Western Cape Government

2023-24

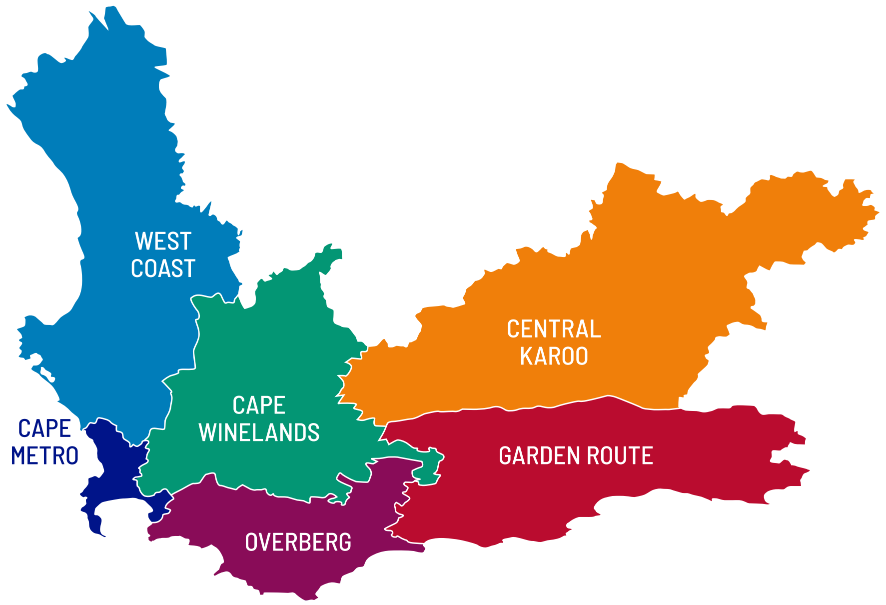
Municipal Economic Review and Outlook

Overberg District

Western Cape Government

2023-24

Municipal Economic Review and Outlook



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PR 316/2023
ISBN: 978-0-621-51628-9

ACKNOWLEDGEMENTS

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.

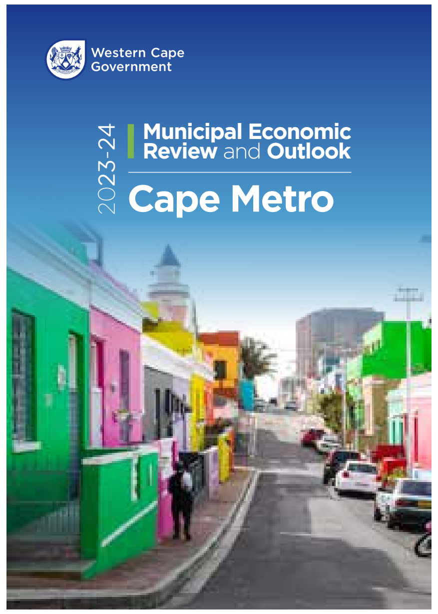
Ms Mireille Wenger
Minister of Finance and Economic Opportunities

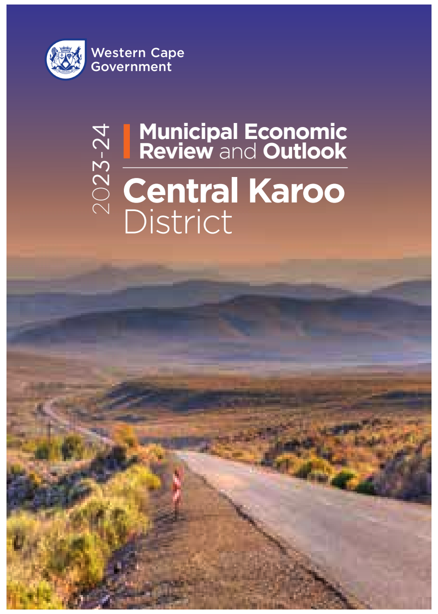
24 November 2023

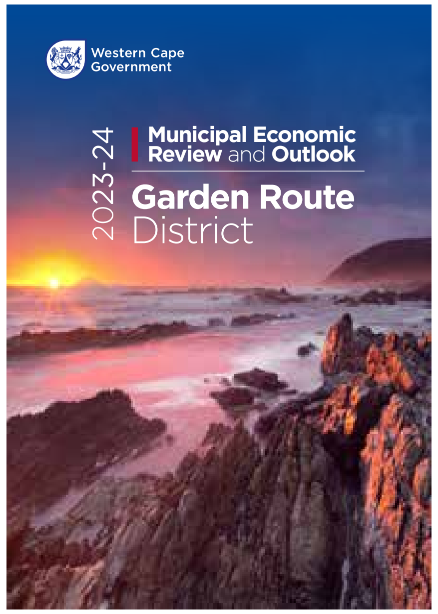
ACRONYMS AND ABBREVIATIONS

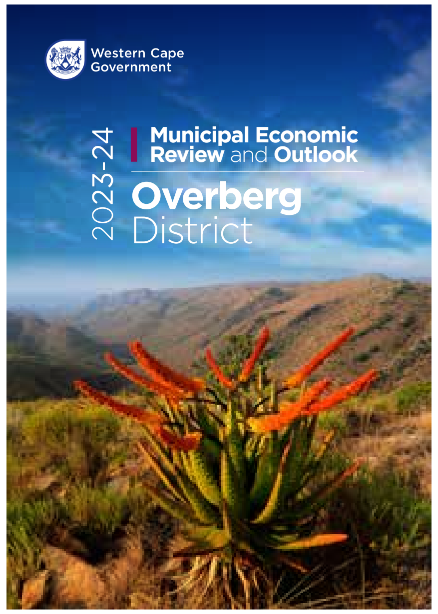
ACVV	Afrikaanse Christelike Vroueverenigiing
ASFR	Age-Specific Fertility Rate
BFAP	Bureau for Food and Agricultural Policy
BPO	Business Process Outsourcing
CBD	Central Business District
CKD	Central Karoo District
COVID-19	Coronavirus
CPI	Consumer Price Index
CSIR	Council for Scientific and Industrial 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	Koöperatieve 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
PPPFR	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

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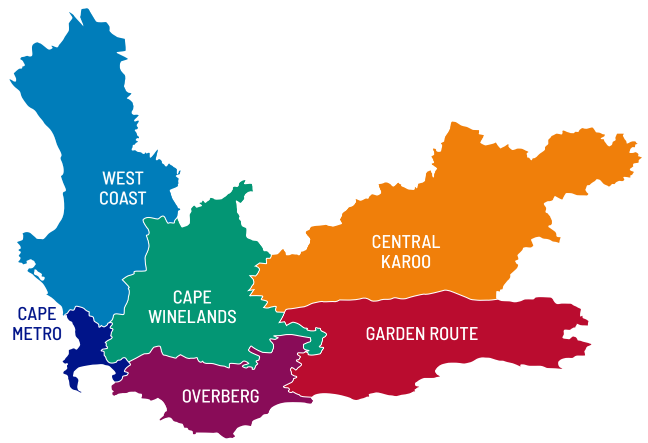


CENSUS 2022. Demographic data from Census 2022 was released in October 2023, disaggregated to a municipal level. For the 2023/24 MERO, only the population data was utilised. Other demographic information was obtained from several sources, including Quantec and the Department of Social Development. Additional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

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.

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.

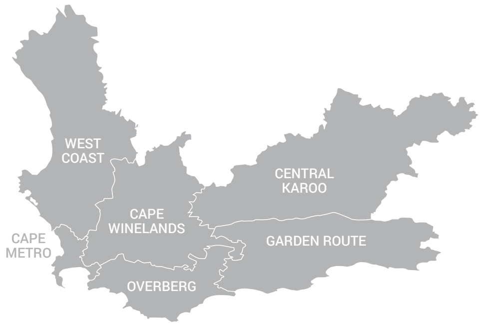
- **International trade**
  Beyond the exchange of goods, international trade is an enabler of economic growth and attracting new investment. This section takes an in-depth look at historical trade trends and identifies the leading products imported to and exported from the District. Identification of 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.



WC

2022 WESTERN CAPE

AREA	AREA	DENSITY	SEAT
129 462.2km²	10.6% OF SOUTH AFRICA	55.7/km²	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%

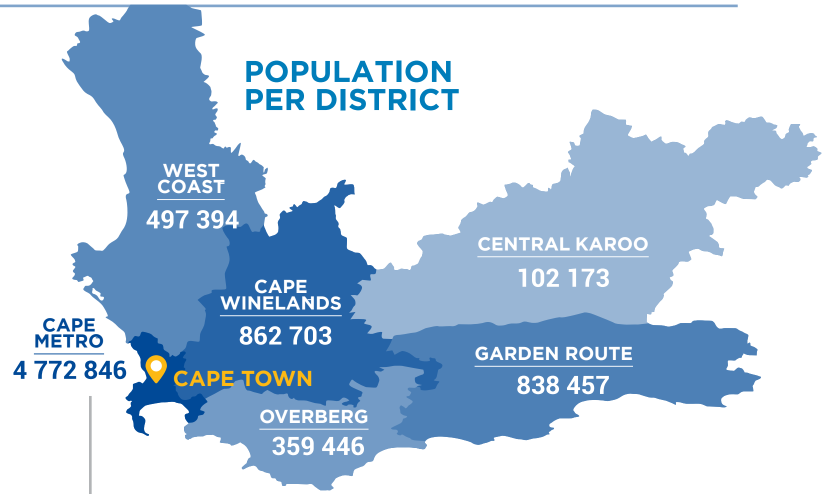
AGE SPLIT

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

ESTIMATED
POPULATION GROWTH

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

POPULATION PER DISTRICT



Number of
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

VISITORS

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

ACTIVITIES – Top activities

Cuisine	Scenic drives	Culture/ heritage
14.4%	13.9%	10.5%

2021

GDPR R764.7 BILLION
13.7% CONTRIBUTION TO SOUTH AFRICA

JOBS 2 301 352 EMPLOYED
15.9% CONTRIBUTION TO SOUTH AFRICA

GDPR FORECAST

2022e	2023f	2024f
2.3%	0.5%	1.1%

Estimated 2022e
125 491 JOB GAINS

R107 661
GDPR PER CAPITA
(2021 current prices)

24.5%
Estimated 2022e
UNEMPLOYMENT RATE

INTERNATIONAL TRADE 2022

IMPORTS	EXPORTS
R337.2 BILLION	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

2021

GDPR	Sector	JOBS
4.0%	Agriculture	10.0%
0.3%	Mining	0.1%
15.2%	Manufacturing	10.0%
2.3%	Electricity	0.4%
3.6%	Construction	5.6%
15.5%	Trade	22.1%
7.9%	Transport	4.0%
29.9%	Finance	20.3%
10.2%	Government	7.0%
11.1%	Personal Services	20.6%

Sector	GDPR	JOBS
PS PRIMARY SECTOR	4.3%	10.0%
SS SECONDARY SECTOR	21.1%	16.0%
TS TERTIARY SECTOR	74.6%	74.0%

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]

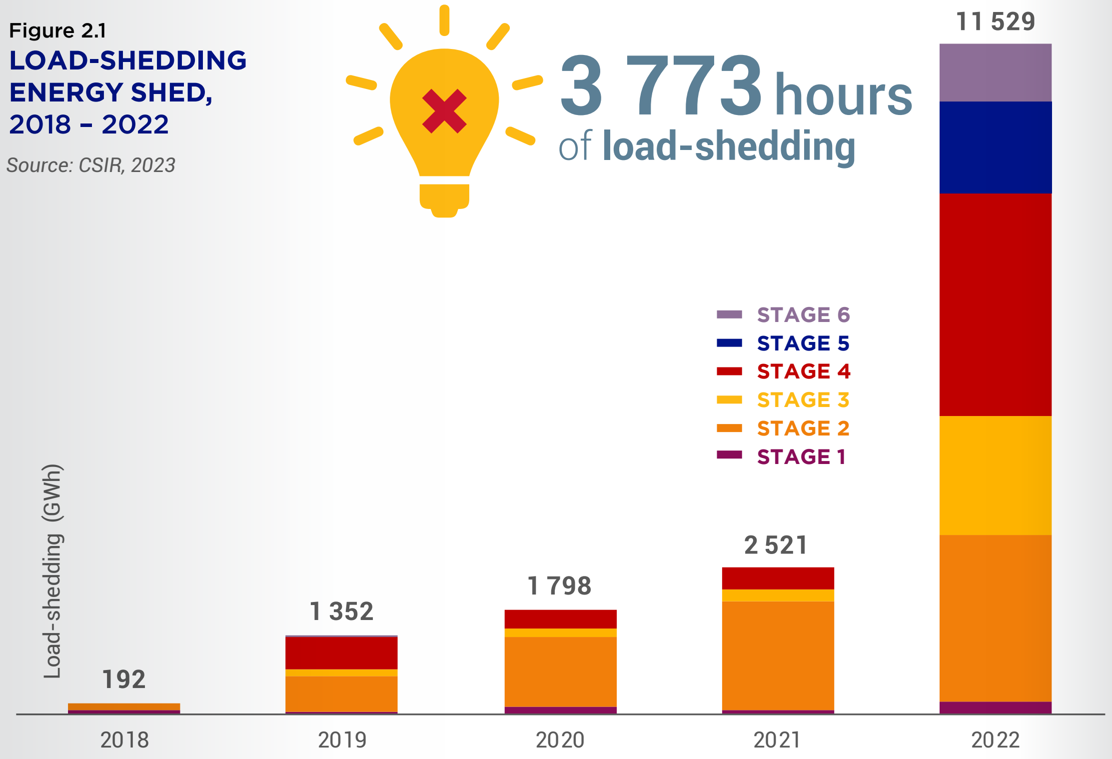
The prospect of continued load-shedding in 2023 affects businesses and households alike. The effect of the outages on the mining sector, a key player in the economy, is especially harmful, not least at a time that the sector is also affected by reduced commodity prices. South Africa's economic prospects 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 institutions[3] 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 GDPR 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 GDPR 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 GDPR 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.

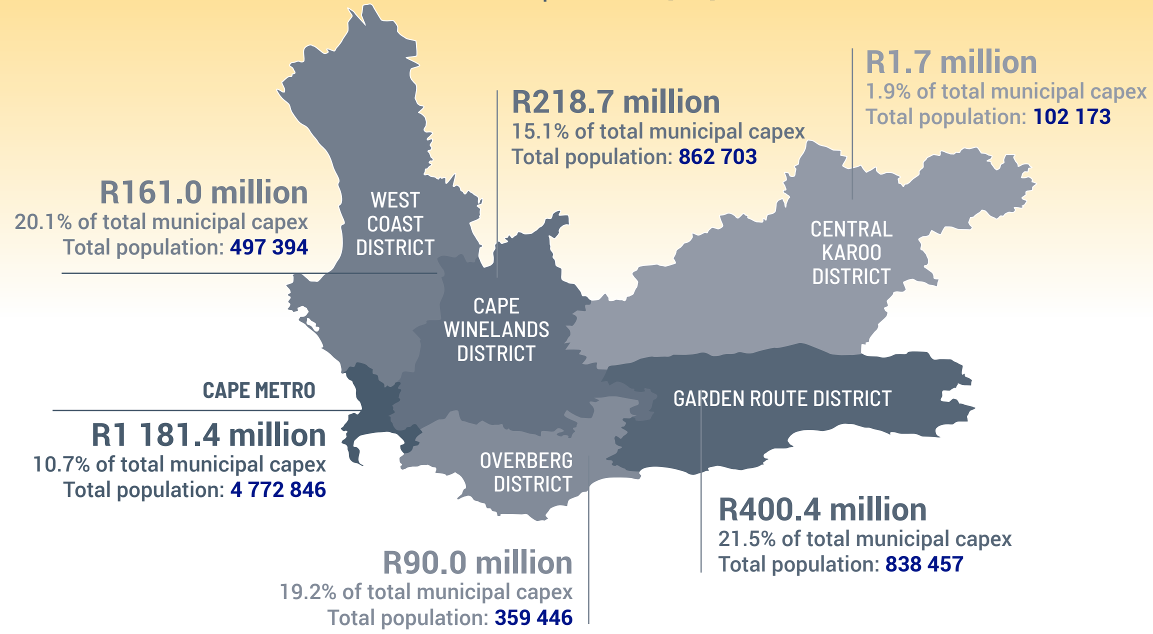
[8] (Western Cape Government, 2023).
[9] (Department of Forestry, Fisheries and the Environment, 2023).

2023/24 MTREF MUNICIPAL ENERGY INFRASTRUCTURE EXPENDITURE

2023/24 ENERGY INFRASTRUCTURE ALLOCATIONS PER METRO/DISTRICT

Province-wide R2 052.5 million

Total population 7.4 million



Energy infrastructure projects comprise 16.5% of total municipal capital expenditure for 2023/24

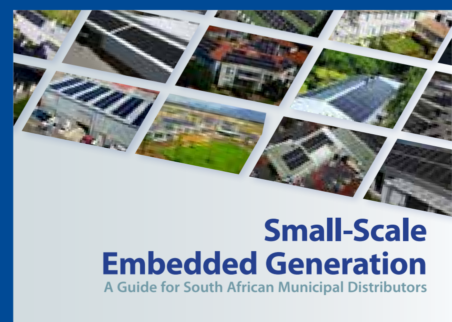
Ultimately, the Western Cape Growth for Jobs Strategy has the goal of reducing reliance on Eskom by 5 700MW, a level of investment that would end load-shedding in the Province.

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.



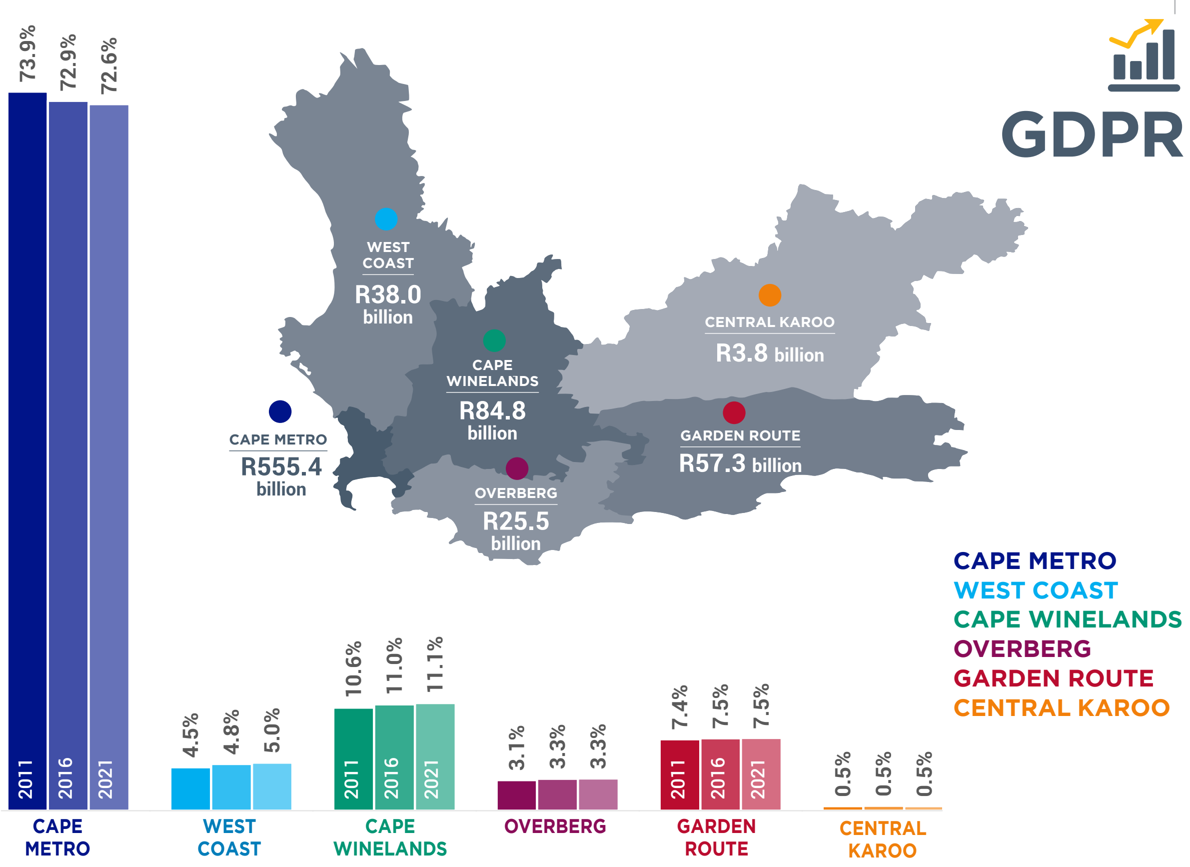
Wheeling is the transportation of electricity from a supplier to a third party, through a network not owned, controlled or leased by either party.

[10] (GreenCape, 2023).
[11] (South African Local Government Association, 2023).

3.1 REGIONAL GDPR AND EMPLOYMENT PERFORMANCE

Figure 3.1

REGIONAL CONTRIBUTIONS TO PROVINCIAL GDPR (CURRENT PRICES), 2012 – 2021



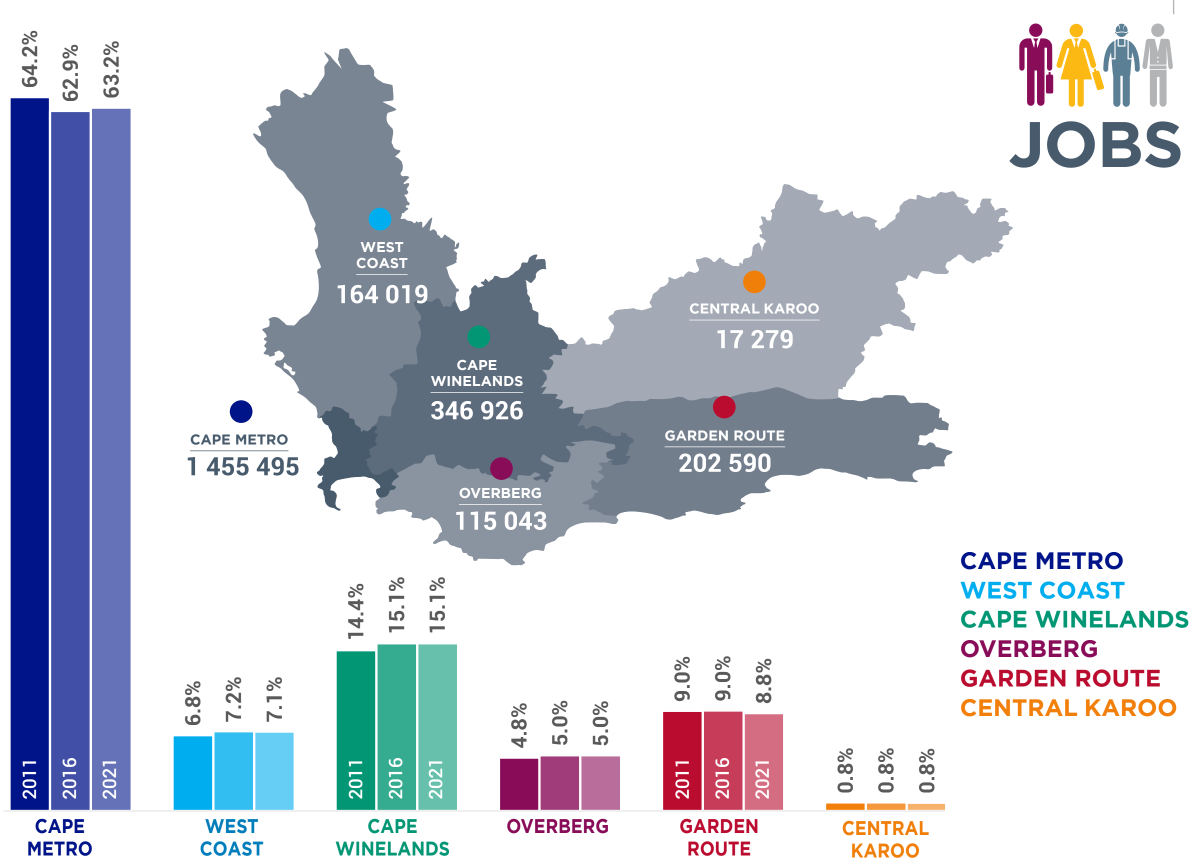
Source: Quantec research, 2023

With a GDPR 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 GDPR 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 GDPR 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



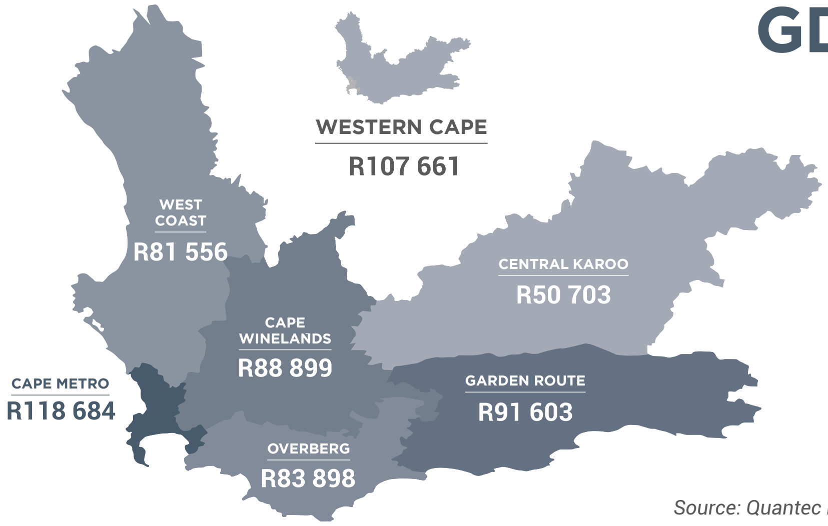
Source: Quantec research, 2023

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

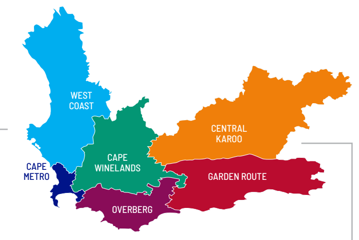
GDPR



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 (%)



GDPR

	CAPE METRO	WEST COAST	CAPE WINELANDS	OVERBERG	GARDEN ROUTE	CENTRAL KAROO	WESTERN CAPE
Agriculture, forestry & fishing	1.1%	1.1%	1.0%	0.3%	0.4%	0.1%	4.0%
Mining & quarrying	0.2%	0.1%	0.0%	0.0%	0.0%	0.0%	0.3%
Manufacturing	11.0%	1.0%	1.7%	0.5%	1.1%	0.0%	15.2%
Electricity, gas & water	1.7%	0.1%	0.2%	0.1%	0.2%	0.0%	2.3%
Construction	2.5%	0.2%	0.5%	0.2%	0.3%	0.0%	3.6%
Wholesale & retail trade, catering & accommodation	11.0%	0.7%	1.9%	0.6%	1.2%	0.1%	15.5%
Transport, storage & communication	6.0%	0.3%	0.8%	0.3%	0.6%	0.1%	7.9%
Finance, insurance, real estate & business services	23.3%	0.7%	2.7%	0.8%	2.3%	0.1%	29.9%
General government	7.6%	0.5%	1.1%	0.3%	0.7%	0.1%	10.2%
Community, social & personal services	8.2%	0.5%	1.2%	0.3%	0.8%	0.1%	11.1%

Figure 3.4
REGIONAL SECTORAL EMPLOYMENT[12] CONTRIBUTIONS TO PROVINCIAL EMPLOYMENT, 2021 (%)

JOBS

	CAPE METRO	WEST COAST	CAPE WINELANDS	OVERBERG	GARDEN ROUTE	CENTRAL KAROO	WESTERN CAPE
Agriculture, forestry & fishing	1.8%	2.7%	3.2%	1.1%	1.1%	0.2%	10.0%
Mining & quarrying	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.1%
Manufacturing	6.9%	0.7%	1.2%	0.4%	0.8%	0.0%	10.0%
Electricity, gas & water	0.2%	0.0%	0.0%	0.0%	0.0%	0.0%	0.4%
Construction	3.7%	0.3%	0.8%	0.3%	0.5%	0.0%	5.6%
Wholesale & retail trade, catering & accommodation	14.4%	1.2%	3.2%	1.1%	2.1%	0.2%	22.1%
Transport, storage & communication	2.9%	0.2%	0.5%	0.2%	0.3%	0.0%	4.0%
Finance, insurance, real estate & business services	14.7%	0.7%	2.4%	0.9%	1.7%	0.1%	20.3%
General government	4.8%	0.4%	0.9%	0.2%	0.5%	0.1%	7.0%
Community, social & personal services	13.8%	1.1%	2.8%	0.9%	1.7%	0.2%	20.6%

Source: Quantec research, 2023

The activities of the finance, trade, personal services and manufacturing sectors in the Cape Metro contribute substantially to Provincial GDPR 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 GDPR. 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.*

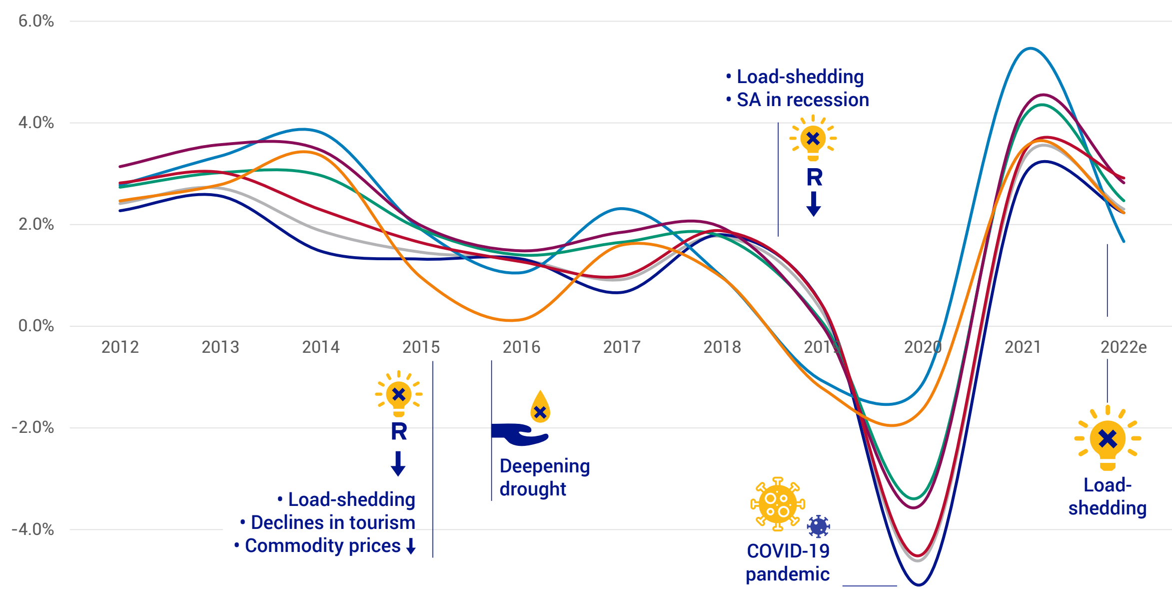
Thanks to the strong performance of the agriculture sector in 2021, GDPR in the districts witnessed a recovery in the course of this year from the lows induced by the COVID-19 pandemic, although the Cape Metro's GDPR lagged behind that of 2019. However, in 2022, the estimated 2.2 per cent GDPR growth 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.

GDPR

Figure 3.5

REGIONAL GDPR GROWTH RATES, 2012 – 2022e



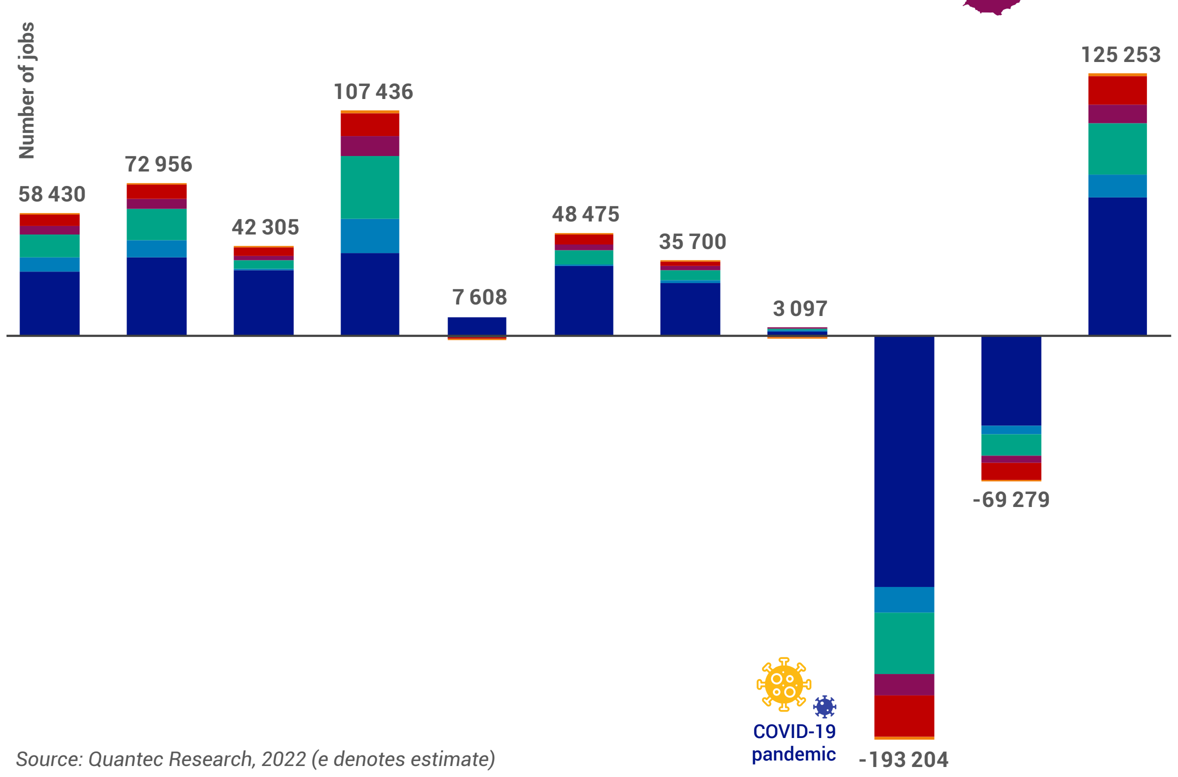
Source: Quantec research, 2023 (e denotes estimate)

	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

JOBS



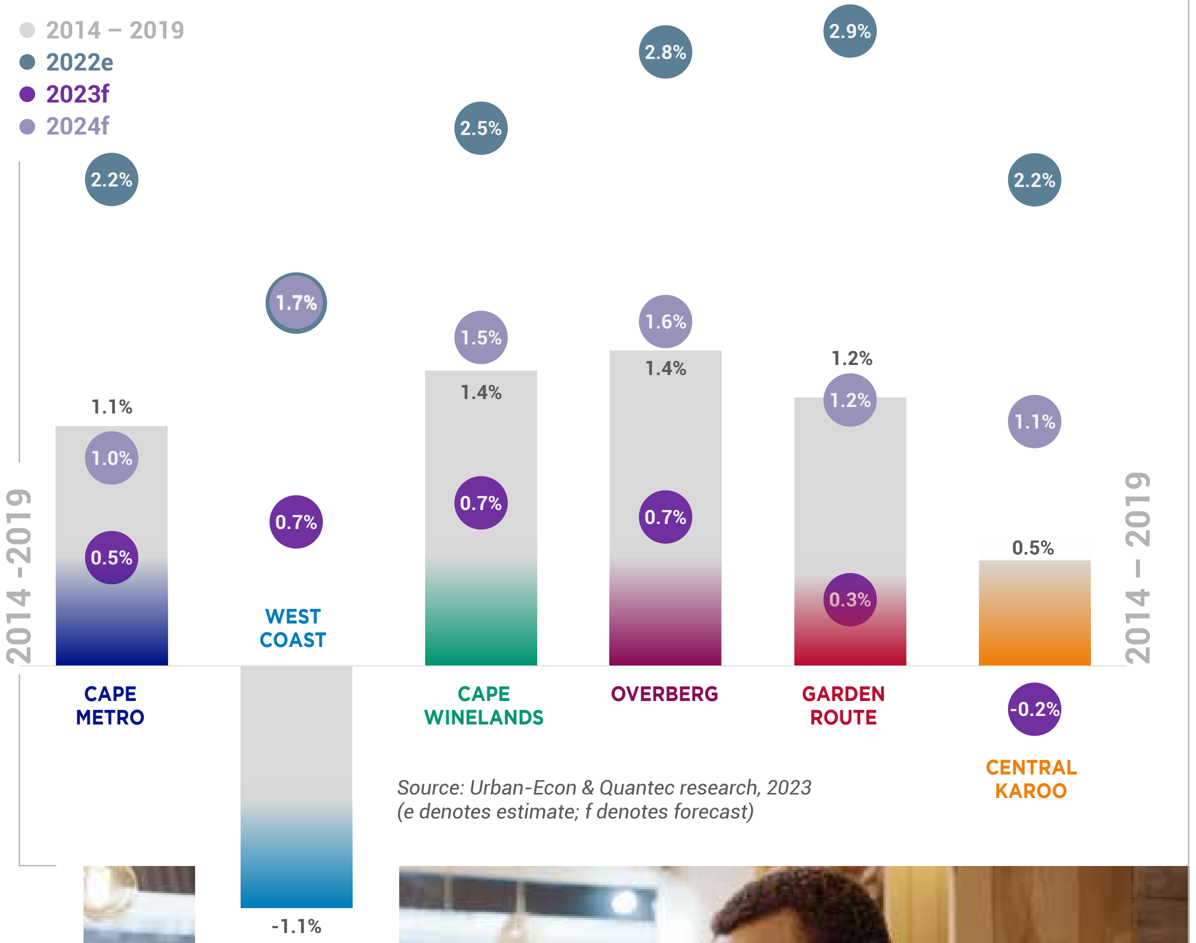
Source: Quantec Research, 2022 (e denotes estimate)

	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 GDPR will slow across the districts in 2023, with growth in the CKD expected to contract by 0.2 per cent. GDPR 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 GDPR gains can translate into improved living standards. The outlook for 2024, however, remains above the five-year average GDPR growth recorded before the COVID-19 pandemic for most regions.

Figure 3.7
REGIONAL GDPR FORECAST, 2023 – 2024



Source: Urban-Econ & Quantec research, 2023
(e denotes estimate; f denotes forecast)

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 GDPR 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 GDPR 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.

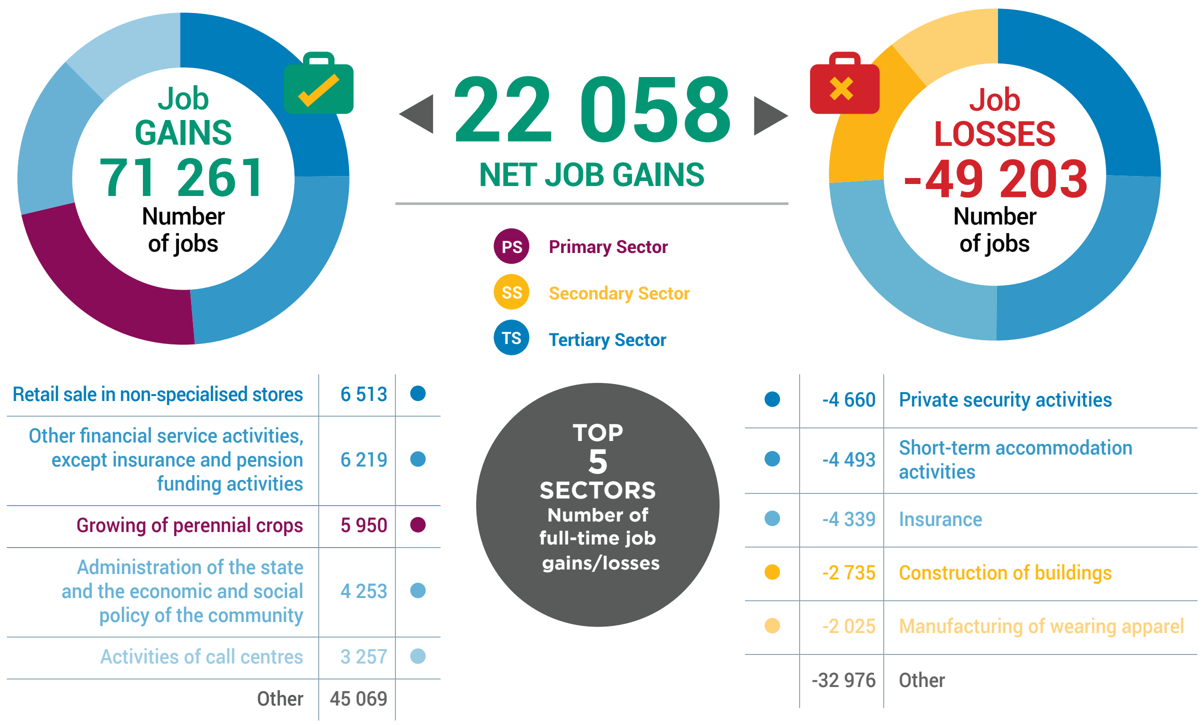
GDPR

Figure 3.8
SECTORAL CONTRIBUTIONS TO REGIONAL GDP GROWTH, 2022e

	CAPE METRO	WEST COAST	CAPE WINELANDS	OVERBERG	GARDEN ROUTE	CENTRAL KAROO	WESTERN CAPE
Total	2.2%	1.7%	2.5%	2.8%	2.9%	2.2%	2.3%
Agriculture, forestry & fishing	0.0%	-0.2%	-0.3%	-0.3%	-0.1%	-0.4%	-0.1%
Mining & quarrying	0.0%	-0.1%	0.0%	0.0%	0.0%	0.0%	0.0%
Manufacturing	-0.1%	0.2%	-0.3%	0.2%	0.1%	0.0%	-0.1%
Electricity, gas & water	-0.1%	-0.1%	0.0%	0.0%	-0.1%	-0.1%	-0.1%
Construction	-0.2%	-0.2%	-0.2%	-0.2%	-0.3%	-0.3%	-0.2%
Wholesale & retail trade, catering & accommodation	0.4%	0.4%	0.7%	0.7%	0.7%	0.6%	0.4%
Transport, storage & communication	0.8%	0.5%	0.8%	1.0%	0.9%	1.0%	0.8%
Finance, insurance, real estate & business services	1.0%	0.6%	1.3%	1.2%	1.5%	0.4%	1.1%
General government	0.0%	0.0%	0.0%	0.0%	-0.1%	0.2%	0.0%
Community, social & personal services	0.4%	0.4%	0.4%	0.4%	0.3%	0.7%	0.4%

Source: Quantec research, 2023 (e denotes estimate)

Figure 3.9
TOP FIVE SECTORS FOR FORMAL EMPLOYMENT[14] 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 EMPLOYMENT[15]

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.

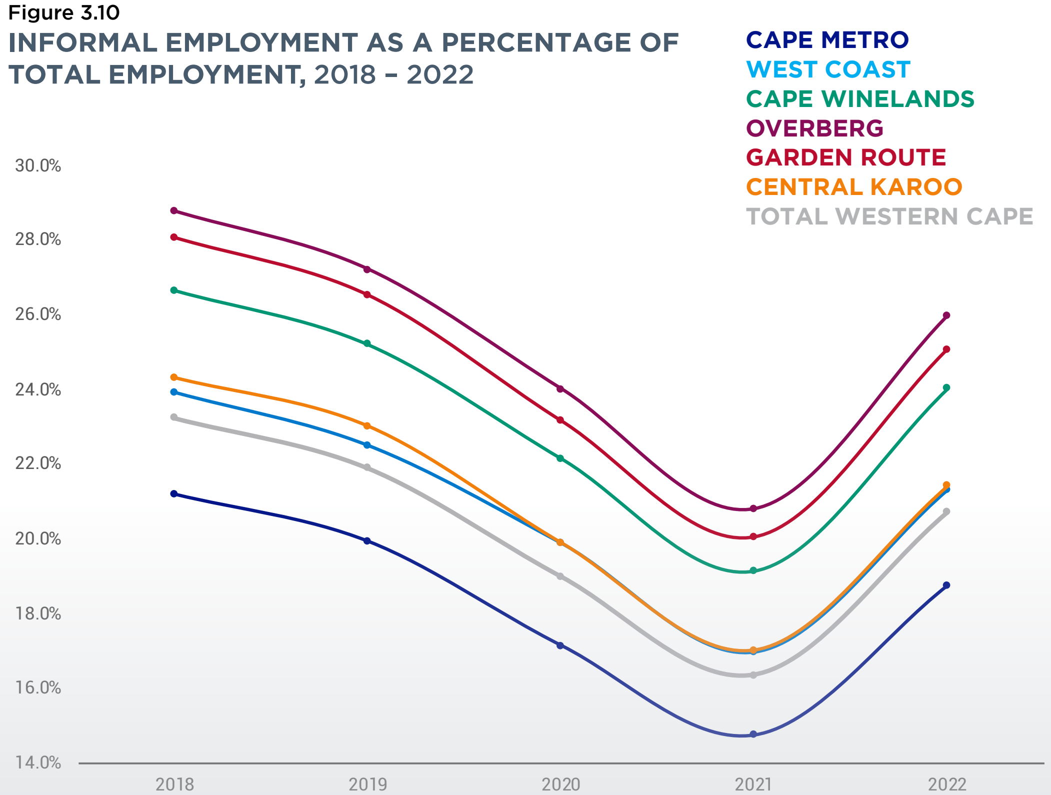
Typically, the informal economy creates jobs during economic downturns as those departing formal employment find jobs in the informal sector or become self-employed. However, the sector has not taken on this role in South Africa post-COVID, indicating that the informal economy is recovering from the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

JOBS

	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.

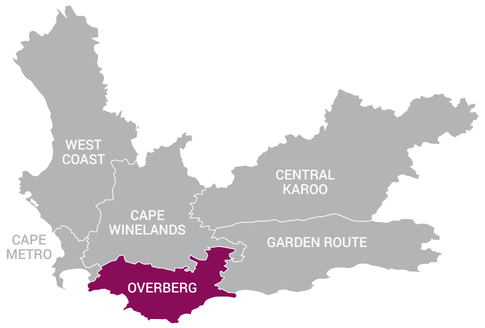
South Africa's economic journey is being influenced by these global dynamics, as the country is grappling with inflation, unemployment and energy security concerns. The economic evolution of the Western Cape is marked by a strategic shift towards a service-oriented economy prompted by the expansion of 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.

OD

OVERBERG DISTRICT

12 240.8km²

9.5% | OF WESTERN CAPE



2022 OD OVERBERG DISTRICT

AREA **12 240.8km²** | AREA **9.5%** OF WESTERN CAPE | DENSITY **25.2/km²** | SEAT **Bredasdorp**

MUNICIPALITIES
THEEWATERSKLOOF, OVERSTRAND, CAPE AGULHAS, SWELLENDAM

POPULATION 359 446

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

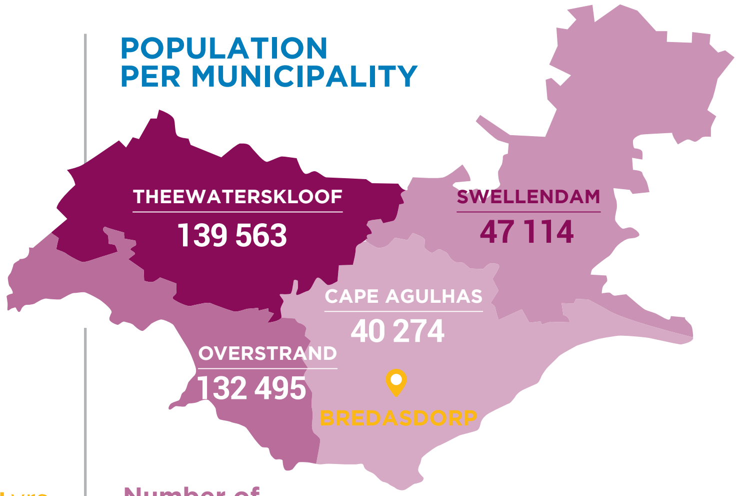
AGE SPLIT

0-14yrs	15-64yrs	65+yrs
25.1%	67.7%	7.2%

ESTIMATED **POPULATION GROWTH**

2022	2023f	2024f	2025f	2026f
1.6%	1.7%	1.7%	1.8%	1.7%

POPULATION PER MUNICIPALITY



Number of
HOUSEHOLDS 91 797

R6 400 Average **median income**

19 387 Indigent households

ACCESS TO SERVICES

- **99.3%** Access to **water** (piped or tap)
- **94.7%** Access to **electricity**
- **94.1%** Access to **solid waste removal**
- **97.7%** Access to **improved sanitation**

TOURISM

VISITORS

OVERSEAS	DOMESTIC	OVERNIGHT	DAY VISITORS
21.5%	78.5%	61.3%	38.7%

ACTIVITIES — Top activities

Cuisine	Craft/food markets	Scenic drives
17.2%	10.8%	10.4%

2021

GDPR R25.5 BILLION

3.3% CONTRIBUTION TO WESTERN CAPE

JOBS 115 043 EMPLOYED

5.0% CONTRIBUTION TO WESTERN CAPE

GDPR FORECAST

2022e	2023f	2024f
2.8%	0.7%	1.6%

8 999 Estimated 2022e **JOB GAINS**

R83 898 GDPR PER CAPITA (2021 current prices)

14.9% Estimated 2022e **UNEMPLOYMENT RATE**

INTERNATIONAL TRADE 2022

IMPORTS **R1.6 BILLION**

EXPORTS **R4.3 BILLION**

Top 3 exported products: Apples, pears & quinces; Fruit & vegetable juices; Rapeseed or colza seeds

Top 3 export destinations: United Kingdom; Germany; Netherlands

SECTORAL CONTRIBUTION

2021

Sector	GDPR	JOBS
PRIMARY SECTOR	10.5%	21.4%
Agriculture	10.4%	21.4%
Mining	0.1%	0.0%
SECONDARY SECTOR	21.2%	14.2%
Manufacturing	14.1%	7.8%
Electricity	2.1%	0.3%
Construction	5.0%	6.1%
TERTIARY SECTOR	68.4%	64.4%
Trade	17.6%	21.7%
Transport	7.7%	3.6%
Finance	25.0%	17.1%
Government	8.3%	4.9%
Personal Services	9.7%	17.1%

See reference list for sources

SECTION B

ECONOMIC GROWTH AND JOBS

1. INTRODUCTION

The OD is defined by sweeping farmlands and a coastline renowned for the southernmost tip of the African continent. Nestled between the Cape Metro, the CWD and the GRD, the OD has an expanse of 12 240.8km² (constituting 9.5 per cent of the Western Cape). This District is divided into four local municipal areas. From the apple and pear orchards of Theewaterskloof and the coastal allure of the Overstrand, to the canola and wheat fields of Cape Agulhas and Swellendam, the attractions here are as diverse as they are captivating, allowing for a wide range of economic opportunities.

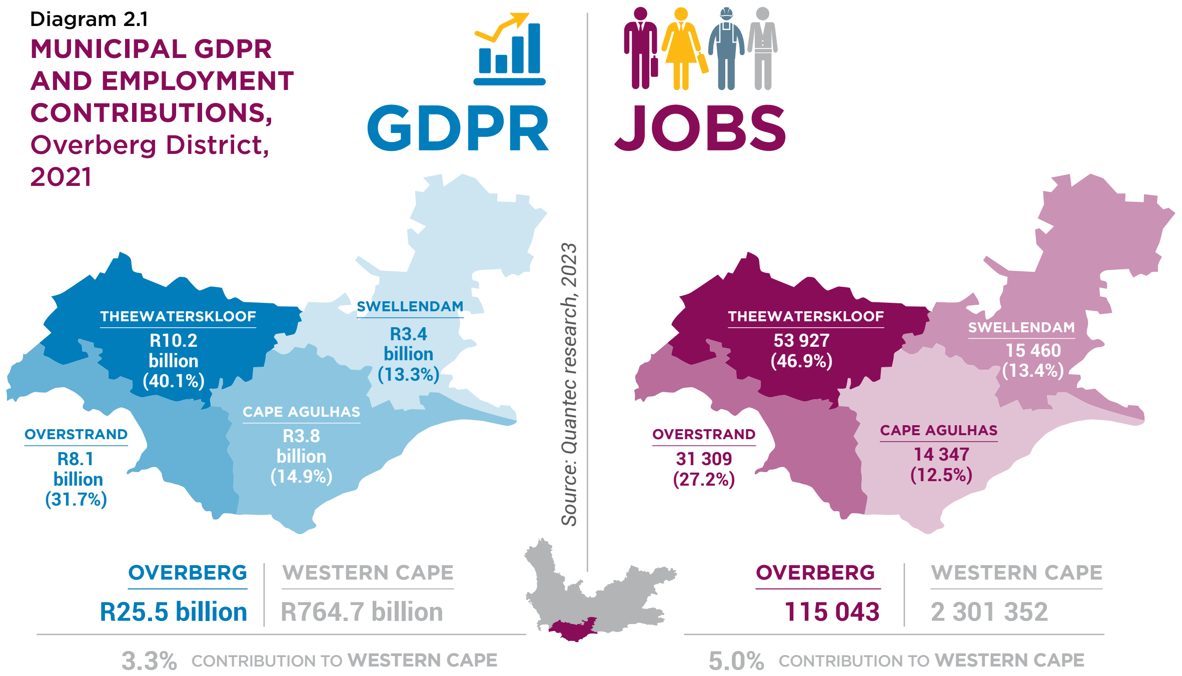
Bredasdorp is the administrative hub of the OD. Complementing this pivotal hub are the other smaller but bustling towns of the OD. Grabouw is celebrated for its orchards and expansive vineyards, Caledon offers mineral-rich hot springs, while Hermanus has become known as the capital of whale watching in South Africa, beckoning local and foreign tourists alike.

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.

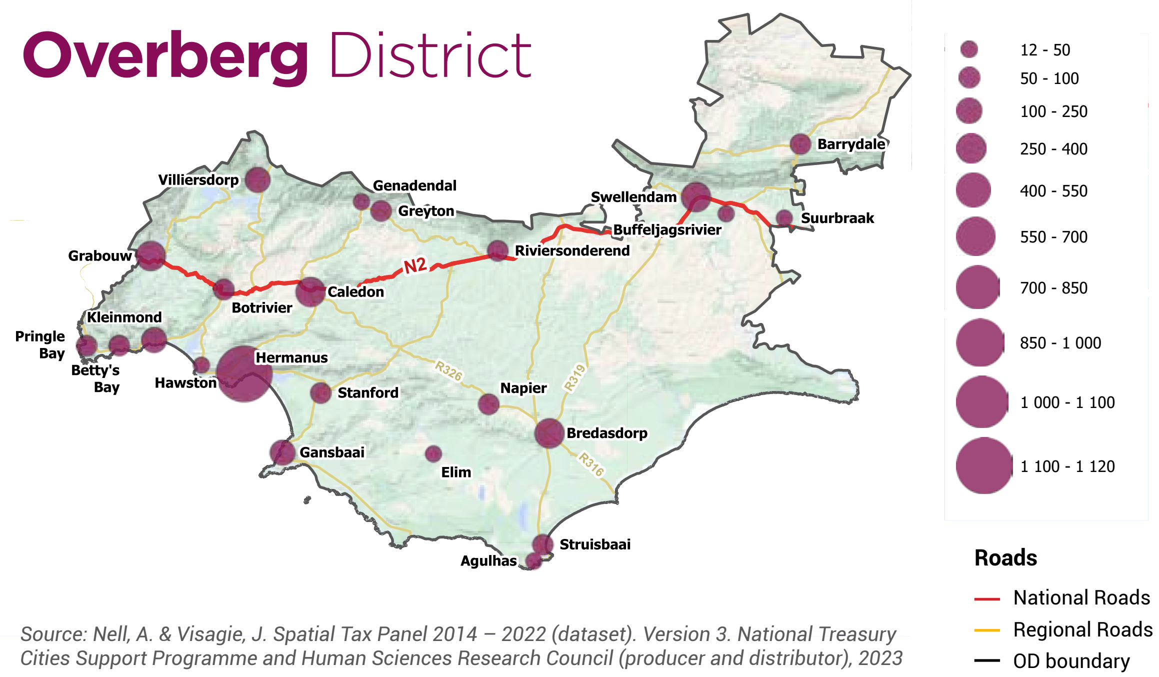
2. REGIONAL GDPR AND EMPLOYMENT PERFORMANCE

2.1 Trends and GDPR forecast

Diagram 2.1
MUNICIPAL GDPR AND EMPLOYMENT CONTRIBUTIONS, Overberg District, 2021

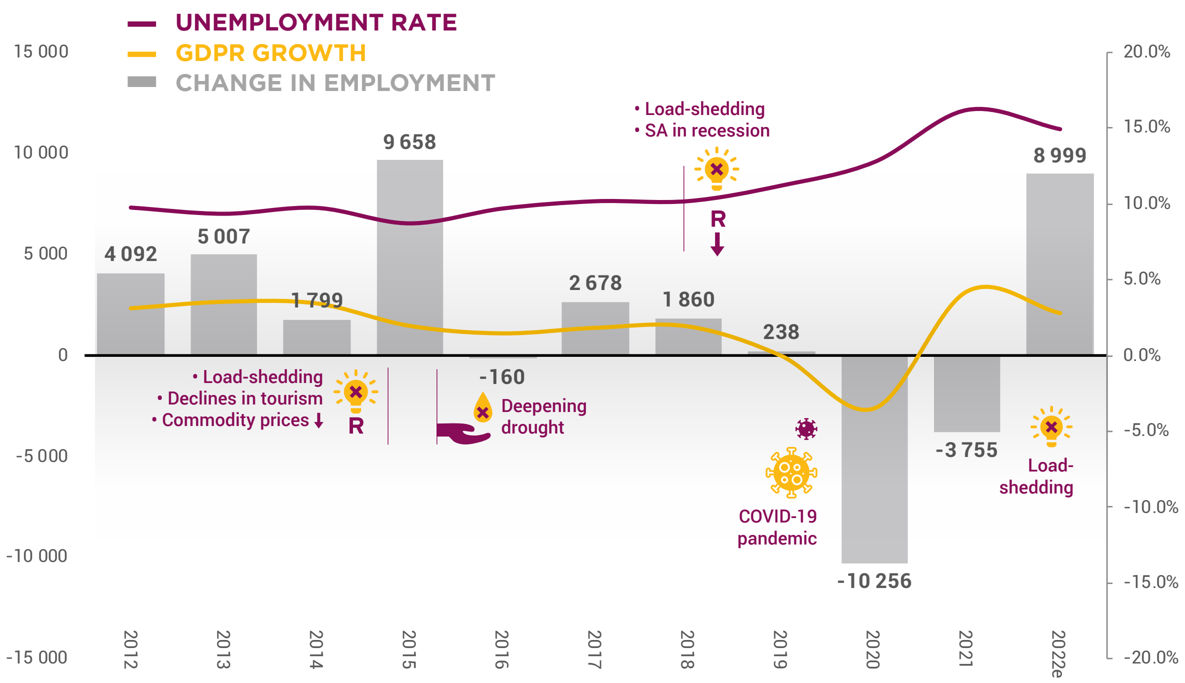


Map 2.1
NUMBER OF BUSINESSES PER TOWN, 2022



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 2.1
GDPR, EMPLOYMENT GROWTH AND UNEMPLOYMENT RATE, Overberg District, 2012 – 2022e



	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022e
Change in employment	4 092	5 007	1 799	9 658	-160	2 678	1 860	238	-10 256	-3 755	8 999
GDPR growth	3.1%	3.6%	3.5%	2.0%	1.5%	1.8%	1.9%	0.0%	-3.5%	4.3%	2.8%
Unemployment rate	9.8%	9.4%	9.8%	8.8%	9.7%	10.2%	10.2%	11.2%	12.8%	16.2%	14.9%

Source: Quantec research, 2023 (e denotes estimate)

With a GDPR of R25.5 billion in 2021, estimated to have increased to R27.5 billion in 2022, the economy of the OD has successfully rebounded to pre-pandemic levels. The GDPR growth rate stood at an estimated 2.8 per cent in 2022, a sign of normalisation after the steep decline of 3.5 per cent in 2020 and the impressive expansion of 4.3 per cent in 2021.

Furthermore, there was an increase in the number of individuals returning to the OD job market, reflected in the 2.9 percentage point increase in the labour force participation rate recorded in 2022. The economy absorbed some work seekers, as seen by the 3.3 percentage point increase in the labour absorption rate. Continuing this positive trend, 8 999 jobs were created in 2022, resulting in a 1.3 percentage point decline in the unemployment rate.

However, jobs have not fully recovered to pre-pandemic levels, remaining at similar levels to those registered in 2015. The sectors that shed the most jobs between 2020 and 2021 included the trade, agriculture and personal services sectors. The agriculture sector continually shed jobs between 2016 and 2021 despite benefiting from high commodity prices in 2020 and 2021.

Diagram 2.2
LABOUR PROFILE, Overberg District, 2021 – 2022e

Labour force participation rate is the proportion of the working-age population that is either employed or unemployed.

Employment-to-population ratio (labour absorption rate) is the proportion of the working-age population that is employed.

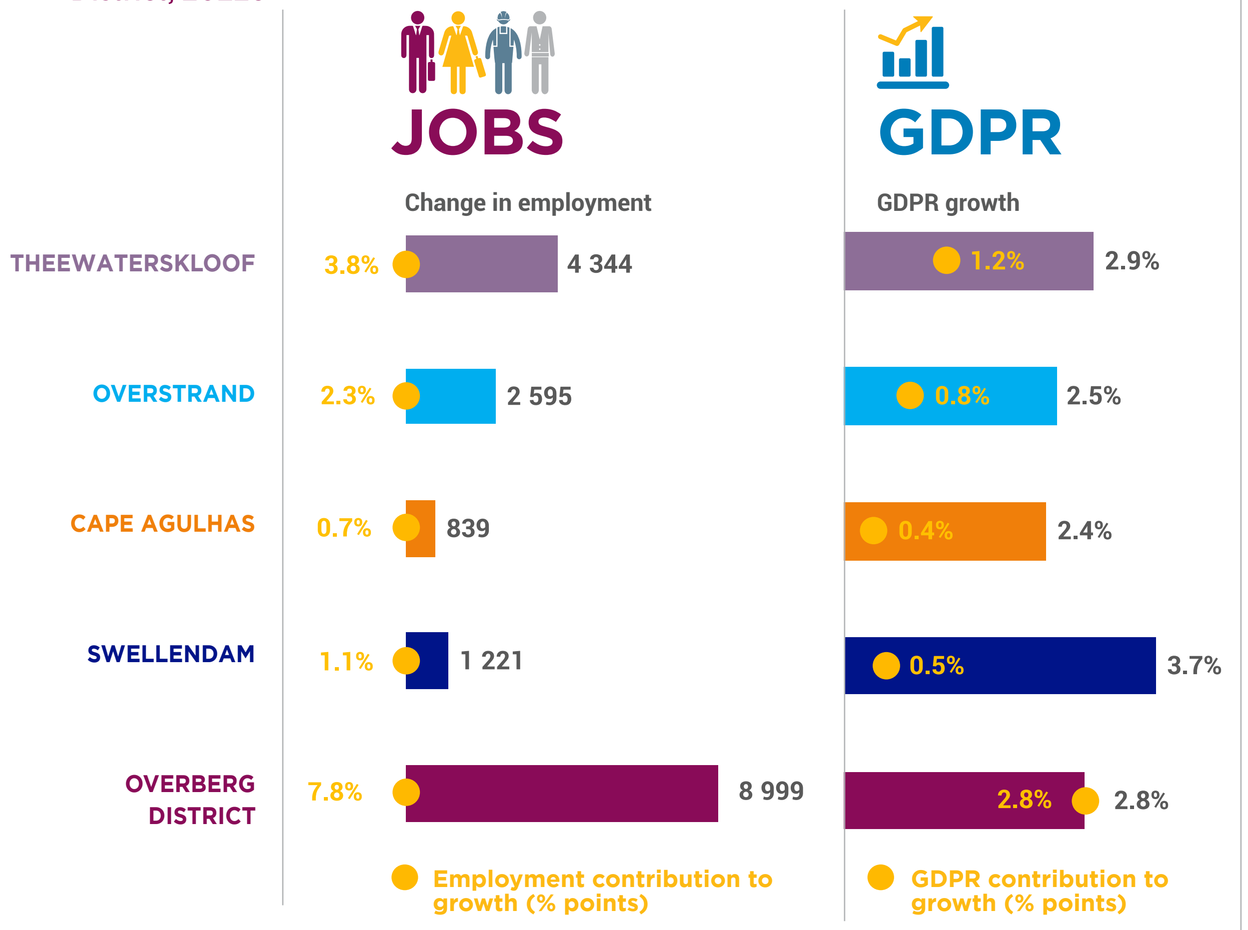
Not economically active refers to persons aged 15 to 64 years who were neither employed nor unemployed in the reference week.

	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
Overberg District	67.2%	70.1%	56.3%	59.6%	32.8%	29.9%
Western Cape	63.1%	64.9%	47.3%	49.0%	36.9%	35.1%

Source: Quantec research, 2023 (e denotes estimate)

Figure 2.2

MUNICIPAL CONTRIBUTIONS TO GDPR AND EMPLOYMENT GROWTH, Overberg District, 2022e



Source: Quantec research, 2023 (e denotes estimate)

As the most urbanised municipal areas in the OD, Theewaterskloof and Overstrand play a pivotal role in driving the GDPR performance of the District, contributing an estimated 1.2 percentage points and 0.8 of a percentage point, respectively, to overall GDPR growth in 2022. The more rural Swellendam municipal area contributed 0.5 of a percentage point to GDPR growth. Despite having a larger economy than the Swellendam municipal area, Cape Agulhas contributed the least to the overall performance (0.4 of a percentage point).

Because of the extensive range of farming activities in the District, the agriculture and trade sectors contribute significantly to employment in the OD. However, the finance sector, with a contribution of R6.4 billion (25.0 per cent) in 2021, dominates the economy in terms of GDPR and was the leading source of economic growth in 2022.

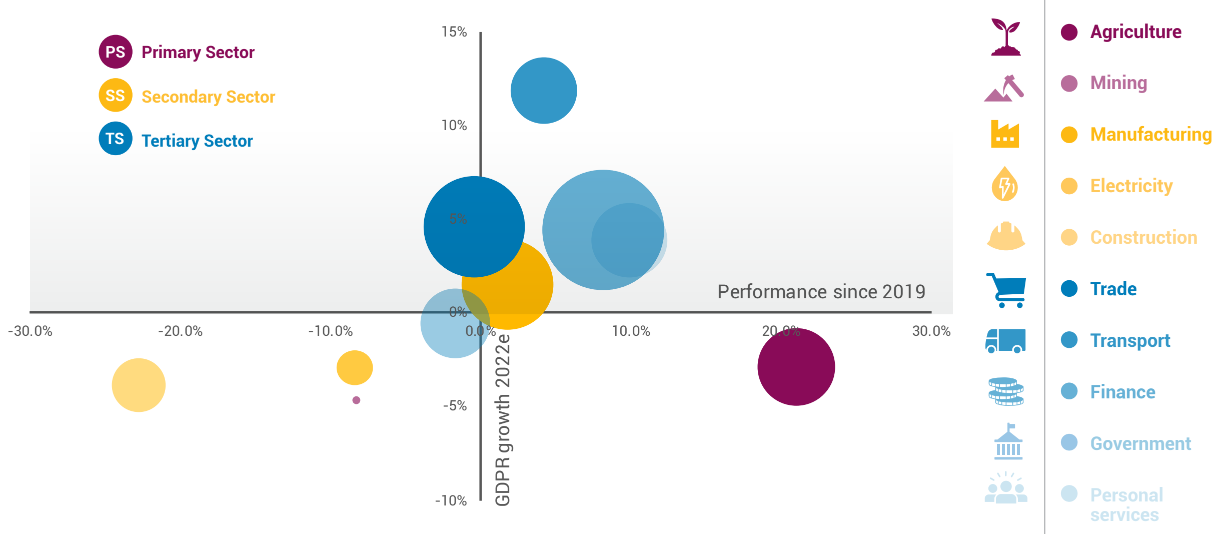
Within the finance sector of the OD, professional business services add the most value. Local industry leaders include Acorn Agri & Food[1] and Bernhardt Konsultante. Other professional services such as accounting and bookkeeping, and activities relating to the law, real estate and marketing also contribute to the finance sector's performance. Enterprises specialising in these services are largely concentrated in Hermanus and Caledon and, to a lesser extent, in Grabouw, Bredasdorp and Swellendam. These services ensure an efficient and effective business environment.

[1] *Acorn Agri & Food invests in agricultural production, agricultural inputs and services, energy and logistics, and food processing (AAF, 2022). The head office is located in Somerset West, but the company has its origins in the OD, and its footprint in the OD remains.*

Following the finance sector in terms of GDPR contribution are the trade and manufacturing sectors, which contributed R4.5 billion (17.6 per cent) and R3.6 billion (14.1 per cent), respectively, in 2021. Despite growing at an estimated 4.6 per cent in 2022, the trade sector has yet to recover fully from the 12.4 per cent slump recorded in 2020. Rising inflation and fuel prices have dampened consumer spending, significantly affecting the GDPR contributions from the retail and domestic tourist industries. The impact of reduced household purchasing power can be seen in formal job losses within the short-term accommodation sector, for instance, which shed 291 posts in 2022. Restaurant and mobile food service activities shed 159 jobs in the same year.

Figure 2.3

GDPR PERFORMANCE PER SECTOR, Overberg District, 2022e



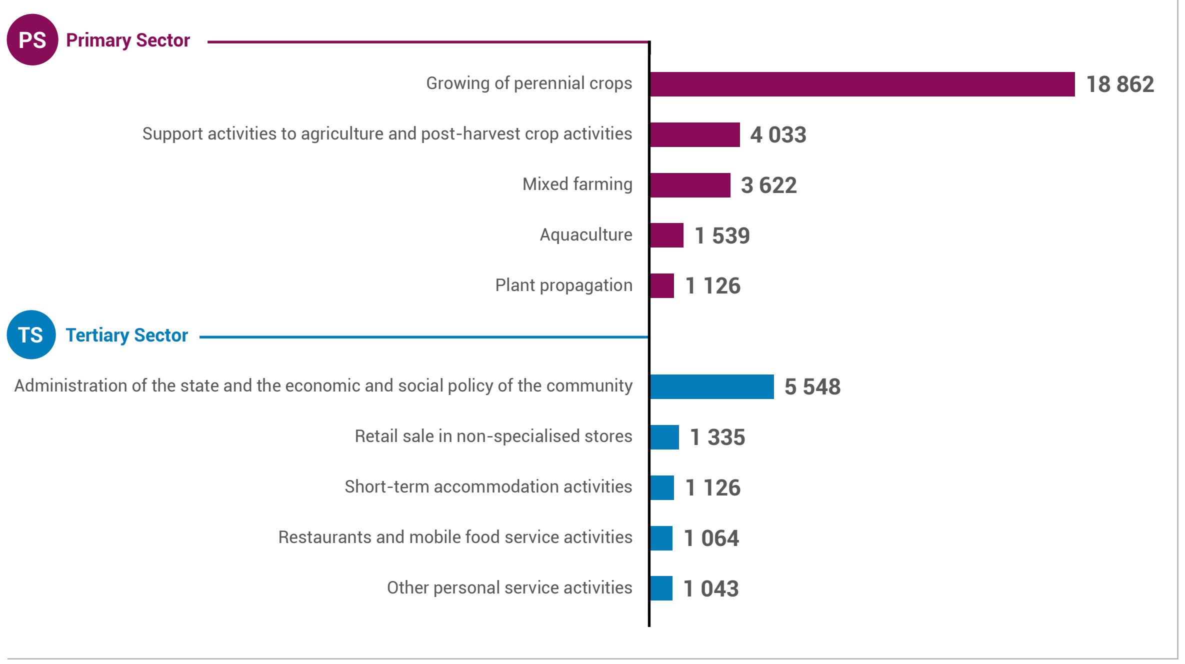
Source: Quantec research, 2023 (e denotes estimate)

Except for the electricity, gas and water, construction and mining sectors, most sectors of the OD economy have rebounded from the severe downturn recorded in 2020. The GDPR of the construction sector has been on a downward trend since 2017, and the fact that projects came to a standstill in 2020 was a severe blow to the industry. The sector's GDPR declined by a further 3.8 per cent and the sector shed 74 formal jobs in 2022, primarily because of sharp increases in input prices fuelled by the weak performance of the South African economy. Furthermore, the high interest rate affected investments in new buildings and other construction works. International factors such as the Ukraine-Russia conflict further constrained the sector by putting pressure on steel prices.

However, informal jobs in the sector are steadily increasing. Planned public sector investment in the OD is essential for reviving this sector. Under the 2023/24 Medium Term Expenditure Framework (MTEF), R1.8 billion has been allocated across various programmes for infrastructure development between 2023 and 2026, setting the stage for construction activities to regain traction in the District. The benefits of such investments into the local economy can be enhanced if local suppliers are utilised for construction works.

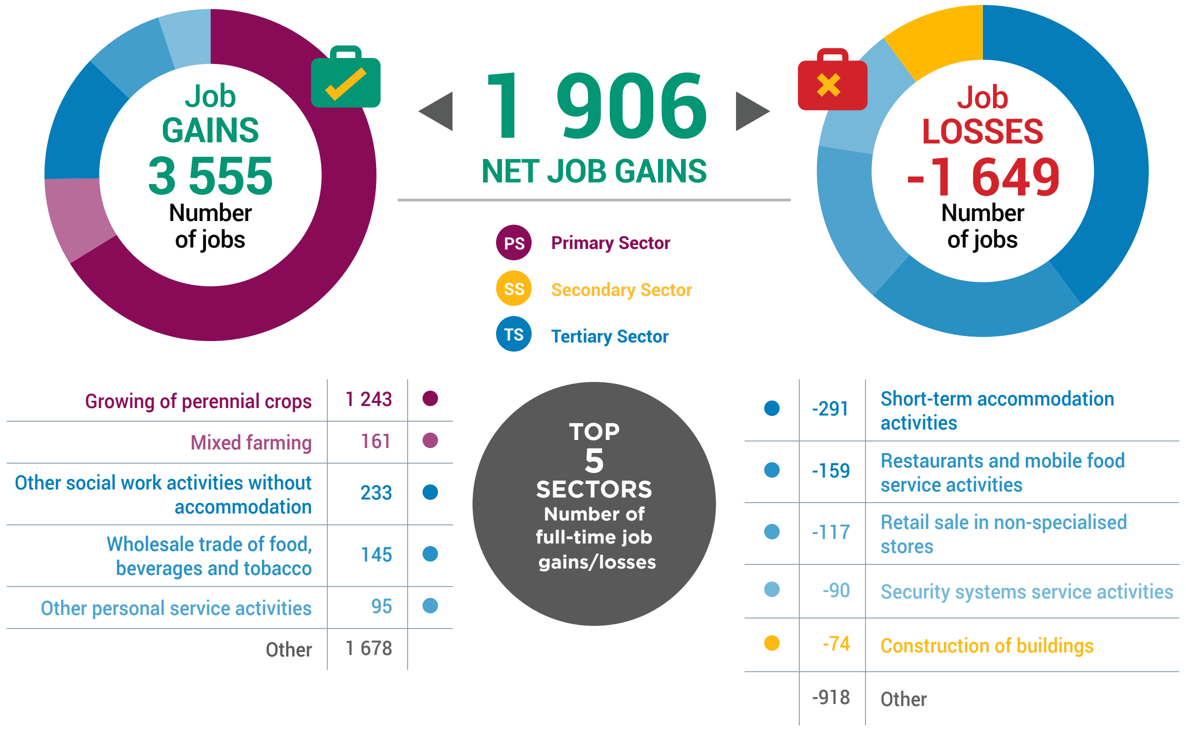
JOBS

Figure 2.4
TOP 10 SECTORS BY NUMBER OF FTE JOBS, Overberg 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 2.5
TOP 5 SECTORS FOR FORMAL JOB GAINS AND JOB LOSSES, Overberg 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

Informal employment contributed substantially to the positive labour market outcomes of the OD in 2022, accounting for 26.0 per cent of overall employment in this year. Most new employment in the District stemmed from informal job creation in the agriculture and trade sectors, highlighting the critical role of informal employment in providing job opportunities in the OD.

Cultivating perennial crops, including fruit, nuts and citrus, was the leading source of job creation in the formal sector of the OD. Moreover, this area of crop production is also the leading source of exports from the region, with the top exported products in 2022 being apples, pears and quinces to the value of R817.5 million. The increase in jobs pertaining to farming activities other than pome fruit signals agricultural diversification. While pome fruit production has to date employed the largest workforce, the subsector is currently shedding jobs. Growth of the agriculture sector holds substantial potential for job creation in the OD and for promoting local trade opportunities. It would also expand the agricultural value chain and boost local agro-processing.

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

SECTOR	Trend					
	2015 – 2019	2020	2021	2022e	2023f	2024f
Primary Sector	**-2.1%**	**18.7%**	**5.1%**	**-2.9%**	**-3.7%**	**-1.7%**
Agriculture, forestry & fishing	-2.1%	18.9%	5.1%	-2.9%	-3.8%	-1.7%
Mining & quarrying	1.3%	-7.7%	4.1%	-4.7%	4.6%	-0.4%
Secondary Sector	**1.1%**	**-11.2%**	**5.5%**	**-0.3%**	**0.6%**	**0.8%**
Manufacturing	2.9%	-8.5%	8.8%	1.5%	2.0%	0.6%
Electricity, gas & water	-2.1%	-7.8%	2.4%	-3.0%	0.3%	0.0%
Construction	-1.4%	-17.7%	-1.2%	-3.8%	-3.1%	1.7%
Tertiary Sector	**2.2%**	**-4.1%**	**3.8%**	**4.7%**	**1.0%**	**2.2%**
Wholesale & retail trade, catering & accommodation	1.5%	-12.4%	7.4%	4.6%	0.3%	1.7%
Transport, storage & communication	2.5%	-10.5%	2.8%	11.9%	-0.4%	3.1%
Finance, insurance, real estate & business services	3.1%	1.2%	2.5%	4.4%	3.5%	2.9%
General government	1.1%	1.4%	-2.5%	-0.5%	-2.8%	0.0%
Community, social & personal services	1.4%	-2.2%	8.2%	3.9%	-0.7%	1.9%
Total Overberg District	**1.4%**	**-3.5%**	**4.3%**	**2.8%**	**0.7%**	**1.6%**

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

In contrast to the rates observed in 2021 and 2022, GDPR growth in the OD is anticipated to be moderate in 2023, primarily because of further contraction of the agriculture sector. Commodity prices are projected to continue falling from the peak in 2020, although prospects for citrus production remain positive. Logistical hurdles, load-shedding, elevated interest rates and export regulations are among the factors putting producer profitability at risk. A decrease in pear exports is also foreseen for 2023, as hail damage to orchards in the Grabouw region has impacted fruit quality.[2] Those in the mining sector exporting goods such as semi-precious stones can expect improved export market conditions, as well as increased local prices. The aggregate and sand mining industries are also expected to benefit from increased construction activities. However, given the size of the mining industry in the OD, the impact of the forecast 4.6 per cent growth in 2023 will be insignificant.

The constrained national economic environment will affect several local sectors in 2023, with contractions expected in the construction, transport, general government and personal services sectors, among others. Encouragingly, GDPR is expected to grow by 1.6 per cent in 2024, a slight increase on the average rate recorded between 2015 and 2019 (1.4 per cent), and many sectors of the District's economy appear poised for expansion.

[2] (BFAP, 2023).

2.2 Comparative advantage

The sectoral comparative advantages of the OD 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. This is the case for the agriculture, construction and trade sectors in the OD.

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

	GDPR	JOBS
Primary Sector	**1.37**	**2.05**
Agriculture, forestry & fishing	3.61	3.00
Mining & quarrying	0.01	0.01
Secondary Sector	**1.09**	**0.94**
Manufacturing	1.01	0.84
Electricity, gas & water	0.65	0.65
Construction	1.88	1.13
Tertiary Sector	**0.93**	**0.87**
Wholesale & retail trade, catering & accommodation	1.25	1.03
Transport, storage & communication	1.02	0.89
Finance, insurance, real estate & business services	1.01	0.93
General government	0.90	0.69
Community, social & personal services	0.55	0.72

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 the 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

Overberg District

PS Primary Sector · SS Secondary Sector · TS Tertiary Sector

EMERGING SECTORS

Low and medium comparative advantage, but growing

- SS Manufacturing
- TS Transport, storage & communication
- TS Finance, insurance, real estate & business services

Emerging sectors have a location quotient of less than one, but the location quotient is increasing over time. While the comparative advantage of such sectors is low, targeted interventions can be used to help them improve their comparative advantage.

MATURE SECTORS

High comparative advantage and growing

- TS Wholesale & retail trade

Mature sectors have a location quotient of more than 1. The quotient is increasing over time, indicating that the local comparative advantage of these sectors is growing relative to the advantage they have elsewhere in the country. Such sectors should be the focus of development initiatives.

TROUBLED SECTORS

Low and medium comparative advantage, but declining

- PS Mining & quarrying
- SS Electricity, gas & water
- TS General government
- TS Community, social & personal services

Troubled sectors have a location quotient of less than one that is diminishing over time. There is little possibility that these sectors will enable large-scale economic growth and job creation.

MATURE SECTORS THAT ARE LOSING GROUND

High comparative advantage, but declining

- PS Agriculture, forestry & fishing
- SS Construction

Mature sectors that are losing ground have a location quotient of more than one; however, their comparative advantage is diminishing. These sectors are at risk and therefore need special investigation and intervention to help them retain their comparative advantage.

Source: Quantec research, 2023

The OD has a high comparative advantage in terms of employment in the trade sector. Furthermore, this sectoral advantage is growing, making trade essential in facilitating economic growth and job creation. The trade sector includes wholesale and retail trade activities as well as catering and accommodation services. It is often used as an indicator for the tourism industry. The OD has a comparative advantage in the sector's trade and tourism components. However, the comparative advantage of the District in the latter subsector is declining as it struggles to gather momentum in the wake of the 2020 losses. By contrast, the comparative advantage of wholesale and retail trade is growing. Wholesale giants such as Kromco contribute to the strength of this sector in the region.

The aggregated manufacturing sector has only a medium comparative advantage in terms of employment. However, a closer analysis of manufacturing subsectors reveals that the OD has a high comparative advantage in producing food, beverages, clothing, footwear, wood and wood products, glass and glass products, non-metallic mineral products, transport equipment, furniture and other fabricated metal products. In addition, the comparative advantage in these industries is growing. This indicates that the manufacturing sector in the OD is growing, which can attract new investment to the region. To build on these gains, industrial areas with adequate water and electricity supplies and a suitably qualified skills base are required.

Image: © TFG Limited

TFG Limited factory in Caledon looks after local community

When TFG Limited – the owner of popular brands such as Foschini, Jet, Markham, Sportscene and The Fix – sought to establish a new clothing factory in 2008, Caledon made for an ideal location: the town is situated close to Cape Town and offered a suitable labour pool. The lack of available land in Caledon presented something of an obstacle. However, working with the municipality, the company overcame this challenge and secured a site.

Substantial investment followed. In 2017, TFG Limited spent R53.0 million on expanding and revamping the Caledon operation, which is now equipped with the latest sewing machine technology. Furthermore, solar panels supply a third of the factory's energy needs, while rainwater harvesting reduces its carbon footprint. Crucially, the factory provides jobs. The company employed 652 workers in 2022,[3] and thanks to growing demand for its products, has been able to set a target of increasing employment to 1 500 by 2026.[4]

In addition, TFG Limited has established a training school that enables employees to acquire a national qualification in apparel manufacturing from the Department of Higher Education and Training.[5] The company's commitment to overcoming challenges and investing in Caledon transformed the town's economic landscape, created opportunities for hundreds of workers and fostered sustainable practices for a brighter future.

Specialising in pome and stone fruit and barley, wheat, canola and livestock production, the agricultural industry is the backbone of the OD. Abalone farming and commercial fishing activities along the coast add further value to the sector. The agricultural industry sustained the OD during 2020 and 2021, as most other sectors struggled to regain lost ground. Despite recent gains, the sector's comparative advantage in terms of employment has been declining. Since 2015, the sector has continually shed jobs, only recording an increase in employment in 2022 (2 202 jobs) because of improved production following favourable weather conditions. In Napier, Hermanus and Grabouw, the tree and bush fruit and nut industry created 794 formal jobs in 2022, highlighting both the diversification of local agriculture and the role of new subsectors in mitigating job losses seen in the production of more traditional crops. Grape cultivation, especially in the Greyton area, created 193 formal jobs. A growing wine industry in the area will also offer opportunities for expanding the existing agri-tourism and wine tourism industries, unlocking further job creation.

On a municipal level, the Overstrand recorded a substantial amount of completed construction projects in terms of value in 2022,[6] with only the Cape Metro and the Knysna and Mossel Bay municipal areas registering more projects of this nature. Public sector infrastructure spending and the construction of residential buildings is an important component of the local construction industry. In the OD, municipal capital expenditure has been low in recent years, however, improved infrastructure budgets under the 2023/24 Medium Term Revenue and Expenditure Framework (MTREF) will bolster the construction sector, especially in light of local contractors being part of the procurement process.

[3] *(TFG Limited, 2022).*
[4] *(TFG Limited, 2022).*
[5] *(TFG Limited, 2017).*
[6] *Based on Stats SA published building plans passed and completed (Stats SA, 2023).*

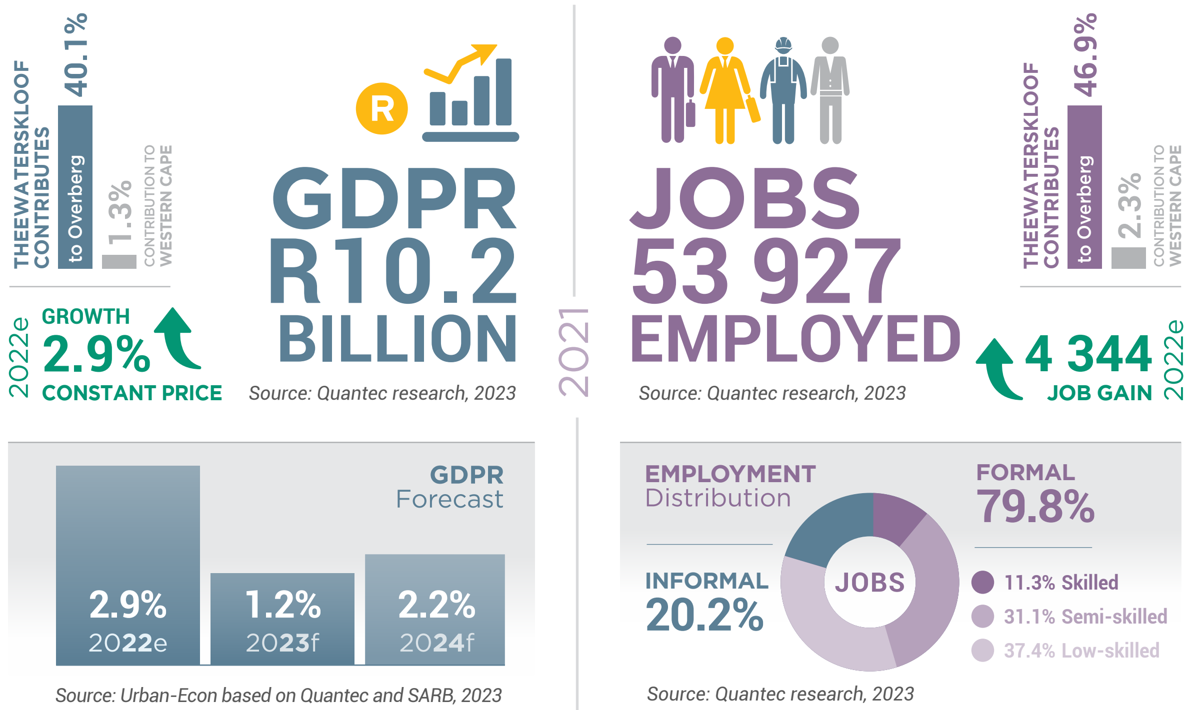
3. MUNICIPAL GDPR AND EMPLOYMENT PERFORMANCE

3.1 THEEWATERSKLOOF MUNICIPAL AREA

3 231.6km² | 26.4% of the Overberg

This scenic apple-producing region offers visitors attractions such as the Kogelberg Biosphere, Theewaterskloof Dam, majestic mountain ranges and diverse fynbos. Grabouw and Caledon serve as the main economic hubs, while Botrivier and Greyton are celebrated for their vineyards and wineries. Riviersonderend is a nucleus for local livestock, wheat and barley farmers, while Villiersdorp and Genadendal (the latter town has the country's oldest mission station) are a mix of historic charm and modern conveniences.

Diagram 3.1
GDPR (CURRENT PRICES) AND EMPLOYMENT, Theewaterskloof



EMPLOYMENT PROFILE

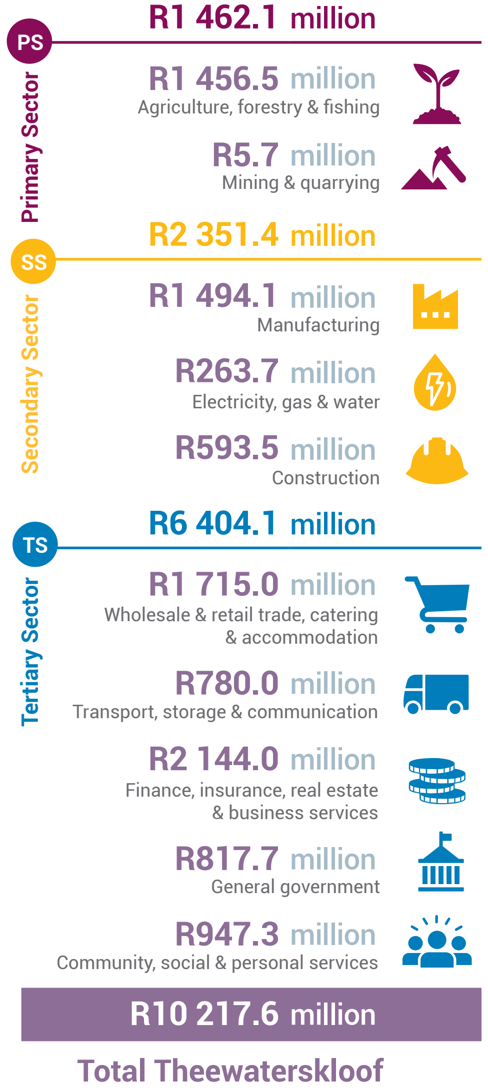
Unemployment rate		Labour force participation rate		Labour absorption rate (employment-to-population ratio)		Not economically active proportion of working-age population	
2021	2022e	2021	2022e	2021	2022e	2021	2022e
14.3%	13.1%	66.2%	69.1%	56.7%	60.0%	33.8%	30.9%

Source: Quantec research (e denotes estimate)

Map 3.1
NUMBER OF FTE JOBS PER TOWN AND MAIN SECTOR, Theewaterskloof, 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 3.1
GDPR DISTRIBUTION,
Theewaterskloof,
R million, 2021



Source: Quantec research, 2023

The Theewaterskloof economy is the leading economy of the OD, contributing 40.1 per cent of the District's GDPR (R10.2 billion) in 2021. The area also accounted for 46.9 per cent of employment in the OD in the same year (53 927 jobs), with most of these posts involving low-skilled (37.4 per cent) and semi-skilled (31.1 per cent) work. The agriculture sector absorbs a substantial number of the low-skilled workers. By contrast, semi-skilled workers are more prevalent in sectors such as finance and trade. Over the past decade, semi-skilled jobs have grown the most, highlighting the shift in skills needs from local industries in the wake of rapid urbanisation.

Estimates for 2022 show that GDPR in Theewaterskloof grew by 2.9 per cent, creating 4 344 formal and informal jobs. While this growth marked further progress in the journey to pre-COVID levels of economic performance, it was not sufficient to ensure that all jobs lost during the pandemic were regained. That said, the positive trends in labour force participation (up by 2.9 percentage points) and labour absorption (3.3 percentage points) point to a decrease in both the economically inactive population and the unemployment rate (which fell by 1.2 percentage points in 2022).

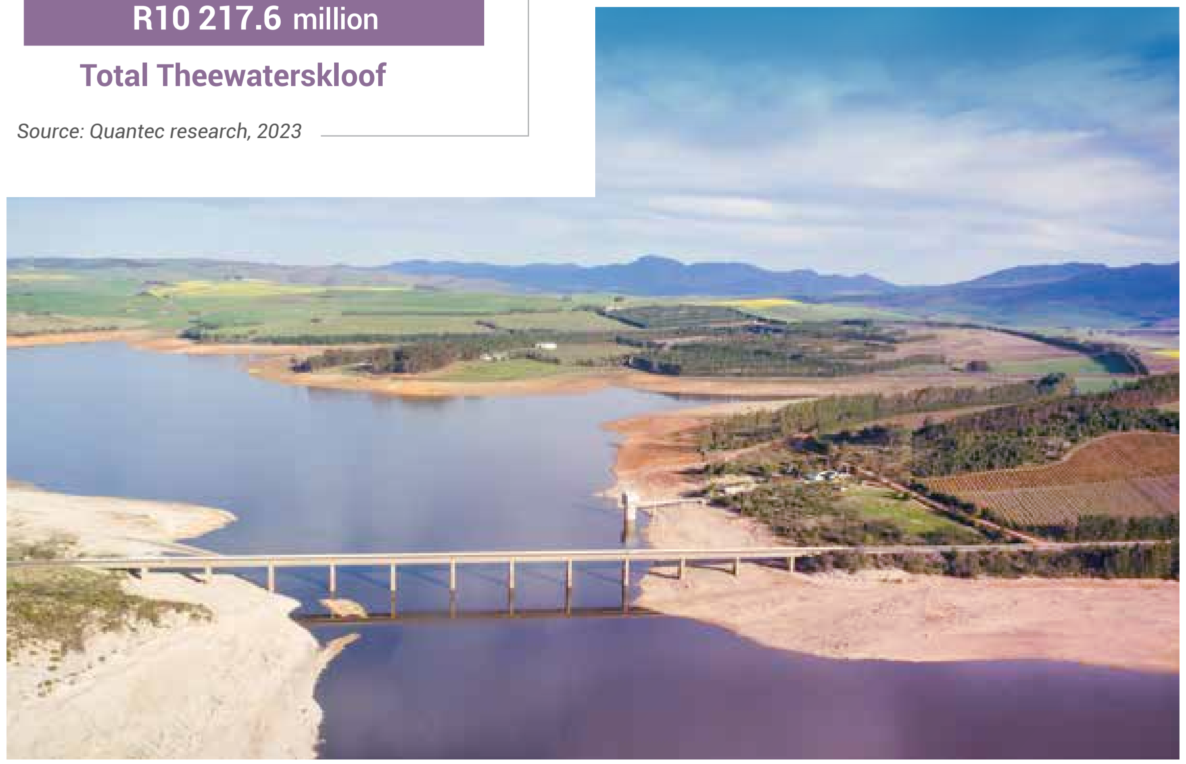
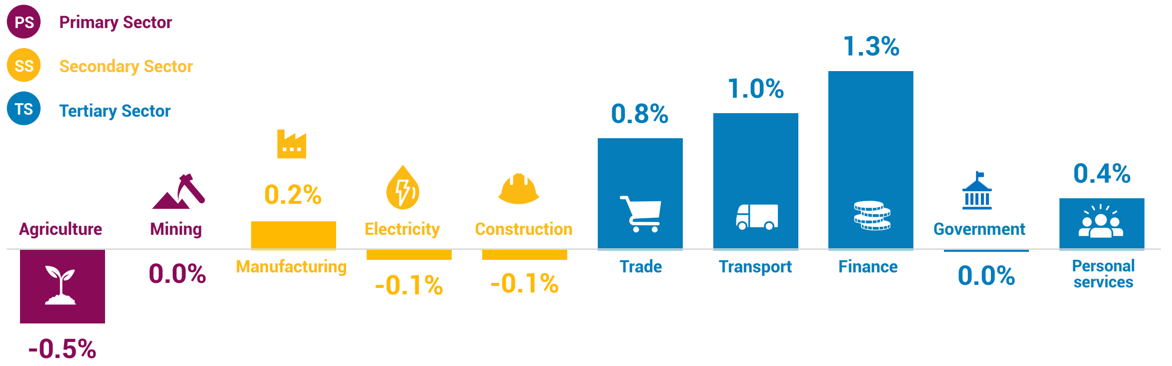


Figure 3.2
SECTORAL CONTRIBUTION TO GDPR GROWTH (PERCENTAGE POINTS),
Theewaterskloof, 2022e

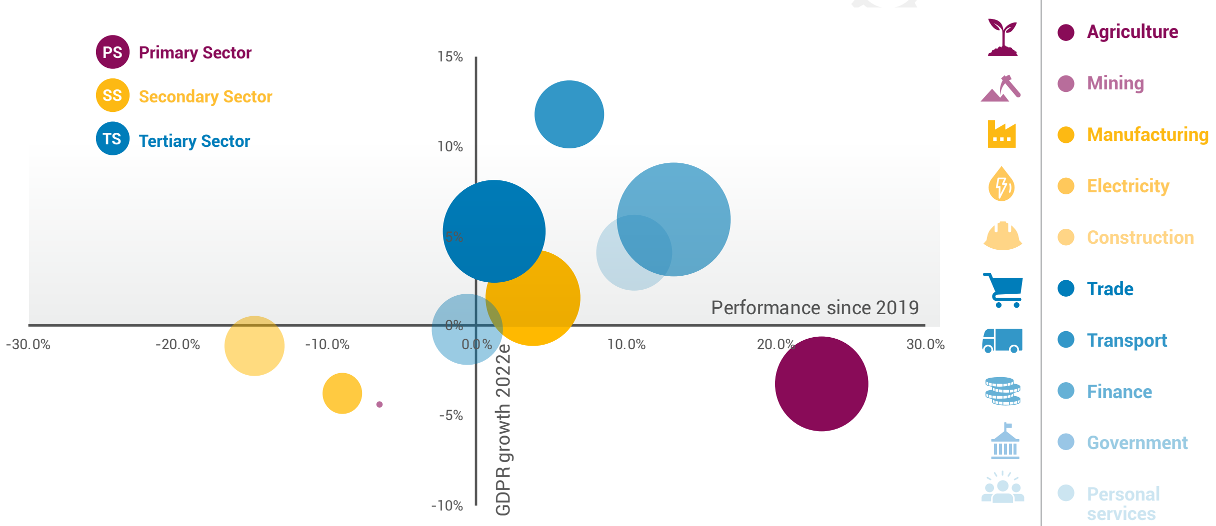


Source: Quantec research, 2023 (e denotes estimate)

By contributing R2.1 billion (21.0 per cent) to GDPR in 2021, the finance sector spearheaded the economic surge in 2022, accounting for 1.3 percentage points of the GDPR growth. Noteworthy entities in the finance sector, such as Overberg Wealth and Risk Management, a subsidiary of Acorn Agri & Food, provide insurance coverage to local farmers and transporters.

The transport sector followed with a contribution of 1.0 percentage point, trailed by the trade sector (0.8 of a percentage point). Kromco, a renowned wholesaler in Grabouw, offers one of the country's most extensive deciduous fruit-packing facilities, enabling global distribution of locally grown apples and pears. A rise in exports from the region substantially boosted the local transport industry.

Figure 3.3
GDPR PERFORMANCE PER SECTOR,
Theewaterskloof, 2019 – 2022



Source: Quantec research, 2023 (e denotes estimate)

While the 2022 GDPR performance of the manufacturing, trade, transport, finance, general government and personal services sectors signifies a full economic recovery post-2020, the mining, electricity, gas and water, and construction sectors remain in decline. Because of the challenges at Eskom, the continued decline in energy production dampened the performance of the electricity, gas and water sector in 2022 while also subduing the manufacturing sector's performance. The local construction sector benefited from a substantial increase in construction works, with the construction value increasing from R203.6 million to R445.0 million.[7] However, rising input costs negatively influenced the real performance of the industry. At the same time, formal construction jobs continued to decline. However, job growth is noted in the informal sector, signifying a resurgence in activity from smaller contractors. Rising input costs also dampened the performance of the agriculture sector in 2022. However, the sector remains operating at elevated levels after expanding by 21.7 per cent and 4.6 per cent in 2020 and 2021, respectively.

As the forth-largest sector in terms of GDPR, the agriculture sector (14.3 per cent in 2021) is the largest employer in the municipal area, particularly the perennial crop production subsector. The latter accounted for 13 401 formal positions in 2022, predominantly in pome fruit, citrus and grape cultivation. In Grabouw, Villiersdorp and Botrivier, pome and stone fruit farming constitutes the primary source of employment. Grape growing drives the job market in Greyton, which also

[7] (Theewaterskloof Municipality, 2023).

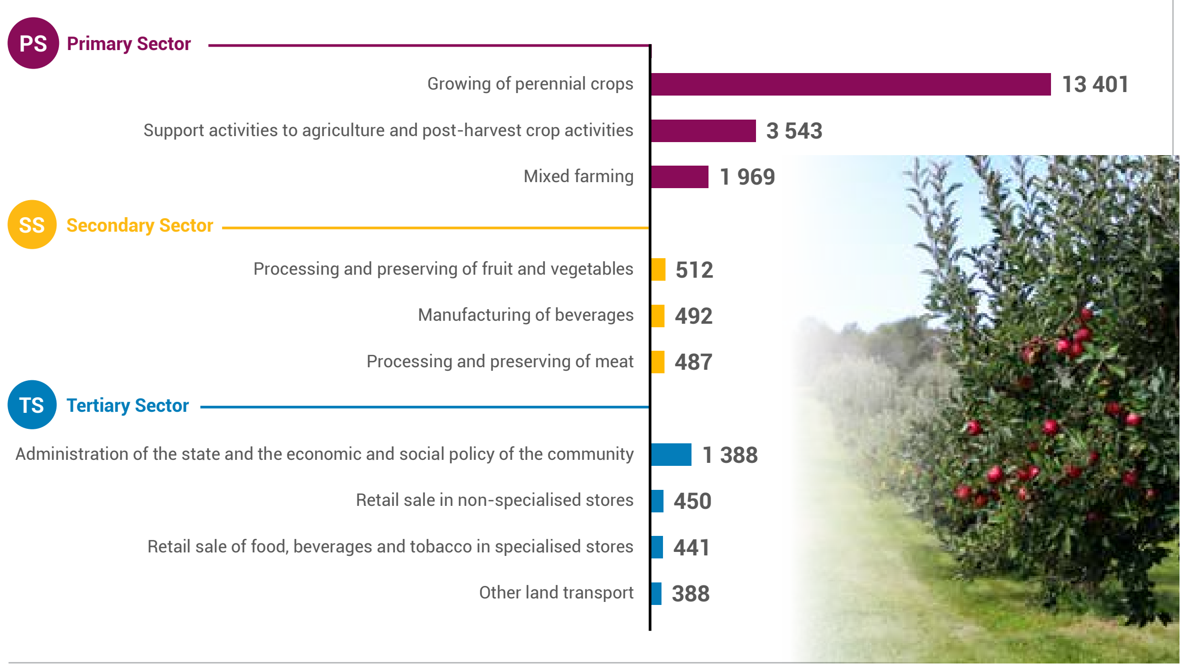
bolsters its small wine industry. Wine estates in Greyton include Delphin Wines, Lismore Estate Vineyards, Swallow Hill Wine Estate and Andy Mitchell Wines. Surrounded by fields of wheat, lucerne and canola that characterise Riviersonderend, mixed farming activities formed the base of employment during 2022.

Although less labour-intensive than crop cultivation, food and beverage processing was a significant employer in the municipal area in 2022. The processing and preserving of fruit and vegetables (512 jobs), beverage manufacturing (492 jobs) and meat processing and preserving (487 jobs) emerged as the leading subsectors for employment in the area during this year. Fruit farmers supply raw materials to renowned beverage manufacturers Elgin Fruit Juices and Appletiser. In addition, the SAB Malting Plant in Caledon, one of two in the country, uses locally grown barley for essential malt production for beer manufacturing. Based in Grabouw, Elgin Free Range Chickens supplies Woolworths and operates factory outlets in various towns in the Western Cape. Other key meat processors in the Theewaterskloof municipal area are Groenland Meat Traders & Abattoir (Grabouw), Jongensklip Abattoir (Caledon) and Helderstroom Abattoir (Caledon). The largest concentrations of bovine animals in Theewaterskloof are near Grabouw and south of Botrivier and Caledon; however, these areas do not have abattoirs, increasing transport expenses for farmers.

Grape farming, predominantly in Elgin and Botrivier, underpins wine and spirit production activities in the municipal area, boasting the Oude Molen Distillers, the 11 wineries of the Elgin Valley Wine Route and the six wineries of the Botrivier Wine Route. Events like the Botrivier Barrels & Beards Harvest Festival, the Elgin Cool Wine & Country Food Festival and the Elgin Chardonnay Colloquium[8] add value to the existing agri-tourism offerings.

JOBS

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



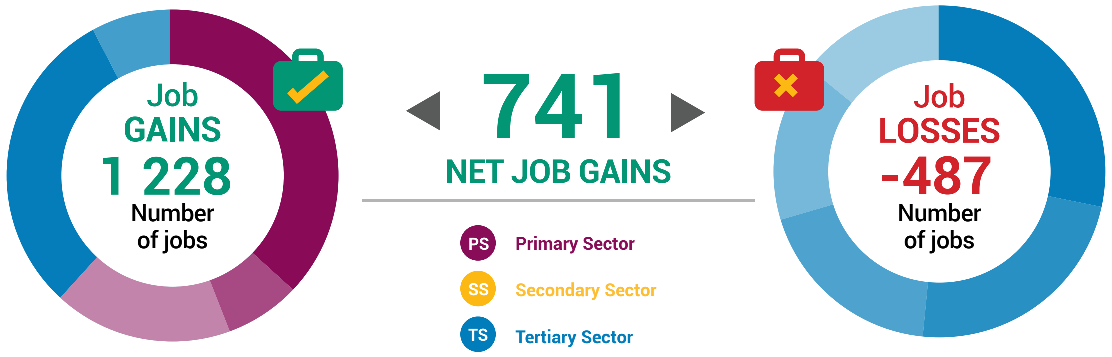
Source: Nell, A. & Visagie, J. Spatial Tax Panel 2014 – 2022 (dataset). Version 3. National Treasury Cities Support Programme and Human Sciences Research Council (producer and distributor), 2023

[8] (Visit Winelands, 2017).

In 2022, formal employment in the Theewaterskloof municipal area grew by 741 jobs, propelled mainly by substantial growth in perennial crop production (241 jobs) and the wholesale trade of food, beverages and tobacco (201 jobs). This increase is a testament to the resilience of local fruit farmers and distributors. Evidence of positive economic trends notwithstanding, households in the area had to contend with rising inflation, interest rate hikes and spiralling fuel costs negatively impacting consumer spending and domestic tourism. Consequently, formal employment fell in short-term accommodation, restaurants, gambling and betting activities, and retail sales.

Figure 3.5

TOP 5 SECTORS FOR FORMAL JOB GAINS AND JOB LOSSES,
Theewaterskloof, 2021 – 2022



TOP 5 SECTORS
Number of full-time job gains/losses

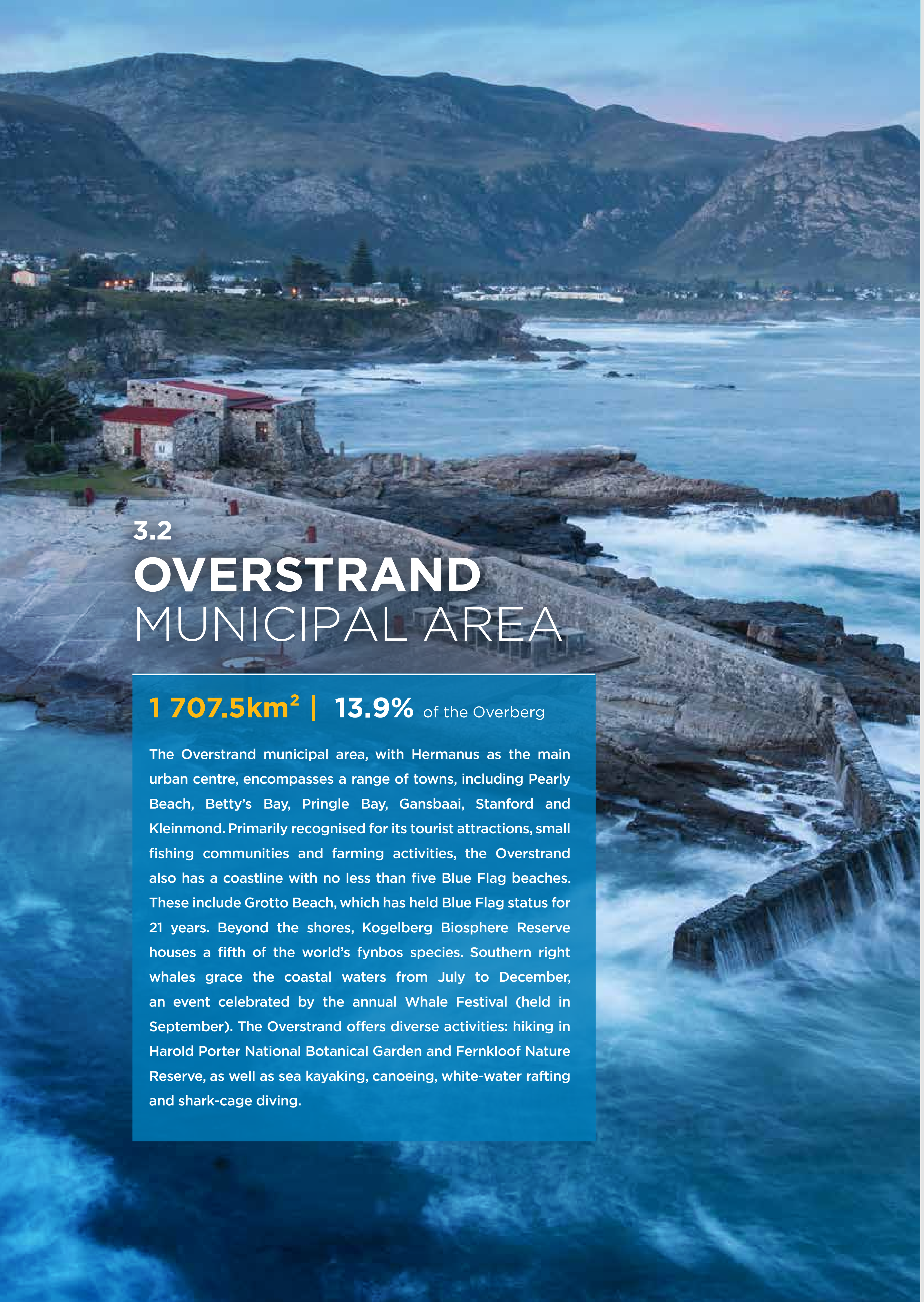
Job gains	Number
Growing of perennial crops	241
Support activities to agriculture and post-harvest crop activities	48
Mixed farming	116
Wholesale trade of food, beverages and tobacco	201
Accounting, bookkeeping and auditing activities, tax consultancy	50
Other	622

Number	Job losses
-64	Short-term accommodation activities
-53	Restaurants and mobile food service activities
-43	Gambling and betting activities
-35	Retail sale in non-specialised stores
-32	Retail sale of food, beverages and tobacco in specialised stores
-260	Other

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 these challenges, the GDPR of the Theewaterskloof municipal area is forecast to grow by 1.2 per cent in 2023 and 2.2 per cent in 2024. The finance sector is expected to remain a strong stimulant to economic growth. At the same time, the manufacturing sector is also anticipated to boost local economic activity. However, challenges such as land availability, limited opportunities for SMMEs, red tape, the high cost of doing business and a lack of suitably skilled workers dampen the opportunities for new businesses and economic diversification.[9]

[9] *(Theewaterskloof Municipality, 2023).*



3.2
OVERSTRAND MUNICIPAL AREA

1 707.5km^2 | 13.9% of the Overberg

The Overstrand municipal area, with Hermanus as the main urban centre, encompasses a range of towns, including Pearly Beach, Betty's Bay, Pringle Bay, Gansbaai, Stanford and Kleinmond. Primarily recognised for its tourist attractions, small fishing communities and farming activities, the Overstrand also has a coastline with no less than five Blue Flag beaches. These include Grotto Beach, which has held Blue Flag status for 21 years. Beyond the shores, Kogelberg Biosphere Reserve houses a fifth of the world's fynbos species. Southern right whales grace the coastal waters from July to December, an event celebrated by the annual Whale Festival (held in September). The Overstrand offers diverse activities: hiking in Harold Porter National Botanical Garden and Fernkloof Nature Reserve, as well as sea kayaking, canoeing, white-water rafting and shark-cage diving.

Diagram 3.2
GDPR (CURRENT PRICES) AND EMPLOYMENT, Overstrand

2021

OVERSTRAND CONTRIBUTES 31.7% to Overberg
1.1% CONTRIBUTION TO WESTERN CAPE

GDPR R8.1 BILLION

Source: Quantec research, 2023

2022e GROWTH 2.5% CONSTANT PRICE

JOBS 31 309 EMPLOYED

Source: Quantec research, 2023

OVERSTRAND CONTRIBUTES 27.2% to Overberg
1.4% CONTRIBUTION TO WESTERN CAPE

2 595 JOB GAIN 2022e

GDPR Forecast

2022e	2023f	2024f
2.5%	-0.2%	0.7%

Source: Urban-Econ based on Quantec and SARB, 2023

EMPLOYMENT Distribution

JOBS

FORMAL 75.4%
- 17.3% Skilled
- 34.5% Semi-skilled
- 23.7% Low-skilled

INFORMAL 24.6%

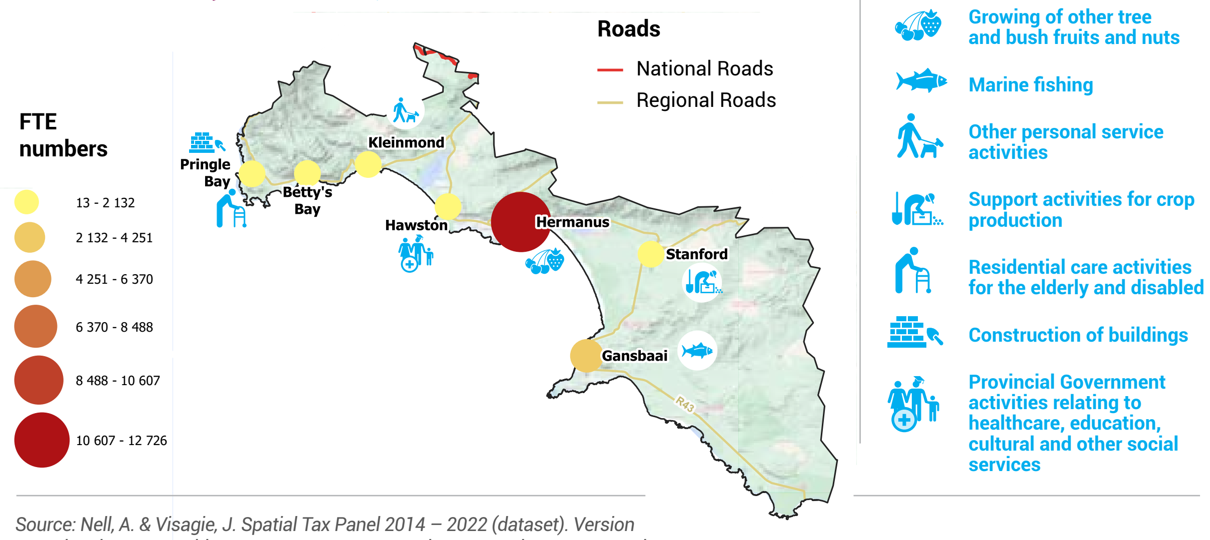
Source: Quantec research, 2023

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
	23.1%	21.5%	69.7%	72.6%	53.6%	57.0%	30.3%	27.4%

Source: Quantec research (e denotes estimate)

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

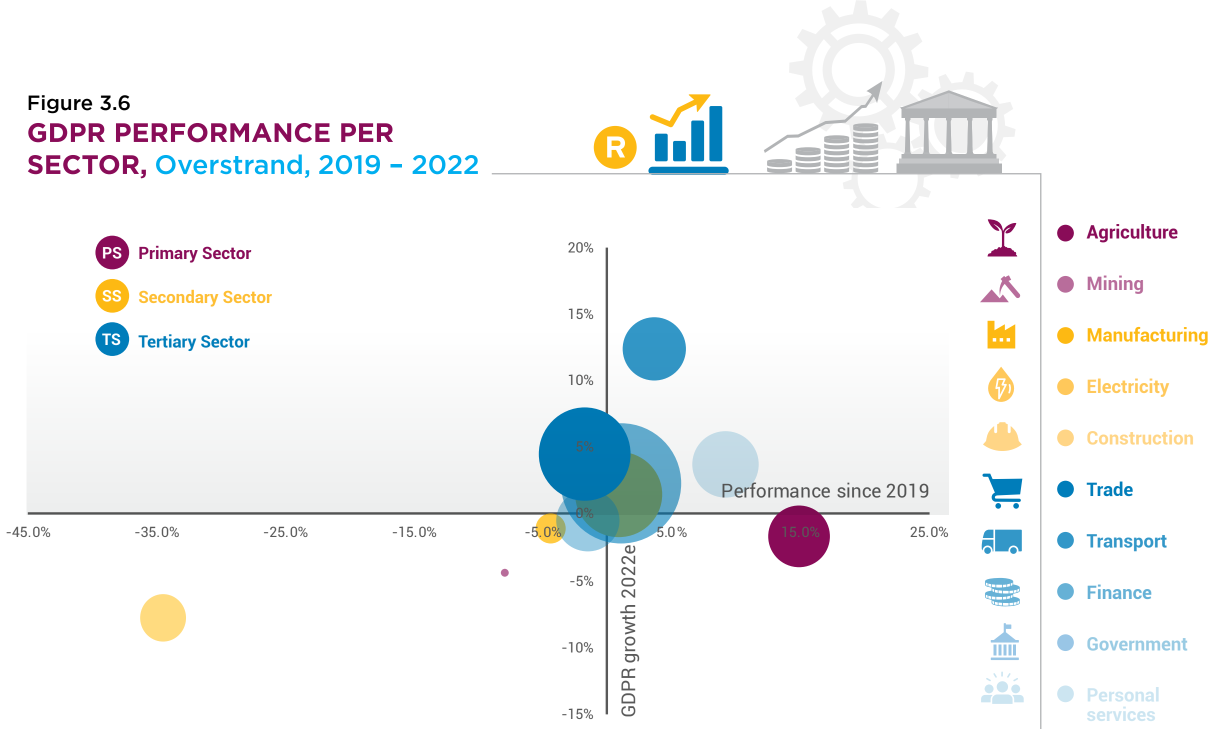
With a GDPR of R8.1 billion in 2021, the Overstrand economy is the second largest in the OD, contributing 31.7 per cent of District GDPR. The area provided employment for 31 309 people in 2021 – 27.2 per cent of employment in the OD, with most of these workers occupying semi-skilled (34.5 per cent) or low-skilled (23.7 per cent) positions. The majority of semi-skilled workers find employment in the trade and finance sectors. By contrast, low-skilled workers are more typically employed in agriculture or personal services.

Rapid population growth in the Overstrand municipal area, fuelled mainly by semigration, drives the demand for jobs. Over the last decade, most new jobs have favoured semi-skilled or skilled workers, highlighting the importance of towns such as Hermanus as service nodes for the broader area. With an increase in work seekers in 2022, the labour force participation rate increased by 2.9 percentage points in 2022. Overstrand currently boasts the highest labour force participation rate in the OD (72.6 per cent).

An estimated GDPR growth of 2.5 per cent resulted in the creation of 2 595 formal and informal jobs in 2022, contributing to a decline in the unemployment rate. This ends the job-shedding cycle that began in 2019. However, not all jobs lost over the pandemic have been regained, and the unemployment rate in the Overstrand municipal area remains the highest in the OD (21.5 per cent).

Figure 3.6

GDPR PERFORMANCE PER SECTOR, Overstrand, 2019 – 2022



Source: Quantec research, 2023 (e denotes estimate)

The popularity of the Overstrand municipal area as a retirement haven and recent semigration trends have fuelled a local property market boom. As a result, the finance sector (which includes real estate activities) has become the dominant economic sector in this area, accounting for 29.3 per cent of GDPR (R2.4 billion) in 2021. The sector grew by an estimated 2.3 per cent in 2022, fuelled by increased property sales in the Kleinmond, Pringle Bay and Gansbaai areas. Property values, in turn, rose by 12.1 per cent in 2022.[10]

[10] *Urban-Econ calculations from Property24 (2023).*

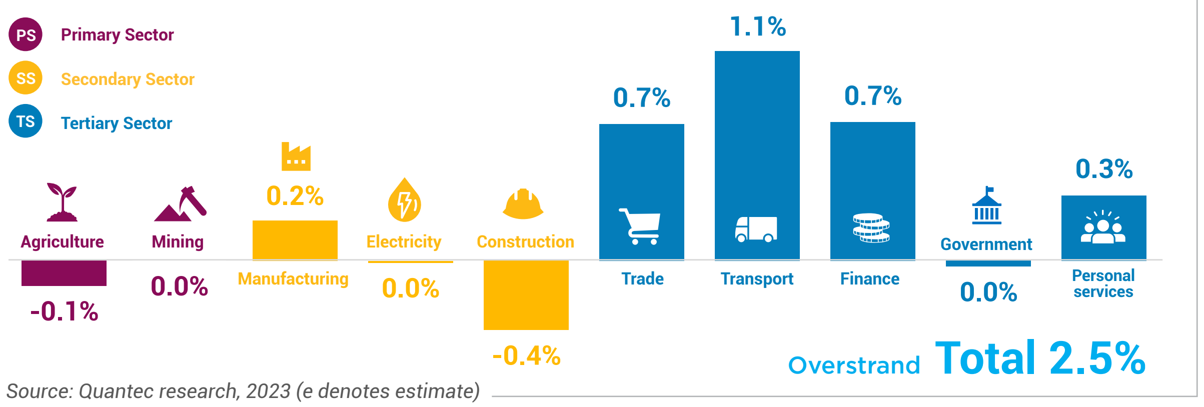
High property prices are a well-known feature of Hermanus, where the average price of a free-standing home stood at R2.4 million in 2022, while the average cost of a sectional title unit was R1.2 million.[11] The median wage in the Overberg area does not cover the bond costs that buyers of such properties would incur, resulting in a desperate need for affordable housing. Despite the housing needs, the construction sector has been underperforming. In 2022, the GDPR of this sector declined, continuing the trend that began in 2020. Furthermore, the number of formally employed building construction workers fell by 69 in 2022. However, a resurgence in informal employment in the sector signals an uptick in smaller projects stemming from the private sector, such as home renovations.

New residential property developments have the potential to reinvigorate the local construction sector. These developments include Kleinbaai Lifestyle Estate, Flagship Business Park and De Zandt Lifestyle Estate (a mixed-use development). Projects such as the Gansbaai Day Hospital and a shopping centre in Kleinmond, as well as the upgrading of the Whale Coast Mall, the Hermanus Sports Club and the Kleinmond CBD,[12] will further enhance opportunities for construction sector growth.

The mining sector and the electricity, gas and water sector have also experienced a continued decline since 2020. However, along with construction, these are the only sectors to be confronted with this challenge. All other economic sectors of the Overstrand municipal area have recovered the ground lost during COVID-19.

Figure 3.7

SECTORAL CONTRIBUTION TO GDPR GROWTH (PERCENTAGE POINTS), Overstrand, 2022e



Source: Quantec research, 2023 (e denotes estimate)

[11] *(Property24, 2023).*
[12] *(Overstrand Municipality, 2023).*

Figure 3.8
GDPR DISTRIBUTION,
Overstrand,
R million, 2021

PS Primary Sector — **R622.3 million**
- R610.2 million — Agriculture, forestry & fishing
- R12.1 million — Mining & quarrying

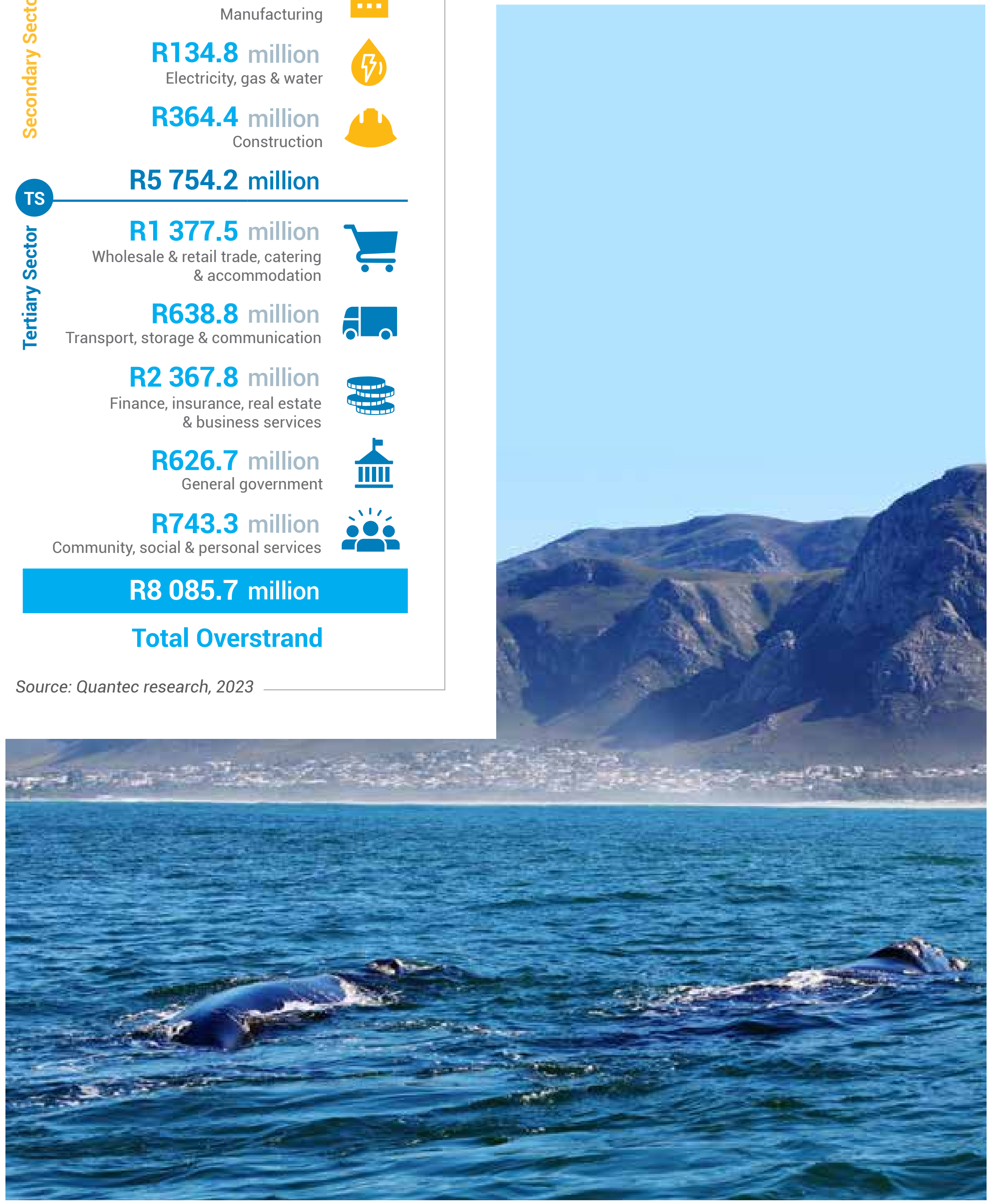
SS Secondary Sector — **R1 709.2 million**
- R1 210.1 million — Manufacturing
- R134.8 million — Electricity, gas & water
- R364.4 million — Construction

TS Tertiary Sector — **R5 754.2 million**
- R1 377.5 million — Wholesale & retail trade, catering & accommodation
- R638.8 million — Transport, storage & communication
- R2 367.8 million — Finance, insurance, real estate & business services
- R626.7 million — General government
- R743.3 million — Community, social & personal services

R8 085.7 million
Total Overstrand

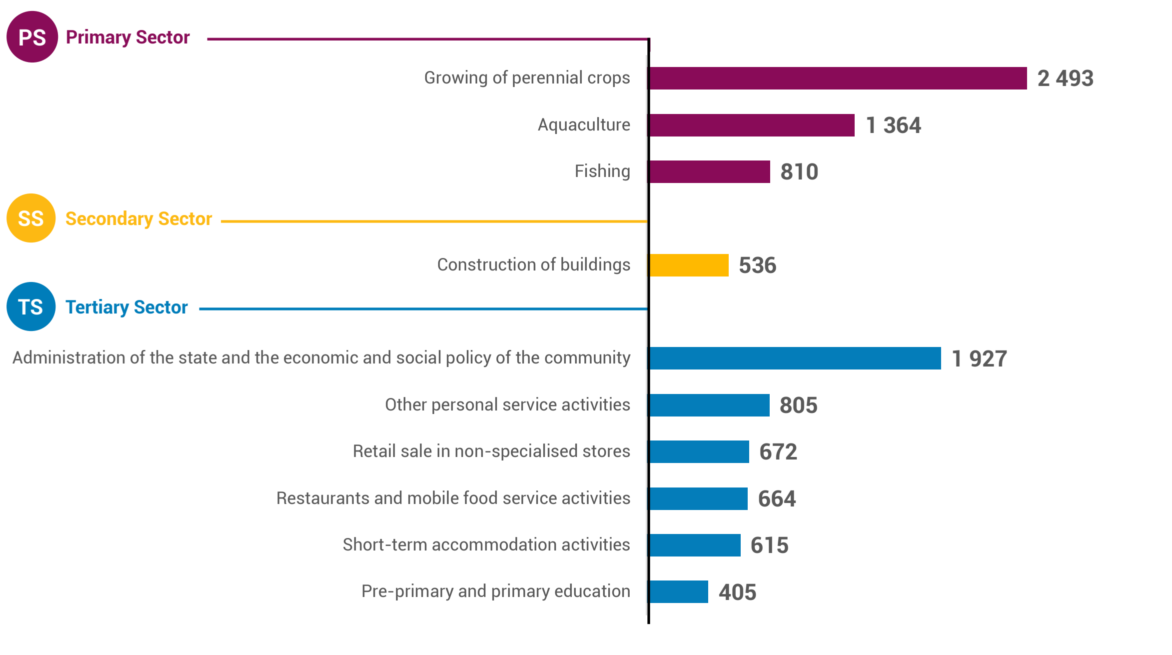
Source: Quantec research, 2023

The area's popularity when it comes to both living and recreation has boosted the local transport sector. Despite challenges such as rising fuel prices, this sector contributed the most to GDPR growth in 2022 (1.1 percentage points). Relocation services, courier services, shuttle services to Cape Town International Airport and sightseeing tour service providers are abundant in the area. These enterprises assist in ensuring that the area is an accessible tourist destination.



JOBS

Figure 3.9
TOP 10 SECTORS BY NUMBER OF FTE JOBS,
Overstrand, 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 Overstrand municipal area also has an abundance of restaurants and more than 200 local accommodation providers. These include backpackers' accommodation, camping sites, bed and breakfasts, farm stays, guest houses, hotels, private holiday rentals, self-catering homes, townhouses and apartments. Well-known hotels in the region include the Arabella Hotel, Golf & Spa, the Harbour House Hotel, Quarters Hotel, the Windsor Hotel and the Whale Coast Hotel. Unsurprisingly, the short-term accommodation industry is one of the leading employers in the municipal area. It recorded a decline of 123 formal jobs in 2022. Restaurant and mobile food service enterprises shed 121 formal jobs amid household belt-tightening occasioned by rising inflation and interest rates. The number of informal traders licensed by the municipality also declined from 689 in 2021 to 303 in 2022, emphasising reduced household spending.[13]

[13] (Overstrand Municipality, 2023).

Figure 3.10

TOP 5 SECTORS FOR FORMAL JOB GAINS AND JOB LOSSES, Overstrand, 2021 – 2022

TOP 5 SECTORS Number of full-time job gains/losses

Growing of perennial crops	302	PS
Support activities to agriculture and post-harvest crop activities	76	PS
Aquaculture	60	PS
Private security activities	54	TS
Other personal service activities	46	TS
Other	546	

TS	-123	Short-term accommodation activities
TS	-121	Restaurants and mobile food service activities
TS	-71	Security systems service activities
TS	-54	Retail sale in non-specialised stores
SS	-69	Construction of buildings
	-759	Other

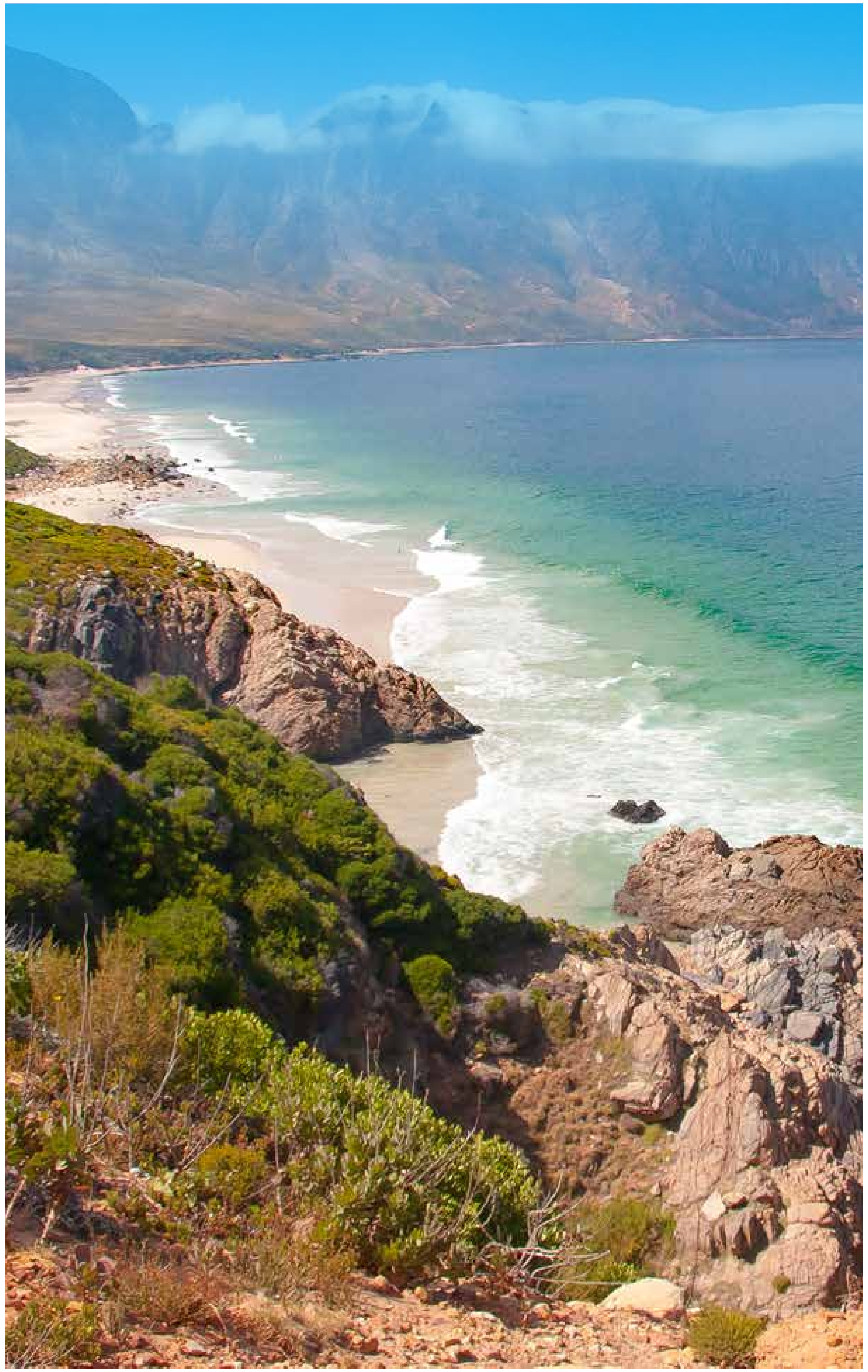
Source: Nell, A. & Visagie, J. Spatial Tax Panel 2014 – 2022 (dataset). Version 3. National Treasury Cities Support Programme and Human Sciences Research Council (producer and distributor), 2023

In addition to commercial activities in the towns of the Overstrand, the agriculture sector remains one of the leading sources of jobs in this municipal area. This is despite undergoing an estimated contraction of 1.7 per cent in 2022 following two years of significant expansion. Land-based agriculture activities such as growing perennial crops (including grapes, pome and stone fruits, citrus and other tree and bush fruit and nuts) provided a substantial number of jobs in 2022. Haygrove Heaven & Earth Farms, located just outside Hermanus, is a leading raspberry and blueberry farm, and provides employment to more than 900 people.[14]

The aquaculture industry is driven by the activities of Abagold, HIK Abalone Farm and Aqunion. The pelagic fishing industry in Gansbaai is also an essential source of jobs in terms of fishing and manufacturing, with Gansbaai Marine producing canned sardines, a food staple for many South Africans. Collectively, these industries provided 2 174 jobs in 2022.

Despite the positive gains made in 2022 with regard to GDPR and employment, the economy of the Overstrand municipal area is expected to contract marginally by 0.2 per cent in 2023 as households and businesses continue to grapple with high inflation and rising interest rates, and sectors such as construction and trade struggle to stay afloat. The local pelagic fishing industry is likely to be constrained because of new regulations governing fishing in the vicinity of penguin colonies. At the same time, land-based agriculture faces declining international prices and rising input costs.

[14] *(Haygrove, 2023).*



3.3 CAPE AGULHAS MUNICIPAL AREA

3 466.6km² | 28.3% of the Overberg

Renowned for being the site of the southernmost tip of Africa, the Cape Agulhas municipal area is characterised by rural charm, pristine beaches and a rugged coastline. Bredasdorp, the municipal seat, serves as the centre point for government services and most commercial activities in the area. The sandy coast between Struisbaai and Arniston, believed to be the longest uninterrupted beach in the southern hemisphere, beckons visitors. In L'Agulhas, the iconic Cape Agulhas Lighthouse proudly overlooks the merging Indian and Atlantic oceans.

The Agulhas National Park helps secure the fynbos biodiversity unique to the Western Cape. Furthermore, the coastal settlement of Suiderstrand and the rustic localities of Napier, Protem and Klipdale all offer simplicity and tranquillity to the harried visitor. Lastly, Elim is a picturesque Moravian village known for its historical Dutch Cape architecture and lush vineyards.

Diagram 3.3

GDPR (CURRENT PRICES) AND EMPLOYMENT, Cape Agulhas

2021

CAPE AGULHAS CONTRIBUTES to Overberg 14.9%

0.5% CONTRIBUTION TO WESTERN CAPE

2022e GROWTH 2.4% CONSTANT PRICE

GDPR R3.8 BILLION

Source: Quantec research, 2023

JOBS 14 347 EMPLOYED

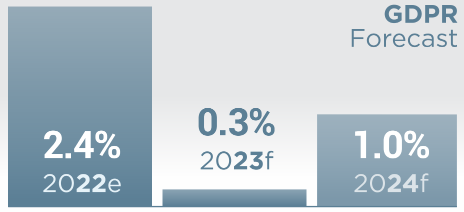
Source: Quantec research, 2023

CAPE AGULHAS CONTRIBUTES to Overberg 12.5%

0.6% CONTRIBUTION TO WESTERN CAPE

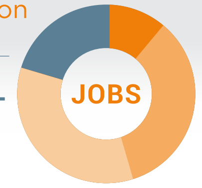
839 JOB GAIN 2022e

GDPR Forecast



Source: Urban-Econ based on Quantec and SARB, 2023

EMPLOYMENT Distribution



INFORMAL 15.8%

FORMAL 84.2%

- 19.3% Skilled
- 37.7% Semi-skilled
- 27.2% Low-skilled

Source: Quantec research, 2023

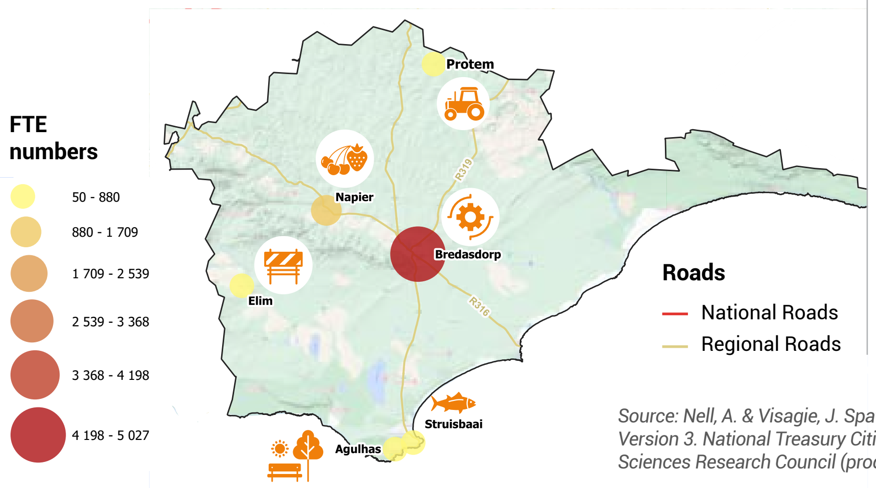
EMPLOYMENT PROFILE

	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
	12.4%	11.4%	68.5%	71.3%	60.0%	63.2%	31.5%	28.7%

Source: Quantec research (e denotes estimate)

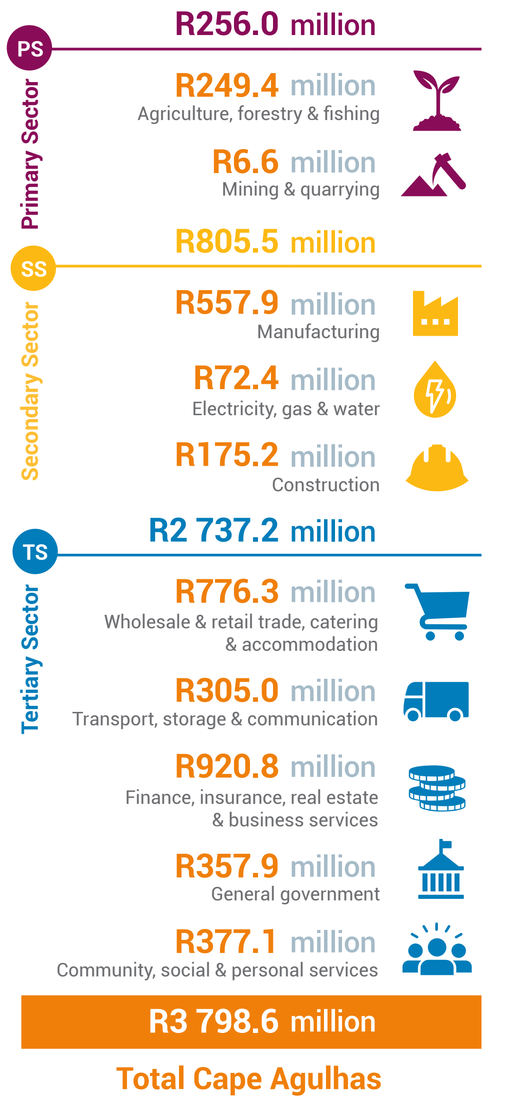
Map 3.3

NUMBER OF FTE JOBS PER TOWN AND MAIN SECTOR, Cape Agulhas, 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 3.11
**GDPR DISTRIBUTION,
Cape Agulhas,
R million, 2021**

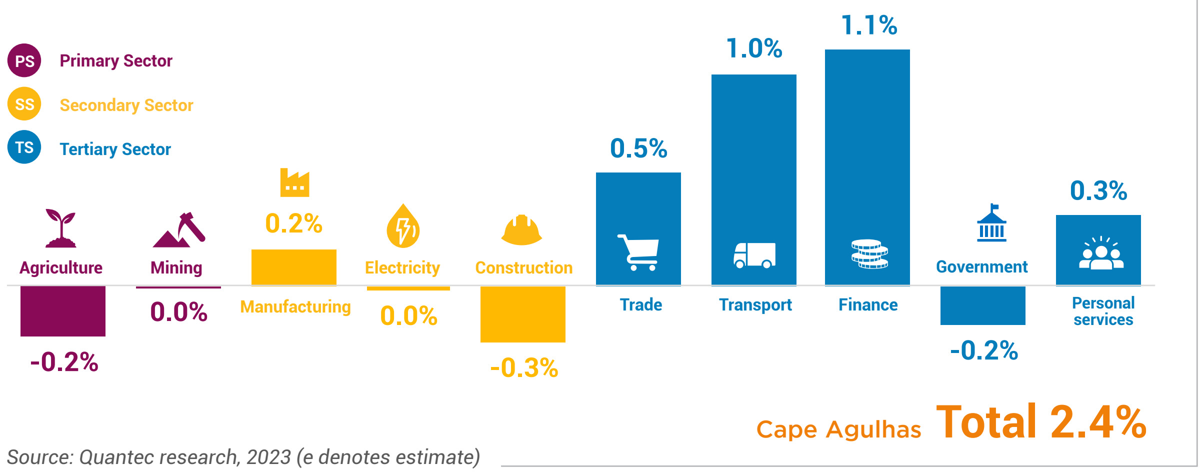


Source: Quantec research, 2023

The economy of the Cape Agulhas municipal area was valued at R3.8 billion in 2021. Employment stood at 14 347, accounting for 12.5 per cent of those with jobs in the OD. The workforce primarily comprises semi-skilled (37.7 per cent) and low-skilled (27.2 per cent) workers, with only 15.8 per cent of people being informally employed. As Cape Agulhas is the administrative hub of the District, those employed by the state make up the most significant share of the formally employed in this municipal area. Bredasdorp serves as the centre of operations for the Cape Agulhas Local Municipality and Overberg District Municipality. At the same time, Home Affairs offers essential services to the community. Lastly, the Western Cape Department of Agriculture is integral to local skills development, providing agricultural skills development programmes at its decentralised learning centre. Skills development is essential in ensuring continued employment growth, as most new jobs in the Cape Agulhas municipal area are for skilled and semi-skilled workers.

GDPR growth in 2022 is estimated to have been 2.4 per cent. In this year, 839 formal and informal jobs were created, making 2022 the first year since 2020 in which job growth occurred. The number of workers re-entering the labour market grew in 2022, contributing to a 2.8 percentage point increase in the labour force participation rate. Furthermore, the economy's expansion created new opportunities, prompting the unemployment rate to decline from the 12.4 per cent recorded in 2021 to 11.4 per cent. The return of workers to the labour market also caused the proportion of the population that is not economically active to decline to 28.7 per cent, lessening the burden on those who have to work to care for persons who are not involved in the economy. However, despite these labour market gains, the jobs total has yet to regain the number recorded in 2019.


Figure 3.12
**SECTORAL CONTRIBUTION TO GDPR GROWTH (PERCENTAGE POINTS),
Cape Agulhas, 2022e**



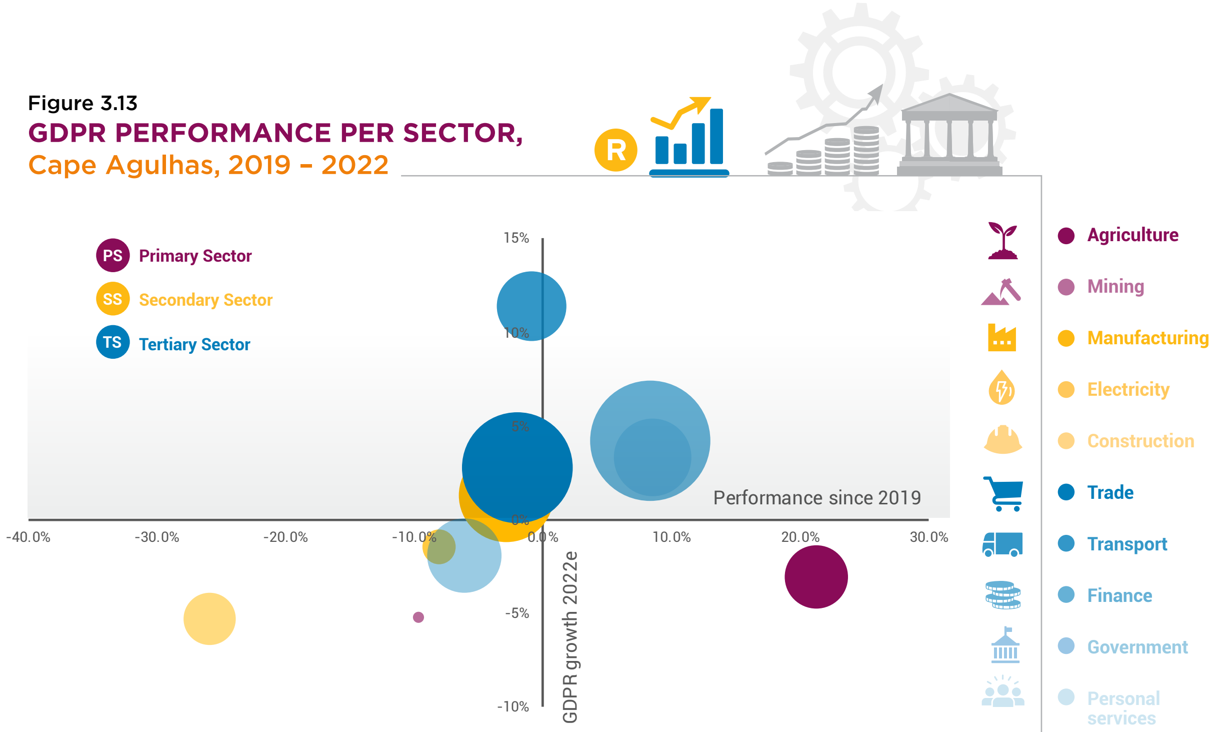
Source: Quantec research, 2023 (e denotes estimate)

While employment may still be recovering from the 2020 downturn, the estimated 2.4 per cent growth in GDPR during 2022 has ushered in a complete economic resurgence, with GDPR levels rising slightly above those registered in 2019. The finance sector (contributing 1.1 percentage points), transport sector (1.0 percentage point) and trade sector (0.5 of a percentage point) have emerged as the primary drivers of the robust GDPR performance in 2022. With a contribution of R920.8 million (24.2 per cent of GDPR), the finance sector is the most significant local economic sector in terms of GDPR. This is primarily due to Bredasdorp being the epicentre of business services in the municipal area and the vibrant property market in Struisbaai and L'Agulhas. In 2022, Struisbaai recorded the highest number of property sales since the property market boom of 2017/18, with 200 properties sold at an average value of R2.2 million.[15] While slightly fewer properties were sold in L'Agulhas in 2022 compared with 2021, the average property sale price in the town nonetheless increased from R580 000 to R1.3 million.[16] The presence of the Denel Overberg Test Range further bolsters the economy. Located in Arniston, this facility offers distinctive business services through in-flight testing of advanced guidance and aviation systems for the local and international aerospace industry.

The trade sector was boosted by a return of tourists to the area, evident in the steady uptick of visitors to local attractions such as Agulhas National Park, the Cape Agulhas Lighthouse and the Shipwreck Museum in Bredasdorp. However, visitor numbers have not yet fully recovered from the loss of visitors in 2020. In 2022, visitor numbers for the Agulhas National Park were 67.2 per cent of their level in 2019. Visitor recovery stood at 64.0 per cent for the Cape Agulhas Lighthouse, while for the Shipwreck Museum it was 48.3 per cent.[17] Further growth is likely to be slow given South African households' economic challenges, including rising fuel prices, high inflation and high interest rates. All of these trends constrain domestic travel.

[15] (Property24, 2023).
[16] (Property24, 2023).
[17] (Wesgro, 2022).

Figure 3.13
GDPR PERFORMANCE PER SECTOR, Cape Agulhas, 2019 – 2022



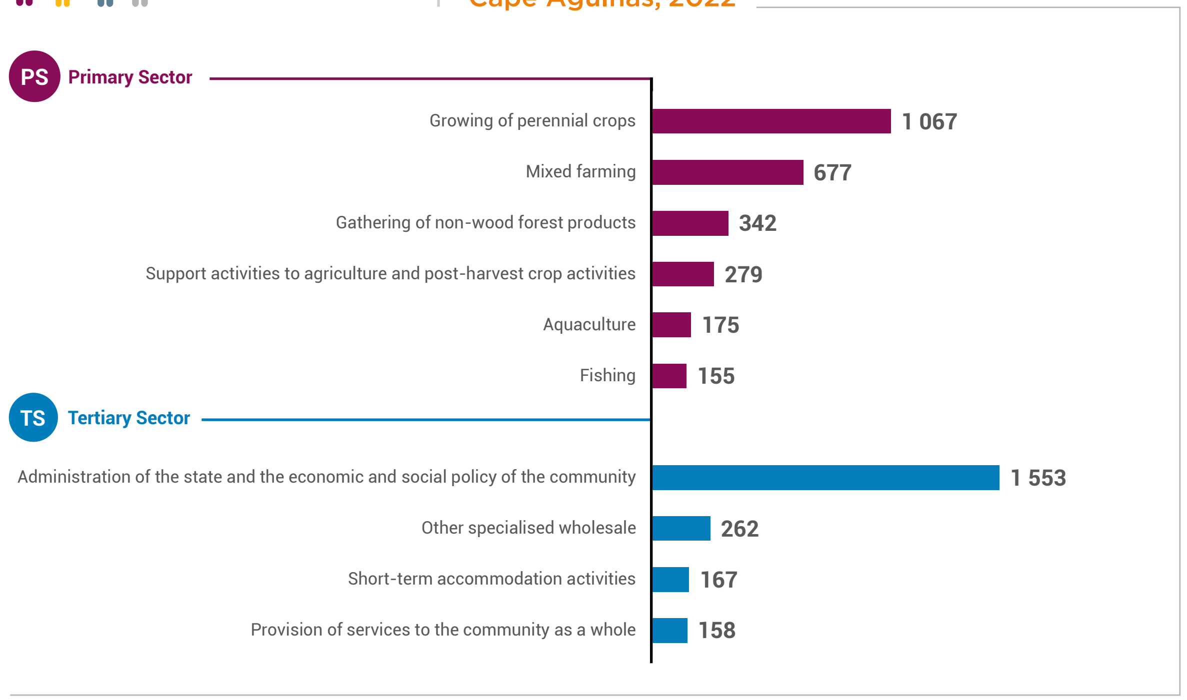
Source: Quantec research, 2023 (e denotes estimate)

Despite the robust growth estimates for 2022 concerning the transport sector (11.4 per cent) and the trade sector (2.7 per cent), both sectors have yet to recover fully from the impact of the COVID-19 pandemic. Other sectors still lagging behind their 2019 performance include mining, manufacturing, electricity, gas and water, construction, trade and general government. The distance to metropolitan cities and the lack of rail infrastructure in the Cape Agulhas municipal area is considered a substantial constraint for several sectors.[18] Planned developments such as the shopping centre in Struisbaai, the Langevlei Village residential estate and Sea Cottage Estate, also in Struisbaai, will be essential for revitalising the local construction industry. The municipality's capital budget of R59.9 million, R52.2 million and R63.3 million over the 2023/24 MTREF period is also expected to play a key role in this regard.

[18] *(Cape Agulhas Municipality, 2023).*

JOBS

Figure 3.14
TOP 10 SECTORS BY NUMBER OF FTE JOBS, Cape Agulhas, 2022

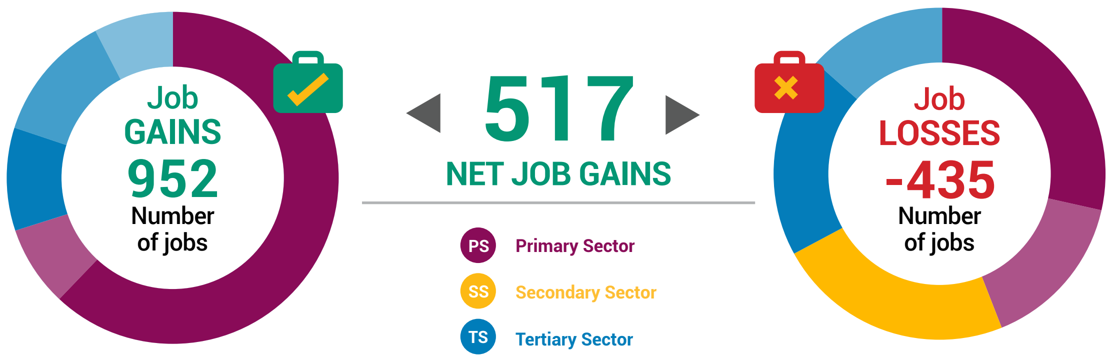


Source: Nell, A. & Visagie, J. Spatial Tax Panel 2014 – 2022 (dataset). Version 3. National Treasury Cities Support Programme and Human Sciences Research Council (producer and distributor), 2023

When one travels outside the towns in Cape Agulhas, the importance of the local agriculture sector comes into focus. With a GDPR of R249.4 million in 2021, the sector thrived in 2020 and 2021, with GDPR expanding by 19.1 per cent and 5.2 per cent, respectively, buoying the local economy during the COVID-19 pandemic. The sector contracted marginally in 2022 but remains at elevated levels, considering the exponential growth of the preceding years. Anchored by wheat, canola and barley farms, this sector is also the main employment provider within the municipal area. Cultivating perennial crops required a workforce of 1 067 individuals in 2022, 360 more than in 2021. Mixed farming also expanded its workforce by 46 in 2022. Protea farming around Napier and Elim employs 342 people while also contributing substantially to exports. Additionally, 279 work in the multifaceted sphere of agriculture and post-harvest crop support. However, the latter subsectors both shed formal jobs in 2022. The maritime aquaculture and fishing sectors provide additional employment and food security.

Figure 3.15

TOP 5 SECTORS FOR FORMAL JOB GAINS AND JOB LOSSES, Cape Agulhas, 2021 – 2022



TOP 5 SECTORS Number of full-time job gains/losses

Sector	Job gains
Growing of perennial crops	360
Mixed farming	46
Retail sale of food, beverages and tobacco in specialised stores	58
Other specialised wholesale	71
Social work activities without accommodation for the elderly and disabled	44
Other	373

Job losses	Sector
-53	Support activities to agriculture and post-harvest crop activities
-29	Gathering of non-wood forest products
-43	Other manufacturing n.e.c.
-36	Activities of employment placement agencies
-25	Private security activities
-249	Other

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 economy is poised for a muted expansion of merely 0.3 per cent in 2023, primarily due to lacklustre growth in the general government and agriculture sectors. However, the finance, trade and manufacturing sectors may prove pivotal sources of robust growth. Looking ahead to 2024, a more pronounced economic uptick of 1.0 per cent is forecast. The construction sector is expected to emerge from dormancy in the wake of increased public sector spending and local property developments. In addition, the trade and transport sectors are anticipated to continue their upward trajectory, sparking overall growth in the economy.

3.4
SWELLENDAM MUNICIPAL AREA

3 835.0km² | **31.3%** of the Overberg

The town of Swellendam, the seat of the municipal area, was established in 1745 by the Dutch East India Company and is the fourth-oldest town in South Africa. Known for its graceful architecture and the beauty of the surrounding mountains, Swellendam is also at the heart of a region that supports a diverse array of agricultural activities. Locally produced crops include vegetables, citrus, persimmons, canola, peppers and lavender – and the area is the world's primary youngberry cultivator. There is also dairy and sheep farming, and the moderate climate and fertile soils of the Swellendam municipal area allow for the cultivation of wheat and oats.

Beyond the town of Swellendam, smaller towns and settlements in the municipal area, including Barrydale, Stormsvlei, Rheenendal, Rietkuil, Infanta, Malgas, Suurbraak, Buffeljagsrivier and Ouplaas, add to the character of the area and form a network that sustains the local agricultural industry. Excellent transport links – the N2 highway, regional routes such as the R324 and R60, and the iconic R62 tourist route – enable seamless travel and foster economic prospects.

Diagram 3.4
GDPR (CURRENT PRICES) AND EMPLOYMENT, Swellendam

SWELLENDAM CONTRIBUTES to Overberg **13.3%**
0.4% CONTRIBUTION TO WESTERN CAPE

2022e GROWTH **3.7%** CONSTANT PRICE

GDPR R3.4 BILLION

Source: Quantec research, 2023 (e denotes estimate)

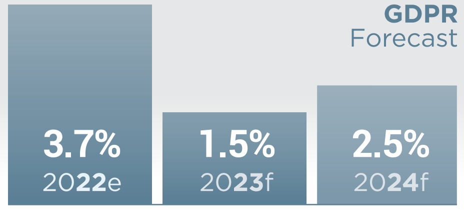
2021

JOBS 15 460 EMPLOYED

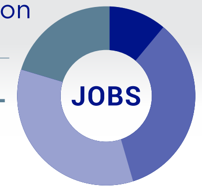
Source: Quantec research, 2023 (e denotes estimate)

SWELLENDAM CONTRIBUTES to Overberg **13.4%**
0.7% CONTRIBUTION TO WESTERN CAPE

1 221 JOB GAIN 2022e



Source: Urban-Econ based on Quantec and SARB, 2023



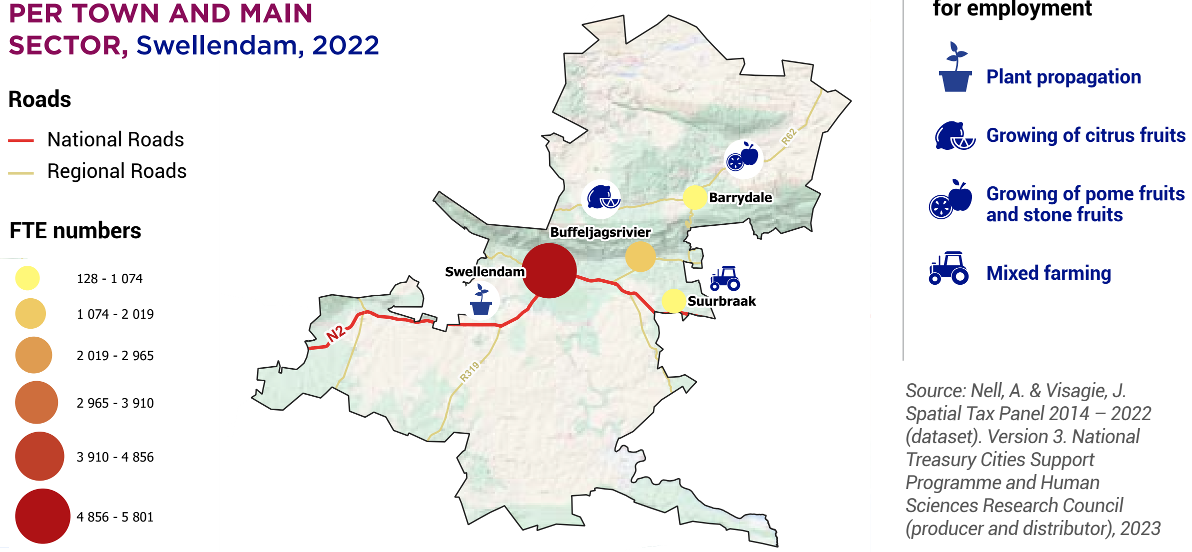
Source: Quantec research, 2023

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
10.3%	9.4%	63.8%	67.0%	57.2%	60.7%	36.2%	33.0%

Source: Quantec research (e denotes estimate)

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

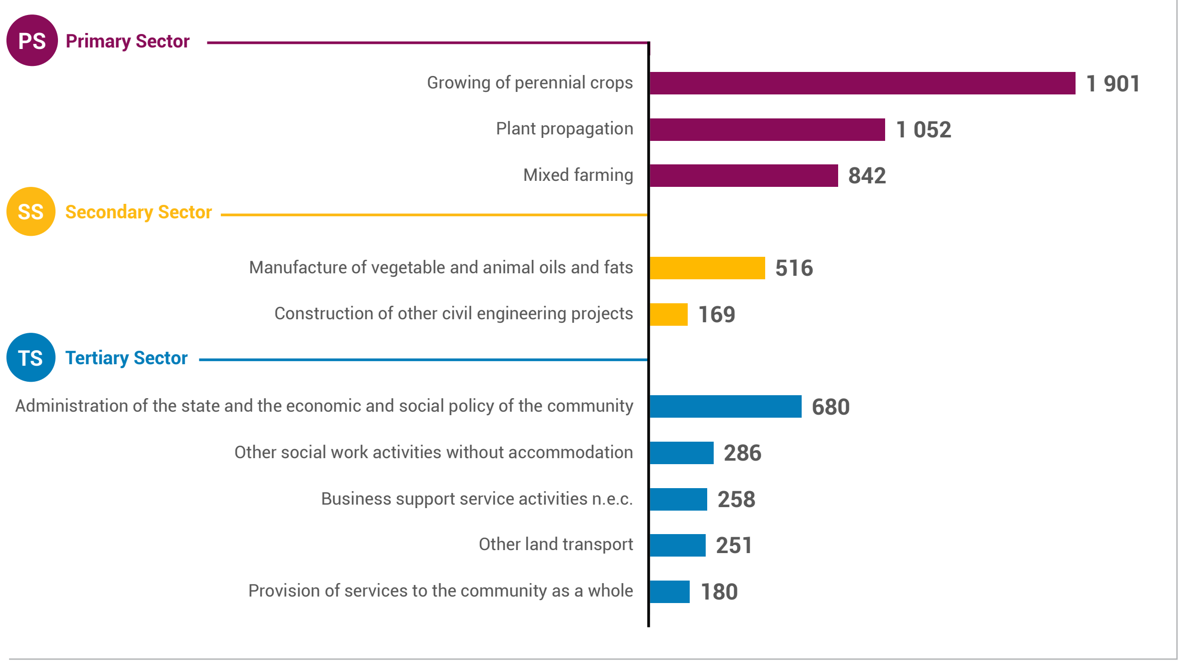


Source: Nell, A. & Visagie, J. Spatial Tax Panel 2014 – 2022 (dataset). Version 3. National Treasury Cities Support Programme and Human Sciences Research Council (producer and distributor), 2023

The Swellendam municipal area has the largest geographical area in the OD but the smallest economy. GDPR in the area stood at R3.4 billion in 2021. Most of the 15 460 workers in the area are semi-skilled and low-skilled workers (32.1 and 30.5 per cent, respectively), with a substantial number of formal workers being employed in growing perennial crops, mainly citrus (1 901), plant propagation (1 052) and mixed farming activities (842).

JOBS

Figure 3.16
TOP 10 SECTORS BY NUMBER OF FTE JOBS, Swellendam, 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

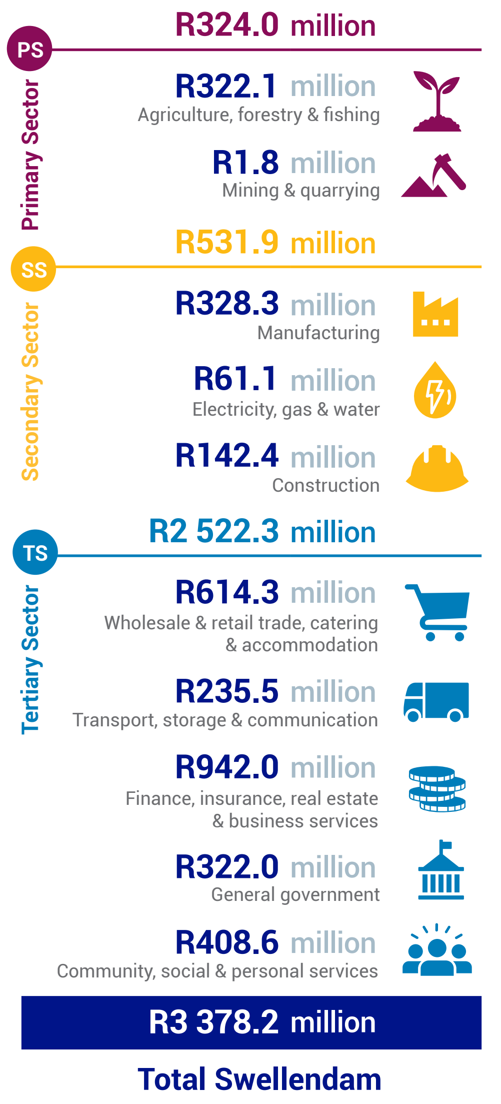
One of the largest citrus growers in the area is Thornlands, located in Buffeljagsrivier. Having expanded from a small family-run farm to a leading citrus grower, this producer now has a packhouse that processes 25 000 tonnes of fruit annually and a transport company to ensure its products can be distributed nationally and regionally. Thornlands is a significant local employer. It also contributes to local economic development through the clinic and educational centre established on the farm.[19]

Indigo Fruit Farming, with farms in Buffeljagsrivier and elsewhere in the country, is another key citrus grower. It owns the ARISA Packhouse, a facility that was enlarged in 2020 because of the expansion of local citrus farming. Currently, the packhouse can process 3 000 tonnes of fruit per week.[20] Along with being a leading provider of existing employment, the perennial crop-growing industry, mainly focused on citrus, was the principal source of new formal jobs in the Swellendam municipal area (340 new jobs) in 2022.

Scattered around Swellendam, numerous nurseries supply herbs, cut flowers and plants directly to consumers, retailers and wholesalers. These businesses, which constitute an essential source of employment, include Rooiklip Nursery, Hermitage Herbs and Nursery, Bella Donna Nursery, Hortus Capensis and Flora Jubilee. With a Swellendam farm and a Cape Town depot, Flora Jubilee supplies retailers such as Woolworths and Pick n Pay in the Western Cape. The company also exports succulents to destinations around the globe.

[19] (Thornlands, 2023).
[20] (Indigo Fruit Farming, 2023).

Figure 3.17
GDPR DISTRIBUTION, Swellendam, R million, 2021

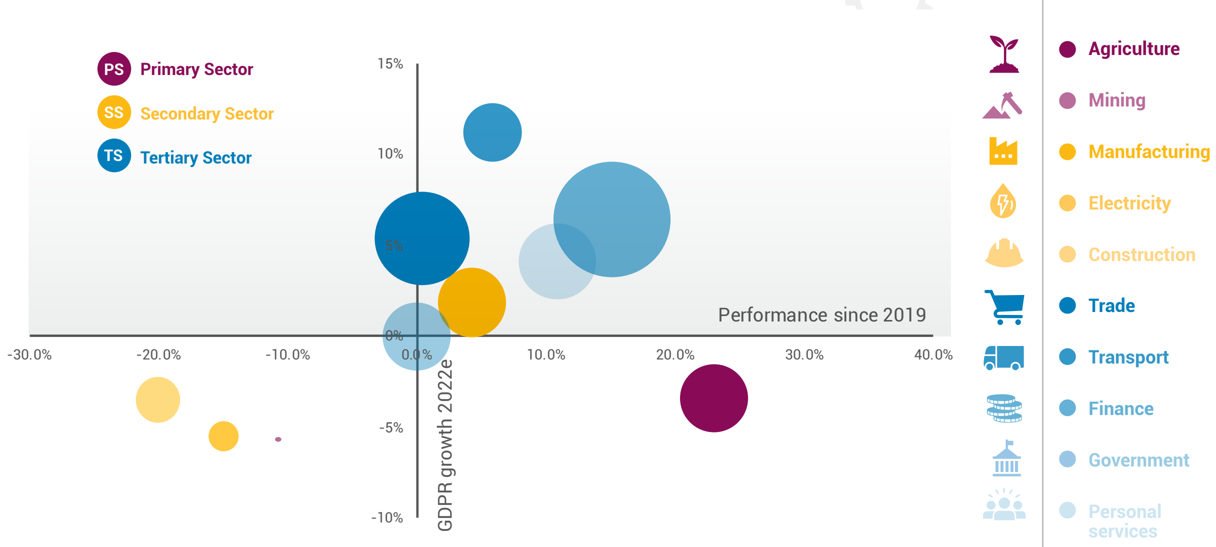


Source: Quantec research, 2023

The finance and trade sectors are the leading economic sectors in the Swellendam municipal area, contributing R942.0 million and R614.3 million, respectively, to municipal GDPR in 2021. Headquartered in Swellendam and with offices in Heidelberg and Mossel Bay, Sentraal-Suid Co-operative is a giant in these sectors. The co-operative provides credit and insurance broker services to local farmers, agricultural equipment, and mechanisation and engineering services. It is also involved in processing grain seeds and handling and storing grain products. Sentraal-Suid Co-operative operates 20 AgriLand retail branches across the southern cape.

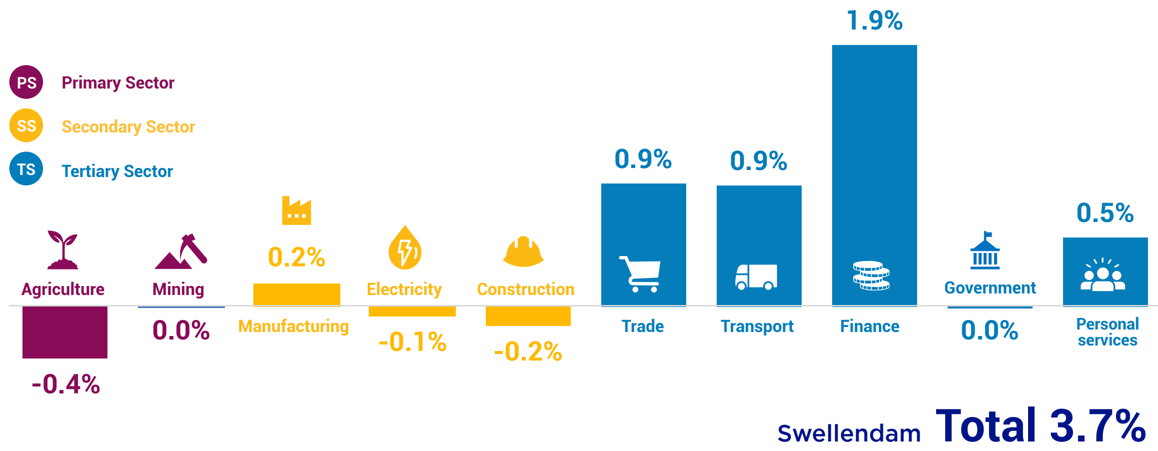
GDPR growth in the area for 2022 has been estimated at 3.7 per cent, with the number of formal and informal jobs increasing by 1 221. Because of the strong performance of the agriculture sector, the Swellendam economy was not as severely affected by COVID-19 as some of the other municipal areas. By 2022, most sectors had fully recovered from the pandemic. However, the mining, electricity, gas and water, and construction sectors were still underperforming.

Figure 3.18
GDPR PERFORMANCE PER SECTOR, Swellendam, 2019 – 2022



Source: Quantec research, 2023 (e denotes estimate)

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

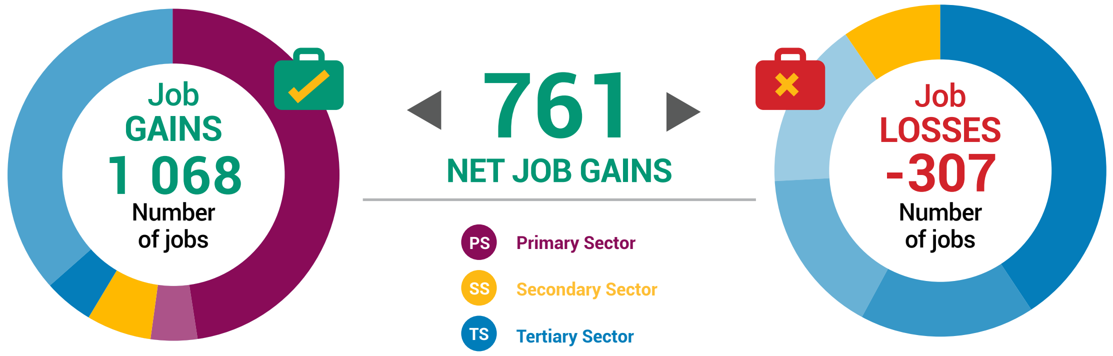


Source: Quantec research, 2023 (e denotes estimate)

The sectors leading economic growth in 2022 included finance (1.9 percentage points), transport (0.9 of a percentage point) and trade (0.9 of a percentage point). This points to the strength of the agricultural value chain in the municipal area and highlights the potential of tourism to boost local economic development. The favourable economic conditions have encouraged workers to re-enter the labour market, with the labour force participation rate increasing by 3.2 percentage points in 2022 – this as the unemployment rate declined marginally (by 1.0 per cent). Encouragingly, the Swellendam municipal area had the lowest unemployment rate in the OD in 2022 at 9.4 per cent. Strategic skills development initiatives are required to continue these positive employment gains, as most new jobs in the Swellendam municipal area are for semi-skilled or skilled workers.

Figure 3.20

TOP 5 SECTORS FOR FORMAL JOB GAINS AND JOB LOSSES, Swellendam, 2021 – 2022



TOP 5 SECTORS
Number of full-time job gains/losses

Job gains	Number	Sector
Growing of perennial crops	340	PS
Processing and preserving of meat	33	PS
Manufacturing of vegetable and animal oils and fats	46	SS
Accounting, bookkeeping and auditing activities, tax consultancy	35	TS
Other social work activities without accommodation	261	TS
Other	353	

Sector	Number	Job losses
TS	-85	Short-term accommodation activities
TS	-36	Activities auxiliary to insurance and pension funding
TS	-34	Sale of motor vehicles
TS	-34	Wholesale trade of food, beverages and tobacco
SS	-20	Repair of fabricated metal products, machinery and equipment
	-98	Other

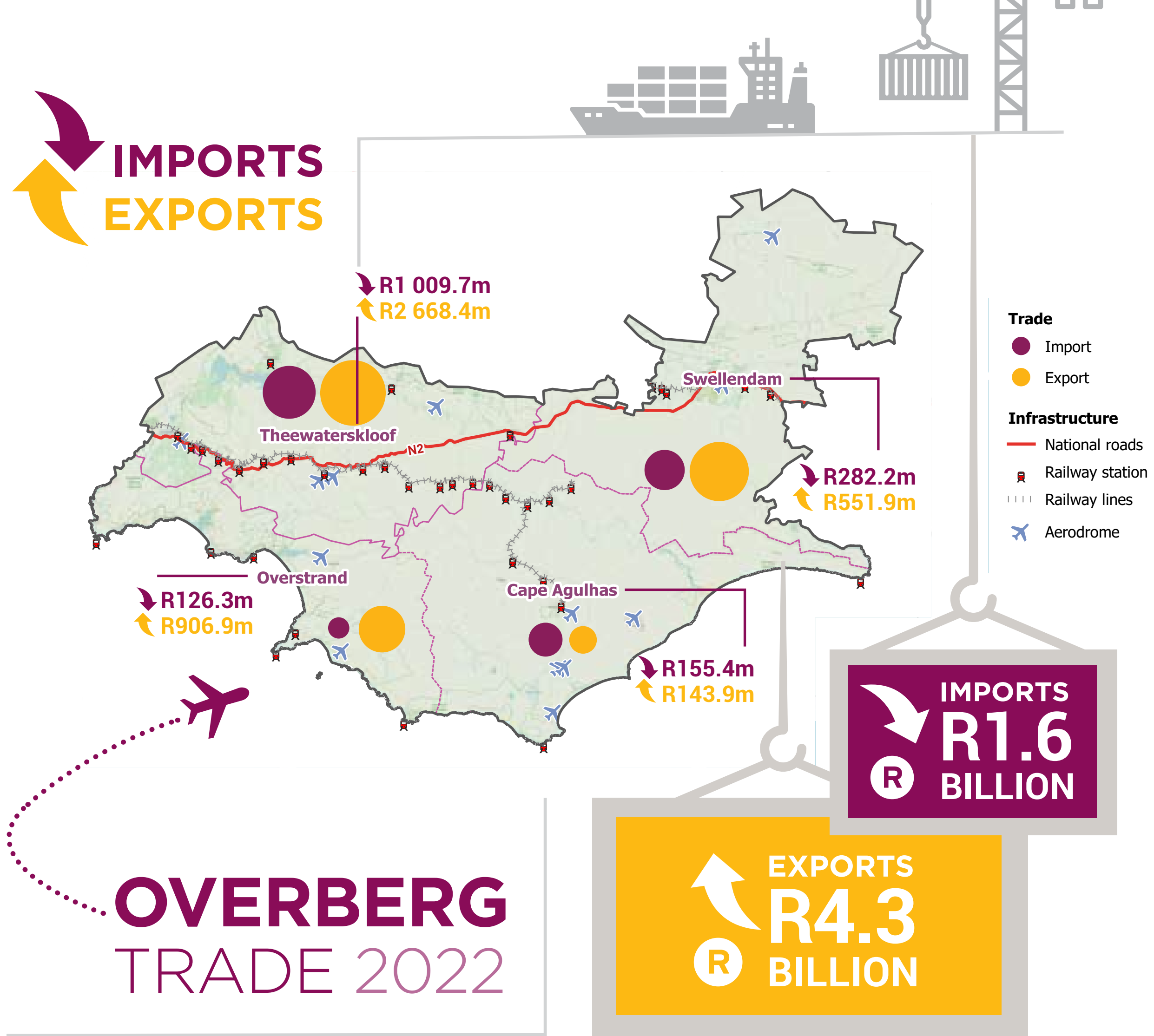
Source: Nell, A. & Visagie, J. Spatial Tax Panel 2014 – 2022 (dataset). Version 3. National Treasury Cities Support Programme and Human Sciences Research Council (producer and distributor), 2023

Having introduced canola as a crop in South Africa in 1993, Southern Oil is now the country's largest canola crusher and canola oil manufacturer. The production of vegetable and animal oils and fat is a strong local industry in the Swellendam municipal area. A leading provider of formal employment (516 jobs), this industry employed an additional 46 people in 2022 because of substantial expansions in canola production volumes. Canola production is expected to increase further, presenting opportunities for expansion of processing capabilities in the Swellendam municipal area. Because of its strategic location in relation to dairy and pork producers, the industry can benefit from increased canola oil cake production for animal feed.[21]

The economic outlook for the Swellendam municipal area is relatively subdued compared with 2022, with GDPR growth projected to reach 1.5 per cent in 2023. However, growth of 2.5 per cent is anticipated for 2024. While the agriculture sector is expected to underperform because of ongoing logistical challenges relating to citrus exports and rising input costs, the finance, manufacturing and trade sectors appear set to boost the Swellendam economy going into 2024.

[21] (BFAP, 2023).

4. INTERNATIONAL TRADE PROFILE 2022



TOP 3 EXPORTED PRODUCTS

Apples, pears & quinces	Fruit & vegetable juices	Rapeseed or colza seeds

TOP 3 EXPORT DESTINATIONS

United Kingdom	Germany	Netherlands

TOP 3 IMPORTED PRODUCTS

Mixtures of odoriferous substances	Flat-rolled products of iron or non-alloy steel	Fruit & vegetable juices

TOP 3 IMPORT DESTINATIONS

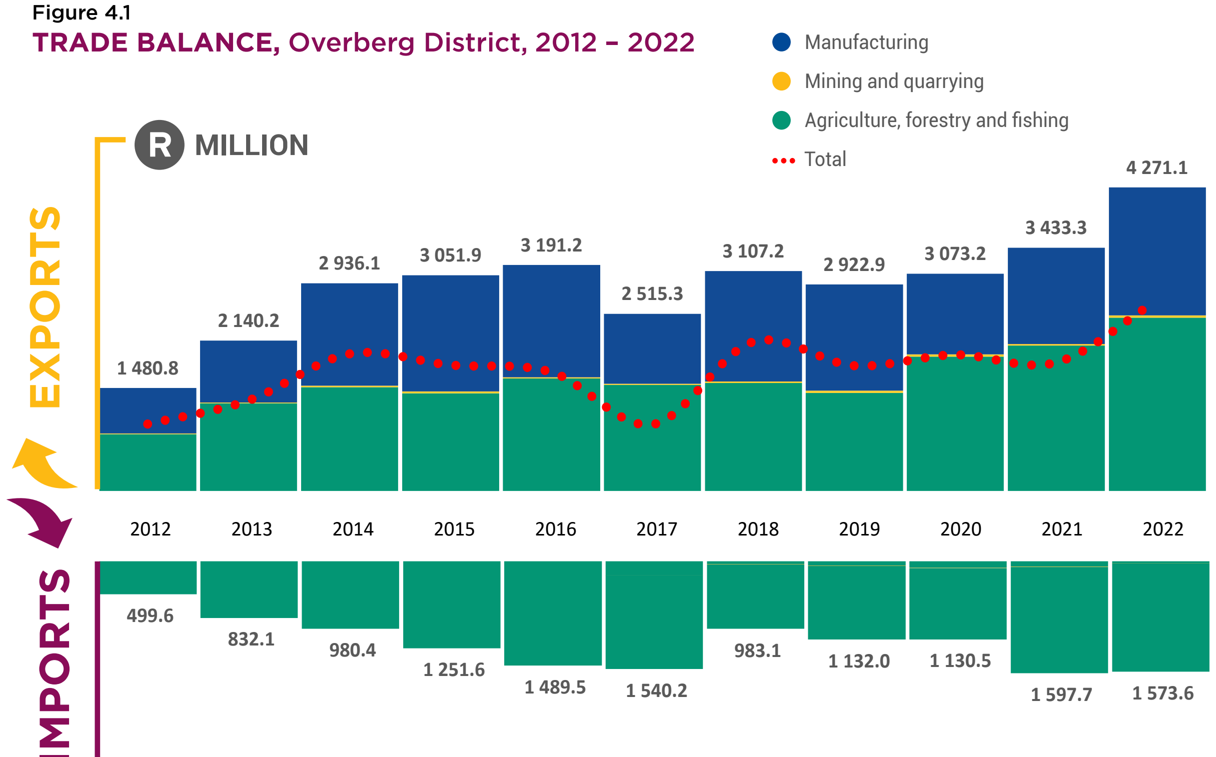
China	Eswatini	Spain

Source: Quantec research, 2023

The OD's economy, known for its agriculture, aquaculture and agro-processing, is not an isolated entity. With exports accounting for 7.1 per cent of regional output in 2022, international trade has become a central part of the OD's economic landscape, extending the reach of the District beyond national borders.

Given the region's world-renowned wineries, orchards and marine life, there is no surprise that OD goods are in great demand. This helped the region maintain a positive trade balance between 2012 and 2022. The OD's trade surplus proved resilient even in the face of global trade challenges such as those presented by the Ukraine-Russia conflict, market fluctuations, exchange rate volatility, an unreliable electricity supply and the hacking of Transnet Port Terminals in 2021, which affected various container terminals, including the Cape Town Container Terminal.

Figure 4.1
TRADE BALANCE, Overberg District, 2012 – 2022

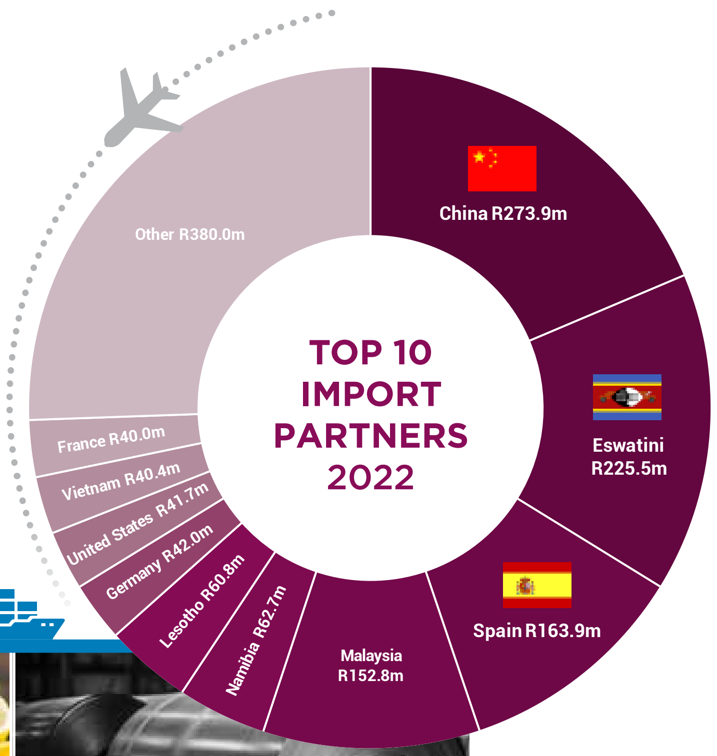


Source: Quantec research, 2023

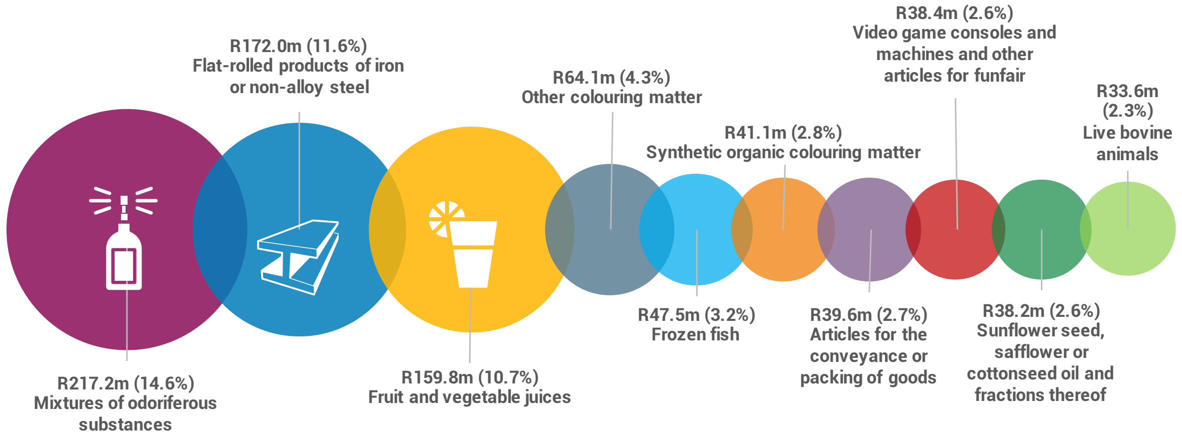
Over the past decade, agriculture and manufacturing have been the best-performing sectors in terms of trade, accounting for 57.6 per cent and 41.6 per cent, respectively, of the District's export value in 2022. The OD is home to fruit farmers, juice makers and fertiliser manufacturers, as well as chicken farmers in the Elgin Valley, barley growers in Caledon, abalone farmers in Hermanus, commercial and small-scale fishing in Walker Bay, and seed oil manufacturers in Swellendam. All of these contribute to an economically diverse environment where trade can flourish.

IMPORTS
Overberg District, 2022

TOTAL R1.6 BILLION



TOP 10 IMPORTED PRODUCTS



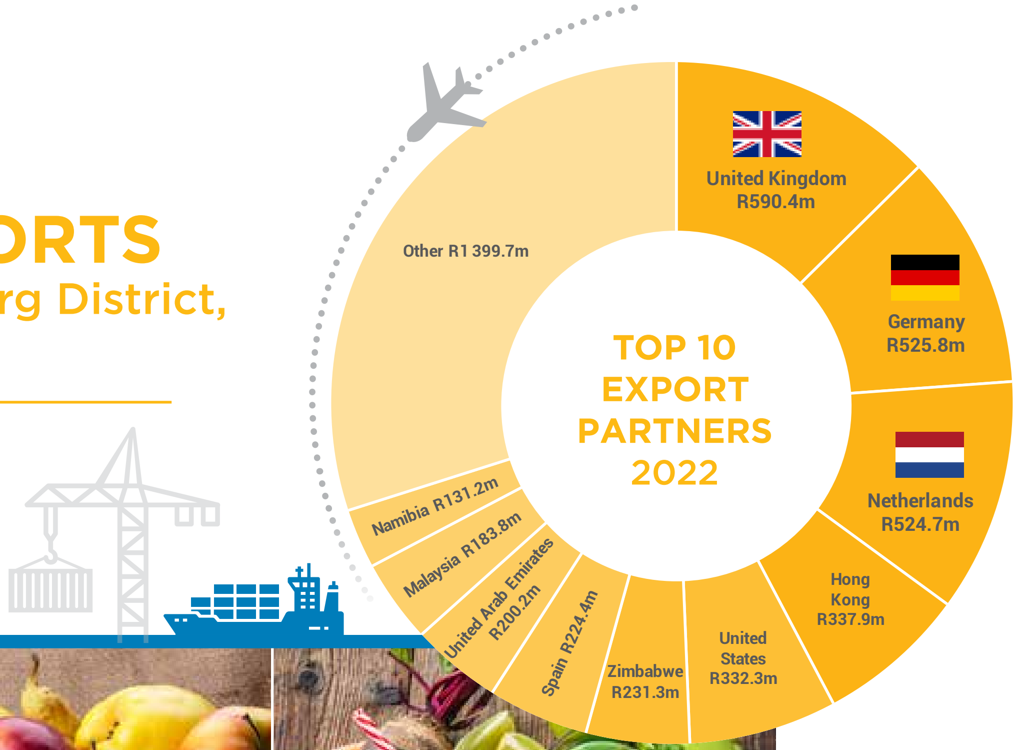
Source: Quantec research, 2023

The leading imports of the OD provide valuable insights regarding the District's value chains, with the primary imports relating to the local agro-processing industry. Mixtures of odoriferous substances and various colouring materials used in the beverage production industry to create flavours and colours made up 14.6 per cent of the total value of imports into the OD in 2022. Flat-rolled iron or non-alloy steel products (11.6 per cent of imports) are used to create machine parts or alter farming equipment, with the volume of these imports again speaking to the importance of agriculture and manufacturing in the District.

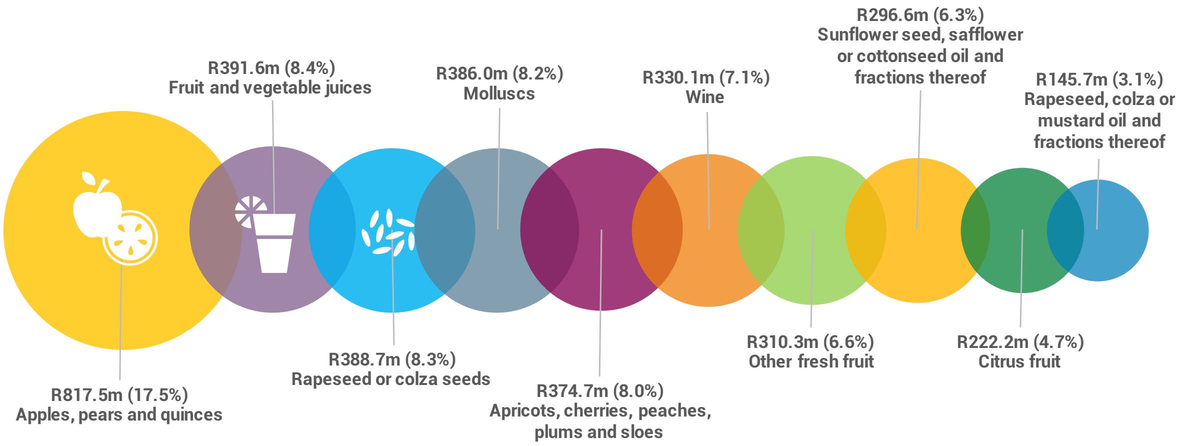
Imported fruit and vegetable juices (10.7 per cent of imports) are also used in beverage production, compensating for seasonal slumps in supply and local production capacity exceeding the local supply of fruit. Frozen fish imports (3.2 per cent of imports) are used by fish canneries in Gansbaai, where the size of the local fish catch is inconsistent and unreliable. The importation of sunflower seeds and seed oils (2.6 per cent of imports) is required for the operations of the Southern Oil canola oil factory in Swellendam. The imports of various packing materials reflect the high production levels in the OD across various sectors.

EXPORTS
Overberg District, 2022

TOTAL R4.3 BILLION



TOP 10 EXPORTED PRODUCTS



Source: Quantec research, 2023

The District's leading exports highlight the success of agricultural production in the OD. Apples, pears and quinces farmed predominantly in the Elgin Valley and around Villiersdorp accounted for 17.5 per cent of exports from the region in 2022, netting R817.5 million in revenue. These deciduous fruits are widely distributed to countries such as the United Kingdom, the Netherlands and Malaysia. Citrus fruit, apricots, cherries, peaches, plums, sloes and other fresh fruit contributed 8.0 per cent to total exports, which made their way to the United Arab Emirates and, once again, the United Kingdom and the Netherlands.

The efforts of the fruit- and vegetable-processing and juice-manufacturing sectors resulted in exports of R391.6 million in 2022, with various fruit and vegetable juices being dispatched to the United States, Australia and Japan. The five wine areas in the District – Elgin, Botrivier, Hermanus, Stanford and the Agulhas wine triangle – encompass producers and brands that are now household names, including Paul Clüver Family Wines, Oak Valley Estate and Black Oystercatcher. Wine contributed R330.1 million in exports in 2022, approximately R10.0 million more than in the previous year.

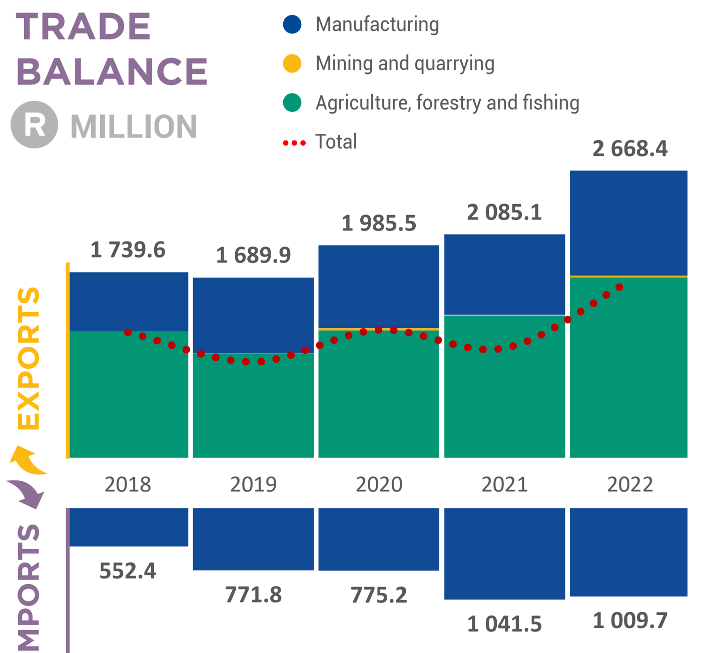
The abalone industry in the Walker Bay area, specifically in Hermanus, exported molluscs to the value of R386.0 million in 2022, for a value that constituted 8.2 per cent of the OD's total exports. The molluscs are exported primarily to Asian countries such as Hong Kong, Taiwan and China, where South African abalone is considered a delicacy.

The OD's reliance on agriculture, aquaculture and agro-processing means the District is vulnerable to exogenous environmental shocks such as crop disease and drought. Such shocks can make manufacturers reliant on imports in their attempts to maintain production, increasing input costs and output prices and negatively affecting the trade balance. Because of the fresh composition of the OD's top exports, intensifying international trade regulations for fresh produce may negatively affect the level of produce exported.[22] Moreover, tightening international trade regulations could oblige local producers to implement stricter quality-control and safety measures that raise production costs. International price volatility poses the greatest risk to the trade balance. However, the OD has shown itself to be resilient in the face of these challenges and has greatly benefited from higher selling prices for fresh produce in recent years. This was reflected in the growing trade balance, which increased by 46.9 per cent between 2021 and 2022.

[22] *(News24, 2023).*

4.1 Municipal imports and exports

THEEWATERSKLOOF TRADE PROFILE 2022



Source: Quantec research, 2023

Source: Quantec research, 2023

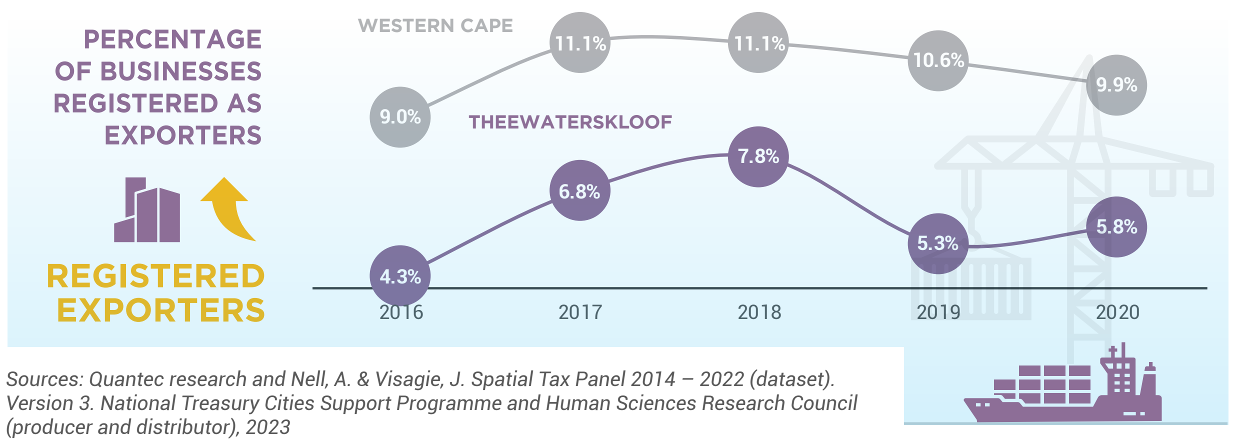
TOP 3 EXPORTED PRODUCTS

R817.5m	R391.6m	R374.7m
Apples, pears & quinces	Fruit & vegetable juices	Apricots, cherries, peaches, plums & sloes

TOP 3 IMPORTED PRODUCTS

R217.2m	R159.8m	R64.1m
Mixtures of odoriferous substances	Fruit & vegetable juices	Other colouring matter

Source: Quantec research, 2023



Sources: 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 Theewaterskloof municipal area is home to the famous Elgin Valley, which produces deciduous fruits exported worldwide. This produce is also used in producing fruit juices, other fruit drinks, wine and associated products that have become household staples both locally and internationally. For these reasons, the Theewaterskloof municipal area can be considered the trade hub of the OD – with exports having accounted for 9.8 per cent of regional output in 2022. The area has recorded a positive trade balance in recent years, even though only 5.8 per cent of businesses were registered as exporters in 2020. This low percentage can be attributed to the fact that many local operations' head offices are registered elsewhere. It also indicates that a few large enterprises dominate local agriculture and agro-processing exports. Note that the share of businesses registered as exporters fell by 2.0 percentage points between 2018 and 2020. Contributing factors include the potential relocation of enterprises or a decision by some to only trade locally.

The leading imports of the Theewaterskloof municipal area in 2022 included mixtures of odoriferous substances (R217.2 million), fruit and vegetable juices (R159.8 million) and colouring materials (R64.1 million). All are required by the beverage production industry for which the area has become well known. These imports resulted in high export returns in the form of fruit and vegetable juice and other beverages, injecting R391.6 million into the Theewaterskloof economy.

Fresh fruit production is also a highlight of Theewaterskloof, where the cultivation of apples, pears and quinces in the Elgin Valley allowed for exports to the value of R817.5 million in 2022. Other fruits, including apricots, cherries and peaches, were also among the top exports of 2022 (R374.7 million). High-quality fruit is expected from the region given its proximity to Theewaterskloof Dam, which provides good crop irrigation, and the fertile nature of the land in this municipal area. Local production of fertilisers by companies such as Ecosoil in Grabouw assists in maintaining soil fertility.

Appletiser

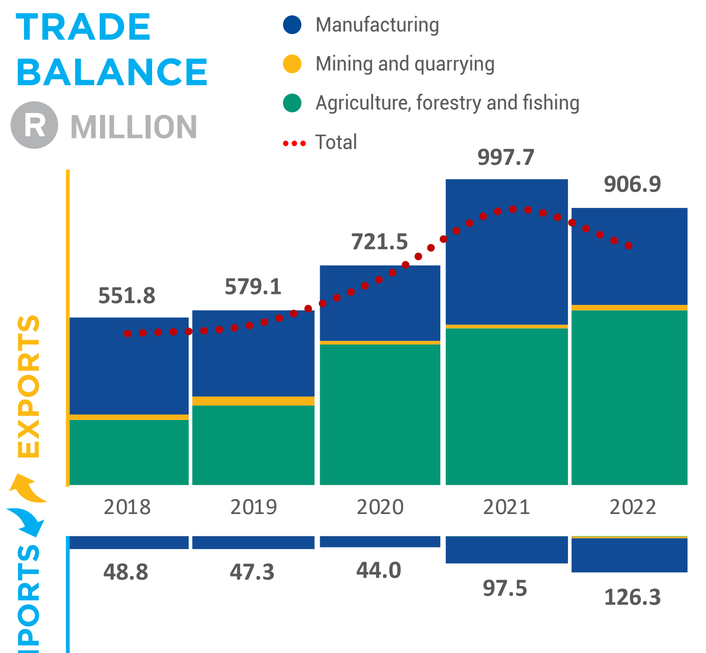
This famous sparkling juice brand was founded in 1966 by French-Italian immigrant Edmond Lombardi, who discovered that juice from Elgin's apples and grapes mixed with sparkling water resulted in a refreshing drink unlike any other on offer. As Appletiser gained popularity, larger organisations became more interested in the brand. The Coca-Cola Company purchased a 50.0 per cent stake in Appletiser in 1979, paving the way for launching the drink in the United Kingdom. By 2016, the enterprise had been sold to the Coca-Cola Company. However, the African Pioneer Group and various private investors retained substantial shares in the undertaking.

Today, Appletiser is sold internationally in markets such as Spain, Belgium, Japan and Australia. Despite the company's rapid growth, Appletiser remains loyal to local farmers, as all apple and pear concentrate is sourced from South African farms. The factory in Grabouw produces more than 50.0 per cent of Tiser products (Appletiser, Grapetiser and Peartiser) distributed domestically and abroad. It employs well over 200 people from surrounding areas. Plans for further expansion will result in greater investment in the Elgin Valley and provide additional employment opportunities for local residents.

Appletiser has become a symbol of the Elgin Valley, where the brand took root and continues to go from strength to strength.

OVERSTRAND TRADE PROFILE 2022

TRADE BALANCE
R MILLION



Source: Quantec research, 2023

ECONOMIC CONTRIBUTION

Source: Quantec research, 2023

TOP 3 EXPORTED PRODUCTS

R274.0m	R255.6m	R107.7m
Molluscs	Other fresh fruit	Wine

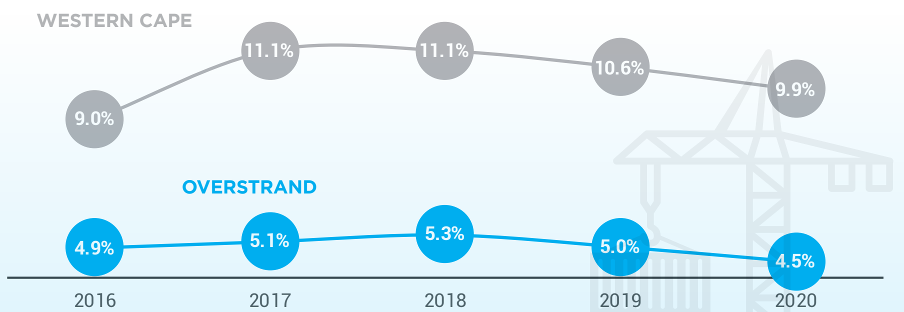
TOP 3 IMPORTED PRODUCTS

R47.5m	R8.2m	R6.2m
Frozen fish	Textile fabrics impregnated, coated, covered or laminated with plastics	Other fresh fruit

Source: Quantec research, 2023

PERCENTAGE OF BUSINESSES REGISTERED AS EXPORTERS

REGISTERED EXPORTERS



Sources: 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 trade profile of the Overstrand municipal area is heavily influenced by its diverse terrain, with both land and sea being used to great advantage. This is visible in the agriculture sector, where the trade balance increased by R56.0 million between 2021 and 2022 (and has increased by R401.1 million since 2017). Overstrand is the smallest municipal area within the OD but the second-largest contributor to the value of exports from the District, with exports accounting for 4.4 per cent of the region's output in 2022. Only 4.5 per cent of businesses in the region were registered exporters in 2020, a low percentage that, again, can be attributed to companies being registered in other municipal areas or districts even though they export goods produced in the Overstrand. As with Theewaterskloof, the number of businesses registered as exporters has declined in recent years – a function of companies moving elsewhere or focusing on local markets.

Wineries and fruit farms in Stanford, Hermanus and surrounding areas imported insecticides to the value of R5.7 million in 2022. These products enabled agricultural production, resulting in fresh fruit exports worth R255.6 million during that year and wine exports of R107.7 million. Along the coast, dwindling pelagic fish numbers have forced canneries and other fish-processing facilities to replace the local catch with imported frozen fish. This and other consumption-based factors have led to frozen fish being the top import of this municipal area, with a value of R47.5 million in 2022.

Hermanus is home to several abalone farms, including Abagold, Aqunion and HIK Abalone Farm, and farmed abalone has become a principal export of the area. Molluscs were the most exported product in 2022, valued at R274.0 million. This marked a substantial recovery (72.0 per cent) relative to the performance of 2020, when COVID-19 trading restrictions imposed by major partner countries such as China and Hong Kong curtailed mollusc exports. The strenuous testing and disinfection of cold chain products introduced during the pandemic had particularly adverse effects on imported seafood.[23]

Abagold

Abagold is a formidable force in the aquaculture industry of South Africa. Located near Hermanus, Abagold produces approximately 500 tonnes of abalone annually, 95.0 per cent of which is exported to major trading partners China and Hong Kong. Abagold has made several large investments in the Overstrand municipal area, including introducing solar power on its farm, self-cleaning tanks in the hatchery and regular technology upgrades that have improved overall performance and increased production.[24] Investments such as these contribute to the local economy. Higher levels of production allow for increased job creation and more locally generated income, as well as higher levels of exports that contribute positively to the local trade balance and the economy as a whole.

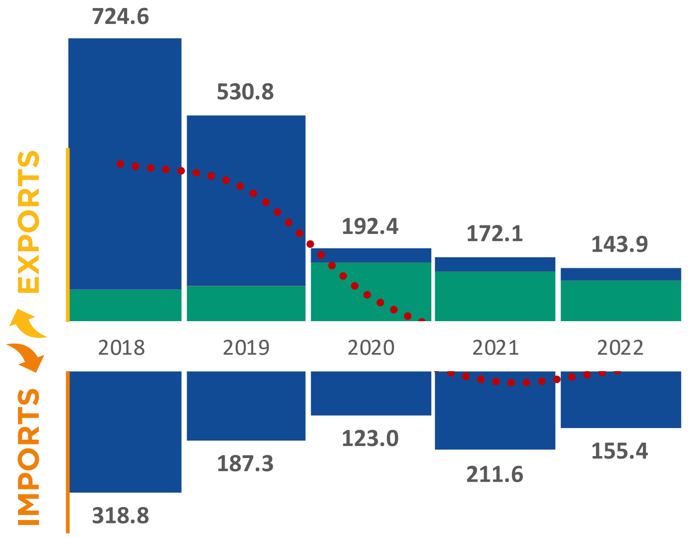
Abagold invests in communities through development projects overseen by the Abagold Development Trust. The trust has provided funding to early childhood development centres to support and uplift the children of Abagold employees and other children in the area.[25] Abagold also recognises the importance of environmental sustainability. In 2022, the company was recognised by the international NGO Friend of the Sea for its sustainable practices and efforts to eradicate abalone poaching along the shores of South Africa.[26]

[23] *(United States Department of Agriculture Foreign Agricultural Service, 2023).*
[24] *(Abagold, 2022).*
[25] *(Mittner, 2022).*
[26] *(News24, 2022).*

CAPE AGULHAS TRADE PROFILE 2022

TRADE BALANCE

R MILLION



Source: Quantec research, 2023

ECONOMIC CONTRIBUTION

Source: Quantec research, 2023

TOP 3 EXPORTED PRODUCTS

R90.3m	R20.6m	R7.9m
Branches & other parts of plants, without flowers	Cut flowers & flower buds	Candles

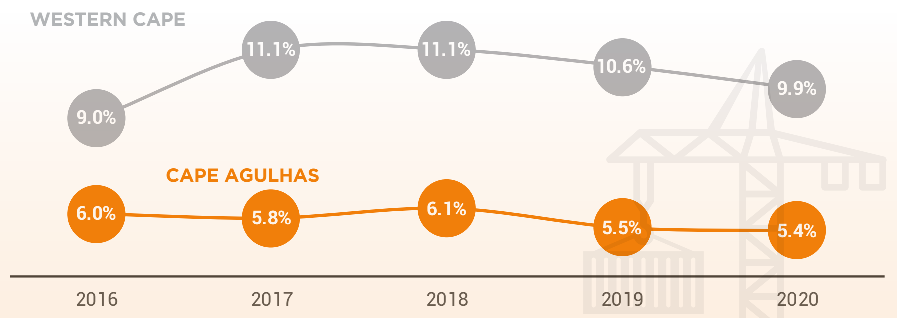
TOP 3 IMPORTED PRODUCTS

R172.0m	R3.5m	R2.7m
Flat-rolled products of iron or non-alloy steel	Machinery for handling earth or other mineral substances	Measuring or checking instruments, appliances & machines

Source: Quantec research, 2023

PERCENTAGE OF BUSINESSES REGISTERED AS EXPORTERS

REGISTERED EXPORTERS



Sources: 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 trade profile of the Cape Agulhas municipal area, which is mostly known for its expansive beaches, small-town fishing and weekend getaways, reveals another aspect of the OD. Historically, manufacturing and agriculture have contributed the most to the trade balance. In recent years, however, the size of the manufacturing sector has decreased significantly and manufacturing-related goods have become a key import of the region, forcing the trade balance to fall to a deficit in 2020. As of 2022, exports reflected a small 1.5 per cent of regional output. Flat-rolled products of iron and non-alloy steel (172.0 million), machinery (R3.5 million) and measuring or checking instruments (R2.7 million) were the top three imports of the Cape Agulhas municipal area in 2022. While such imports have a negative effect on the trade balance, their arrival could be an indication of ongoing construction in the area – something that would be of benefit to local residents.

Flat-rolled iron and non-alloy steel products are often used in agriculture to adapt and alter harvesting equipment. The agriculture sector in the Cape Agulhas municipal area is slightly different from those of neighbouring areas, as it focuses on plants and flowers rather than fresh fruit. Foliage, branches and other parts of flowers (R90.3 million) and cut flowers and flower buds (R20.6 million) were among the top three exported products of the municipal area in 2022. Fynbos and proteas, which grow in the wild, draw large numbers of admirers when the plants are in bloom, with running and hiking trails providing an ideal way of viewing these unique species.

The percentage of registered exporters has remained relatively constant in recent years. Of the 5.4 per cent of businesses in the area that are registered, a number trade in fresh fynbos and proteas (e.g. Blomkloof Trust and Floraland, both based in Bredasdorp). Interestingly, the third-highest exported product in 2022 was candles, valued at R7.9 million. Kapula Candles in Bredasdorp offers employment opportunities to women who craft handmade candle products.

Cape Flora SA

The Western Cape boasts an array of endemic flora, most famously the protea. The national flower of South Africa, the protea is a well-known symbol of the richness of biodiversity in the country and, more specifically, the Western Cape. The unique beauty of the protea has resulted in its growing popularity overseas, and local industry leaders such as Floraland Fresh and Anzet Flora near Napier, together with FynBloem and Bloemenkraal Estate near Riviersonderend, export fresh proteas worldwide.

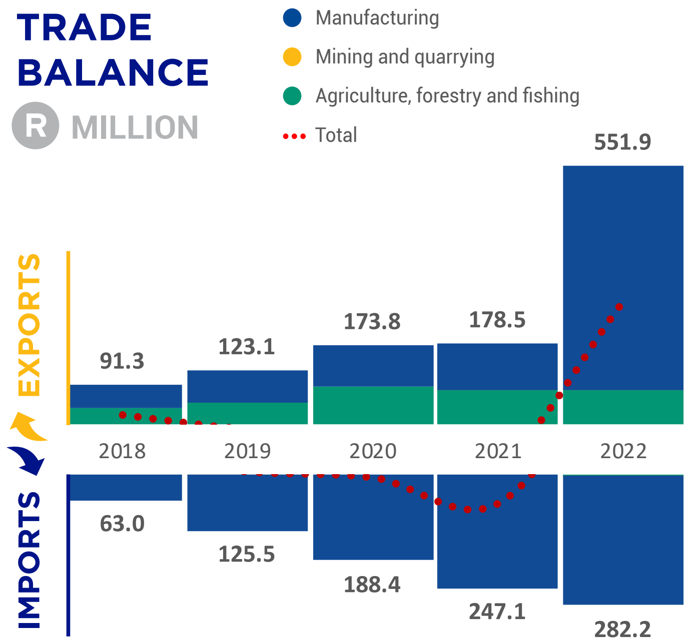
These entities, as well as many more, comprise Cape Flora SA. This non-profit company monitors and promotes the sustainable export of proteas from South Africa. The company offers its members international market access opportunities, research services, training opportunities, industry statistics and many other benefits used to bolster the local cultivation industry.[27] Cultivated predominantly in Cape Agulhas and the Overstrand, the natural harvesting of proteas occurs under strict regulation to ensure sustainable harvesting practices because of the importance of the flower to South Africa. In the 2021/22 season, Cape Flora SA reported 3.4 million protea stems were exported, 24.9 per cent higher than the previous season, with the primary export market being the European Union (EU), which accounted for 67.0 per cent of all exported proteas.[28] In May 2023, an application submitted by Cape Flora SA was approved by the *Government Gazette* allowing for the protection of the name "Cape Flora" and its logo, allowing it higher recognition and greater international protection. Cape Flora SA hopes to continue the process and apply for geographical indication in the future, meaning that Cape Flora SA goods would be identified as having a specific origin, further contributing to the quality, reputation and exclusivity of exported Cape Flora products.[29]

[27] (Cape Flora SA, 2023).
[28] (Cape Flora SA, 2023).
[29] (Freight News, 2023).

SWELLENDAM TRADE PROFILE 2022

TRADE BALANCE

R MILLION



Source: Quantec research, 2023

ECONOMIC CONTRIBUTION

Source: Quantec research, 2023

TOP 3 EXPORTED PRODUCTS

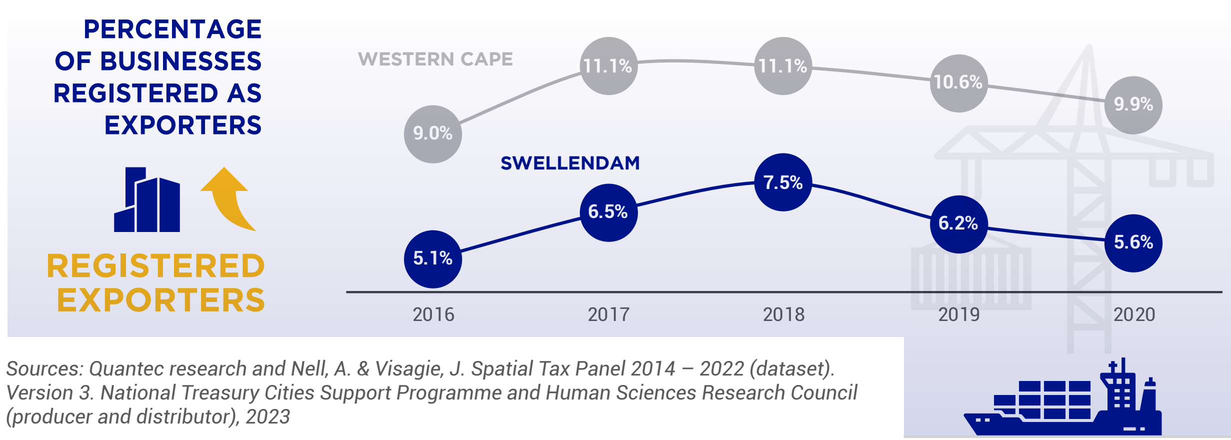
R388.7m	R296.6m	R145.7m
Rapeseed or colza seeds	Sunflower seed, safflower or cottonseed oil	Rapeseed, colza or mustard oil

Source: Quantec research, 2023

TOP 3 IMPORTED PRODUCTS

R38.2m	R32.2m	R28.9m
Sunflower seed, safflower or cottonseed oil	Coconut (copra), palm kernel or babassu oil	Rapeseed, colza or mustard oil

PERCENTAGE OF BUSINESSES REGISTERED AS EXPORTERS



Sources: 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 Swellendam municipal area, located just below the Klein Karoo, is rich in fertile farmlands and farming communities. Agriculture here is centred on producing and processing oilseeds such as canola. Having recorded a negative trade balance between 2019 and 2021, Swellendam realised a trade surplus of R269.6 million in 2022, resulting in an impressive 11.6 per cent export contribution to regional output in the same year. This was largely due to farming and agro-processing related to seed oil production. This municipal area has a modest number of businesses that are registered as exporters. As a result, even small fluctuations in the number of these businesses greatly impact the percentage of registered exporters in the region.

Southern Oil, one of the 5.6 per cent of companies in the area that were registered exporters in 2020, is based in the town of Swellendam and manufactures and exports edible oil products such as canola, coconut and olive oil. The edible oil product industry accounts for the bulk of imports to and exports from the Swellendam municipal area, with the top imports in 2022 being sunflower seed, safflower or cottonseed oil (R38.2 million), coconut, palm kernel or babassu oil (R32.2 million) and rape, colza or mustard oil (R28.9 million). These commodities are inputs for the oilseed processing chain, some of them imported to maintain production levels when the local yield is low or a particular crop is out of season. Harvested rape and colza seeds were the most exported product in 2022, with a value of R388.7 million, followed by sunflower seed, safflower or cottonseed oil (R296.6 million) and rape, colza or mustard oil (145.7 million).

Canola

Weighing in at 210 530 tonnes, the highest canola yield of the past decade was recorded in 2022.[30] Also in 2022, the Bureau for Food and Agricultural Policy (BFAP) forecast substantial increases in canola oil consumption. Meanwhile, canola processing was expected to grow by an average annual rate of 4.7 per cent (coming off a small base). Favourable international prices were anticipated because of the declining international supply of other vegetable oils, including palm oil from Malaysia and sunflower oil from the Black Sea region.[31] These predictions bode well for the local economy of the Swellendam municipal area.

[30] *(Oil & Protein Seeds Development Trust, 2022).*
[31] *(BFAP, 2023).*

5. TOURISM

OVERBERG DISTRICT

The OD, a haven of nature, captivates with its coastal enclaves, mountain scenery and unspoiled nature reserves. Among the District's gems are the Whale Coast, renowned for the annual visits by southern right whales, De Hoop Nature Reserve and Cape Agulhas National Park, home to diverse flora and fauna. The OD also encompasses the southernmost tip of Africa, L'Agulhas. Its proximity to Cape Town and Cape Town International Airport allows for seamless travel to the District, further enhancing its appeal.

2022

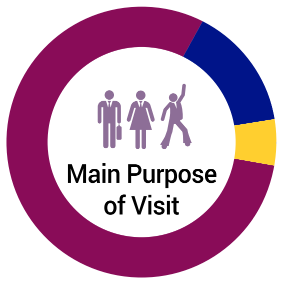
204 981 VISITORS

The OD's national parks, botanical gardens, nature reserves and museums attracted 204 981 visitors in 2022.

This marked a 75.7 per cent increase compared with visitor numbers for the pre-pandemic year of 2019. Harold Porter National Botanical Garden experienced a resurgence in 2022 when it welcomed 45 592 visitors. This constituted a 105.1 per cent increase in visitor numbers compared with 2019 and a 13.9 per cent rise relative to the total for 2021. Similarly, Kogelberg Nature Reserve saw a 167.2 per cent surge in visitor numbers from 2019 to 2022. While Agulhas National Park and the Cape Agulhas Lighthouse are still regaining their pre-pandemic popularity, the substantial growth in visitor numbers for both attractions from 2019 to 2022 – 67.2 per cent and 64.0 per cent, respectively – bodes well for the upward trajectory of the local tourism industry.

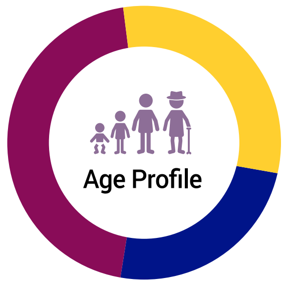



2022 TOP 3 MAIN PURPOSES OF VISIT

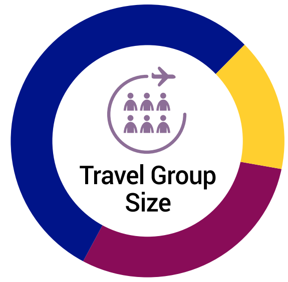


74.0%	**Leisure/Holiday**
13.3%	Visiting Friends or Relatives
4.9%	Business

TOP 3 VISITOR PROFILES 2022



21-35 yrs	22.7%
36-50 yrs	**41.7%**
51-70 yrs	27.3%



One person	26.9%
Two people	**48.8%**
Three people	13.8%

With 74.0 per cent of visitors in 2022 coming for a holiday, the towns of the OD offer an array of activities and a wide range of accommodation. The region's rich historical and cultural heritage adds dimension to the tourist experience. Visitors can explore towns such as Swellendam, celebrated for its Cape Dutch architecture, and Stanford, whose roots date back to 1707.[32] Shark-cage diving in Gansbaai or relaxing on one of the several Blue Flag beaches makes the OD the ideal destination for adventurers and families.

[32] *(Stanford Conservation, 2020).*

Older couples in particular favour the OD, with 41.7 per cent of visitors in 2022 being between 36 and 50, and 48.8 per cent of visitors travelled in pairs. A food-lover's revolution is under way, drawing enthusiasts from far and wide to take part in the thriving gastronomy scene. Visitors can explore local restaurants (17.2 per cent), shop at craft and food markets (10.8 per cent) or simply enjoy the quiet pleasure of a scenic drive (10.4 per cent). Wine tourism in the OD enhances its allure, benefiting from the region's unique cool climate, which lends itself particularly well to the cultivation of white grape varieties. The OD boasts several wine routes, each offering its own distinctive charm. These include the Stanford, Hemel-en-Aarde, Elgin and Botrivier wine routes and the Agulhas Wine Triangle, which collectively invite wine enthusiasts to savour the rich tapestry of local wines.

2022 TOP 5 TOURIST ACTIVITIES

Cuisine	Craft/Food Markets	Scenic Drives	Outdoor Activities	Culture/Heritage
17.2%	10.8%	10.4%	9.3%	9.2%

According to the Tourism Sentiment Index, **Hermanus is one of the 100 most loved destinations in the world.** Acclaimed for its whale-watching opportunities, **Hermanus ranked 18 in 2023**. In 2022, the town ranked 41 on the index.

2022 TRAVELLERS

INTERNATIONAL	DOMESTIC
21.5%	78.5%

GROWTH IN BED-NIGHTS — TOTAL 70.1%

INTERNATIONAL	DOMESTIC
193.7%	-1.9%

Source: S&P Global, 2023

The majority of visitors to the OD in 2022 were domestic travellers (78.5 per cent), mostly hailing from other parts of the Western Cape (89.2 per cent), followed by those from Gauteng (5.2 per cent) and KwaZulu-Natal (2.4 per cent). Domestic travel has been significantly affected by the constraints on household incomes resulting from rising fuel prices, inflation and COVID-related job losses. This can be seen in the decline in domestic tourist bed-nights, which fell 1.9 per cent between 2021 and 2022.

While the domestic tourist market has come under pressure, international tourists have benefited from a weakened exchange rate. This has led to an increase in international bed-nights, with the total rising by 193.7 per cent between 2021 and 2022. The growth in international bed-nights came off the low base of an industry still struggling to recover from the stringent travel restrictions of 2020. Nonetheless, it provided a valuable boost to the local economy. Germany (25.9 per cent) and the United Kingdom (18.5 per cent) were the primary source markets for visitors to the OD in 2022. German travellers are predominantly city dwellers searching for sun-drenched getaways and seaside retreats.

TOP 3 DOMESTIC TRAVELLERS

Western Cape	Gauteng	KwaZulu-Natal
89.2%	5.2%	2.4%

TOP 3 INTERNATIONAL TRAVELLERS

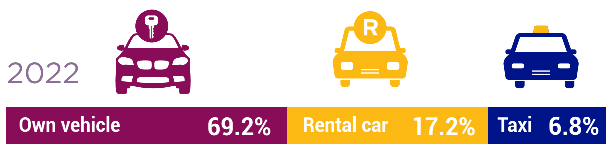
Germany	United Kingdom	France
25.9%	18.5%	11.9%

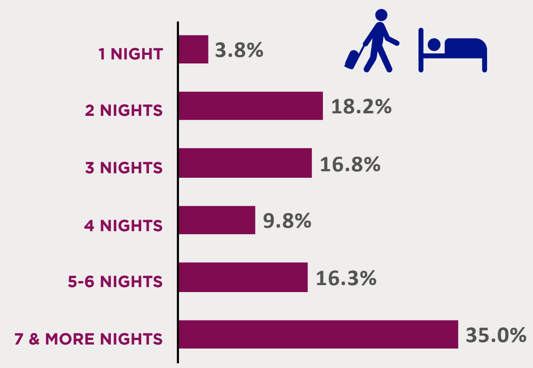
Source: S&P Global, 2023

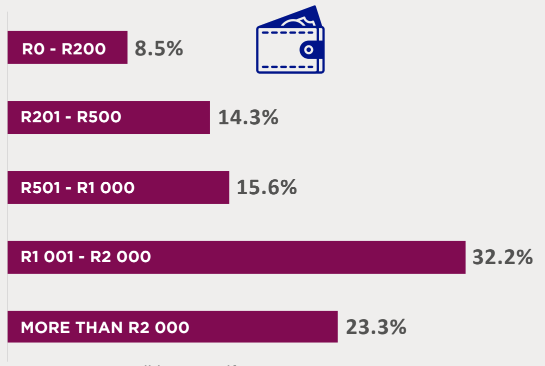
Tourism in the OD is seasonal, with the winter months being far quieter than the December holiday period. Throughout the year, festivals and events are hosted in the District, including the Hermanus Whale Festival, the FNB Wines2Whales mountain biking extravaganza, the Overberg Toy Run and the Stanford Festival Mardi Gras. Such events are a valuable revenue injection for local shops and accommodation providers.

TOP 3 MODES OF TRANSPORT USED BY VISITORS

Most visitors to the OD in 2022 (69.2 per cent) used their personal motor vehicles when travelling through the District, reflecting the OD's popularity among Western Cape residents.

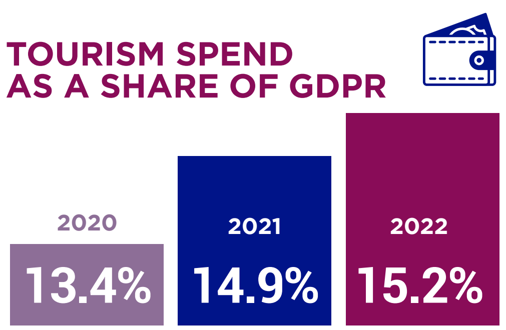






Note: 6.0 per cent did not specify

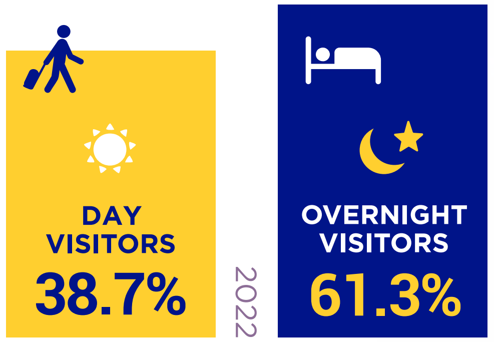
Tourist spending typically ranged between R1 000 and R2 000 per day, with a substantial share of visitors (35.0 per cent) staying more than seven nights. Visitors staying longer are generally domestic tourists holidaying in the District. Those who undertake extended vacations favour Airbnb and house rental accommodation, which present exciting investment opportunities within the OD's burgeoning property market.



Source: S&P Global, 2023

Tourism spending constituted 15.2 per cent of GDPR in 2022. This was only marginally more than the spending for 2021 (an improvement of 0.3 of a percentage point), showing that the effects of the COVID-19 travel restrictions have yet to fully recede. Constrained household budgets have also depressed spending. Promisingly, a significant majority of visitors in 2022 (61.3 per cent) opted to stay overnight in one of the OD's numerous accommodation offerings, which include self-catering options, guest houses and B&Bs. These lodgings, mainly concentrated in towns such as Hermanus, Bredasdorp and Gansbaai, provide jobs to residents of surrounding areas. Given the limited economic opportunities in smaller coastal towns such as Stanford and Kleinmond, the hospitality industry is indispensable when it comes to fuelling local employment.

OVERNIGHT VS DAY VISITORS



Despite the slight improvement in tourist spending and the substantial growth in the number of bed-nights, job-shedding was prevalent in the accommodation sector, where the number of people in full-time employment shrank from 3 067 in 2021 to 2 641 in 2022. That said, towns such as Bredasdorp and Buffeljagsrivier bucked this trend, registering a rise in job opportunities within the accommodation sector.

The travel patterns of tourists affect local government budget planning, as maintenance and installation of road and service infrastructure also contribute to making an area an appealing tourist destination. In the Cape Agulhas municipal area, the influx of tourists during peak summer months puts substantial pressure on ageing water infrastructure. Upgrades to the road between Hermanus and Gansbaai in the Overstrand municipal area have been prioritised because of its frequent use by tourists. Mindful planning therefore requires that a larger number of events are scheduled for the off-peak season, as this allows for a more sustainable use of facilities.

OVERBERG DISTRICT TOURISM TRENDS 2022

Unless otherwise stated, tourism indicators are sourced from *Overberg Tourism Visitor Trends January – December 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 OD. Public sector investment catalyses private sector engagement, leading to 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 for private enterprises to 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. In 2021, private investment contributed R3.0 billion to the District's GDPR. As the private sector flourishes, job opportunities multiply, local economies diversify and incomes rise, ultimately uplifting the socio-economic fabric of the community. Thus, the synergy between public and private sector investments generates a virtuous growth cycle, driving sustainable development and economic empowerment.

6.1 Public sector investment

In the bustling heartland of the OD region, the strategic investment by Provincial and local government plays a significant role in maintaining a suitable environment and forging a fertile ground for both 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 expenditure and prospects of new job opportunities. However, the true reward unfolds in the long run, when the resultant operational activities of these investments stimulate a captivating symphony of growth echoing across the District. Obstacles to public sector investment have become more prevalent, with challenges such as load-shedding, rising unemployment rates and poor economic growth negatively affecting local government's revenue-generating capabilities. However, in the face of adversity, the resolve of the local municipalities remains unyielding and investing in infrastructure remains a priority.

Communities and businesses are unanimous in their call for reliable potable water supplies. However, ageing water supply infrastructure and load-shedding compromise sustainable water provision in the OD. Given the economic dependence of the Theewaterskloof, Swellendam and Cape Agulhas municipal areas on agriculture and agro-processing, the maintenance, improvement and extension of water-related infrastructure is a priority. The three areas allocated R40.0 million, R20.7 million and R12.5 million, respectively, to water management in the 2023/24 financial year. While sustainable water supplies are necessary for all settlements given their growing populations, they are a matter of particular concern in towns such as Villiersdorp, Caledon, Hermanus and Struisbaai. The Swellendam municipal area relies heavily on groundwater, indicating a need to identify additional water sources. These will assist the area in meeting the needs of an expanding population and reduce its vulnerability during droughts, both socially and economically.

By recognising the significance of these challenges and making strategic investments in modernising and expanding water management infrastructure, the region can work towards ensuring a reliable and sustainable water supply for both its agriculture sector and growing urban communities. These actions will be pivotal in enhancing the region's resilience when it comes to water-related crises and fostering long-term economic growth.

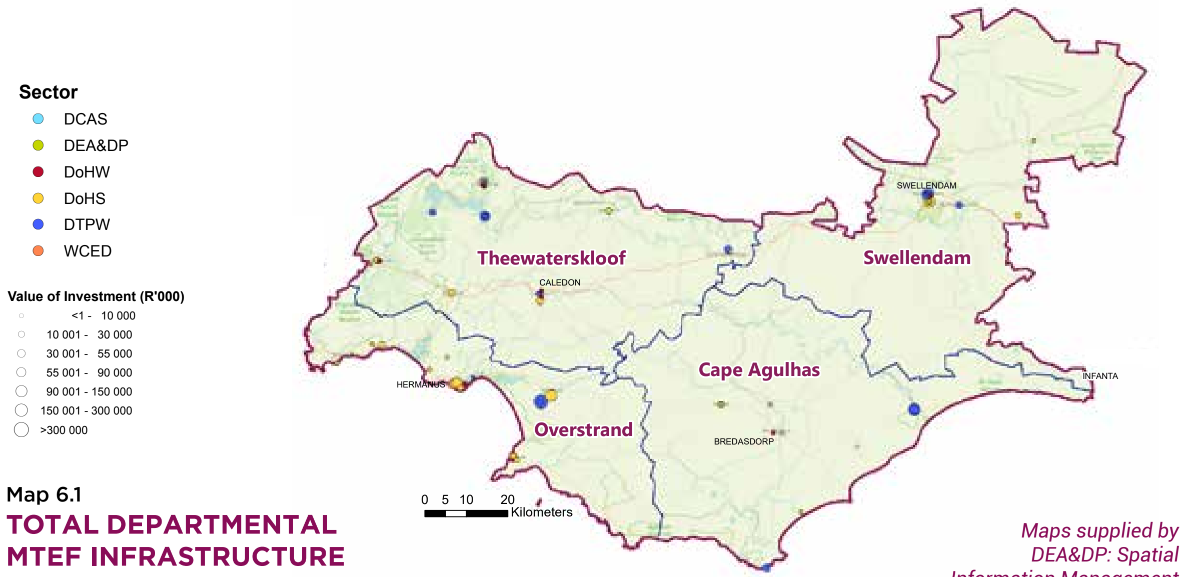
Table 6.1
BUDGETED CAPITAL EXPENDITURE, Overberg District, 2023/24

DESCRIPTION R million	Theewaterskloof	Overstrand	Cape Agulhas	Swellendam	Overberg District
Municipal governance and administration	**R2.6**	**R9.1**	**R3.8**	**R2.9**	**R1.4**
Executive and council	R0.0	R5.0	R0.0	R0.0	R0.0
Finance and administration	R2.6	R4.1	R3.8	R2.9	R1.4
Internal audit	R0.0	R0.0	R0.0	R0.0	R0.0
Community and public safety	**R51.2**	**R49.2**	**R5.3**	**R1.2**	**R5.0**
Community and social services	R3.0	R1.3	R2.5	R0.2	R0.0
Sports and recreation	R7.1	R5.0	R2.3	R0.3	R0.9
Public safety	R0.7	R0.9	R0.4	R0.6	R4.0
Housing	R40.3	R41.9	R0.0	R0.1	R0.0
Health	R0.0	R0.0	R0.0	R0.0	R0.0
Economic and environmental services	**R10.6**	**R5.7**	**R20.2**	**R7.4**	**R0.0**
Planning and development	R1.8	R1.1	R0.0	R0.8	R0.0
Road transport	R8.8	R4.6	R19.8	R6.6	R0.0
Environmental protection	R0.0	R0.0	R0.4	R0.0	R0.0
Trading services	**R83.0**	**R145.4**	**R30.7**	**R34.8**	**R0.0**
Energy sources	R19.7	R59.5	R7.8	R2.9	R0.0
Water management	R40.0	R26.0	R12.5	R20.7	R0.0
Wastewater management	R18.6	R59.4	R1.6	R6.0	R0.0
Waste management	R4.7	R0.5	R8.7	R5.2	R0.0
Other	**R0.0**	**R0.0**	**R0.0**	**R0.0**	**R0.0**
Total infrastructure spend	**R147.4**	**R209.4**	**R59.9**	**R46.3**	**R6.4**
Infrastructure spend as a percentage of GDPR	**1.4%**	**2.6%**	**1.6%**	**1.4%**	**0.0%**

Source: Western Cape Provincial Treasury, 2023

In the 2023/24 MTEF, the OD is allocated a total Provincial infrastructure investment of R1.8 billion. This amounts to 5.5 per cent of the overall Provincial infrastructure budget for this period.

The Western Cape Government will invest R369.3 million in roads and public transport under the 2023/24 allocation. Within this budget, a substantial R130.0 million investment has been earmarked for the upgrading and renovating of the Hermanus-Gansbaai roadway. This ambitious project is the largest infrastructure initiative for the OD during this period. This road plays a pivotal role as a significant tourist artery into the OD and serves as a gateway to the region's remarkable attractions, including popular activities such as whale-watching and shark-cage diving. Recognising its importance, the government's emphasis on maintaining and improving this road is crucial to capitalise on the potential benefits derived from tourist expenditure in the area, given that 69.2 per cent of visitors to the District use their own vehicle for travel, and that 89.2 per cent of domestic visitors are road users travelling from surrounding regions of the Western Cape.



Maps supplied by DEA&DP: Spatial Information Management

Map 6.1

TOTAL DEPARTMENTAL MTEF INFRASTRUCTURE BUDGET AND NUMBER OF PROJECTS, Overberg 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)
Education (WCED)	2	18 000	20 000	40 000	**78 000**
Health and Wellness (DoHW)	23	9 731	12 607	7 556	**29 894**
Infrastructure (Human Settlements; DoHS)	35	229 458	265 951	284 406	**779 815**
Infrastructure (Transport and Public Works; DTPW)	18	369 330	251 820	288 955	**910 105**
Environmental Affairs and Development Planning (DEA&DP)	4	6 900	0	0	**6 900**
Total	**82**	**633 419**	**550 378**	**620 917**	**1 804 714**

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.

In a strategic move to address housing challenges and promote equitable urban development, housing infrastructure expenditure will be allocated in critical areas within the region, specifically in Railton, which is Swellendam's only informal settlement. Railton is situated on the opposite side of the N2 roadway in relation to Swellendam, effectively isolating the town from business opportunities and personal services. The N2 roadway creates a barrier between these communities, preventing social and economic integration. The construction of 950 serviced sites in Railton will promote the town's development, improve the living conditions of those residing in informal dwellings and prevent socio-economic exclusion caused by the town's positioning. Housing infrastructure expenditure was also allocated to Stanford (construction of 783 serviced sites), the Schulphoek housing development in Hermanus and Villiersdorp (informal settlement upgrade). Villiersdorp is characterised by the seasonal migration of farm labourers, which has led to the rapid growth of informal settlements in the surrounding area. Such upgrades aim to change the spatial dynamics of rural centres, given the high levels of in-migration of those looking for agricultural work in the District.

The OD has a young population, with 32.4 per cent of the District's residents being below 20 years of age in 2022. Learner enrolments increased by 3.2 per cent between 2021 and 2022 alone, making funding towards education one of the Western Cape Government's main priorities in the District. Allocations towards education infrastructure in the OD will, in 2023/24, be focused on the ongoing construction of the Hermanus Technical High School and the Umyezo Wama Apile Primary School in Grabouw. Education has become a significant priority for the region, as schools are overcrowded, with urgent demand for primary and secondary school facilities. Many learners are accommodated in mobile schools during construction, and many will remain in mobile schools until additional primary schools are developed. Expenditures on these projects total R15.0 million and R3.0 million, respectively. Over the long term, additional education infrastructure and services such as new schools, classes, scheduled maintenance and new subject offerings in the science and mathematics fields (such as engineering, technology and coding) will be required in the OD if access to education is to keep up with increasing demand and educational outcomes are to improve. Better 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. These include upgrades to Caledon Hospital amounting to R10.2 million, partially because of a fire that affected a single hospital ward in 2021.[33] The incident occurred in the late hours of 22 April, and no staff or patients were injured, as Caledon Fire and Emergency Services and Overberg Disaster Management worked swiftly to extinguish the fire. Additional notable allocations include R3.7 million for replacing the Villiersdorp Ambulance Station – ambulance coverage is very important to rural communities because of the great distance between communities and healthcare facilities. A total of R3.6 million has been allocated towards improving the Villiersdorp Clinic. With its 3 495[34] registered patients in 2022, the clinic stands out as one of the clinics serving the largest number of patients in the OD.

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.

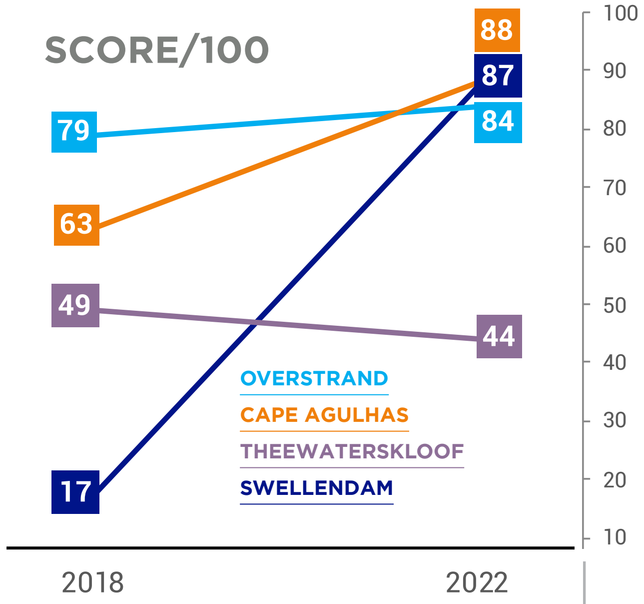
[33] *(Wesgro, 2021).*
[34] *(Department of Health, 2023).*

Infrastructure Development Score, Overberg 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, without external financial assistance, the municipality should be able to absorb financial shocks caused by natural, economic, political and other disasters, such as COVID-19."*

In the OD, the Cape Agulhas and Swellendam municipal areas scored the highest in their infrastructure development score. The Swellendam municipal area has shown remarkable improvement in its infrastructure provision since 2018, with its score improving from 17 in 2018 to 87 in 2022. The Overstrand municipal area has also improved, but must maintain infrastructure to keep up with population growth. Regarding the Theewaterskloof municipal area, despite showing some improvement between 2021 and 2022 (even in the context of a fast-growing population), its score level in 2022 remained below that of 2018.

Figure 6.1
INFRASTRUCTURE DEVELOPMENT SCORE, Overberg District, 2022



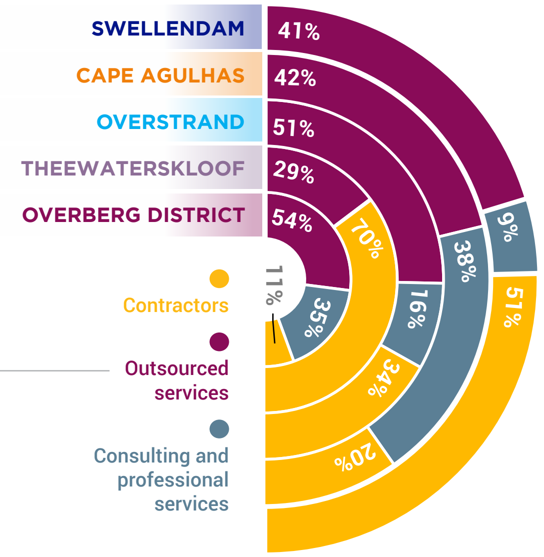
Source: Ratings Afrika, 2023

6.2 Public sector procurement

Public sector procurement processes in the OD can facilitate the development of local 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 Swellendam and Cape Agulhas municipalities in the OD are aligned with this recommendation. A considerable share of the expenditure on contractor services in the Theewaterskloof and Swellendam municipal areas in the 2022/23 period (70.0 per cent and 51.0 per cent of contracted spend, respectively) relates to infrastructure initiatives, notably road network improvements and water system upgrades. In Theewaterskloof, upgrades of the R320 between Caledon and Hermanus not only improved the connectivity between two of the major hubs in the region but also created 30 jobs in the construction sector, a sector[36] in dire need of revitalisation.

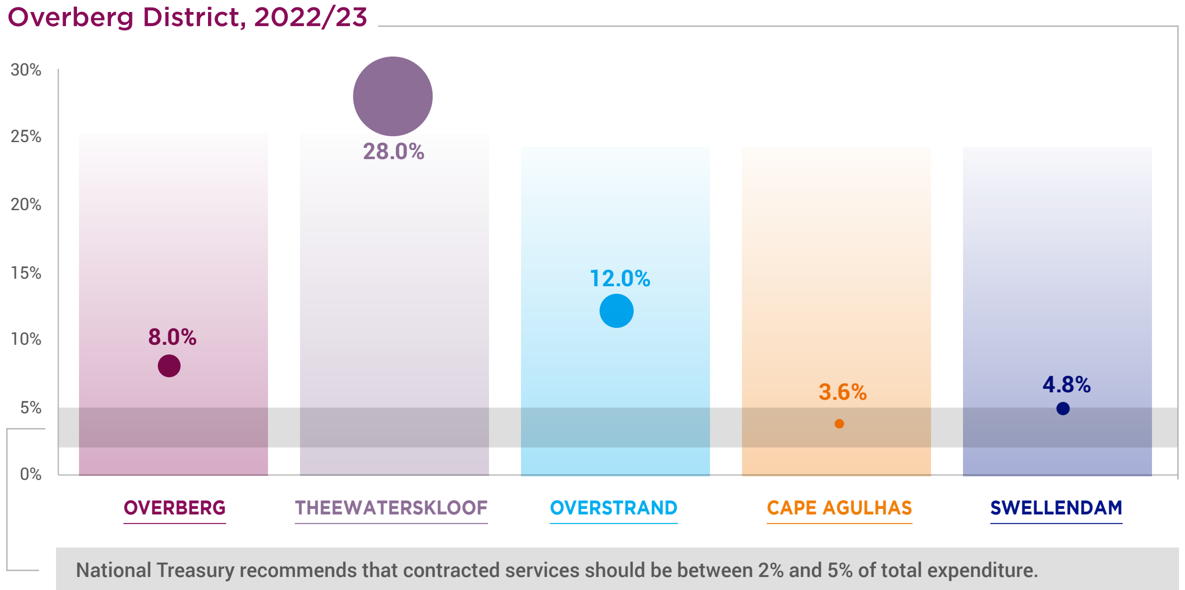
Preferential procurement policies[35] provided for under the Preferential Procurement Policy Framework Act (Act No. 5 of 2000), Section 217, allow for a fair, equitable and transparent mechanism to empower persons or categories of persons disadvantaged by unfair discrimination.

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



Source: Calculated from National Treasury, 2023

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



Source: Western Cape Provincial Treasury, 2023

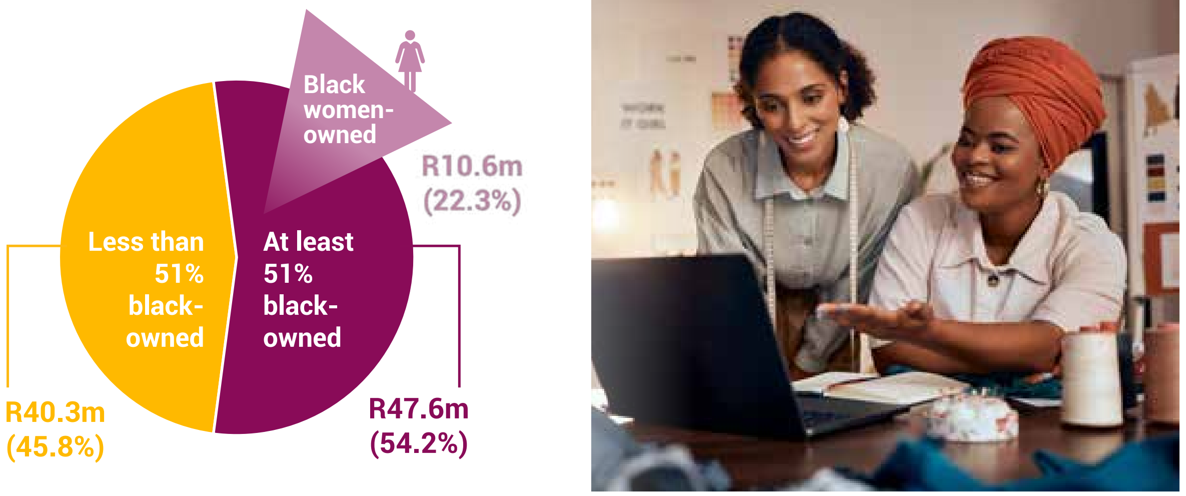
[35] *The information regarding black ownership, black women ownership and other designated groups was split to avoid duplication of expenditure, as a supplier can be both black-owned and a youth.*
[36] *(Theewaterskloof Municipality, 2023).*

Outsourced services in the Overstrand and Cape Agulhas municipal areas comprised the highest proportion of contracted service expenditure, making up 51.0 and 42.0 per cent of total contracted services expenditure, respectively.

In 2022/23, a noteworthy investment of R47.6 million was directed towards procuring goods and services from predominantly black-owned companies. Of this amount, 22.3 per cent (R10.8 million) was spent on majority black women-owned companies. Given the historical social exclusion of women, particularly black women, procuring goods and services from black women-owned companies can significantly reduce the marginalisation created by past inequalities.

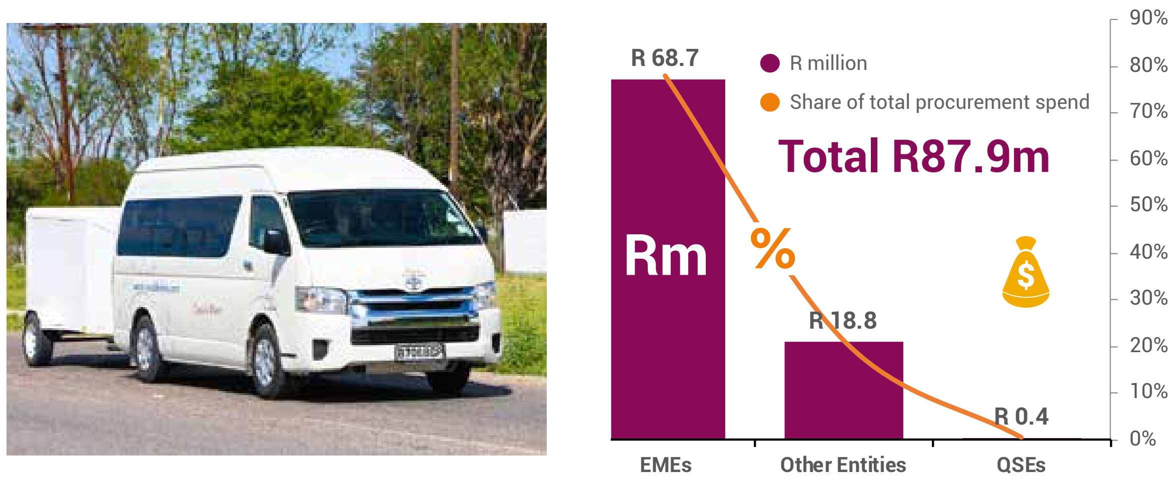
6.3 Public sector spending on designated groups[37]

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



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

Figure 6.5
EXPENDITURE ON REGISTERED SMMES, Overberg District, 2022/23



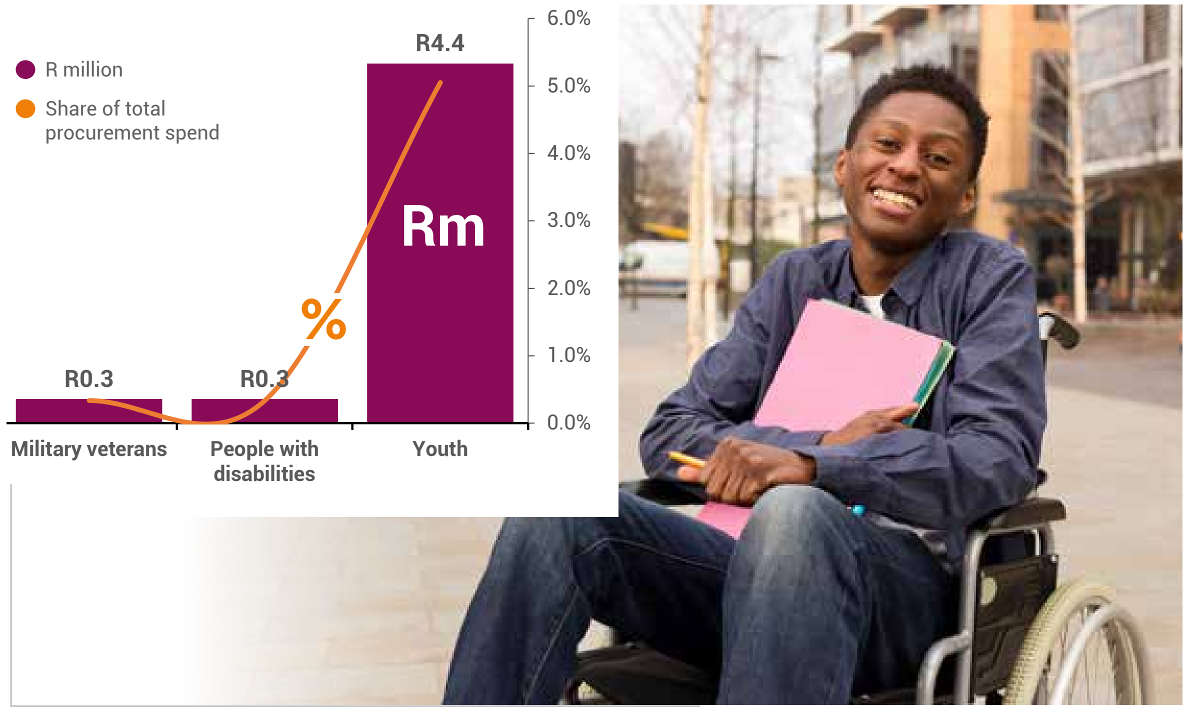
Source: The Provincial Infrastructure Reporting Model (IRM), Western Cape Provincial Treasury, 2023

[37] *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).*

In 2022/23, R68.7 million (78.1 per cent of the total spend on SMMEs) was spent on exempted micro enterprises (EMEs). Procurement from EMEs is mostly related to services such as scholar transport services, and business and advisory services. Meanwhile, the procurement spend on qualifying small enterprises (QSEs) was concentrated in the Grabouw area, covering a range of services, including property and venue services, and catering and travel services. 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 case. This reveals the strategic differentiation in procurement practices and showcases how the OD leverages the unique strengths of various enterprises, promoting local economic growth and fostering a vibrant business environment.

Procurement spending on goods and services provided by military veterans and people with disabilities in the OD comprised only 0.3 per cent of total procurement in 2022/23. However, this marked an improvement compared with 2021/22 (0.1 per cent). Procurement from youth-owned enterprises made up 5.1 per cent of total procurement in 2022/23, which is 2.1 percentage points lower than the percentage recorded in 2021/22. Given the high youth unemployment rate in the District, procuring goods from youth-owned enterprises and encouraging companies owned by young people to register on the Western Cape Supplier Evidence Bank (WCSEB) are paramount when it comes to reducing youth unemployment in the OD.

Figure 6.6
PAYMENTS TO DESIGNATED SUPPLIERS, Overberg District, 2022/23

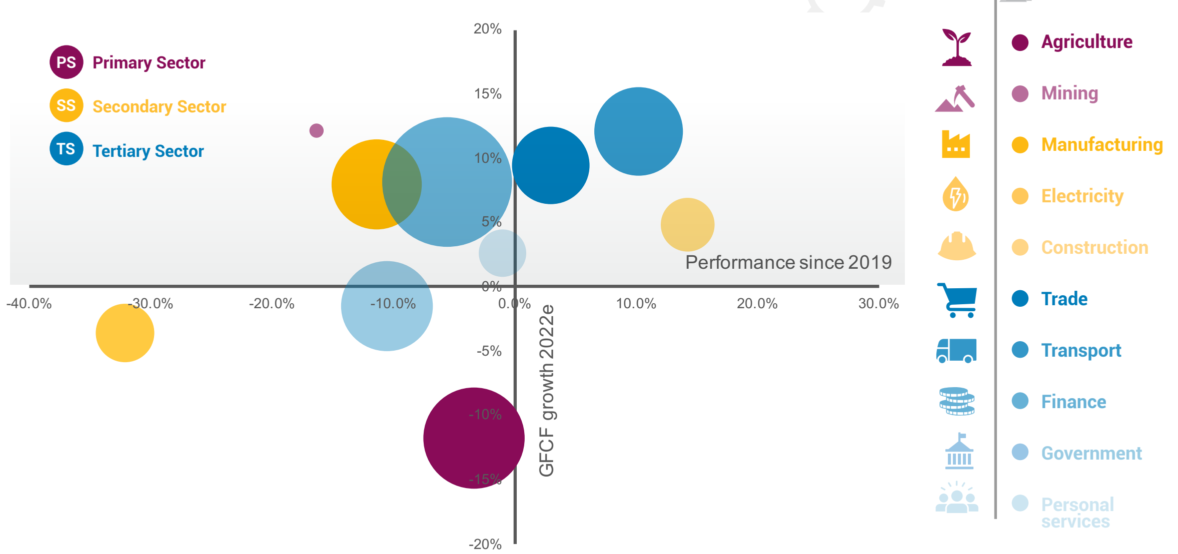


Source: The Provincial Infrastructure Reporting Model (IRM), Western Cape Provincial Treasury, 2023

6.4 Private sector investment

From the expansive coastline of the Overstrand to the canola fields of Swellendam, the diversity and richness of agricultural resources and processing facilities in the OD attract substantial investment. Investments have also been made in housing developments, renovations and shopping space, showing that the OD is a pleasant area to work and live in.

Figure 6.7
GROSS FIXED CAPITAL FORMATION, Overberg 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**	**R616.2**	**15.8%**	**-3.7%**	**-11.5%**
Agriculture, forestry & fishing	R603.2	15.5%	-3.4%	-11.8%
Mining & quarrying	R13.0	0.3%	-16.3%	12.2%
SS **Secondary Sector**	**R849.9**	**21.9%**	**-12.5%**	**4.8%**
Manufacturing	R485.4	12.5%	-11.3%	8.0%
Electricity, gas & water	R199.4	5.1%	-32.1%	-3.5%
Construction	R165.1	4.2%	14.3%	4.9%
TS **Tertiary Sector**	**R2 423.5**	**62.3%**	**-2.7%**	**7.0%**
Wholesale & retail trade, catering & accommodation	R354.5	9.1%	3.0%	9.5%
Transport, storage & communication	R463.3	11.9%	10.2%	12.1%
Finance, insurance, real estate & business services	R979.9	25.2%	-5.6%	8.2%
General government	R492.3	12.7%	-10.5%	-1.5%
Community, social & personal services	R133.6	3.4%	-1.0%	2.6%
Total Overberg District	**R3 889.6**	**100.0%**	**-5.6%**	**3.6%**

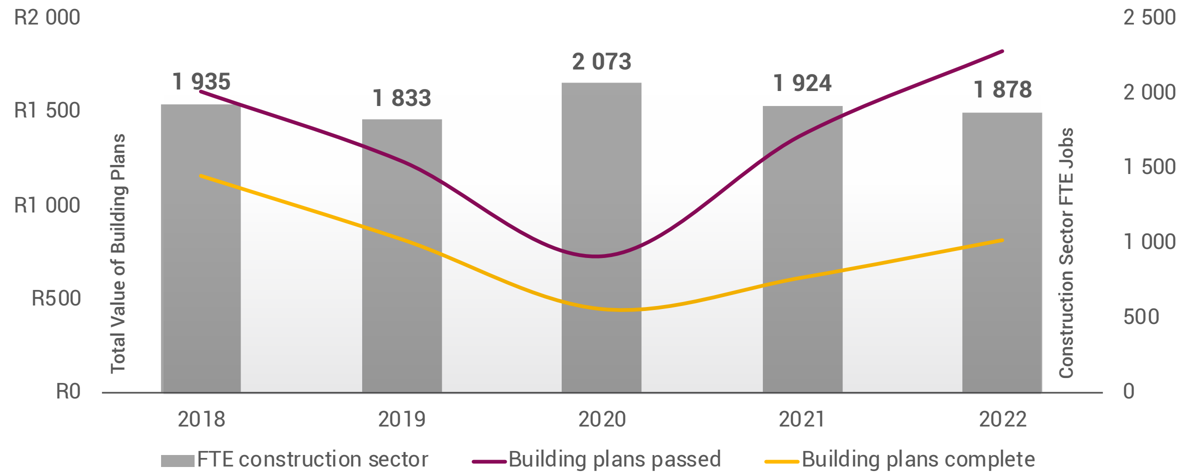
Source: Quantec research, 2023

In 2021, gross fixed capital formation (GFCF) experienced growth of 2.5 per cent, reaching a total value of R3.9 billion. This growth was primarily driven by increased investments in the transport and finance sectors, which played a pivotal role in bolstering economic activity. The estimates for 2022 indicate substantial growth in investments in the transport sector (12.1 per cent), which consequently resulted in this sector being one of the main contributors to GDPR growth for the region. Following closely on the heels of this sector is the finance sector, with an estimated growth rate of 8.2 per cent rise in GFCF.

Despite these positive developments, it is important to note that most sectors have not yet reached pre-pandemic levels of investment, as business confidence remains muted because of the weakened South African economy, which has largely been affected by load-shedding. This is especially prevalent in the secondary sector, which was 12.5 per cent lower than its 2019 position in 2022. Nevertheless, there is a glimmer of hope, as the construction sector managed to make a remarkable recovery of 14.3 per cent between 2020 and 2022 after lockdown restrictions were lifted. Despite the positive growth in construction sector investments and completed building plans, formal employment in the industry has declined, as real output continued its downward trend amid high input prices. However, the steady increase in building plans passed since 2020, with 2022 numbers surpassing those of 2019, indicates a positive outlook, and if construction activities are realised, this could boost employment in the sector.

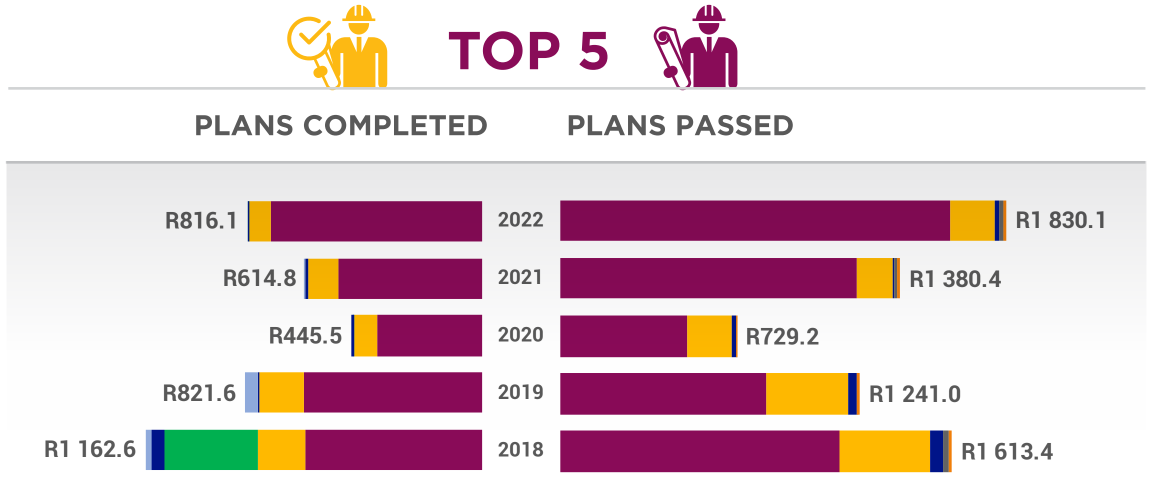
The value of building plans passed[38] can be a leading indicator of development investment, while building plans completed[39] can be a lagging indicator. This means that the value of building plans passed can give an indication of future construction investment into the OD, while the value of building plans completed provides a snapshot of the current level of construction investment in the District.

Figure 6.8
TOTAL VALUE OF BUILDING PLANS PASSED AND COMPLETED, CONSTRUCTION SECTOR FTE JOBS, Overberg District, 2018 – 2022 (R million)[40]



Sources: Stats SA & 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 6.9
VALUE OF BUILDING PLANS PASSED AND COMPLETED, Overstrand, 2018 – 2022 (R million)[39]



Source: Stats SA, 2023

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

[38] *Number of residential building plans passed for buildings larger than 80m².*
[39] *Value of non-residential buildings completed (constant prices).*
[40] *Stats SA published building plans passed and completed for selected municipalities across South Africa. For the OD, only statistics for the Overstrand Municipality are presented.*

In recent years, the Overstrand municipal area has experienced a notable surge in residential construction investment. Between 2018 and 2022, construction plans worth a total of R5.2 billion were passed, with completed plans totalling R2.8 billion. In the Theewaterskloof municipal area, residential building plans worth R93.0 million and R1.5 billion were passed in 2021 and 2022, respectively. This construction activity highlights the high demand for housing in the region. The District's appeal as a destination for retirees and families seeking a suburban lifestyle has significantly driven this demand.

In contrast, the Cape Agulhas municipal area recorded a substantial decline in building plans passed between 2021 and 2022, with the value of residential building plans declining from R488.5 million to R414.3 million. Furthermore, office space declined from R21.0 million to R6.9 million and industrial space from R21.8 million to R6.4 million.

The construction, repair and renovation of buildings serve as a strong indicator of the willingness of individuals, businesses and developers to invest locally. These activities also reflect a sense of confidence in the local economy and its growth potential. In addition to attracting new businesses, investment in construction has positive immediate and ripple effects that extend beyond the immediate project. For instance, the large-scale workforce required for these projects creates job opportunities through several channels, contributing to local employment rates. Related industries, including building material suppliers and manufacturers, experience indirect and induced impacts thanks to the construction activity, which further boosts the local economy. However, these opportunities can also result in an influx of job seekers, which raises the demand for basic services and housing.

A notable development in addition to the overall construction landscape is the Whale Coast Mall in Hermanus, which opened in late 2017. Among the five leading completed building plans recorded in 2018, shopping space alone accounted for R315.8 million in building plans completed. The introduction of this retail space not only caters for local shopping needs but also brings economic benefits, attracting customers and generating revenue for local businesses while creating jobs in the surrounding area.

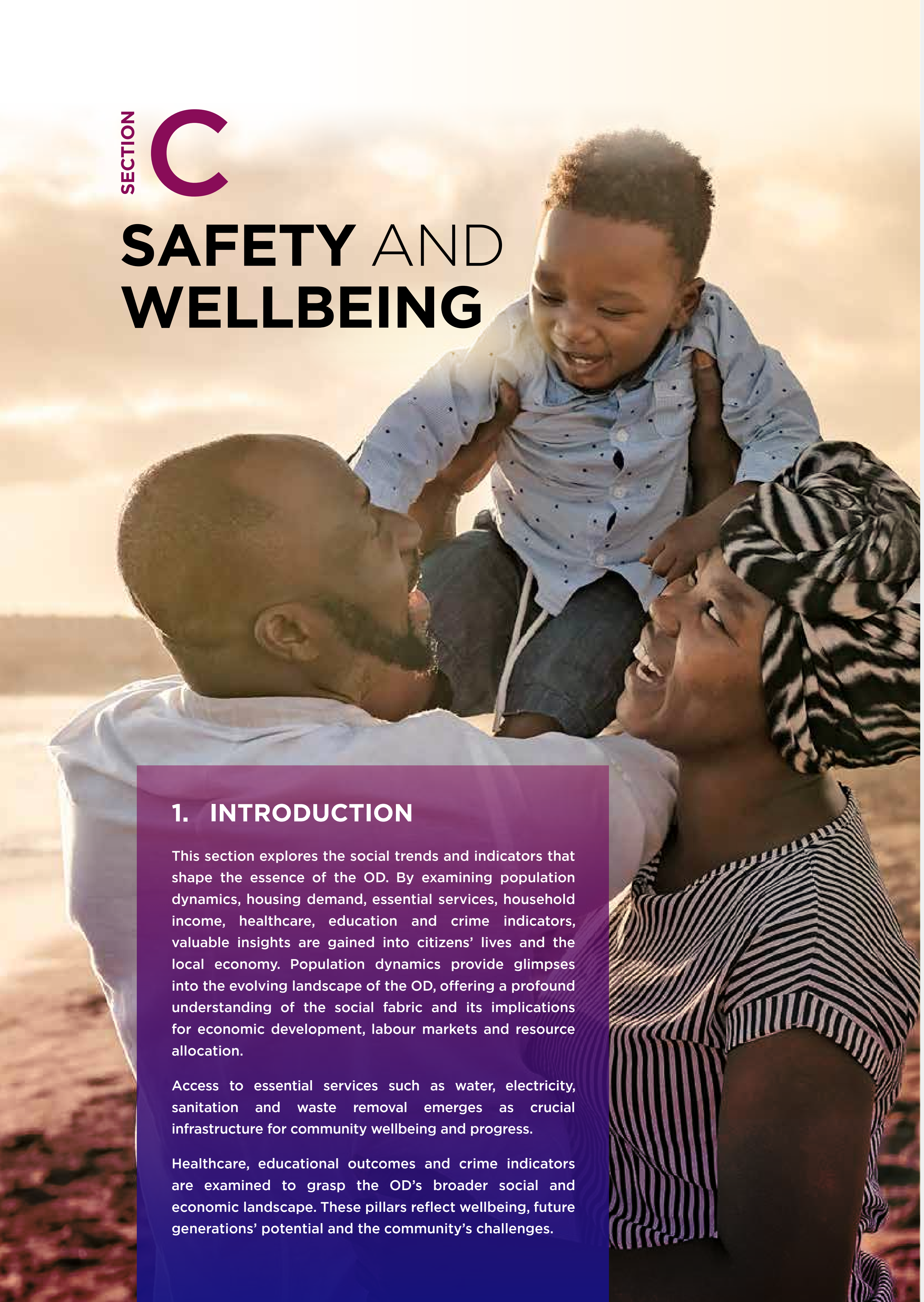
7. CONCLUDING REMARKS

The OD's economic journey through the post-pandemic landscape has been a testament to its resilience and adaptability. With a GDPR of R27.5 billion in 2022, the region has not only managed to recover, it has also shown signs of normalisation and growth. This remarkable achievement is highlighted by the 2.8 per cent GDPR growth rate in 2022, following a steep 3.5 per cent decline in 2020 and an impressive 4.3 per cent expansion in 2021.

One of the most significant indicators of this recovery has been the revival of the labour market. The 2.9 percentage point increase in the labour force participation rate in 2022 and the 3.3 percentage point increase in the labour absorption rate reflect a tangible return of individuals to the job market. This resurgence translated into the creation of 8 999 jobs in 2022, contributing to a 1.3 percentage point decline in the unemployment rate.

The OD's economic landscape is diverse, with agriculture, manufacturing and trade playing pivotal roles. Its strength in the agriculture and manufacturing sectors also results in substantial international trade from the region, with tourism contributing substantially to the economy of the OD. The region's strength in professional business services, accounting, real estate and marketing within the finance sector has fostered an efficient business environment.

While challenges such as rising inflation, interest rates, fuel costs and load-shedding persist, the OD remains poised for growth. Its comparative advantage in trade, tourism and manufacturing bodes well for the region's economic future. Strategies such as attracting investment in sectors like agro-processing, supporting SMMEs, prioritising infrastructure development to ensure reliable water and energy supply, promoting export opportunities, and skills development, as well as supporting local procurement can enable the region to capitalise on its economic potential, create employment opportunities and ensure sustainable future economic growth.



SECTION

C

SAFETY AND WELLBEING

1. INTRODUCTION

This section explores the social trends and indicators that shape the essence of the OD. By examining population dynamics, housing demand, essential services, household income, healthcare, education and crime indicators, valuable insights are gained into citizens' lives and the local economy. Population dynamics provide glimpses into the evolving landscape of the OD, offering a profound understanding of the social fabric and its implications for economic development, labour markets and resource allocation.

Access to essential services such as water, electricity, sanitation and waste removal emerges as crucial infrastructure for community wellbeing and progress.

Healthcare, educational outcomes and crime indicators are examined to grasp the OD's broader social and economic landscape. These pillars reflect wellbeing, future generations' potential and the community's challenges.

2022 OVERBERG DEMOGRAPHICS

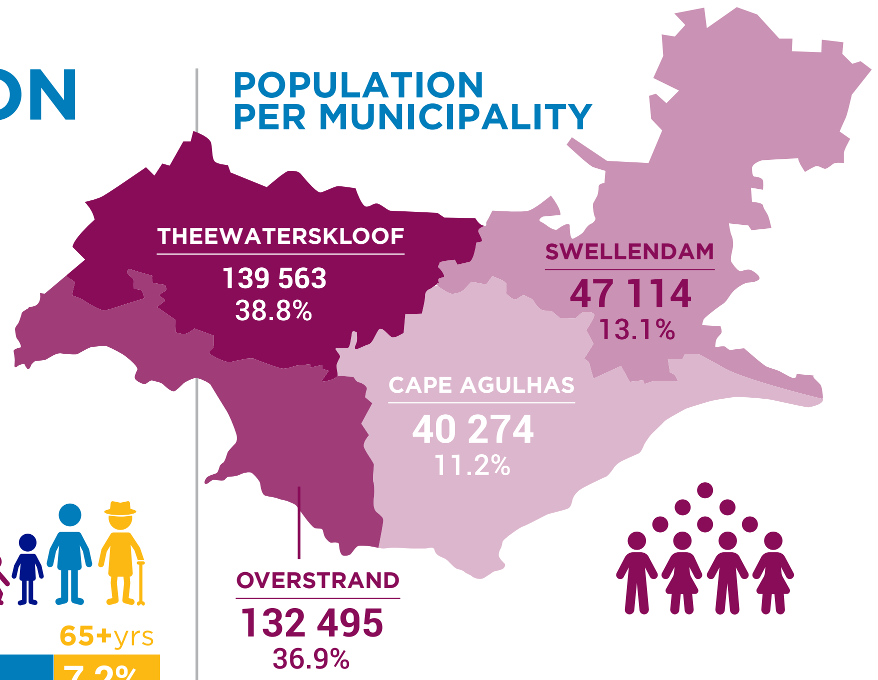
POPULATION

359 446

Male 50.6%

Female 49.4%

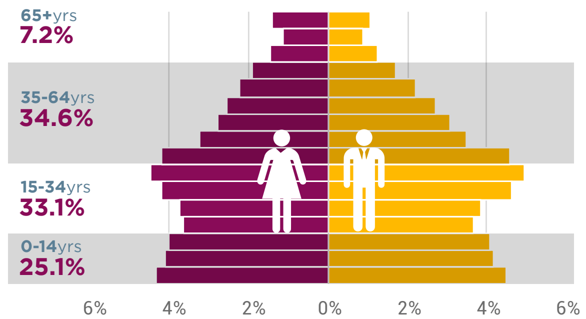
POPULATION PER MUNICIPALITY



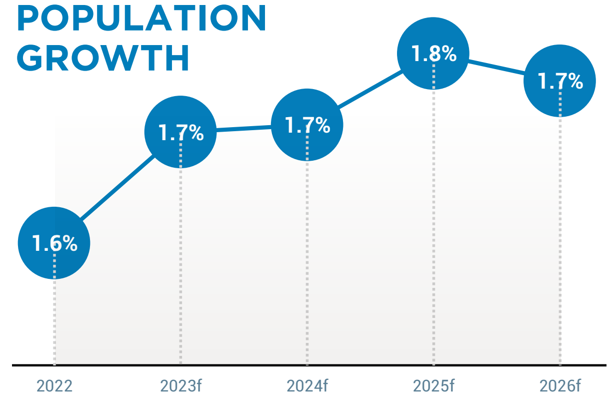
AGE SPLIT

0-14yrs	15-64yrs	65+yrs
25.1%	67.7%	7.2%

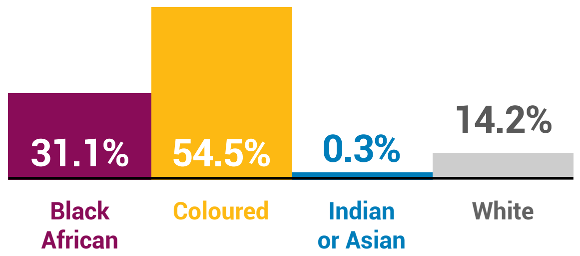
GENDER AND AGE DYNAMICS



Estimated POPULATION GROWTH



RACIAL SPLIT



Number of HOUSEHOLDS

91 797

R6 400 Average median income

19 387 Indigent households

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

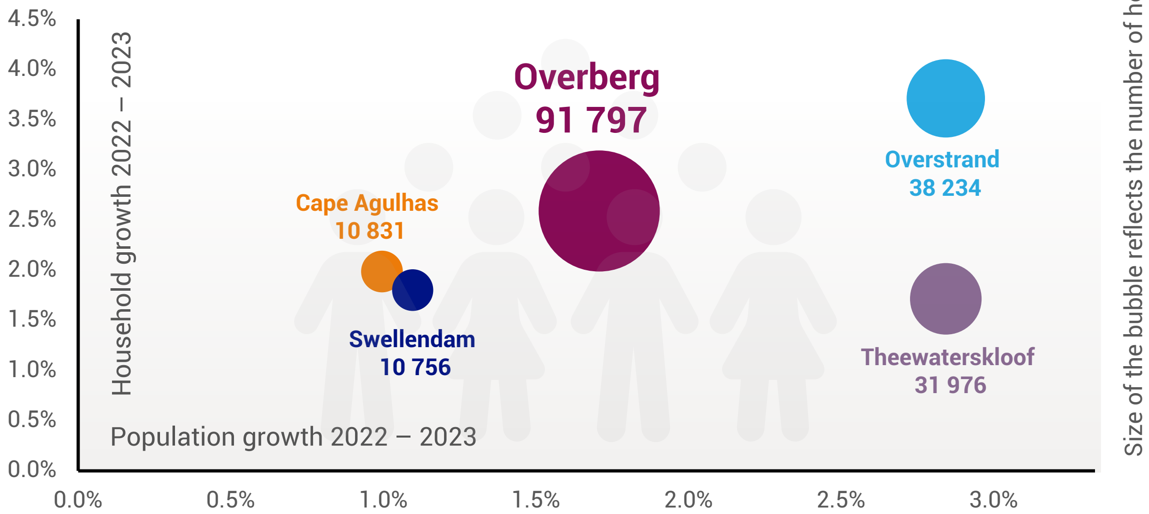
Most of the 359 446 people in the OD live in the Theewaterskloof (38.8 per cent) and Overstrand (36.9 per cent) municipal areas. However, Overstrand has the largest share of households (41.7 per cent). Families in the Theewaterskloof municipal area tend to be larger (3.9 people on average), with an above-average proportion of men (51.7 per cent) residing here, which can be attributed to the large volume of agriculture sector work opportunities available. Most people living in the OD are coloured (54.5 per cent) or black Africans (31.1 per cent).

The OD population is forecast to grow by an estimated average of 1.7 per cent per annum up to 2027, largely because of the 2.6 per cent average population growth originating from the Overstrand municipal area. This municipal area also expects robust average household growth (3.7 per cent). Along the coastlines of this area, the communities of Hermanus, Zwelihle, Sandbaai, Kleinmond and Onrus attract retirees and young families thanks to remote working opportunities. As such, the Overstrand municipal area has the smallest household size in the OD (2.9 people). Furthermore, these coastal havens attract visitors from across the country, as the area has become a celebrated tourist destination and a sought-after location for holiday homes. This popularity leads to an influx of people during peak holiday periods, breathing life into the region. The inflow of job seekers creates a series of secondary effects, including an increased need for essential services and housing. This has led to the emergence and expansion of informal settlements such as Zwelihle in the Overstrand municipal area. Infrastructure investment must keep pace to accommodate population growth, ensuring that essential services reach the growing communities.

The demographic dividend stems from the connection between a country's demographic structure and its potential for economic growth. It emerges from high fertility and a sizable youth population. Hence, if fertility declines, the working-age ratio (ages 15 to 64) rises, while the dependency ratio (below 15 and above 64) decreases. With overall population growth, a higher working-age ratio means a bigger labour force for production. A lower dependency ratio means less diversion from productive work to care for the young and elderly. If it happens, this growth boost is the demographic dividend.[41]

[41] (Stats SA, 2017).

Figure 2.1
POPULATION AND HOUSEHOLD GROWTH, Overberg District, 2022

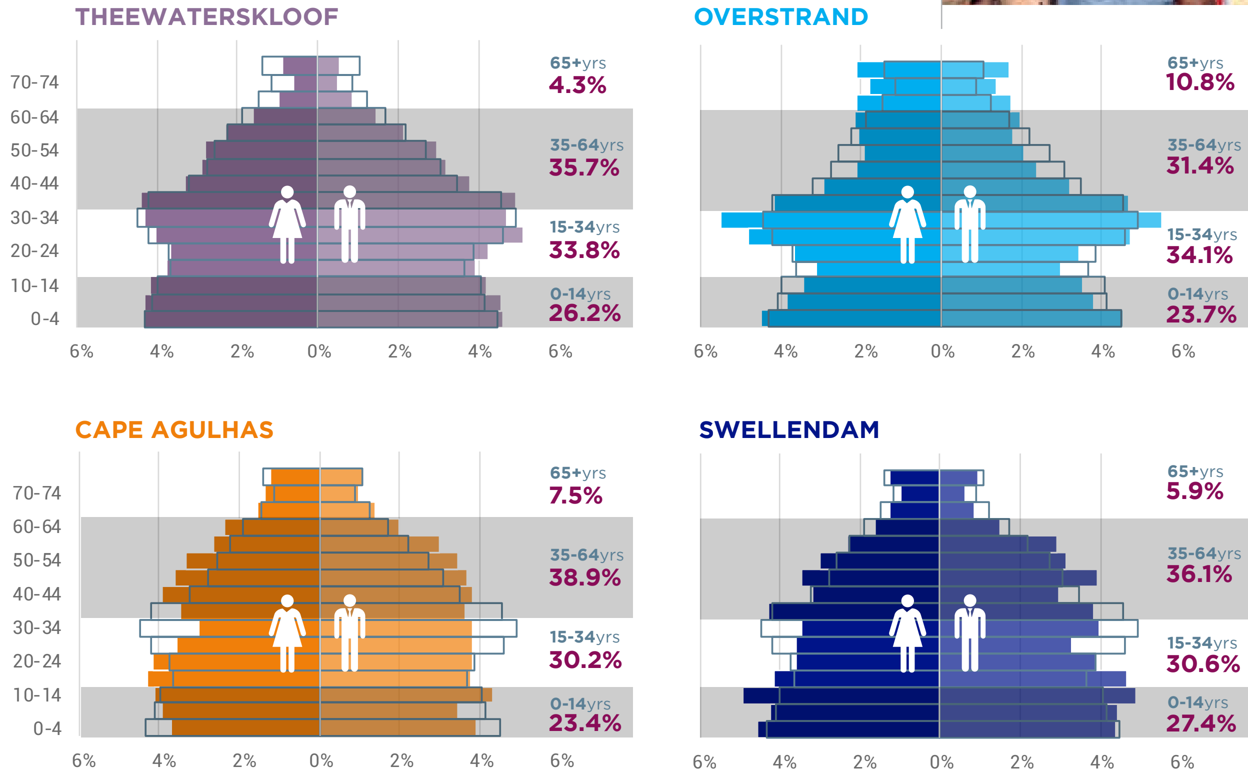


Source: Western Cape Government PPU, 2023. Provincial, District and local municipality population estimates by sex and age (2002 – 2037) based on Stats SA MYPE base year 2022 (February 2023)

The OD comprises mainly working-age (15 to 64 years) people, with the youth (15 to 34 years) population slightly smaller than the population of those aged between 35 and 64 years old, at 33.1 per cent and 34.6 per cent, respectively. At 25.1 per cent, the OD has a large child population, resulting in a high dependency on those working, while also increasing the demand for infrastructure such as schools, sports and recreation facilities, and child and maternal healthcare services. The large child and youth populations also hint at the future need for employment opportunities within the OD and, therefore, the need to facilitate long-term sustainable economic growth. A similar age pattern is reflected across the OD. Still, slight variances are prevalent, giving a glimpse of the unique socio-economic characteristics of the respective municipal areas.

Figure 2.2
GENDER AND AGE DYNAMICS, Overberg District, 2022

Overberg District age structure is the outline



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 of the Theewaterskloof municipal area leans slightly more towards children and the youth, especially males between the ages of 25 and 29, showing that this area is attracting young job seekers who are likely to be absorbed by the abundance of agriculture jobs available in the municipal area. However, high youth unemployment rates are also likely to influence the wellbeing of local communities. The large child population also leads to a high dependency ratio, the highest in the OD. In contrast, because of the popularity of the Overstrand municipal area as a retirement destination, this municipal area has a large proportion of people older than 65 (10.8 per cent). Interestingly, because of Overstrand's current popularity as a semigration destination, there is also an influx of young families with small children, as its youth (34.1 per cent) population marginally exceeds the population that is between the ages of 35 and 64 (31.4 per cent) This drives the demand for property and will have significant implications for the demand for primary and secondary education facilities in future.

The Cape Agulhas municipal area has a population mainly older than 40, with fewer children than other local municipal areas. Families here tend to be on the smaller size, with an average household size of 3.3 in 2022. This population distribution provides a unique economic opportunity as a result of the low child dependency and probable lower levels of fertility, which can foster a more productive workforce, resulting in a demographic dividend for the municipal area if adequate employment opportunities can be secured.

Similar to Theewaterskloof, the Swellendam municipal area's population is largely comprised of children and youth. More than a third of the population here is younger than 19. This has significant implications regarding dependency, the need for school infrastructure and the future need for employment.

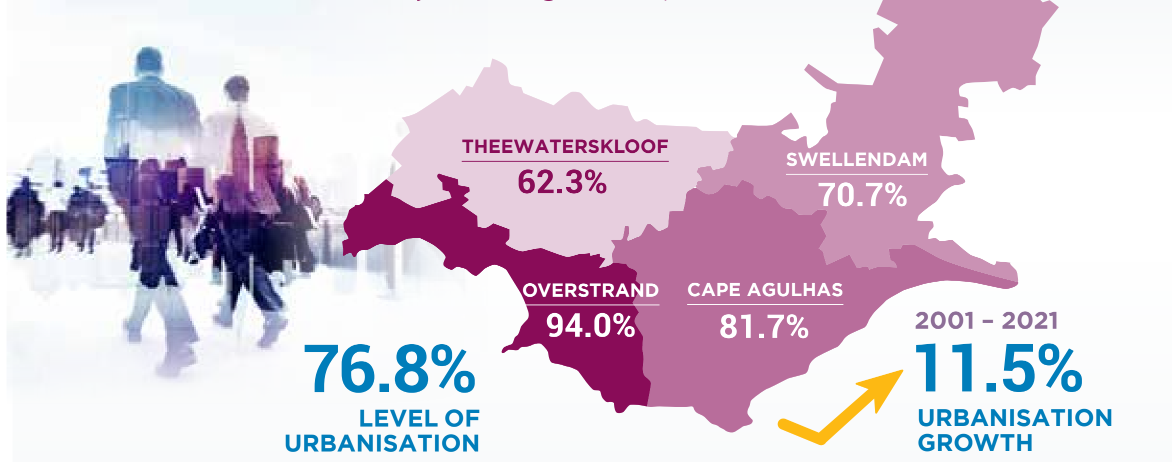
Sports and recreation are vital in promoting culture, improving health and wellbeing, advancing education, boosting the economy and fostering social upliftment in communities. This is particularly important in areas with a large youth cohort, including the OD. Challenges such as high unemployment, crime, substance abuse and gender-based violence (GBV) affect both the youth and the overall community of the OD.[42] Youth development is crucial for regional economic growth, and promoting sports and recreation among young people is therefore essential. 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.[43]

[42] *(Overberg District Municipality, 2023).*
[43] *(United Nations Office on Drugs and Crime, 2022).*

URBANISATION

From 2001 to 2021, the Districts of the Western Cape experienced urbanisation rates ranging from 11.5 to -1.7 per cent – with the OD experiencing the highest urbanisation rate (11.5 per cent), followed by the WCD at 9.5 per cent, and the CKD having the smallest rate of -1.7 per cent. According to 2001 Census data and modelled population estimates, the urban proportion of the District's population grew from 65.4 per cent in 2001 to 76.8 per cent in 2021.

Map 2.1
LEVEL OF URBANISATION, Overberg District, 2021



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

Theewaterskloof, the most populous municipal area in the OD, was the most rural municipal area of the OD in 2001. By 2021, 62.3 per cent of its population lived in urban areas, marking a significant 15.9 per cent increase between 2001 and 2021. This change was driven by a rise in the populations of towns such as Genadendal, Grabouw, Botrivier, Greyton and Elgin. The largest urban settlements in Theewaterskloof by 2021 were Grabouw, Caledon, Villiersdorp, Botrivier, Genadendal, Riviersonderend, Greyton, Elgin, Middleton and Dennehof.

In 2021, Overstrand, the second-largest municipal area by population, achieved a striking urbanised rate of 94.0 per cent. This transformation can be attributed to the area's unique topography and extensive conservation areas. The heart of urban life in Overstrand is the greater Hermanus area, encompassing Zwelihle, Hermanus, Sandbaai and Onrus. This group of settlements accommodates more than 50.0 per cent of the municipal area's urban population. Notably, Zwelihle has experienced significant urbanisation, reporting an 11.9 per cent increase from 2001 to 2021, leading to a dense urban environment. However, the rural population in Overstrand saw modest growth in numbers.

From 2001 to 2021, Cape Agulhas experienced a slow rise in urbanisation, increasing from 79.6 per cent to 81.7 per cent. Bredasdorp emerged as the most extensive urban settlement, followed by Struisbaai, Napier, Elim, Arniston and L'Agulhas. This change was primarily driven by population growth in areas such as Struisbaai, Arniston, L'Agulhas and Suiderstrand. At the same time, Bredasdorp and Napier maintained their numbers but experienced a decrease in their share of urban residents. Even with these changes, the rural population in Cape Agulhas still constituted 18.0 per cent of the total population in 2021.

The Swellendam municipal area experienced a notable 7.2 per cent increase in urbanisation, which rose from 63.5 per cent to 70.7 per cent between 2001 and 2021. This transformation resulted from a decreased rural population share and a slight increase in the urban population in Swellendam, Infanta and Buffeljagsrivier. The town of Swellendam is the largest urban area, with an estimated population of 20 000 people. This total accounted for 50.0 per cent of the total overall population in the municipal area in 2021. By contrast, approximately 30.0 per cent of the population still live in rural areas.

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

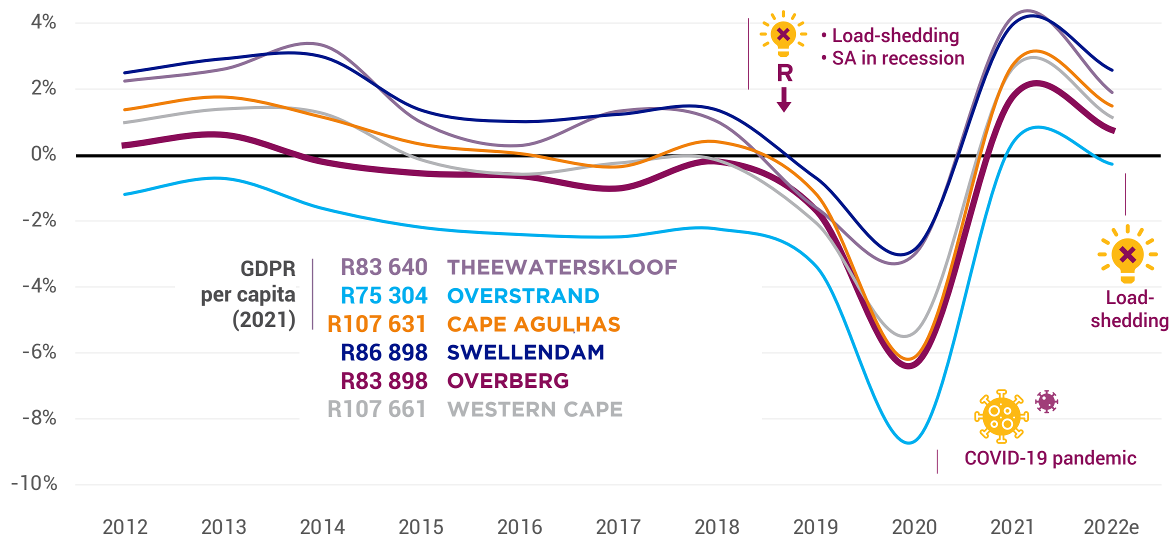
3.1 Income levels

In 2021, the OD GDPR per capita was R83 898, a figure significantly below the Province's R107 661. Yet, within this region, Cape Agulhas emerges as an exception, with a per capita GDPR of R107 631, surpassing that of the entire District. This reflects its relatively higher economic prosperity, characterised by a population earning higher average incomes and a growing economy that offers ample job opportunities.

This economic vitality within Cape Agulhas has fostered the highest average median income within the District, amounting to R7 297 per month. On the other hand, Overstrand is on the opposite end of the spectrum, with the lowest GDPR per capita in the region. This low GDPR per capita might signify potential income disparities, a fact supported by Overstrand's consistently high Gini coefficients. Such differences could indicate that a significant segment of the population earns relatively modest incomes, consequently contributing to a lower standard of living in the Overstrand municipal area.

Figure 3.1

GDPR PER CAPITA GROWTH, Overberg 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%
Overberg District	1.0%	1.4%	1.3%	-0.1%	-0.6%	-0.2%	-0.1%	-2.0%	-5.4%	2.7%	1.2%
Theewaterskloof	2.2%	2.6%	3.3%	1.0%	0.3%	1.3%	1.0%	-1.6%	-3.0%	4.2%	1.9%
Overstrand	-1.2%	-0.7%	-1.6%	-2.2%	-2.4%	-2.5%	-2.2%	-3.4%	-8.7%	0.4%	-0.3%
Cape Agulhas	1.4%	1.7%	1.1%	0.3%	0.0%	-0.4%	0.4%	-1.2%	-6.1%	2.7%	1.5%
Swellendam	2.5%	2.9%	3.0%	1.4%	1.0%	1.2%	1.4%	-0.7%	-2.9%	4.0%	2.6%

Because of the fast-growing population and dwindling economic performance, GDPR per capita in the OD has been contracting since 2015. A 2.7 per cent surge in 2021 was primarily attributed to the GDPR growth rebound from the severe declines recorded in 2020.

Communities generally benefit when their population growth rate lags behind economic growth. However, the Overstrand municipal area exhibited the highest population growth of 2.8 per cent in 2022. Despite this, the impact of COVID-19 caused both the primary and secondary sectors of Overstrand to contract, resulting in a negative average real GDPR growth. This situation underscores the challenge of a rapidly growing population outpacing economic advancement, leading to inadequate resources to support the increased populace. This has resulted in stagnant GDPR per capita and highlights economic inequality, where only a small portion of the Overstrand population enjoys the benefits of growth. In contrast, many others face limited opportunities and lower wages.

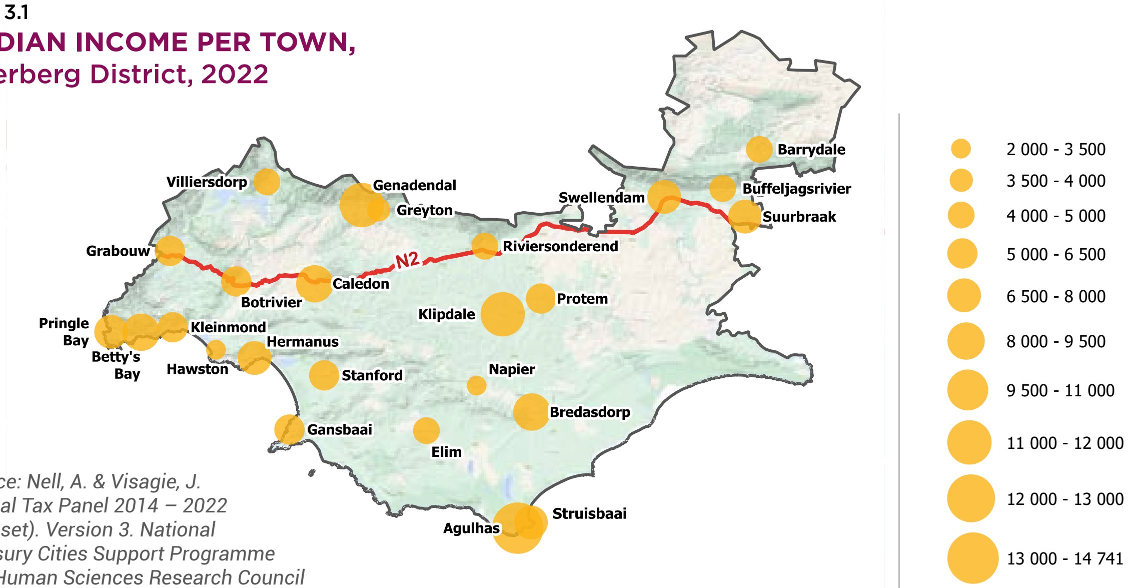
Conversely, Theewaterskloof, known for its high population within the OD, achieved the most substantial GDPR per capita growth in 2021 at 4.2 per cent, along with the second-highest estimated growth in 2022. Employment within Theewaterskloof experienced a noteworthy transformation, transitioning from a decline of 1 515 to a growth of 4 351 within the same period. This positive shift can be attributed to changes in the primary, secondary and tertiary sectors in 2021, contributing to the overall economic advancement of the area, driven by agricultural activities.

Swellendam had the second-highest GDPR per capita in the District (R86 898) in 2021 and the fastest estimated GDPR per capita growth in 2022 (2.6 per cent). Both the Theewaterskloof and Swellendam economies were less severely affected by the economic downturn of 2020 owing to their strong growth in the agriculture sector, providing stability and potentially contributing positively to factors such as employment and income generation.

GDPR per capita is interwoven with income levels, where GDPR per capita unveils the average economic output per person, and median income gives a glimpse of the financial realities of the households in the OD.

Map 3.1

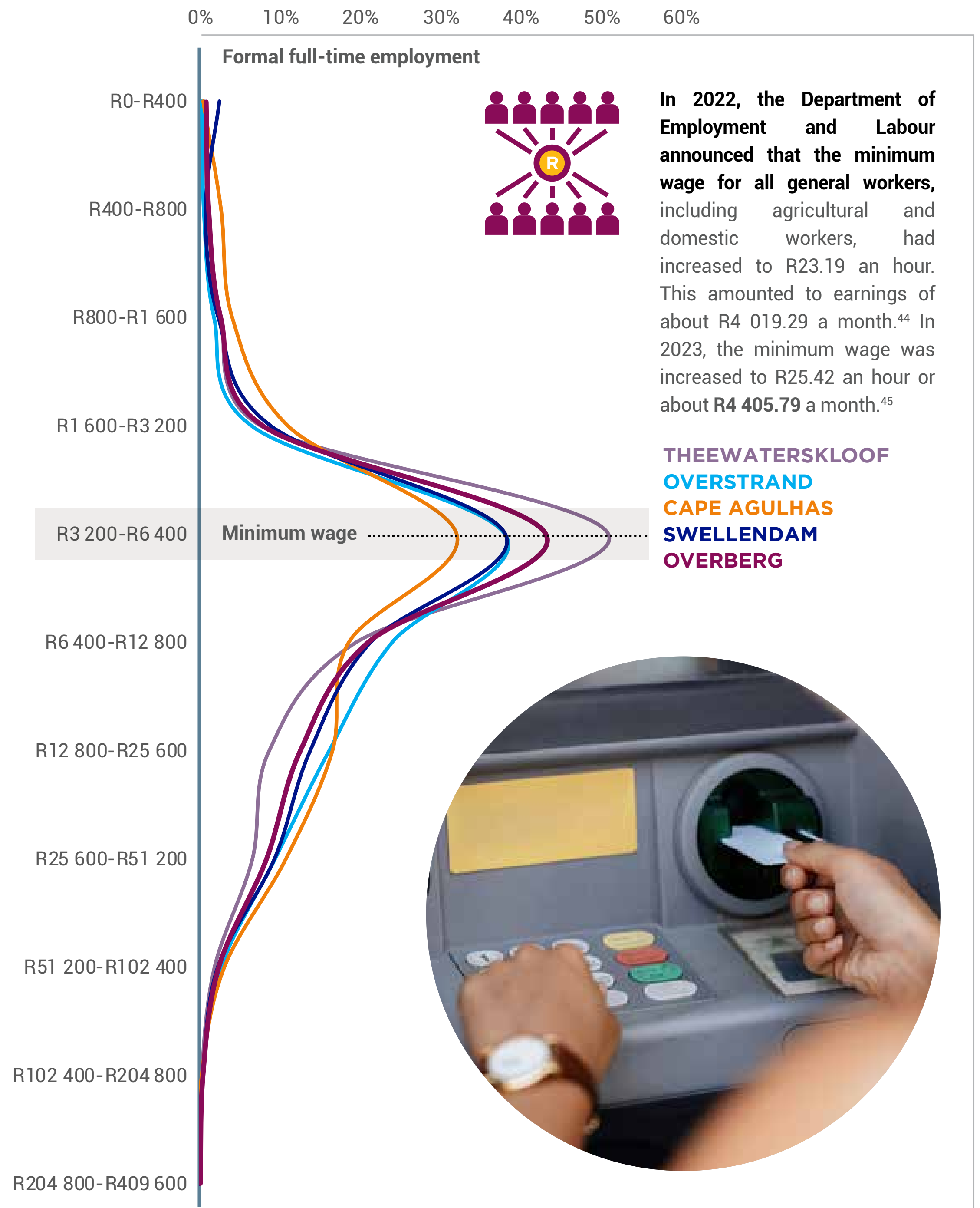
MEDIAN INCOME PER TOWN, Overberg District, 2022



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, Overberg 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.[44] In 2023, the minimum wage was increased to R25.42 an hour or about **R4 405.79** a month.[45]

	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-R409 600
Theewaterskloof	0.6%	1.0%	2.7%	7.7%	51.0%	19.5%	8.7%	6.6%	1.9%	0.3%	0.0%
Overstrand	0.3%	0.6%	1.8%	6.5%	38.0%	23.9%	16.1%	9.4%	2.7%	0.4%	0.1%
Cape Agulhas	0.5%	2.7%	4.1%	11.1%	32.1%	18.6%	16.6%	10.8%	3.1%	0.3%	0.0%
Swellendam	2.5%	0.8%	2.4%	9.0%	38.1%	21.3%	13.8%	9.3%	2.3%	0.5%	0.0%
Overberg District	0.8%	1.1%	2.6%	7.9%	43.2%	20.9%	12.5%	8.3%	2.3%	0.4%	0.0%

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

[44] *(Department of Employment and Labour, 2022).*
[45] *(Department of Employment and Labour, 2023).*

In 2022, the financial landscape of the OD varied for full-time employees. Agricultural labour yielded earnings ranging between R3 200 and R6 400 per month, indicating limited disposable income of local households. However, Cape Agulhas and Overstrand shone, registering higher proportions of working-age individuals earning more substantial incomes. The OD's employment sector blends traditional industries, such as agriculture, with service-oriented industries, such as public administration, personal services, and restaurant and accommodation services. The Overstrand municipal area dominates tourism industry employment, with Cape Agulhas excelling in administrative and professional services. In contrast, the agricultural industry provides for those residing in the Theewaterskloof and Swellendam municipal areas.

The towns with the highest median incomes were both situated in Cape Agulhas. Bredasdorp, the administrative hub of the OD, is the driving force behind the District's prosperity, with thriving business and tourism sectors. Here, workers earned an above-average median income (R8 123) in 2022. Those earning between R12 800 and R25 600 per month accounted for 16.6 per cent of workers, while 10.8 per cent earned between R25 600 and R51 200 monthly. Many skilled professionals are employed in various government departments, contributing to the area's economic strength. In L'Agulhas, the highest median income was R14 742 a month, a testament to the town's economic progress facilitated by its thriving tourism and service sectors, which generate revenue and contribute to local economic development.

In Theewaterskloof, towns such as Genadendal and Caledon followed closely behind L'Agulhas, with median monthly incomes of R11 236 and R8 501, respectively. These towns demonstrate substantial agricultural activities, but their economies are diversified, with government service centres in Caledon. Moreover, this town is home to Anheuser-Busch InBev, the world's largest brewer, which is the only malt producer for the South African lager beer industry and the largest producer in the southern hemisphere.[46] On the other hand, towns like Greyton, surrounded by farmlands and primarily focusing on agriculture, had a significantly smaller median monthly income of R3 905.

As the District's preferred tourist destination – where endless pristine beaches dot the coastline – Overstrand attracted many visitors. The municipal area has seen numerous job opportunities created in the hospitality and tourism sectors.[47] This led to relatively higher median incomes in 2022 in towns like Betty's Bay (R8 291 monthly), Hermanus (R7 326) and Pringle Bay (R7 000). Additionally, Overstrand had the highest number of taxpayers, accounting for 46.2 per cent of the taxpayers in the OD in 2021.

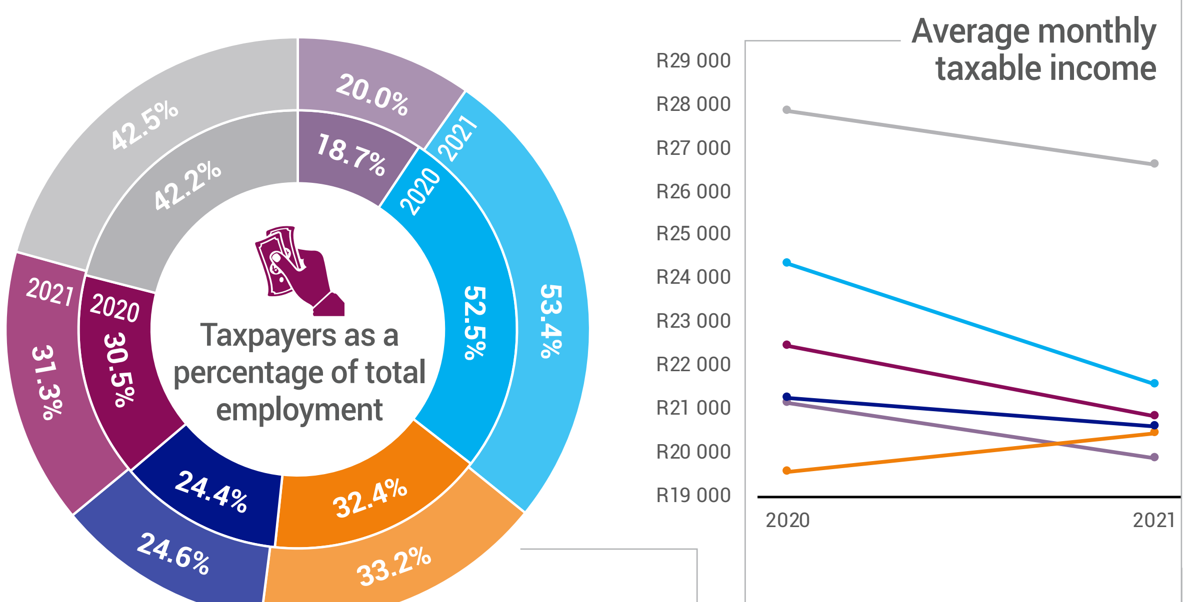
By contrast, the Swellendam municipal area embraced its rural landscape, relying heavily on agriculture and small businesses to drive employment and wages. However, generating employment opportunities posed challenges in this area. The Swellendam municipal area had the lowest number of taxpayers in the OD region in both 2020 and 2021 because of its small population, while also having the second-lowest proportion of total employed people in the OD after Theewaterskloof, which was reflected in the lower median incomes of smaller towns such as Barrydale (R4 501 per month) and Buffeljagsrivier (R4 435), where workers are earning incomes around the minimum wage. The economies of these towns are centred on farming activities such as growing pome fruit, stone fruit, grapes and citrus.

[46] *(Theewaterskloof Municipality, 2021).*
[47] *(Overstrand Municipality, 2023).*

Figure 3.3
INDIVIDUAL TAXPAYERS AND TAXABLE INCOME, Overberg 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.[48] Taxes enable the financing of public sector goods and services.

THEEWATERSKLOOF
OVERSTRAND
CAPE AGULHAS
SWELLENDAM
OVERBERG
WESTERN CAPE



MUNICIPAL AREA	Number of taxpayers 2020	Number of taxpayers 2021	Average monthly taxable income 2020	Average monthly taxable income 2021
Theewaterskloof	10 594	10 981	R21 160	R19 890
Overstrand	17 386	16 886	R24 340	R21 591
Cape Agulhas	4 835	4 816	R19 562	R20 435
Swellendam	3 941	3 875	R21 272	R20 624
Overberg District	**36 756**	**36 558**	**R22 466**	**R20 825**
Western Cape	**1 003 326**	**980 607**	**R27 892**	**R26 633**

Sources: Quantec research, National Treasury and SARS, 2023

[48] *(South African Revenue Service, 2023).*

Throughout the OD and the Western Cape, registered taxpayers and persons in full-time employment declined between 2020 and 2021. Within the OD, the largest proportion of employed people who are registered taxpayers is in the Overstrand municipal area, at 53.4 per cent. This is the only municipal area above the Provincial proportion of 42.5 per cent. Meanwhile, the Theewaterskloof proportion of employed individuals who are taxpayers is the smallest (20.0 per cent) in the entire District. Starting with 36 756 taxpayers in 2020, the District's numbers decreased to 36 558 in 2021. This marked a 0.5 per cent contraction, consistent across the other three municipal areas. The impact of the COVID-19 pandemic and associated lockdown measures on local businesses and salaries resulted in a significant 7.3 per cent decline in average monthly taxable income for the OD during this period.

Interestingly, Cape Agulhas was the only municipal area in the OD with an average monthly taxable income increase. This aligned with its higher percentage (10.8 per cent) of individuals falling within the R25 600 to R51 200 wage bracket.

3.2 Income inequality

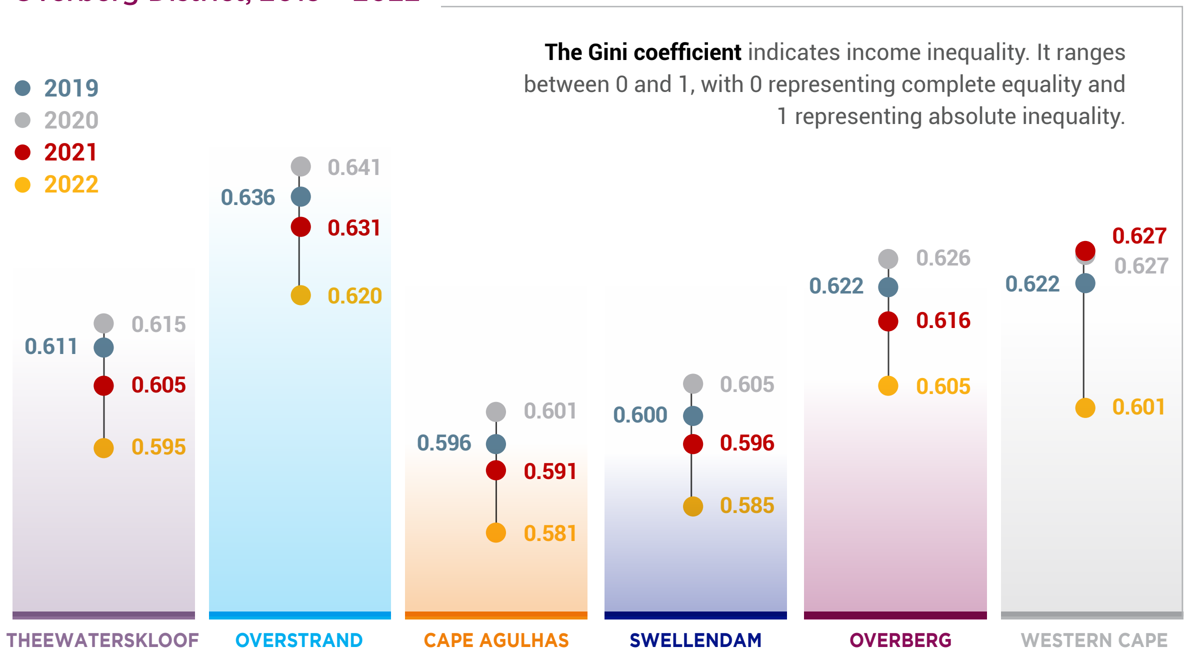
The income distribution among residents in the broader Western Cape and the OD was similar in 2019, reflecting comparable levels of income disparity across both regions. However, despite a consistent decrease in income inequality in both the Province and the District over the years, by 2022 the OD's inequality had surpassed that of the Province, resulting in more pronounced income disparities within the OD.

Various methods can be employed to assess societal inequality, encompassing income, expenditure, assets, employment, education, health, access to basic services and social mobility. By adopting a multidimensional perspective of inequality, the broader context of South Africans' challenges can be better defined.

Ratios and indices utilised to measure inequality encompass the Gini coefficient, the Theil index, general entropy, the Palma ratio and the Atkinson index.[49] Nonetheless, the Gini coefficient stands out at the local municipal level as the most readily available and widely used indicator for measuring inequality.

[49] *(Stats SA, 2019).*

Figure 3.4
GINI COEFFICIENTS,
Overberg 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.[50]

With the highest levels of unemployment in the OD, Overstrand stands out as having the highest levels of income inequality, surpassing that of the Province in 2022. This can also fuel other socio-economic challenges such as crime. Notably, Overstrand is the only area in the District that has not yet met the NDP goal of achieving income inequality of 0.60. This occurrence can be traced back to the migration of affluent households to coastal havens such as Hermanus and Betty's Bay, combined with an influx of lower-income households into areas such as Zwelihle and Masakhane.

Theewaterskloof experiences income inequality lower than that of the provincial and district average, however still higher than that of Cape Agulhas and Swellendam municipal areas. This stems from the difference between the low wages of agricultural workers, the higher incomes earned by employees of the growing agribusiness and related industries, and the large number of public sector workers in towns such as Caledon and Genadendal. The median incomes illustrate this divide, with Genadendal indicating a remarkably high median income of R11 236 per month and Greyton reporting a much lower median income of R3 905. These disparities paint a vivid picture of the unequal economic landscape in the area.

[50] *(National Planning Commission, 2012).*

4. POVERTY

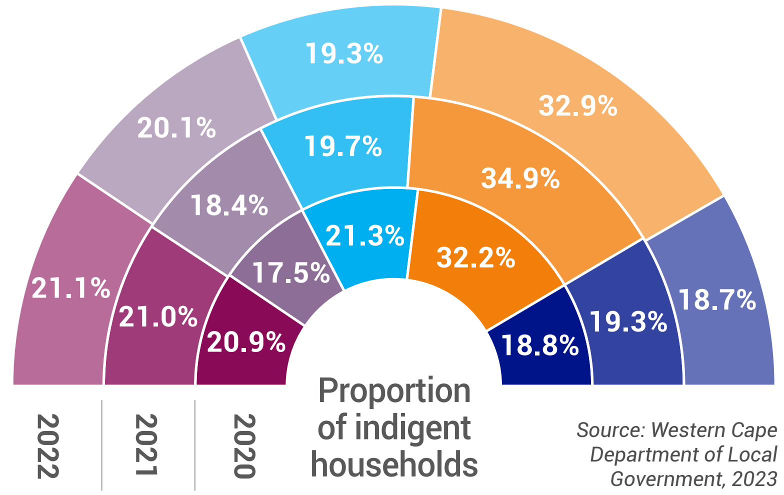
4.1 Indigent households

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, Overberg District, 2022

Municipal Area	Indigent Policy
Overstrand	The monthly household income may not exceed an amount four times that of the government's old age pension plus R1 (approximately R8 041).
Theewaterskloof	The monthly household income may not exceed an amount twice the government's old age pension (R4 020).
Swellendam	The monthly household income may not exceed an amount twice the All Pay Pension (approximately R4 020).
Cape Agulhas	The monthly household income may not exceed R3 800.

Figure 4.1
PROPORTION OF INDIGENT HOUSEHOLDS, Overberg District, 2020 – 2022



Source: Western Cape Department of Local Government, 2023

Between 2020 and 2022, the OD experienced a gradual increase in the number and proportion of indigent households. Specifically, within the Theewaterskloof municipal area, there was a continuous increase in the proportion of indigent households, reaching 20.1 per cent by 2022.

In Cape Agulhas, 32.9 per cent of households were classified as indigent in 2022. However, there was a decline in the proportion of indigent households between 2021 and 2022, signalling positive socio-economic changes and post-COVID recovery. Similar trends were observed in the Overstrand municipal area, with a downward trajectory in the proportion of indigent households. This downward trend could also be linked to the Overstrand municipal area having the lowest percentage of people in the low-income categories in the OD in 2022. These observations suggest that the improved economic conditions and decreased prevalence of low incomes among residents in the Overstrand municipal area might have contributed to the reduction in indigent households over the specified period.

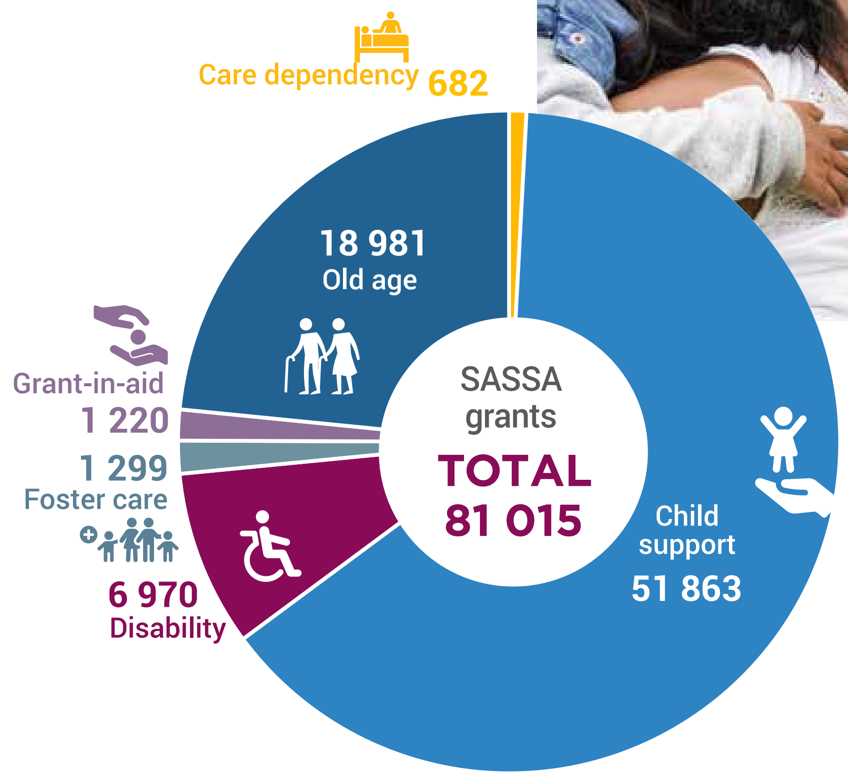
A rise in the number of indigent households puts pressure on local municipalities to provide essential services at reduced or no cost. Conversely, the decline in the proportion of indigent households in Cape Agulhas, Swellendam and Overstrand has had positive implications for their respective local municipalities. It alleviates the burden on local government, increases municipal revenue and enables improved service delivery and resource allocation opportunities.

4.2 Social grants

Figure 4.2
DISTRIBUTION OF SASSA GRANTS, Overberg 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.[51] **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.[52]



Source: SASSA, 2021

Despite the marginal decline in the unemployment rate in 2022, income support is still needed. The lack of adequate income affects food security and crime, negatively impacting community wellbeing. Despite the large expanse of the OD support, the region has only two operating SASSA centres: one is in Caledon and an online option is available on the Boland Overberg online platform.[53] In 2021, 81 015 people were beneficiaries of various social grants amounting to R76.2 million. This total constitutes 26.5 per cent of the OD population. The grants encompassed child support, disability, foster care, grant-in-aid and care dependency grants.

[51] (South African Social Security Agency, 2023).
[52] (Parliament of South Africa, 2021).
[53] Data for 2021 is only available for the Caledon office and the Boland Overberg online platform.

A comparison between the two areas in the District revealed that the Boland Overberg platform had the lowest number of beneficiaries, with only 32 individuals accessing grants through this service in 2021. By contrast, the Caledon area has a more substantial 80 983 beneficiaries. This might suggest that the recipients lack awareness about the online platform or are not sufficiently capable of utilising the online system. Unsurprisingly, most rural residents lack access to computers connected to the Internet because of the absence of public centres in their rural communities and low levels of IT literacy.[54]

Much of the activity on both the Boland Overberg online platform and in the Caledon office was related to the issuing of child support grants, with R11 960 disbursed via the Boland Overberg online platform over the 2021 period and R23.8 million disbursed in the Caledon area. People requiring child support grants accounted for 66.5 per cent of beneficiaries assisted by the Caledon office and 81.3 per cent via the Boland Overberg online platform.

Following closely were beneficiaries of the old age grant. Notably, 18 981 pensioners were recipients of the old age grant, representing 23.4 per cent of the individuals assisted within the OD. This pension serves as a lifeline, enabling pensioners to meet fundamental needs such as sustenance, shelter and healthcare. This stipend elevates their overall quality of life by mitigating the risk of poverty. In essence, the role of an old age pension transcends the financial realm, standing as a cornerstone for uplifting wellbeing, preserving dignity and enhancing the quality of life for pensioners.

[54] *(Seretse, Chukwuere, Lubbe, & Klopper, 2018).*

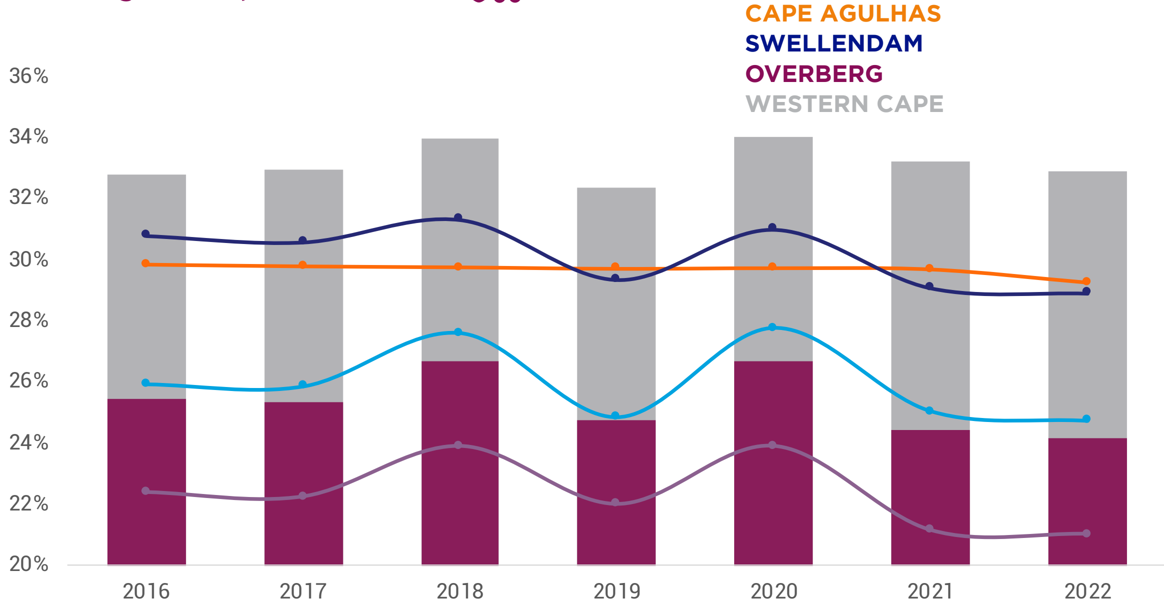
4.3 Food security

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. Increased prices for vegetables, bread and cereals, dairy products and eggs, fish, sugar and non-alcoholic beverages contributed to the high inflation.

The percentage of the population below the food poverty line (FPL) decreased in all the municipal areas within the OD between 2016 and 2022, with each municipal area experiencing fluctuations during this period but ultimately witnessing a decline in the proportion of people at the FPL by 2022.

The Province showed a similar trend, which can be linked to the rise in employment recorded in 2022. This reduction signifies an enhancement in overall access to sufficient nutrition and a decrease in food insecurity among the population. Consequently, more individuals are now able to afford a balanced diet, resulting in improved health outcomes and an elevated quality of life.

Figure 4.3
PROPORTION OF PEOPLE BELOW THE FOOD POVERTY LINE, Overberg 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%
Overberg District	25.5%	25.4%	26.7%	24.8%	26.7%	24.4%	24.2%
Theewaterskloof	22.4%	22.2%	23.9%	22.0%	23.9%	21.1%	21.0%
Overstrand	25.9%	25.9%	27.6%	24.9%	27.8%	25.0%	24.7%
Cape Agulhas	29.8%	29.8%	29.8%	29.7%	29.7%	29.7%	29.3%
Swellendam	30.8%	30.6%	31.3%	29.4%	31.0%	29.1%	28.9%

To meet the minimum required daily energy intake,
a person needs to be able to spend R663 on food each month.[55]

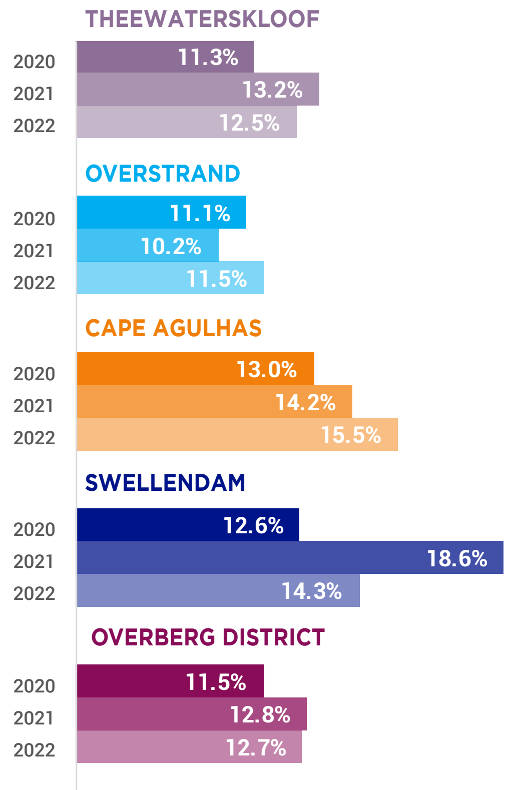
Income levels and employment are intricately connected to food security. The Cape Agulhas municipal area stood out for having the highest proportion of the population in the OD below the FPL for both 2021 and 2022. Despite Cape Agulhas displaying a diverse economy, encompassing key sectors such as agriculture and tourism, the towns in the OD have a notable distinction in median incomes. While Cape Agulhas has the highest average median income in the OD as a municipal area, the incomes within the towns vary, with some people earning high incomes and others earning low incomes. The towns of L'Agulhas and Struisbaai, primarily recognised as holiday destinations and the region's renowned tourist attractions, attract substantial numbers of foreign and domestic tourists, thereby significantly stimulating the local economy.

Furthermore, Bredasdorp, the main service centre, employs government officials who typically earn above-average incomes, contributing to an elevated overall average income for the area's population. Agriculture takes precedence as the dominant economic activity within the Napier and Elim areas, with grain farming the prominent industry, leading to the lowest median incomes. This is where the highest proportion of the population fell below the FPL in the OD for both 2021 and 2022.

In households in rural communities, the FPL margin is elevated because of a lack of sufficient income or because people do not have as much diversity in their diets as urban families do.[56] Some households in the village of Suurbraak in the Swellendam municipal area are experiencing challenges, such as a lack of sufficient income sources. This is evident in Swellendam, which had an unusually high rate of low birth weight, reaching its peak within the District between 2020 and 2022, specifically in 2021 at 18.6 per cent. While this rate decreased to 14.3 per cent in 2022, it remained the second highest, surpassing the District-wide average of 12.7 per cent.

[55] (Stats SA, 2022).
[56] (Darries, 2019).

Figure 4.4
LOW BIRTH WEIGHT RATE,
Overberg District, 2020 – 2022



Source: Western Cape Department of Health, 2023

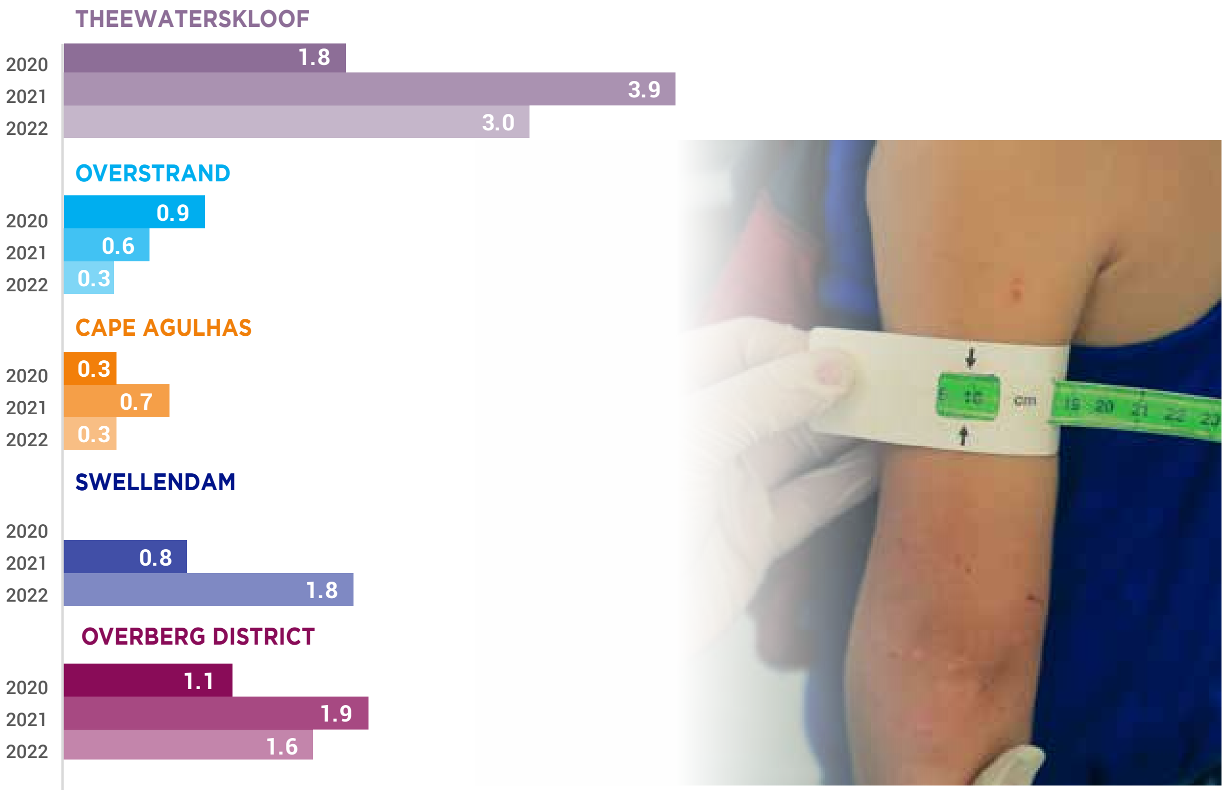
According to the World Health Organization (WHO), a birth weight of less than 2 500g is considered low. Weight at birth is regarded as a core health indicator. Low birth weight is linked to long-term maternal malnutrition, ill health and poor healthcare during pregnancy.[57] Additionally, low birth weight is associated with high neonatal mortality, emphasising the need for greater allocation of resources to neonatal care and intensive-care beds.[58]

The low birth weight rate in the OD exhibited a fluctuating pattern from 2020 to 2022. In 2021, it registered a 1.3 percentage point increase, signalling potential maternal and child health services concerns. It declined by a marginal 0.1 of a percentage point in 2022. Over this period, Cape Agulhas experienced a surge in the low birth weight rate, with an increase of 2.5 percentage points, highlighting a shift in birth outcomes.

[57] (World Health Organization, 2023).
[58] (Musiime, Lloyd, McCaul, Van Zyl, & Holgate, 2022).

Figure 4.5

SEVERE ACUTE MALNUTRITION PER 1 000 CHILDREN UNDER FIVE YEARS, Overberg District, 2020 – 2022



Source: Western Cape Department of Health, 2023

Further variations were observed in Swellendam, which initially reported the highest low birth weight rate increase of 6.0 percentage points between 2020 and 2021, reaching 18.6 per cent. However, by 2022, Swellendam witnessed a substantial decline to 14.3 per cent. Meanwhile, the Overstrand municipal area consistently maintained the position of having the lowest low birth weight rate. Despite experiencing an increase over the reference period, it demonstrated the least growth in the low birth weight rate, with only a marginal increase of 0.5 of a percentage point in 2022. These fluctuations in low birth weight rates across different municipal areas underscore the importance of ongoing analysis to identify the underlying factors and implications for maternal and child health in the OD.

The prevalence of severe acute malnutrition increased in Cape Agulhas, Swellendam and Theewaterskloof, with Theewaterskloof exhibiting a notably higher increase between 2020 and 2021. Conversely, Overstrand demonstrated a decrease during this period. Among these municipal areas, Swellendam was the only area that experienced a rise in severe acute malnutrition cases in 2022. Despite the reductions observed in the other municipal areas, Theewaterskloof maintained the highest rate at 3.0 per 1 000 children under five years in 2022, nearly twice as high as the OD's rate of 1.6 in the same year. Severe acute malnutrition causes high mortality, especially among ill children, and under-resourced public medical facilities are often unable to save young patients who, when admitted, are both malnourished and sick. Adequate resources must be provided to address this issue.[59]

The focus of tackling food poverty and security goes beyond just making nutritious food accessible. It extends to addressing the root economic challenges. This involves creating job opportunities, enhancing education and implementing support programmes for low-income people. By elevating household earnings and improving overall wellbeing, these measures work together to alleviate food insecurity.

[59] *(Mandla, Mackay, & Mda, 2022).*

5. HEALTH

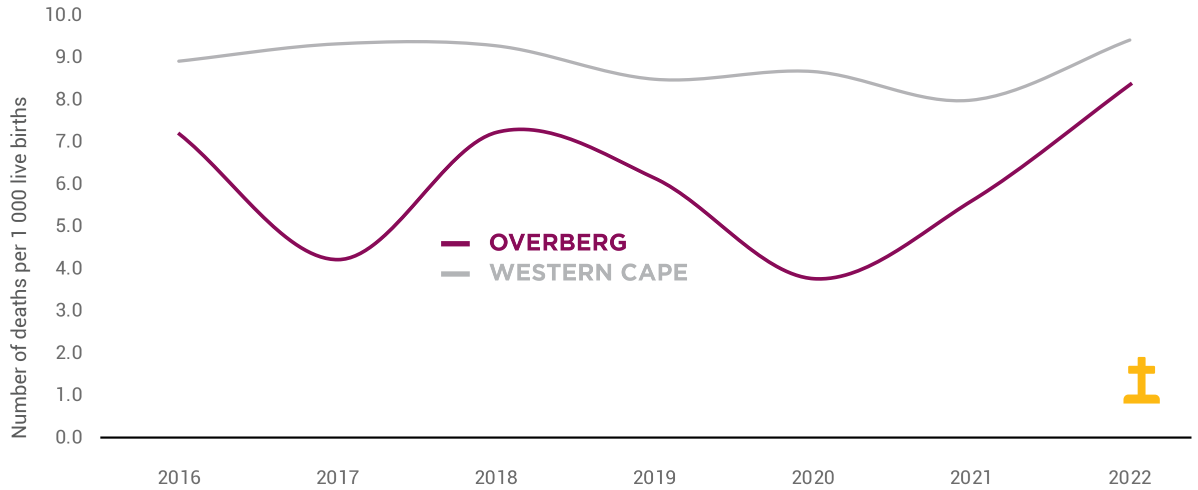
5.1 Maternal and child health

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.[60]

Understanding the indicators related to maternal and child health provides 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 the region.

Figure 5.1

NEONATAL MORTALITY RATE PER 1 000 LIVE BIRTHS, Overberg District, 2016 – 2022



	2016	2017	2018	2019	2020	2021	2022
Overberg District	7.2	4.2	7.2	6.1	3.8	5.6	8.4
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, Overberg District, 2020 – 2022

MUNICIPAL AREA	2020	2021	2022
Theewaterskloof	51.6	0	0
Overstrand	0	0	0
Cape Agulhas	0	0	0
Swellendam	0	0	0
Overberg District	**22.1**	**0**	**0**

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).

Source: Western Cape Department of Health, 2023

[60] *(Bloom, Kuhn, & Prettner, 2018).*

Throughout the review period, both the Western Cape and the OD experienced noteworthy fluctuations in neonatal mortality rates. On average, the OD registered a rate that was 2.8 percentage points lower than that of the Province between 2016 and 2022. However, from 2021 to 2022, a notable shift occurred, with the neonatal mortality rate in the OD rising from 5.6 deaths per 1 000 live births in 2021 to 8.4 deaths per 1 000 live births in 2022. By comparison, the Western Cape saw a marginal increase from 8.0 deaths to 9.4 deaths per 1 000 live births during the same period.

While the decline in neonatal care outcomes in the OD is of concern, it should be noted that maternal deaths were only recorded in the Theewaterskloof municipal area – and only in 2020. (That is, no such fatalities were recorded in 2021 or 2022.) This is a testament to the dedication and endeavours of those providing public healthcare services in the OD.

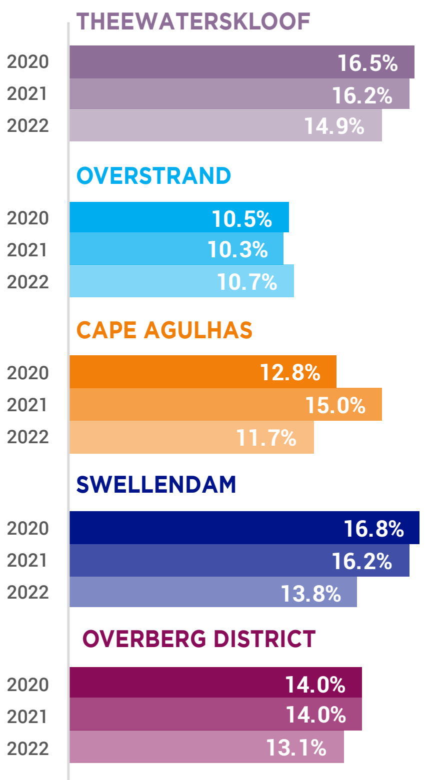
TEENAGE PREGNANCY

Hidden within the charming landscapes of the OD lies a pressing challenge – teenage pregnancies. The numbers speak volumes about the challenges these young mothers face, and the underlying factors that drive this phenomenon.

In 2022, births to teenage mothers comprised 13.1 per cent of total live births in the District, with Theewaterskloof (14.9 per cent) and Swellendam (13.8 per cent) recording the highest proportions. The delivery rate generally declined for all municipalities in the OD from 2020 to 2022, except for the Overstrand municipal area, which witnessed a minor uptick of 0.2 of a percentage point over the same period.

The timing of these pregnancies followed a distinct pattern. Most births to teenage mothers occurred during the months of August and September, with November and December (the end-of-year school holidays) standing out as months of high conception rates.

Figure 5.2
DELIVERY RATE TO WOMEN 10 – 19 YEARS, Overberg District, 2020 – 2022



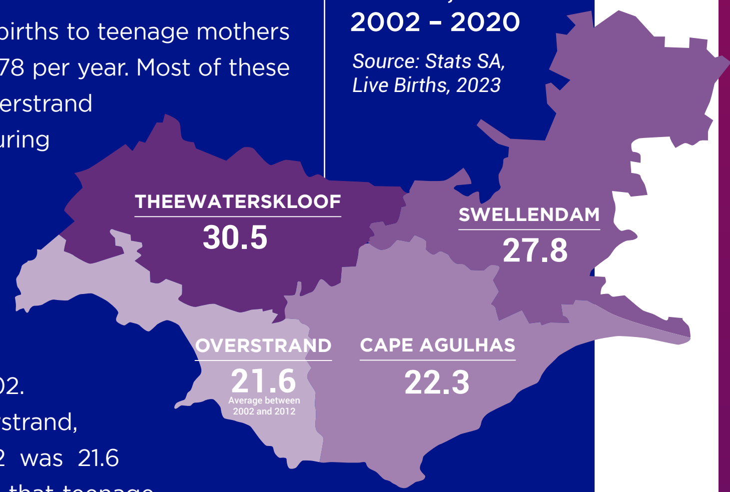
Source: Western Cape Department of Health, 2023

Related figures also offer a glimpse into the complexities of teenage relationships and the involvement of partners of varying ages. Data relating to the age of fathers of children born to these young mothers paints a diverse and disconcerting picture, with ages ranging from 17 to 30 years old. A few outliers reached as high as 55 years, but ages predominantly fell within the category of 20 to 25 years old. It was further reported that, on average, only 13.1 per cent of fathers were specified on birth certificates in the Western Cape between 2002 and 2020.

The Age-Specific Fertility Rate (ASFR), in other words the number of females aged between 10 and 19 years per 1 000 who have given birth, presents a better reflection of the challenges of teenage pregnancies that municipalities face.

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

Source: Stats SA, Live Births, 2023



24.1 TOTAL Western Cape

23.9 TOTAL Overberg District

Between 2002 and 2020, the number of live births to teenage mothers within the OD fluctuated between 450 and 478 per year. Most of these births were in the Theewaterskloof and Overstrand municipalities, with averages of 274 and 104 during the period, respectively.

Theewaterskloof leads with 40.9 births per 1 000 teenagers giving birth in 2020, rising from 18.0 in 2002. This was followed by the Cape Agulhas municipal area, with an ASFR of 27.6 in 2020, up from 20.7 in 2002. Recent trends were unavailable for Overstrand, but the average ASFR from 2002 to 2012 was 21.6 within the municipal area. It should be noted that teenage pregnancies are on the rise in Theewaterskloof and Cape Agulhas, with a slight decline reported for Swellendam for the 2002 to 2022 period. These figures indicate the areas that require focused attention and targeted interventions.

But what fuels this teenage pregnancy trend? The answer lies in underlying social and economic factors. Poverty, limited education and employment prospects, 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.

A reproductive justice approach could be taken to address the challenges associated with teenage pregnancies through the following suggested actions: 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.[61]

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

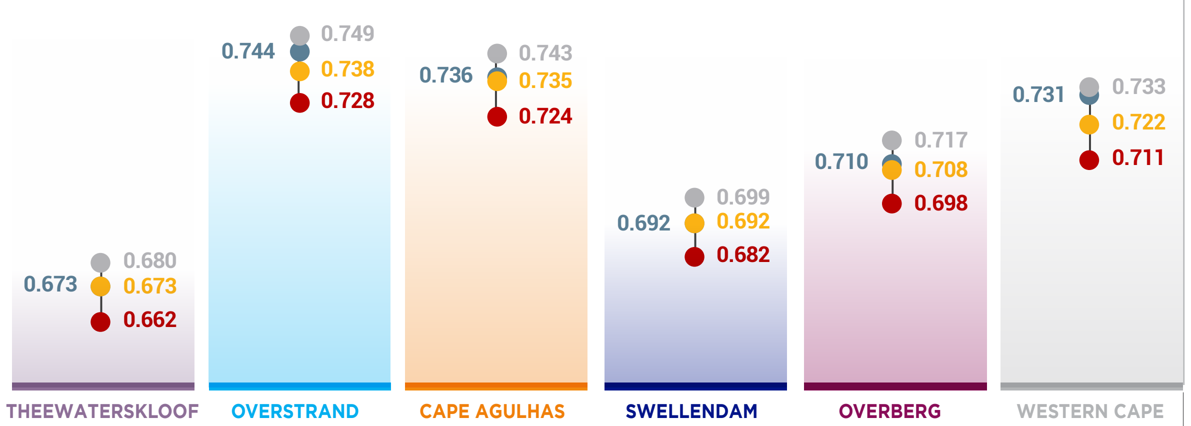
[61] (Macleod & Feltham-King, 2021).

HUMAN DEVELOPMENT INDEX

Both the District and the Province experienced fluctuations in their HDI values between 2019 and 2022. In 2022, the OD's HDI was slightly lower than the Province's. The impact of COVID-19 on life expectancy, education and employment, which subsequently affected income levels, was noteworthy in the District. Furthermore, in 2021, the District recorded its lowest HDI levels during those four years. However, the Province improved in its HDI, achieving the highest HDI over this period.

Despite high unemployment and income inequality levels, the Overstrand municipal area recorded the highest HDI in 2022. It was closely followed in the rankings by the Cape Agulhas municipal area, supported by relatively higher incomes and improved access to education in the latter. Conversely, Theewaterskloof 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 to uplift communities and create a more equitable and prosperous region.

Figure 5.3
HDI PER MUNICIPAL AREA, Overberg District, 2019 – 2022



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.

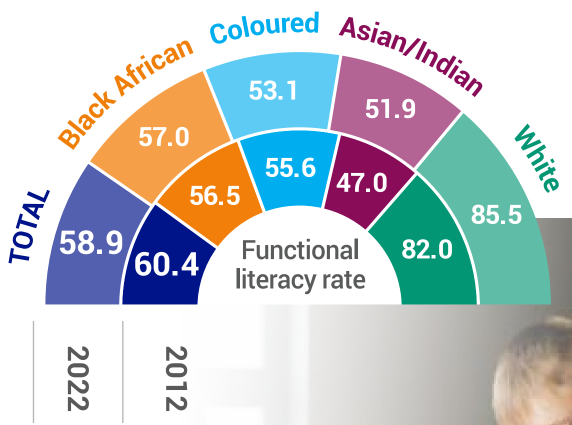
6. EDUCATION

Education and training play a vital role in shaping the future socio-economic landscape of the OD. They empower the population and significantly impact the local economy's development and the region's human resource capacity for businesses and employment.

Low literacy levels remain a challenge in the OD. In 2022, the literacy rate (58.9 per cent) was substantially lower than the Province's (66.2 per cent). Furthermore, literacy rates have declined in the OD and increased in the Province over the same period. Low literacy rates affect people's ability to be employed, which increases poverty and the need for income assistance, especially considering that the tertiary sector, which requires a large cohort of semi-skilled and skilled workers, is growing substantially in the OD. The existing racial disparity further amplifies the poverty and income inequality levels in the OD. Literacy levels are especially low for the coloured population (53.1 per cent) and have declined since 2012.

While the literacy rate has improved for other racial groups, it remains low in the black African (57.0 per cent) and Asian/Indian (51.9 per cent) communities. The disproportionate number of coloured people who stay on farms affects access to education and leads to low literacy levels, which will impact employability. Ensuring that school-aged children are enrolled in and have access to school is essential for improving literacy levels. Scholar transport support provided by the Western Cape Education Department therefore plays a critical role in securing access to education in the OD.

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

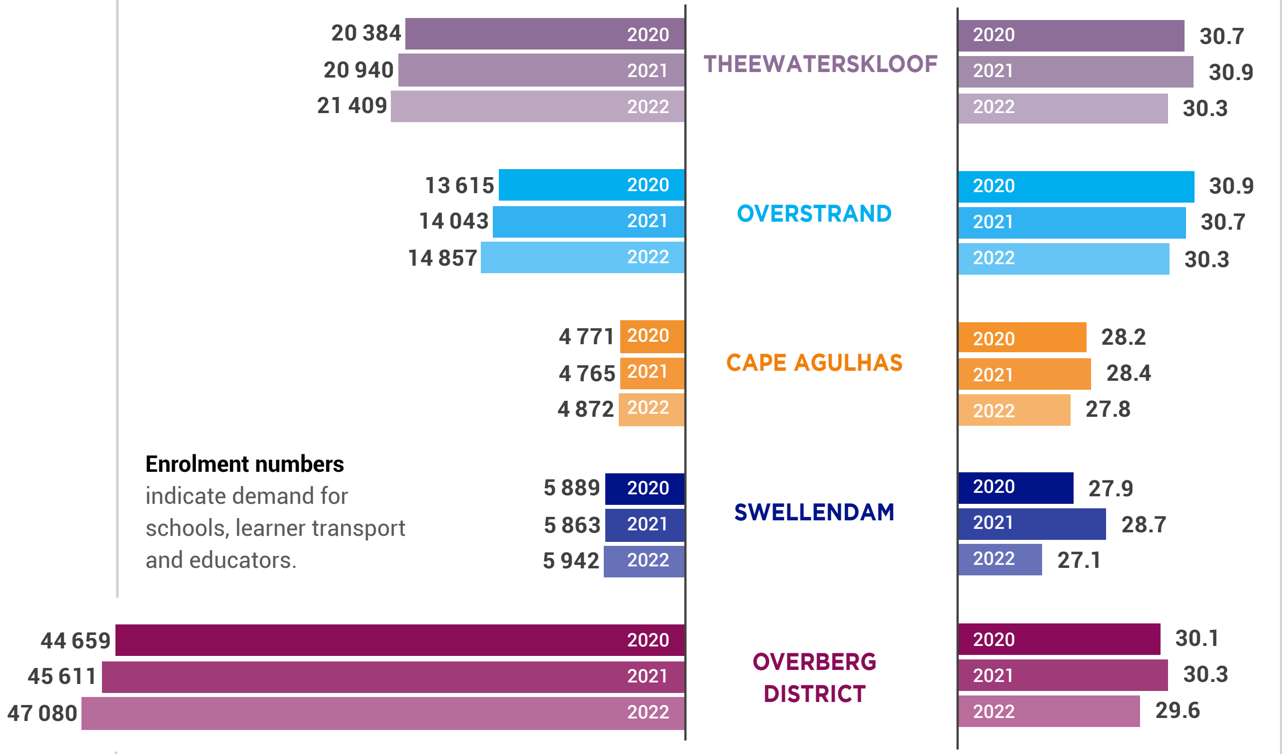


The functional literacy rate is the proportion of people who are older than 20 whose level of education exceeds Grade 7.

Source: Quantec research, 2023

Figure 6.2
LEARNER ENROLMENT, Overberg District, 2020 – 2022

Figure 6.3
LEARNER-TEACHER RATIO, Overberg District, 2020 – 2022

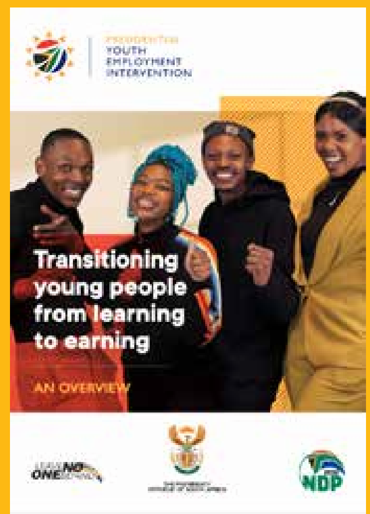


The Department of Education set the upper limit for the **learner-teacher ratio** in ordinary primary schools at 40:1; for ordinary high schools, it was set at 35:1.[62] Lower learner-teacher ratios are associated with more interaction between teachers and learners, which could contribute to better-quality education.[63]

Source: Western Cape Education Department, 2023

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 Intervention (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.[64]



[62] (Sephton, 2017).
[63] (Moloi, 2011).
[64] (Western Cape Education Department, 2022).

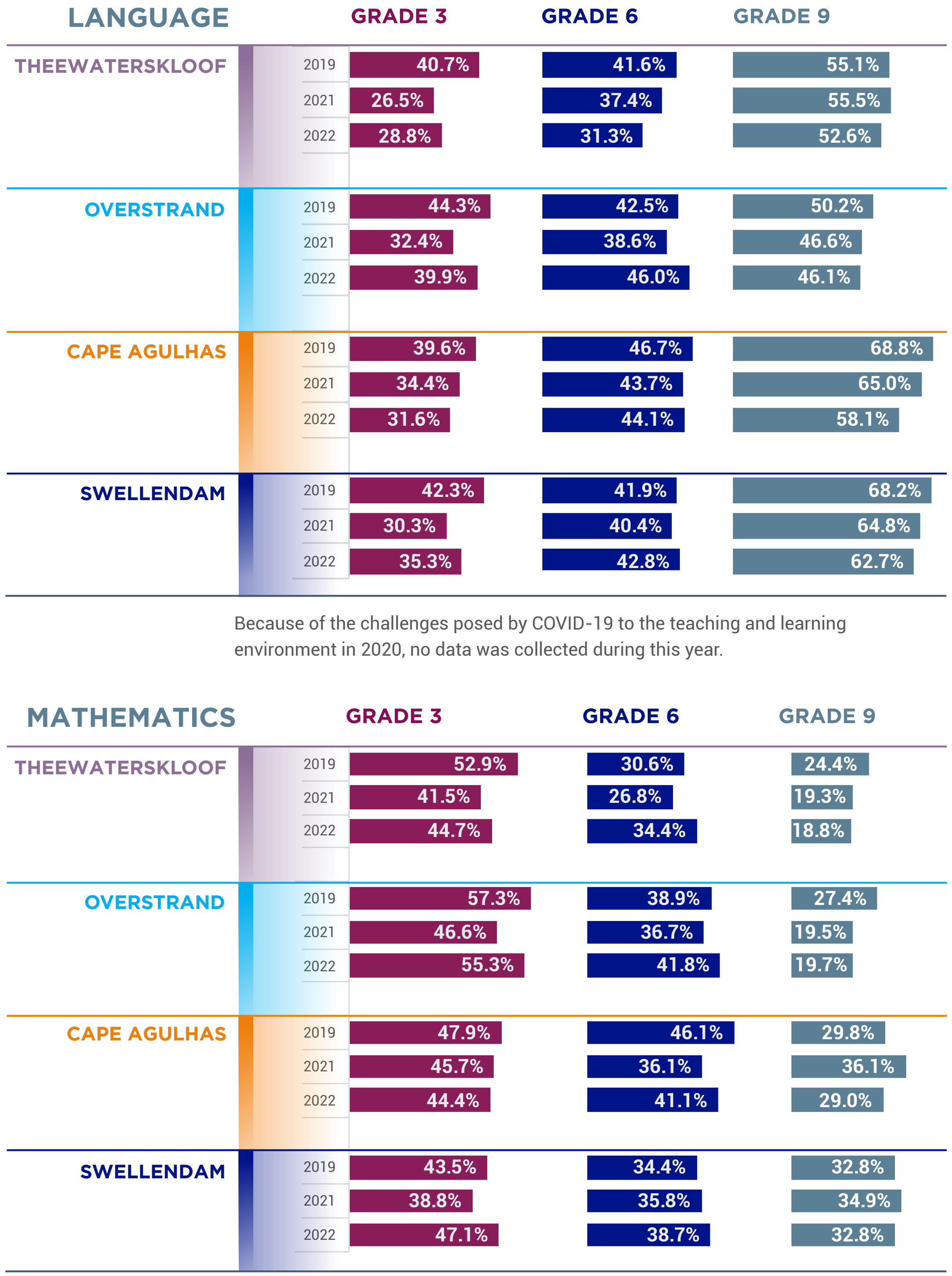
Within the District, the highly populated Theewaterskloof municipal area stood out as having the highest learner enrolments between 2020 and 2022, followed closely by the Overstrand municipal area. Theewaterskloof and Overstrand also had the highest learner-to-teacher ratios between 2020 and 2022.

The Overstrand municipal area experienced rapid growth in the number of children entering schools between 2020 and 2022 compared with other municipal areas in the OD. This enrolment surge can be attributed to the increasing population of the Overstrand area, particularly among those who have migrated to the region with their families. The inflow of learners was met with an increase in available teachers. This trend was prevalent across the OD, with the learner-teacher ratio of the District declining below the Provincial average in 2022.

Recognising the need to meet the growing demand for education infrastructure in the Overstrand and Theewaterskloof municipal areas, strategic plans were put in place by the Western Cape Education Department (WCED) in 2019. Hermanus Technical High School and Umyezo Wama Apile Primary School, both key institutions, have been designated to receive investment over the 2023/24 MTEF period. These planned investments are a welcome response to the expanding education needs in the two municipal areas. The investments will assist in ensuring that there is sufficient infrastructure in place to support increasing learner enrolments.

Figure 6.4

GRADE 3, 6 AND 9 LANGUAGE AND MATHEMATICS PASS RATES, Overberg District, 2019, 2021 and 2022



Source: Western Cape Education Department, 2023

In 2022, as learner-teacher ratios improved, there was a corresponding advance in language and mathematics results for Grade 3 and Grade 6 learners in most municipal areas. However, the Cape Agulhas municipal area experienced lower test outcomes for these grades. While gains in education outcomes were evident for Grade 3 and Grade 6 learners, the same progress was not as apparent for Grade 9 learners, with most municipal areas recording a declining performance in languages and mathematics for pupils at this level.

The pass rates of Grade 9 learners in key subjects such as languages and mathematics have significant implications for their progression 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 entering the further education and training (FET) phase covering 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.

Consequently, many young people in the OD have an incomplete secondary education. This negatively impacts their position in the job market, as a matric certificate is often a minimum requirement for finding employment. In sum, subpar Grade 9 educational outcomes can have lasting consequences, restricting career prospects and limiting opportunities for the individuals concerned.

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. 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.

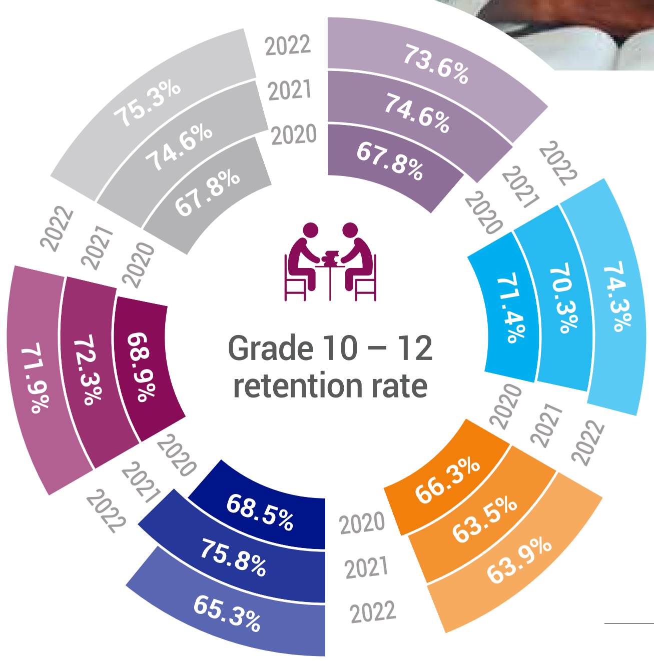
Pass rates declined, especially for Grade 4 learners transitioning languages from their home language to English as the primary language of teaching and learning from Grade 4 onwards.

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. Still, they are taught all subjects in English from Grade 4 onwards (their home language excepted). 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.[65]

[65] *(Van der Berg, Hoadley, Galant, Van Wyk, & Böhmer, 2022).*

Figure 6.5
GRADE 10 TO 12 RETENTION RATE, Overberg District, 2020 – 2022



THEEWATERSKLOOF
OVERSTRAND
CAPE AGULHAS
SWELLENDAM
OVERBERG
WESTERN CAPE

71.9%

of learners in the OD who were in Grade 10 in 2020 progressed to Grade 12 by 2022.

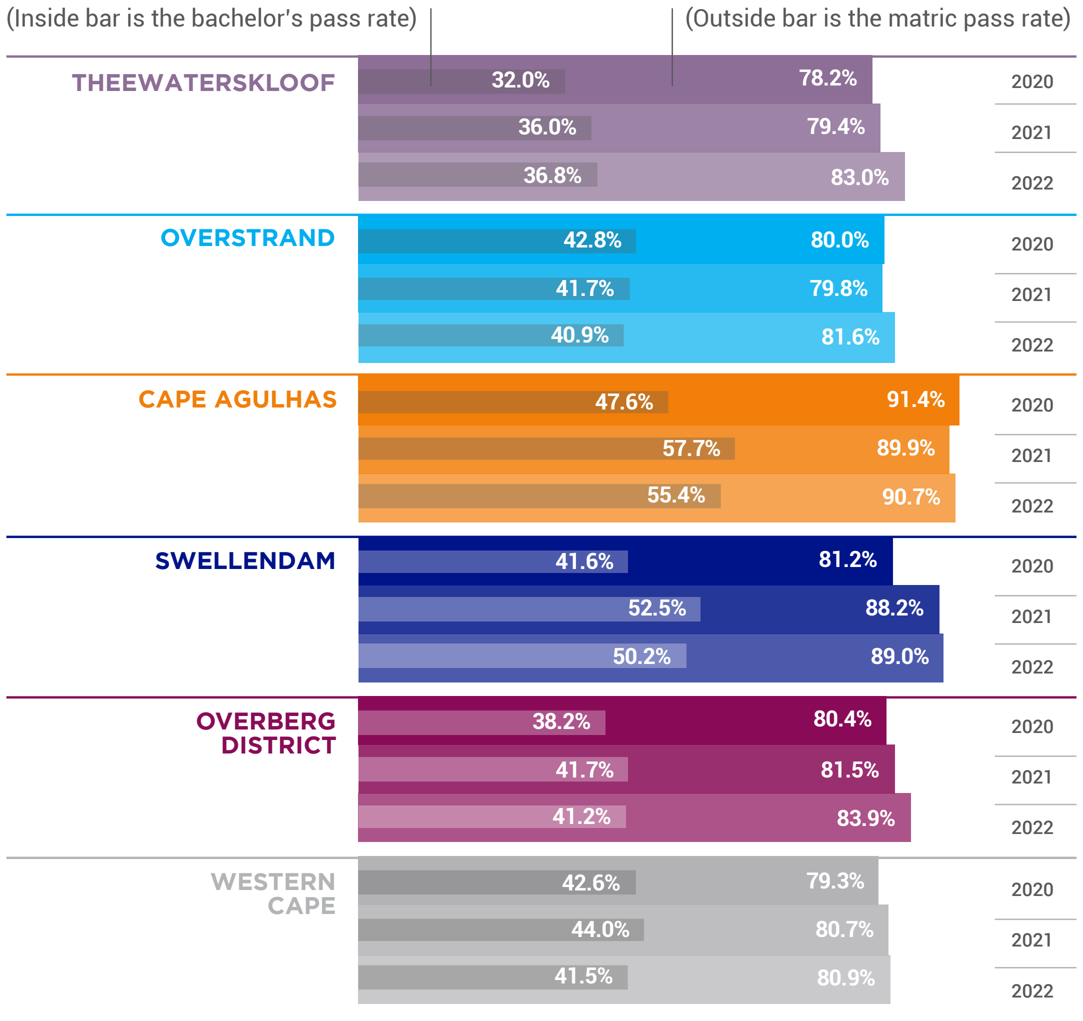
The Grade 10 to 12 retention rate is obtained by comparing the number of Grade 12 learners of a particular cohort with the number of learners from the same cohort who were present two years earlier in Grade 10. This shows the proportion of students who progressed to Grade 12.

Source: Western Cape Education Department, 2023

Between 2020 and 2022, the Western Cape observed an encouraging improvement in the Grade 10 to 12 retention rate, indicating an increase in the percentage of learners who remained in school until Grade 12. Similarly, the OD experienced an increase in learner retention from 2020 to 2021. However, the rate declined slightly to 71.9 per cent in 2022. 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 affect these rates.

With regard to retention trends, Swellendam saw a significant decline of 10.5 percentage points in its learner retention rate between 2021 and 2022. However, the Overstrand municipal area experienced a 4.0 percentage point increase over the same period to attain the highest learner retention rate in the OD.

Figure 6.6
GRADE 12 PASS RATE AND BACHELOR'S PASS RATE, Overberg District, 2020 – 2022



In order to successfully complete Grade 12 and earn a National Senior Certificate (NSC), a student needs to score a minimum of 40.0 per cent in three subjects, one of which must be their home language, attain at least 30.0 per cent in two additional subjects, and secure a minimum of 20.0 per cent in a sixth subject.[66] 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

[66] *(Department of Basic Education, 2021).*

Education outcomes for both the Province and the OD continued to improve in 2022 from the negative impacts of the COVID-19 pandemic on learners. The improvements in Theewaterskloof and Overstrand were particularly notable, with the two municipal areas recording pass rate hikes of 3.6 and 1.8 percentage points, respectively. These upbeat outcomes gained even greater significance with the parallel rise in learner retention rates.

The higher pass rate achieved in the Overstrand municipal area is predicted to have a positive knock-on effect within the local labour market, contributing to the overall wellbeing of communities and the local economy. This underscores the importance of investing in education and supporting the youth. Enabling young people to realise their potential allows them to make valuable contributions to the workforce and society, all while narrowing the skills gap in the OD.

In 2022, Cape Agulhas retained its position as the top-performing municipal area with respect to the Grade 12 pass rate. It also boasted the highest proportion of learners achieving bachelor's passes, with 55.4 per cent securing this distinction. However, this total was 2.3 percentage points lower than the previous year. Similarly, 50.2 per cent of Grade 12 learners in the Swellendam municipal area earned a bachelor's exemption in 2022, again 2.3 percentage points less than the 2021 rate. The only municipal area to witness an increase in the proportion of bachelor's passes was Theewaterskloof, which showed a modest rise of 0.8 of a percentage point.

While it is encouraging that a higher proportion of learners passed Grade 12 in the OD in 2022, the decline in bachelor's passes and the generally lower levels of such achievements in pass rates raise concerns. These unfolding trends are likely to have repercussions for youth unemployment, the employability of young individuals and the income levels of the youth populace within the OD.

YOUTH EMPLOYMENT

Between 2021 and 2022, the OD witnessed a notable upswing in full-time youth employment, which surged by approximately 4.2%.

However, a closer examination of the leading sectors for youth unemployment reveals a disquieting trend. Crop and animal production, public administration, fishing and aquaculture, and the retail trade emerged as the primary spheres where a significant proportion of the youth found employment, often in low-skilled positions with commensurately low income levels.[67]

55.2% of youth employed in the District in 2022 earned an income between R3 200 and R6 400 per month,

reflecting not only the extent to which youth with minimal skills were engaged in the primary sector but also that young individuals who are new to the job market often have limited work experience and may not yet possess specialised skills or qualifications that can command higher wages. As a result, they might be offered lower salaries as they begin to work until they build up skills and gain experience.

Only 11.8% of the youth surpassed the R12 800 monthly income threshold.

While full-time youth employment in the OD rose between 2021 and 2022, the District continued to struggle with high levels of joblessness among young people overall – as indicated in the OD's Integrated Development Plan (IDP). The COVID-19 pandemic had a devastating impact on employment, exacerbating joblessness among youth. This was exacerbated by underemployment and a concerning mismatch between the skills required by industry and those on offer among the youth.[68] In combination with youth underemployment, this mismatch has added to the high unemployment rate.[69]

Strategic youth development initiatives must be implemented in collaboration with the private sector to address the challenge of youth unemployment.[68]

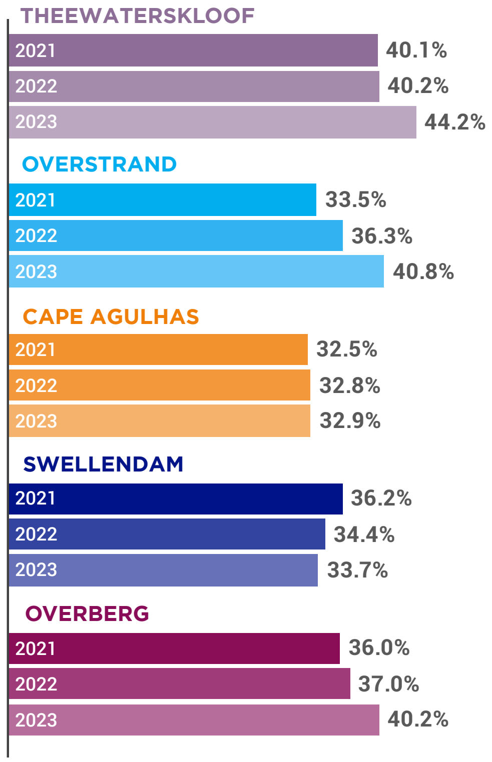
Such programmes must be accompanied by streamlined policies for education and training beyond Grade 12 and university to foster a shift towards better-paying, skill-oriented technical jobs for the youth.[70]

[67] *(Overberg District Municipality, 2023).*
[68] *(Mpisi, 2023).*
[69] *(Gift, 2023).*
[70] *(Mpisi, 2023).*

7. HOUSING AND ACCESS TO BASIC SERVICES

The demand for housing support in the OD saw a remarkable surge between 2021 and 2023, surpassing even the projected growth of households. The presence of informal settlements and a housing backlog poses significant challenges to meeting the housing needs of the increasing population.

Figure 7.1
WESTERN CAPE HOUSING DEMAND, Overberg District, 2021 – 2023



Source: Western Cape Department of Infrastructure, 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.

The Theewaterskloof municipal area faces the highest housing demand in the OD, with 44.2 per cent of households registered on the Western Cape Housing Demand Database. This demand stems from the prevalence of informal settlements and lower wages in areas such as Grabouw and Villiersdorp. 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 2023/24 MTEF period.

A notable increase in households in the Overstrand municipal area has resulted in a 4.5 percentage point rise in the number of households registered for housing support in 2023. This number now accounts for 40.8 per cent of households. The government faces challenges in providing essential services and housing support without a corresponding economic base while also tackling an increase in informal settlements and backyard dwellers, especially in areas such as Stanford, Masakhane and Kleinmond.[71]

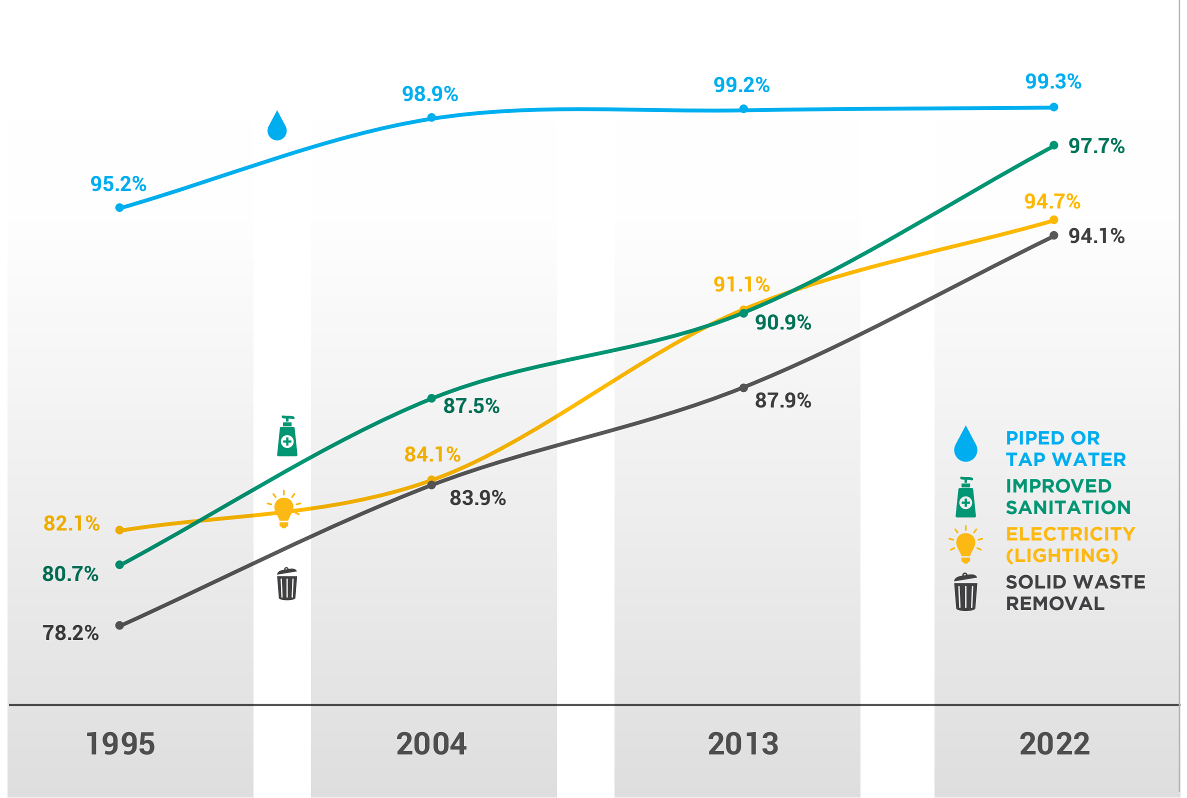
[71] *(Overstrand Municipality, 2023).*

Housing projects in Schulphoek (Hermanus), Gansbaai and Stanford aim to address these housing needs in the medium term. Notable housing projects already bearing fruit include those in Masakhane and Blompark. Not only have homes already been handed over to beneficiaries, but the projects also used local contractors and sourced inputs locally, boosting the local economy.[72]

Despite having the second-highest population growth in the OD, the Cape Agulhas municipal area recorded the lowest demand for housing in 2023, with 3 630 households registered. The relatively low increase in housing demand and the below-average household demand for government assistance indicate that many people relocating to the area can afford suitable housing. This aligns with the higher median income levels observed in the municipal area.

The Swellendam municipal area has shown a continuous decline in housing needs. This is due to successful projects such as the construction of 82 units in Barrydale and the Railton Housing Development Project, which promises 965 serviced sites upon completion.

Figure 7.2
ACCESS TO BASIC SERVICES, Overberg District, 1995 – 2022



Source: f calculations based on Quantec research, 2023

According to Stats SA, improved sanitation services means that a household either has access to a flush toilet which is connected to the public sewerage system or a septic tank, or has access to a pit toilet with ventilation.[73]

Access to vital services such as water, sanitation, electricity and solid waste removal plays a pivotal role in the overall wellbeing of communities. Local municipalities also play a vital role in cultivating an environment that promotes and supports private investment and entrepreneurship through access to these critical services, resulting in local economic opportunities that positively impact the community as a whole.

[72] *(Overstrand Municipality, 2023).*
[73] *(Stats SA, 2022).*

Between the years 1995 and 2022, there was a noteworthy 4.1 percentage point increase in the accessibility of piped or tap water, reaching an impressive 99.3 per cent of households in the OD. This substantial improvement means that almost every housing unit within the OD now enjoys this basic utility. Additionally, significant strides were made in enhancing access to other basic services. The availability of electricity for lighting saw a commendable uptick of 12.6 percentage points, while improved sanitation and solid waste removal services experienced even more substantial improvements, increasing by 17.0 and 15.9 percentage points, respectively. These improvements collectively reflect a dedication to enhancing living conditions and infrastructure within the OD.

It is important to acknowledge that the unique settlement patterns of the OD, with many households situated on farms, have presented a distinct challenge. Specifically, this geographical factor has delayed the progress of implementing access to solid waste removal services. Unlawful land occupations, such as the Knoflokskraal settlement, which was erected adjacent to the N2 near Grabouw in 2020,[74] pose further challenges regarding service delivery in the OD.

While on an aggregate basis there are generally high levels of access to services in the OD, disparities still exist along racial lines, primarily because of settlement patterns within urban areas.

In 1995, approximately

37.3% **Black Africans** | **8.9%** **Coloured people**

lived in informal settlements.

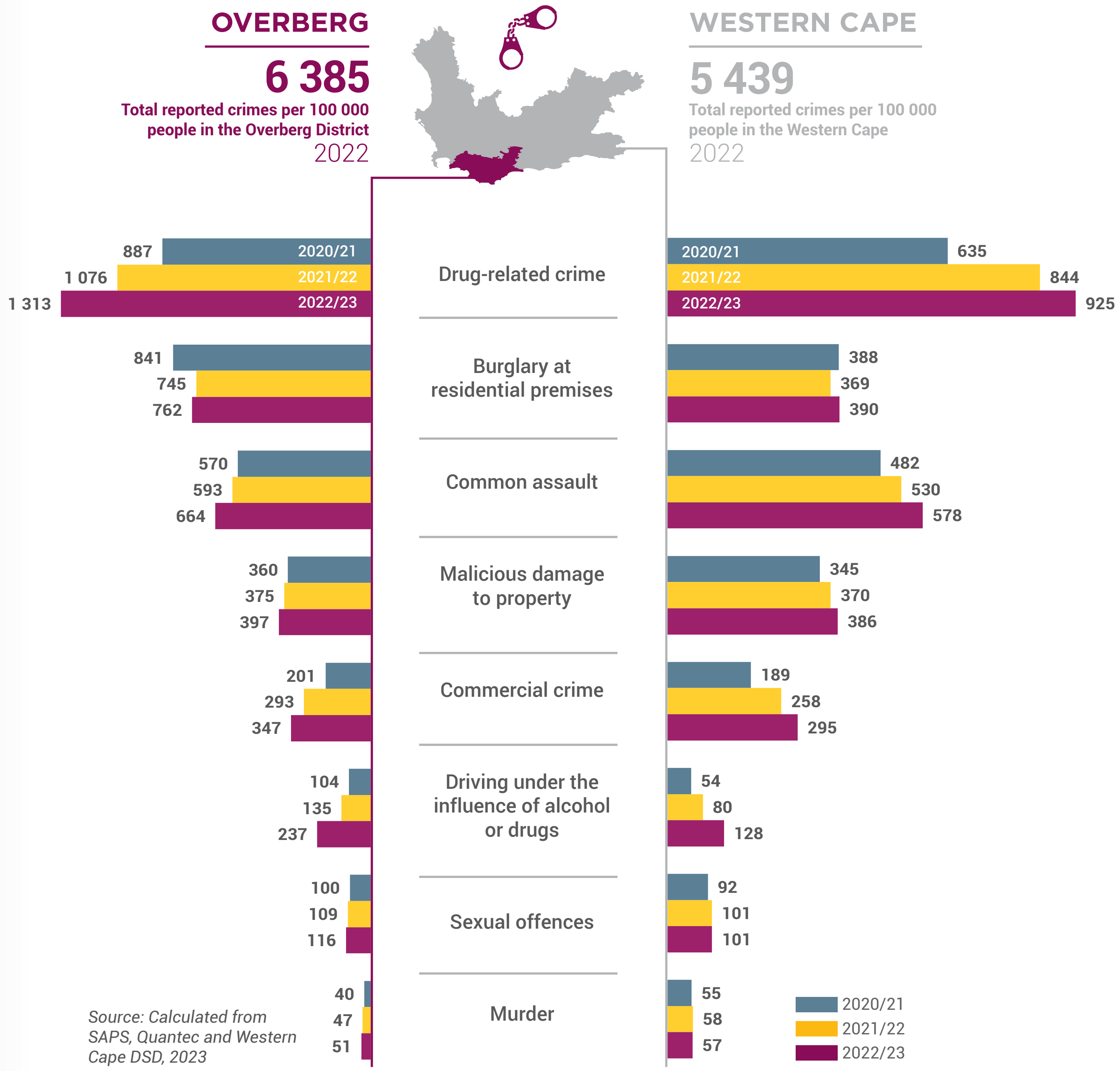
This affected access to services, with black Africans having lower access to electricity and improved sanitation. Since then, the disparities between the groups have declined substantially. However, access to basic services for black Africans and coloured people remains marginally below average.

[74] (Theewaterskloof Municipality, 2023).

8. CRIME

Against the background of the OD's idyllic rural lifestyle and beckoning coastline, communities are battling crime, with more crimes per 100 000 people reported since 2020/21 compared with the Province. With high unemployment and income inequality rates, crime was typically more prevalent in the Overstrand municipal area. However, in 2022/23, Cape Agulhas recorded the highest level of crime in the OD (7 801 incidents per 100 000). The overall crime rate in the OD has steadily increased, from 5 315 incidents per 100 000 in 2020/21 to 6 385 incidents per 100 000 in 2022/23. It is worth noting that implementing COVID-19 lockdown regulations in 2020/21 contributed to the overall decrease in crime during this year, as more people stayed at home, consequently minimising opportunities for criminals.[75] However, by 2022/23, crime levels marginally exceeded those recorded prior to the COVID-19 pandemic.

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



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

[75] (Stats SA, 2022).

During the reference period, drug-related crimes exhibited the highest increase in absolute terms, surging by 22.0 per cent – from 1 076 incidents per 100 000 people in 2021/22 to 1 313 incidents per 100 000 people in 2022/23. This increase is also noted on a Provincial level, with a 9.6 per cent surge in drug-related crimes, which were detected thanks to police action.

The Overstrand (1 788 incidents per 100 000 people) and Cape Agulhas (1 536 incidents per 100 000 people) municipal areas reported significant drug-related crimes in 2022. It's commonly observed that drug-related crimes are intertwined with poverty and inequality, where factors such as income and education levels influence the occurrence of these crimes - making the youth especially vulnerable.[76] Notably, the Cape Agulhas municipal area has had the highest level of inequality within the District since 2019. Youth who are involved in drug-related crime are also often associated with gangsterism and dropping out of school, which have a number of negative impacts on community safety and wellbeing.

One of the ways that underlying issues of poverty and inequality are evident in South Africa is the prevalence of violence and crime. Violence and crime are articulated in different ways. It can be challenging to have a complete picture of the state of crime and violence in South Africa, especially regarding some crimes that tend to be under-reported, with GBV being a prime example. 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 of fear.[77]

After a marginal decline in 2021/22, sexual offences increased by 8.8 per cent in 2022, primarily because of the 29.9 per cent rise in sexual offences in the Theewaterskloof municipal area. On a positive note, Cape Agulhas noted a 15.0 per cent reduction in sexual offences in 2022/23.

The OD recorded more instances of commercial crime (288 incidents per 100 000) than the Province (254 incidents per 100 000) in 2022/23. Furthermore, incidents of commercial crime are on the rise. The challenging living conditions of the economic climate in 2022 contributed to the increase in commercial crimes, which can devastate local businesses, especially SMMEs, damaging the economy of the OD in the long run. Without curbing commercial crimes, a vicious cycle of declining economic activity and joblessness can fuel poverty, giving rise to other crimes across the District.

[76] *(The World Wide Fund for Nature – South Africa, 2020.)*
[77] *(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.[78] The OD's IDP highlighted GBV as one of the challenges facing the District, together with crime and substance abuse.[79] 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.[80]

9. CONCLUDING REMARKS

The OD has a prominent population of both young and working-age individuals. This group is steadily expanding within the OD community. This scenario presents a valuable demographic dividend opportunity, enabling the government to redirect investments towards health and education for future development and economic growth. These strategic actions collectively target strengthening the workforce and cultivating increased higher-quality employment opportunities.

Given a decrease in the number of taxpayers, there has been a decline in average monthly taxable incomes in the OD. This reduction in income subsequently affects living standards, potentially impeding access to essential necessities such as education, healthcare and basic needs. Encouragingly, the OD has observed a reduction in income inequality. This positive sign enhances economic stability by mitigating fluctuations from pronounced disparities. Ultimately, a more even distribution of resources can elevate numerous individuals and families above the poverty threshold.

The ongoing increase in population growth also triggers a heightened demand for housing, intensifying the need for strengthened support of essential services throughout the District.

It's important to consider that while all crimes decreased in 2020/21, this decline should be seen in the context of the COVID-19 pandemic, which brought about various restrictions and adjustments throughout the reporting period. As lockdown levels were gradually eased, crime rates began to rise steadily. In 2022/23 crime rates in the OD exceeded the Provincial average, with drug-related crime and burglaries at residential premises being the most reported.

The educational landscape within the District reveals promising advancements, characterised by rising learner enrolments and a declining learner-teacher ratio. These trends underscore positive educational

[78] *(The South African College of Applied Psychology, 2020).*
[79] *(Overberg District Municipality, 2023).*
[80] *(Western Cape Government, 2022).*

strides, indicative of improved educational access and potentially superior learning outcomes. However, despite advancements in matriculation rates, a significant proportion of young individuals in the OD have incomplete secondary education, hindering their pursuit of skilled occupations and higher income prospects in the future.

In the OD, there has been a positive decline in maternal mortality rates, indicating notable progress in maternal healthcare. However, it is concerning that child mortality rates have increased, highlighting the need for a closer examination of factors affecting child health and access to paediatric care within the healthcare sector.

To promote community wellbeing and safety in the OD, it is essential to invest in education and skills development, particularly for the growing population of young individuals, while also addressing income inequality through appropriate income support and job creation initiatives. Additionally, affordable housing initiatives should be pursued to meet the rising demand for housing. Crime prevention and community policing efforts should continue, alongside continued investment in public health initiatives. To tackle incomplete secondary education, support programmes and scholarships should be implemented, focusing on monitoring and community engagement, to ensure the effectiveness of these measures in enhancing community wellbeing and safety.

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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 GDPR Sectoral GDPR	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
GDPR 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
GDPR 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 and local municipality population estimates by sex and age (2002 – 2037) based on Stats SA MYPE base year 2022	2023
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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PR 316/2023
ISBN: 978-0-621-51628-9