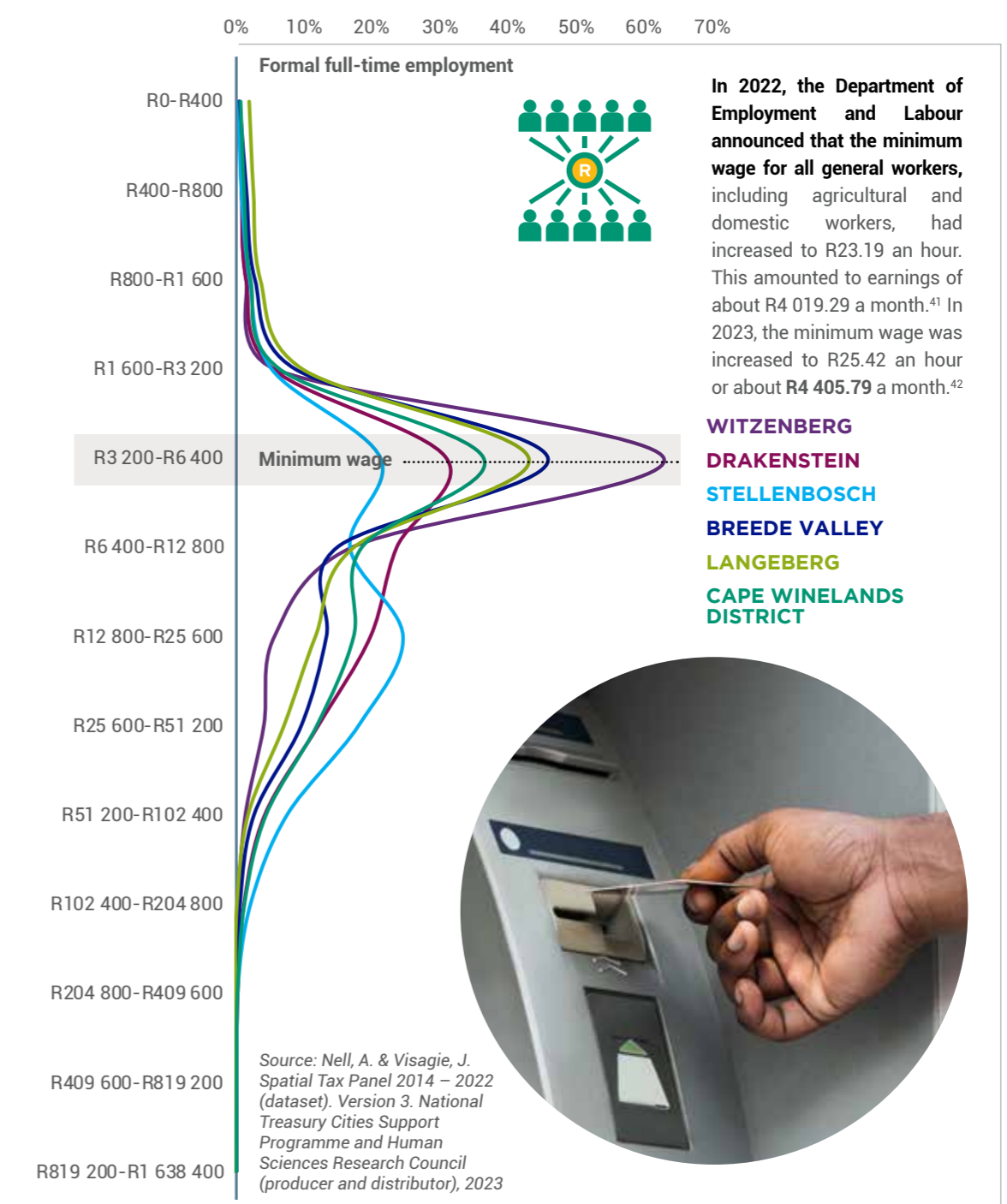


Figure 3.2
WAGE DISTRIBUTION PER MUNICIPAL AREA, Cape Winelands District, 2022



In 2022, the Department of Employment and Labour announced that the minimum wage for all general workers, including agricultural and domestic workers, had increased to R23.19 an hour. This amounted to earnings of about R4 019.29 a month.⁴¹ In 2023, the minimum wage was increased to R25.42 an hour or about R4 405.79 a month.⁴²

	R0-R400	R400-R800	R800-R1 600	R1 600-R3 200	R3 200-R6 400	R6 400-R12 800	R12 800-R25 600	R25 600-R51 200	R51 200-R102 400	R102 400-R204 800	R204 800+
Witzenberg	0.4%	0.8%	1.5%	5.7%	63.0%	17.1%	5.7%	4.1%	1.4%	0.3%	0.0%
Drakenstein	0.4%	0.8%	1.4%	5.4%	31.0%	23.7%	19.8%	12.1%	4.2%	1.1%	0.2%
Stellenbosch	0.5%	0.9%	2.1%	5.3%	21.3%	16.8%	24.6%	18.1%	7.6%	2.3%	0.4%
Breede Valley	0.5%	1.4%	2.7%	8.6%	45.9%	14.9%	13.3%	9.6%	2.6%	0.5%	0.0%
Langeberg	2.1%	2.7%	3.7%	9.8%	43.1%	17.5%	11.8%	7.2%	1.9%	0.3%	0.0%
Cape Winelands District	0.6%	1.1%	2.1%	6.3%	36.5%	18.5%	17.3%	11.9%	4.4%	1.2%	0.2%

⁴¹ (Department of Employment and Labour, 2022).
⁴² (Department of Employment and Labour, 2023).

Agriculture work dominates the landscape of formal work, leading to most workers in the CWD earning between R3 200 and R6 400 (36.5 per cent), as herein lies the minimum wage for agriculture sector workers. This wage bracket is especially pronounced in Witzenberg (63.0 per cent), Breede Valley (45.9 per cent) and Langeberg (43.1 per cent), as these municipal areas have smaller service-oriented sectors – which typically result in high wages – compared with Stellenbosch and Drakenstein.

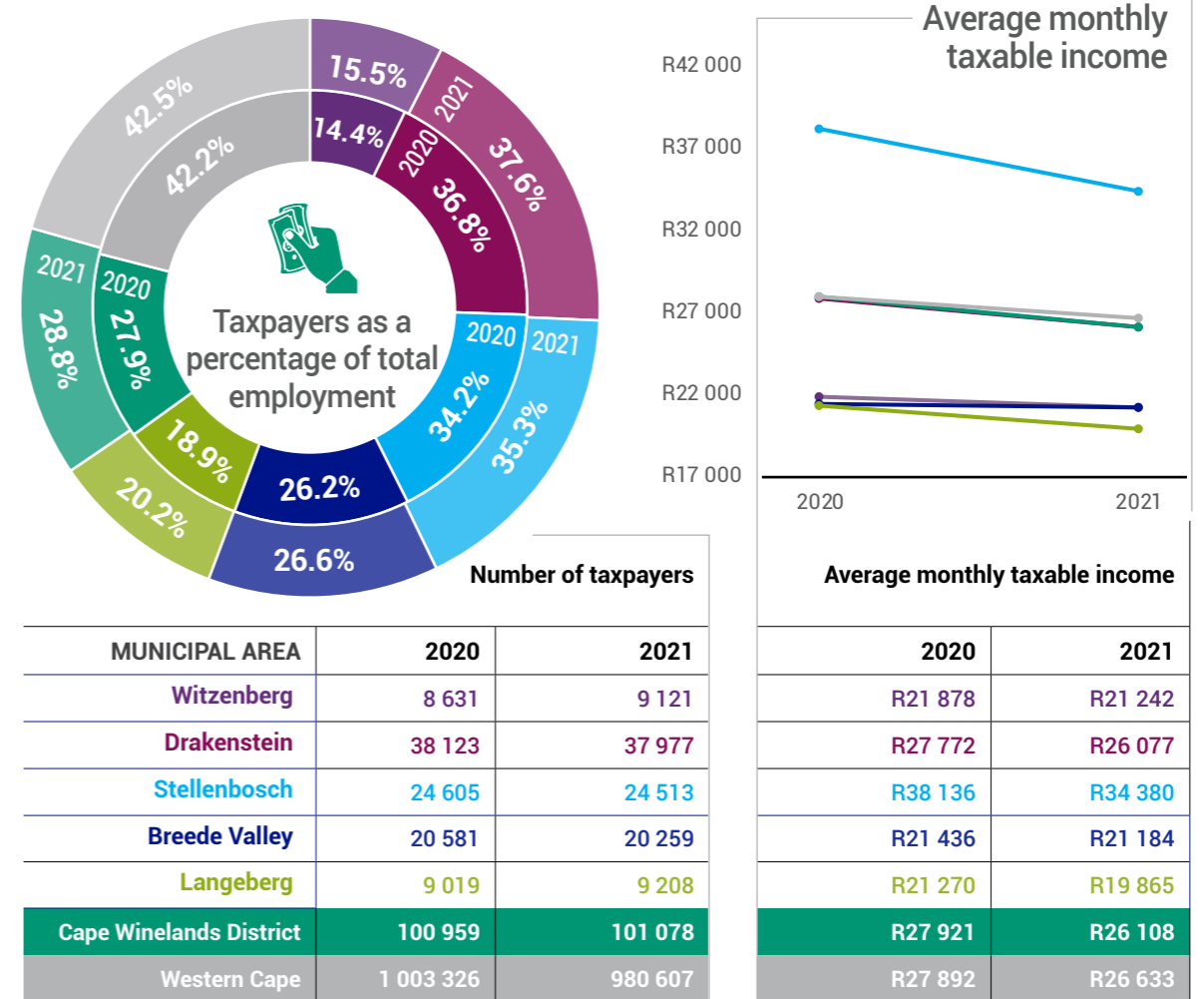
Furthermore, a substantial share of workers in the Langeberg municipal area (18.3 per cent) earn less than R3 200 a month. This lower level of wages and other metrics, including a small working-age population and a large child population, result in a higher prevalence of poverty.

The Stellenbosch municipal area is a growing commercial hub, with Stellenbosch University creating a unique economic landscape in this region. In contrast to employees in other municipal area, most workers here (24.6 per cent) earn between R12 500 and R25 600 monthly while 21.3 per cent earn between R3 200 and R6 400. These levels of earnings perfectly illustrate the dynamics of this economy, where agriculture is critical for the employment of low-skilled workers even as urban nodes provide higher earnings for highly skilled people. The Stellenbosch municipal area has a substantial number of workers (28.4 per cent) who earn more than R25 600 per month. Across the District, however, only 17.6 per cent of workers earn more than this amount. The population distribution across the wage brackets has implications regarding the potential tax earnings generated by the CWD.



Figure 3.3
INDIVIDUAL TAXPAYERS AND TAXABLE INCOME,
Cape Winelands District, 2020 – 2021

The Income Tax Act of 1962 (the Act) governs the imposition of income taxes in South Africa. Under the Act, tax is levied on taxable income, which is essentially gross income less any relevant exemptions and deductions permitted by law.⁴³ Taxes enable the financing of public sector goods and services.



Sources: Quantec research, National Treasury and SARS, 2023

While the number of taxpayers in the Western Cape decreased between 2020 and 2021, there was a slight increase in the number of taxpayers within the CWD during the same period. This trend in tax income is relevant to municipalities, as it directly impacts their revenue streams in terms of budgeting and planning. Unfortunately, both the Province and the District experienced a decline in the average monthly taxable income over these two years. This decline can be attributed to the economic challenges stemming from the COVID-19 pandemic, which led to a loss of jobs for many individuals and increased social service demand.

⁴³ (South African Revenue Service, 2022).

The Drakenstein municipal area boasts the most significant share of taxpayers in the CWD, accounting for 37.6 per cent of the employed population. This is because of the diverse economy in this area. A substantial percentage of the employment in Drakenstein falls within the tertiary sector, which typically offers higher salaries.

By contrast, the proportion of employed individuals in the Witzenberg area who are taxpayers is the smallest in the entire District. This is because a large proportion of residents are engaged in lower-paying jobs such as those within agriculture. Furthermore, the COVID-19 pandemic and the related lockdown measures substantially affected local businesses and salaries, resulting in a notable 6.5 per cent decline in the average monthly taxable income of the CWD during this period.

Workers in the Stellenbosch municipal area earned the highest median income overall in 2022. In addition, the municipal area stood out as having a monthly taxable income in 2020 and 2021 that was above the CWD average. Stellenbosch also had the second-highest number of taxpayers, accounting for 35.3 per cent of employed people in 2021. Many skilled professionals were employed in various government departments and corporate head offices, contributing to the area's economic strength.

3.2 Income inequality

Various aspects can be considered when assessing societal inequality, including income, expenditure, assets, employment, education, health, access to basic services and social mobility. By adopting a multidimensional perspective, the broader context of South Africans' challenges can be better defined regarding inequality.

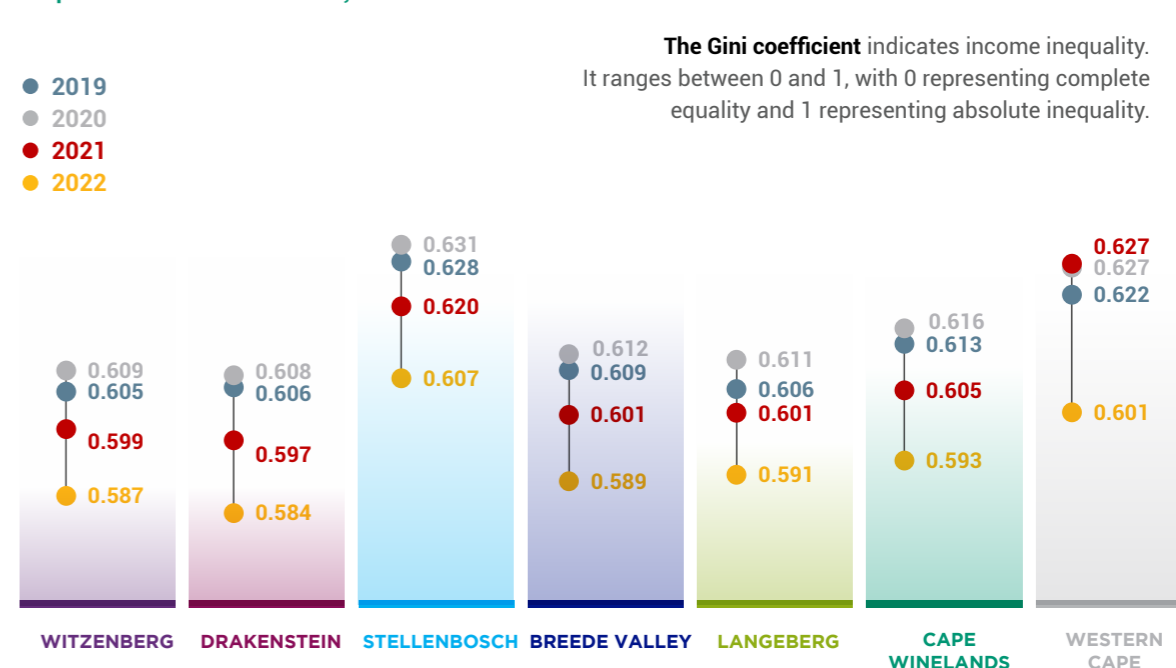
Ratios and indices used to measure inequality include the Gini coefficient, the Theil index, general entropy, the Palma ratio and the Atkinson index.⁴⁴ At the local municipal level, the Gini coefficient is most widely used for measuring inequality.



Throughout the reference period, income inequality was lower in the CWD than in the Province. The highest Gini coefficient during this period was documented in 2020 and is attributed primarily to the economic disruptions stemming from the COVID-19 pandemic. These disruptions resulted in widespread job losses and diminished incomes, disproportionately affecting low-wage and informal sector workers. Those already earning less bore the brunt of these effects, resulting in an amplified income disparity. Consequently, the CWD's Gini coefficient increased from 0.613 in 2019 to 0.616 in 2020. The ratio fell in both 2021 and 2022, during which lower income inequality was recorded than the levels experienced in 2019.

⁴⁴ (Stats SA, 2019).

Figure 3.4
GINI COEFFICIENTS,
Cape Winelands District, 2019 - 2022



Source: S&P Global, 2022

The National Development Plan (NDP) sets forth a vision for 2030, which includes eradicating households with a monthly income below R419 per person (reducing it from 39.0 per cent to zero) and lowering the Gini coefficient from 0.69 to 0.60. Achieving this vision necessitates tackling the fundamental drivers of poverty and inequality, transitioning from short-term policies to evidence-based ones and, most importantly, guaranteeing a “decent standard of living” for all South Africans by 2030.⁴⁵

The Stellenbosch municipal area stands out for the significant income inequality levels recorded there between 2019 and 2022. This phenomenon can be attributed to the unequal earnings of its residents. A notable proportion of the population in this area is employed in the finance sector, which tends to offer comparatively higher incomes. The unequal distribution of income in the District is further emphasised by the divide between residents in the towns of Kayamandi and Idas Valley, who earn substantially less than those in Stellenbosch Central, and the inhabitants of the Techno Park, De Zalze and Paradyskloof areas. This contrast implies a lower standard of living in Kayamandi and Idas Valley, potentially higher levels of poverty and limited access to economic opportunities.

Income inequality trends across the CWD show a relatively low average. However, within larger urban centres such as Worcester, Robertson and Paarl, high levels of income inequality persist, especially between formal and informal settlements. For instance, in the Langeberg municipal area, income inequality is notable. The small town of McGregor, primarily engaged in agricultural activities, reported a median income of R4 035 in 2022. This contrasts with Ashton, where residents had the second-highest average median income in the Langeberg municipal area (R10 453), mainly as a result of the large cohort of public sector workers living there.

⁴⁵ (National Planning Commission, 2012).

4. POVERTY

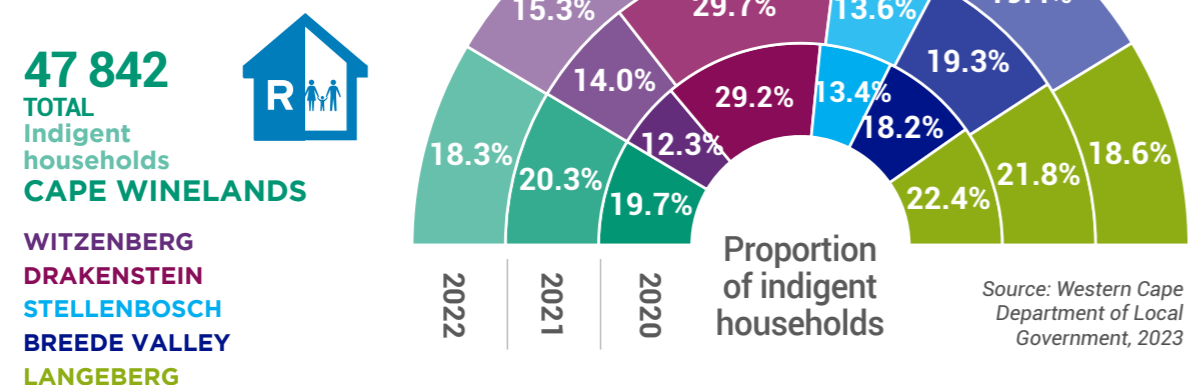
4.1 Indigent households

A household is classified as indigent if its occupants earn a combined income that is less than the threshold specified in the indigent policy of a municipal area.

Table 4.1
POVERTY THRESHOLDS, Cape Winelands District, 2022

Municipal Area	Indigent Policy
Witzenberg	The household's joint gross income may not exceed R3 000 per month.
Drakenstein	Qualifying pensioners and disabled persons earning less than two times the state grant plus 20.0 per cent to all unemployed consumers and to employed consumers earning less than R4 450 per month with a sliding scale to R6 500 per month.
Stellenbosch	The maximum qualifying income level defined as the indigent income threshold for a household of this policy will be equal to or less than R7 000 per month.
Breede Valley	All households earning less than R4 500 monthly will receive free basic services.
Langeberg	The monthly household income may not exceed R3 820 per month.

Figure 4.1
PROPORTION OF INDIGENT HOUSEHOLDS, Cape Winelands District, 2020 - 2022



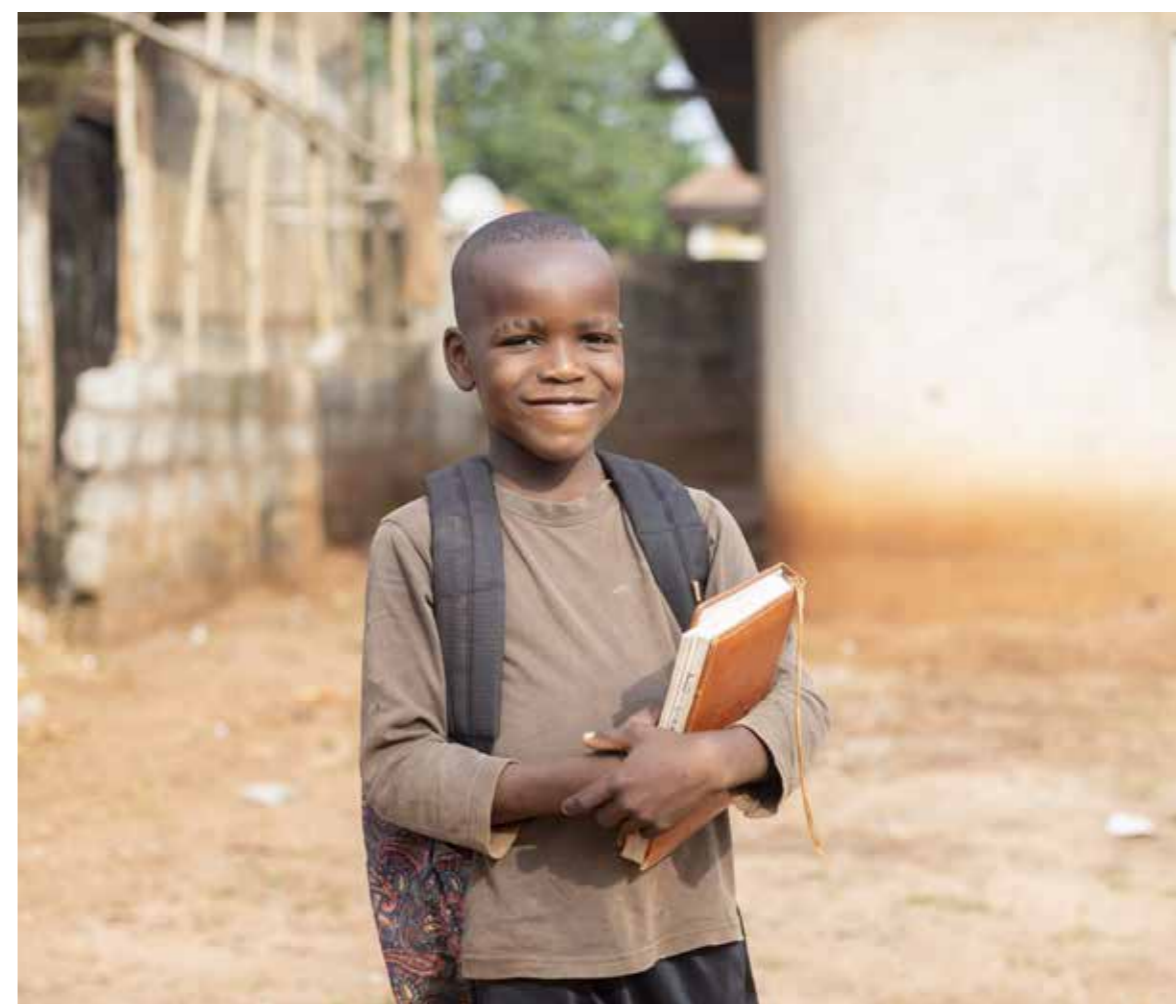
Between 2020 and 2022, there was a decrease of 1.4 percentage points in indigent households within the District. The CWD recorded a total of 47 842 indigent households in the District, representing 18.3 per cent of all households in the area. It's noteworthy that this marks a decline from pre-COVID levels, when the number of indigent households stood at 49 268, constituting 20.0 per cent of all households in 2019. This indicates a modest improvement since the beginning of the pandemic. However, it's important to note that challenges related to poverty and financial hardship still exist in the CWD.

In 2022, the Drakenstein municipal area, recognised for its sizable population within the CWD, notably recorded the highest percentage of indigent households (26.1 per cent), surpassing the District's average of 18.3 per cent. This percentage represented a decline of 3.5 percentage points relative to the share recorded in 2021, and followed an initial increase between 2020 and 2021. It is important to note that Drakenstein also has the highest level of unemployment in the CWD. However, there was a decrease in unemployment in 2022.

Conversely, the Stellenbosch municipal area experienced the most substantial decline in the number and proportion of indigent households, with a 4.5 percentage point reduction in 2022. When more individuals gain access to stable employment and better-paying jobs, the prevalence of indigent households is reduced, as evidenced in this case. A positive trend was observed in the Langeberg municipal area, where the proportion of indigent households decreased by 3.1 percentage points in 2022. This reduction alleviates the strain on the local municipality with regard to the delivery of services to indigent households.

Over the reference period, the number of indigent households increased in the Witzenberg and Breede Valley municipal areas, rising by 3.0 and 1.2 percentage points, respectively. This can be attributed, in part, to the low wages typically earned in agricultural and farming activities, which are prevalent in these areas. Moreover, the prominence of seasonal employment in these areas contributes to residents' economic challenges, making it difficult for households to escape indigence.

Lastly, the slight reduction in the share of indigent households signifies progress in addressing poverty within the CWD. However, the persistently high proportion of indigent households in specific areas, notably the Drakenstein municipal area, underscores the ongoing challenges encountered in uplifting vulnerable households and ensuring their access to the required support and opportunities.



4.2 Social grants

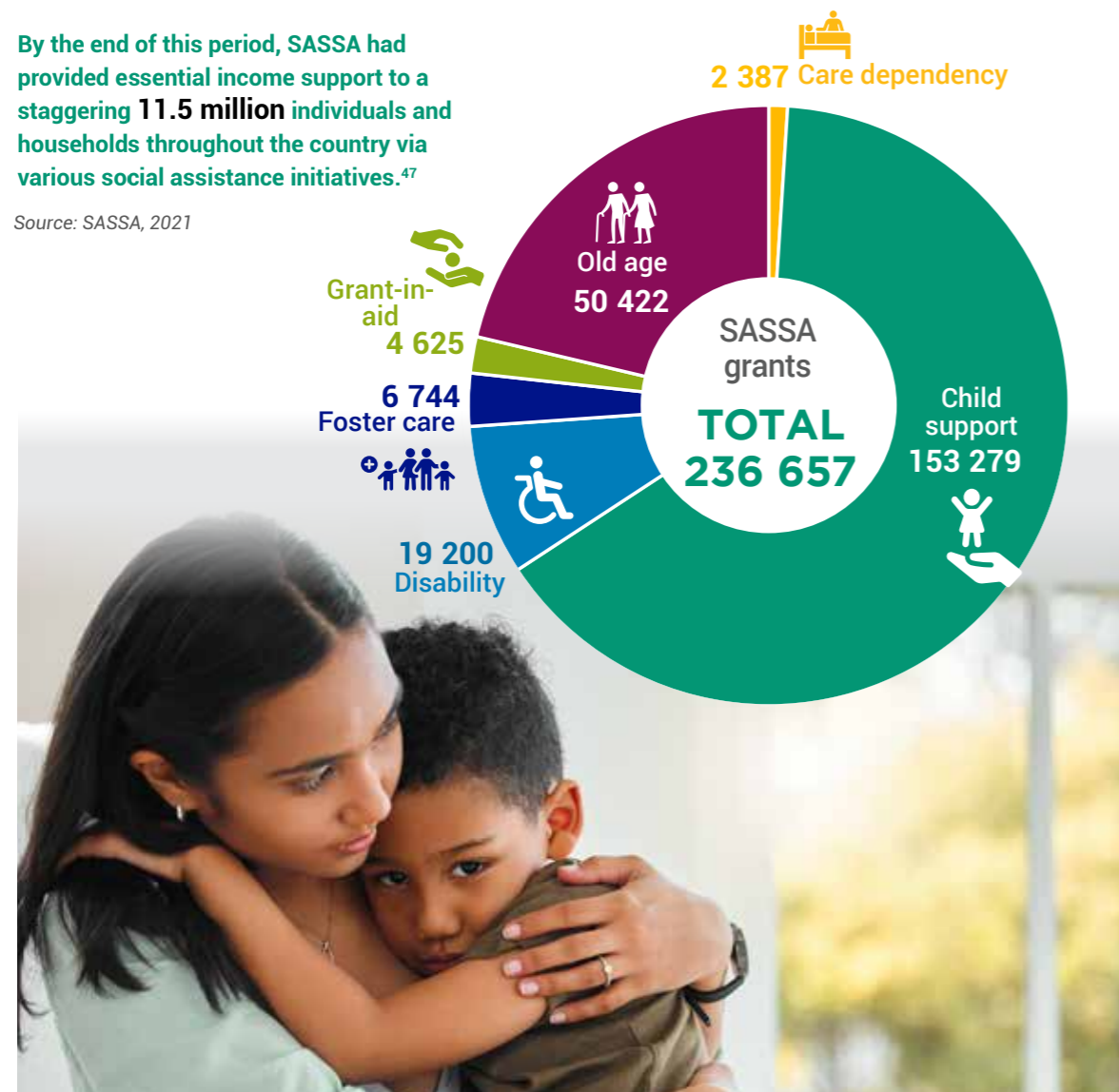
Amid high unemployment rates, there is a critical need for financial assistance – particularly in areas such as Drakenstein, Stellenbosch and Breede Valley, where there are also high levels of people not being economically active. Despite the large geographic area encompassed by the CWD, this region has only two SASSA centres – one in the town of Paarl, within the Drakenstein municipal area, and the other in Worcester, in the Breede Valley municipal area. In 2021, these centres collectively supported 236 657 grant recipients, issuing assistance that amounted to R216.0 million. However, these recipients constituted only 24.8 per cent of the CWD population. The range of grants offered includes child support, disability, foster care, grant-in-aid and care dependency grants.

Figure 4.2
DISTRIBUTION OF SASSA GRANTS, Cape Winelands District, 2021

A social grant in South Africa refers to a financial allocation provided by the government to individuals in need. These grants are awarded monthly for a predetermined or extended duration. They are intended for candidates residing in South Africa with citizenship, permanent residency or refugee status.⁴⁶ Social assistance through social grants is one of the most effective programmes to uplift impoverished individuals. Its primary objective is to prevent further impoverishment among vulnerable South Africans. Notably, the South African Social Security Agency (SASSA) played a crucial role in this endeavour during the 2020/21 period.

By the end of this period, SASSA had provided essential income support to a staggering 11.5 million individuals and households throughout the country via various social assistance initiatives.⁴⁷

Source: SASSA, 2021



⁴⁶ (Western Cape Government, 2023).
⁴⁷ (Parliament of South Africa, 2021).

Child support grants were the primary distribution focus in both the Paarl and Worcester offices, accounting for 64.7 per cent and 64.9 per cent of grants, respectively. Given the Breede Valley’s status as having the second-largest child population in the CWD, the prevalence of child support grants in this area is in line with expectations.

Old age grants made up the second-largest share of grants issued. Notably, 50 422 pensioners received the old age grant in 2021, constituting 21.3 per cent of those assisted within the CWD. This pension serves as a lifeline, enabling pensioners to meet basic needs such as food, shelter and healthcare. It enhances their overall quality of life by reducing the risk of poverty. In essence, the value of an old age pension extends beyond financial aid. It also serves as a means for improving wellbeing among pensioners, preserving dignity and enhancing their quality of life. The remaining grants distributed included the disability grant, issued to 8.1 per cent of the CWD population at a cost of R36.3 million in 2021.

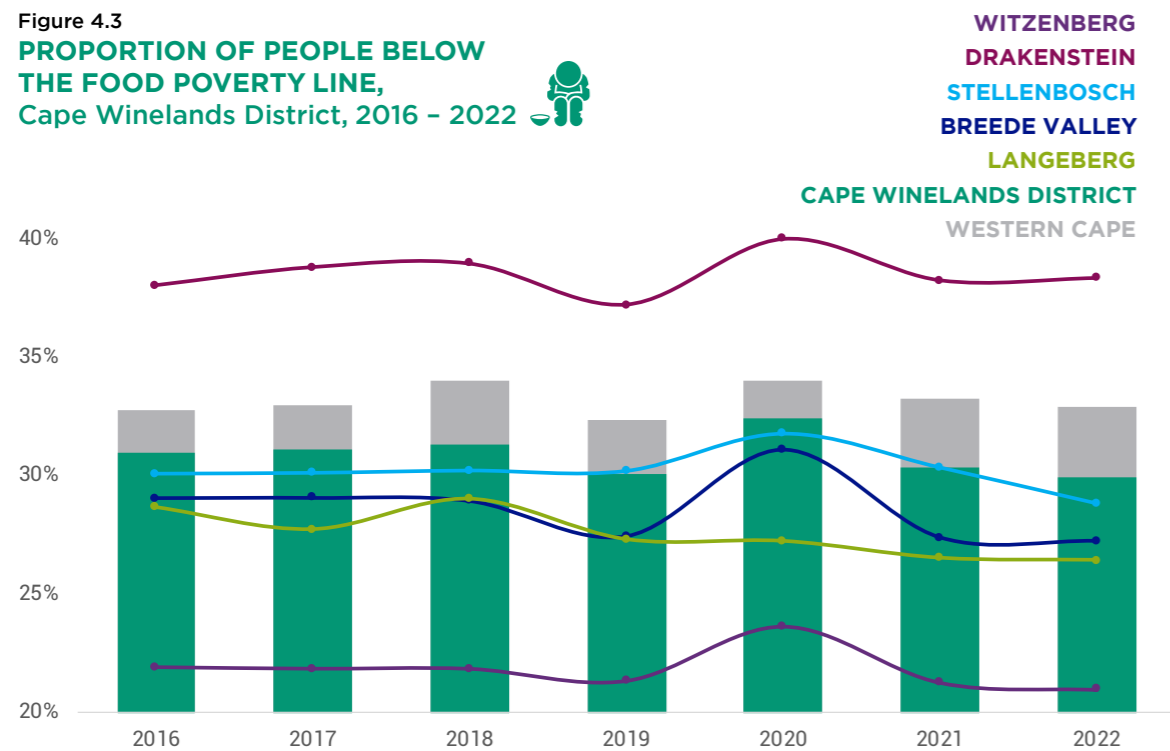
Sufficient income support programmes and social safety nets are essential when it comes to alleviating the impact of low incomes and unemployment on food security. Economic growth and job creation can positively affect income levels and reduce the proportion of individuals living below the food poverty line (FPL).



4.3 Food security

Food security is the state of having consistent access to sufficient, safe and nutritious food. According to the Bureau for Food and Agricultural Policy (BFAP), inflation in the cost of food and non-alcoholic beverages reached 13.9 per cent between April 2022 and April 2023, a trend driven by spiralling global food prices, currency depreciation, rising fuel and electricity costs and ongoing load-shedding. Higher prices for vegetables, bread and cereals, dairy products and eggs, fish, sugar and non-alcoholic beverages contributed to the steep inflation.

Figure 4.3
PROPORTION OF PEOPLE BELOW THE FOOD POVERTY LINE, Cape Winelands District, 2016 - 2022



Source: Quantec research, 2023

	2016	2017	2018	2019	2020	2021	2022
Western Cape	32.8%	33.0%	34.0%	32.4%	34.0%	33.2%	32.9%
Cape Winelands District	31.0%	31.1%	31.3%	30.1%	32.4%	30.3%	30.0%
Witzenberg	21.9%	21.9%	21.9%	21.4%	23.6%	21.3%	21.0%
Drakenstein	38.0%	38.8%	39.0%	37.2%	40.0%	38.3%	38.4%
Stellenbosch	30.1%	30.1%	30.2%	30.2%	31.8%	30.4%	28.8%
Breede Valley	29.1%	29.1%	28.9%	27.4%	31.1%	27.4%	27.2%
Langeberg	28.7%	27.7%	29.0%	27.3%	27.2%	26.5%	26.4%



To meet the minimum required daily energy intake, a person needs to be able to spend R663 on food each month.⁴⁸



The percentage of the population in the CWD below the FPL fluctuated between 2016 and 2022, declining by 0.4 of a percentage point between 2021 and 2022. Throughout the 2016 to 2022 period, the percentage remained lower than the proportion of people in the Province overall who were below the FPL. Notably, the only municipal area to witness an increase in the percentage of residents below the FPL was Drakenstein. However, this increase was minimal, only increased by a slight 0.1 of a percentage point, exceeding its original 38.0 per cent in 2016. In addition, the decline of food poverty in the District overall indicated an improvement in access to sufficient nutrition and a decrease in food insecurity among the population. At the conclusion of the reference period, more individuals could afford a balanced diet, resulting in improved health outcomes and an enhanced quality of life.

The Drakenstein municipal area had the highest proportion of residents below the FPL throughout the reference period. This aligned with the high unemployment rate and the large proportion of indigent households in this municipal area. Additionally, income disparities across Drakenstein, with lower income levels in areas such as Hermon and Gouda, worsened food poverty. The prevalence of low-wage jobs and seasonal work in the agriculture sector, common in certain parts of the CWD, contributed to the high proportion of the population falling below the FPL.

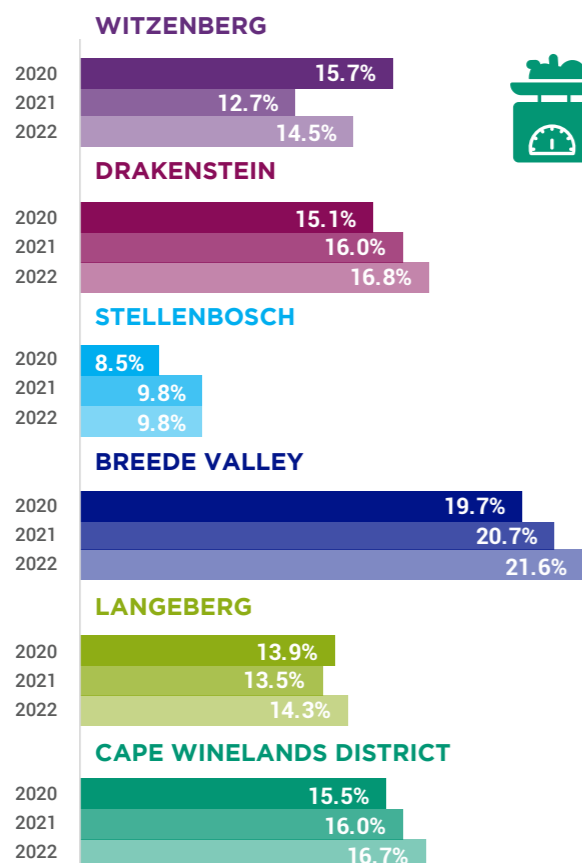
Despite having the smallest economy in the District, the Witzenberg municipal area recorded the lowest percentage of residents living below the FPL in 2022. This achievement can be attributed to Witzenberg having the District's highest labour force participation rate and falling unemployment during this period. People with jobs usually have a steady source of income that enables them to buy food and cover their essential expenses, leading to a more dependable and constant financial situation. Consequently, this diminishes the risk of income volatility.

⁴⁸ (Stats SA, 2022).

While the proportion of people below the FPL may have shown improvement, perhaps signalling a reduced level of poverty, the low birth weight rate has been increasing in the CWD. This indicates that women remain vulnerable to poverty and are less likely to be employed (or more likely to be employed in low-income jobs). The high demand for child support grants in the CWD illustrates the income needs of women and children in the District.

Figure 4.4
LOW BIRTH WEIGHT RATE, Cape Winelands District, 2020 - 2022

According to the World Health Organization (WHO), a birth weight of less than 2 500g is considered low. Weight at birth is regarded as a core health indicator. Low birth weight is linked to long-term maternal malnutrition, ill health and poor healthcare during pregnancy.⁴⁹ Additionally, low birth weight is associated with high neonatal mortality, emphasising the need for greater allocation of resources to neonatal care and intensive-care beds.⁵⁰



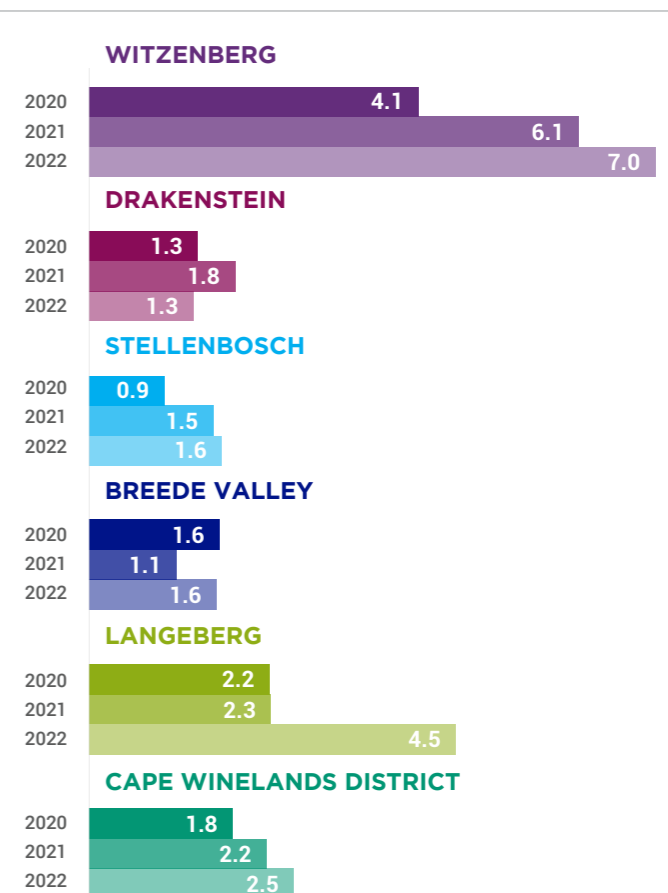
Source: Western Cape Department of Health, 2023



Severe acute malnutrition exhibited an upward trend in the CWD, highlighting the need for income support for people with children in the District. In the Witzenberg municipal area, the rate of severe acute malnutrition is substantially higher compared with the rest of region, and increased to 7.0 children per 1 000 under the age of five in 2022. This points to food insecurity in the area, where families lack consistent access to nutritious food. Inadequate access leads to malnutrition in children and pregnant women, contributing to severe acute malnutrition and a high low birth weight rate. Similarly, the Langeberg municipal area's severe acute malnutrition cases more than doubled between 2020 and 2022, increasing from 2.2 cases per 1 000 children under five years to 4.5 per 1 000. Langeberg has high rates of malnutrition but below-average levels of food poverty.

Drakenstein showed a different trend. Severe acute malnutrition levels improved significantly, decreasing by 28.4 per cent in 2022. However, Drakenstein had the second-highest low birth weight rate in 2022 (16.8 per cent). This suggests that efforts to address child nutrition postnatally may yield positive results. Still, challenges related to maternal health, prenatal care and foetal development persist in this area. As previously discussed, Drakenstein has the highest share of residents living below the FPL in the CWD, indicative of food insecurity and limited access to nutritious foods because of poverty-related challenges.

Figure 4.5
SEVERE ACUTE MALNUTRITION PER 1 000 CHILDREN UNDER FIVE YEARS, Cape Winelands District, 2020 - 2022



Source: Western Cape Department of Health, 2023

⁴⁹ (World Health Organization, 2023).

⁵⁰ (Musiime, Lloyd, McCaul, Van Zyl, & Holgate, 2021).

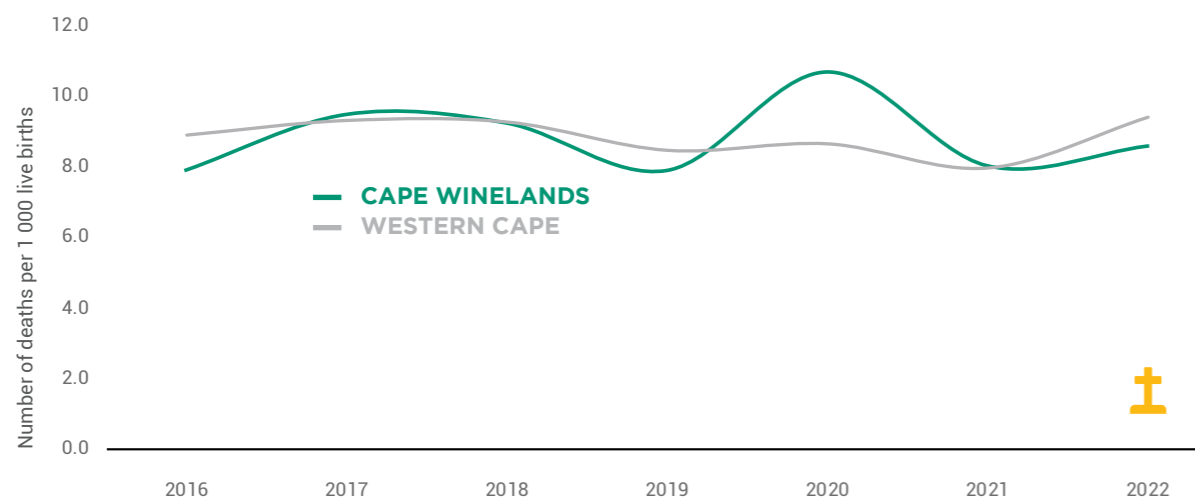
5. HEALTH

5.1 Maternal and child health

The wellbeing of a population plays a crucial role in driving economic performance, primarily through its impact on labour productivity. An aspect that has immense potential for promoting labour force participation is the advancement of women's health.⁵¹

Understanding the indicators related to maternal and child health enables valuable insights into the population's overall wellbeing. By assessing factors such as maternal healthcare access and infant mortality rates, we can gauge progress towards promoting the health and welfare of mothers and children within a region.

Figure 5.1
NEONATAL MORTALITY RATE PER 1 000 LIVE BIRTHS, Cape Winelands District, 2016 - 2022



	2016	2017	2018	2019	2020	2021	2022
Cape Winelands District	7.9	9.5	9.3	7.9	10.7	8.0	8.6
Western Cape	8.9	9.3	9.3	8.5	8.7	8.0	9.4

Source: Western Cape Department of Health, 2023

Neonatal mortality rate per 1 000 live births is measured as the number of babies dying before reaching 28 days of age, per 1 000 live births in a given year.

Table 5.1
MATERNAL DEATH RATES PER 100 000 LIVE BIRTHS, Cape Winelands District, 2020 - 2022

MUNICIPAL AREA	2020	2021	2022
Witzenberg	204.4	68.5	71.3
Drakenstein	69.6	170.1	66.7
Stellenbosch	57.3	61.1	60.2
Breede Valley	184.7	151.5	27.2
Langeberg	123.2	0.0	64.3
Cape Winelands District	118.3	120.1	54.7

Source: Western Cape Department of Health, 2023

The maternal death rate is based on the number of maternal deaths per 100 000 live births occurring in health facilities. Maternal death refers to death occurring during pregnancy, childbirth, the puerperium or within 42 days of termination of pregnancy (irrespective of the duration and site of pregnancy or the cause of death, i.e. whether obstetric or non-obstetric).

⁵¹ (Bloom, Kuhn, & Prettner, 2018).

Throughout the review period, the Western Cape and the CWD experienced significant fluctuations in neonatal mortality rates. The CWD recorded a lower neonatal mortality rate in 2022, with 8.6 deaths per 1 000 live births; during the same period, the Province had a neonatal mortality rate of 9.4 deaths per 1 000 live births. It is worth noting that the neonatal mortality rate for the District increased by 7.0 per cent in 2022.

Maternal death rates in the District improved by 54.5 per cent over the 2021 to 2022 period, decreasing from 120.1 maternal deaths per 100 000 live births in 2021 to 54.7 maternal deaths in 2022. The Breede Valley municipal area saw the most significant drop in maternal deaths, which fell by 61.7 per cent over the three years. This resulted in the area recording the lowest rate of maternal deaths in 2022, namely 27.2 maternal deaths per 100 000 live births. The Witzenberg area had the highest maternal death rate in the District.

High neonatal and maternal death rates have adverse economic effects. The CWD already exhibits significant inequality, and elevated mortality rates can exacerbate regional economic disparities. Families grappling with healthcare expenses and income loss may sink further into poverty. By contrast, wealthier families enjoy better access to healthcare and resources.

TEENAGE PREGNANCY

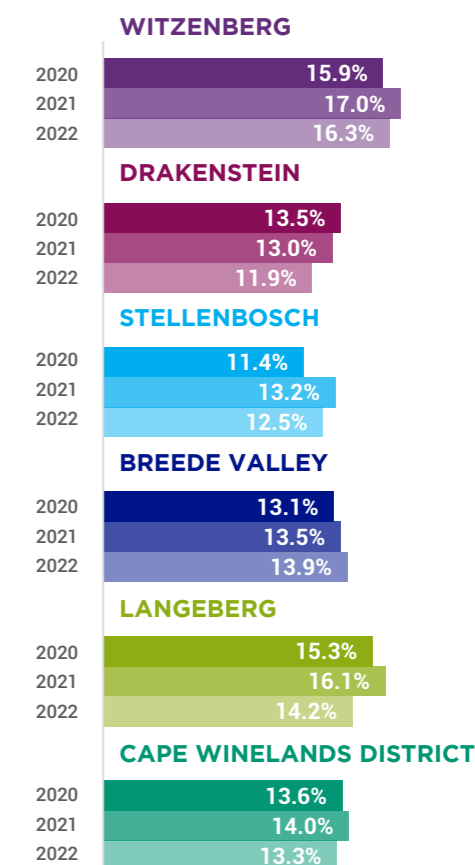
In the historic towns of the CWD, there is a significant challenge - teenage pregnancies. The numbers concerning teenage pregnancy shed light on young mothers' difficulties and the factors contributing to this issue.

Between 2002 and 2020, the total number of live births to teenage mothers within the CWD was estimated at 35 193. This equated to, on average, 10.9 per cent of births annually. In the Province as a whole, the annual average over the same period for live births to teenage mothers (i.e. females aged 10 to 19) was 9.2 per cent.



The timing of teenage pregnancies followed a distinct pattern. Most births to teenage mothers occurred during the months of August and September, with December (when schools are closed) standing out as a month of high conception rates.

Figure 5.2
DELIVERY RATE TO WOMEN 10 - 19 YEARS, Cape Winelands District, 2020 - 2022



Source: Western Cape Department of Health, 2023

In 2022, births to teenage mothers accounted for 13.3 per cent of total live births in the District, with Witzenberg (16.3 per cent) and Langeberg (14.2 per cent) having the highest shares of such births. Witzenberg and Langeberg also displayed high levels of low birth weight and severe acute malnutrition, which can be linked to poverty-related factors and low levels of education in these areas. This data sheds light on where challenges concerning teenage pregnancy are particularly prominent and where improvements may be necessary. The delivery rates for most CWD municipalities declined from 2021 to 2022. The Breede Valley municipal area was the exception to this trend, recording a minor uptick of 0.4 of a percentage point over the same period.

Related statistics offer a glimpse into the complexities of teenage relationships and the involvement of partners of varying ages. Data on the age of fathers of children born to young mothers paints a diverse and disconcerting picture, revealing that these fathers typically range in age from 18 to 34 years. While a few outliers were aged 50 or older, most of the fathers fell within the 19 to 27 years bracket. It was further reported that, on average, only 13.1 per cent of fathers were named on birth certificates in the Western Cape between 2002 and 2020.

The age-specific fertility rate (ASFR) – the number of females aged between 10 and 19 years per 1 000 women who have given birth – provides an additional perspective on teenage pregnancy.

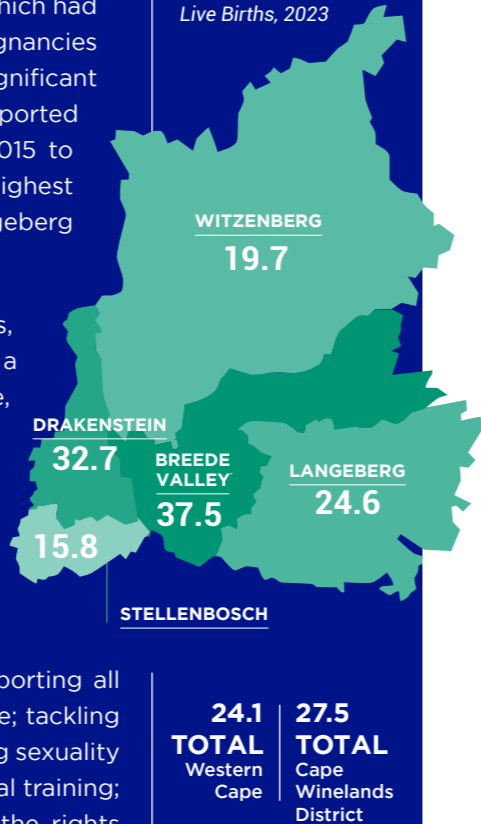
Drakenstein leads, with 22.8 births per 1 000 teenage females in 2020, down from 27.3 in 2002. The second-highest rate occurred in the Breede Valley and Langeberg municipal areas, both of which had an ASFR of 21.6 in 2020. It should be noted that teenage pregnancies fluctuated during the reference period. There were significant improvements in the Breede Valley municipal area, which reported a 23.5 percentage point decline in the ASFR rate from 2015 to 2020. The average ASFR between 2002 and 2020 was the highest in Breede Valley (37.5), followed by Drakenstein (32.7), Langeberg (24.6), Witzenberg (19.7) and Stellenbosch (15.8).

Poverty, limited education and employment prospects, gender-based violence (GBV) and cultural beliefs all play a role in shaping the lives of these young mothers. Furthermore, the lack of access to comprehensive sexuality education and sexual and reproductive health services amplifies their risk of pregnancy and fuels this teenage trend.

A reproductive justice approach should be taken to address the challenges associated with teenage pregnancies, with the following actions proposed: making abortion services known and accessible; training and supporting all clinic staff in providing patient-centred, nonjudgmental care; tackling sexual violence and GBV with rigour; training and supporting sexuality education teachers in providing relevant, open and dialogical training; vigorously tackling youth unemployment; and extending the rights enjoyed by working people to pregnant learners.⁵²

Map 5.1
ASFR PER 1 000 LIVE BIRTHS, Cape Winelands District, 2002 – 2020

Source: Stats SA, Live Births, 2023



Source: Department of Social Development (DSD) DRIM: Provincial Population Unit (PPU), 2023. Teen Births in the Western Cape: A quantitative exploration – Districts and Local Municipalities (2023).

⁵² (Macleod & Feltham-King, 2021).

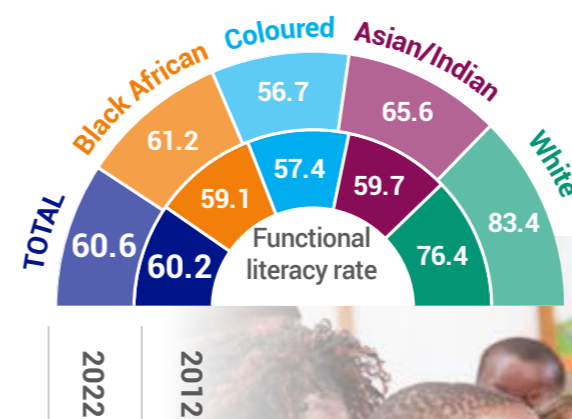
6. EDUCATION

Education, literacy levels and skills development play a vital role in shaping the future socio-economic landscape of the CWD. They empower the population and significantly impact the local economy's development and the region's human resource capacity.

Low literacy levels remain a challenge in the CWD. In 2022, the literacy rate of the District (60.6 per cent) was substantially lower than that of the Province (66.2 per cent). Furthermore, literacy rates have shown meagre improvement in the CWD over the 2012 to 2022 period. At the same time, the literacy rate of the Province increased by 0.9 of a percentage point. Low literacy rates adversely affect people's employability, increasing poverty and the need for income assistance. This is especially significant considering the substantial growth of the services industry in the CWD, which requires a large cohort of semi-skilled and skilled workers, especially in the Stellenbosch municipal area. Racial disparities further exacerbate the CWD's poverty and income inequality levels. Literacy levels are particularly low for the coloured population (56.7 per cent) and have also declined for this group since 2012.

By contrast, literacy rates have improved for other racial groups. The over-representation of coloured individuals living on farms hampers their access to education, resulting in low literacy levels that impact their employability. Ensuring that school-age children are enrolled in and have access to schools is essential for improving literacy levels. Scholar transport support provided by the Western Cape Education Department plays a critical role in ensuring access to education in the CWD.

Figure 6.1
FUNCTIONAL LITERACY RATE, Cape Winelands District, 2012 – 2022 (%)

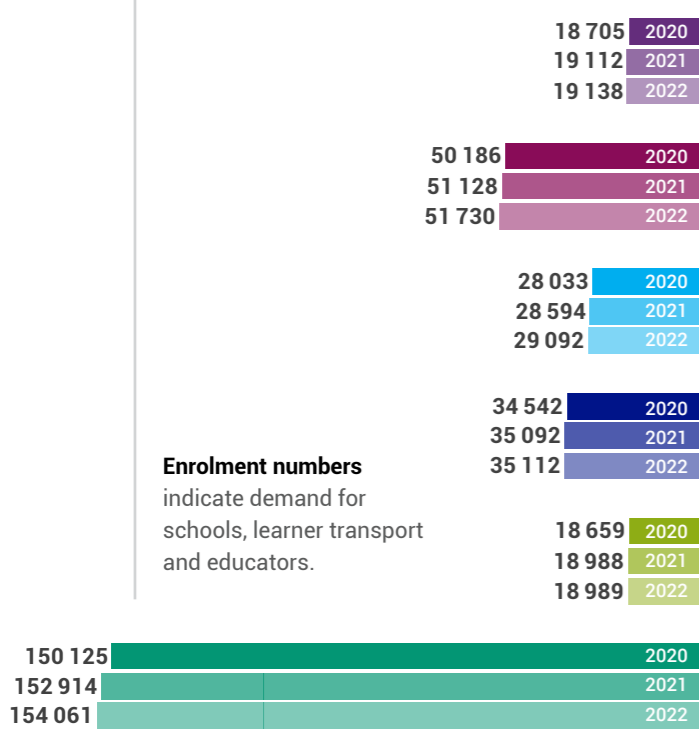


The functional literacy rate is the proportion of people who are older than 20 whose level of education exceeds Grade 7.

Source: Quantec research, 2023

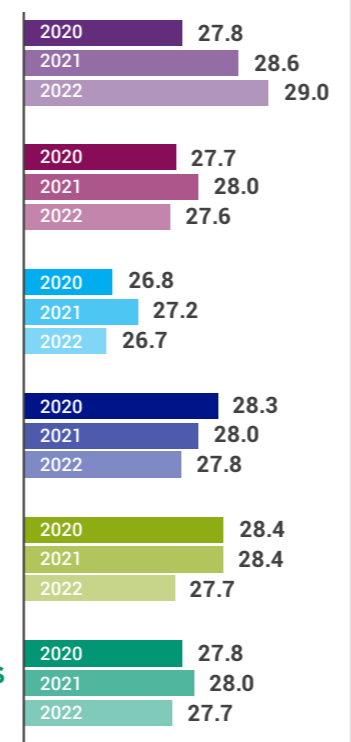


Figure 6.2
LEARNER ENROLMENT,
Cape Winelands District, 2020 – 2022



Enrolment numbers indicate demand for schools, learner transport and educators.

Figure 6.3
LEARNER-TEACHER RATIO,
Cape Winelands District, 2020 – 2022



The Department of Education set the upper limit for the **learner-teacher ratio** in ordinary primary schools at 40:1; for ordinary high schools, it was set at 35:1.⁵³ Lower learner-teacher ratios are associated with more interaction between teachers and learners, which could contribute to better-quality education.⁵⁴

Source: Western Cape Education Department, 2023

School enrolment in the CWD showed an average annual increase of 1.3 per cent from 2020 to 2022. In line with the population distribution of the CWD, the Drakenstein municipal area exhibited the highest learner enrolment, followed by the Breede Valley municipal area. The CWD had a lower learner-teacher ratio than the Western Cape overall throughout the reference period. The urban characteristics of many towns in the CWD ensure that schools can attract and retain teachers, resulting in smaller classroom sizes. This underscores the idea that the District efficiently allocates resources to ensure that schools have sufficient teachers to meet learners' educational needs. The new schools planned for Ashton and Klapmuts will ensure sufficient capacity for increased enrolments in the Langeberg and Stellenbosch municipal areas.

The number of children with access to schools in the Stellenbosch municipal area grew at an average annual rate of 1.9 per cent between 2020 and 2022, significantly faster than in the other municipal areas of the CWD. The area's reputation for providing high-quality education and the higher concentration of educational institutions in this region attract students from surrounding areas. The Stellenbosch municipal area had the lowest learner-teacher ratio throughout the reference period.

The Witzenberg municipal area had a lower number of enrolments because of its smaller population size, which typically results in a smaller pool of potential students. It also had the highest learner-teacher ratio. This ratio places additional strain on the area's educational system, making it more

⁵³ (Sephton, 2017).
⁵⁴ (Moloi & Chetty, 2011).

challenging to provide individualised attention and support to students. Insufficient support, in turn, may contribute to poor academic performance and low pass rates. Many skilled educators decline job assignments in rural schools because of various factors, including a shortage of incentives, unfavourable working conditions and restricted prospects for professional growth.⁵⁵

YOUTH EMPLOYMENT INTERVENTION

In a concerted effort to combat youth unemployment and offer crucial classroom assistance, the WCED recruited 20 500 education assistants for the 2023 school year. This initiative falls under the Presidential Youth Employment Initiative (PYEI) and aims to support schools throughout the Province. This programme addresses the need for additional classroom support. It is crucial for creating work opportunities for unemployed youth throughout the Western Cape.⁵⁶



⁵⁵ (Dlamini, Du Plessis, & Markham, 2022).
⁵⁶ (Western Cape Government, 2022).

Figure 6.4
GRADE 3, 6 AND 9 LANGUAGE AND MATHEMATICS PASS RATES,
Cape Winelands District, 2019, 2021 and 2022

LANGUAGE		GRADE 3	GRADE 6	GRADE 9
WITZENBERG	2019	35.8%	38.1%	44.3%
	2021	26.5%	37.8%	41.0%
	2022	25.9%	33.4%	40.9%
DRAKENSTEIN	2019	43.7%	41.2%	59.0%
	2021	35.0%	46.0%	58.5%
	2022	32.8%	38.0%	59.4%
STELLENBOSCH	2019	45.3%	42.5%	60.6%
	2021	33.4%	39.9%	57.9%
	2022	40.8%	35.4%	55.6%
BREDE VALLEY	2019	30.0%	28.8%	47.3%
	2021	18.3%	30.3%	46.6%
	2022	22.3%	27.5%	47.8%
LANGEBERG	2019	32.9%	33.8%	44.6%
	2021	23.8%	31.3%	47.4%
	2022	24.0%	28.3%	48.9%

Because of the challenges posed by COVID-19 to the teaching and learning environment in 2020, no data was collected during this year.

MATHEMATICS		GRADE 3	GRADE 6	GRADE 9
WITZENBERG	2019	44.9%	32.2%	21.5%
	2021	29.5%	29.1%	14.6%
	2022	30.1%	32.2%	15.0%
DRAKENSTEIN	2019	54.3%	43.3%	36.7%
	2021	42.1%	38.3%	36.0%
	2022	43.5%	39.9%	35.8%
STELLENBOSCH	2019	57.1%	38.4%	38.2%
	2021	44.4%	33.8%	39.3%
	2022	51.2%	39.0%	37.9%
BREDE VALLEY	2019	42.1%	24.3%	19.1%
	2021	26.5%	25.1%	22.2%
	2022	30.2%	25.5%	21.1%
LANGEBERG	2019	41.2%	28.4%	22.2%
	2021	32.2%	24.4%	23.3%
	2022	32.9%	27.0%	21.2%

Source: Western Cape Education Department, 2023

In 2022, the inconsistent changes in language and mathematics test results for Grade 3, Grade 6 and Grade 9 learners, do not correspond with the improved learner-teacher ratios. The Drakenstein and Stellenbosch municipal areas achieved the highest test scores for language subjects and mathematics throughout the period under review for all grades. By contrast, the Breede Valley municipal area recorded low performance in language subjects and mathematics skills among pupils in these grades. The language pass rate was the highest among students at Grade 9 level.

The pass rates of Grade 9 learners in key subjects such as languages and mathematics have significant implications for the progression of these learners from Grade 10 to Grade 12. While school attendance is compulsory until Grade 9, poor performance during this pivotal year increases the risk of learners dropping out before they enter the further education and training (FET) phase, which covers Grades 10 to 12. Even if learners proceed to the FET phase, inadequate educational achievement in Grade 9 can still lead to them dropping out before they matriculate.

As a result, numerous young individuals in the CWD lack a complete secondary education. This adversely affects their standing in the job market, given that a matric certificate is frequently a prerequisite for securing employment. In essence, below-par Grade 9 educational achievements can have lasting repercussions, constraining career prospects and diminishing opportunities for those affected.



LANGUAGE AND MATHEMATICS PASS RATES

A study on Western Cape public schools (2020 to 2021) revealed that COVID-19 lockdowns resulted in significant learning losses. The approximately 80 000 learners surveyed were shown to have lost nearly three-quarters of a school year on average. The deficit was most severe with regard to mathematics, with surveyed learners losing more than a year of learning compared with the performance of pupils in 2019. For language subjects, the loss amounted to about three-quarters of a year.

Pass rates declined, especially for Grade 4 learners transitioning languages from their home language to English as the primary language of teaching and learning from Grade 4 onwards.

The effects of lockdowns were reflected in declining pass rates in 2022. This was particularly the case for Grade 4 learners, for whom the year would have been challenging even if the COVID-19 outbreak had not occurred. Learners receive instruction in their home language until Grade 3. However, they are taught all subjects in English from Grade 4 onwards (apart from their home language). The difficulties of this language transition were compounded by the pandemic.

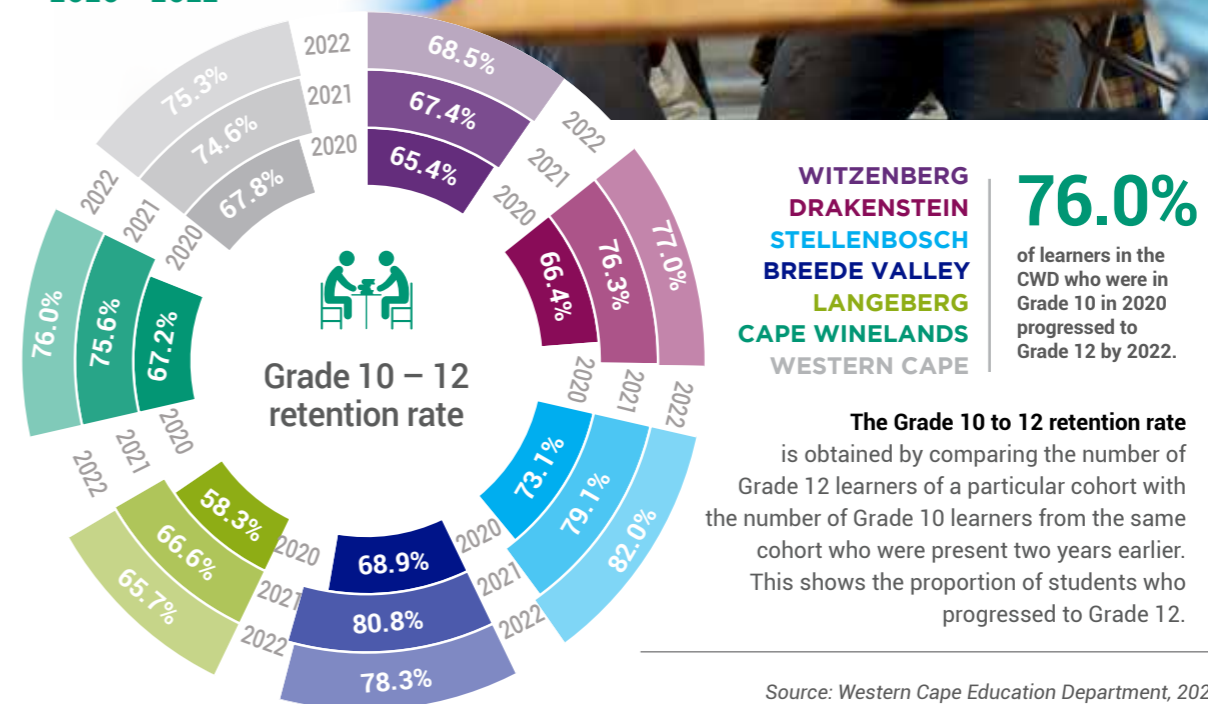
Mathematics performance declined across all grades, with some areas falling below 50.0 per cent and 20.0 per cent proficiency levels. The study suggested solutions such as providing learners with catch-up time, prioritising mathematics and languages, implementing diagnostic assessments, employing educator assistants and streamlining the curriculum to ensure a focus on essential skills.⁵⁷



⁵⁷ (Berg, Hoadley, Galant, Van Wyk, & Bohmer, 2022).



Figure 6.5
**GRADE 10 TO 12
 RETENTION RATE,
 Cape Winelands District,
 2020 – 2022**



The CWD experienced an 8.8 percentage point increase in learner retention between 2020 and 2022. The Province recorded a similar trend, with a rise of 7.5 percentage points. Several factors contribute to learner retention rates, including economic aspects such as unemployment and financial hardships faced by households. Social concerns such as teenage pregnancies also impact these rates.

In 2022, the Langeberg municipal area had the lowest learner retention rate among the five municipal areas in the CWD (65.7 per cent). It also experienced a slight decrease (of 0.9 of a percentage point) in its learner retention rate between 2021 and 2022. This decrease suggests that more students in the Langeberg municipal area are dropping out of school or that poor-performing learners are not progressing to matric. This contributes to a lower level of educational attainment within the region and worsens youth unemployment. The school drop-out rate is of particular concern because students who drop out of school prematurely will experience a lack of access to higher education, fewer job opportunities and lower wages than those who complete their schooling.⁵⁸

⁵⁸ (Stats SA, 2020).

Figure 6.6
GRADE 12 PASS
RATE AND
BACHELOR'S
PASS RATE,
Cape Winelands
District,
2020 - 2022



	(Inside bar is the bachelor's pass rate)	(Outside bar is the matric pass rate)	
WITZENBERG	38.9%	65.0%	2020
	32.9%	64.7%	2021
	30.3%	70.9%	2022
DRAKENSTEIN	50.4%	83.7%	2020
	47.2%	80.1%	2021
	45.1%	81.9%	2022
STELLENBOSCH	33.7%	85.1%	2020
	32.0%	87.9%	2021
	36.8%	84.7%	2022
BREEDE VALLEY	56.6%	72.5%	2020
	57.6%	66.9%	2021
	52.2%	67.0%	2022
LANGEBERG	26.9%	73.8%	2020
	26.1%	73.6%	2021
	28.7%	79.2%	2022
CAPE WINELANDS DISTRICT	44.8%	78.4%	2020
	42.1%	76.3%	2021
	40.3%	77.4%	2022
WESTERN CAPE	42.6%	79.3%	2020
	44.0%	80.7%	2021
	41.5%	80.9%	2022

To pass Grade 12 and obtain a National Senior Certificate (NSC), a learner must achieve at least 40.0 per cent for three subjects (which are to include their home language), at least 30.0 per cent for two other subjects and a minimum of 20.0 per cent in a sixth subject.⁵⁹ A matriculant who obtains a bachelor's pass can enrol in a bachelor's degree course at a university. A learner must pass six of their seven subjects to get a bachelor's pass, achieving at least 50.0 per cent in four subjects and at least 30.0 per cent in their language of teaching and learning.

Source: Western Cape Education Department, 2023

⁵⁹ (Department of Basic Education, 2021).

Matric pass rates for the CWD improved slightly from 2021 to 2022, with an increased pass rate of 77.4 per cent being recorded in 2022. However, this rate was still somewhat lower than the matric pass rate of 2020 (78.4 per cent) and lower than the Province's pass rate over this reference period. The CWD experienced fluctuations in matric passes during this period, with most municipal areas witnessing a decrease in 2021 before rebounding in 2022. The Stellenbosch municipal area proved the exception to this trend, being the only area to have a matric pass rate that increased between 2020 and 2021, and declined between 2021 and 2022. The 2021 drop in matric pass rates in the District reflected the negative impacts that the COVID-19 pandemic had on learners. In addition, the 2022 pass rate was 3.2 percentage points lower than the 2019 matric pass rate (i.e. the pre-COVID-19 rate) of 81.8 per cent.

The higher pass rate achieved in the Drakenstein municipal area in 2022 (81.9 per cent) will have a positive ripple effect within the local labour market, contributing to the overall wellbeing of communities and the local economy (if matriculants can find employment locally). This underscores the importance of investing in education and supporting the youth in becoming active economic participants. Enabling young people to realise their potential allows them to make valuable contributions to the workforce and society. This, in turn, narrows the skills gap, creating the potential for a demographic transition in the area.

In 2022, the CWD had a lower bachelor's pass rate than the Province, with a difference of 1.2 percentage points. The District also had a lower matric pass rate than the Province, with a difference of 3.5 percentage points. Stellenbosch had the highest matric and bachelor's pass rates. However, Breede Valley had the lowest matric pass rate (67.0 per cent) and yet the highest bachelor's pass rate in the District. Stellenbosch's impressive pass rates can be attributed to its exceptional educational quality, low learner-teacher ratio and socio-economic advantages. By contrast, Breede Valley and Witzenberg grapple with challenges that lead to lower pass rates. Notably, both areas have the two highest learner-teacher ratios within the CWD.

While it is a positive development that more learners passed Grade 12 in the CWD in 2022 than in 2021, the decline in bachelor's passes raises concerns. These emerging trends are likely to impact youth unemployment, the employability of young individuals and the income levels of the youth population within the CWD.



YOUTH EMPLOYMENT

Young people are at the heart of South Africa's future and face many challenges in modern-day society. There is a great benefit in investing in young people by creating pathways for accelerated development. When young people can claim their right to health, education and decent working conditions, they become a powerful force for economic development and positive change. Youth development initiatives are crucial for the economy and the prevention of crime. Such programmes have been implemented to address issues that are affecting the youth.⁶⁰



In 2022, there was a 3.0% increase in full-time employment among individuals aged 15 to 25.

Most young people in the CWD are employed in agriculture, earning monthly incomes ranging from R3 200 to R6 400 per month.

This trend reflects the extent to which youth with minimal skills are engaged in the primary sector. It also underscores the reality that young individuals new to the job market often possess limited work experience and may not yet have specialised skills or qualifications that can command higher wages. Consequently, they may be offered lower salaries as they embark on their careers until they can develop skills and gain experience.

Investec also sponsored 30 internships at the National Institute for Development and Training.⁶¹

The responsibility for promoting learner retention and providing adequate resources for fostering an enabling environment for education lies with the public sector. However, the private sector can also play a critical role with regard to the youth, in part by alleviating youth unemployment through strategic investments and partnerships. An example of this is the Touwsrivier Commercial Hydroponics Farm in Breede Valley, which is owned by Pele Energy Group, and the Touwsrivier Solar Community Trust. The project initially employed 19 people from Touws River, with **Investec's Youth Employment Service (YES) programme paying all farm workers under 35 for the first year of employment.**

Skills development has been identified as one of the priority requirements for sustainable development in rural communities within the CWD.

Violence, social isolation and low education levels make young unemployed women more vulnerable to exploitation and increase their risk of sexual exploitation. Economic empowerment opportunities reduce vulnerability and improve young women's resilience. Young people and women are the critical focus of these efforts and a priority because the lack of skills development contributes to the increasing unemployment rate in rural areas. Skills development programmes can enhance the employability of women and youth, as well as their ability to start SMMEs, and as such, the Cape Winelands District Municipality includes skills development as part of their Expanded Public Works Programme projects.⁶²

⁶⁰ (Cape Winelands District, 2023).

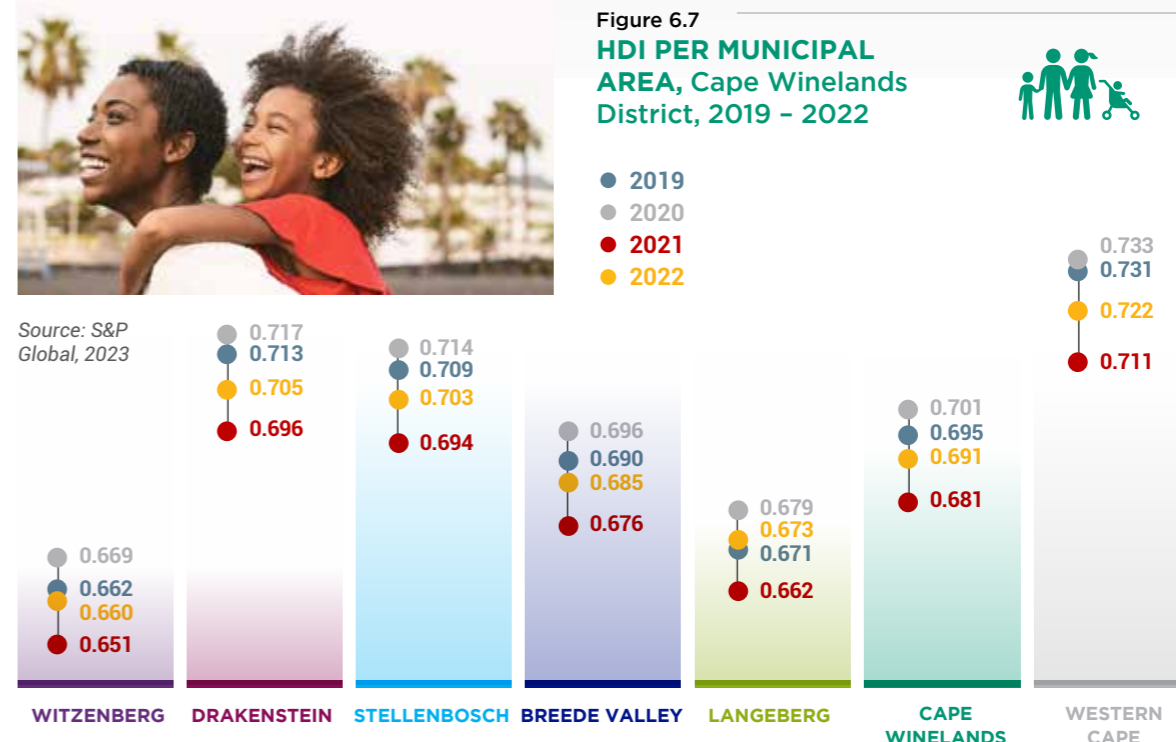
⁶¹ (Investec, 2023).

⁶² (Cape Winelands District, 2022).

HUMAN DEVELOPMENT INDEX

Throughout the 2019 to 2022 period, the CWD scored lower in the HDI than the Province, primarily because of its generally lower income levels. The HDI score declined in 2021, which can be attributed to a decrease in life expectancy caused by the COVID-19 pandemic. It rebounded in 2022 as life expectancy normalised; however, it remained lower than previous scores because of the continued lower income levels in the CWD. Both the District and the Province encountered fluctuations in their HDI scores from 2019 to 2022. In 2022, the CWD's HDI rating was slightly lower than that of the Province. The impact of COVID-19 on life expectancy and employment, something that subsequently affected income levels, was particularly notable within the District.

Despite high unemployment and income inequality, the Drakenstein municipal area had the highest HDI score in 2022. It was closely followed in the rankings by the Stellenbosch municipal area, the result of relatively higher incomes and improved access to education in the latter. Conversely, Witzenberg registered a comparatively lower standard of living because of challenges related to its low-skilled agriculture sector. These disparities underscore the pressing need to address socio-economic inequalities, foster educational opportunities and elevate incomes so as to uplift communities and create a more equitable and prosperous region.



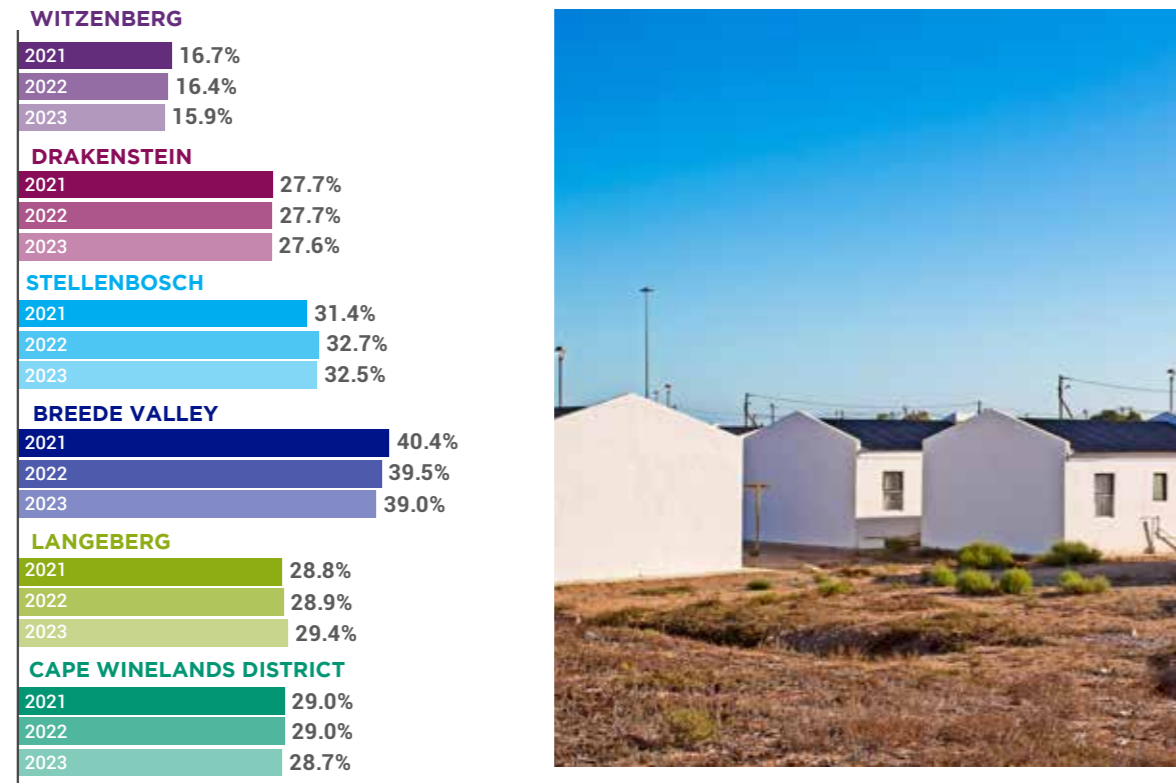
Source: S&P Global, 2023

The Human Development Index (HDI) provides a multidimensional view of a region's socio-economic development. A region's economic performance holds immense significance in determining the quality of life of its residents. As economies thrive, human development tends to improve, translating into better lives for individuals. The prosperity and growth of an economy can foster advancements in education, healthcare and access to resources, which in turn contribute to the overall wellbeing of the population. The HDI is a measure created by the United Nations Development Programme (UNDP) to assess a country's overall progress. It allows for evaluation in terms of three fundamental aspects of human development: life expectancy, education and standard of living. The index serves as a metric to gauge the average level of achievement across these aspects within a country.

7. HOUSING AND ACCESS TO BASIC SERVICES

The demand for housing support in the CWD saw a slight decrease in 2023. Nevertheless, the presence of informal settlements and a housing backlog pose significant challenges to meeting the housing needs of the expanding population.

Figure 7.1
WESTERN CAPE HOUSING DEMAND, Cape Winelands District, 2021 – 2023



The South African Constitution recognises adequate housing as a basic human right. Access to housing is intertwined with migration, labour market dynamics and other demographic trends. Access to affordable housing is the cornerstone of sustainable communities that can contribute to the economy.

Source: Western Cape Department of Infrastructure, 2023

While it experienced a decline in household demand between 2021 and 2023, the Breede Valley municipal area still has the highest housing demand in the CWD: 39.0 per cent of households in this municipal area have registered on the Western Cape Housing Demand Database. This demand is attributed to population growth and lower wages in Worcester, Rawsonville and De Doorns. To tackle this issue, housing support initiatives such as the Upgrading of Informal Settlements Programme (UISP) and the Integrated Residential Development Programme (IRDP) have identified intervention sites for the 2023/2024 MTEF period. In addition, the Transhex housing development project has brought about the construction of more than 1 000 units in the Breede Valley area.

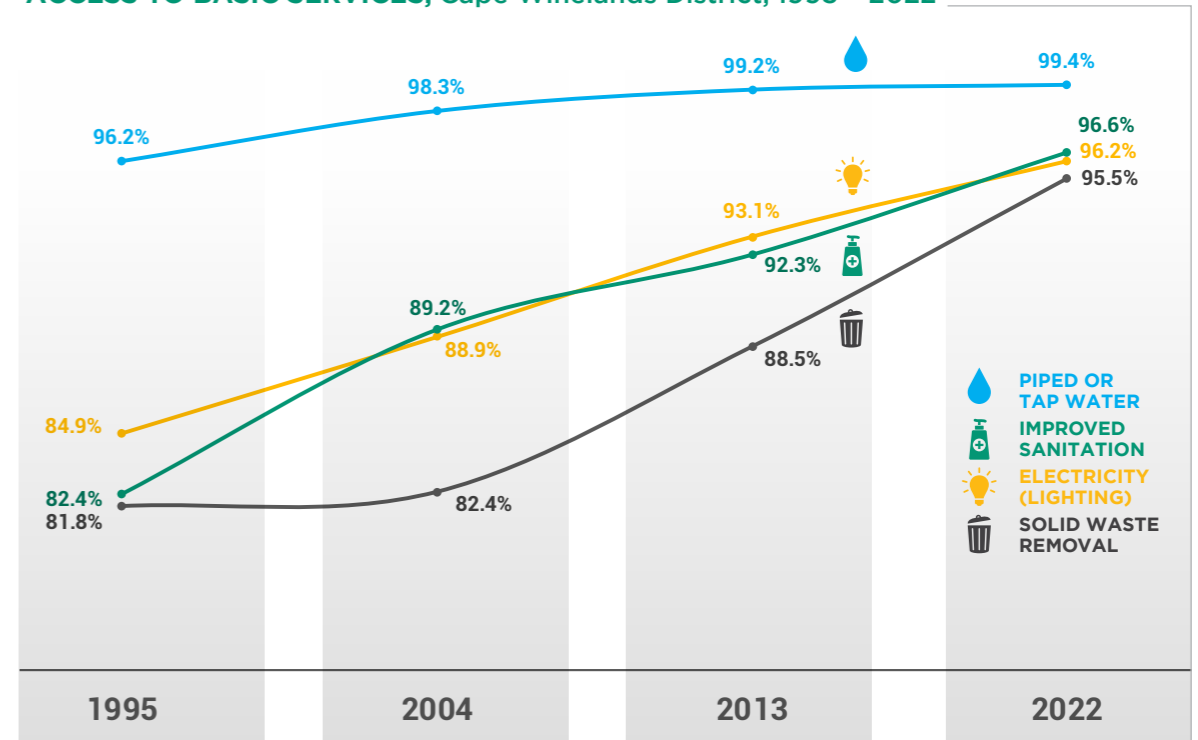
A notable increase in households in the Langeberg municipal area has resulted in a 0.5 percentage point rise in the number of households registered for housing support, with 29.4 per cent of households requiring housing support in 2023.

The government faces challenges in providing essential services and housing support without a corresponding economic base. Housing projects in Bonnievale aim to address these needs in the medium term.

Despite experiencing the highest population growth in the CWD, the Witzenberg municipal area recorded the lowest demand for housing during the reference period. In 2023, only 15.9 per cent of households in Witzenberg were registered. The relatively modest increase in housing demand and the below-average household demand for government assistance suggest that many people relocating to the area can afford suitable housing. It is also possible that housing in the Witzenberg area is more affordable than housing in higher-income areas such as Stellenbosch and Drakenstein, making it easier for residents to find suitable housing without having to rely on government assistance.

In addition to suitable housing, access to basic services such as water and sanitation plays a pivotal role in the overall wellbeing of communities. Local municipalities are essential when it comes to cultivating an environment that promotes private investment and entrepreneurship, with the goal of enabling local economic opportunities that positively impact the community as a whole.

Figure 7.2
ACCESS TO BASIC SERVICES, Cape Winelands District, 1995 – 2022



According to Stats SA, improved sanitation services means that a household either has access to flush toilet which is connected to the public sewerage system or a septic tank, or has access to a pit toilet with ventilation.⁶³

Source: Urban-Econ calculations based on Quantec research, 2023

Service delivery in the CWD is exemplary. Between 1995 and 2022, there was a 3.2 percentage point increase in the number of households with access to piped or tap water, with this service reaching an impressive 99.4 per cent of households in the CWD by 2022. This improvement means that almost every housing unit in the CWD now enjoys this essential utility. Significant strides have been made in enhancing access to other fundamental services over the years.

⁶³ (Stats SA, 2022).

The number of households able to access electricity for lighting saw a commendable increase of 3.1 percentage points between 2013 and 2022. Similarly, improved sanitation and solid waste removal services experienced even more substantial enhancements, with the number of households benefiting from these services increasing by 4.3 and 7.0 percentage points respectively between 2013 and 2022. These improvements collectively demonstrate a commitment to improving living conditions and infrastructure within the CWD, something that is especially noteworthy considering that the number of households has expanded significantly over the reference period.

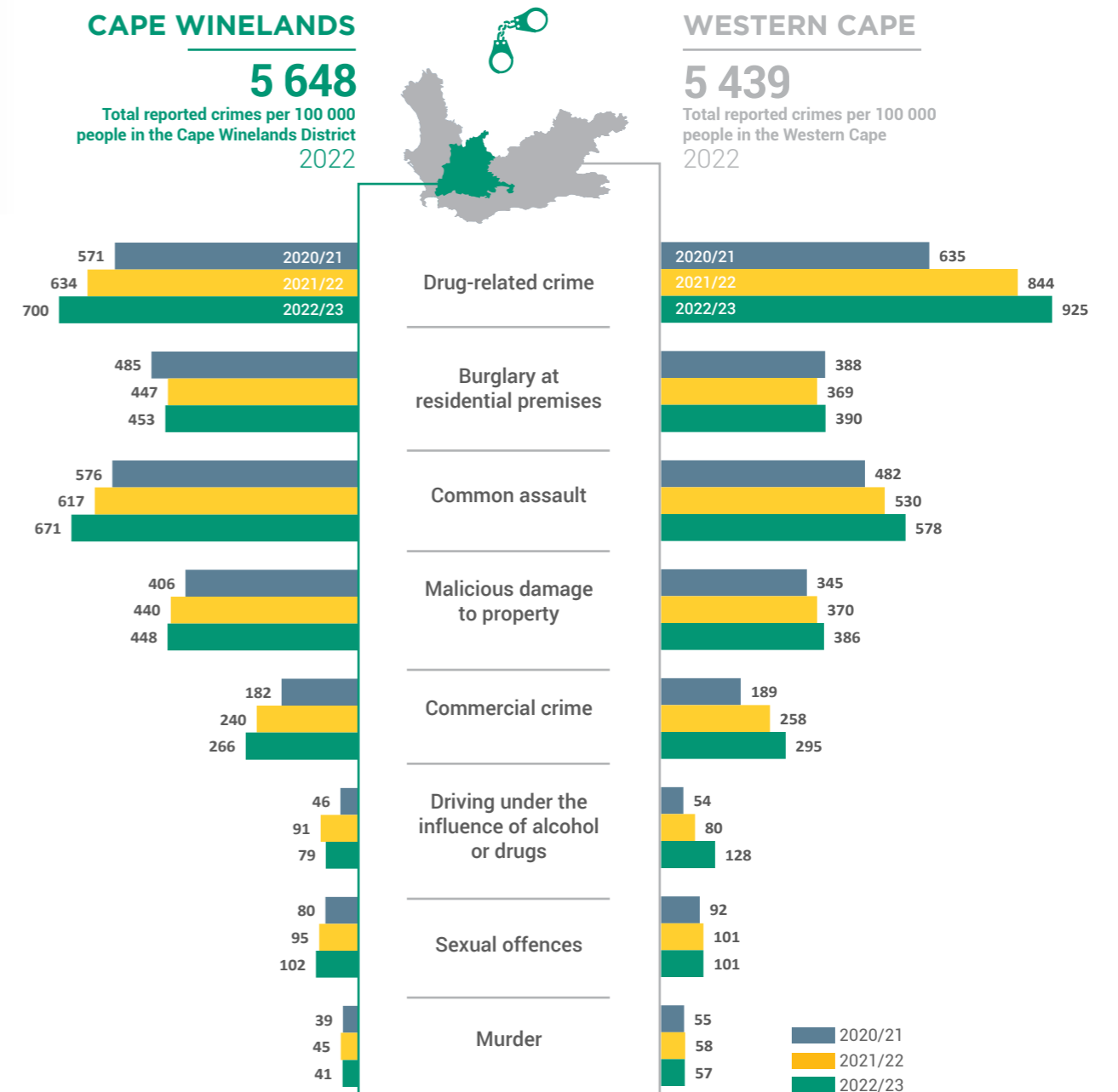
While on an aggregate basis there are generally high levels of access to services in the CWD, disparities still exist along racial lines, primarily because of settlement patterns within urban areas. In 1995, approximately 39.3 per cent and 7.2 per cent of black Africans and coloured people respectively lived in informal settlements. This affected access to services, with black Africans having lower rates of access to electricity and improved sanitation. Since then, the disparities between the groups have remained relatively constant, leaving access to basic services for black Africans and coloured people below average.



8. CRIME

Communities in the CWD are grappling with crime, with more reported crimes per 100 000 people occurring in the District since 2020/21 than in the Province. This can primarily be attributed to more cases of drug-related crime, common assault and commercial crime. The crime rate has steadily increased since 2020/21 when the COVID-19 lockdown regulations contributed to the overall decrease in crime. This was because more people stayed at home, effectively minimising opportunities for criminals.⁶⁴ However, despite the increase, crime levels in 2022/23 remain lower than what was recorded in 2019/20.

Figure 8.1
CRIMES PER 100 000 PEOPLE, Cape Winelands District, 2020/21 – 2022/23



Source: Calculated from SAPS, Quantec and Western Cape DSD, 2023

⁶⁴ (Stats SA, 2022).

There was a notable surge in drug-related offences in the CWD in 2022/23. The District reported 700 cases per 100 000 people in 2022/23, which is lower than the Province's total of 925 drug-related crimes per 100 000 people. Municipal areas where drug-related crimes increased the most include Stellenbosch and Witzenberg.

Both the Langeberg and Drakenstein municipal areas recorded higher-than-average incidents of sexual offences in 2022/23 – 112 cases per 100 000 people in Langeberg and 111 cases per 100 000 people in Drakenstein. By comparison, there were 102 cases per 100 000 people in the CWD and 101 cases per 100 000 people in the Province in 2022/23.

While most crime categories under review increased, the number of murder cases declined in the CWD in 2022/23 with only the Langeberg municipal area noting a slight uptick, from 27 incidents per 100 000 people to 31 incidents per 100 000 people. However, this remains relatively low compared to other municipal areas. For example, Witzenberg, which recorded 51 incidents per 100 000 people in 2022/23.

The imposition of alcohol restrictions in 2020 led to fewer incidents across all municipal areas involving driving under the influence of alcohol. However, the number of such cases increased in 2021/22 after the restrictions were lifted. On a positive note, fewer such cases were reported in 2022/23 in the CWD – largely due to a substantial decline in the Witzenberg municipal area, decreasing from 219 incidents per 100 000 people in 2021/22 to 84 incidents per 100 000 people in 2022/23. In contrast, the Breede Valley and Langeberg municipal areas recorded an increase in the cases of people driving under the influence of drugs or alcohol.

In summary, there is a need for additional resources to combat crime in the CWD, as crimes in numerous categories continued to rise in the District during the 2022/23 period.

One of the ways that underlying issues of poverty and inequality are evident in South Africa is through the prevalence of violence and crime. Violence and crime are articulated in different ways. Given that certain crimes tend to be under-reported, with GBV being a prime example, it can be challenging to obtain a comprehensive picture of the state of crime and violence in South Africa. However, the impact of crime and violence is widespread. It includes pain and trauma, economic loss, the erosion of social cohesion, unfulfilled human potential and a national psyche in an ongoing state of fear.⁶⁵



⁶⁵ (SPRINT, 2021).

GBV includes any action that causes or is likely to cause physical, sexual or psychological harm or suffering to women. This includes threats, coercion or unjust restrictions on their freedom, regardless of whether such actions occur in public or private settings.⁶⁶ Approximately 400 cases of GBV were reported in the Western Cape between 1 April 2021 and 31 March 2022. Physical violence dominated the statistics, with 207 cases reported in the Province.⁶⁷



9. CONCLUDING REMARKS

Young and working-age individuals figure prominently in the population of the CWD. These demographics are steadily expanding within the CWD community. This scenario presents a valuable demographic advantage opportunity, something that would enable the government to redirect investments towards health and education for future development and economic growth. Such investments could focus on strengthening the workforce and cultivating increased higher-quality employment opportunities.

Despite the increased number of taxpayers resulting from an increase in the number of employed people, there has been a decline in average monthly taxable income in the CWD. This reduction will ultimately affect living standards, potentially impeding access to necessities such as education, healthcare and basic services. Encouragingly, the CWD has observed a reduction in income inequality. This development enhances economic stability by mitigating fluctuations generated by pronounced disparities. Ultimately, a more even distribution of resources can elevate numerous individuals and families above the poverty threshold.

Ongoing population growth triggers a heightened demand for housing, intensifying the need for strengthened support of essential services throughout the District. Crime rates in the District have been climbing; this can deter businesses from investing in the area, leading to reduced economic growth and job opportunities within specific areas of the CWD. Such outcomes have adverse effects on tourism and place added financial burdens on the Local Government's budget.

The educational landscape of the District reveals promising advancements characterised by rising learner enrolments and a declining learner-teacher ratio. These trends underscore positive educational strides that are indicative of improved educational access and potentially superior learning outcomes. The increase in retention rates indicates that more learners are remaining in school and completing their secondary education. There have been advancements in matriculation rates, although these are still lower than in previous years. That said, many young individuals in the CWD do not have a bachelor's pass certificate. This limitation prevents them from entering higher education and accessing future higher-paying jobs, potentially leading to a lower tax base and reduced economic growth potential. This further hinders their pursuit of skilled occupations and higher income prospects in the future.

⁶⁶ (Government Communication and Information System [GCIS], 2019).

⁶⁷ (Wesgro, 2022).

The concurrent trends of increasing neonatal mortality, rising severe acute malnutrition rates and an uptick in the number of low birth weight infants in this community raise significant concerns regarding the overall health and wellbeing of its residents, particularly women, who are less likely to be employed and often earn less than their male counterparts. The CWD requires a coordinated effort to reduce these health risks given that it is not only a matter of improving healthcare services but also of addressing social, economic and cultural factors that may be contributing to these health challenges. On a more positive note, there has been a decrease in teenage pregnancy and maternal deaths. Lower maternal deaths and fewer teenage pregnancies can reduce the burden on healthcare systems, potentially leading to cost savings and a more efficient allocation of healthcare resources.

The economic prospects and job creation for the youth can be promoted by focusing on investments in education and skills development. Such initiatives should aim to not only improve educational outcomes but also to promote access to higher-paying employment, cultivating a stable workforce and a stronger tax base for future economic growth. Crime rates in the District are on the rise, impacting community safety and economic prospects. Addressing this issue involves fostering community engagement through community policing and crime prevention programmes. By actively involving residents in efforts to improve safety, communities and government can collectively work towards a more secure and prosperous environment that's attractive for investment. Moreover, it's crucial to address the pressing housing and service disparities resulting from population growth. Comprehensive investments in affordable housing and essential services can alleviate these disparities, providing a foundation of security and wellbeing for all residents.





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Infographic Indicator References		
Indicator	Source	Year
Land area Population density Households Gender Age Estimated population growth	Western Cape Government PPU, 2023. Provincial, District and local municipality population estimates by sex and age (2002 – 2037) based on Stats SA MYPE base year 2022	2023
Population	Stats SA, Census 2022 Provinces at a glance	2023
Average median income	Nell, A. & Visagie, J. Spatial Tax Panel 2014 – 2022 (dataset). Version 3. National Treasury Cities Support Programme and Human Sciences Research Council (producer and distributor)	2023
Indigent households	Western Cape Department of Local Government	2023
Access to services	Quantec, RHHF – Development Indicators – Households' facilities by population group at 2011 local municipal-/ward-based metro region level	2023
Tourism indicators	Wesgro, Cape Town Visitor Trends: Jan – Dec 2022	2023
Total GDP Sectoral GDP	Quantec, RVGA – Income & Production – Regional Output and GVA at basic prices by industry and 211 local municipal-/ward-based metro region level	2023
Total employment Sectoral employment	Quantec, REMP – Labour – Employment and compensation by skill level, industry and 2011 local municipal-/ward-based metro region level	2023
GDP forecast	Quantec, RVGA – Income & Production – Regional Output and GVA at basic prices by industry and 211 local municipal-/ward-based metro region level South African Reserve Bank, QPM forecast summary table July 2023 MPC Press report	2023
GDP per capita	Quantec, RVGA – Income & Production – Regional Output and GVA at basic prices by industry and 211 local municipal-/ward-based metro region level Western Cape Government PPU, 2023. Provincial, District	2023

	and local municipality population estimates by sex and age (2002 – 2037) based on Stats SA MYPE base year 2022	
Unemployment rate	Quantec, RUEM – Labour – Employment and unemployment by 2011 municipal-/ward-based metro region level	2023
International trade indicators	Quantec, TRD12 – RSA Regional Trade QSIC Quantec, TRD11 – RSA Regional Trade HST 6-digit	2023

Section C Infographic Indicator References		
Indicator	Source	Year
Households Gender Age Estimated population growth	Western Cape Government PPU, 2023. Provincial, District and local municipality population estimates by sex and age (2002 – 2037) based on Stats SA MYPE base year 2022	2023
Population	Stats SA, Census 2022 Provinces at a glance	2023
Average median income	Nell, A. & Visagie, J. Spatial Tax Panel 2014 – 2022 (dataset). Version 3. National Treasury Cities Support Programme and Human Sciences Research Council (producer and distributor)	2023
Indigent households	Western Cape Department of Local Government	2023
Race	Quantec, RPOP – Population, Number of Households and Densities by population group at 2011 local municipal-/ward-based metro region level	2023

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