



Western Cape
Government

2023-24

**Municipal Economic
Review and Outlook**

**West Coast
District**





Western Cape
Government

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



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2023-24 MERO FOREWORD

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

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

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

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

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

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

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

A handwritten signature in black ink, appearing to read 'Mireille Wenger'.

Ms Mireille Wenger
Minister of Finance and Economic Opportunities

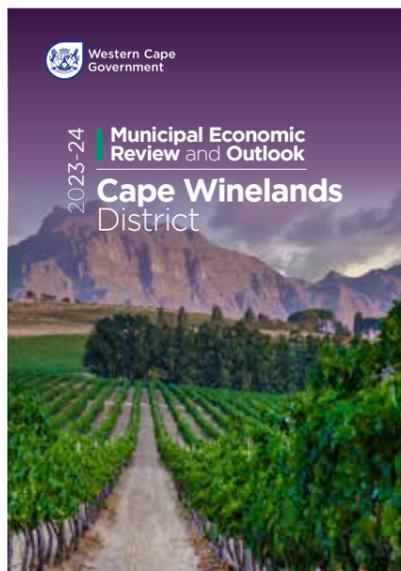
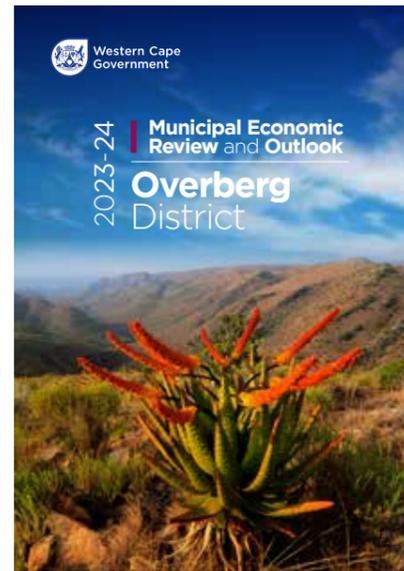
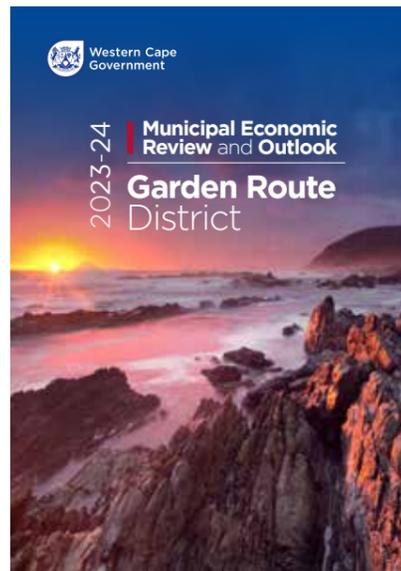
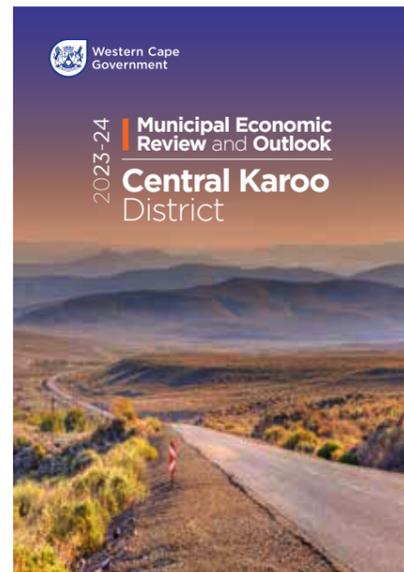
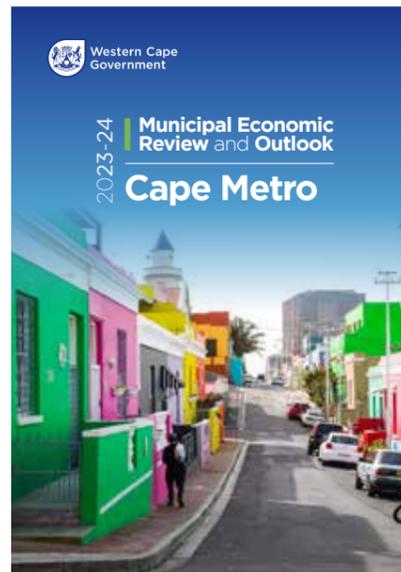
24 November 2023

ACRONYMS AND ABBREVIATIONS

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

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

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



2023-24 MERO BOOKLETS

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1. INTRODUCTION AND BACKGROUND

1.1 INTRODUCTION

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

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

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

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

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



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

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

1.2 REPORT OUTLINE

The 2023/24 MERO is structured as follows:

SECTION A: MACROECONOMIC PERFORMANCE AND OUTLOOK

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

SECTION B: ECONOMIC GROWTH AND JOBS

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

- **GDPR and employment**

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

- **International trade**

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

- **Tourism**

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

- **Investment**

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

SECTION C: SAFETY AND WELLBEING

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





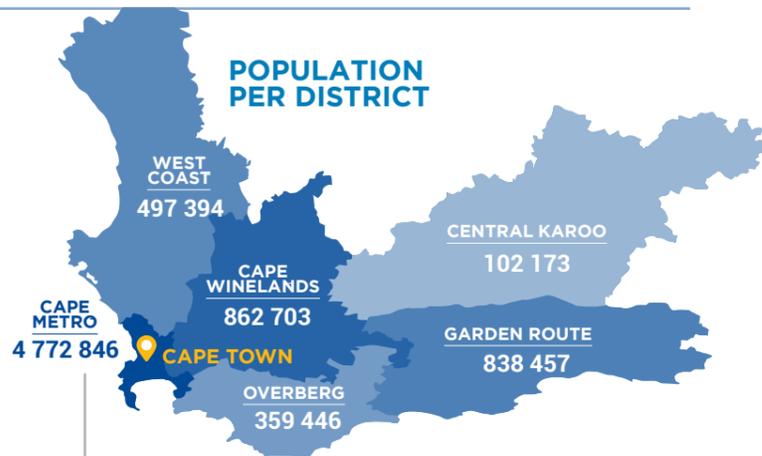
2022 WESTERN CAPE

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

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

POPULATION 7 433 020

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



AGE SPLIT

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

ESTIMATED POPULATION GROWTH

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

HOUSEHOLDS 2 145 570

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

ACCESS TO SERVICES

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

TOURISM

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

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



13.7% CONTRIBUTION TO SOUTH AFRICA

GDPR R764.7 BILLION

2021

GDPR FORECAST: 2.3% (2022e), 0.5% (2023f), 1.1% (2024f)

R107 661 GDPR PER CAPITA (2021 current prices)

15.9% CONTRIBUTION TO SOUTH AFRICA

JOBS 2 301 352 EMPLOYED

Estimated 2022e **125 491** JOB GAINS

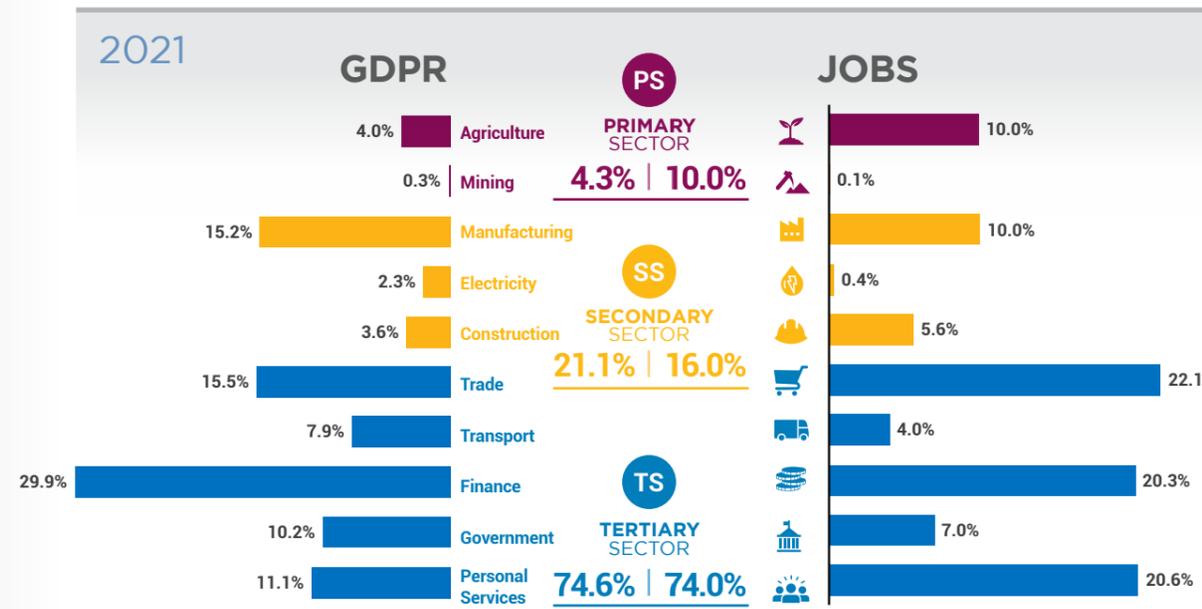
24.5% Estimated 2022e UNEMPLOYMENT RATE

INTERNATIONAL TRADE 2022

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

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

SECTORAL CONTRIBUTION



See reference list for sources

SECTION

A

MACROECONOMIC PERFORMANCE AND OUTLOOK

1. GLOBAL ECONOMIC CONTEXT

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



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

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

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

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

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

¹ (International Monetary Fund, 2023).

2. DEVELOPMENTS IN THE SOUTH AFRICAN ECONOMY

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

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

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

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

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

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



² (South African Reserve Bank, 2023).

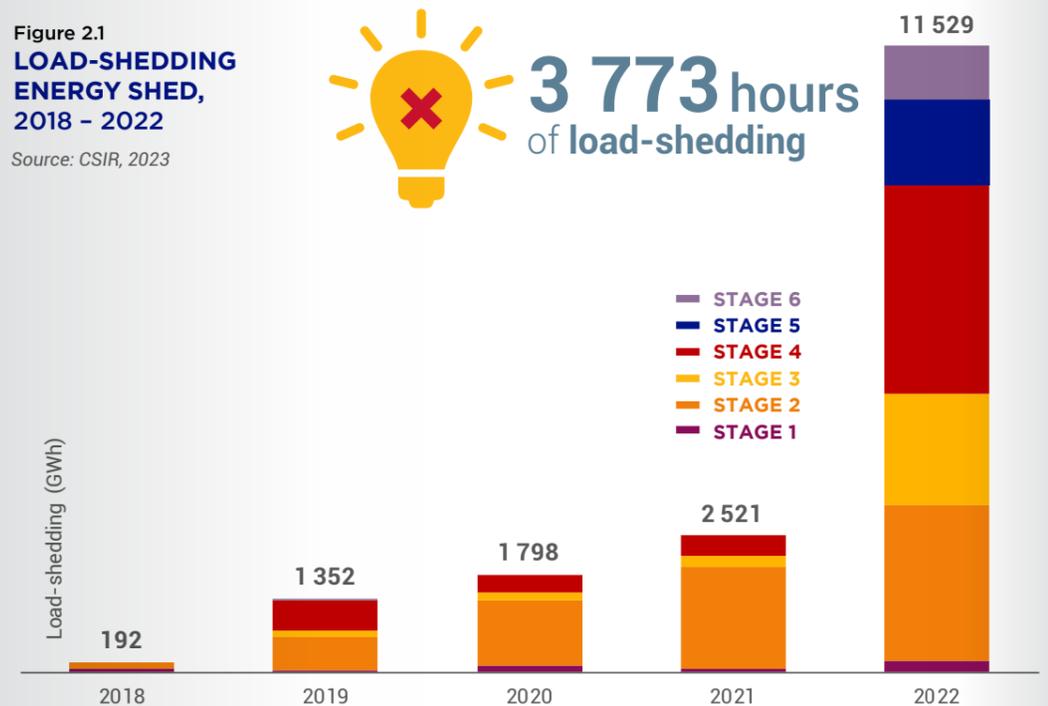
THE SOUTH AFRICAN ENERGY CRISIS



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

Figure 2.1
LOAD-SHEDDING ENERGY SHED, 2018 – 2022

Source: CSIR, 2023



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

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

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

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

⁴ (Janse van Rensburg & Morema, 2023).

3. DEVELOPMENTS IN THE WESTERN CAPE ECONOMY

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

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

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

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

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

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

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

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

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

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

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



⁵ (Airports Company South Africa, 2023).

⁶ (Wesgro, 2023).

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

ENERGY RESILIENCE IN THE WESTERN CAPE

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

The Programme comprises six strategic intervention categories, namely:

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

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

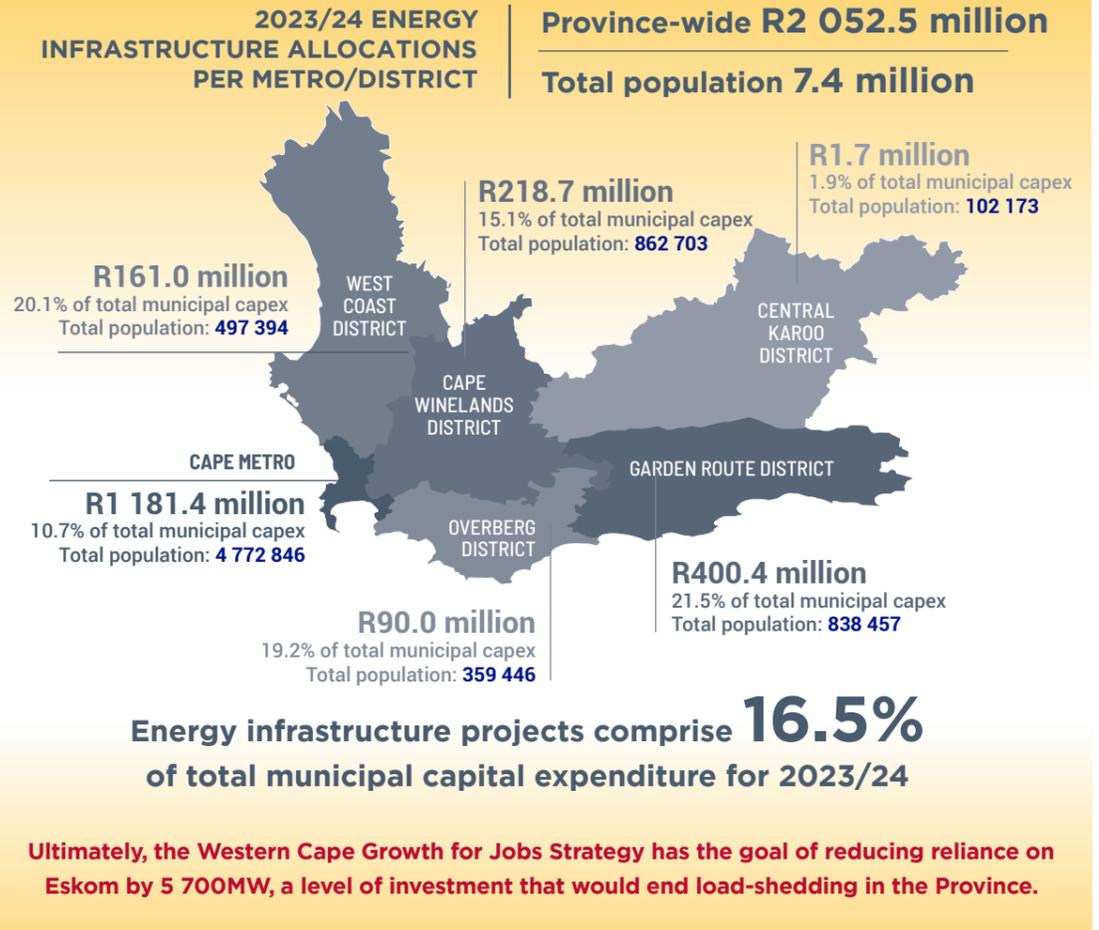


ON A LARGER SCALE, the Western Cape, especially the Central Karoo District (CKD), is uniquely positioned to make use of both wind and solar energy to generate electricity. In 2022, 16 environmental authorisation applications were submitted for wind and solar developments in the Province, 13 of which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

⁸ (Western Cape Government, 2023).

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

2023/24 MTREF MUNICIPAL ENERGY INFRASTRUCTURE EXPENDITURE

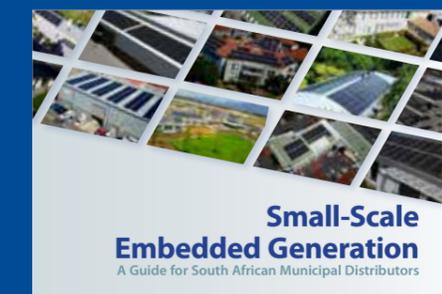


Source: Western Cape Provincial Treasury, 2023

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

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

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



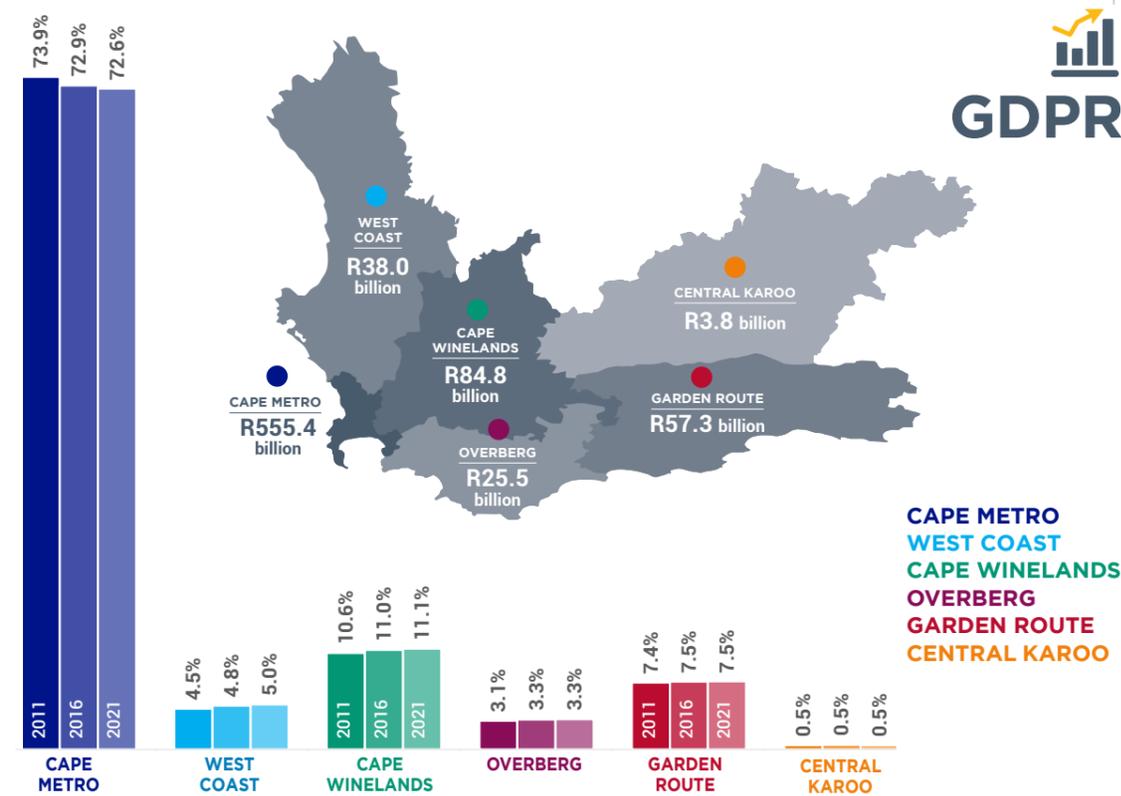
Wheeling is the transportation of electricity from a supplier to a third party, through a network not owned, controlled or leased by either party.

¹⁰ (GreenCape, 2023).

¹¹ (South African Local Government Association, 2023).

3.1 REGIONAL GDP AND EMPLOYMENT PERFORMANCE

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

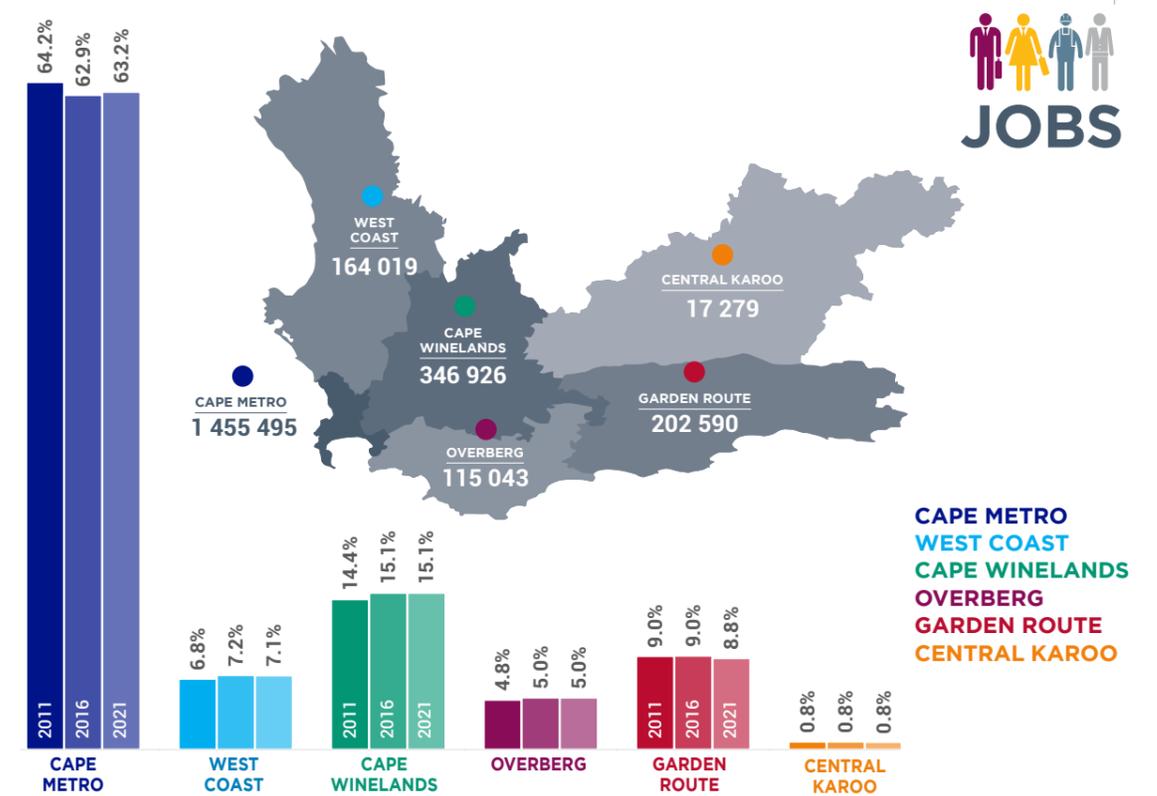


Source: Quantec research, 2023

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

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

Figure 3.2
REGIONAL CONTRIBUTIONS TO PROVINCIAL EMPLOYMENT,
2012 - 2021



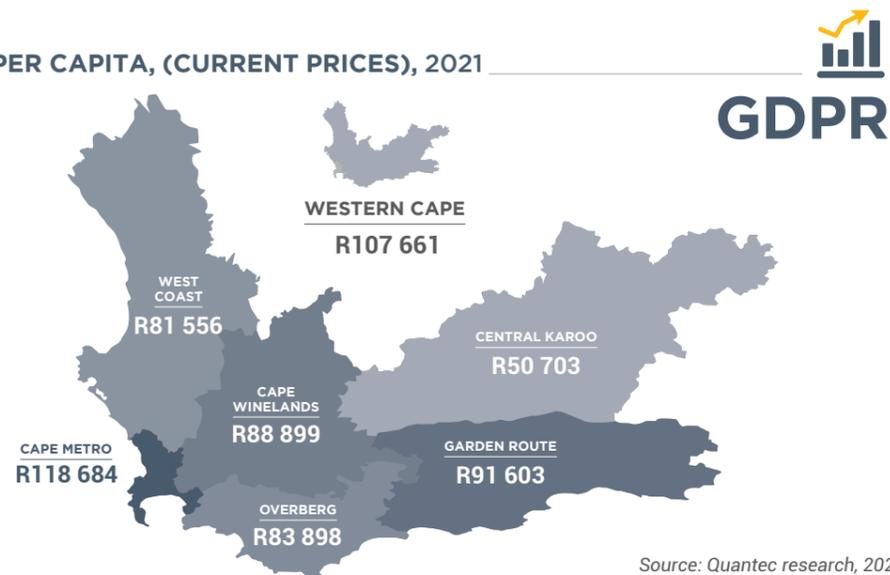
Source: Quantec research, 2023



GDPR PER CAPITA

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

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



Source: Quantec research, 2023

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



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

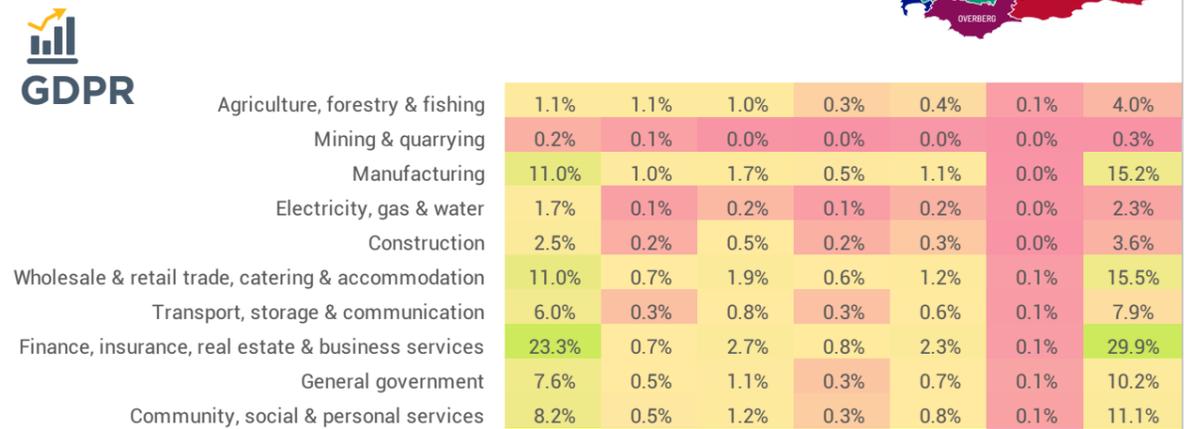
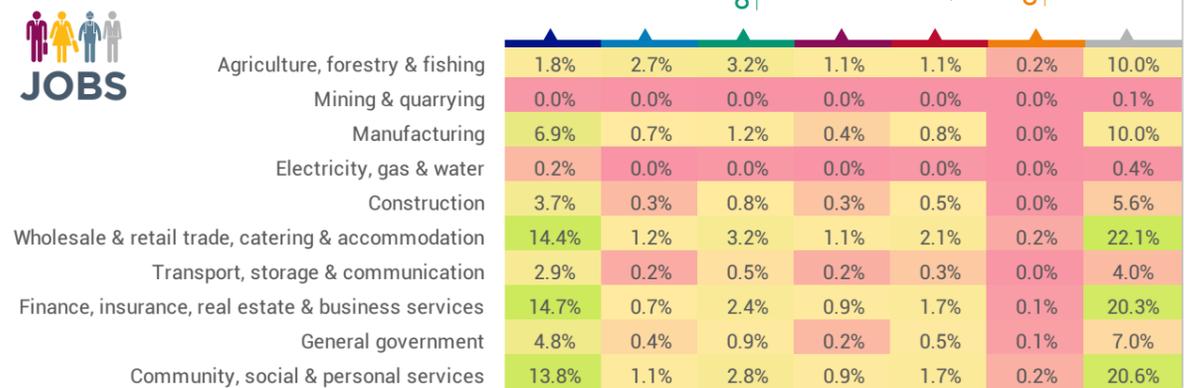


Figure 3.4
REGIONAL SECTORAL EMPLOYMENT¹² CONTRIBUTIONS TO PROVINCIAL EMPLOYMENT, 2021 (%)



Source: Quantec research, 2023

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

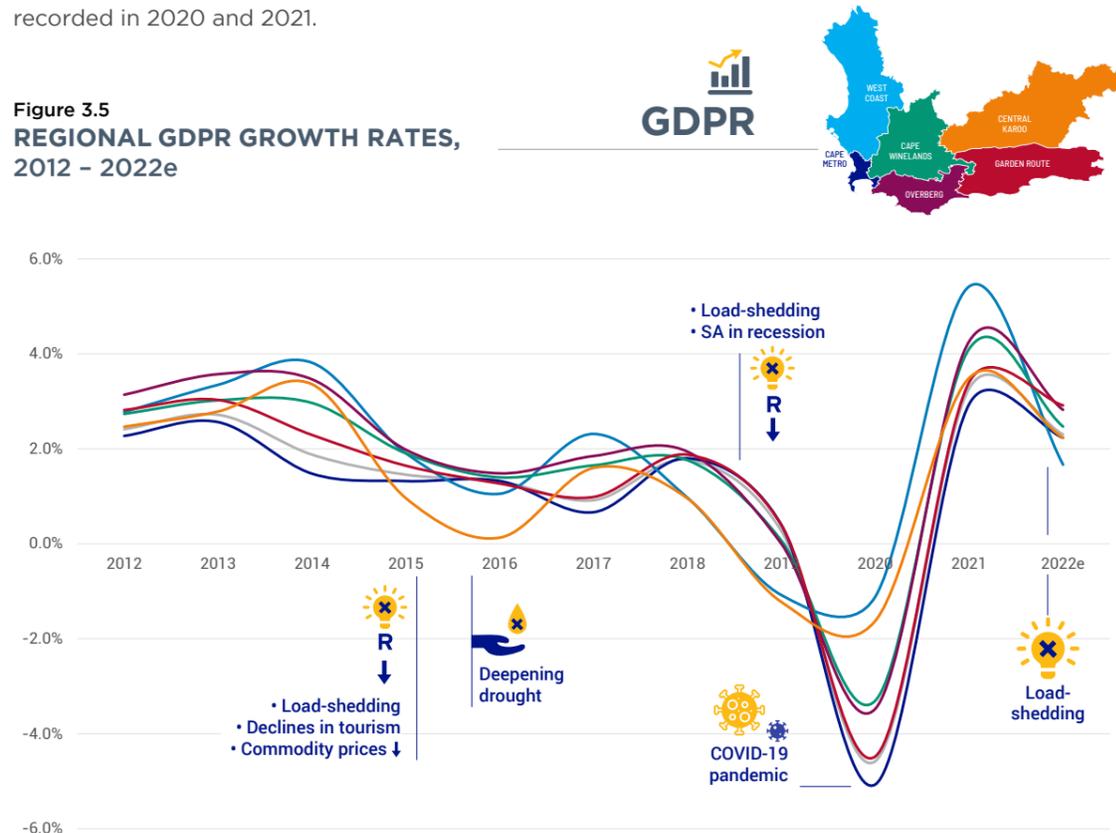
The growing urban centres of Paarl and Stellenbosch, in the CWD, are leading growth among regional areas through the trade, finance and personal services sectors. At the same time, the rising popularity of George as a tertiary service centre for the GRD means that it is also a growing contributor to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

¹² Includes formal and informal employment.

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

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

Figure 3.5
REGIONAL GDPR GROWTH RATES, 2012 - 2022e

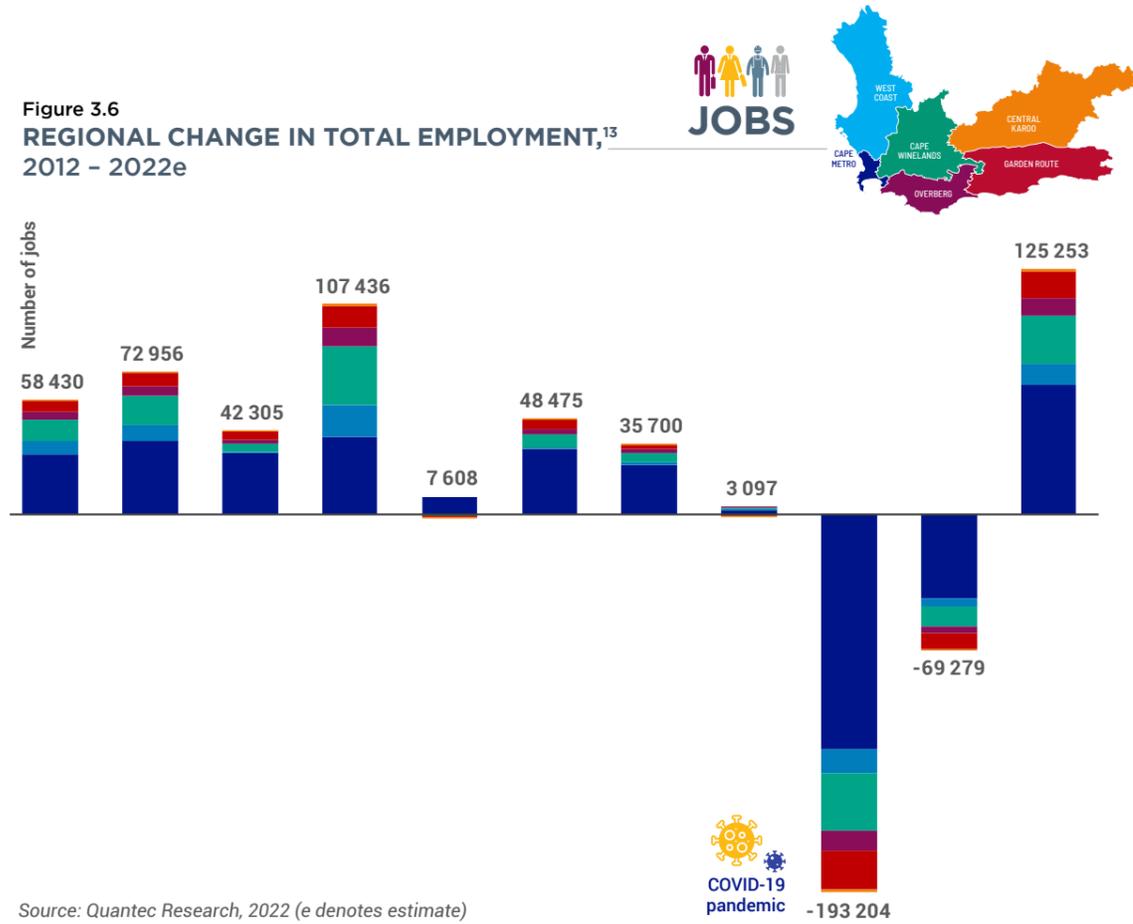


Source: Quantec research, 2023 (e denotes estimate)

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



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



Source: Quantec Research, 2022 (e denotes estimate)

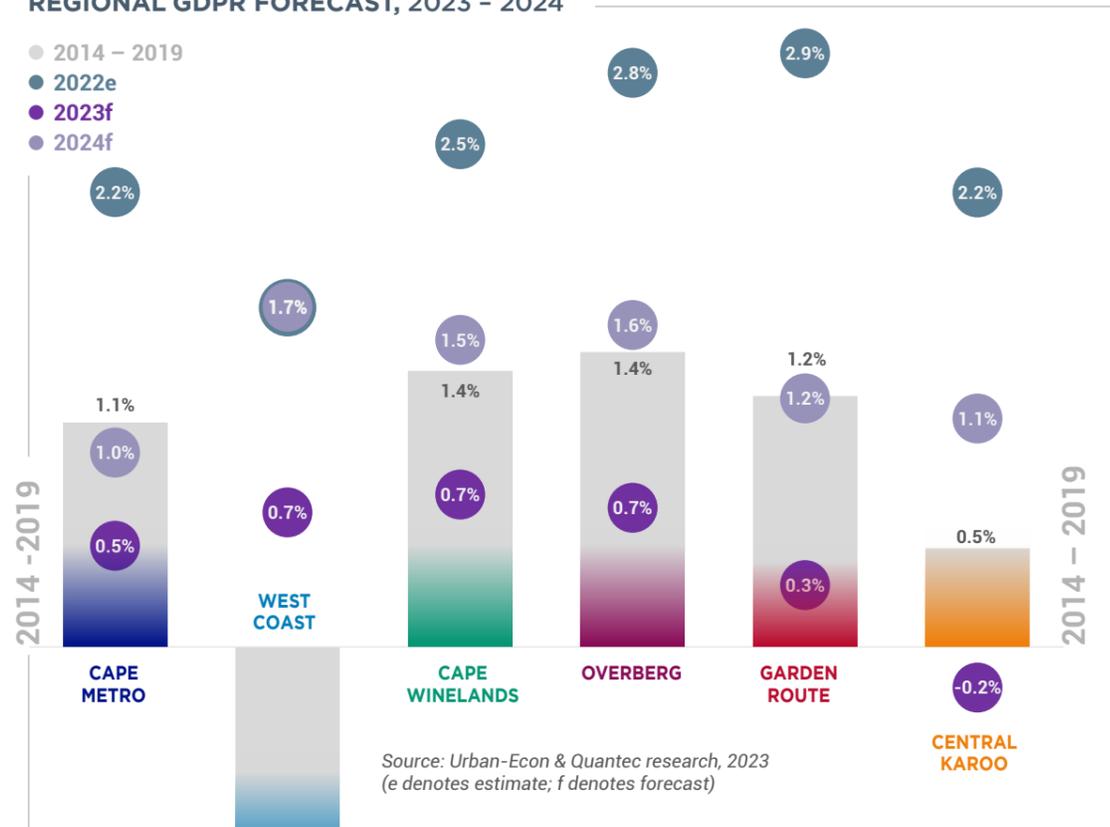
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022e
Western Cape	58 430	72 956	42 305	107 436	7 608	48 475	35 700	3 097	-193 204	-69 279	125 253
— Cape Metro	30 480	37 356	31 127	39 676	8 925	33 233	25 274	1 766	-119 943	-43 255	65 911
— West Coast	6 811	8 359	706	16 247	-393	922	1 030	594	-12 186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



¹³ Includes formal and informal employment estimates.

Despite the momentum gained in 2022, it is forecast that GDPGR will slow across the districts in 2023, with growth in the CKD expected to contract by 0.2 per cent. GDPGR 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 GDPGR gains can translate into improved living standards. The outlook for 2024, however, remains above the five-year average GDPGR growth recorded before the COVID-19 pandemic for most regions.

Figure 3.7
REGIONAL GDPGR FORECAST, 2023 - 2024



WESTERN CAPE GROWTH FOR JOBS STRATEGY

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

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

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

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

PRIORITY FOCUS AREAS FOR HORIZON 1 (UP TO 2026)



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



Source: Western Cape Government, 2023

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

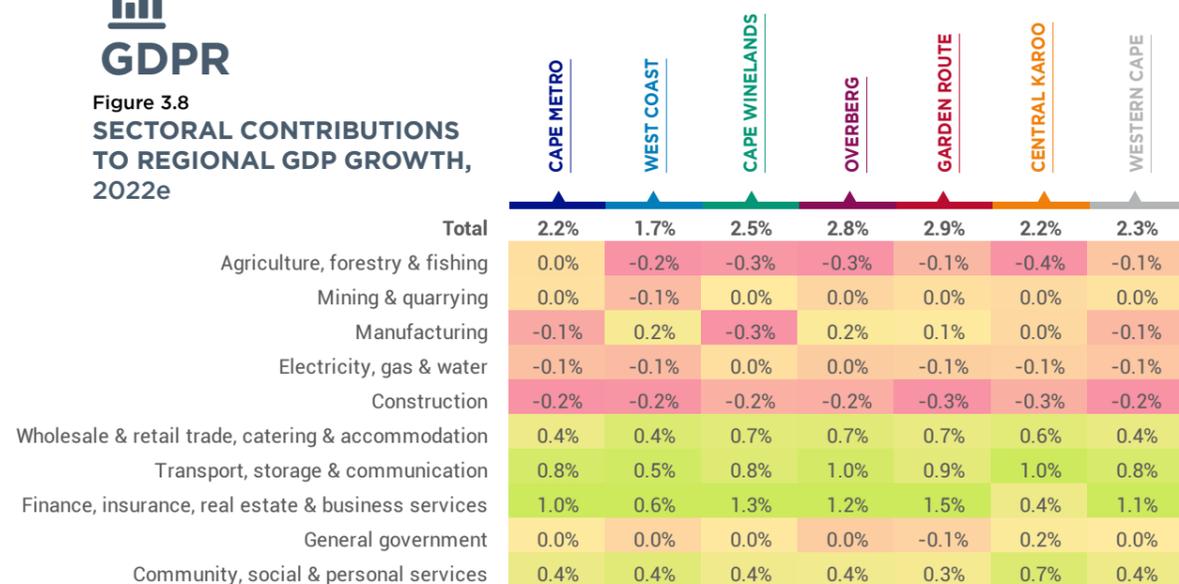
The agriculture sector is estimated to have stagnated or contracted across the Province in 2022. This was primarily due to a normalisation of trends, as the sector had recorded exceptional growth since 2020 because of high international commodity prices. Despite this, 5 950 new jobs were created in the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

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

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

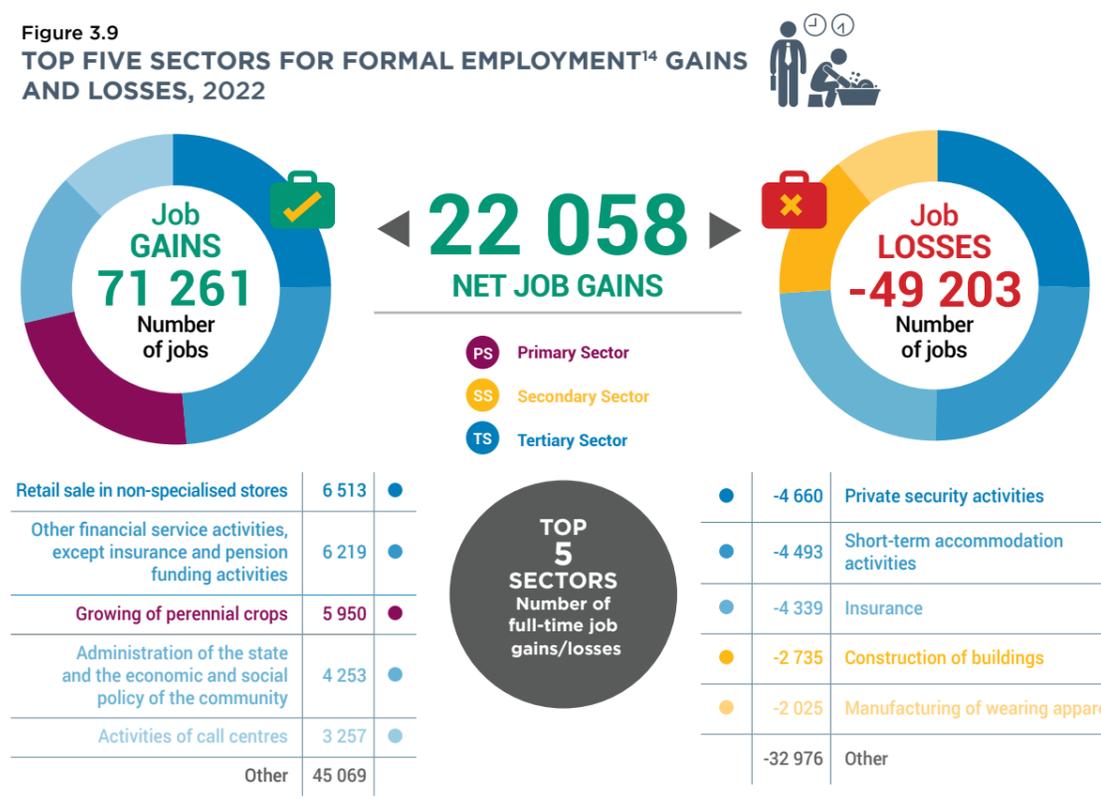


Figure 3.8
SECTORAL CONTRIBUTIONS TO REGIONAL GDP GROWTH, 2022e



Source: Quantec research, 2023 (e denotes estimate)

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



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

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



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

INFORMAL EMPLOYMENT¹⁵

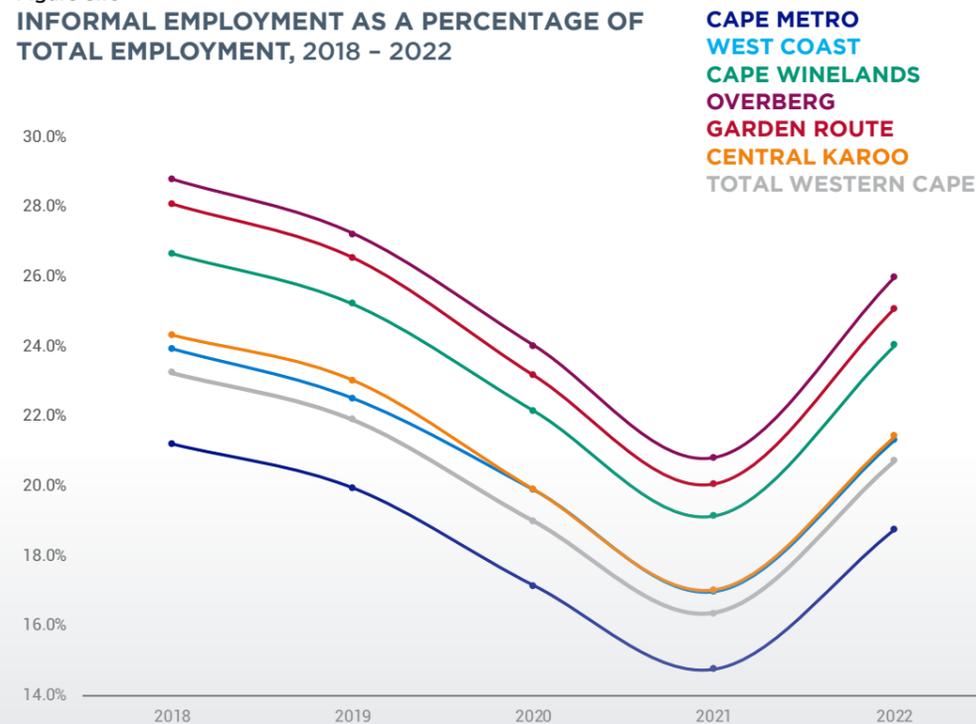
From spaza shop owners in the Cape Metro to the hairdresser operating from a Beaufort West home in the Central Karoo, the informal sector is pivotal in generating employment opportunities in the Province.

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

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

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

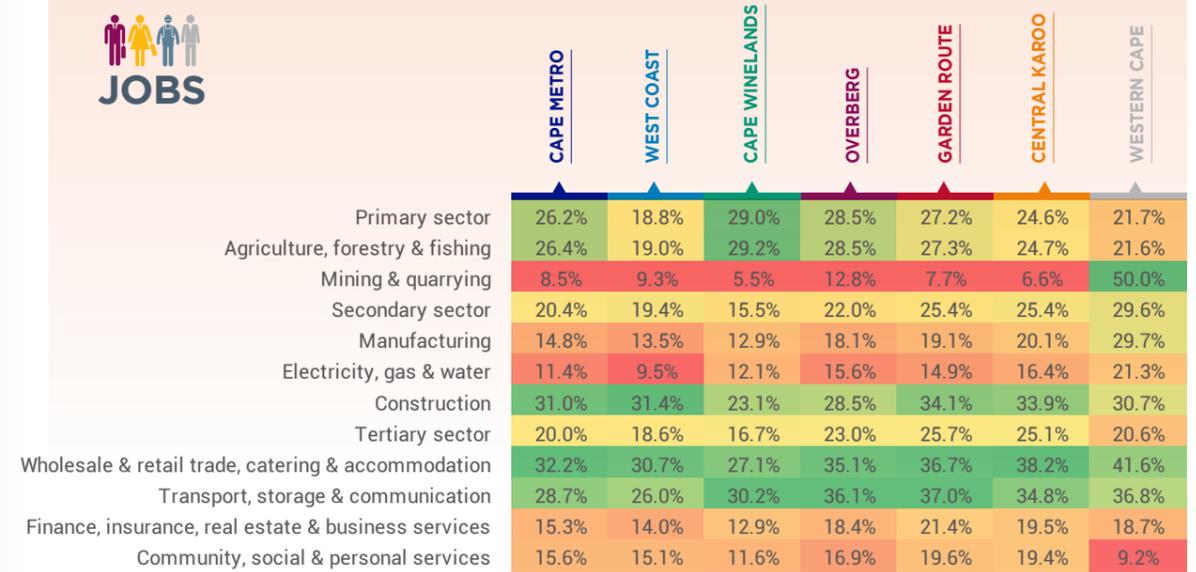
Figure 3.10
INFORMAL EMPLOYMENT AS A PERCENTAGE OF TOTAL EMPLOYMENT, 2018 - 2022



Source: Quantec research, 2023

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

Figure 3.11
SECTORAL INFORMAL EMPLOYMENT CONTRIBUTION TO TOTAL EMPLOYMENT, 2022



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.

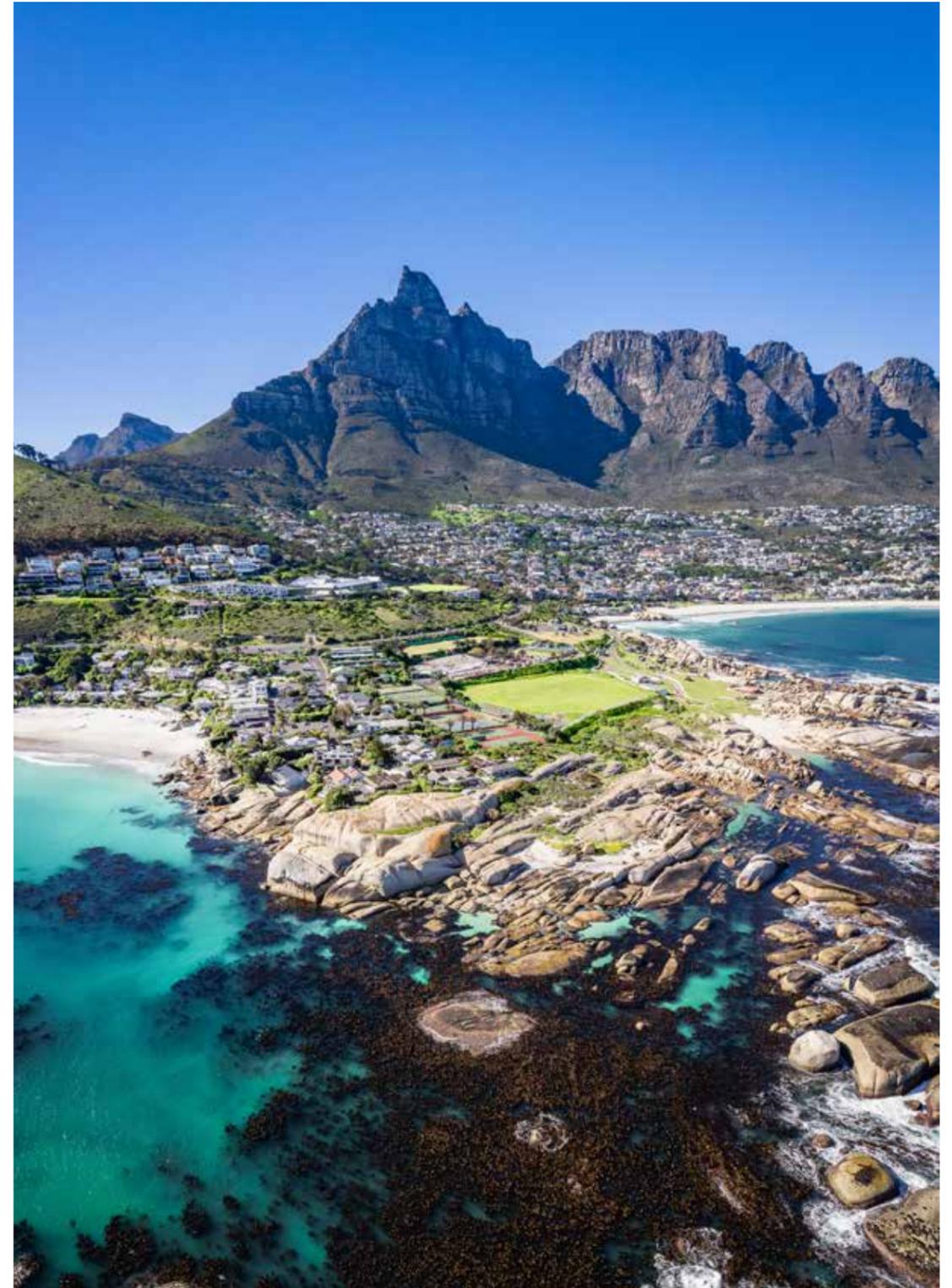
Across the districts, employment in informal agriculture contributes substantially to the overall jobs total, especially in the WCD, CWD and OD. However, informal agricultural workers typically earn less than the minimum wage, meaning that informal agricultural employment, while essential, does not always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





WEST COAST DISTRICT

31 118.7km²

24.0% OF WESTERN CAPE





WEST COAST DISTRICT

2022

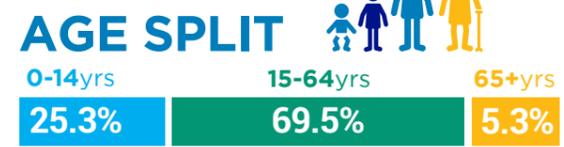
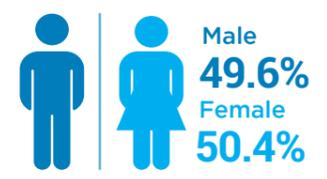


AREA 31 118.7km² | **AREA** 24.0% OF WESTERN CAPE | **DENSITY** 15.2/km² | **SEAT** Moorreesburg

MUNICIPALITIES | MATZIKAMA, CEDERBERG, BERGRIVIER, SALDANHA BAY, SWARTLAND

POPULATION

497 394



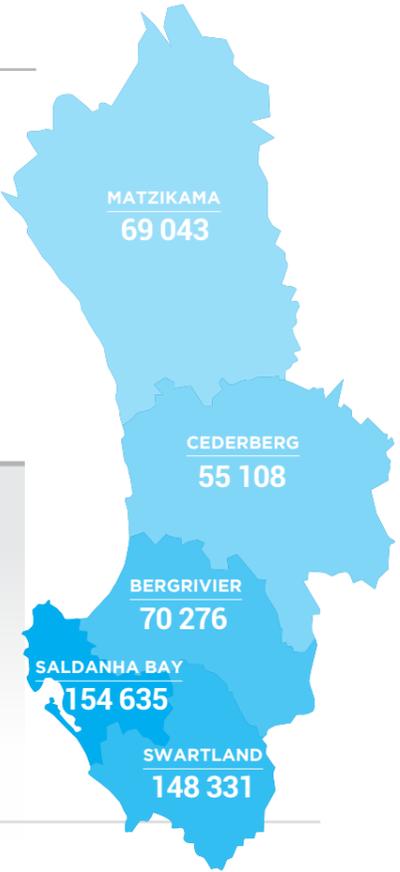
POPULATION PER MUNICIPALITY

Number of HOUSEHOLDS

127 739

R6 221 Average median income

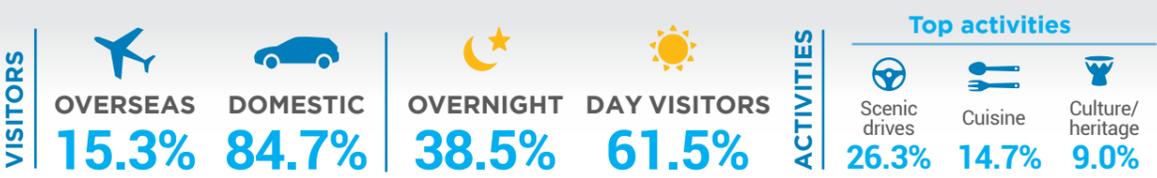
25 529 Indigent households



ACCESS TO SERVICES



TOURISM



5.0% CONTRIBUTION TO WESTERN CAPE

GDPR R38.0 BILLION

7.1% CONTRIBUTION TO WESTERN CAPE

JOBS 164 019 EMPLOYED

GDPR FORECAST

2022e	1.7%
2023f	0.7%
2024f	1.7%

R81 556 GDPR PER CAPITA (2021 current prices)

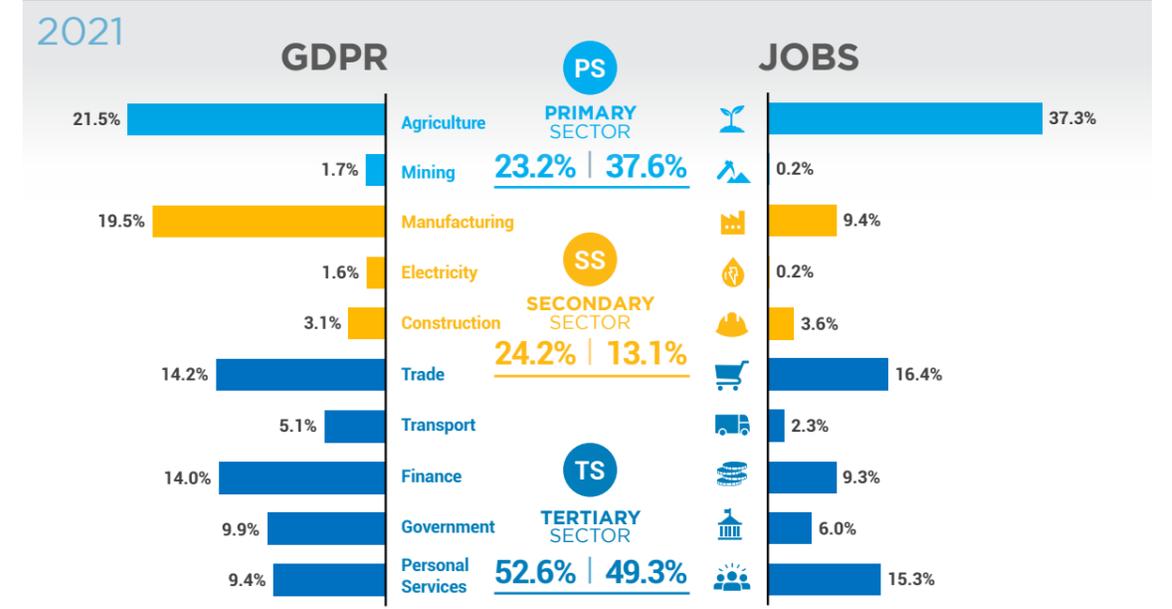
10 882 Estimated 2022e JOB GAINS

15.4% Estimated 2022e UNEMPLOYMENT RATE

INTERNATIONAL TRADE 2022



SECTORAL CONTRIBUTION



See reference list for sources

SECTION **B**
ECONOMIC GROWTH AND JOBS

1. INTRODUCTION

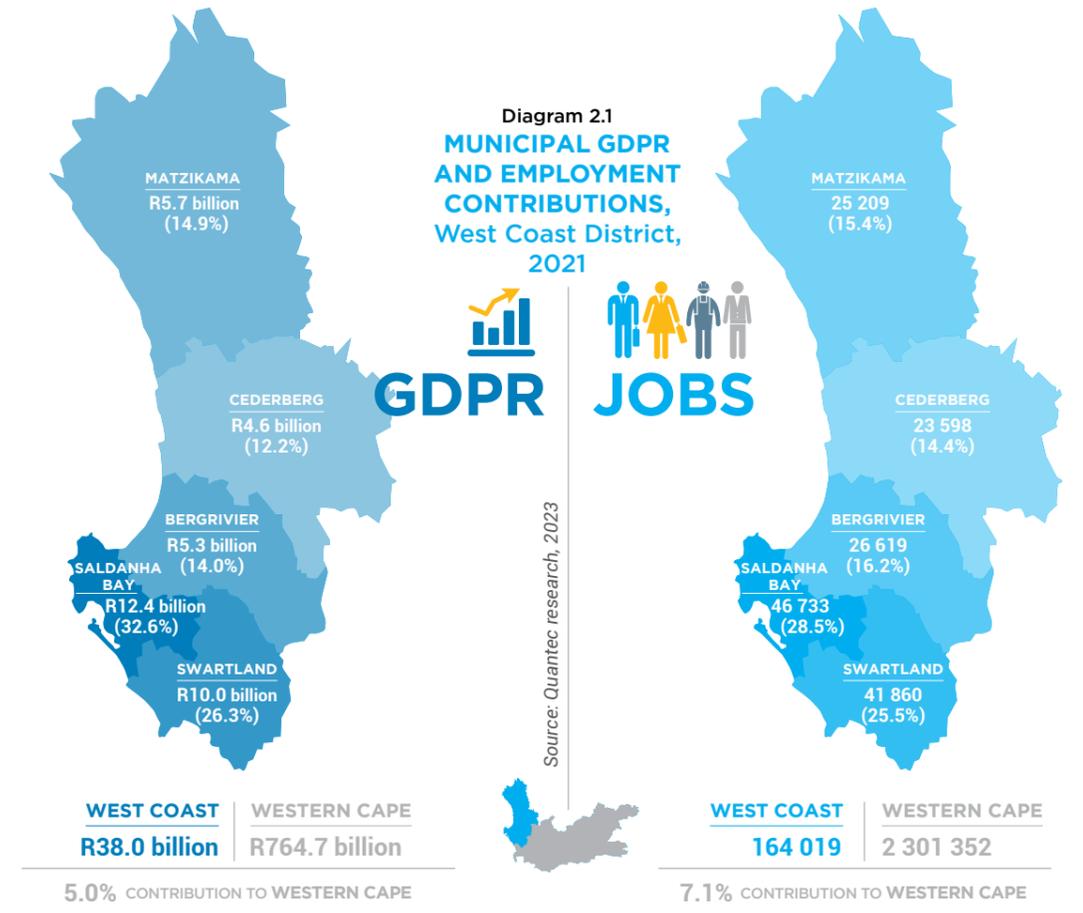
The WCD's unique combination of coastal beauty, outdoor adventures and cultural diversity makes it a popular destination for tourists and those seeking outdoor activities. The most distinctive feature of the WCD is its rugged, windswept coastline, which provides a home to diverse species of marine life. The area is also a haven for birdwatchers, as it is a critical migratory route for countless species. It is a tourist attraction, and fishing is a lifeline for many local communities.

With its natural harbour, the Saldanha Bay municipal area is vital to South Africa's maritime industry. The area is celebrated for its seafood, water-based activities such as sailing, and birdwatching at the Langebaan Lagoon. Water sports and fishing can also be pursued in the Bergrivier municipal area, which includes charming seaside towns such as Velddrif and Port Owen. The Matzikama municipal area has become a key exporter of abalone. Further inland, the winding canals of Clanwilliam Dam support the fruit production activities of the Cederberg municipal area.

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

2. REGIONAL GDPR AND EMPLOYMENT PERFORMANCE

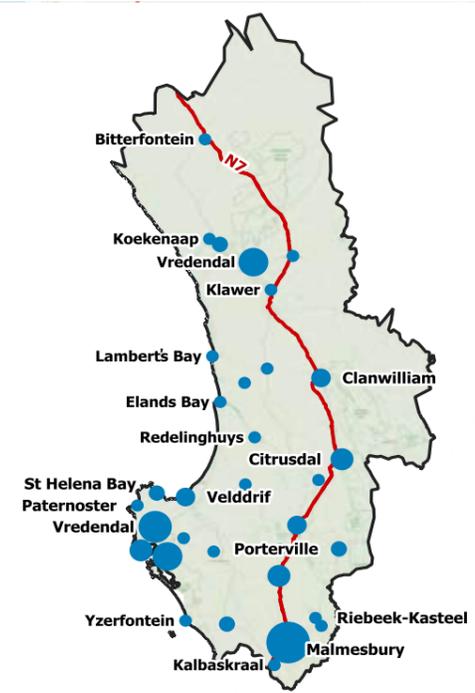
2.1 Trends and GDPR forecast



Map 2.1
NUMBER OF BUSINESSES PER TOWN, 2022

West Coast District

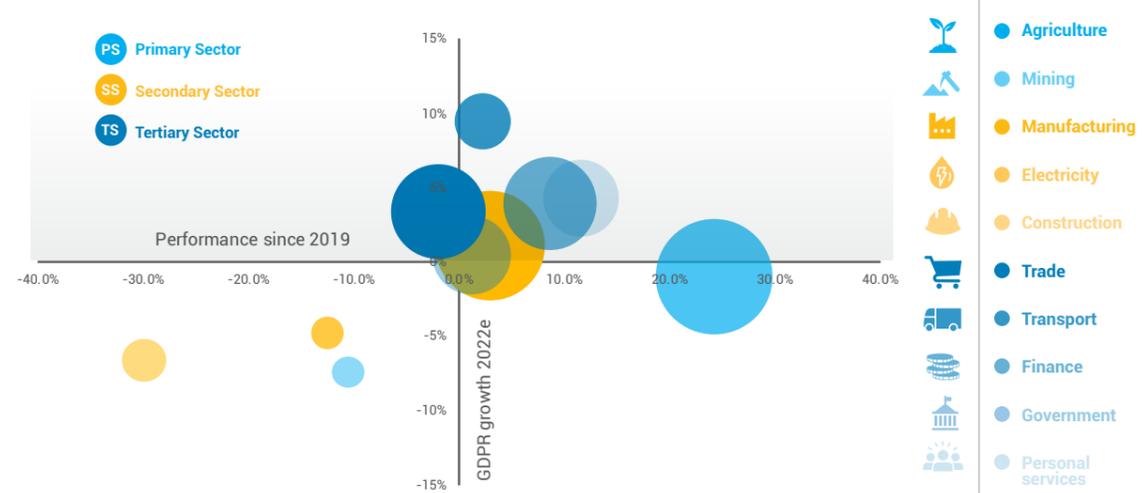
Roads
 - National Roads
 - Regional Roads
 - WCD boundary



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

Encompassing an ocean economy and citrus farming, grape production and the cultivation of wheat, the WCD is diverse in its agrarian and agro-processing pursuits. In addition, it has recently become an alternative base for many households, as work-from-home trends enable people to relocate from metro areas. In 2021, the economy of the District, at R38.0 billion, contributed 5.0 per cent to the Provincial GDP. Most business activity occurs in Malmesbury (part of the Swartland municipal area) and Vredenburg (located in the Saldanha Bay municipal area). Vredendal (in the Matzikama municipal area) and Langebaan (Saldanha Bay) also serve as essential nodes. Vredendal is a service centre for local grape farmers. Langebaan has the largest concentration of holiday accommodation in the District and is considered the region's tourism hub. International and domestic visitors are attracted to the WCD by the West Coast National Park, the Langebaan Lagoon, the Club Mykonos timeshare resort -- and spectacular displays of wildflowers, blooming in July and August.

Figure 2.1
GDPR PERFORMANCE PER SECTOR,
West Coast District, 2022e



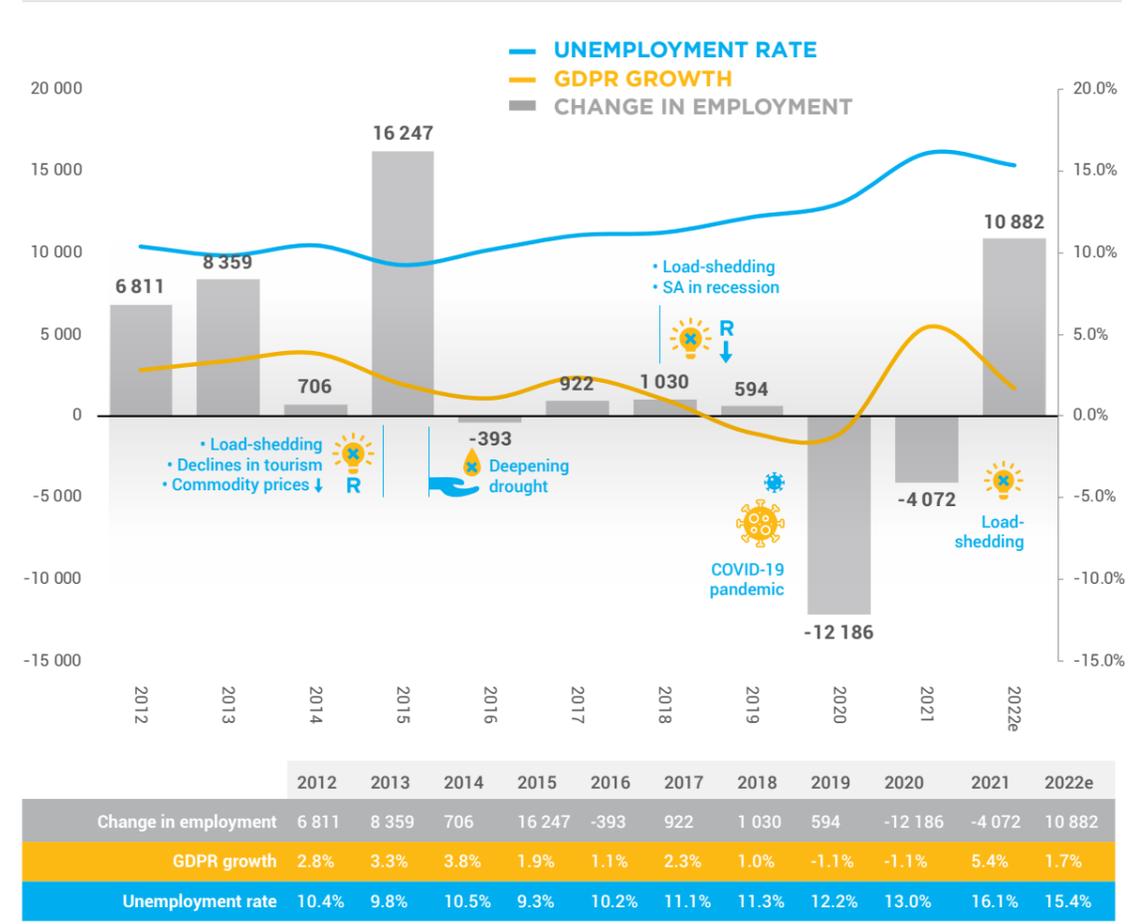
Source: Quantec research, 2023 (e denotes estimate)

The most significant economic sector is the agriculture, forestry and fishing sector, which contributed R8.2 billion (21.5 per cent) to GDP in 2021. The sector includes the production of citrus fruit (Cederberg) and grapes (Bergrivier), as well as mixed farming (Swartland and Cederberg) and fishing (Saldanha Bay). These activities are the primary sources of employment in the WCD, with 20 516 workers formally employed in perennial crop production, 7 171 in mixed farming and 5 700 in fishing in 2022. Another important source of employment is public administration (7 825 formal full-time workers). Success in agriculture has allowed for the development of a significant agro-processing sector, which contributed R7.4 billion (19.5 per cent) to the District's economy in 2021. Each municipal area has one or more specialisations based on the composition of local primary agriculture activities. Swartland focuses on meat and dairy products, Saldanha Bay and Bergrivier are leaders in fish processing, Cederberg specialises in rooibos tea production, and Matzikama is the heart of the Olifants River winemaking region.

Because of its labour-intensive agriculture sector, the WCD's contribution to Provincial employment - at 7.1 per cent in 2021 - generally exceeds its GDP contribution.

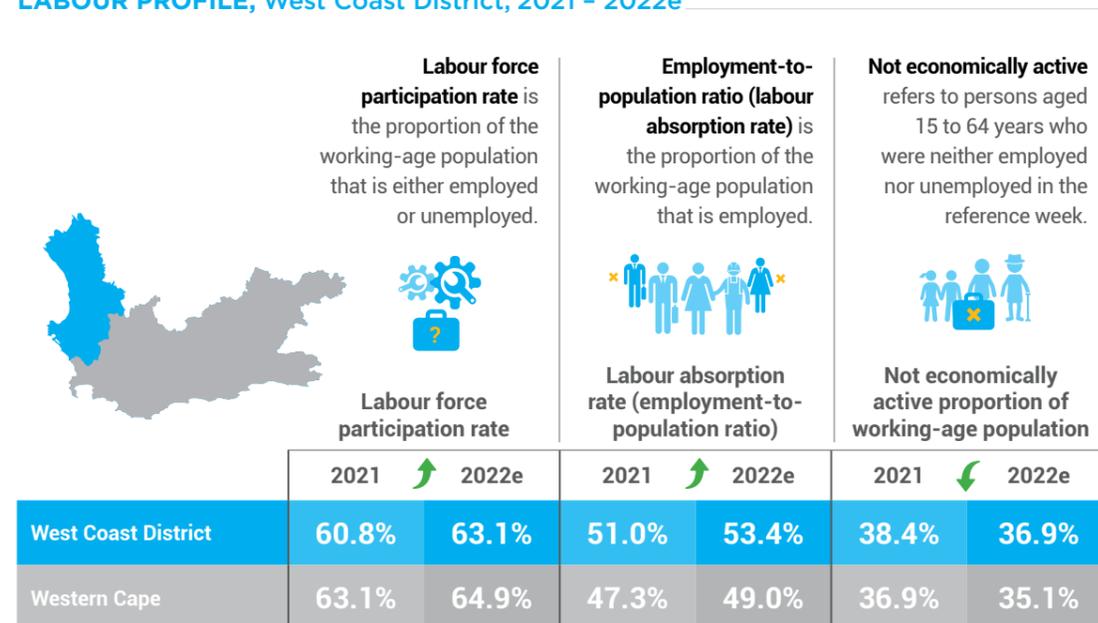
Thanks to the agriculture sector's strong performance in 2020, the economy of the District only contracted by 1.1 per cent during that year, while GDP growth exceeded 5.4 per cent in 2021. Although GDP bounced back with ease post-COVID-19, the constrained national economy and reduced business confidence resulted in substantial job losses in 2020 and 2021. GDP growth is estimated to have slowed to 1.7 per cent in 2022, primarily because of load-shedding, high interest rates, rising input costs for farming and the normalisation of international commodity prices, all of which affected the local agriculture sector. Despite these challenges, informal and formal employment increased by 10 882 in 2022.

Figure 2.2
GDPR, EMPLOYMENT GROWTH AND UNEMPLOYMENT
RATE, West Coast, 2012 - 2022e



Source: Quantec research, 2023 (e denotes estimate)

Diagram 2.2
LABOUR PROFILE, West Coast District, 2021 – 2022e

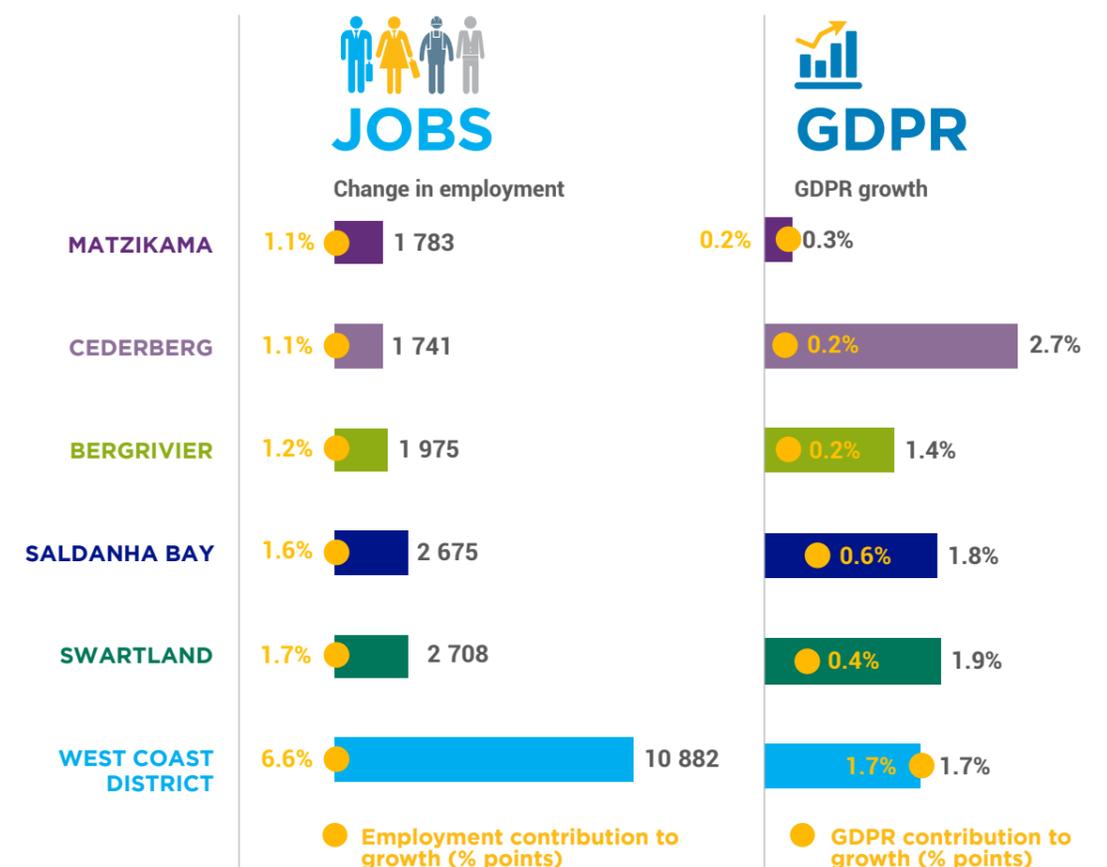


Sources: Quantec research, 2023 (e denotes estimate)

In 2022, workers returned to the job market after the mass exodus of 2020, resulting in a 2.3 percentage point increase in the labour force participation rate. Fortunately, additional work opportunities were available, enabling a rise in the labour absorption rate to 53.4 per cent. While the labour force participation rate of the WCD (63.1 per cent) is marginally lower than that of the Western Cape (64.9 per cent), its labour absorption rate (53.4 per cent) is 4.4 percentage points higher than that of the Province (49.0 per cent). This indicates that people are more likely to find work in the WCD than in other parts of the Province. A similar trend can be noted with the unemployment rate. In 2022, the WCD recorded an unemployment rate of 15.4 per cent, compared to the Province's 24.5 per cent. Favourable labour market conditions resulted in a marginal decline of the WCD unemployment rate in 2022 (by 0.7 of a percentage point). However, the unemployment rate in 2022 was still considerably higher than the rate in 2019 (12.2 per cent). Substantial economic growth will need to occur to reduce the unemployment rate to pre-COVID-19 levels.



Figure 2.3
MUNICIPAL CONTRIBUTIONS TO GDP AND EMPLOYMENT GROWTH, West Coast District, 2022e



Source: Quantec research, 2023 (e denotes estimate)

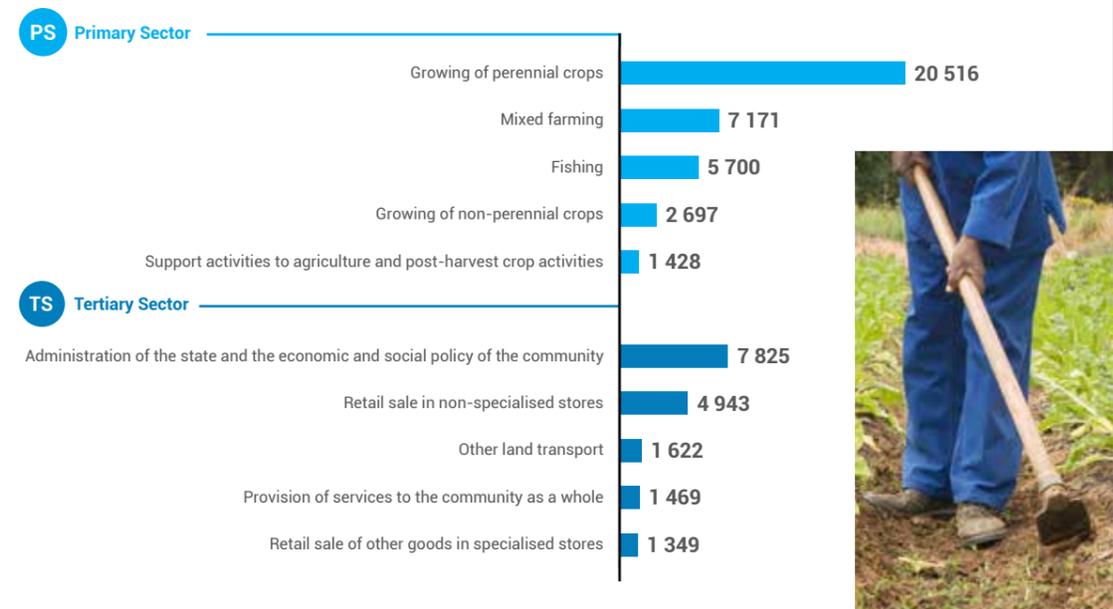
The municipal area that contributed the most to the estimated District GDP growth of 2022 was Saldanha Bay (0.6 of a percentage point of the estimated 1.7 per cent growth). The Swartland municipal area made the second-largest contribution (0.4 of a percentage point), while the more rural Matzikama, Cederberg and Bergrivier municipal areas each contributed 0.2 of a percentage point to estimated District GDP growth. The Saldanha Bay economy depends largely on marine fishing. By contrast, other municipal areas are more dependent on land-based agriculture, which contracted in 2022. Given the importance of fishing in Saldanha Bay, this municipal area was less vulnerable than others to the adverse impacts of this contraction.

Most of the employment growth of 2022 occurred in Swartland (1.7 percentage points of the 6.6 per cent in the District overall), while Saldanha Bay contributed 1.6 percentage points of employment growth. Increased formal employment in 2022 resulted largely from a rise in the number of agriculture sector jobs, with perennial crop production (905 jobs), non-perennial crop production (543 jobs) and mixed farming (385 jobs) being the leading subsectors for job creation in this sector. The informal sector recorded a substantial increase in new jobs in both agriculture and trade, with most of these jobs concentrated in the Swartland municipal area. Swartland is currently experiencing the fastest population growth in the WCD (2.1 per cent annually, on average). This drives the demand for consumer goods, fuelling retail activities in the area.

Such growth notwithstanding, the population of the WCD is ageing, creating a need for additional services for the elderly. This resulted in 801 new care sector jobs in 2022. However, the sector that created the most jobs during this year was motion picture and television programme activities (1 237 formal full-time jobs), an increase concentrated in Aurora in the Bergrivier municipal area. No other significant expansion in employment has been recorded in this sector over recent years, indicating that the 2022 increase in jobs may have been an isolated occurrence. Nevertheless, the additional jobs contributed substantially to improving the livelihoods of those in Aurora, one of the smallest towns in the WCD, with an economy mainly dependent on mixed farming activities and a median income of just R4 135 in 2021.

JOBS

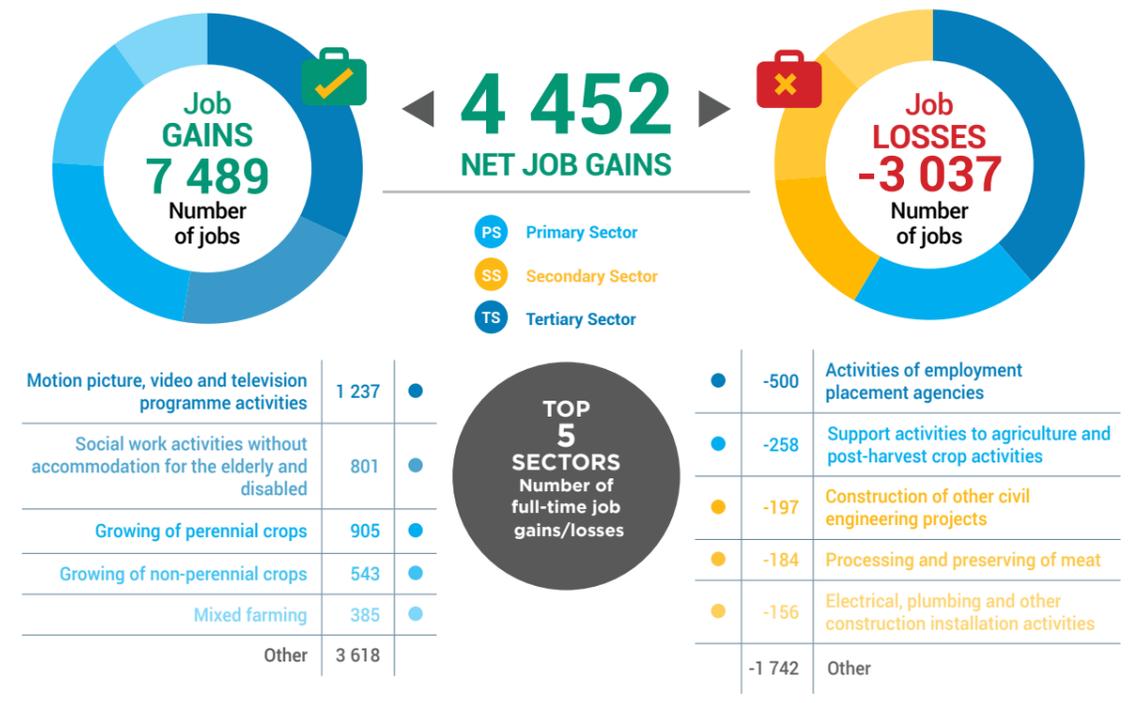
Figure 2.4
TOP 10 SECTORS BY NUMBER OF FTE JOBS,
West Coast District, 2022



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,
West Coast 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



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

SECTOR	Trend					
	2015 – 2019	2020	2021	2022e	2023f	2024f
PS Primary Sector	16.8%	16.8%	7.2%	-1.2%	-2.0%	-0.2%
Agriculture, forestry & fishing	18.0%	18.0%	7.2%	-1.0%	-2.1%	-0.1%
Mining & quarrying	-9.7%	-9.7%	6.6%	-7.4%	1.3%	-2.3%
SS Secondary Sector	-8.6%	-8.6%	5.8%	-0.3%	0.5%	0.3%
Manufacturing	-6.4%	-6.4%	8.3%	1.1%	0.8%	0.3%
Electricity, gas & water	-8.8%	-8.8%	1.1%	-4.8%	-1.2%	-1.6%
Construction	-18.2%	-18.2%	-5.1%	-6.6%	-0.7%	0.9%
TS Tertiary Sector	-4.3%	-4.3%	4.5%	3.8%	0.0%	1.8%
Wholesale & retail trade, catering & accommodation	1.0%	-12.6%	7.2%	3.4%	0.1%	1.2%
Transport, storage & communication	-0.6%	-13.8%	6.6%	9.5%	-4.9%	0.8%
Finance, insurance, real estate & business services	2.9%	1.8%	2.9%	4.0%	3.4%	2.9%
General government	2.0%	2.2%	-1.5%	0.5%	-2.0%	0.9%
Community, social & personal services	1.9%	-1.6%	8.8%	4.3%	-0.3%	2.3%
Total West Coast District	-1.1%	-1.1%	5.4%	1.7%	0.7%	1.7%

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

Given the WCD's reliance on agriculture and manufacturing, the high interest rates, rising costs of fuel and other inputs, and significant load-shedding of 2023 profoundly impacted the District's economy. GDPR growth in the WCD is forecast to slow to 0.7 per cent in 2023, mainly because of an anticipated contraction in the agriculture and transport sectors. The flooding that took place in 2023 is expected to significantly impact farming because of crop and infrastructure damages. The more agriculturally oriented municipal areas, namely Bergrivier, Cederberg and Matzikama, primarily depend on freight transport for access to local and international markets, and rising fuel costs thus negatively impact producers. However, a 1.7 per cent rebound is forecast for 2024, when the agriculture sector is expected to perform better. The construction sector is likely to get a significant boost during this year from planned public sector infrastructure investment spending. Between 2015 and 2019, the WCD economy contracted on an average annual basis (1.1 per cent). The positive outlook for 2023 and 2024 will therefore contribute significantly to recovering from the poor economic performance that was recorded prior to the COVID-19 pandemic.

2.2 Comparative advantage

The sectoral comparative advantages of the WCD 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 – indicating that the region can capitalise on its local strengths in efficiency and production. The sector is typically able to meet local needs while also serving a larger market outside the region. In the WCD, this is the case for the agriculture, manufacturing, construction, trade and general government sectors (in terms of GDPR).

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

	 GDPR	 JOBS
PS Primary Sector	2.82	3.59
Agriculture, forestry & fishing	7.22	5.25
Mining & quarrying	0.15	0.07
SS Secondary Sector	1.26	0.86
Manufacturing	1.43	1.00
Electricity, gas & water	0.50	0.52
Construction	1.17	0.66
TS Tertiary Sector	0.72	0.66
Wholesale & retail trade, catering & accommodation	1.02	0.78
Transport, storage & communication	0.69	0.56
Finance, insurance, real estate & business services	0.57	0.50
General government	1.08	0.86
Community, social & personal services	0.54	0.65

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 location quotients in terms of employment in 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

West Coast District

PS Primary Sector SS Secondary Sector TS Tertiary Sector

EMERGING SECTORS

Low and medium comparative advantage, but growing

TS

- Wholesale & retail trade
- General government
- Finance, insurance, real estate & business services
- Community, social & personal 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

SS

- Manufacturing

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
- Construction

TS

- Transport, storage & communication

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

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

A unique landscape, climatic conditions and coastline have allowed the WCD to develop a comparative advantage in agriculture and fishing activities in terms of employment. Agricultural pursuits in the region are diverse, with the Olifants River and the canal system flowing from Clanwilliam Dam enabling grape and citrus production in the northern municipal areas. The region is also known for its potato production. The Cederberg municipal area has a competitive advantage in rooibos tea cultivation. In the south of the District, wheat and canola fields dominate the landscape, with pockets of grape, protea, apple and pear orchards around Piketberg and Porterville providing much-needed employment. Along the coast, small-scale and commercial fishing and aquaculture are valuable sources of income for communities in Doringbaai, St Helena, Velddrif and Laaiplek, among others.

The agriculture sector therefore forms the foundation of economic activity in the WCD: more than any other sector, it influences income levels and, consequently, household spending in the local economy. In 2021, agriculture accounted for 21.5 per cent of GDP and 44.1 per cent of formal jobs. The largest concentrations of farm workers were to be found in Citrusdal, Piketberg, Porterville and Clanwilliam. Over the past decade, however, the comparative advantage of the agriculture sector has declined in terms of employment. Considering that the WCD has a growing comparative advantage in terms of manufacturing, this shift is indicative of a slow transition from a primary-industry-oriented economy to a secondary-industry-oriented economy.

The leading manufacturing activities in the WCD are related to food and beverage production, including meat, wine, rooibos tea, dairy, fish and milled products. Other key activities include metals, cement and mineral processing. Investment in infrastructure is essential to realising the benefits of comparative advantage in terms of employment in this sector. Given the lack of proximity to major markets, the road infrastructure of the WCD is of particular importance in this regard. A stable electricity supply is also essential, especially for industries with high refrigeration needs, such as meat and fish processing.

Various external market conditions have affected the manufacturing sector, especially steel manufacturing. The development of transferable skills and capacity-building programmes can be used to create a base of manufacturing sector workers that can be leveraged to attract investment. The Saldanha Bay Industrial Development Zone (IDZ), with its reduced corporate tax rate and VAT relief incentives, offers an opportunity to grow and diversify the local manufacturing industry while enhancing the comparative advantage of the transport sector and certain business services. In addition, projects such as establishing a green hydrogen hub can contribute substantially to energy security and facilitate South Africa's "Just Energy Transition" in the long term.

Amid industrial development, urbanisation and semigration have resulted in a vibrant retail market along with increased demand for personal services and service delivery by Local Government. The work-from-home phenomenon has boosted property sales in recent years. Small coastal towns, including Yzerfontein, Langebaan, Paternoster, St Helena Bay, Velddrif, Elands Bay and Lambert's Bay, have benefited from these trends, as have nodes such as Vredenburg and Malmesbury. The trends have also contributed substantially to growth in the finance sector. While an expanded tax base from high-value properties benefits Local Government, there is also additional pressure to maintain ageing infrastructure so as to ensure adequate levels of service delivery.

3. MUNICIPAL GDPR AND EMPLOYMENT PERFORMANCE

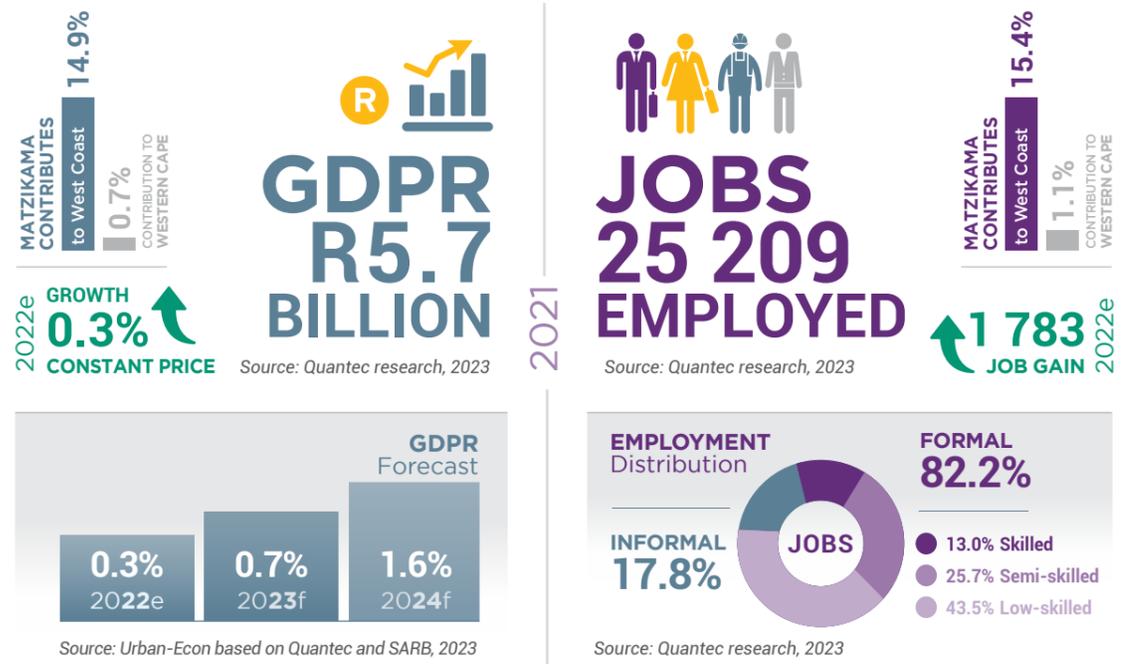
3.1 MATZIKAMA MUNICIPAL AREA

12 981.4km² | 41.7% of the West Coast

Matzikama, characterised by the stark and captivating desert landscapes of the Namaqualand region, is renowned worldwide for breathtaking springtime wildflower displays that transform the arid terrain into a kaleidoscope of colours. Thanks to a system of canals linked to the Olifants River, the area also has a flourishing agricultural sector supplying vegetables, raisins, wine, table grapes, processed products and other fruits. Aquaculture, especially abalone farming on the Matzikama coast at Doringbaai, is increasing. In addition, agri-tourism in Matzikama is growing as word spreads about the local wine culture and seasonal flowers.

Vredendal, the largest town, is the commercial hub of the municipal area and a gateway to the Namaqualand flower routes, making it a popular stop for travellers. Lutzville, nestled between the Olifants River and the Atlantic Ocean, is known for its vineyards; local producers are acclaimed for both the quality of their table grapes and the excellence of their wines. Klawer is celebrated for its community spirit and Klawer Wine Cellars, where visitors can taste award-winning wines. Vanrhynsdorp, set against the backdrop of the Gifberg mountains, is famous for its diverse succulent gardens and serves as the entry point to the northern reaches of Namaqualand.

Diagram 3.1
GDPR (CURRENT PRICES) AND EMPLOYMENT, Matzikama



EMPLOYMENT PROFILE

Unemployment rate	Labour force participation rate	Labour absorption rate (employment-to-population ratio)	Not economically active proportion of working-age population
2021 ↘ 2022e	2021 ↗ 2022e	2021 ↗ 2022e	2021 ↘ 2022e
16.5%	59.7%	49.8%	39.6%
15.6%	62.1%	52.4%	37.9%

Source: Quantec research, 2023 (e denotes estimate)

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

Roads

- National Roads
- Regional Roads

FTE numbers

- 35 - 1 060
- 1 060 - 2 084
- 2 084 - 3 109
- 3 109 - 4 134
- 4 134 - 5 158
- 5 158 - 6 183

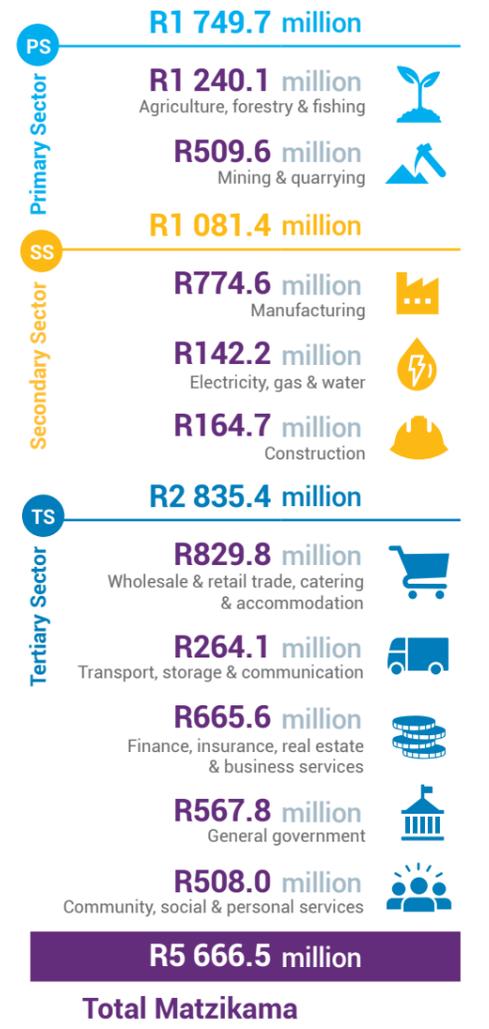
Source: Nell, A. & Visagie, J. Spatial Tax Panel 2014 – 2022 (dataset). Version 3. National Treasury Cities Support Programme and Human Sciences Research Council (producer and distributor), 2023



Main sector for employment

- Freight transport by road
- Marine aquaculture
- Growing of grapes
- Quarrying of stone, sand and clay
- Other social work activities without accommodation
- General public administration at National Government level

Figure 3.1
GDPR DISTRIBUTION, Matzikama, R million, 2021



Source: Quantec research, 2023

With a GDPR of R5.7 billion in 2021, the Matzikama municipal economy makes the most of its natural resources. Agriculture is the most significant economic sector, contributing R1.2 billion (21.9 per cent) to the municipal economy in 2021. Perennial crop production is the leading formal employer in the municipal area (2 373 jobs) and consists mainly of grape farming. While this is the top activity in most towns, abalone farming is the cornerstone of Doringbaai's economy; 37.0 per cent of Doring Bay Abalone is owned by the local community.¹ Other prominent municipal sectors include trade (R829.8 million) and manufacturing (R774.6 million), while public administration is a critical local employer (1 087 formal jobs). Winemaking is the principal manufacturing activity in the Matzikama municipal area. However, the processing of locally mined mineral sands and structural metal products by the likes of D & E Group and Transcape Steels also provides significant employment in Matzikama.

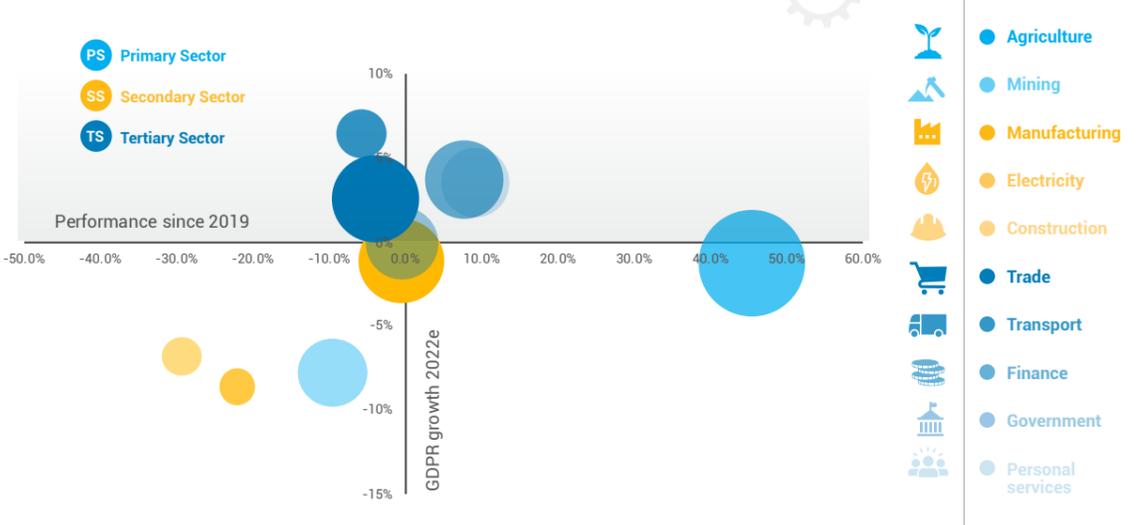


¹ (Doring Bay Abalone, 2018).

Mining, the least prominent sector in the Western Cape, accounted for a small but important 9.0 per cent of Matzikama GDPR in 2021 (R509.6 million). Local operators Tronox and Mineral Sands Resources extract minerals such as zircon, ilmenite, rutile, magnetite and garnet from coastal dunes. These commodities are used to produce titanium dioxide pigment, which has a variety of end uses, including the production of coatings and plastics. Mineral Sands Resources plans to expand its operations in the WCD by installing additional infrastructure for processing the extracted minerals. While this will bring substantial investment to the Matzikama municipal area, it is essential that the operations of extractive industries take measures to ensure that the sensitive biodiversity of the WCD is safeguarded.

The GDPR of the Matzikama municipal area grew by an estimated 0.3 per cent in 2022. The slow pace of growth is primarily attributed to a 1.3 per cent contraction recorded in the agriculture sector. The sectors that showed the most improvement in terms of GDPR included finance and trade, which grew by 3.7 per cent and 2.6 per cent, respectively. Urbanisation, especially in towns such as Vredendal, is increasing consumer spending, benefiting the retail sector and increasing the demand for business services such as insurance providers.

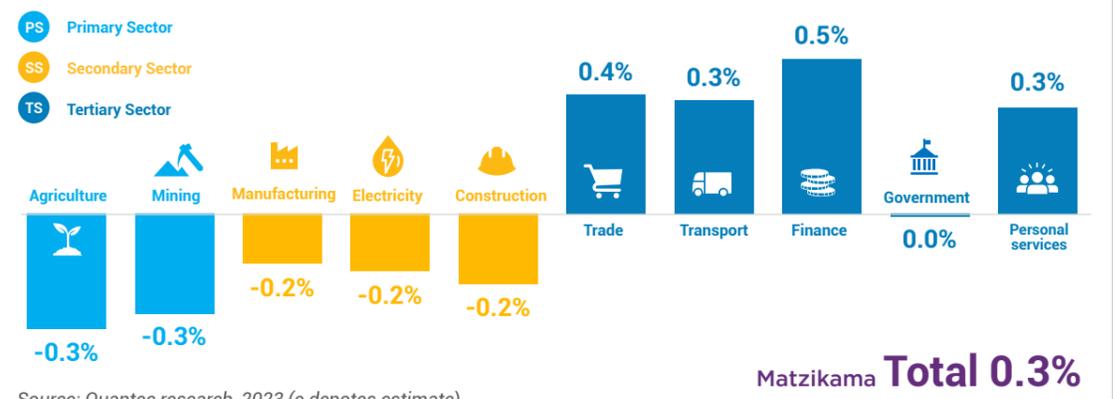
Figure 3.2
GDPR PERFORMANCE PER SECTOR, Matzikama, 2019 - 2022



Source: Quantec research, 2023 (e denotes estimate)



Figure 3.3
SECTORAL CONTRIBUTION TO GDPG GROWTH (PERCENTAGE POINTS),
Matzikama, 2022e



Source: Quantec research, 2023 (e denotes estimate)

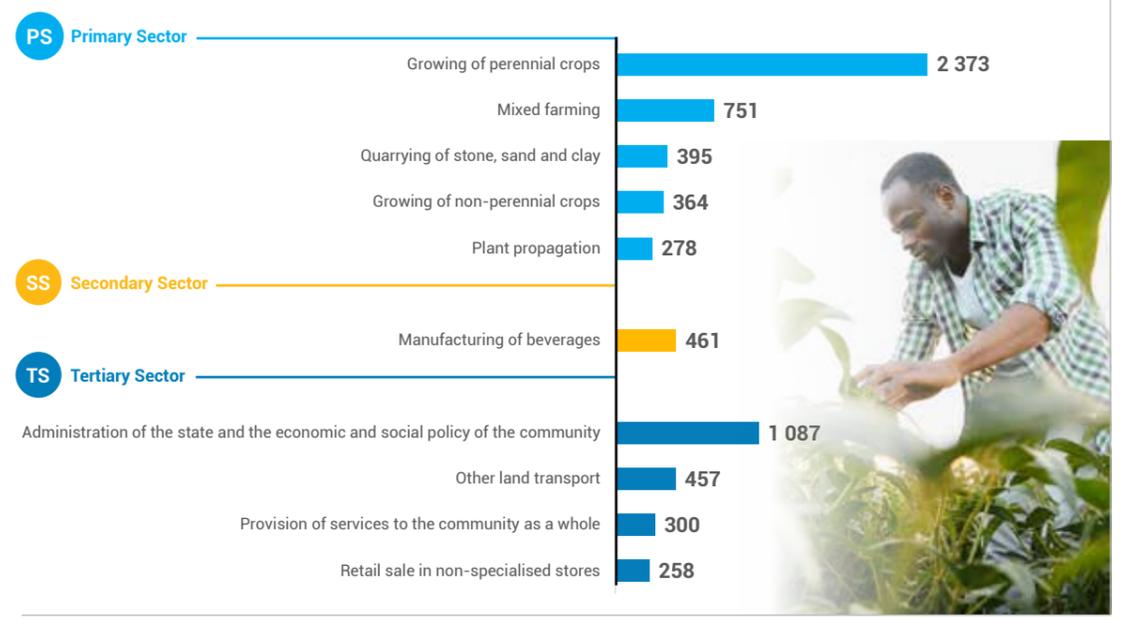
While the trade sector may have boosted the economic performance of the local economy in 2022, the sector has still not fully recovered from the losses of 2020. The transport sector also showed substantial growth in 2022 (6.4 per cent) and was also the leading source of new formal jobs, with employment in land transport increasing by 158 formal jobs. Impacted by load-shedding, the manufacturing sector contracted by 1.2 per cent. Non-metallic mineral products created 69 formal jobs, but other subsectors shed jobs, including the manufacturing of special-purpose machinery (22 jobs) and the manufacturing of structural metal products, tanks, reservoirs and steam generators (20 jobs).



Special-purpose machinery, structural metal products, tanks and the like are components of the agricultural value chain. The sector has been operating at elevated levels since 2020 thanks to favourable commodity prices. However, grape yields were lower in 2022 because of heatwaves, diseases and uneven ripening.² Other profitability challenges included rising input costs, especially for fertiliser, fuel and feed. Despite these challenges, perennial crop production created 109 jobs in 2022 even as other agricultural subsectors, including mixed farming, recorded job losses (233 jobs) – an indication that each subsector faced unique challenges. Overall, the number of jobs in the municipal area rose in 2022. An increase in the labour force participation rate (2.4 percentage points), coupled with an increase in the labour absorption rate (2.6 percentage points), led to a much-needed decrease in the unemployment rate (0.9 of a percentage point). The unemployment rate was recorded at 15.6 per cent in 2022. Given the prominence of agricultural work in the municipal area, 43.5 per cent of workers are low-skilled. Low-skilled jobs have also increased the most in recent years, followed by skilled workers. However, attracting skilled workers to the Matzikama municipal area is challenging because of the lack of infrastructure such as private hospitals and English-medium public schools.³

With the exception of finance and personal services, most sectors are still operating at levels below those that prevailed before the COVID-19 pandemic. An over-reliance on agriculture has made the Matzikama economy vulnerable to external shocks such as drought. Growth in agriculture during 2023 was estimated at just 0.3 per cent, and growth for the municipal economy overall at 0.7 per cent. Delays in finalising the raising of the Clanwilliam Dam wall are curtailing agriculture sector investment as well as the performance of the sector.

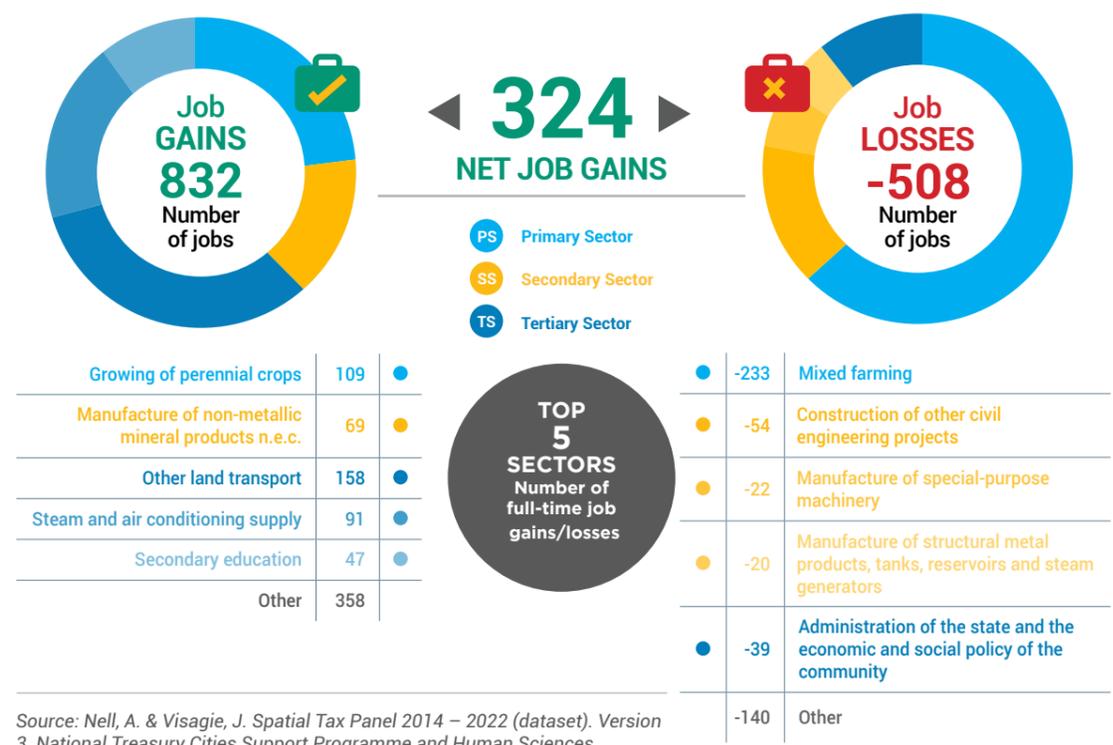
Figure 3.4
TOP 10 SECTORS BY NUMBER OF FTE JOBS,
Matzikama, 2022



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

² (Vinpro, 2022).
³ (Matzikama Municipality, 2023).

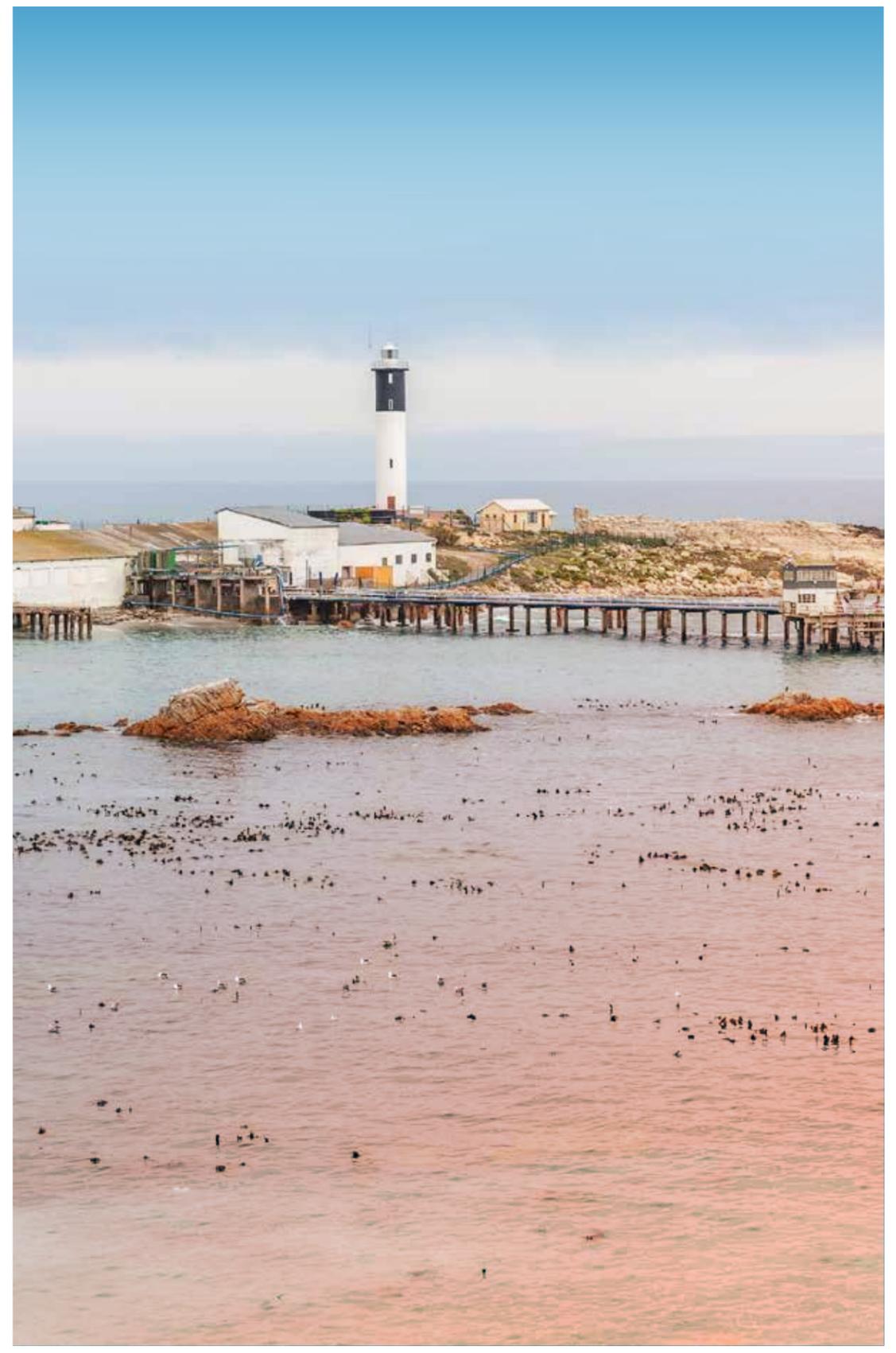
Figure 3.5
TOP 5 SECTORS FOR FORMAL JOB GAINS AND JOB LOSSES,
 Matzikama, 2021 - 2022



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

As inflationary pressures recede in 2024, it is forecast that GDP growth will strengthen to 1.6 per cent. This anticipated rate is substantially higher than the 0.3 per cent average annual growth of the 2015 to 2019 period, when the municipal economy was under pressure from a prolonged drought. New projects such as the raisin-processing facility planned by RedSun Raisins will also contribute to economic growth and job creation in the municipal area.⁴ For Matzikama to transition from a primary-sector-oriented economy, it is vital for energy security to be assured, suitably skilled labour to be provided and serviced industrial land to be made available. Collaboration with local mining enterprises to foster community upliftment, enterprise and skills development through mechanisms such as social and labour plans may also lead to new avenues for economic growth.

⁴ (Matzikama Municipality, 2023).





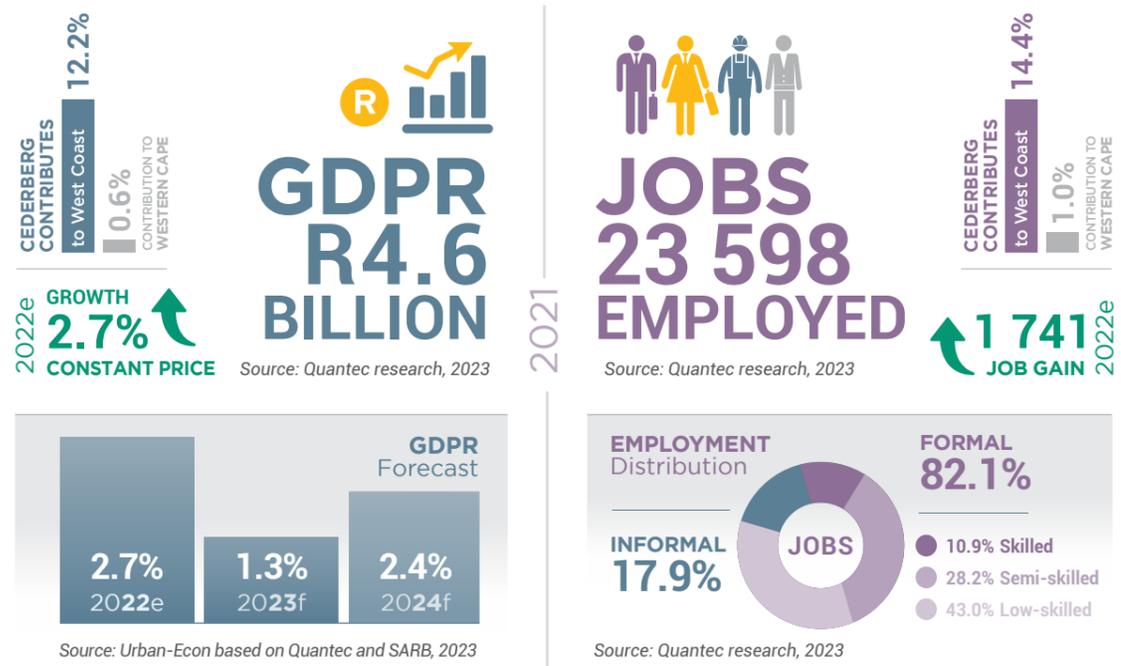
3.2 CEDERBERG MUNICIPAL AREA

8 007.5km² | 25.7% of the West Coast

The Cederberg municipal area encompasses the captivating Cederberg Wilderness Area, renowned for surreal rock formations such as the Wolfberg Arch and the Maltese Cross. The landscapes of the Cederberg, routinely described as spectacular and rugged, make it a haven for hikers, rock climbers and outdoor enthusiasts.

Clanwilliam, the largest town in the municipal area, is famous for its annual wildflower displays and the rare Clanwilliam cedar tree, which is found exclusively in this region. The town also serves as a gateway to the majestic Cederberg mountains. Clanwilliam Dam is a critical resource for local farmers. Citrusdal, surrounded by orchards, is celebrated for its exceptional citrus produce, while Graafwater is home to the Heerenlogement cave, which served as a welcome respite for travellers as early as 1661. Wupperthal, a picturesque and historically significant town, is renowned for its traditional thatched-roof houses, rooibos tea and leather products.

Diagram 3.2
GDPR (CURRENT PRICES) AND EMPLOYMENT, Cederberg



EMPLOYMENT PROFILE

Unemployment rate	Labour force participation rate	Labour absorption rate (employment-to-population ratio)	Not economically active proportion of working-age population
2021 ↘ 2022e	2021 ↗ 2022e	2021 ↗ 2022e	2021 ↘ 2022e
11.2% 10.6%	61.4% 63.9%	54.5% 57.2%	37.7% 36.1%

Source: Quantec research, 2023 (e denotes estimate)

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

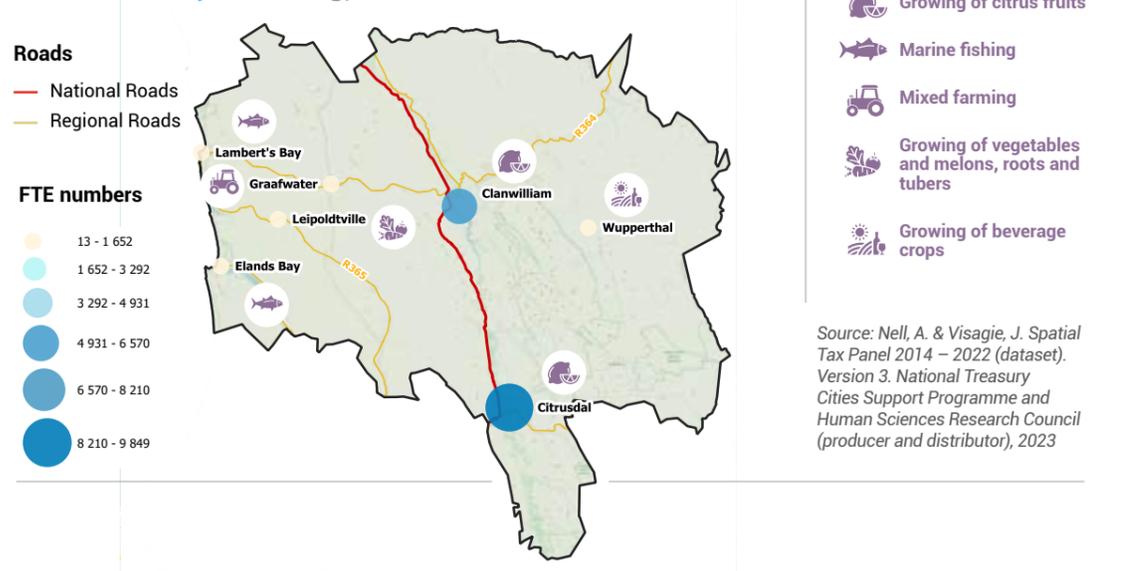
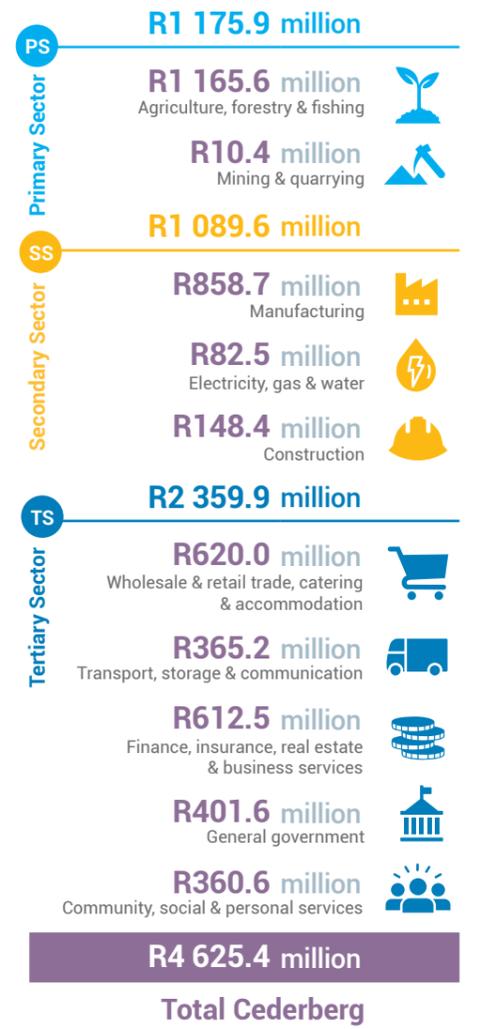


Figure 3.6
GDPR DISTRIBUTION,
Cederberg,
R million, 2021



Source: Quantec research, 2023

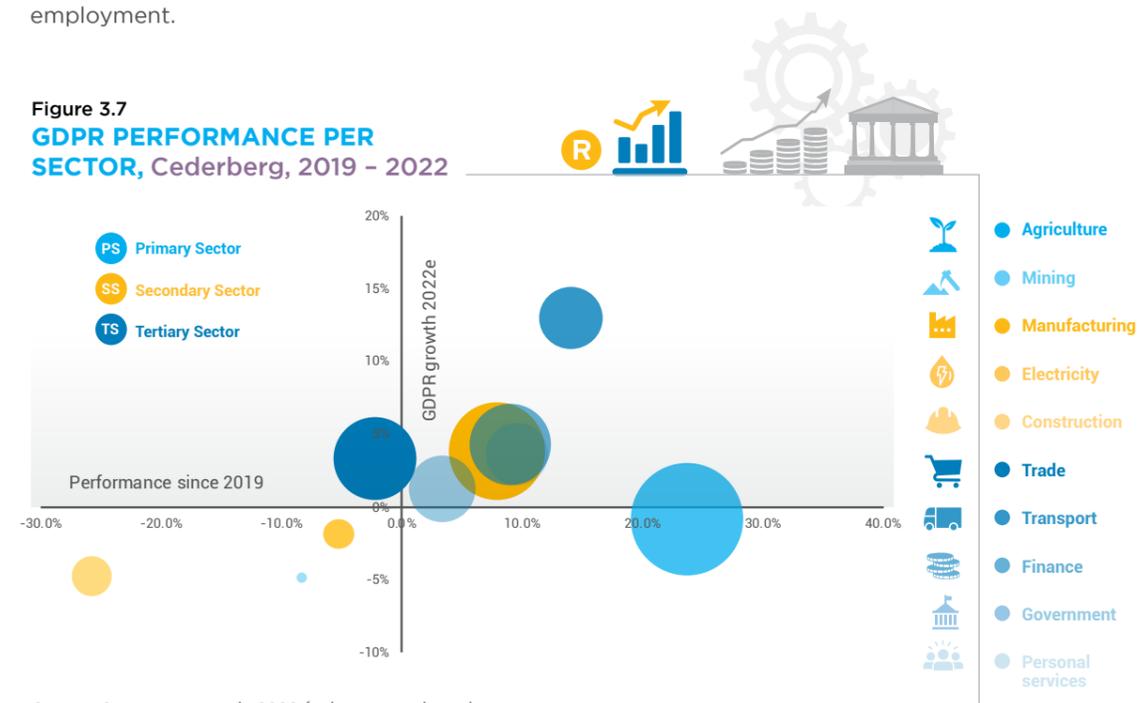
The Cederberg municipal economy is the smallest in the WCD, contributing R4.6 billion to the District in 2021 and accounting for 12.2 per cent of the WCD's GDP. The Cederberg economy benefits from maritime and agrarian pursuits, with citrus production dominating the agriculture sector. Prominent local citrus producers include Goede Hoop Citrus, Mouton Citrus and ALG Estates. The citrus industry is essential to regional exports, with wholesalers and exporters such as Everseason and Summer Citrus important in this local value chain.

With a climate and soil conditions that are ideal for the cultivation of rooibos tea, the Cederberg has become the primary rooibos production area in the country. Prominent producers include Rooibos Limited, Protea Kop Rooibos Tea, Carmiën Tea, the Cederberg Tea Company and Skimmelberg. The industry also plays an important role in agri-tourism, notably through the Rooibos Route. Stretching from Wupperthal to Nieuwoudtville, the route allows travellers to explore, taste and experience the rooibos world of the WCD.



In 2021, agriculture was the most significant economic sector of the Cederberg municipal area, accounting for 25.2 per cent of municipal GDP (R1.2 billion). Manufacturing was the second-largest sector, accounting for 18.6 per cent of GDP. While manufacturing in the Cederberg municipal area is diverse, the sector is mainly dependent on fishing and farming activities. Prominent producers include Lamberts Bay Foods,⁵ Cape Sea Industries,⁶ Cedarberg Aqua,⁷ Cape Fruit Processors and several rooibos tea manufacturers. Given the dominance of agriculture and manufacturing, most workers in the municipal area are either low-skilled (43.0 per cent) or semi-skilled (28.2 per cent). However, employment for semi-skilled workers has grown the most in recent years, highlighting the importance of local skills development. Informal employment is also an essential source of jobs, especially in sectors such as agriculture, trade and transport, contributing 17.9 per cent of employment.

Figure 3.7
GDPR PERFORMANCE PER
SECTOR, Cederberg, 2019 - 2022

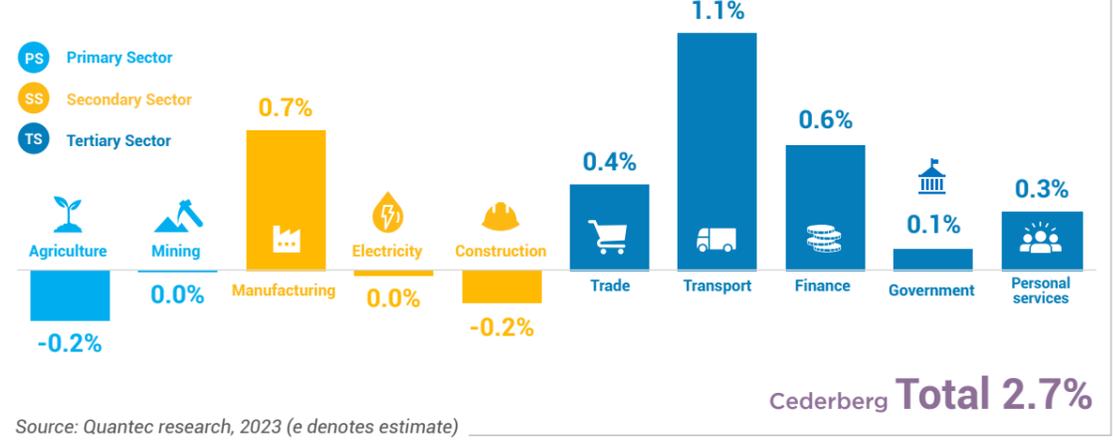


Source: Quantec research, 2023 (e denotes estimate)

GDPR growth in the area slowed to an estimated 2.7 per cent in 2022. While the transport and manufacturing sectors boosted GDP by 1.1 and 0.7 percentage points respectively, contractions in the agriculture (0.9 per cent) and construction (4.8 per cent) sectors dealt a blow to the economy. It should be noted that underperformance in the construction sector predates the onset of the COVID-19 pandemic, with recent increases in input costs only the latest factor to constrain activity in this sector. Compared with the reductions in agricultural GDP that have been recorded in other municipal areas, the contraction of the Cederberg agriculture sector is relatively small, and citrus exports remain a valuable source of foreign currency in the area. However, constraints at Cape Town harbour in 2022, changing export regulations and rising input costs dampened the sector's performance.

⁵ Produces frozen chips from locally grown potatoes.
⁶ Processes seafood.
⁷ Spring water bottling.

Figure 3.8
SECTORAL CONTRIBUTION TO GDPGROWTH (PERCENTAGE POINTS),
Cederberg, 2022e



Source: Quantec research, 2023 (e denotes estimate)

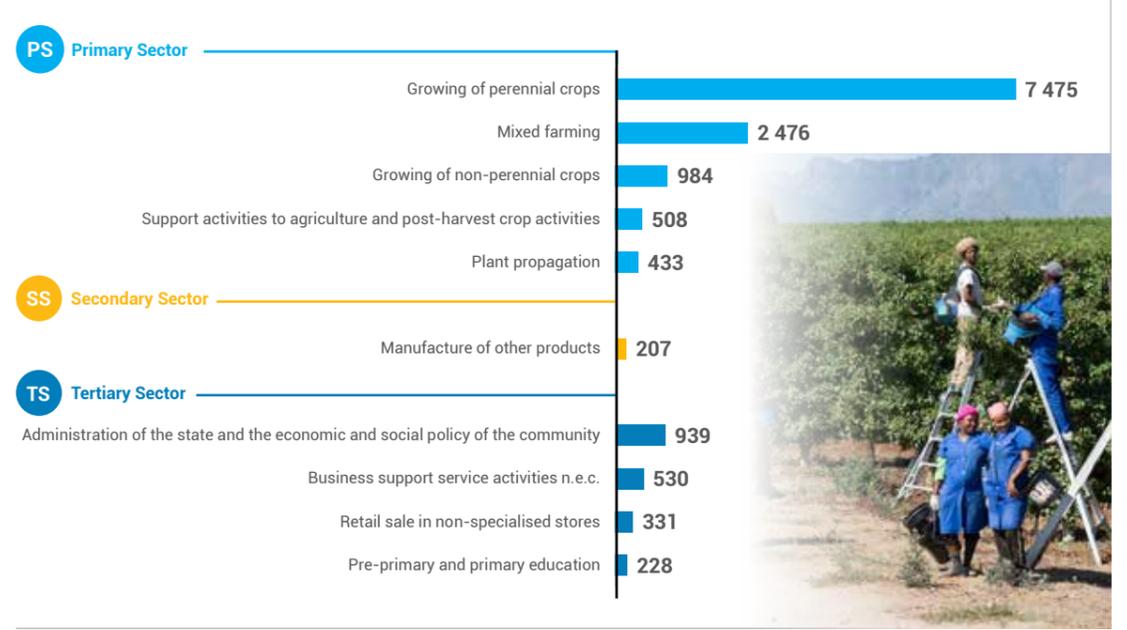
In 2022, the labour force of the Cederberg municipal area expanded as workers returned to the job market following the mass exodus of 2020. The labour force participation rate increased by 2.5 percentage points to 63.9 per cent. Despite the fact that the formal sector shed 859 jobs, the informal sector continued to be a valuable source of employment opportunities. Because of these new employment opportunities, the labour absorption rate improved to 57.2 per cent – the highest rate in the WCD and substantially above the Provincial average (49.0 per cent). Favourable labour market conditions also led to a decline in the proportion of the population not economically active (which fell to 36.1 per cent) and, ultimately, the unemployment rate, which stood at 10.6 per cent in 2022. The unemployment rate in the Cederberg municipal area in 2022 was the second lowest in the WCD after that of Bergvrievier, where an unemployment rate of 7.3 per cent was recorded.



Thanks to GDPG growth of 17.4 per cent in 2020 and 7.2 per cent in 2021, the result of favourable export conditions, agriculture continued to perform at elevated levels in 2022 despite the minor contraction experienced during this year. However, formal job losses were recorded in the sector, primarily in activities related to support and post-harvest crop production (291 jobs) and in animal production (44 jobs).

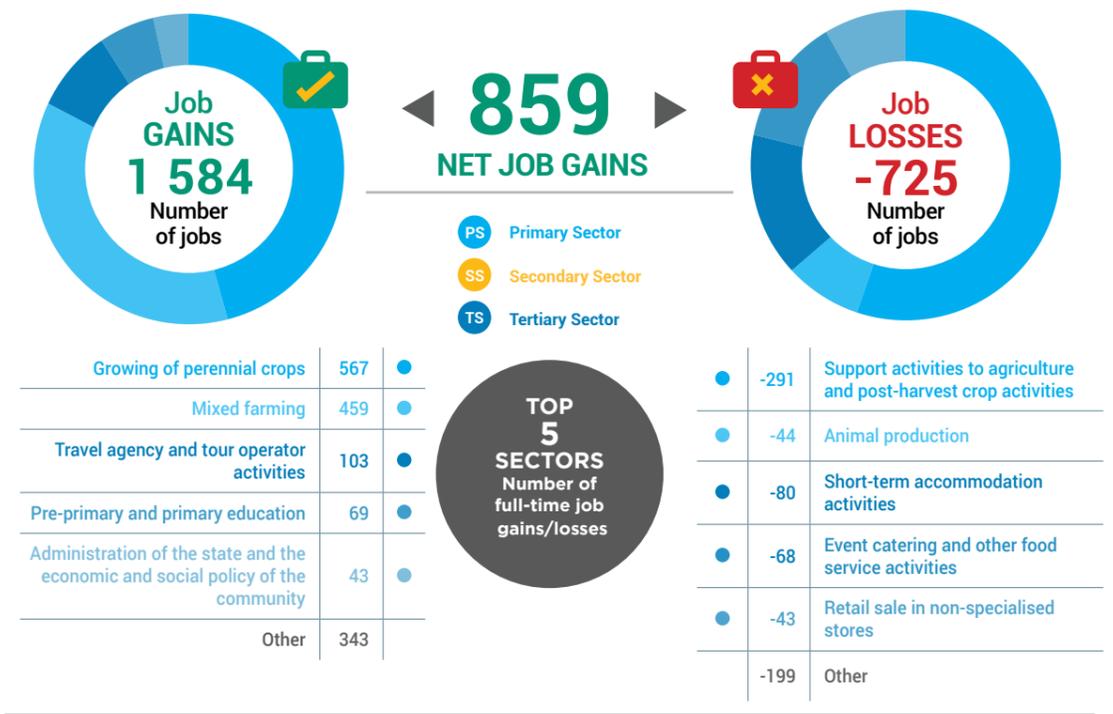
With the exception of mining; electricity, gas and water; construction and trade, the various sectors of the Cederberg economy have regained the losses sustained in 2020. The trade sector is heavily reliant on household and tourist spending, which are under pressure because of high inflation, rising interest rates and fuel price hikes. A total of 191 jobs were shed during 2022 in short-term accommodation activities, event catering and other food service activities, and retail sales in non-specialised stores. However, job creation outweighed these losses, with agriculture remaining the leading source of new jobs, especially perennial crop production (567 jobs) and mixed farming (459 jobs).

Figure 3.9
TOP 10 SECTORS BY NUMBER OF FTE JOBS,
Cederberg, 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 3.10
TOP 5 SECTORS FOR FORMAL JOB GAINS AND JOB LOSSES,
 Cederberg, 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

Heavy rains in June 2023 are likely to impact the local agriculture sector significantly, contributing to an expected decline in GDP of 2.1 per cent in the sector. However, GDP is forecast to expand by 2.4 per cent in 2024 as a result of the solid growth expected in the manufacturing and transport sectors. That said, these sectors remain vulnerable to load-shedding, rising fuel prices and other external shocks.

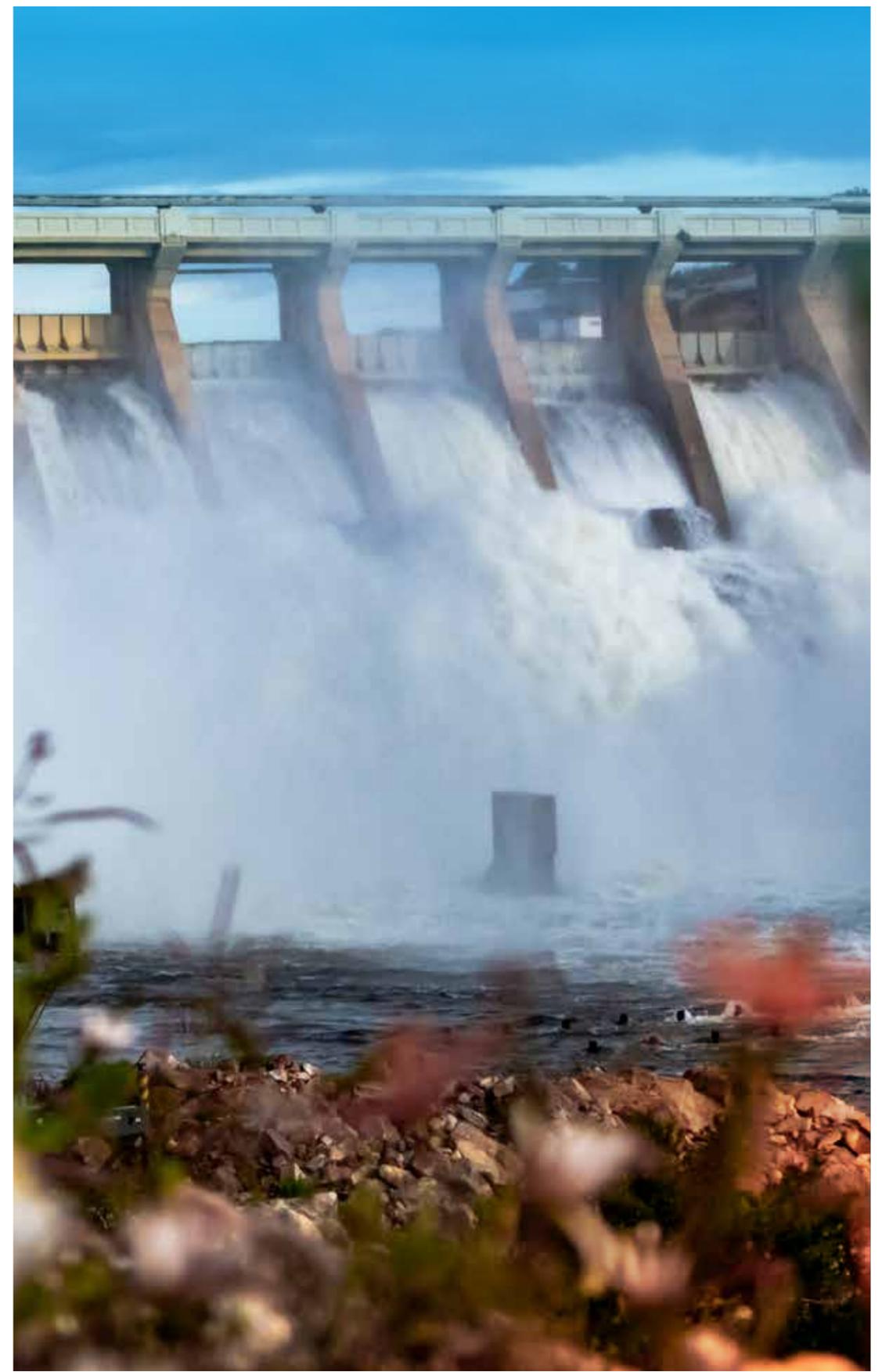
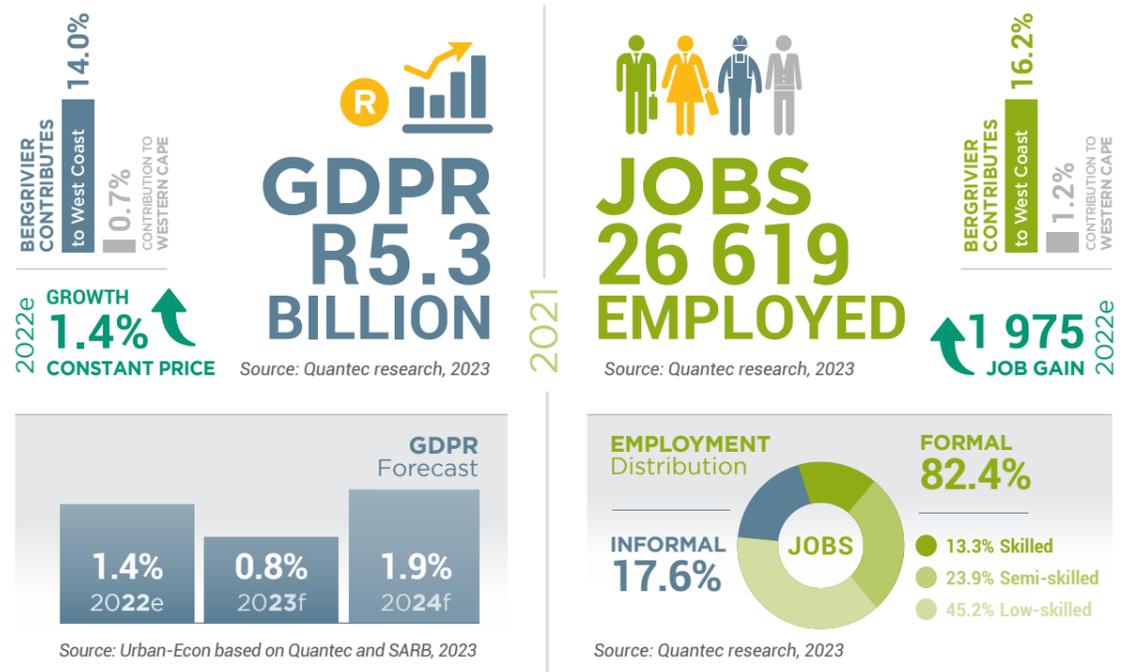


Diagram 3.3
GDPR (CURRENT PRICES) AND EMPLOYMENT, Bergrivier



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
7.8%	59.0%	54.4%	40.0%
7.3%	61.6%	57.1%	38.4%

Source: Quantec research, 2023 (e denotes estimate)

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

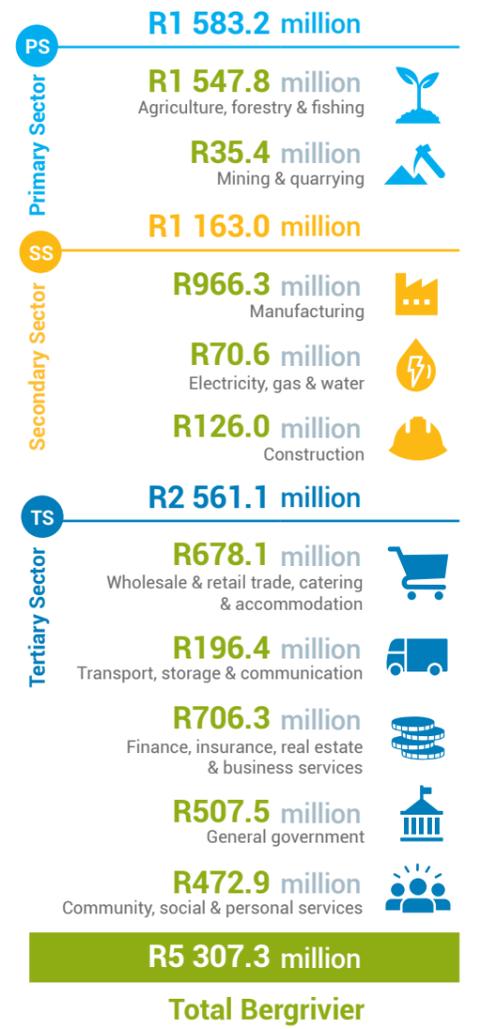


3.3 BERGRIVIER MUNICIPAL AREA

4 407.0km² | 14.2% of the West Coast

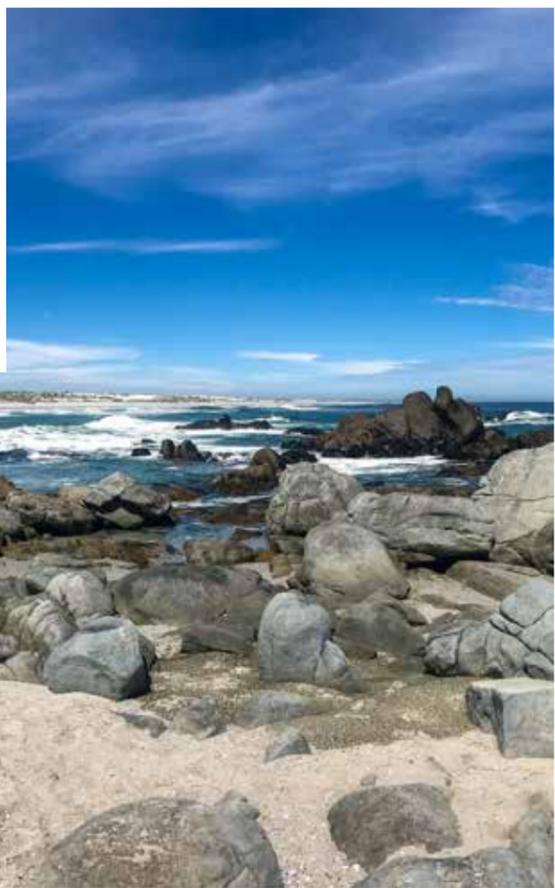
The Bergrivier municipal area's most distinctive feature is the convergence of the Berg River and the Atlantic Ocean. It creates a picturesque estuary that teems with birdlife and supports vital ecosystems, making it a haven for nature enthusiasts and birdwatchers. Within the Bergrivier municipal area there are several charming towns, each with its own character. Velddrif, a fishing village, is known for its tranquil waterways, where boat trips through the estuary enable visitors to engage with the region's natural beauty. Port Owen, located on the banks of the marina, offers a serene waterside lifestyle and is favoured by yachting and water sports enthusiasts. Piketberg and Porterville, situated inland amid rolling wheatfields, vineyards and fruit orchards, have a rich cultural heritage and support large-scale employment through agrarian pursuits. These towns also serve as service centres for smaller settlements in the municipal area, such as Aurora, Eendekuil, Goedverwacht and Redelinghuys. Redelinghuys is locally known as the potato capital of the Sandveld.

Figure 3.11
GDPR DISTRIBUTION,
Bergrivier,
R million, 2021



Source: Quantec research, 2023

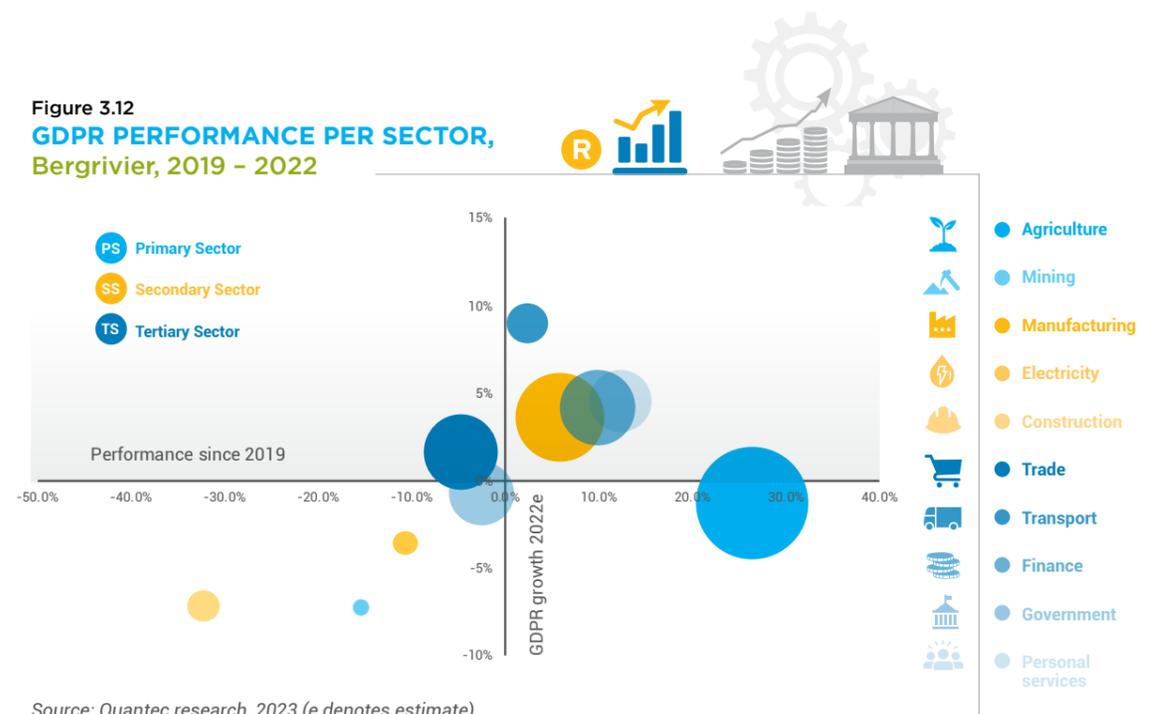
The Bergrivier municipal area had a GDPR of R5.3 billion in 2021, accounting for 14.0 per cent of the WCD economy. Fishing, aquaculture and associated processing activities constitute the primary source of jobs in Velddrif, with its famed Bokkomlaan. Most other towns are sustained by farming activities, especially Piketberg and Porterville. Agriculture, forestry and fishing accounted for 29.2 per cent (R1.5 billion) of municipal GDPR in 2021, with perennial crop production (8 276 jobs), mixed farming (1 239 jobs) and fishing (863 jobs) being the leading sources of formal employment in this sector. As such, 45.2 per cent of workers in the Bergrivier municipal area are low-skilled while 23.9 per cent are semi-skilled. Informal jobs make up 17.6 per cent of employment and are a valuable source of agricultural and retail work. Over the past decade, the agriculture sector has created the most jobs, followed by personal services and finance. This points to growing economic diversification and an increasing demand for semi-skilled workers.



It is estimated that in 2022, the GDPR of Bergrivier increased by 1.4 per cent, a 4.0 percentage point decline from 2021. The slowdown can be attributed to the 1.3 per cent contraction in the agriculture sector, which has been negatively affected by load-shedding and substantial increases in input costs. However, the economy was buoyed by solid performances in the finance and manufacturing sectors, despite the effects of load-shedding on working hours. The performance of the finance sector can primarily be attributed to growth in local business services, which created 186 jobs in 2022. Rising demand for canned fish products benefited local producers and boosted the manufacturing sector. Furthermore, the weak exchange rate worked to the advantage of fishmeal and fish oil producers that mainly export their products (e.g. Amawandle Pelagic, owned by the Oceana Group), resulting in increased revenues.

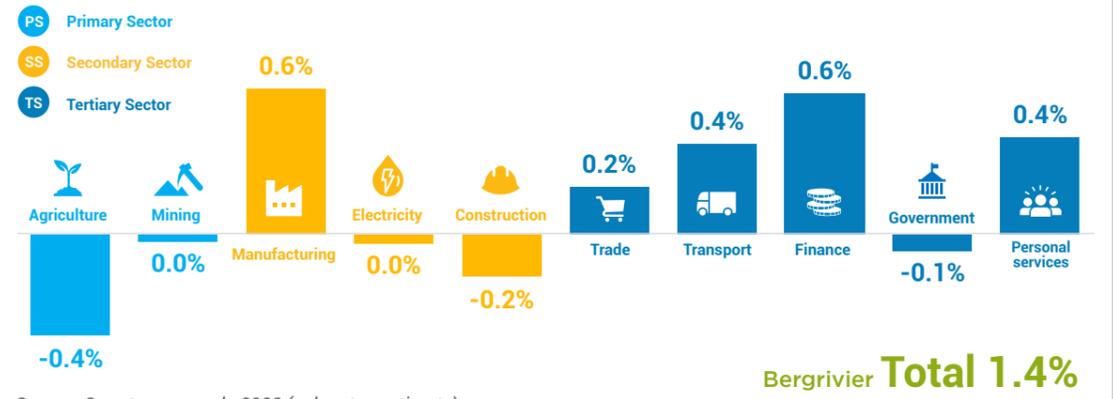


Figure 3.12
GDPR PERFORMANCE PER SECTOR,
Bergrivier, 2019 – 2022

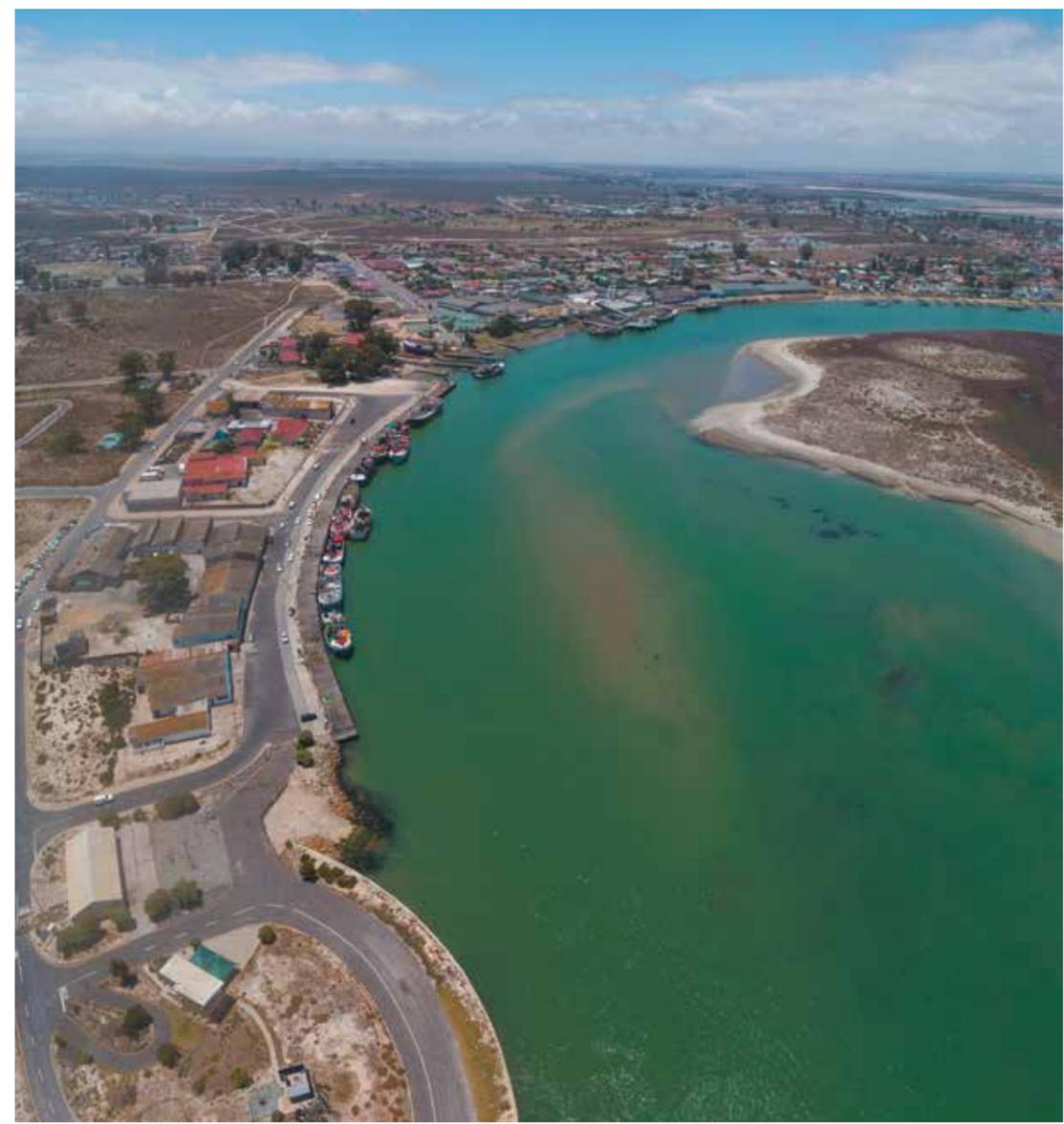


Source: Quantec research, 2023 (e denotes estimate)

Figure 3.13
SECTORAL CONTRIBUTION TO GDPG GROWTH (PERCENTAGE POINTS),
Bergrivier, 2022e



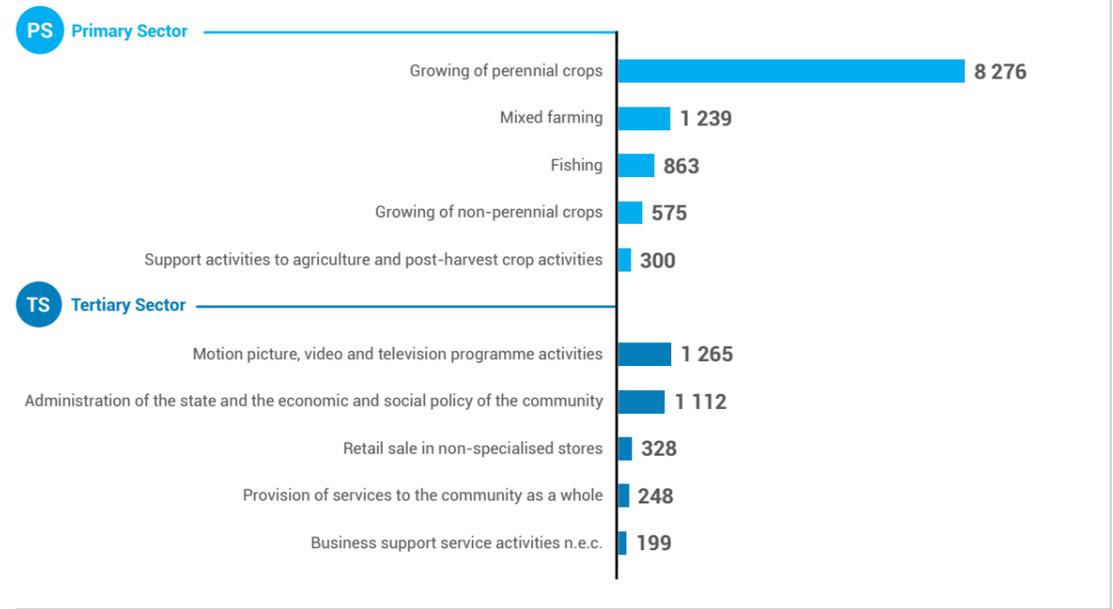
Source: Quantec research, 2023 (e denotes estimate)



Despite the abovementioned GDPG contraction, the agriculture sector remained an important source of new work opportunities in 2022. Jobs were created by activities such as perennial⁸ and non-perennial⁹ crop production, as well as in agricultural support and post-harvest activities. Formal job losses were also recorded across various sectors, mainly services. This highlighted the business uncertainty that prevailed during 2022 amid several macroeconomic constraints, including high inflation and interest rate hikes. Overall, the number of jobs in the Bergrivier municipal area increased in the course of 2022, enabling the unemployment rate to fall by 0.5 of a percentage point to 7.3 per cent. Notably, the Bergrivier municipal area had the lowest unemployment rate in the Province in 2022.

The leading source of new jobs in Bergrivier in 2022 was motion picture, video and television programme activities (1 237 jobs), although these additional posts were exclusively in Aurora. Job creation on this scale within the sector is unprecedented in the history of the Bergrivier municipal area, and is probably indicative of a temporary number of posts being created for a specific production.

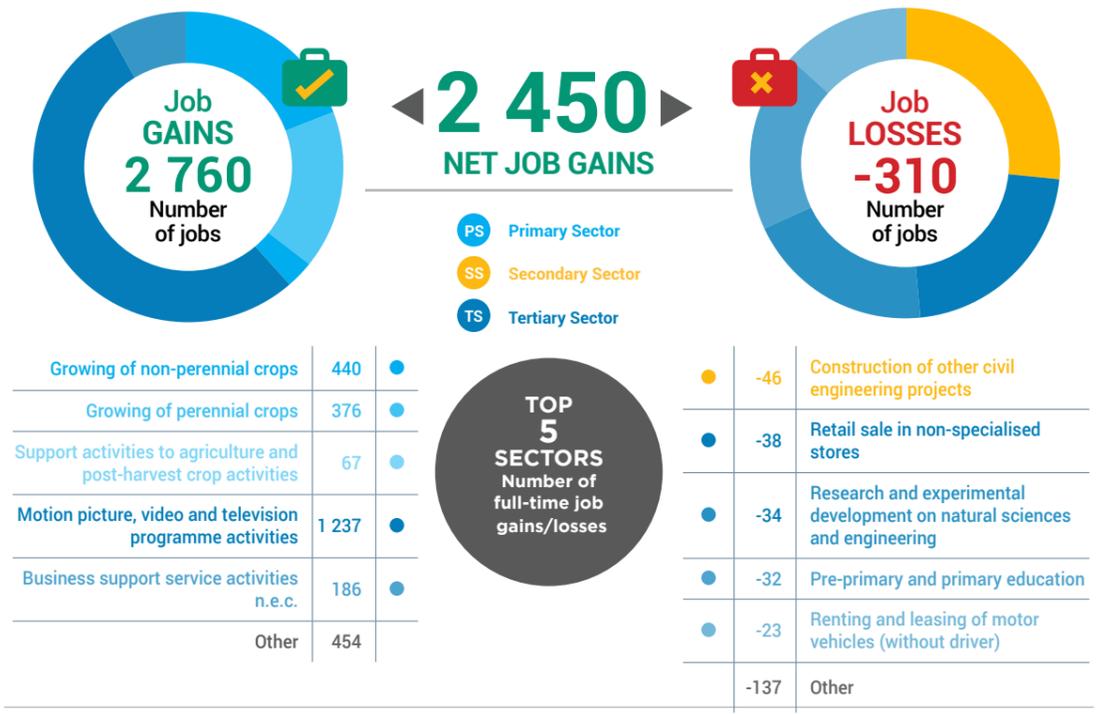
Figure 3.14
TOP 10 SECTORS BY NUMBER OF FTE JOBS,
Bergrivier, 2022



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

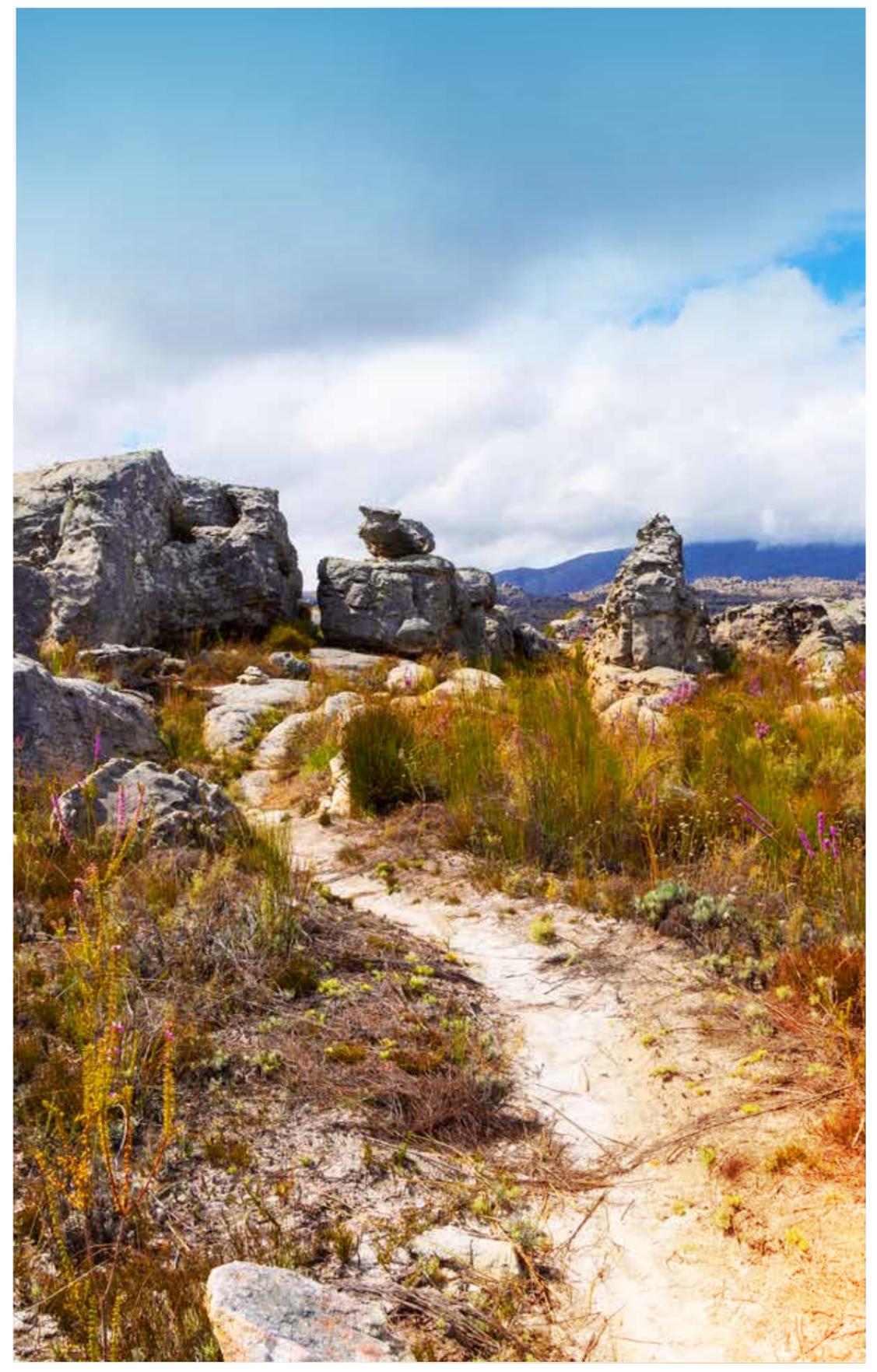
⁸ Mainly grapes and citrus in Piketberg and Porterville.
⁹ Mostly vegetable production in Porterville.

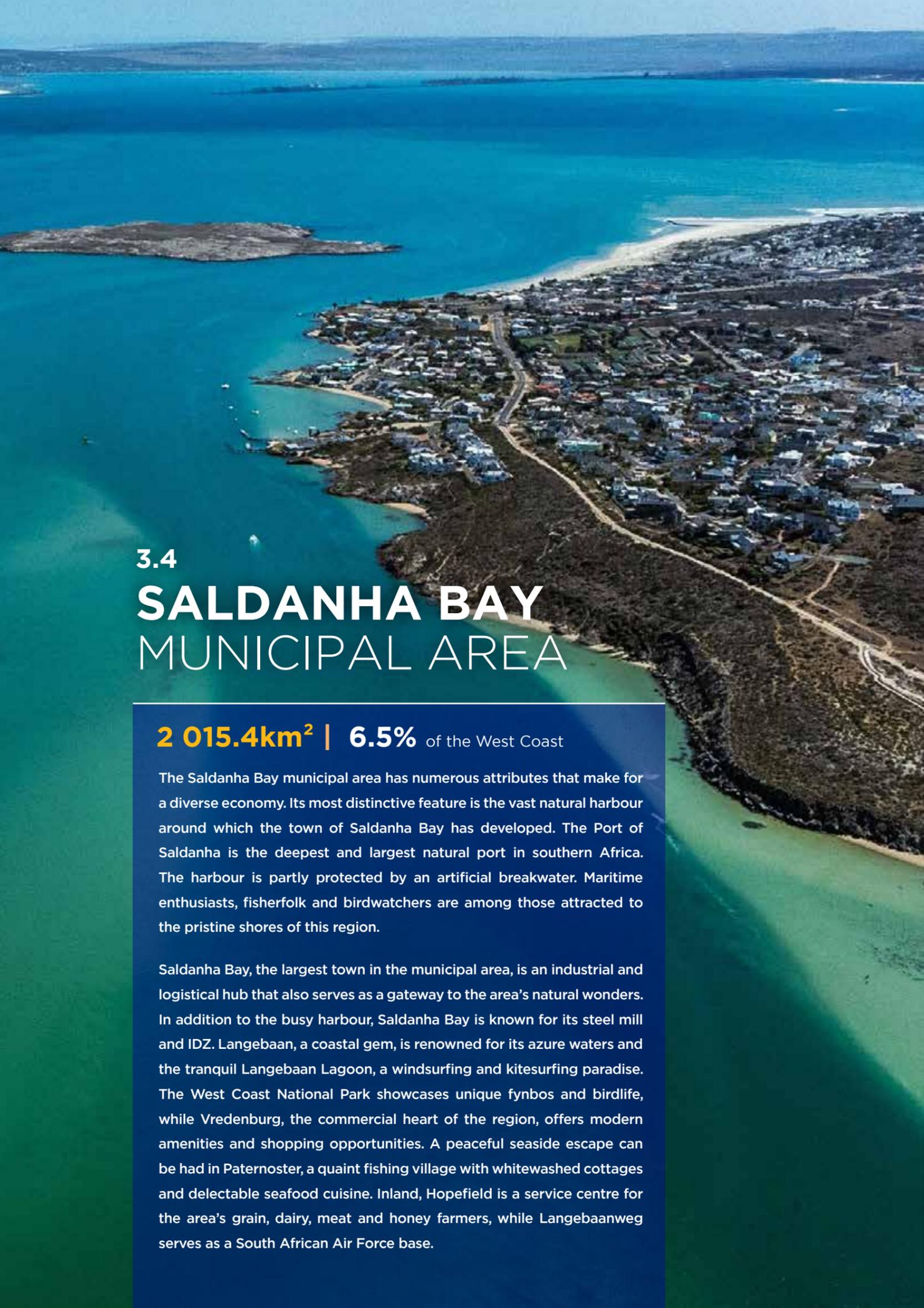
Figure 3.15
TOP 5 SECTORS FOR FORMAL JOB GAINS AND JOB LOSSES,
 Bergrivier, 2021 – 2022



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

GDPR forecasts indicate that growth will continue to slow in 2023 (to 0.8 per cent). Heavy rains in June compromised harvests and farm infrastructure was damaged or lost, significantly impacting the agriculture sector. However, growth is expected to improve markedly in 2024, with an expansion in GDPR of 1.9 per cent anticipated for this year. This forecast is largely predicated on continued success in the manufacturing sector. It should be noted, however, that load-shedding presents a substantial risk to the health of this sector.





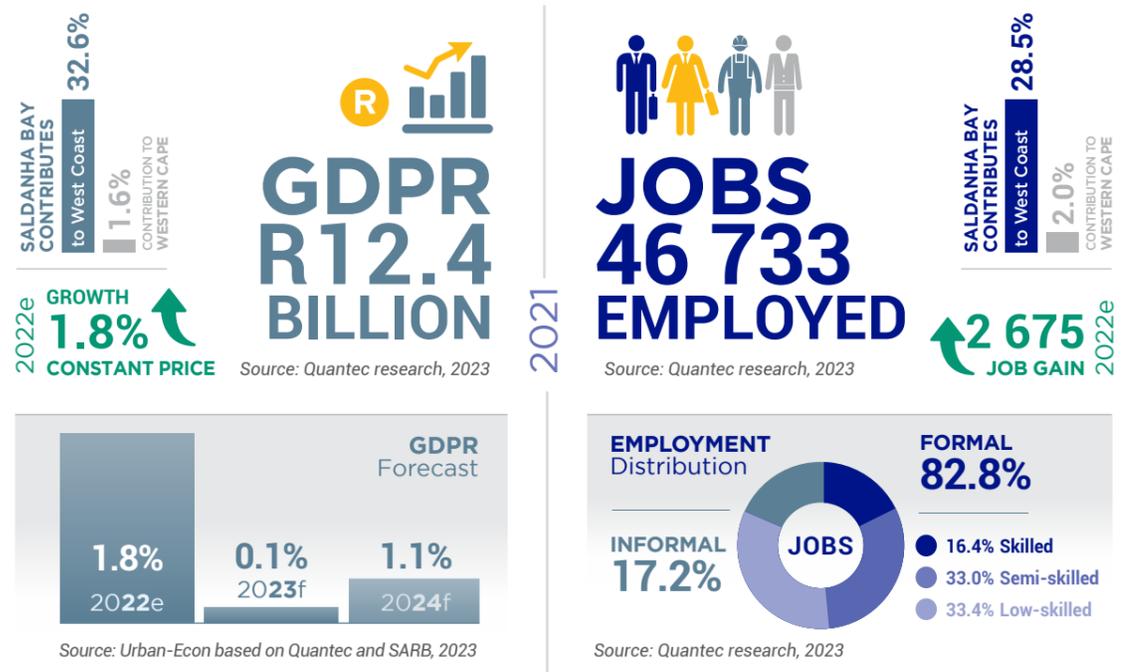
3.4 SALDANHA BAY MUNICIPAL AREA

2 015.4km² | 6.5% of the West Coast

The Saldanha Bay municipal area has numerous attributes that make for a diverse economy. Its most distinctive feature is the vast natural harbour around which the town of Saldanha Bay has developed. The Port of Saldanha is the deepest and largest natural port in southern Africa. The harbour is partly protected by an artificial breakwater. Maritime enthusiasts, fisherfolk and birdwatchers are among those attracted to the pristine shores of this region.

Saldanha Bay, the largest town in the municipal area, is an industrial and logistical hub that also serves as a gateway to the area's natural wonders. In addition to the busy harbour, Saldanha Bay is known for its steel mill and IDZ. Langebaan, a coastal gem, is renowned for its azure waters and the tranquil Langebaan Lagoon, a windsurfing and kitesurfing paradise. The West Coast National Park showcases unique fynbos and birdlife, while Vredenburg, the commercial heart of the region, offers modern amenities and shopping opportunities. A peaceful seaside escape can be had in Paternoster, a quaint fishing village with whitewashed cottages and delectable seafood cuisine. Inland, Hopefield is a service centre for the area's grain, dairy, meat and honey farmers, while Langebaanweg serves as a South African Air Force base.

Diagram 3.4
GDPR (CURRENT PRICES) AND EMPLOYMENT, Saldanha Bay



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
23.2%	66.8%	51.3%	32.8%
22.3%	69.0%	53.6%	31.0%

Source: Quantec research, 2023 (e denotes estimate)

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

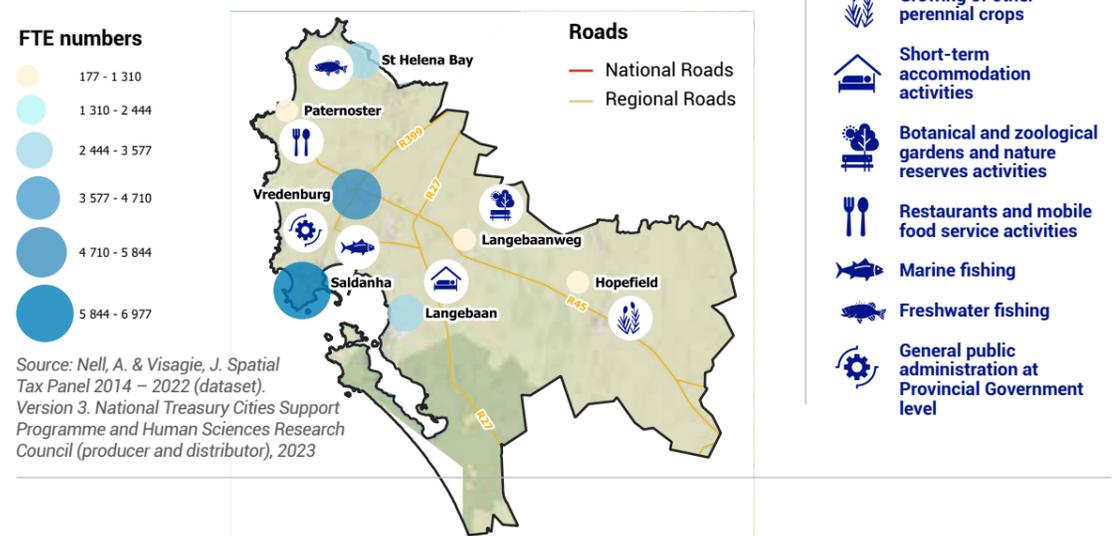
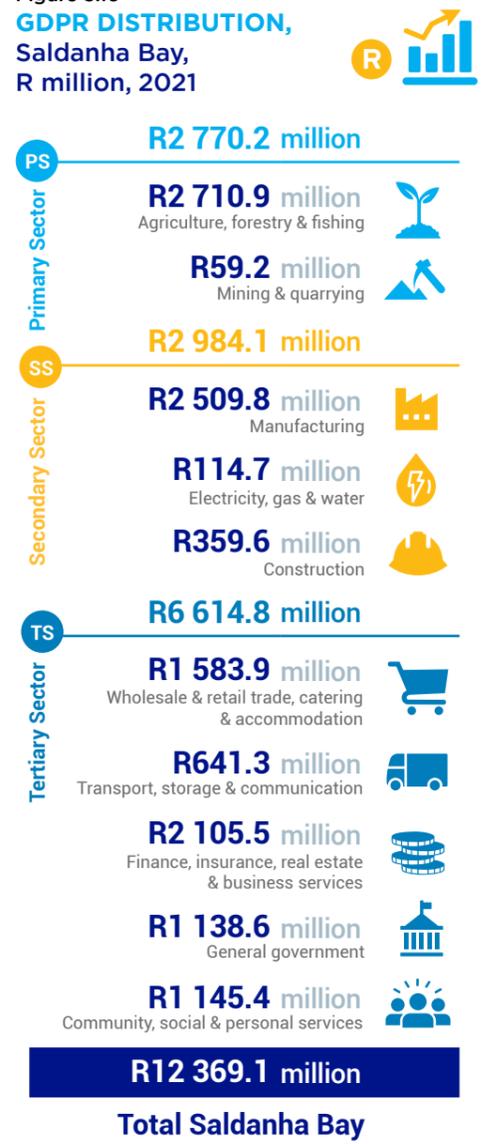


Figure 3.16
GDPR DISTRIBUTION,
Saldanha Bay,
R million, 2021



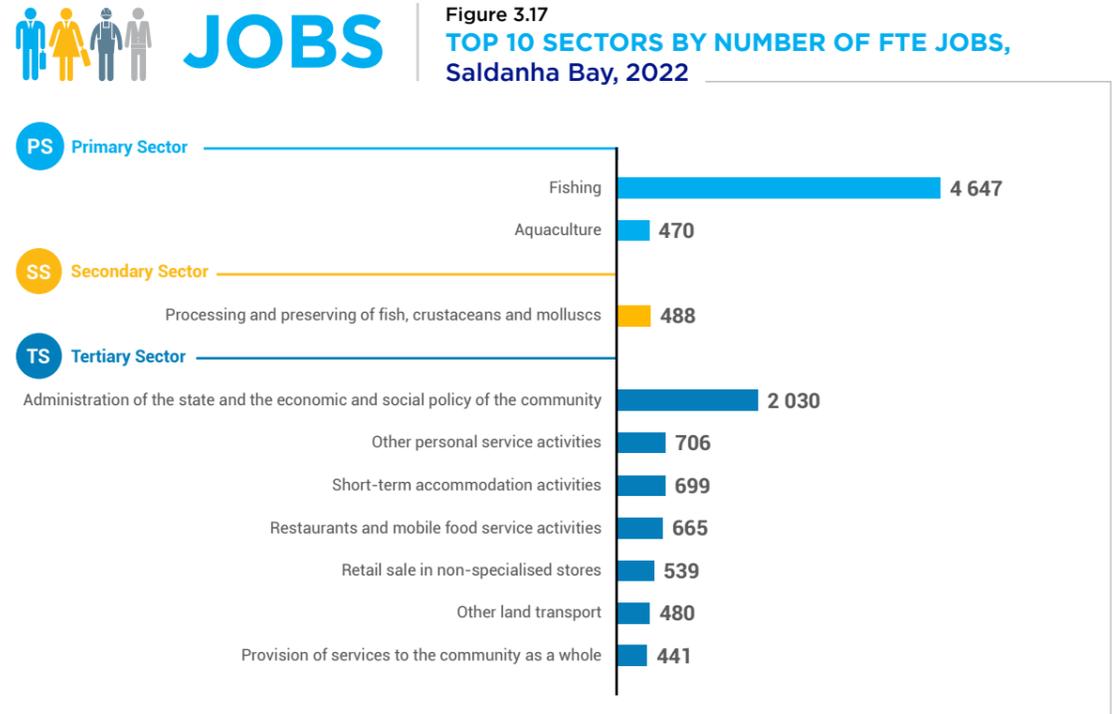
Source: Quantec research, 2023

The Saldanha Bay municipal area had a GDP of R12.4 billion in 2021 and was the leading source of economic growth in the WCD in 2022. The area depends mainly on the agriculture and manufacturing sectors, which contributed R2.7 billion (21.9 per cent) and R2.5 billion (20.3 per cent) to the economy, respectively, in 2021. With its R2.1 billion (17.0 per cent) contribution to municipal GDP in 2021, the finance sector is also essential to the Saldanha Bay economy, with businesses in this sector mainly operating from Vredenburg. Maritime activities are the largest source of formal employment in the area. They include fishing (4 647 jobs), aquaculture (470 jobs) and processing of fish, crustaceans and molluscs (488 jobs). Saldanha Bay is home to several fishing companies and fish processors, including the Oceana Group, Pioneer Fishing, West Point Processors, Umoya Fish Processors, BP Marine Fish Products, Gannet Sea Products, Hannasbaai Fishing Company, West Coast Abalone, Paternoster Fishery and Visko Seeprodukte. These businesses are leading employers in Saldanha,



St Helena Bay and Laaipek, making communities in the three towns vulnerable to adverse events within the fishing industry. Such events might include drastic changes in the total allowable catch values for species such as West Coast rock lobster and small pelagic fish that are used for canning, fishmeal and oil production.

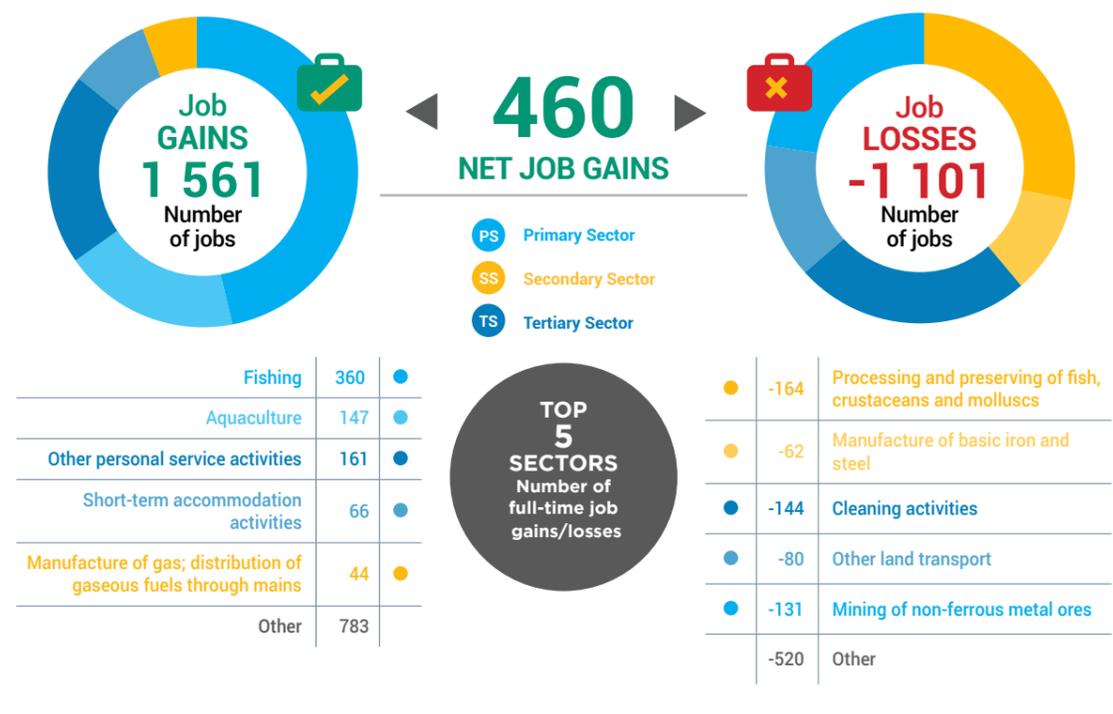
Figure 3.17
TOP 10 SECTORS BY NUMBER OF FTE JOBS,
Saldanha Bay, 2022



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 3.18
TOP 5 SECTORS FOR FORMAL JOB GAINS AND JOB LOSSES,
Saldanha Bay, 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

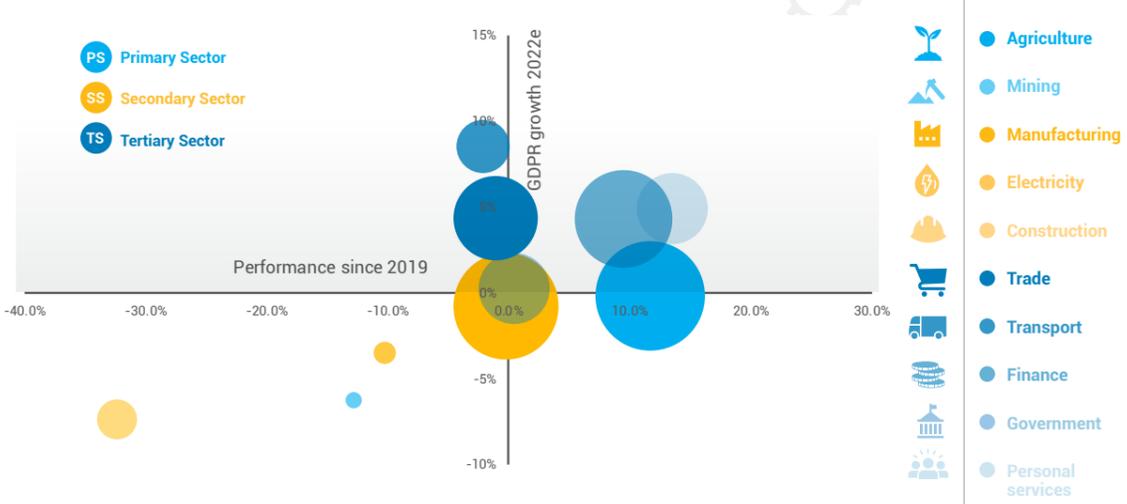
Vredenburg serves as the administrative hub of the municipal area and, as such, public administration is responsible for a large amount of formal employment (2 030 jobs). The town is home to Saldanha Bay Municipality, with Home Affairs and the Department of Employment and Labour also having offices in the town. Furthermore, Vredenburg Hospital, the prison and the South African Air Force base in Langebaanweg also contribute to employment in this sector.



Pristine beaches, outdoor activities and attractions such as the West Coast National Park and Langebaan Lagoon provide ample scope for the tourism industry to flourish. In 2022, short-term accommodation and restaurants were among the leading sources of formal employment in the Saldanha Bay municipal area.

The reliance on tourism, especially in towns such as Langebaan, made several communities in the WCD particularly vulnerable to the economic shocks brought about by the COVID-19 pandemic. However, the well-established agricultural value chains in the District buoyed the local economy during this period. The economy therefore grew by a robust 5.4 per cent in 2021, but slowed to an estimated 1.8 per cent in 2022. The dip in growth reflected the profound impact of load-shedding on local manufacturing industries and the continued decline in the construction industry caused by rising input costs. These sectors are still underperforming compared with the levels at which they were operating in 2019.

Figure 3.19
GDPR PERFORMANCE PER SECTOR,
Saldanha Bay, 2019 - 2022



Source: Quantec research, 2023 (e denotes estimate)

Despite these challenges, workers who had dropped out of the labour force during the pandemic continued to return, with the labour force participation rate increasing to 69.0 per cent – the highest in the WCD and substantially higher than the rate in the Province (64.9 per cent). The labour absorption rate also improved (reaching 53.6 per cent), leading to a marginal decline in the unemployment rate (0.8 of a percentage point). Despite this decline, unemployment in the area – 22.3 per cent in 2022 – remained substantially higher than the unemployment rate in the District (15.4 per cent). The generally higher level of economic activity in the Saldanha Bay municipal area has led to an influx of job seekers.

Sectors such as finance (4.3 per cent), trade (4.4 per cent), transport (8.6 per cent) and personal services (4.9 per cent) showed promising growth in 2022. Nevertheless, the GDP growth of the transport and trade sectors did not enable these sectors to recover from the 2020 losses, as factors such as high inflation and fuel prices dampened the prospects of these sectors. Work-from-home opportunities increased property market activity and the demand for personal services, especially in St Helena Bay.

Operations at the Port of Saldanha contribute substantially to the municipal area's transport sector activities. While coal, iron ore and manganese are not mined in the WCD, the port is essential to the export of these materials from South Africa. It is also the main exit point for zinc and lead exports. The operations at the port, coupled with benefits offered by the Saldanha Bay IDZ, can attract new investments to the area and promote job creation. Projects such as developing a green hydrogen hub at the IDZ and the new crude oil pipeline commissioned by Oiltanking MOGS Saldanha will boost transport and manufacturing sector activity and contribute to economic diversification.

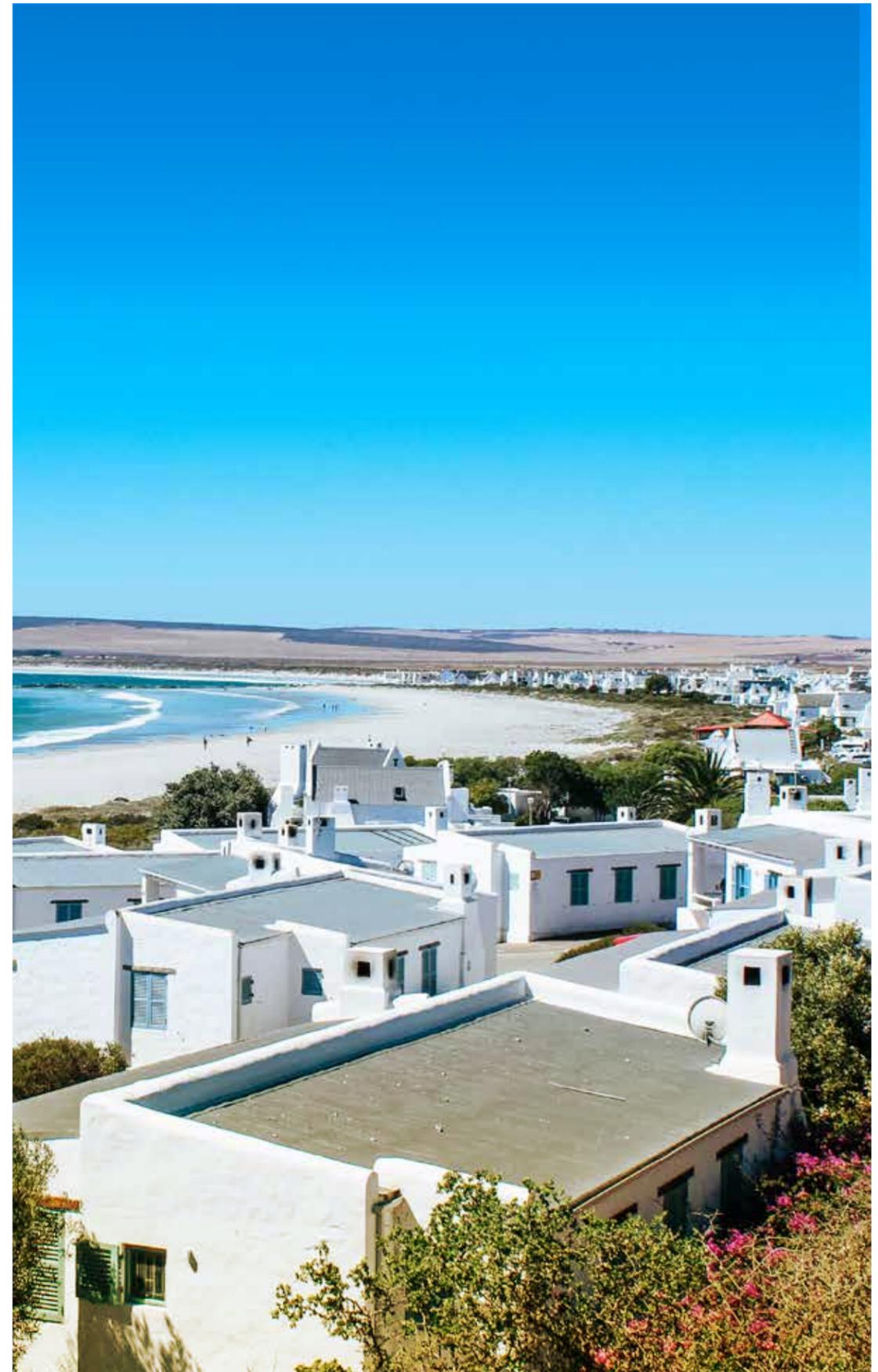
However, expanding industries that are underdeveloped in the largely fishing-based Saldanha Bay municipal area will require skill sets not currently available in the region. Public-private partnerships geared towards capacity-building and skills development will be essential in ensuring that local communities can benefit from the developments at the IDZ. Most workers in the Saldanha Bay municipal area are either low-skilled (33.4 per cent) or semi-skilled (33.0 per cent). While low-skilled jobs have grown substantially in recent years, largely as a result of the prominent agriculture sector, skilled workers have become increasingly in demand.

Figure 3.20
SECTORAL CONTRIBUTION TO GDP GROWTH (PERCENTAGE POINTS),
Saldanha Bay, 2022e



Source: Quantec research, 2023 (e denotes estimate)

Despite several opportunities at the Saldanha Bay IDZ that could result in economic benefits; load-shedding, high inflation and rising interest rates have curtailed business activities in the area, with GDP growth forecast to slow to 0.1 per cent in 2023 in the Saldanha Bay municipal area. An improvement is expected in 2024 when growth of 1.1 per cent is forecast, a rate marginally higher than the average between 2015 and 2019 (0.9 per cent). However, various factors may put the future economic growth and employment prospects of the Saldanha Bay municipal area at risk, including the possibility of reduced fishing grounds for the pelagic fishing industry, a continued lack of operations at the ArcelorMittal steel mill and failure to realise the potential of the Saldanha Bay IDZ.



3.5 SWARTLAND MUNICIPAL AREA

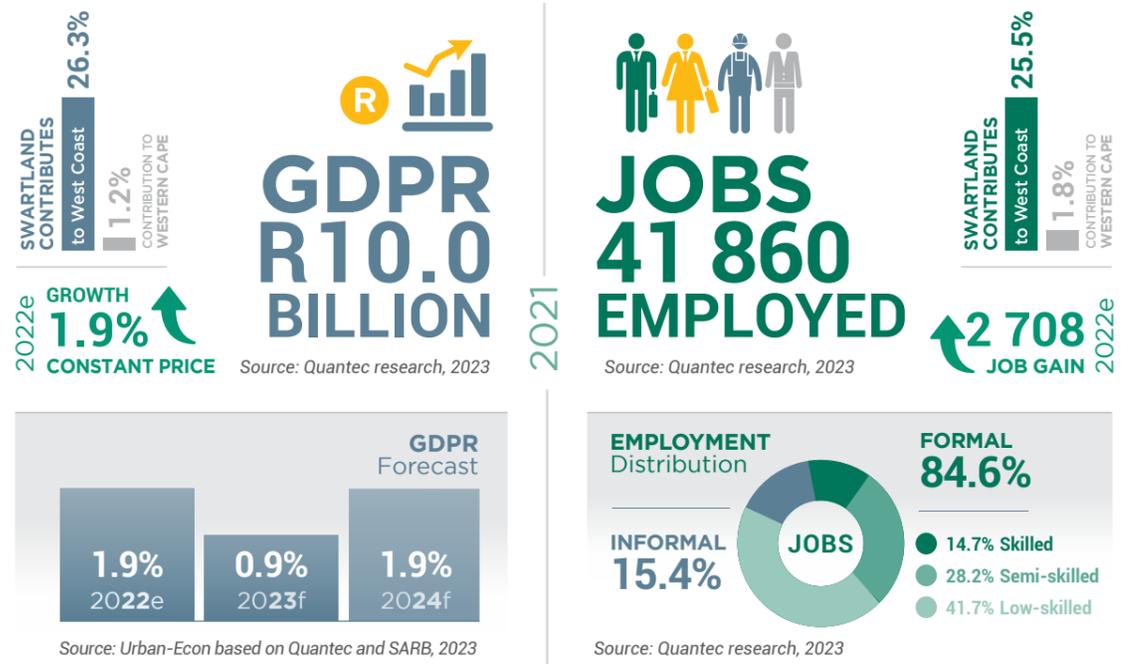
3 707.3km² | 11.9% of the West Coast

The Swartland municipal area offers a blend of rural charm and agricultural excellence. Its most distinctive feature is its golden wheatfields stretching as far as the eye can see.

Malmesbury, the largest town in the area, is the administrative centre of the Swartland Municipality and is known for its historic architecture and vibrant community spirit. Riebeek-Kasteel and Riebeek West, twin towns in the Riebeek Valley, are famous for their quaint charm, vineyards and olive groves, offering a taste of the Mediterranean in the heart of South Africa. Darling, a town with artistic flair, is celebrated for its wildflowers, wine estates and the beloved Evita se Perron theatre. Moorreesburg, an agricultural hub, showcases the region's bounty of grains and offers a glimpse into the life of a farming community. The small settlements of Koringberg in the north of the municipal area and Kalbaskraal in the south are mainly sustained by wheat and sheep farming activities.

The Swartland municipal area's unique blend of agrarian beauty, cultural richness and artistic vitality makes it a captivating destination in the West Coast.

Diagram 3.5
GDP (CURRENT PRICES) AND EMPLOYMENT, Swartland



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
14.6%	56.0%	47.8%	43.2%
14.1%	58.2%	50.0%	41.8%

Source: Quantec research, 2023 (e denotes estimate)

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

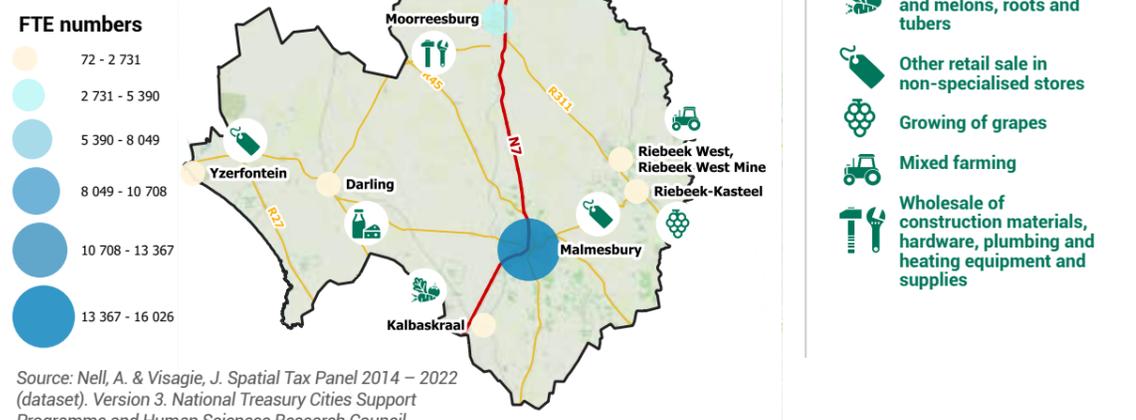
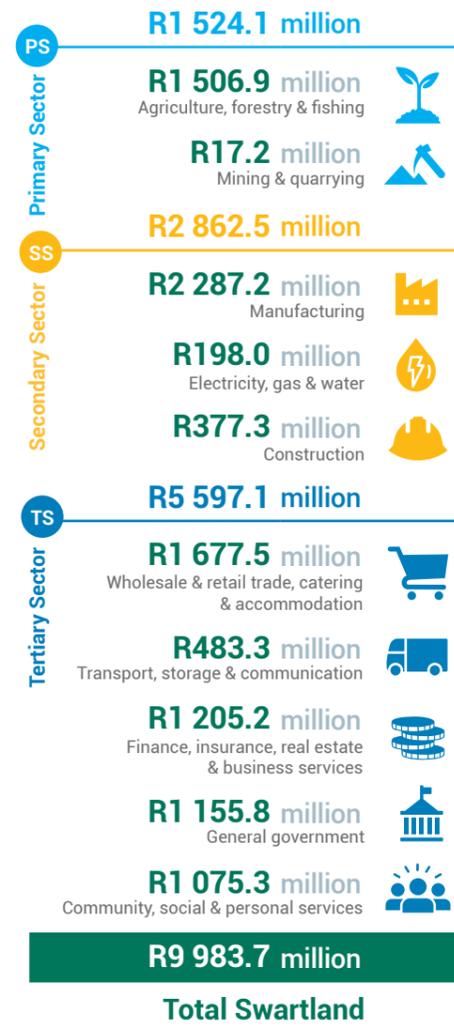


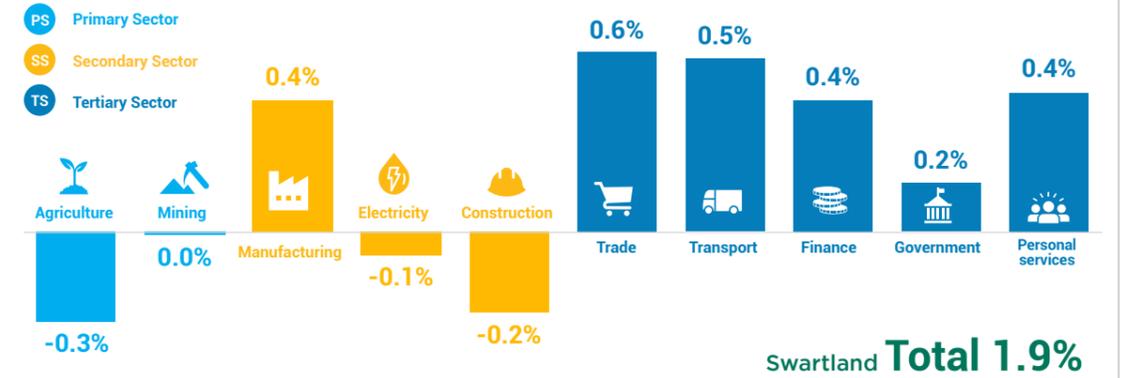
Figure 3.21
GDPR DISTRIBUTION, Swartland
 R million, 2021



Source: Quantec research, 2023

The economy of the Swartland municipal area is diverse. As one of the most populous municipal areas of the WCD, it has a thriving retail sector concentrated in Malmesbury. Here, there is also a strong public sector presence. However, the manufacturing sector accounted for the largest share of municipal GDPR in 2021 (22.9 per cent), contributing R2.3 billion of the R10.0 billion generated in the area. The trade sector accounted for the second-largest share of municipal GDPR (16.8 per cent) and agriculture the third-largest portion (15.1 per cent). These sectors are also the leading sources of formal employment in the Swartland municipal area. This economic structure has resulted in a large cohort of low-skilled (41.7 per cent) and semi-skilled (28.2 per cent) workers.

Figure 3.22
SECTORAL CONTRIBUTION TO GDPR GROWTH (PERCENTAGE POINTS), Swartland, 2022e

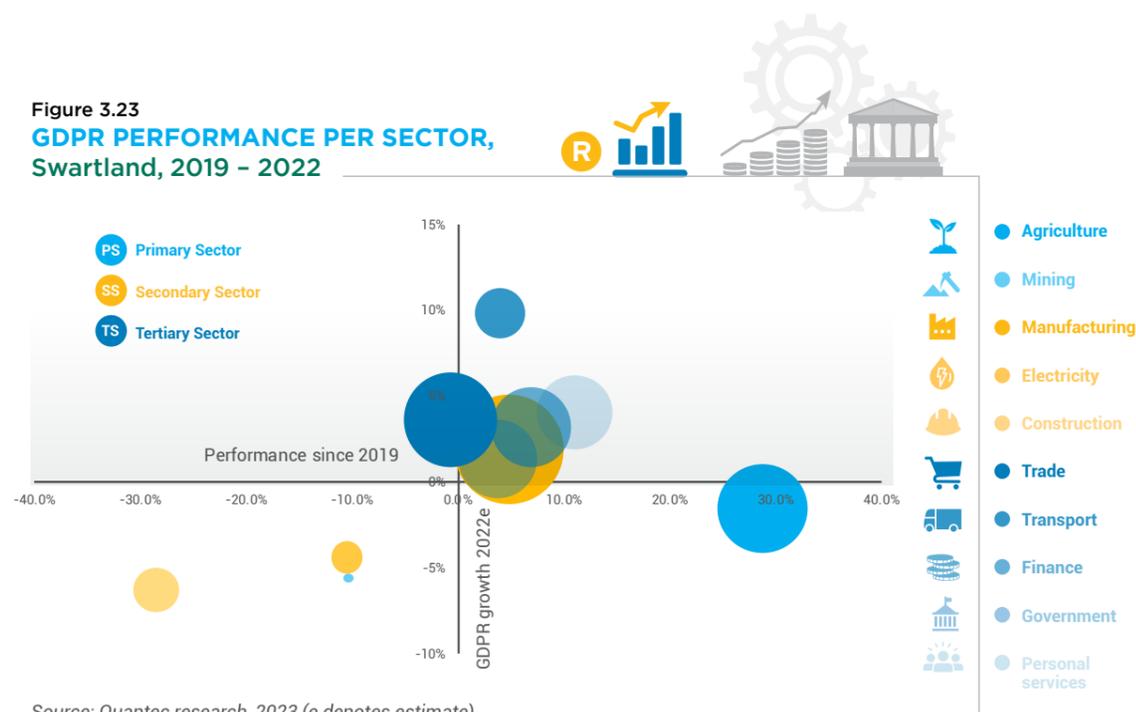


Source: Quantec research, 2023 (e denotes estimate)



The manufacturing sector mainly comprises agro-processing activities. These include meat processing and wine production, which are concentrated in Riebeeck-Kasteel, dairy production (Darling) and wheat milling and animal feed production (largely in Malmesbury and Moorreesburg). Prominent local producers include Darling Romery, Roelcor Malmesbury, Pioneer Foods, Sasko, Wesfed Feeds, Nova Feeds and Group 35 Milling. The wineries along the Darling Wine Route and the farms along the Swartland Wine & Olive Route drive tourism in the area. The municipal area is also home to the company Swartland; a local wood processor based in Moorreesburg with a nationwide presence. The company is known for its wooden and aluminium windows and doors.

Figure 3.23
GDPR PERFORMANCE PER SECTOR,
Swartland, 2019 - 2022



The Swartland economy expanded by an estimated 1.9 per cent in 2022, creating an additional 2 708 formal and informal jobs. While the GDPR of the area has fully recovered from the COVID-19-induced recession of 2020, employment creation has been less promising. However, in 2022, the Swartland municipal area increased its labour force participation rate, which reached 58.2 per cent. Thanks to favourable labour market conditions, there was also an increase in the labour absorption rate (which rose to 50.0 per cent) and a decline in the share of the population that was not economically active (which fell to 41.8 per cent). Notwithstanding this decline, the not economically active population was the largest in the WCD in 2022 and markedly bigger than that of the Western Cape (35.1 per cent). This indicates a substantial dependency on those residents who are employed. However, salaries in the Swartland municipal area are generally low, with 48.4 per cent of formally employed workers earning less than R6 400 per month, resulting in various socio-economic challenges and a high dependency on public sector support.

Population growth in Swartland has created new opportunities for service provision. In 2022, the leading source of new jobs was social work activities for the elderly and disabled (797 jobs). Other significant sources of new jobs were mainly in the manufacturing and agriculture sectors, including spinning, weaving and finishing of textiles (189 jobs) and mixed farming (130 jobs). Dynamic Bags in Moorreesburg is a leader in manufacturing heavy-duty bulk bags used for transporting agricultural and other bulk products. The company is also a trusted supplier of other textiles used for commercial purposes.

JOBS

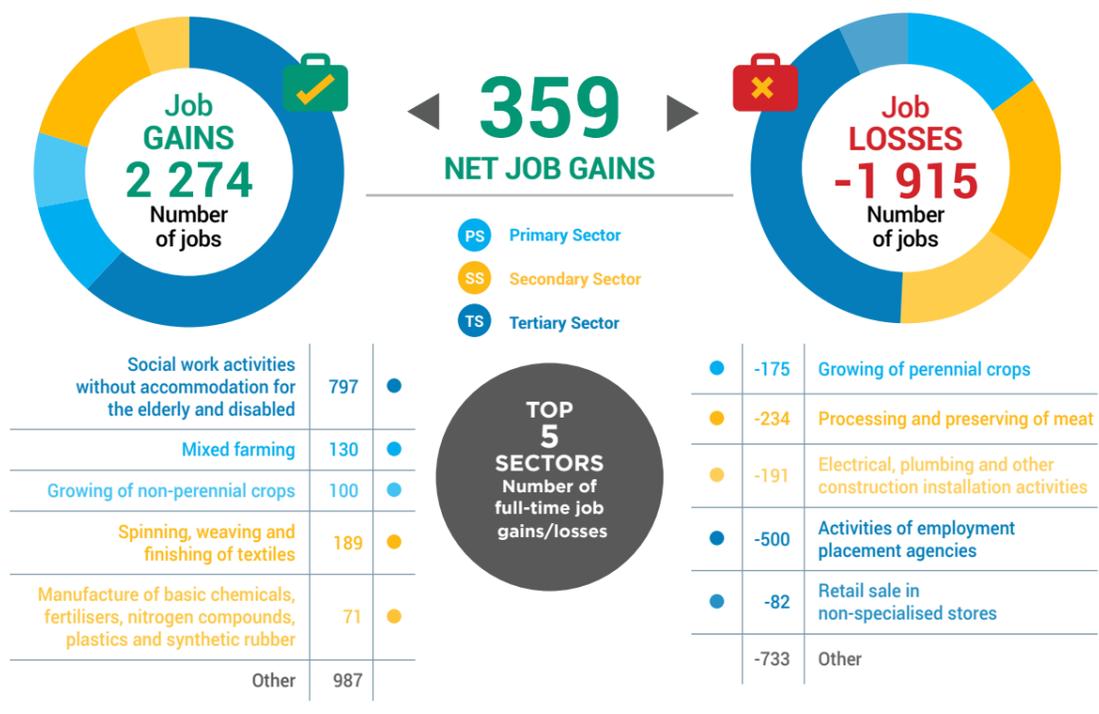
Figure 3.24
TOP 10 SECTORS BY NUMBER OF FTE JOBS,
Swartland, 2022



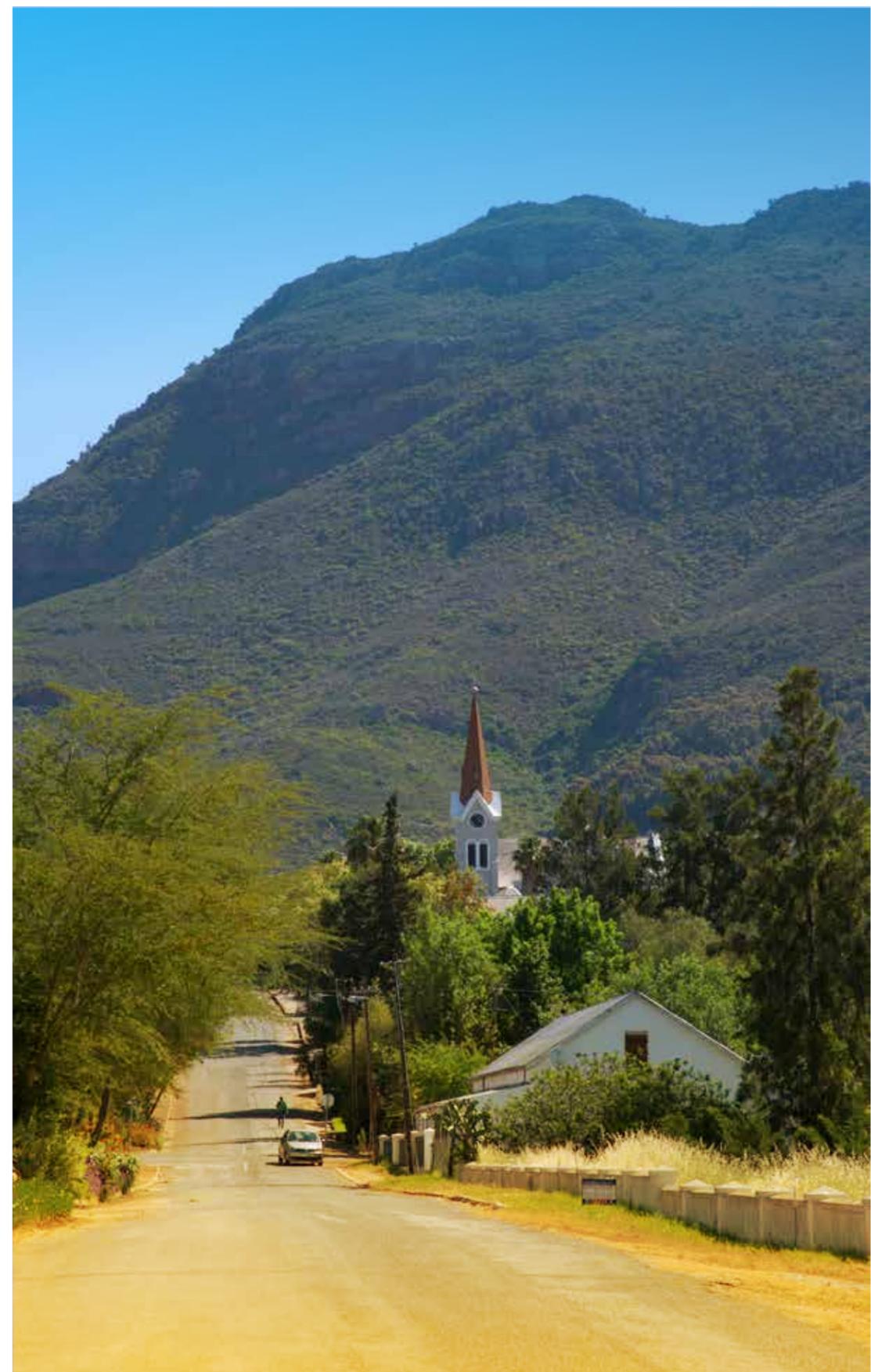
Source: Nell, A. & Visagie, J. Spatial Tax Panel 2014 - 2022 (dataset). Version 3. National Treasury Cities Support Programme and Human Sciences Research Council (producer and distributor), 2023

Given the constrained economic environment of 2022, certain subsectors shed jobs. In employment placement agencies 500 jobs were lost, along with 234 in the meat-processing industry. Load-shedding, rising feed costs and weak consumer demand amid high inflation rates negatively impacted the meat production industry in 2022. Furthermore, these factors continue to pose a risk to the economy, with the outlook for 2023 even more subdued: GDPR growth for this year is forecast to slow to 0.9 per cent. The inflation outlook for 2024 is more subdued and, as such, retail sales are expected to rebound in 2024. Improved growth is also expected for the finance sector as business confidence improves - leading to a stable GDPR growth of 1.9 per cent. This forecast GDPR growth is marginally higher than the average annual GDPR growth between 2015 and 2019 (1.4 per cent). However, to secure the wellbeing of communities, GDPR growth must translate into sustainable jobs.

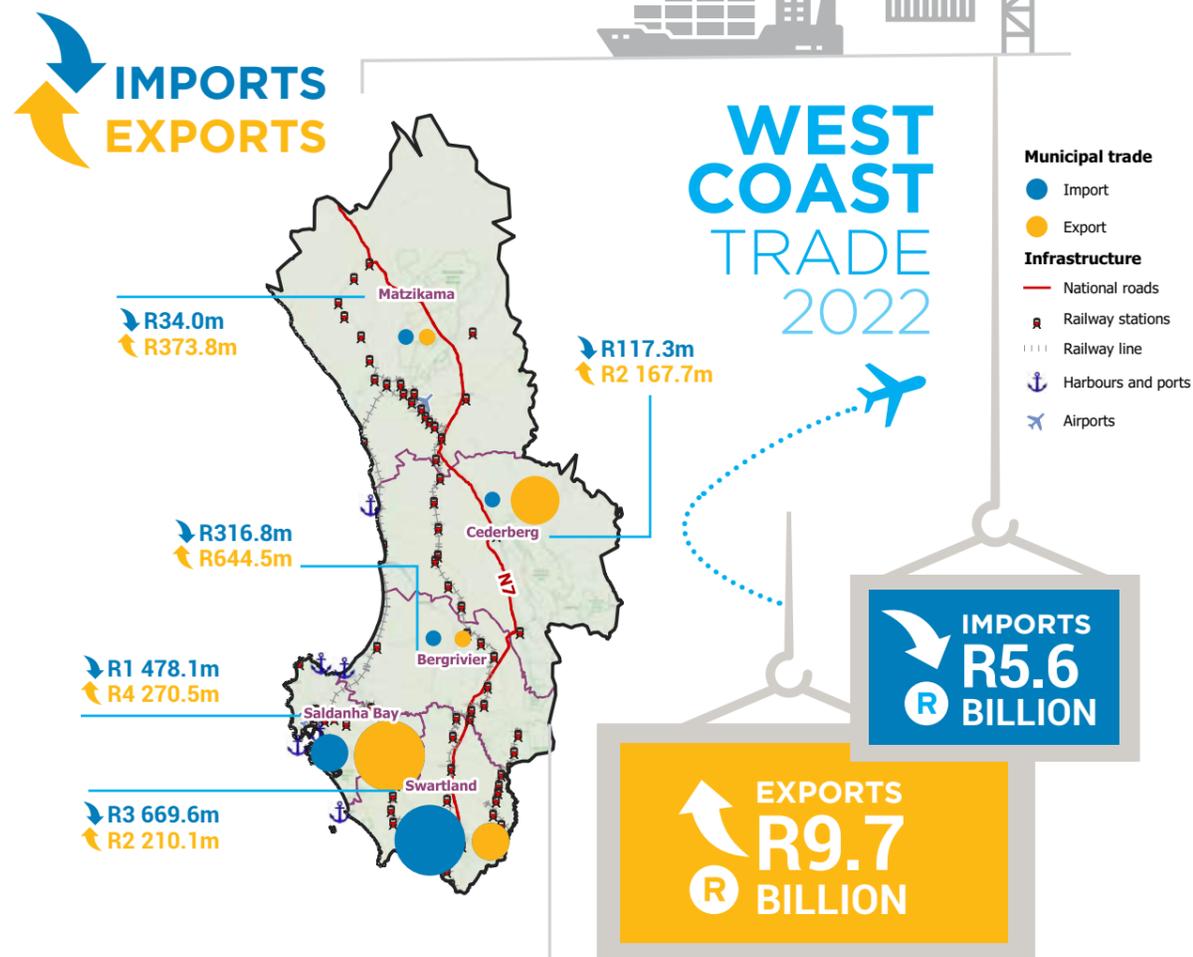
Figure 3.25
TOP 5 SECTORS FOR FORMAL JOB GAINS AND JOB LOSSES,
 Swartland, 2021 - 2022



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



4. INTERNATIONAL TRADE PROFILE 2022



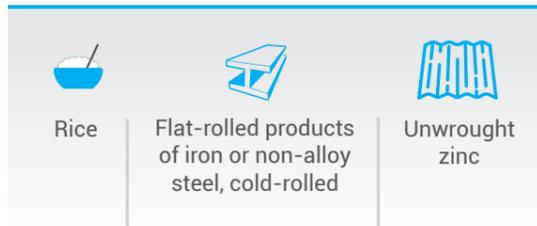
TOP 3 EXPORTED PRODUCTS



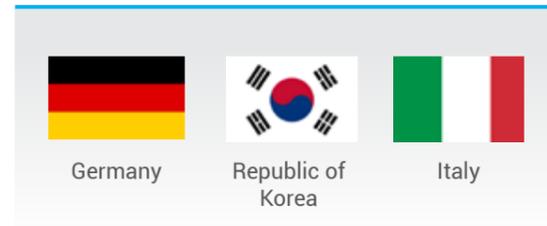
TOP 3 EXPORT DESTINATIONS



TOP 3 IMPORTED PRODUCTS

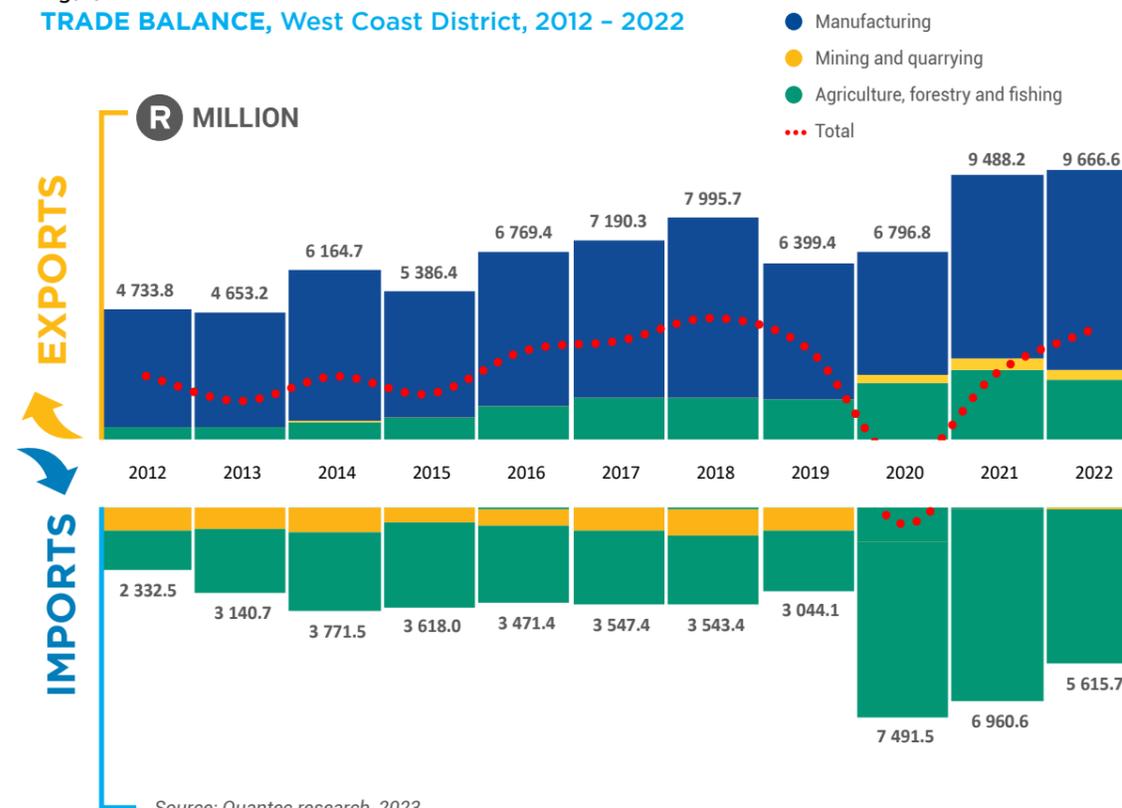


TOP 3 IMPORT DESTINATIONS



Source: Quantec research, 2023

Figure 4.1
TRADE BALANCE, West Coast District, 2012 - 2022



The WCD has maintained a positive trade balance in recent years, the exception being 2020, when it registered a deficit of R0.7 billion. The deficit can primarily be attributed to a substantial increase in imports of products such as rice, wheat and parts used in broadcasting and transmission equipment. Agriculture and manufacturing play a pivotal role in the wellbeing of the District, accounting for 23.4 per cent and 72.8 per cent, respectively, of the WCD's exports in 2022.



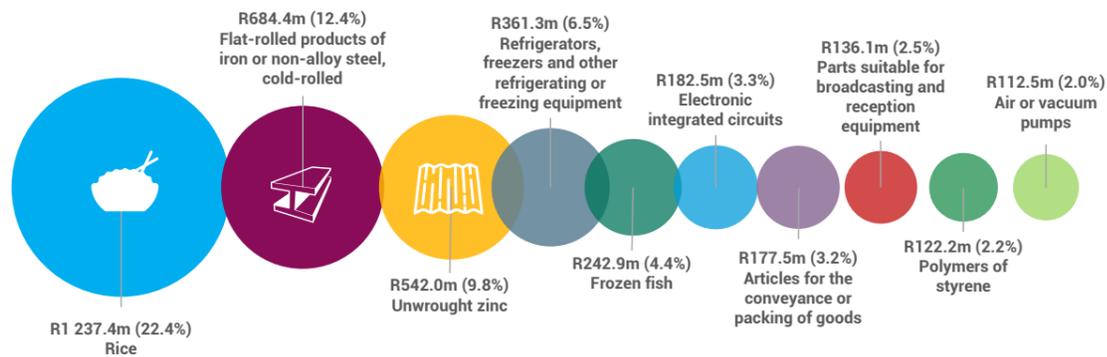
IMPORTS

West Coast District, 2022

TOTAL
R5.6
BILLION



TOP 10 IMPORTED PRODUCTS



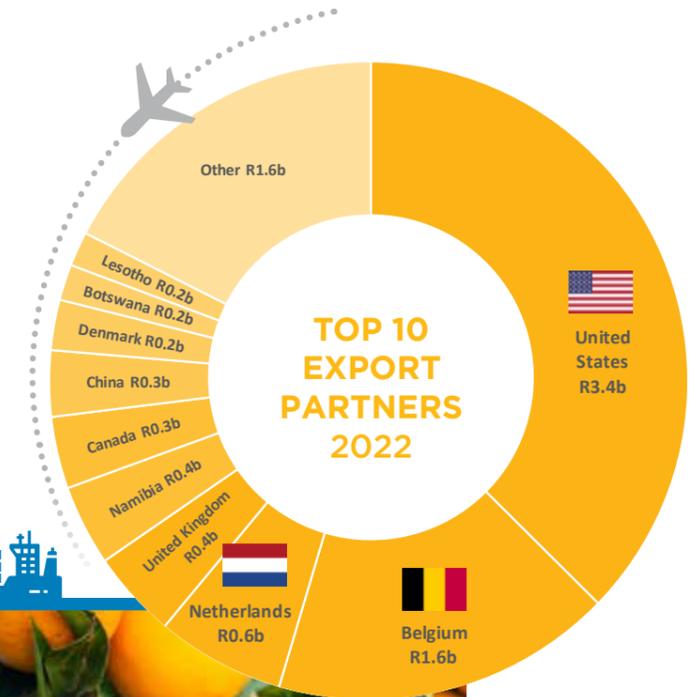
Source: Quantec research, 2023

The leading imports of the District range from food products to manufacturing aids – the variety is an indicator of the extent to which the economic activities of the WCD are themselves diverse. The top imported product of 2022 was rice from Thailand to the value of R1.2 billion. This was largely for Pioneer Foods, which packages rice at its factory in Malmesbury for resale under the Spekko and Select Rice labels. Other top imports can be credited to the large fishing and fish-processing industry, specifically businesses in Saldanha Bay and St Helena Bay. Companies such as Lucky Star and Sea Harvest need imported refrigeration equipment for their freezing and canning operations, along with imports of frozen fish to cover shortfalls in the local pelagic catch. Other top imports, notably flat-rolled products of iron and unwrought zinc (required for galvanising), are used in the steel-manufacturing industry in Saldanha Bay. In 2022, these two products made up 12.4 per cent and 9.8 per cent of imports, respectively.

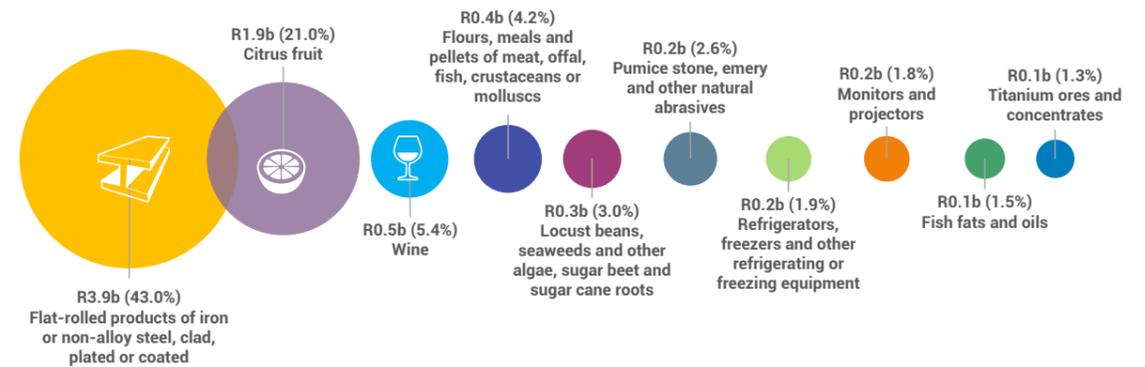
EXPORTS

West Coast District, 2022

TOTAL
R9.7
BILLION



TOP 10 EXPORTED PRODUCTS



Source: Quantec research, 2023

The WCD exported commodities worth R9.7 billion in 2022 – 8.7 per cent of the region’s output at basic prices. Flat-rolled products of iron or non-alloy steel valued at R3.9 billion were the top exports. As a result of high operating costs, Saldanha Steel (commissioned in 1998) was forced to close in 2020. However, steel manufacturing remains a priority for the District, with large companies such as Duferco Steel Processing operating in the IDZ of Saldanha Bay. A bountiful harvest at naartjie and orange farms in Citrusdal and its surrounds, among other places, allowed for exports of citrus fruit worth R1.9 billion. Processed fish products such as fishmeal and its derivatives, and fish fats and oils (to the value of R377.3 million and R132.6 million, respectively) were also among the District’s exports. Fish offcuts and by-products not used by canneries along the coast are exported for use in a variety of products, including livestock feed, pet food and organic fertiliser.

The WCD has a relatively diverse trade profile and is thus generally free of the vulnerabilities that stem from reliance on a single sector. However, intensifying international trade regulations on fresh produce, a key export of the District, may negatively affect trade. Similarly, stricter quality control and safety measures could increase local producer costs. International price volatility poses the greatest risk to the trade balance. However, the WCD has shown itself to be resilient and has benefited from the increasing international demand for, and rising price of, fishmeal and fish oils in the past decade.

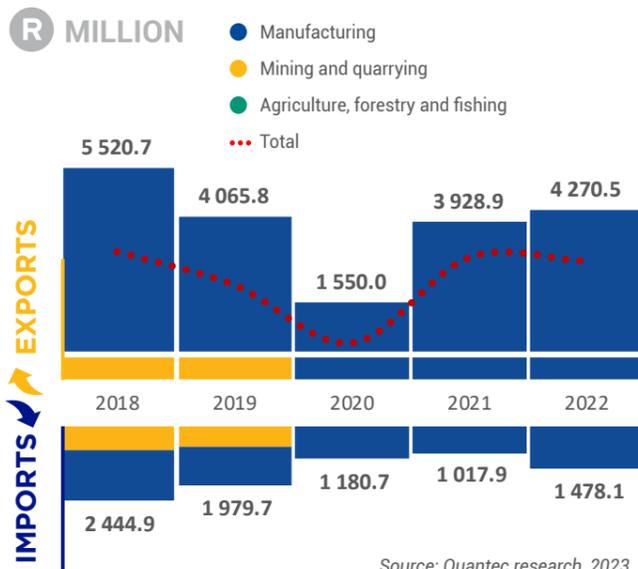


4.1 Municipal imports and exports

SALDANHA BAY TRADE PROFILE 2022



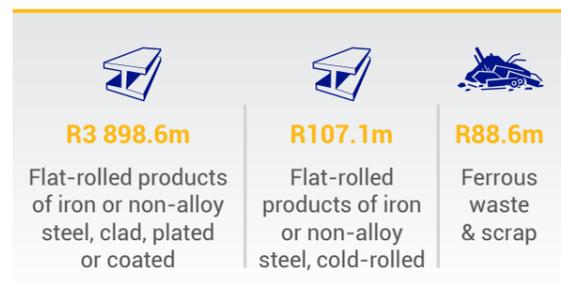
TRADE BALANCE



ECONOMIC CONTRIBUTION



TOP 3 EXPORTED PRODUCTS



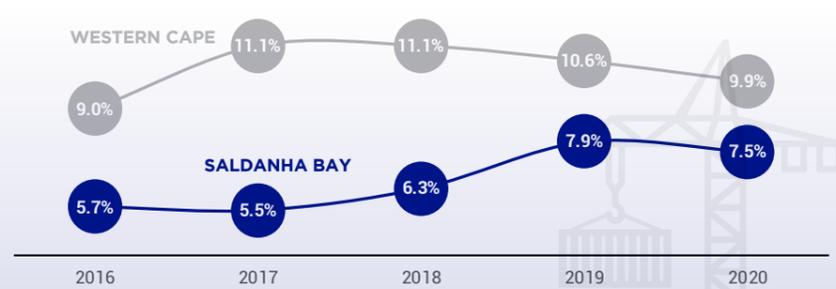
TOP 3 IMPORTED PRODUCTS



Source: Quantec research, 2023

PERCENTAGE OF BUSINESSES REGISTERED AS EXPORTERS

REGISTERED EXPORTERS



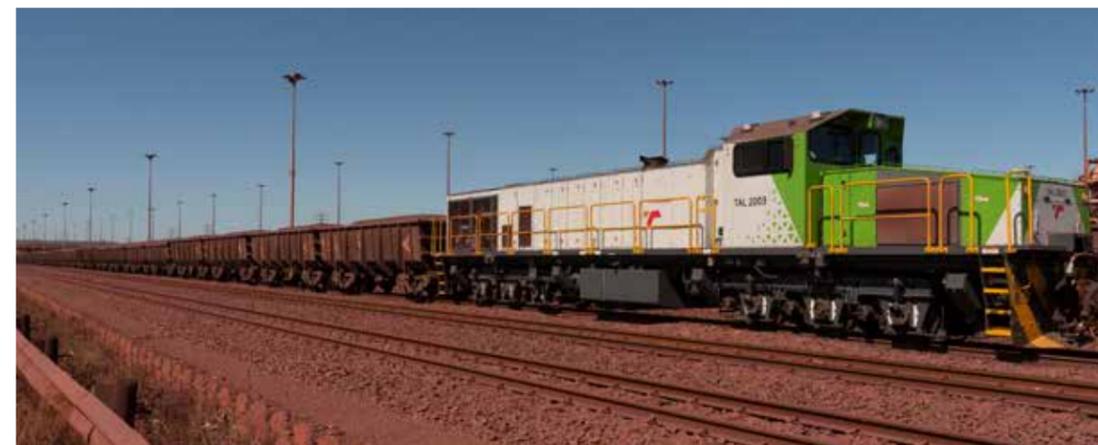
Source: Quantec research and Nell, A. & Visagie, J. Spatial Tax Panel 2014 – 2022 (dataset). Version 3. National Treasury Cities Support Programme and Human Sciences Research Council (producer and distributor), 2023

The Saldanha Bay municipal area is not only a seaside holiday destination well known for quaint fishing villages and water sports. It is also home to the Saldanha Bay IDZ. Such zones are geographical regions dedicated to the economic upliftment of specific industries. The Saldanha Bay IDZ is the first IDZ to include a port. All goods imported through the Saldanha Bay IDZ are duty free. This practice allows for accelerated import business growth, thanks to lower costs and higher revenues.

The Port of Saldanha is South Africa's deepest natural port and largest natural anchorage. The main priority of the port is the exportation of iron ore from mines located in the Northern Cape. This process is facilitated by the OREX railway, spanning approximately 900km, which connects the Sishen mine in the Northern Cape with the port. All of the zinc and lead exports from South Africa exit through the port, as well as 89.1 per cent of South Africa's iron ore exports. The top imports and exports of the Saldanha Bay municipal area do not pass through the Port of Saldanha, but rather through the Port of Cape Town. As such, local manufacturers are not benefiting from the convenience and aids provided by the free port.

The trade balance of the Saldanha Bay municipal area remained positive between 2018 and 2022, reaching a surplus of R2.8 billion in 2022. This was despite only 7.5 per cent of businesses being registered exporters in 2020 and an 82.3 per cent decline in the balance in 2020 (relative to 2019) as a result of pandemic restrictions. The manufacturing sector in the area – the fundamental determinant of municipal trade – has recovered substantially in recent years, which augurs well for the development of trade in this region.

Steel manufacturing is the primary driver of the manufacturing sector's success in the municipal area. Clad, plated and coated flat-rolled iron and steel to the value of R3.9 billion constituted the region's most significant export in 2022, followed by cold-rolled steel products with a value R107.1 million. Somewhat paradoxically, flat-rolled iron and steel products were also the leading imports of the Saldanha Bay municipal area in 2022. However, these goods, valued at R684.4 million, were not clad, plated or coated. Other top imports for the year included unwrought zinc (R542.0 million) and other flat-rolled alloy steel products (R100.7 million). This indicates that unprocessed iron, zinc and steel products are being imported to be processed for the domestic market or for re-export. Companies such as Duferco Steel Processing undertake such activities, including the pickling, galvanising and hardening of steel products. Historically, Saldanha Steel was a significant contributor to this industry. As indicated above, however, the Saldanha Steel facility was mothballed because of the economic downturn experienced in 2020. The facility is owned by ArcelorMittal, the largest steel producer in sub-Saharan Africa, which has plans to reopen it in the long term.¹⁰



¹⁰ (IOL, 2023).

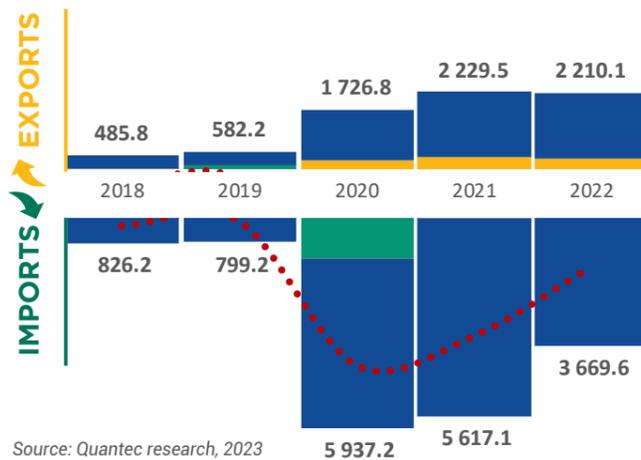
SWARTLAND TRADE PROFILE 2022



TRADE BALANCE

R MILLION

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



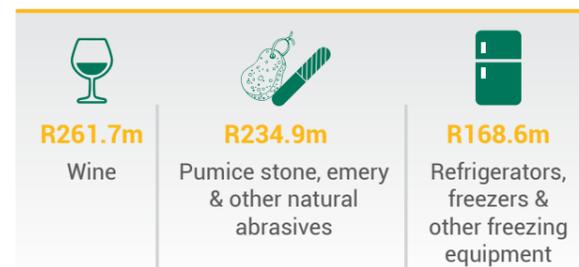
Source: Quantec research, 2023

ECONOMIC CONTRIBUTION



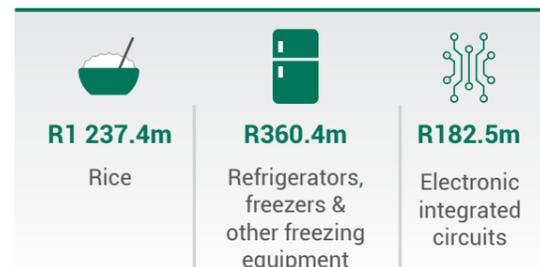
Source: Quantec research, 2023

TOP 3 EXPORTED PRODUCTS



Source: Quantec research, 2023

TOP 3 IMPORTED PRODUCTS



PERCENTAGE OF BUSINESSES REGISTERED AS EXPORTERS

REGISTERED EXPORTERS



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

The Swartland municipal area is characterised by quaint fishing and farming communities such as Yzerfontein, Grotto Bay, Darling and Riebeeck-Kasteel. However, the town of Malmesbury drives the region's economy, with a heavy focus on manufacturing and quarrying activities. In 2020, 9.4 per cent of businesses in this area were registered as exporters, the largest percentage of all municipal areas of the WCD. However, the region's trade balance has been in a deficit in recent years, with mining and quarrying the only sector to maintain a surplus between 2018 and 2022. The deficit is primarily driven by the importation of large quantities of rice. As previously noted, these imports are largely destined for Pioneer Foods, which sells the rice throughout South Africa. The deficit is thus not an indictment of Swartland's operational capacities. The COVID-19 pandemic and consequent trading restrictions resulted in a sizable decrease in the trade balance, which fell to a deficit of R4.2 billion in 2020. In tandem with post-pandemic recovery, the deficit had shrunk to R1.5 billion by 2022.

The top imports into the Swartland municipal area in 2022 were to a large extent determined by manufacturing activities in Malmesbury, principally agro-processing and food manufacturing, in which the town has a competitive advantage. Rice was the largest import (R1.2 billion), followed by refrigerators (R360.4 million) and electronic integrated circuits (R182.5 million). Large-scale refrigeration systems are a necessity for food manufacturing and agro-processing, while electronic integrated circuits find applications across various manufacturing processes. As factories increasingly embrace automation in pursuit of greater productivity, these circuits are pivotal in driving innovation and efficiency. The substantial import of rice, as indicated, is packaged for national distribution at the Pioneer Foods processing plant in Malmesbury.

The region's production capabilities are heavily dependent on the provision of electricity, underscoring the importance of a reliable electricity supply in the Swartland municipal area. The exports of the area are diverse, encompassing agricultural commodities and processed agricultural products, minerals and stones, and manufactured goods. The top export of 2022 was wine to the value of R261.7 million. Vineyards and wineries, including Meerhof Wines and Swartland Winery, are mainly located along the eastern boundary of the municipal area. Quarrying is carried out in Malmesbury, with companies such as AfriSam and Elsana Quarry operating in the town and its surrounds. These activities resulted in exports of stone and natural abrasives worth R234.9 million in 2022.



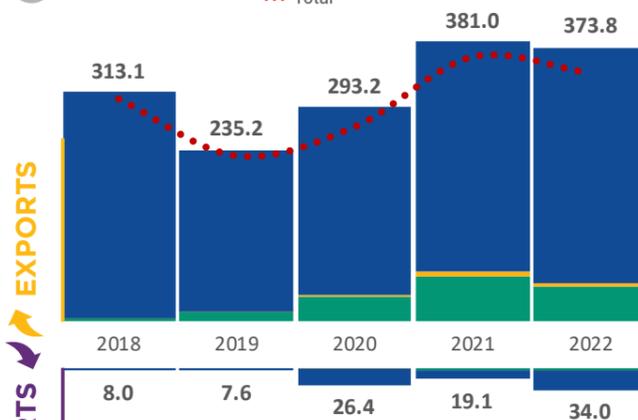
MATZIKAMA TRADE PROFILE 2022



TRADE BALANCE

R MILLION

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



Source: Quantec research, 2023

ECONOMIC CONTRIBUTION



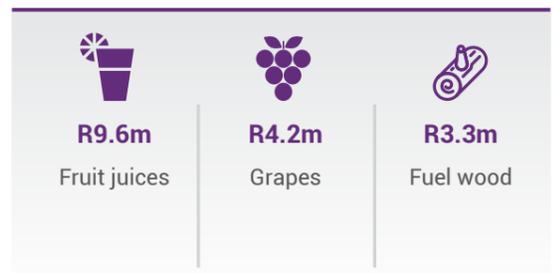
Source: Quantec research, 2023

TOP 3 EXPORTED PRODUCTS



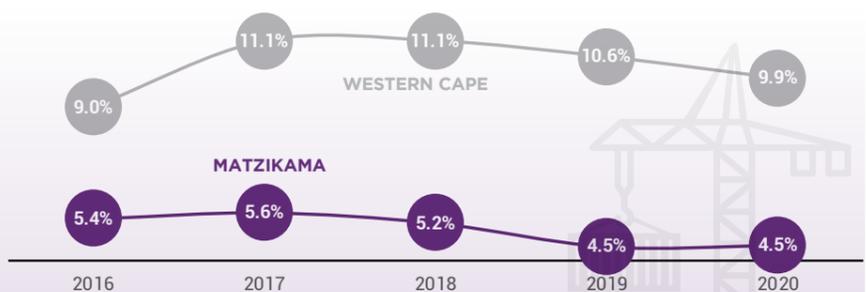
Source: Quantec research, 2023

TOP 3 IMPORTED PRODUCTS



PERCENTAGE OF BUSINESSES REGISTERED AS EXPORTERS

REGISTERED EXPORTERS



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

The Matzikama municipal area also boasts a wealth of trade opportunities, with the performance of the agriculture and manufacturing sectors paving the way for a robust positive trade balance in recent years. In 2022, Matzikama recorded a trade surplus of R339.8 million even though only 4.5 per cent of businesses in the municipal area were registered exporters in 2020.

Undaunted by low annual rainfall, this region of the West Coast maintains a significant agricultural sector thanks to the Olifants River Irrigation Scheme. This involves the use of 321km of canals extending from the Bulshoek and Clanwilliam dams to provide irrigation to towns, 680 farms and various industrial-processing companies. Initially constructed as hand-dug trenches, the canals date back to the middle of the 19th century and do not require any pumping mechanisms.¹¹ Over the years, they have provided the semi-arid region with irrigation sufficient for the production of wine and other beverages, with large-scale wineries such as Namaqua Wines and Lutzville Vineyards operating in the area. This production, in turn, contributes extensively to the municipal area's trade profile. Wine produced in the region was the top exported item in 2022, valued at R183.6 million.

The top imports into the Matzikama municipal area reflect the requirements of various manufacturing value chains. Fruit juice (R9.6 million) and grapes (R4.2 million) were among the leading imported commodities in 2022. These products are used by the prominent beverage-manufacturing industry in Vredendal, where companies such as Peninsula Beverages manufacture a variety of goods, including Cappy fruit juice and various flavoured waters. Such value-added products have become a mainstay of municipal exports. Still and flavoured water and other non-alcoholic beverages, valued at R56.9 million, were among the region's top exported products in 2022. Several agricultural equipment suppliers and distributors that cater for the needs of the farm sector are located in Vredendal. Companies such as Agrico and Afgri, which operate in the Matzikama municipal area, also contribute to the exportation of agricultural machinery used in soil preparation and cultivation. Exports of this machinery were valued at R21.1 million in 2022.



¹¹ (Namaqua West Coast Tourism, 2022).

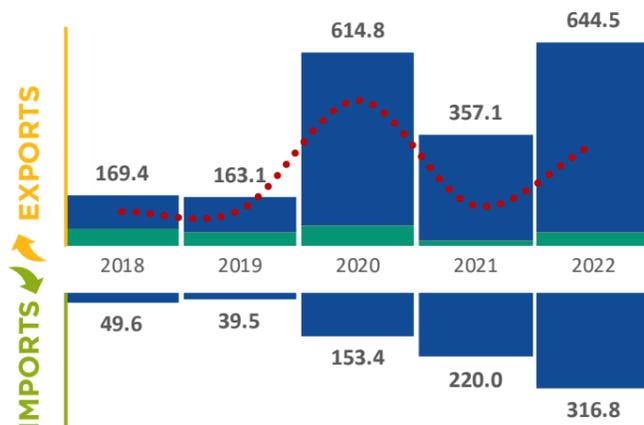
BERGRIVIER TRADE PROFILE 2022



TRADE BALANCE

R MILLION

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



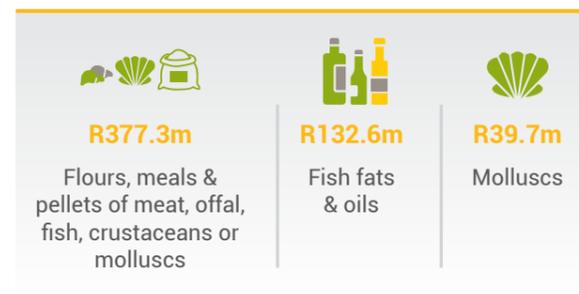
Source: Quantec research, 2023

ECONOMIC CONTRIBUTION



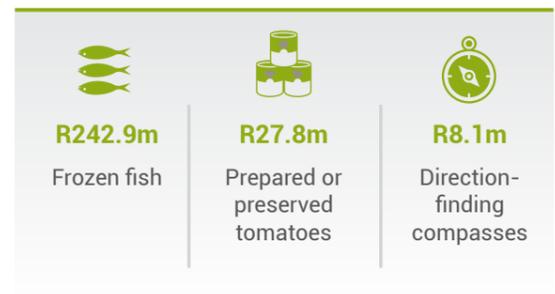
Source: Quantec research, 2023

TOP 3 EXPORTED PRODUCTS



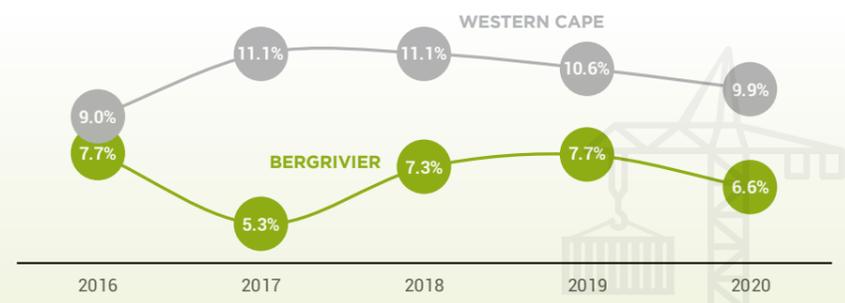
Source: Quantec research, 2023

TOP 3 IMPORTED PRODUCTS



PERCENTAGE OF BUSINESSES REGISTERED AS EXPORTERS

REGISTERED EXPORTERS



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

The Bergrivier municipal area has maintained a positive trade balance in recent years. This was primarily due to the performance of the agriculture and manufacturing sectors, which contributed 15.5 per cent and 84.2 per cent respectively to the 2022 trade surplus of R327.7 million.

The area is mostly defined by its fishing and fish-processing industries, with 6.6 per cent of businesses being registered exporters in 2020. Fishing enterprises in towns such as Velddrif and Laaiplek specialise in the fishing and processing of sardines, anchovies and redeye herring.

The small pelagic fish industry plays a central role in both the imports and exports of the area. Frozen fish (R242.9 million), prepared tomatoes (R27.8 million) and compasses (R8.1 million) were the top three imports in 2022. This points to fishing companies requiring navigational equipment for their vessels and canneries needing imported fish to maintain production in instances when local catch levels are insufficient for operations or when total allowable catch limits are too low. Prepared tomatoes are an essential ingredient in canned sardines, with companies such as Amawandle Pelagic (part of the Oceana Group) operating factories for fish processing along the coast.

The Oceana Group and its operations contributed significantly to the region's exports. Lucky Star operates a fishmeal and fish oil plant in Laaiplek, and these goods contributed R377.3 million and R132.6 million, respectively, to the Bergrivier municipal area's exports in 2022. International fishmeal and oil prices have been increasing in recent years, greatly benefiting local producers in the area.



The Pelagic Fishing Industry

South Africa's pelagic fishing industry, with sales of R5.5 billion in 2018, is vital to the local economy. While the industry is not confined to the WCD, most employment and production are concentrated in this District. Pelagic fishing generates more than R3.0 billion in catch value annually and employs about 5 800 individuals.¹² The industry also plays a crucial role in providing affordable food, primarily through pilchard production, benefiting lower-income communities and students. In addition, it produces fishmeal, oil, canned pilchards and long-line bait products.

The industry is at risk because of declining total allowable catch levels and the prospect of nearby fishing area closures (for example, around Dassen Island). Calls for closures are fuelled by concerns about overfishing and the adverse effect of this on penguin breeding colonies. If such measures are ultimately introduced, the trade balance of the Bergrivier municipal area will be significantly affected, as local production levels will shrink. Imports of frozen fish products will increase to sustain production, pushing up production costs and adversely affecting income and employment in the long run.



¹² (South African Pelagic Fishing Industry Association, 2018).

CEDERBERG TRADE PROFILE 2022



TRADE BALANCE

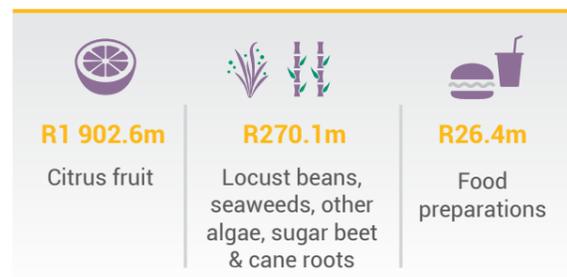
R MILLION



ECONOMIC CONTRIBUTION



TOP 3 EXPORTED PRODUCTS



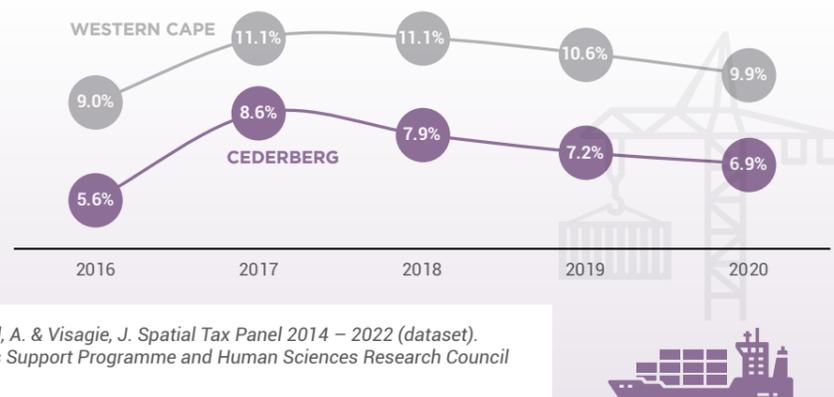
TOP 3 IMPORTED PRODUCTS



Source: Quantec research, 2023

PERCENTAGE OF BUSINESSES REGISTERED AS EXPORTERS

REGISTERED EXPORTERS



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

The Cederberg municipal area recorded a positive trade balance in 2022, with a surplus of R2.1 billion. Trade in agriculture, the primary driver of the positive balance, has grown steadily, and was instrumental in the trade balance increasing by 58.7 per cent between 2018 and 2022. The growth in the export value within the municipal area can be attributed to increased international prices and a weakening rand. However, the number of registered exporters decreased by 1.0 percentage point between 2018 and 2020.

Harvesting and threshing machinery valued at R47.8 million was the top import in 2022, underscoring the centrality of agriculture in this municipal area. Such machinery enables essential operations in the value chain of exported citrus fruit, which was valued at R1.9 billion in 2022. The Cederberg municipal area is well known for its high-quality citrus. The fruit is cultivated primarily in the surrounds of Citrusdal, where large producers, packers and exporters such as Mouton Citrus are situated. A variety of citrus are primarily exported to the United States, the Netherlands and the United Kingdom. Citrus exports from the Cederberg municipal area peaked in 2021, with a total export value of R2.3 billion. However, new regulations introduced by the European Union are expected to have a negative impact on exports in 2023. The regulations require South African farmers to apply extreme cold treatment to their harvest. This will have a negative impact on farmers' income, since complying with the additional requirements will cost the industry an estimated R500.0 million in 2023.¹³

Fruit is also processed into juices and dried snacks in the municipal area by companies such as Cape Fruit Processors in Citrusdal, and Cedarberg Aqua. Large manufacturers such as these often make use of fruit from farms within the Western Cape. However, fruit imports are sourced when the local harvest cannot meet production requirements. Fresh fruit therefore accounted for a large proportion of imports into the Cederberg municipal area in 2022 (R12.6 million).

¹³ (News24, 2023).

¹⁴ (South African Revenue Service, 2023).

¹⁵ (Carmién Tea, 2023).



Image: www.karoo-information.co.za

Carmién Tea

Thanks to its unique soil composition, the Cederberg municipal area has become the region where most of South Africa's rooibos tea cultivation takes place. Rooibos tea is a unique herbal tea derived from the fermented and dried leaves of the rooibos plant, which is a member of the fynbos family.

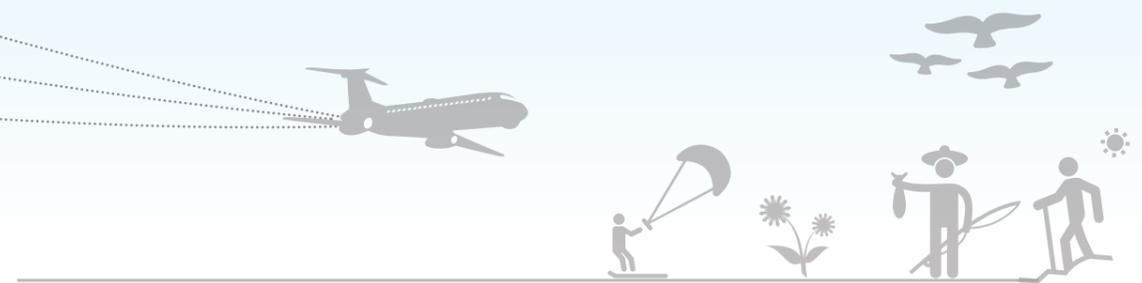
Rooibos tea is unique to the Cederberg municipal area and South Africa. In recent years, rooibos tea has been marketed internationally, with the Cederberg municipal area exporting tea worth R1.2 million in 2022. The tea is predominantly in demand in China, Namibia, Denmark and Vietnam, with new markets emerging in Germany, the United States and Israel. On average, approximately 14 000 tonnes of rooibos are produced in South Africa each year, with exports estimated at 6 000 tonnes annually in recent years.¹⁴

Carmién Tea was founded in 1998 on a small farm near Citrusdal. Today, the company offers a number of rooibos tea products with various flavours. The brand is also dedicated to community upliftment and is involved in multiple social programmes. These include Pebbles, which establishes early childhood development centres at partner farms and provides nutritional education to families, children and clinics. Carmién Tea also donates funds to other programmes, including Help Us Grow (HUG) and Ubuntu Citrusdal, primarily focusing on the social development of farming communities.¹⁵

While rooibos is an important component of the agriculture sector, its potential with regard to international markets has yet to be fully realised. This presents a significant opportunity for growth in the rooibos industry, and the Cederberg municipal area has a distinct advantage here, given that it has the only land suitable for rooibos cultivation.

5. TOURISM

WEST COAST DISTRICT



The popular West Coast National Park is within easy reach of Cape Town. Spring ushers in a burst of vibrant blooms, making the park a magnet for tourists. It encompasses various ecosystems, including salt marshes, sand dunes and Langebaan Lagoon. Birdwatching, water sports and other outdoor activities flourish. In 2022, the park had 166 199 visitors, 63.1 per cent of the visitor total recorded in 2019. During the 2022 flower season, the most visited attractions in Yzerfontein, Darling, Vredendal and Clanwilliam recorded 74 978 visitors. This seasonal phenomenon allows for events such as the Wildflower Show and Plant Fair in Darling, which resumed in 2022 after being put on hold because of the COVID-19 pandemic.



The WCD, with its offerings of marine adventures, fine wines and the unique scenery of the Knersvlakte, blends cultural heritage and natural wonders. Adventure enthusiasts can enjoy kitesurfing, kayaking, rock climbing, quad biking and 4x4 trails, with diverse landscapes as the backdrop to these activities. Despite this variety of attractions, most visitors to the WCD are only day visitors (61.5 per cent).

The West Coast is renowned for its seafood restaurants, which provide a valuable source of employment, especially in Langebaan and Paternoster. Here, accommodation services are also a key employer, accounting for 15.9 per cent and 20.6 per cent of formal employment in each town, respectively. Across the region, museums and historical sites delve into preserving maritime traditions and the local fishing heritage, and from August to November southern right whales and humpback whales can be seen along the coastline during their annual migration. Other notable attractions, including !Khwa ttu in Yzerfontein and the Old Jail in Vanrhynsdorp, also displayed impressive recoveries in 2022, with visitor numbers representing 94.7 per cent and 71.9 per cent of 2019 numbers, respectively.

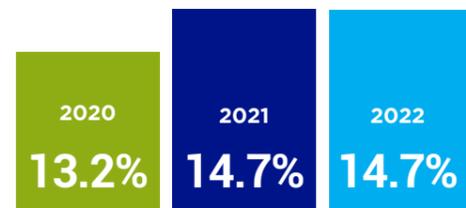
2021 TOP 5 TOURIST ACTIVITIES





With these recoveries, the share of tourism spending as a proportion of GDP has also improved, increasing from 13.2 per cent in 2020 to 14.7 per cent in 2022. Tourism is of great importance to the economy of the Saldanha Bay municipal area, with tourism spending accounting for 33.3 per cent of GDP in 2022. The seasonal nature of tourism, with heightened visitor volumes during the flower season and December holidays, shapes both the tourism industry and the economy.

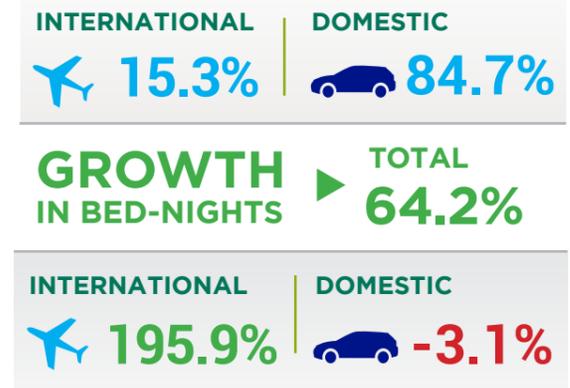
TOURISM SPEND AS A SHARE OF GDP



Source: S&P Global, 2023



2022 TRAVELLERS



Source: S&P Global, 2023

Tourism in the WCD relies primarily on domestic tourists, who made up 84.7 per cent of visitors in 2022. The Western Cape and Gauteng are the main source markets with regard to domestic tourists. The coastline, especially in Saldanha Bay, also attracts buyers of second homes. This contributes to the local finance sector, as property prices have shown robust growth in recent years, with high sales volumes in coastal towns. However, because of the deterioration in the South African economy, domestic travel has been constrained. High levels of inflation and rising fuel prices have eroded household purchasing power, leading to a 3.1 per cent decline in domestic bed-nights in 2022.



TOP 3 DOMESTIC TRAVELLERS



TOP 3 INTERNATIONAL TRAVELLERS



By contrast, the weakening of the rand against major currencies has increased international bed-nights by 195.9 per cent, albeit off a low base. International tourists hail primarily from the United Kingdom (22.8 per cent), Germany (14.5 per cent) and the Netherlands (10.8 per cent). The United Kingdom and the Netherlands are also two of the leading export destinations for WCD wines and citrus, highlighting how agri-tourism can be leveraged to boost exports.



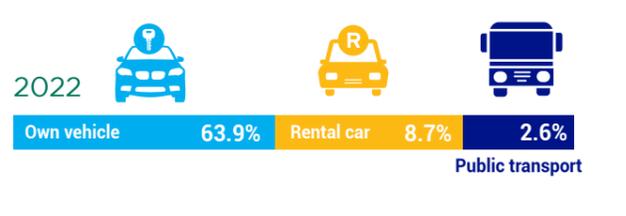
West Coast District Tourism

OVERNIGHT VS DAY VISITORS



The WCD makes for the perfect weekend getaway, with 39.9 per cent of tourists staying for two nights and 31.8 per cent staying for one night. In 2022, 23.7 per cent of visitors spent between R501 and R1 000 daily, while 1.6 per cent spent more than R2 000. Increasing the number of extended stays could elevate spending. In 2022, 30.8 per cent of tourists spent between R1 000 and R2 000 on accommodation, while 26.7 per cent spent between R501 and R1 000. Demographically, just under a third of visitors (29.8 per cent) were between the ages of 36 and 50, with 27.5 per cent aged 51 to 70. Tours during flower season have proved popular among older visitors.

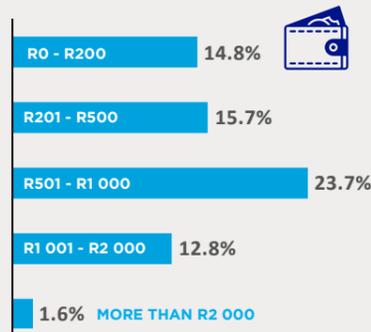
TOP 3 MODES OF TRANSPORT USED BY VISITORS



2022 AVERAGE LENGTH OF STAY BY VISITORS



2022 AVERAGE DAILY EXPENDITURE BY VISITORS



West Coast District Tourism

2022 TOP 3 MAIN PURPOSES OF VISIT

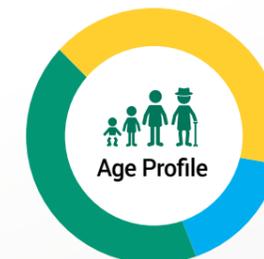


- 81.7% Leisure/holiday
- 3.4% Events/festivals
- 2.7% Business

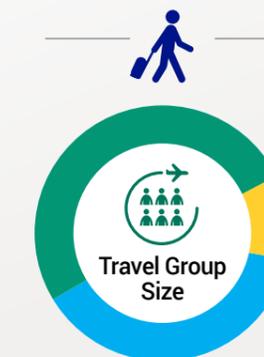
Currently, only 11.1 per cent of visitors to the District are aged 21 to 35. However, the variety of outdoor and water sports activities available in the WCD makes the region an ideal destination for this demographic, suggesting that young people may constitute a significant untapped market for the local tourist industry. Crafting experiences that resonate with the interests of 21- to 35-year-olds and strengthening the WCD's online presence could prove fruitful in this regard.



TOP 3 VISITOR PROFILES 2022



- 21-35 yrs 11.1%
- 36-50 yrs 29.8%
- 51-70 yrs 27.5%



- One person 27.4%
- Two people 35.7%
- Three people 7.4%

WEST COAST DISTRICT TOURISM TRENDS 2022

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



6. INVESTMENTS

Both public and private sector investments play a pivotal role in the economic growth of the WCD. Public sector investment catalyses private sector engagement, leading to the transformation of 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. These enterprises, drawn 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 R5.8 billion (15.3 per cent) to the District's GDP. As the private sector flourishes, job opportunities multiply, local economies diversify and incomes rise, ultimately uplifting the community. Thus, the synergy between public and private investments generates a virtuous growth cycle, driving sustainable development and economic empowerment.

6.1 Public sector investment

Along the shores of the WCD, strategic investment by Provincial and Local Government plays a significant role in maintaining an environment conducive to social development 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 benefit from new job opportunities. However, the true reward unfolds in the long run when the operational activities resulting from these investments stimulate growth across the District. Obstacles to public sector investment have become more prevalent, with challenges such as load-shedding, rising unemployment and poor economic growth negatively affecting the revenue-generating capabilities of Local Government. However, in the face of adversity, the resolve of the local municipalities remains unyielding, and investment in infrastructure remains a priority.



As the WCD is a naturally dry region, the challenges presented by ageing water supply infrastructure and load-shedding have significantly impacted the sustainable provision of water within the District. Matzikama, Cederberg and Bergrivier have been particularly hard-hit, as the economies of these municipal areas rely heavily on agriculture and agro-processing. To address these challenges, there is an urgent need for investment in water management infrastructure. Thus, R12.9 million has been allocated for such infrastructure in the Matzikama municipal area (24.9 per cent of the total municipal budget), R14.1 million (16.2 per cent of the budget) in Cederberg and R22.8 million (22.2 per cent of the budget) in Bergrivier.

The Saldanha Bay and Swartland municipalities have prioritised road transport and energy sources in their 2023/24 municipal infrastructure spending budgets. In the Saldanha Bay area, R52.5 million has been allocated to road infrastructure and R53.0 million to developing energy sources. For the Swartland municipal area, these allocations are R67.2 million and R53.7 million, respectively. In addition, the Matzikama and Swartland municipalities have allocated a significant portion of their respective budgets for this period to sports and recreation, R11.7 million in the case of Matzikama Municipality and R27.4 million by Swartland Municipality – where 59.2 per cent of the population is under 35. Moreover, the population of this area is growing rapidly: average annual growth between 2023 and 2027 is estimated at 2.1 per cent, and there is thus a need for improved sports and recreational facilities.

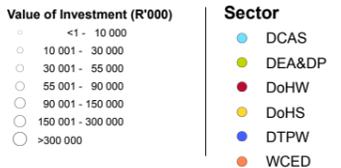
Table 6.1
BUDGETED CAPITAL EXPENDITURE West Coast District, 2023/24

DESCRIPTION R million	Matzikama	Cederberg	Bergrivier	Saldanha Bay	Swartland	West Coast
Municipal governance and administration	R0.0	R1.2	R8.5	R55.7	R8.4	R3.0
Executive and council	R0.0	R0.0	R0.0	R0.1	R0.7	R0.1
Finance and administration	R0.0	R1.2	R8.4	R55.6	R7.7	R2.9
Internal audit	R0.0	R0.0	R0.0	R0.1	R0.0	R0.0
Community and public safety	R11.7	R8.3	R12.7	R24.3	R32.5	R2.8
Community and social services	R0.0	R2.6	R2.4	R4.3	R1.3	R0.9
Sports and recreation	R11.7	R0.0	R5.7	R17.7	R27.4	R1.0
Public safety	R0.0	R0.0	R1.5	R1.8	R3.9	R0.8
Housing	R0.0	R5.7	R3.1	R0.6	R0.0	R0.0
Health	R0.0	R0.0	R0.0	R0.0	R0.0	R0.1
Economic and environmental services	R13.0	R5.8	R36.2	R53.0	R81.8	R28.7
Planning and development	R0.0	R4.9	R31.5	R0.3	R14.6	R28.7
Road transport	R13.0	R0.9	R4.8	R52.5	R67.2	R0.0
Environmental protection	R0.0	R0.0	R0.0	R0.2	R0.0	R0.0
Trading services	R26.9	R71.7	R45.0	R179.1	R86.2	R4.0
Energy sources	R7.8	R40.0	R6.7	R53.0	R53.7	R0.0
Water management	R12.9	R14.1	R22.8	R36.1	R14.6	R4.0
Wastewater management	R1.6	R12.6	R13.9	R83.9	R13.9	R0.0
Waste management	R4.6	R5.0	R1.6	R6.1	R4.0	R0.0
Other	R0.0	R0.0	R0.0	R0.2	R0.0	R0.0
Total infrastructure spend	R51.6	R87.0	R102.4	R312.3	R209.1	R38.5
Infrastructure spend as a percentage of GDP	0.9%	1.9%	1.9%	2.5%	2.1%	0.1%

Source: Western Cape Provincial Treasury, 2023

In the 2023/24 to 2025/26 Medium Term Expenditure Framework (MTEF), the WCD is allocated a total Provincial infrastructure investment of R2.3 billion.

This amounts to 6.9 per cent of the overall Provincial infrastructure budget for this period. The Western Cape Government will invest R317.9 million in roads and public transport under the 2023/24 allocation – the largest public sector investment for this period. A total of 19 transport infrastructure projects are budgeted for in the 2023/24 MTEF budget period, most notably the rehabilitation and renovation of the Carinus Bridge in Velddrif. This bridge is of paramount importance to the region, as it offers passage over the Berg River for vehicles travelling southwards via the R27 from the towns of Velddrif and Laaiplek towards Saldanha Bay and the Cape Metro. It therefore enables the transportation of goods from Velddrif (and areas north of the town) to the ports of Cape Town and Saldanha, and also enables tourists to travel into the Bergrivier municipal area.



Map 6.1
TOTAL DEPARTMENTAL MTEF INFRASTRUCTURE BUDGET AND NUMBER OF PROJECTS, West Coast District, 2023 – 2026

Maps supplied by DEA&DP. Spatial Information Management

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)	10	193 000	177 000	159 000	529 000
● Health and Wellness (DoHW)	28	10 493	19 455	26 592	56 540
● Infrastructure (Human Settlements; DoHS)	42	156 554	179 388	443 176	779 118
● Infrastructure (Transport and Public Works; DTPW)	19	318 215	234 185	330 045	882 445
● Environmental Affairs and Development Planning (DEA&DP)	1	3 500	0	0	3 500
Total	100	681 762	610 028	958 813	2 250 603

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.

Housing infrastructure expenditure will be allocated to address housing challenges and promote equitable urban development in critical areas within the region. A total of 42 housing projects are planned for the 2023/26 MTEF budget period, with a specific focus on the Saldanha Bay and Swartland municipal areas. These two regions accounted for 60.9 per cent of the WCD's population in 2022 and recorded the highest population growth in the District, estimated to be an average of 2.0 per cent in the Saldanha Bay municipal area and 2.1 per cent in the Swartland municipal area between 2023 and 2027. Moreover, the shack count rose in both municipal areas between 2010 and 2019, increasing by 2 551 in Saldanha Bay and by 518 in the Swartland municipal area. This indicates a need for housing expenditure in the two regions.¹⁶ The De Hoop settlement in Malmesbury, which is part of the Integrated Residential Development Programme (IRDP), will undergo phases one and two of development between 2023 and 2026 at a total cost of R93.8 million. In addition, a R91.5 million investment is planned for low-cost housing in Moorreesburg – a community just north of Malmesbury along the N7 roadway. The town of Darling is also expected to receive low-cost housing sites, for which R42.3 million has been allocated in the budget period.

In the Saldanha Bay municipal area, the focus is primarily on settlements outside Vredenburg and St Helena Bay, namely Louville and Laingville. A R55.1 million investment involving land acquisition for low-cost housing is planned for Louville, while Laingville will see phase one development of several sites. Housing expenditure is pivotal in giving low-income workers access to proximal employment opportunities. It also facilitates consumer expenditure in the economic hubs of the region, thereby supporting local economies.

The WCD has a young population, with 33.0 per cent of the District's residents under 20 years of age in 2022. Learner enrolments increased by 2.0 per cent between 2021 and 2022 alone, making the funding of education one of the District's main priorities. Allocations for education infrastructure in the WCD will, in 2023/24, be focused on providing schools throughout the District with new infrastructure assets. Such investments will include additions to Malmesbury High School (R100.0 million), Nieuwoudt Primary School (R69.0 million) and Hopefield Primary School (R66.0 million). Given the region's focus on agriculture, agro-processing and manufacturing, most employment opportunities are for semi-skilled and skilled labourers. This highlights the importance of the R90.0 million investment planned for the Saldanha Bay Technical School. Over the long term, the provision of additional education infrastructure and services such as new schools, classes and scheduled maintenance needs to be considered if access to education is to keep up with growing demand and if educational outcomes are to be improved. 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. Radie Kotze Hospital in Piketberg will undergo upgrades at a cost R12.9 million to improve the hospital's layout, which will increase capacity and efficiency. Diazville Clinic in Saldanha Bay burnt down in 2018 following community protests and has been permanently closed since the incident. However, the Saldanha Bay municipal area is experiencing rapid population growth, with the average annual growth rate between 2023 and 2027 estimated at 2.0 per cent. Adequate healthcare infrastructure is therefore critical and plans to replace Diazville Clinic have been made. A total investment of R6.6 million is planned for this project (to be spent between 2023 and 2026).

¹⁶ (Western Cape Government, 2020).

Infrastructure Development Score, West Coast District, 2022



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

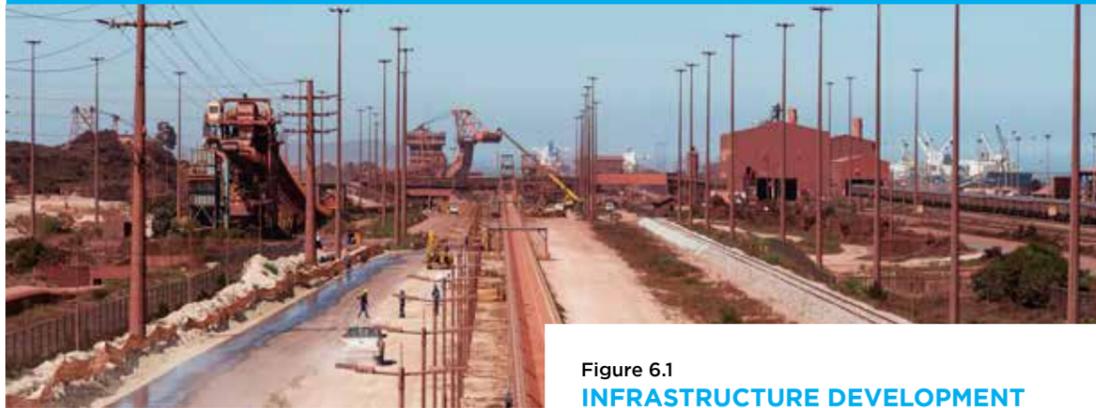
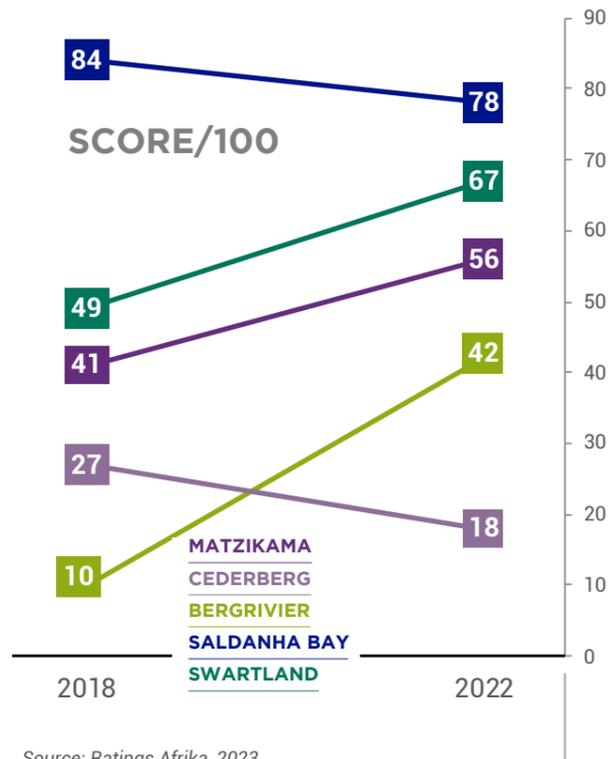


Figure 6.1
INFRASTRUCTURE DEVELOPMENT SCORE, West Coast District, 2022

In the WCD, most municipal areas improved their infrastructure development score between 2018 and 2022. The exceptions were the Saldanha Bay and Cederberg municipal areas. Saldanha Bay scored 84 in 2018, the highest score of all municipal areas. It remained the highest-scoring area in 2022 despite its total having dropped to 78. The Cederberg municipal area, which scored only 27 in 2018, fared even worse in 2022, earning a score of 18. The Matzikama and Swartland municipal areas increased their scores by 15 and 18 points respectively over this period, while the Bergrivier municipal area progressed from a score of only 10 in 2018 to a total of 42 in 2022. Given the region's rapid growth in employment, infrastructure development needs to remain a priority across all municipal areas. This will help maintain service delivery and overall socio-economic proficiency in the future.



Source: Ratings Afrika, 2023



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



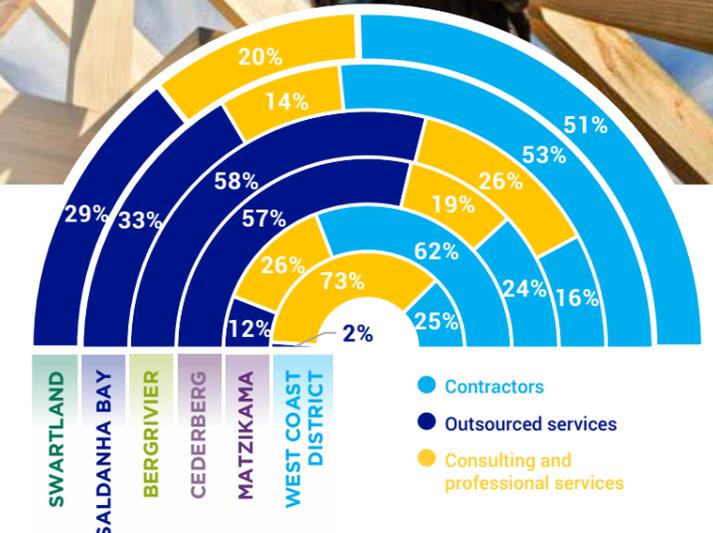
6.2 Public sector procurement

Public sector procurement processes in the WCD can facilitate the development of local small, medium and micro enterprises (SMMEs). Procuring goods and services from SMMEs and other designated groups advances bottom-up local economic development and creates a competitive local market. While public sector procurement can stimulate business activity, the National Treasury recommends that it be between 2.0 and 5.0 per cent of total expenditure. The contracted spending by the municipalities in the WCD is below this recommendation.

Preferential procurement policies¹⁷ 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, West Coast District, 2022/23

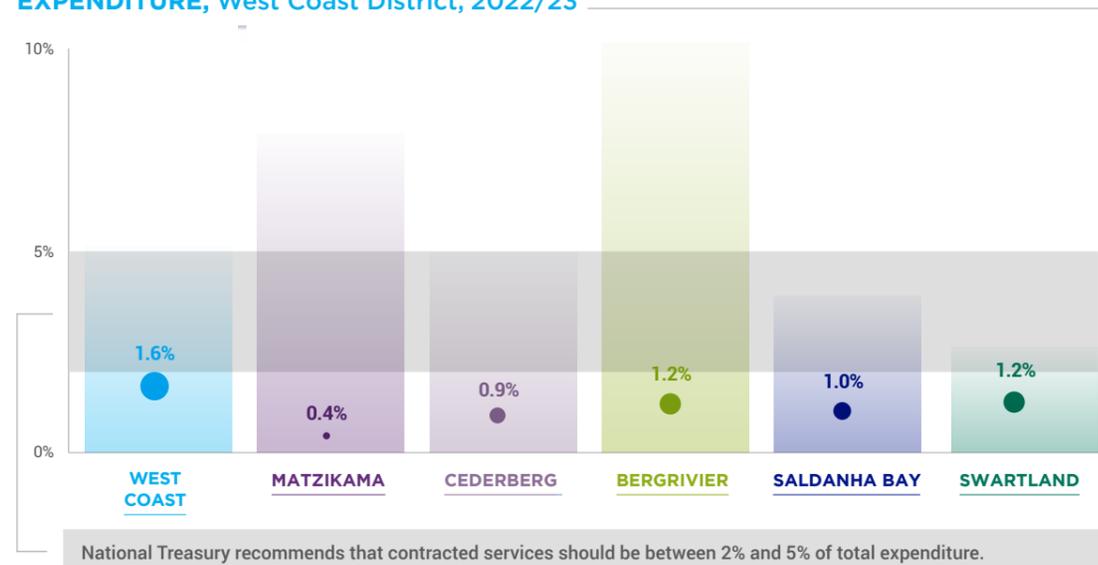


Source: Calculated from National Treasury, 2023

¹⁷ Data on business ownership by blacks, black women and other designated groups was split to avoid overstating expenditure on B-BBEE procurement, given that a supplier can be both black-owned and youth-owned.

A considerable share of the expenditure on contractor services by the Matzikama, Saldanha Bay and Swartland municipalities in the 2022/23 period (62.0 per cent, 53.0 per cent and 51.0 per cent of contracted spending, respectively) relates to infrastructure initiatives, notably road network improvements and water system upgrades. Outsourced services by the Cederberg and Bergrivier municipalities account for the highest proportion of contracted service expenditure in these regions (57.0 per cent and 58.0 per cent of total contracted services expenditure, respectively). A high percentage of spending on outsourced services indicates a lack of adequate internal service delivery systems.

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

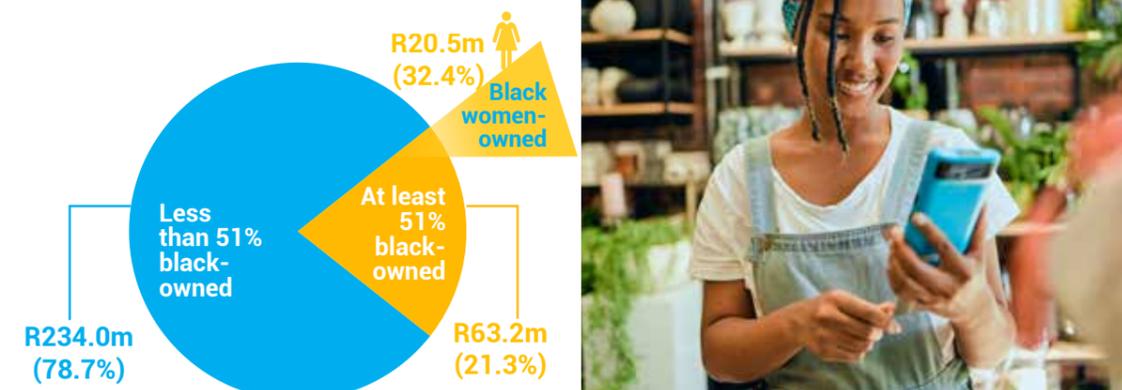


Source: Western Cape Provincial Treasury, 2023



6.3 Public sector spending on designated groups¹⁸

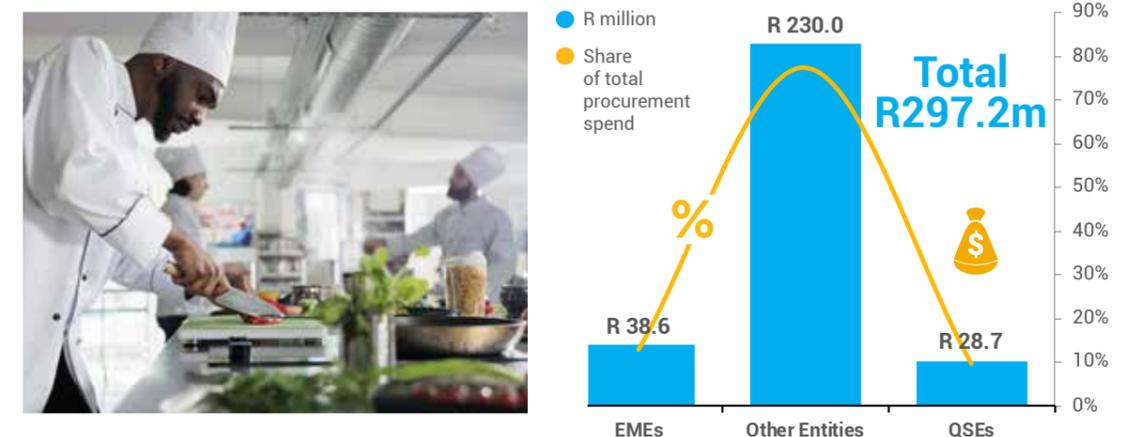
Figure 6.4
EXPENDITURE ON REGISTERED BLACK-OWNED COMPANIES, West Coast District, 2022/23



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

In the WCD, a noteworthy investment of R63.2 million was directed towards predominantly black-owned companies in 2022/23, with a significant portion of this amount (R20.5 million or 32.4 per cent) spent on majority black women-owned companies. Given the historical social exclusion of women, particularly black women, this shows that the Provincial government is committed to reducing the marginalisation created by past inequalities.

Figure 6.5
EXPENDITURE ON REGISTERED SMMEs, West Coast District, 2022/23



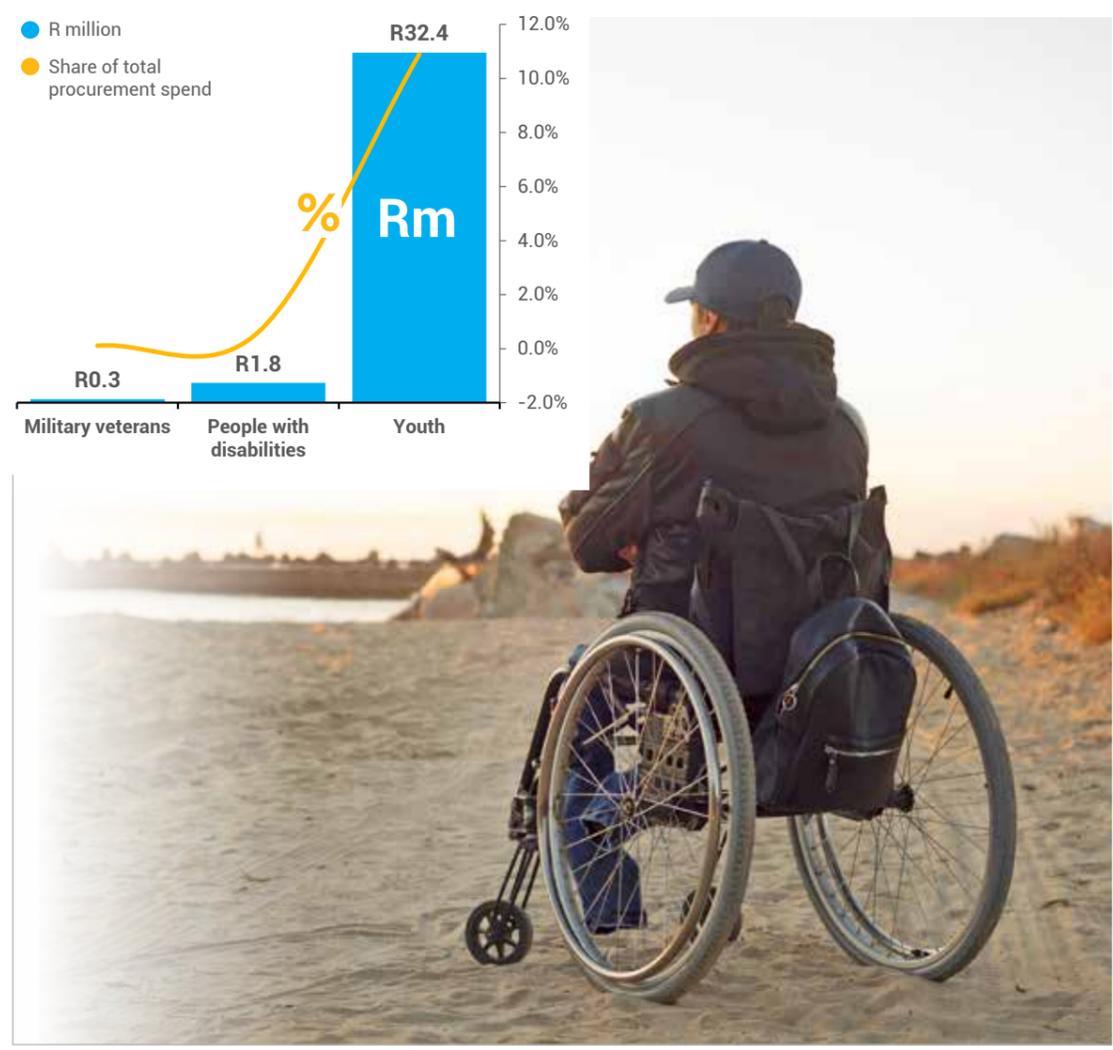
Source: The Provincial Infrastructure Reporting Model (IRM), Western Cape Provincial Treasury, 2023

In 2022/23, R38.6 million (13.0 per cent of the total spend on SMMEs) was spent on exempted micro enterprises (EMEs). Procurement from EMEs mainly concerns property services such as contracted maintenance, gardening and cleaning. Services procured from qualifying small enterprises (QSEs) relate to scholar transport in Goedverwacht. As many students in the WCD live in remote areas, transport is central to ensuring school attendance. Interestingly, most procurement funds (77.4 per cent of total expenditure) were spent on entities other than SMMEs in this period. This can be

¹⁸ 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).

attributed to a lack of suitably qualified and capacitated SMMEs in the region or to local SMMEs not being registered on the supplier database. In such instances, the required services would have to be procured from larger enterprises or SMMEs in other districts.

Figure 6.6
PAYMENTS TO DESIGNATED SUPPLIERS, West Coast District, 2022/23



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

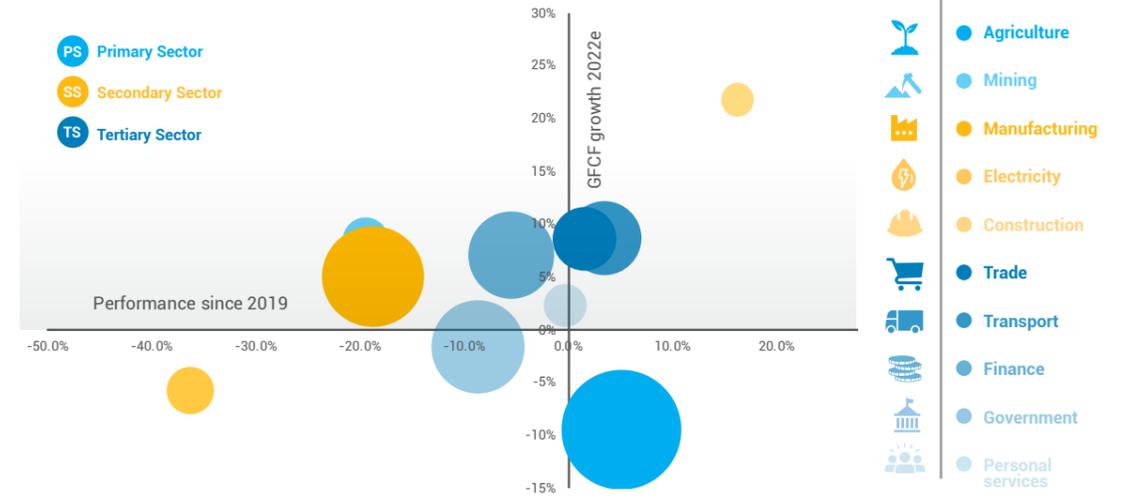
Spending on military veterans and people with disabilities in the WCD made up only 0.1 per cent of procurement. Conversely, procurement from youth-owned¹⁹ enterprises accounted for 10.9 per cent of total procurement, totalling R32.4 million. Given the high youth unemployment rate in the District, procuring goods from youth-owned enterprises and encouraging companies owned by the youth to register on the Western Cape Supplier Evidence Bank (WCSEB) is of paramount importance.

¹⁹ According to the National Youth Policy (2020), young people are defined as those between the ages of 14 and 35 (Department of Women, Youth and Persons with Disabilities, 2020).

6.4 Private sector investment

The expansive, remote coastline of the WCD and the diversity and richness of agricultural resources and processing facilities in the District attract substantial private sector investment. Investments have also been made in housing developments, renovations, industrial space, office space and shopping space, showing that the WCD is a pleasant area in which to work and live.

Figure 6.7
GROSS FIXED CAPITAL FORMATION, West Coast District



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

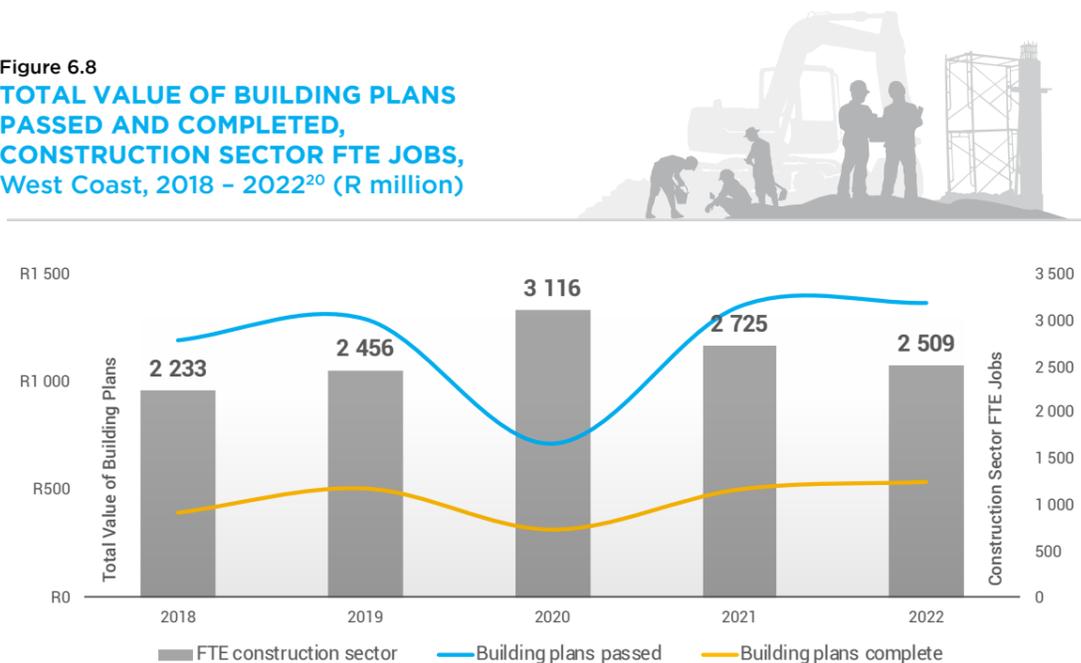
	R million 2021	Percentage contribution	Performance since 2019	GFCF growth 2022e
PS Primary Sector	R1 653.1	28.4%	2.1%	-8.2%
Agriculture, forestry & fishing	R1 437.8	24.7%	5.1%	-9.5%
Mining & quarrying	R215.3	3.7%	-19.5%	8.4%
SS Secondary Sector	R1 384.2	23.8%	-19.0%	4.7%
Manufacturing	R1 043.4	17.9%	-18.7%	5.0%
Electricity, gas & water	R226.4	3.9%	-36.3%	-5.8%
Construction	R114.3	2.0%	16.3%	21.8%
TS Tertiary Sector	R2 780.7	47.8%	-4.0%	4.7%
Wholesale & retail trade, catering & accommodation	R417.9	7.2%	1.6%	8.6%
Transport, storage & communication	R555.4	9.5%	3.5%	8.6%
Finance, insurance, real estate & business services	R755.6	13.0%	-5.5%	7.1%
General government	R866.4	14.9%	-8.6%	-1.6%
Community, social & personal services	R185.4	3.2%	-0.3%	2.3%
Total West Coast District	R5 817.9	100.0%	-7.3%	1.2%

Source: Quantec research, 2023 (e denotes estimate)

In 2021, gross fixed capital formation (GFCF) increased by a modest 0.2 per cent, reaching a total value of R5.8 billion. This growth was primarily driven by investments in the transport and finance sectors, which played a pivotal role in bolstering economic activity. It is estimated that the transport sector witnessed an 8.6 per cent increase in GFCF in 2022, in large measure because of investments in building and construction works and machinery. Following closely on the heels of this sector is the finance sector, with an estimated 7.1 per cent increase in 2022. Furthermore, the small mining and quarrying sector registered an estimated 8.4 per cent increase in GFCF in the same period.

Despite these positive developments, it is essential to note that few sectors have, as yet, regained pre-pandemic levels of GFCF. The secondary sector, for instance, is 19.0 per cent below its 2019 position. Nevertheless, there is a glimmer of hope, as GFCF in the construction sector increased by 16.3 per cent between 2020 and 2022. The investment growth is aligned with the increase recorded in the value of building plans passed and completed over the same period. However, despite this improvement, formal employment in the construction sector has declined substantially since 2020, as the real value of output over this period has also declined as a result of high input prices. On a more positive note, informal employment has increased over this period, indicating increased spend on smaller projects such as repairs and maintenance.

Figure 6.8
TOTAL VALUE OF BUILDING PLANS PASSED AND COMPLETED, CONSTRUCTION SECTOR FTE JOBS, West Coast, 2018 – 2022²⁰ (R million)



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

In recent years, the Saldanha Bay and Swartland municipal areas have experienced a notable surge in residential construction investment. Between 2018 and 2022, construction plans worth R2.0 billion and R1.8 billion were passed in the Saldanha Bay and Swartland municipal areas, with completed plans totalling R1.4 billion and R639.1 million, respectively. The WCD's appeal as a destination for retirees and families seeking a suburban lifestyle away from the city has played a significant part in driving this demand, with Ocean Villas in Yzerfontein and the Darling Green Country Estate in Darling among the popular residential developments in the Swartland municipal area.²¹ De Zwartland Werf in Malmesbury, a mixed-use development, will offer 37 000m² of retail space, residential apartments and a private hospital. The shopping space is set to open in late 2023.

²⁰ Stats SA published building plans passed and completed for selected municipalities across South Africa. For the WCD, only statistics for the Swartland and Saldanha Bay municipalities are presented.
²¹ (Swartland Municipality, 2023).

In the Matzikama municipal area, building plans to the value of R75.3 million were passed in 2022, a substantial increase from plans passed in 2021 (R54.2 million), which shows a renewed interest in residential development in the municipal area. The Bordeaux Lifestyle Village is one such development. This sold-out 141-unit development was launched in 2022, and construction is under way. Industrial property also saw a substantial increase – from R17.8 million in 2021 to R35.6 million in 2022.²² Such investment is likely to translate into job creation in the local economy, not only during the construction phase but also during the operational phase.

Bergrivier Municipality has also recorded an increase in the value of building plans passed since 2020, with passed residential building plans increasing from R1.2 million to R2.2 million over this period.²³ Most residential building activity occurs in Velddrif and Dwarskersbos, which are popular holiday towns. Once these building activities occur, they will be a welcome boost to the local construction sector. Building construction, repair and renovation are strong indicators 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 an immediate positive impact and ripple effects that extend beyond the initial gains. 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, further boosting the local economy.



²² (Matzikama Municipality, 2023).
²³ (Bergrivier Municipality, 2023).

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



Source: Stats SA, 2023

The value of building plans passed²⁴ can be a leading indicator of development investment, while building plans completed can be a lagging indicator. This means that the value of building plans passed can give an indication of future construction investment into the WCD, while the value of building plans completed provides a snapshot of the current level of construction investment in the District.

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

Figure 6.10
VALUE OF BUILDING PLANS PASSED AND COMPLETED, Saldanha Bay, 2018 – 2022
 (R million)



Source: Stats SA, 2023

²⁴ Number of residential building plans passed for buildings larger than 80m².

7. CONCLUDING REMARKS

The WCD is a region of remarkable diversity and economic vitality, one with strength in agrarian and agro-processing activities and broad appeal as a destination for residents and tourists. The WCD's economic landscape encompasses a variety of fishing activities, bountiful citrus farms, vineyards and wheatfields, reflecting its rich agrarian heritage.

The District's economy, valued at R38.0 billion in 2021, accounted for 5.0 per cent of Provincial GDP in that year. Key economic hubs such as Malmesbury, Vredenburg, Vredendal and Langebaan serve as centres of commerce and administration, and support vital agricultural and tourism activities. Agriculture, forestry and fishing activities are the lifeblood of the WCD, contributing significantly to GDP and employment. These activities include citrus fruit production, grape cultivation, mixed farming and fishing, which collectively provide jobs and livelihoods to thousands of residents. Public administration also plays a significant role in formal employment within the District.

Despite challenges related to load-shedding and rising input costs, the WCD's economy has demonstrated resilience, recording a relatively modest contraction in 2020 and a robust recovery in 2021. Informal and formal employment grew in 2022, marking a positive trend in the labour market. The WCD's municipal areas, particularly Saldanha Bay and Swartland, contributed substantially to GDP growth in 2022,



notably through marine fishing and the manufacture of meat and dairy products. The District's robust manufacturing sector, centred on agro-processing, is a testament to its economic diversity. The trade profile of the WCD is diverse, and the region has had a positive trade balance in recent years. Key exports include iron and steel products, citrus fruit and fish-processing by-products. The variety of goods is a key element in the District's capacity to withstand external market volatility.

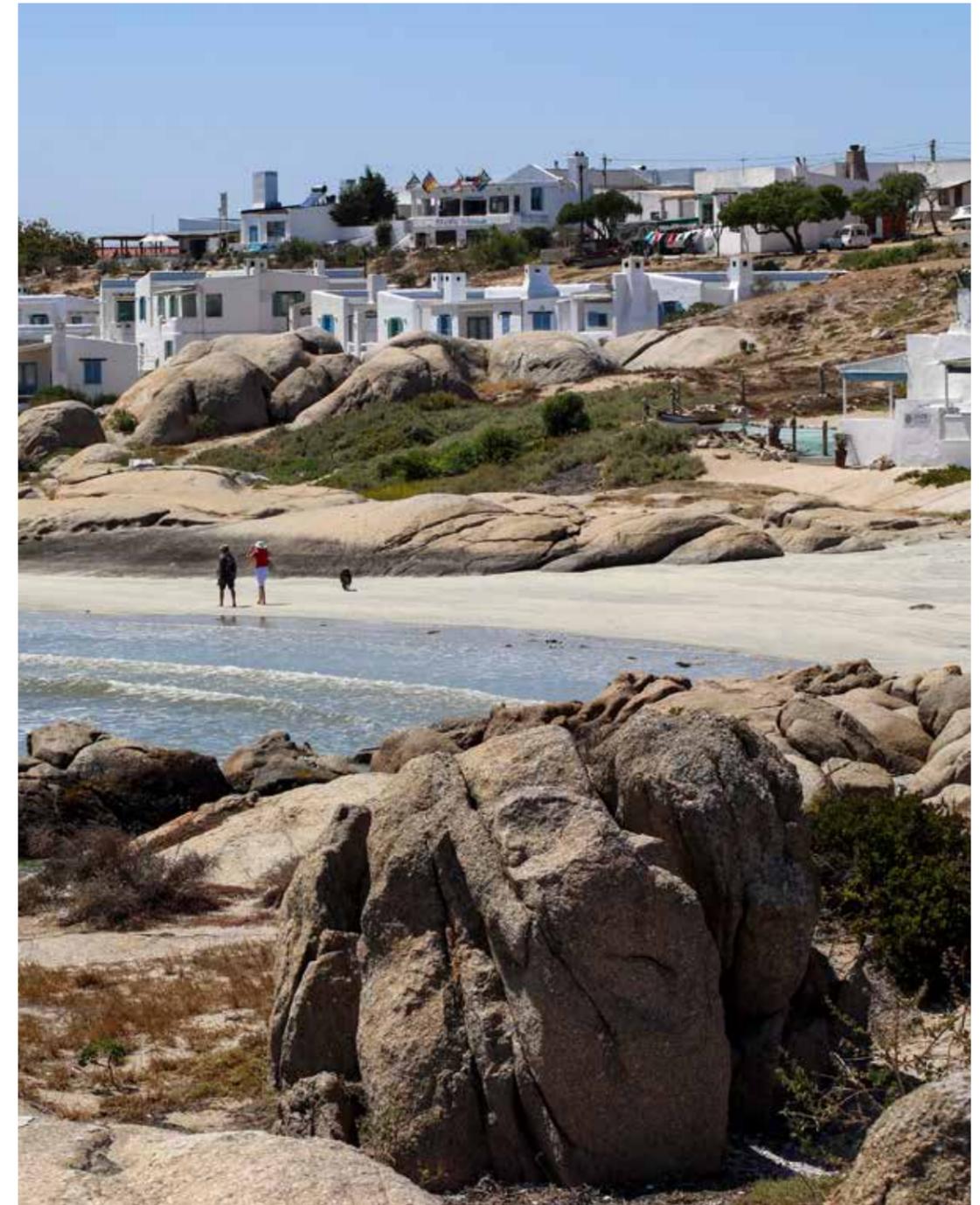
Tourism also plays a significant role in the WCD, with the natural beauty, outdoor activities and cultural attractions of the District drawing visitors. While most are day visitors, the West Coast National Park, spring wildflowers and coastal towns such as Langebaan and Paternoster continue to attract tourists who are willing to remain in the WCD for a longer period. Tourism spending as a proportion of GDP has been rising, benefiting the local economy.

Looking ahead, the WCD faces energy supply, fuel cost and agricultural production challenges, all of which may impact GDP growth. However, a rebound is anticipated for 2024, the expectation being that it will be driven by the agriculture and construction sectors, along with strategic infrastructure and industrial development investments.

The WCD is a region of resilience, economic diversity and natural beauty. While challenges persist, strategic investments and a commitment to sustainable growth indicate a promising future for the District. It continues to be a place where nature, culture and economic prosperity intersect, making it a unique and thriving part of the Western Cape.



To promote economic growth and job creation in the District, it is essential to diversify agricultural activities while investing in workforce skills to match sectoral needs. Continued infrastructure investment is necessary to address energy and water supply challenges, enabling the region to foster a stable business environment. Tourism development should focus on extending visitor stays, and support for SMMEs is key, especially in tourism, agro-processing and manufacturing. Expanding trade relationships and public-private partnerships will further enhance the local economy. The District should align economic growth with sustainability practices, develop a long-term resilience plan and monitor economic trends for adaptive policy-making, ultimately building a diversified, resilient and economically prosperous future.



SECTION C

SAFETY AND WELLBEING



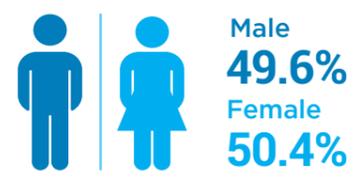
1. INTRODUCTION

This section explores the social trends and indicators that shape the WCD. By examining population dynamics, housing demand, essential services, household stability, healthcare, education and crime indicators, valuable insights into the lives of residents and the local economy can be gained. Population dynamics provide glimpses of the demographic landscape of the WCD, offering a profound understanding of the social fabric and the implications of demographic trends for economic development, labour markets and resource allocation.

Access to basic services such as water, electricity, sanitation and waste removal is central to community wellbeing and progress. Healthcare, educational outcomes and crime indicators are examined to grasp the WCD's broader social and economic landscape. These pillars, encompassing health, education and safety, reflect wellbeing, future generations' potential and the community's challenges.

2022 WEST COAST DEMOGRAPHICS

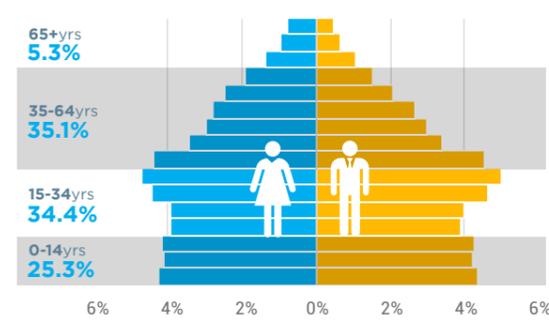
POPULATION 497 394



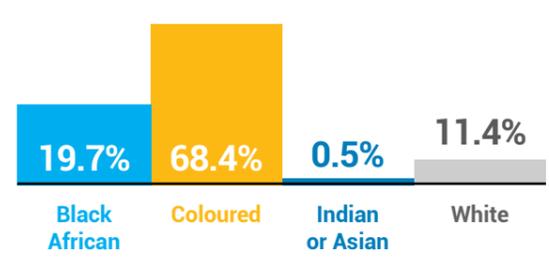
AGE SPLIT



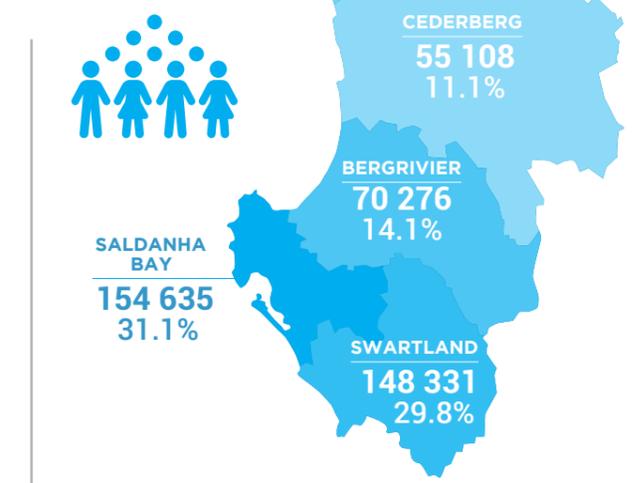
GENDER AND AGE DYNAMICS



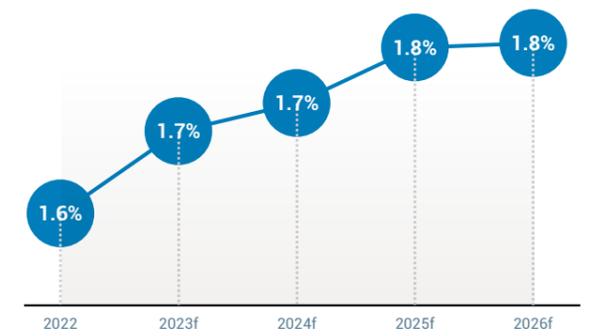
RACIAL SPLIT



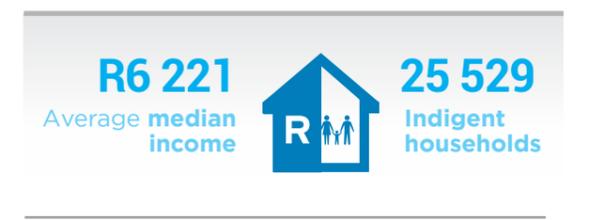
POPULATION PER MUNICIPALITY



Estimated POPULATION GROWTH



Number of HOUSEHOLDS 127 739



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

The WCD boasts a diverse population across both urban and rural areas. The District population, estimated at 497 394 in 2022, is largely concentrated in urban hubs such as Saldanha, Vredenburg, Langebaan and Malmesbury – principally because of the economic and educational opportunities that these towns offer.

By contrast, vast rural regions feature fishing, farming communities and agricultural lands. Households range from single-family homes to communal living arrangements. They often reflect income disparities, with urban areas housing wealthier households. Household growth is expected to average 2.5 per cent annually over the medium term. The District’s agricultural focus is reflected in households being engaged in farming. Tourist destinations such as Langebaan and Saldanha have a significant number of holiday homes and short-term rentals.

The population of the WCD is expected to grow by an average of 1.7 per cent per annum, increasing from the current estimated population of 497 384 to 514 622 by 2027. Most population growth is likely to occur in the Swartland municipal area. In 2022, the population comprised 68.4 per cent coloureds, 19.7 per cent black Africans, 11.4 per cent whites and 0.5 per cent residents of Asian descent.

The economic performance of the WCD is boosted by the District having a large cohort of working-age residents. People between the ages of 35 and 64 make up 35.1 per cent of the population, while the youth account for 34.4 per cent of residents. The WCD also has a large child population (25.3 per cent), pointing to a high child dependency and the need for schools and other services geared towards children. It also indicates a substantial future demand for tertiary education and job opportunities.

A country experiencing a simultaneous increase in its youth population and a decrease in fertility rates has the opportunity to benefit from a “demographic dividend”. This refers to an increase in economic productivity resulting from a growing workforce in comparison to the number of dependants.²⁵ With overall population growth, a higher ratio of working-age persons means a bigger labour force for production. A lower dependency ratio means less diversion of resources and time from productive work to care for the young and elderly. If this scenario occurs, the increased growth that results constitutes a demographic dividend.²⁶



²⁵ (UNFPA, 2020).
²⁶ (Stats SA, 2017).

The Saldanha Bay municipal area has the second-highest estimated average annual population growth in the District (2.0 per cent). In addition, it is anticipated to see the most significant increase in households between 2023 and 2027, averaging an annual growth rate of 3.4 per cent in this regard. This household surge will increase demand for housing, municipal services and various social amenities. The rise of remote work has enabled households to move from larger economic centres to smaller towns. It is worth noting that the average household size in this area is relatively small – 3.2 individuals per household. A significant portion of the population, 69.5 per cent, falls within the economically active age group (that is, persons aged 15 to 64 years). This suggests that individuals or small families are relocating to the area looking for work, given that the Saldanha Bay municipal area has the largest economy in the WCD.

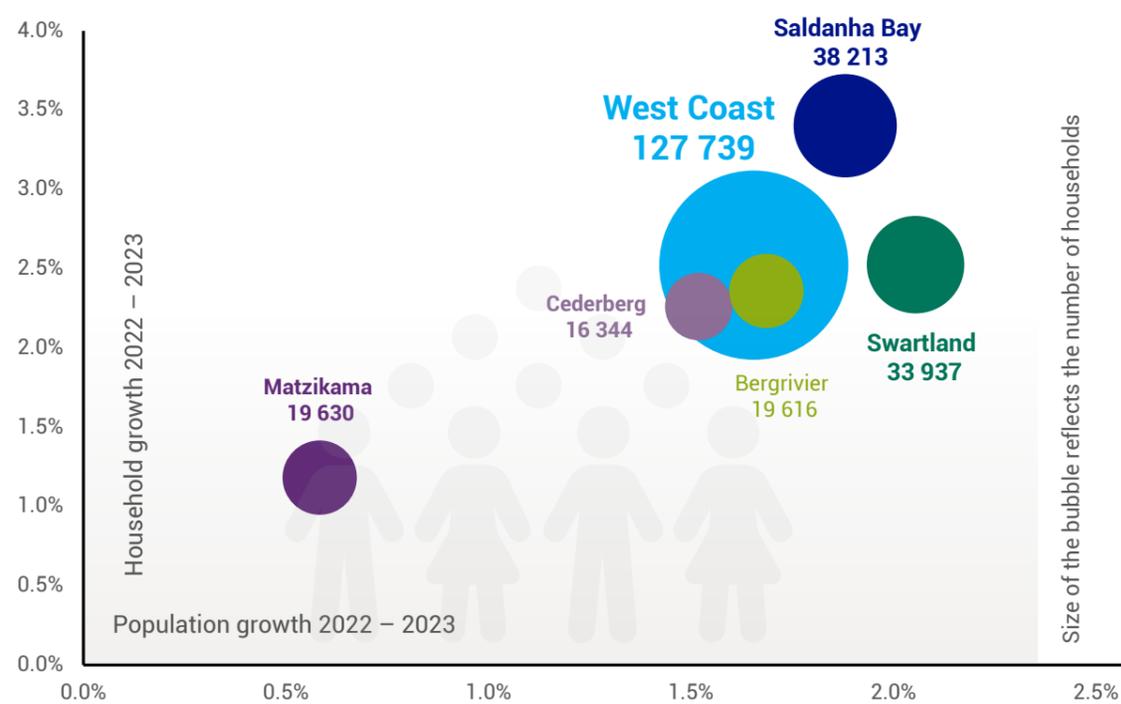
In 2022, the Matzikama municipal area was home to a population of 69 043 individuals who resided in 19 630 households. Over the reference period, it is expected that the population in this area will experience modest growth of only 0.7 per cent, the slowest growth rate in the District. Similarly, household growth remains limited (1.1 per cent). Potentially economically active individuals make up the largest population share in this area, accounting for 67.0 per cent of the population. While this share is smaller than such population groups in other municipal areas of the District, it underscores that most residents are potentially part of the labour force. Furthermore, the Matzikama municipal area also has the highest proportion of dependants under 14 years old, who account for 27.7 per cent of the population.

The Swartland municipal area has the second-largest population in the WCD, however, it has the highest projected average annual population growth rate from 2023 to 2027 – 2.1 per cent. Within this area, working-age people made up the second-highest share of the population in 2022 (70.3 per cent). This group comprises individuals aged 15 to 64. Many working-age individuals are attracted to the region to pursue careers in farming, agribusiness and the tourism industry. As is typical of agricultural areas, the rural regions of the Swartland municipal area have households that are relatively larger in size than in the urban areas.

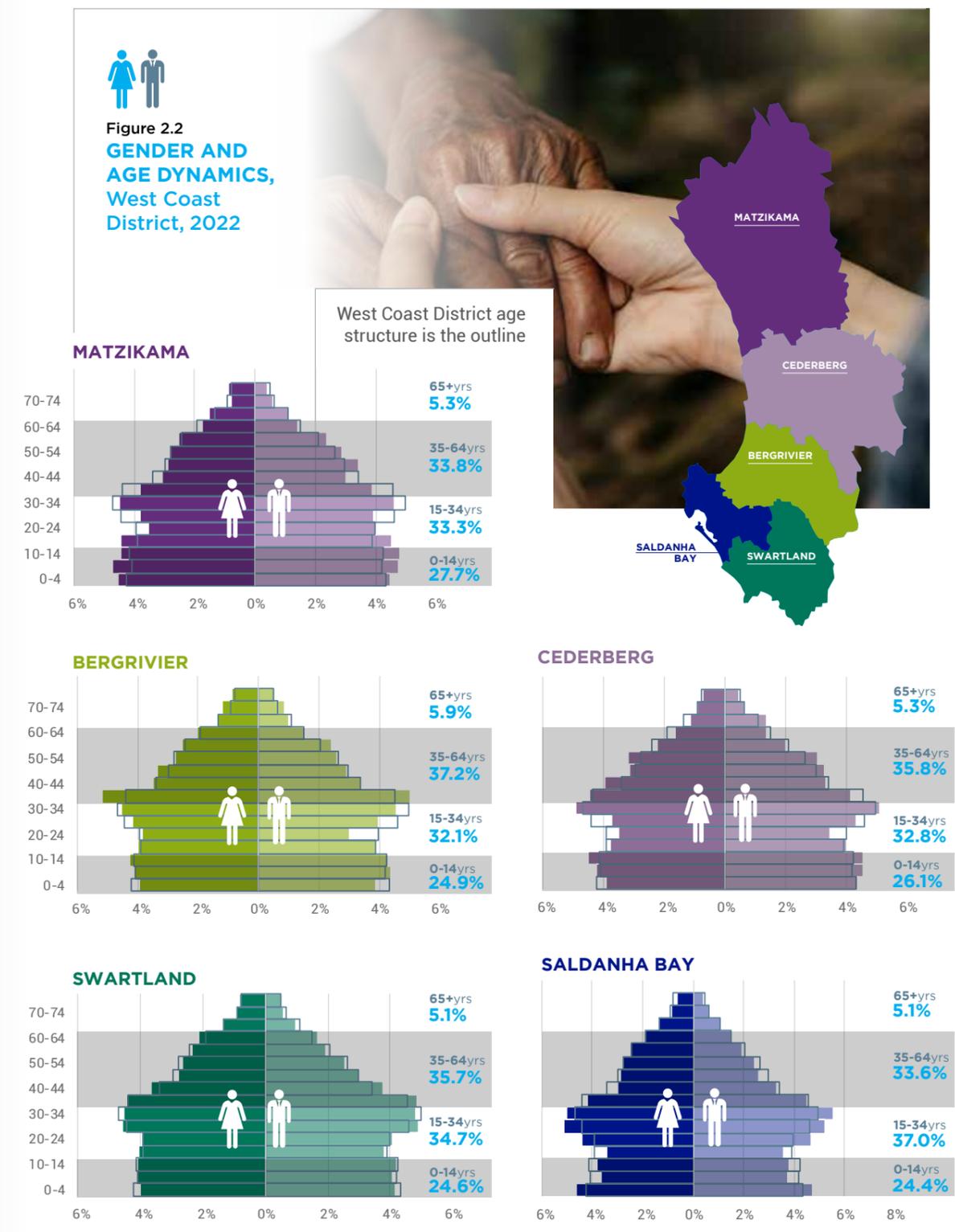




Figure 2.1
POPULATION AND HOUSEHOLD GROWTH, West Coast District, 2022



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)



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

Sports and recreation are vital for promoting culture, improving health and wellbeing, advancing education, boosting the economy and fostering social upliftment in communities.

The Department of Cultural Affairs and Sport backed a youth-in-service initiative aimed at fostering active community engagement, addressing social issues and facilitating economic opportunities for participating young volunteers. YearBeyond, the flagship youth service programme, successfully recruited and placed 3 017 young individuals in service during 2022, with additional opportunities added in early 2023. YearBeyond trains unemployed youth to deliver after-school programmes, offering both employment opportunities for the youth and essential support for addressing social needs.²⁷ As such, the WCD municipalities have collectively allocated R29.5 million towards sports and recreation infrastructure in the region in the municipal infrastructure budget for 2022/23. By providing valuable opportunities for developing essential life skills, sports and recreation help at-risk youth navigate challenges and steer clear of violence, crime and drug abuse.²⁸



²⁷ (Department of Cultural Affairs and Sport, 2023).
²⁸ (United Nations Office on Drugs and Crime, 2022).

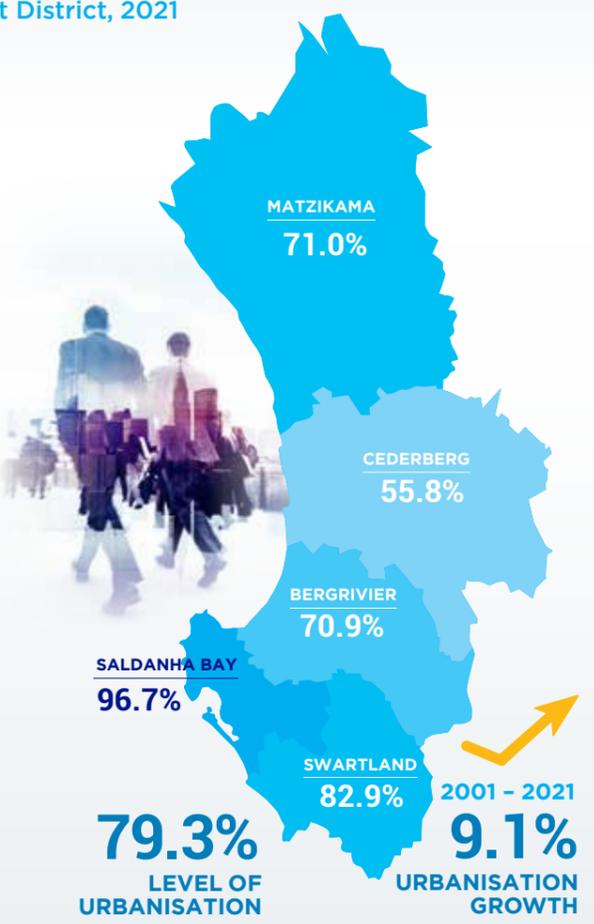
URBANISATION

Between 2001 and 2021, the WCD was projected to experience the Province's second-highest level of urbanisation, estimated at 9.1 per cent. The urban population was expected to have grown from slightly below 200 000 individuals in 2001, constituting 70.2 per cent of the total population, to more than 370 000 individuals in 2021, making up 79.3 per cent of the total population.

Map 2.1
LEVEL OF URBANISATION, West Coast District, 2021

Saldanha Bay was estimated to be the most urbanised municipal area of the WCD in 2021 (96.7 per cent), with most of its inhabitants living in Vredenburg (32.7 per cent) and Saldanha Bay (25.7 per cent), followed by Langebaan (15.1 per cent) and St Helena Bay (14.1 per cent). Between 2001 and 2021, there was an estimated decline in the population share in rural areas, and Vredenburg's urban population was estimated to have declined over the same period. This trend was counterbalanced by urban growth, primarily in Langebaan and, to a lesser degree, St Helena Bay.

Swartland saw a 3.3 percentage point increase in urbanisation over the 2001 to 2021 period, primarily because of significant growth in Ilinge Lethu. The largest urban settlements in Swartland in 2021 were Ilinge Lethu, Wesbank and Malmesbury. Rural areas accounted for approximately 17.0 per cent of the population. Additionally, Moorreesburg witnessed the largest decrease in its urban population in 2021.



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

Bergrivier had the highest urbanisation rate in the District from 2001 to 2021 (a 14.9 percentage point increase). The majority of residents are situated in the urban settlement areas of Velddrif, Piketberg and Porterville. Similar to the other municipal areas in the WCD, the rural population in Bergrivier experienced minimal changes in its numbers. However, its contribution to the overall population share had decreased by 2021. The growth in urban areas such as Velddrif, De Lust, Dwarskersbos and Wittewater contributed to the general trend of urbanisation.

Cederberg, with 55 108 residents in 2022, is estimated to be the least populated municipal area of the District. It is also the least urbanised, with only 55.8 per cent of its population located in towns and cities. A significant portion of the population, roughly 44.0 per cent, resides in the Cederberg rural area. The largest urban settlements are in the towns of Clanwilliam and Citrusdal, with Citrusdal having the largest population density in 2021. The share of the population located in the rural areas has decreased over time. By contrast, the urban areas of Clanwilliam and Citrusdal have seen their shares of the Cederberg population increase.

Matzikama is one of the smaller municipal areas of the District. The majority of its residents are estimated to live in the urban settlements of Vredendal, Klaver and Vanrhynsdorp. Between 2002 and 2021, there was an estimated urbanisation rate of 12.2 percentage points, primarily driven by people leaving the rural areas. This shift accounted for a significant portion of the increase in the urban population share. Towns that experienced this shift include Klaver, Vredendal, Ebenhaezer and Strandfontein, with Ebenhaezer and Lutzville exhibiting the highest population density in 2021.

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

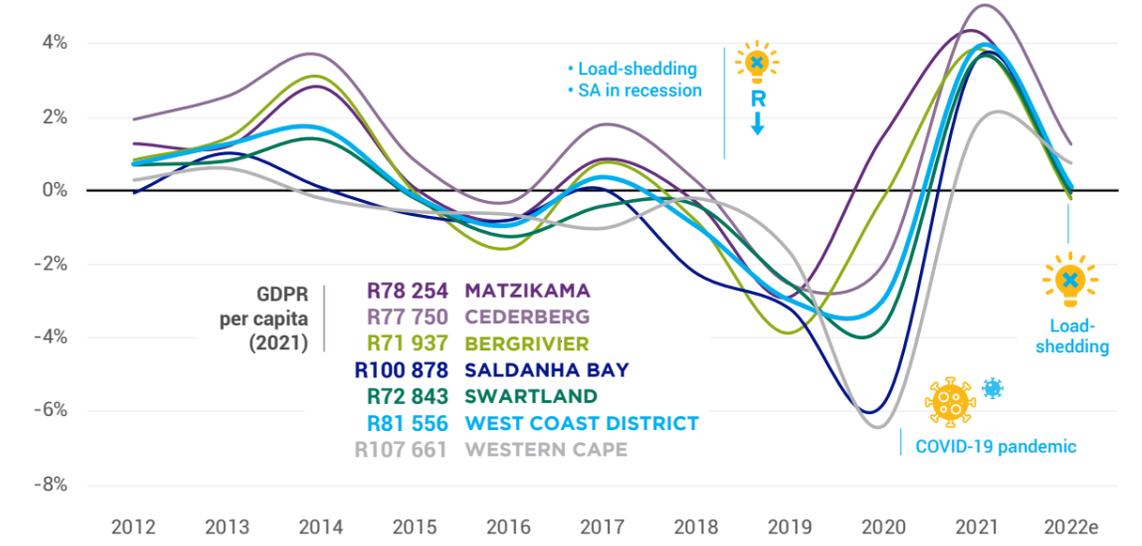


3. INCOME AND INEQUALITY

3.1 Income levels

In 2021, the WCD's GDPR per capita was R81 556, significantly lower than the Province's R107 661. Given its large economy, the Saldanha Bay municipal area had the highest living standards, with a GDPR per capita of R100 878. The COVID-19 pandemic significantly impacted economic growth, leading to decreased GDPR per capita across all areas as the population grew. The lockdown and business closures resulted in job losses and income reductions for most communities. This, in turn, led to lower consumer spending, which affected overall economic demand.

Figure 3.1
GDPR PER CAPITA GROWTH, West Coast District, 2012 – 2022

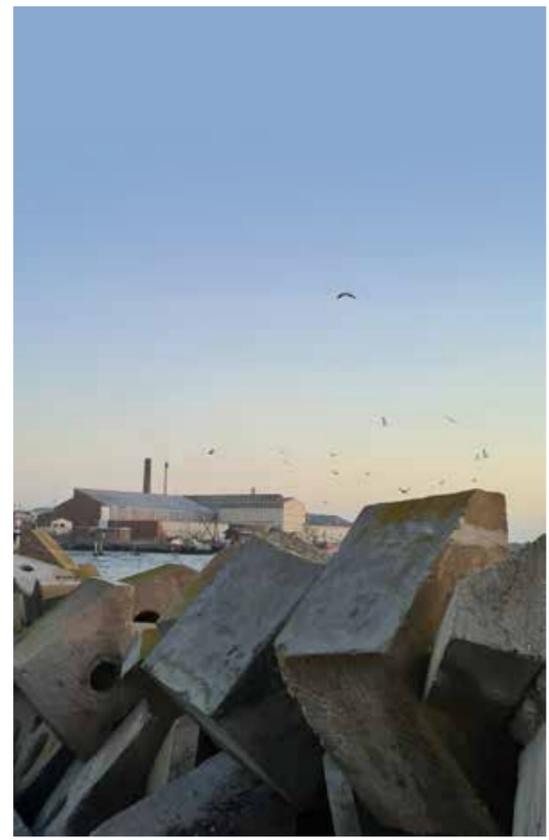


Source: Quantec research, 2023 (e denotes estimate)

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.

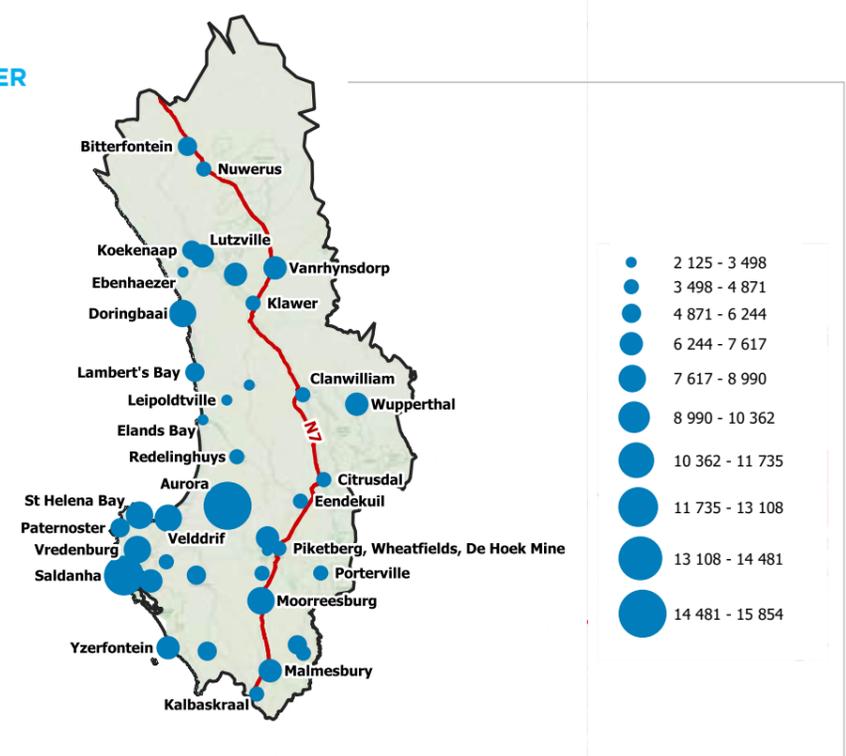
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022e
Western Cape	0.3%	0.6%	-0.2%	-0.6%	-0.6%	-1.0%	-0.2%	-1.7%	-6.4%	1.8%	0.8%
West Coast District	0.7%	1.3%	1.7%	-0.1%	-0.9%	0.4%	-1.0%	-3.0%	-2.9%	3.9%	0.1%
Matzikama	1.3%	1.2%	2.8%	0.1%	-0.8%	0.8%	-0.3%	-2.9%	1.5%	4.3%	-0.2%
Cederberg	1.9%	2.6%	3.7%	0.8%	-0.3%	1.8%	0.3%	-2.5%	-2.0%	5.0%	1.3%
Bergrivier	0.9%	1.5%	3.1%	0.0%	-1.6%	0.8%	-0.8%	-3.8%	-0.2%	3.9%	-0.2%
Saldanha Bay	-0.1%	1.0%	0.1%	-0.7%	-0.8%	0.0%	-2.3%	-3.2%	-5.8%	3.6%	0.0%
Swartland	0.7%	0.8%	1.4%	-0.2%	-1.2%	-0.4%	-0.4%	-2.5%	-3.7%	3.6%	-0.1%

The GDPR per capita of the WCD recorded growth of 3.9 per cent in 2021, outpacing the modest 1.8 per cent achieved by the Province during the same period. Cederberg had the highest GDPR per capita growth of all the municipal areas in 2021 – an impressive 5.0 per cent. Despite GDPR per capita growth in the area slowing in 2022, Cederberg maintained the highest growth rate compared with other municipal areas during this year.



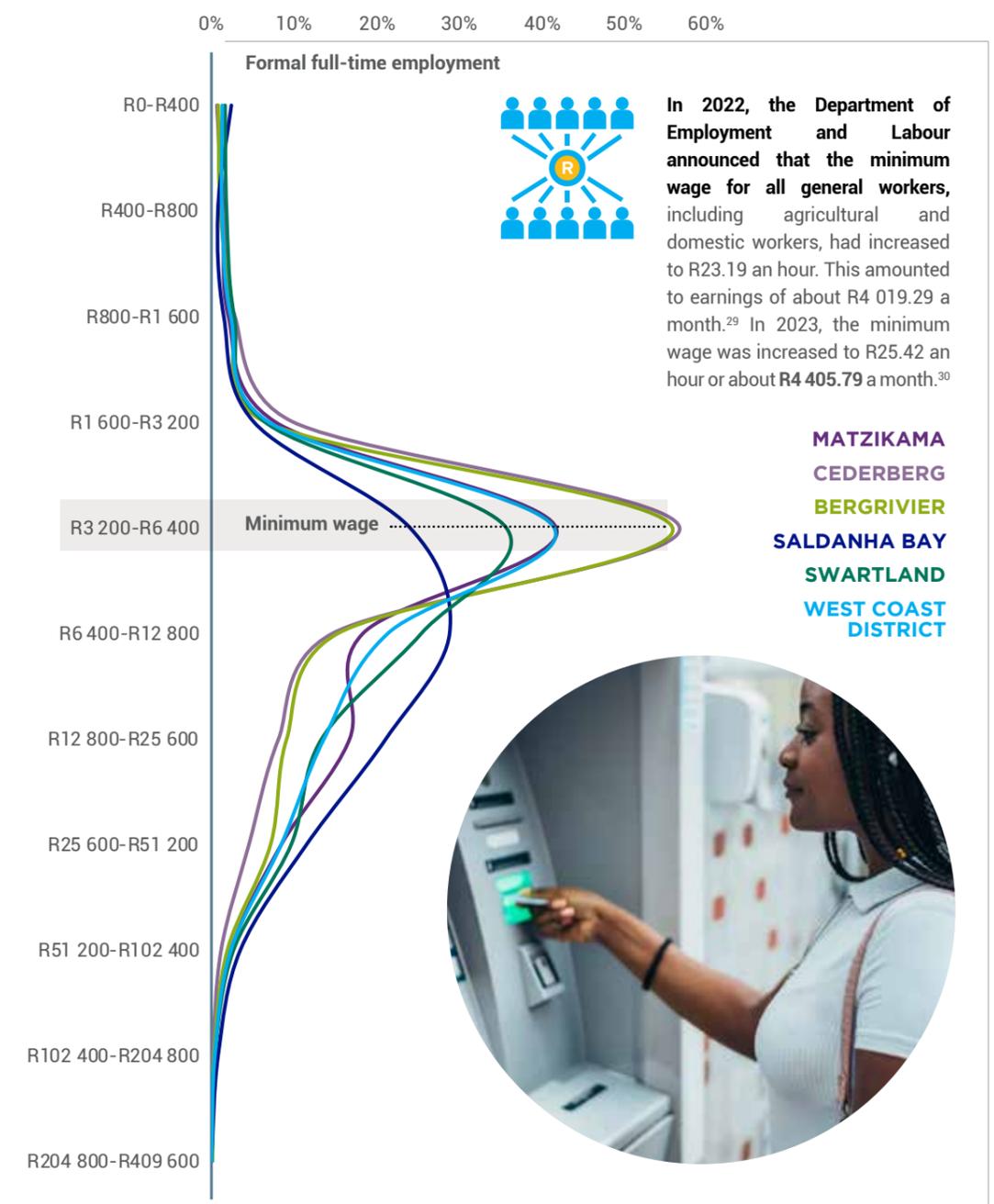
Bergrivier and Swartland, however, witnessed a significant decline in their growth estimates, with the GDPR per capita of both municipal areas stagnating in 2022. Matzikama, for its part, recorded a contraction of 0.2 per cent. The economic performance of these municipal areas was thus not sufficient to result in any notable change in living standards. In fact, living standards declined in the Matzikama municipal area. Matzikama is highly dependent on agriculture, making it vulnerable to exogenous shocks in this sector.

Map 3.1
MEDIAN INCOME PER TOWN, West Coast 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, West Coast 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.²⁹ In 2023, the minimum wage was increased to R25.42 an hour or about R4 405.79 a month.³⁰

	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
Matzikama	0.7%	1.5%	2.0%	7.7%	41.8%	18.4%	16.7%	8.5%	2.4%	0.4%	0.0%
Cederberg	0.6%	1.4%	2.8%	9.9%	56.7%	14.7%	8.1%	4.5%	1.2%	0.2%	0.0%
Bergrivier	0.7%	1.0%	2.6%	6.4%	55.9%	15.3%	9.0%	7.1%	1.8%	0.2%	0.0%
Saldanha Bay	2.4%	0.8%	1.5%	5.2%	24.1%	28.9%	21.2%	11.6%	3.5%	0.8%	0.0%
Swartland	1.6%	1.8%	2.8%	6.5%	35.7%	25.5%	13.4%	9.7%	2.7%	0.4%	0.0%
West Coast District	1.3%	1.3%	2.4%	7.0%	41.6%	21.5%	13.7%	8.5%	2.4%	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

²⁹ (Department of Employment and Labour, 2022).
³⁰ (Department of Employment and Labour, 2023).

With agricultural work dominating the formal employment landscape, most workers in the WCD (41.6 per cent) earn between R3 200 and R6 400 per month. Diverse economic activity and income capabilities across municipal areas and towns influence households' spending and ability to afford goods and services.

The Saldanha Bay municipal area is well known for its vibrant harbour and flourishing industrial sector, including iron ore exports. An important asset for economic development in the region is the Saldanha Bay IDZ, which attracts various industries and investments. Additionally, the municipal area serves as the administrative core of the WCD, with public administration contributing significantly to formal employment. In 2022, Saldanha Bay recorded the second-highest median income of the District (R12 565 per month). Approximately 21.2 per cent of the workforce earned incomes ranging from R12 800 to R25 600 per month in the same year, while 11.6 per cent had monthly earnings between R25 600 and R51 200. In Vredenburg, the regional service centre, the average median monthly income was R8 816.

Average median income stood at R8 200 per month in St Helena Bay, where several fishing companies and fish processors are located, including the Oceana Group, Pioneer Fishing, West Point Processors, Umoya Fish Processors and BP Marine Fish Products. The presence of Langebaan Lagoon offers significant opportunities for the tourism industry. However, smaller towns within the Saldanha Bay municipal area such as Paternoster and Langebaanweg reported lower average median incomes of R4 936 and R4 275, respectively.

In the Swartland municipal area, Malmesbury, the largest town and the municipal administrative centre, reported an average median monthly income of R6 437 in 2022. Moorreesburg, where agriculture plays a significant role in the local economy, also recorded an above-average median income (R8 091). Farmers in the area primarily cultivate wheat, barley, canola and other grains, with livestock farming, mainly sheep and cattle, also contributing to the agricultural sector. Smaller towns such as Riebeek West and Riebeek-Kasteel, with limited economic diversity, had lower median incomes: R4 924 and R4 346, respectively. These incomes were well below the median income of the District - R6 221. Notably, 12.7 per cent of Swartland's wages fell below the R3 200 wage distribution range, indicating a significant presence of low-skilled workers earning lower incomes in the area.

In Matzikama, the small and relatively remote town of Doringbaai has historically relied on fishing for its livelihood. Commercial fishing and subsistence fishing contribute to the local economy, resulting in a relatively high average median income of R8 009. The wage distribution in Matzikama leans towards middle- and high-income levels. Still, residents of towns such as Nuwerus and Ebenhaezer, where there is less economic diversification and a high reliance on agriculture, earn the lowest incomes in the municipal area.

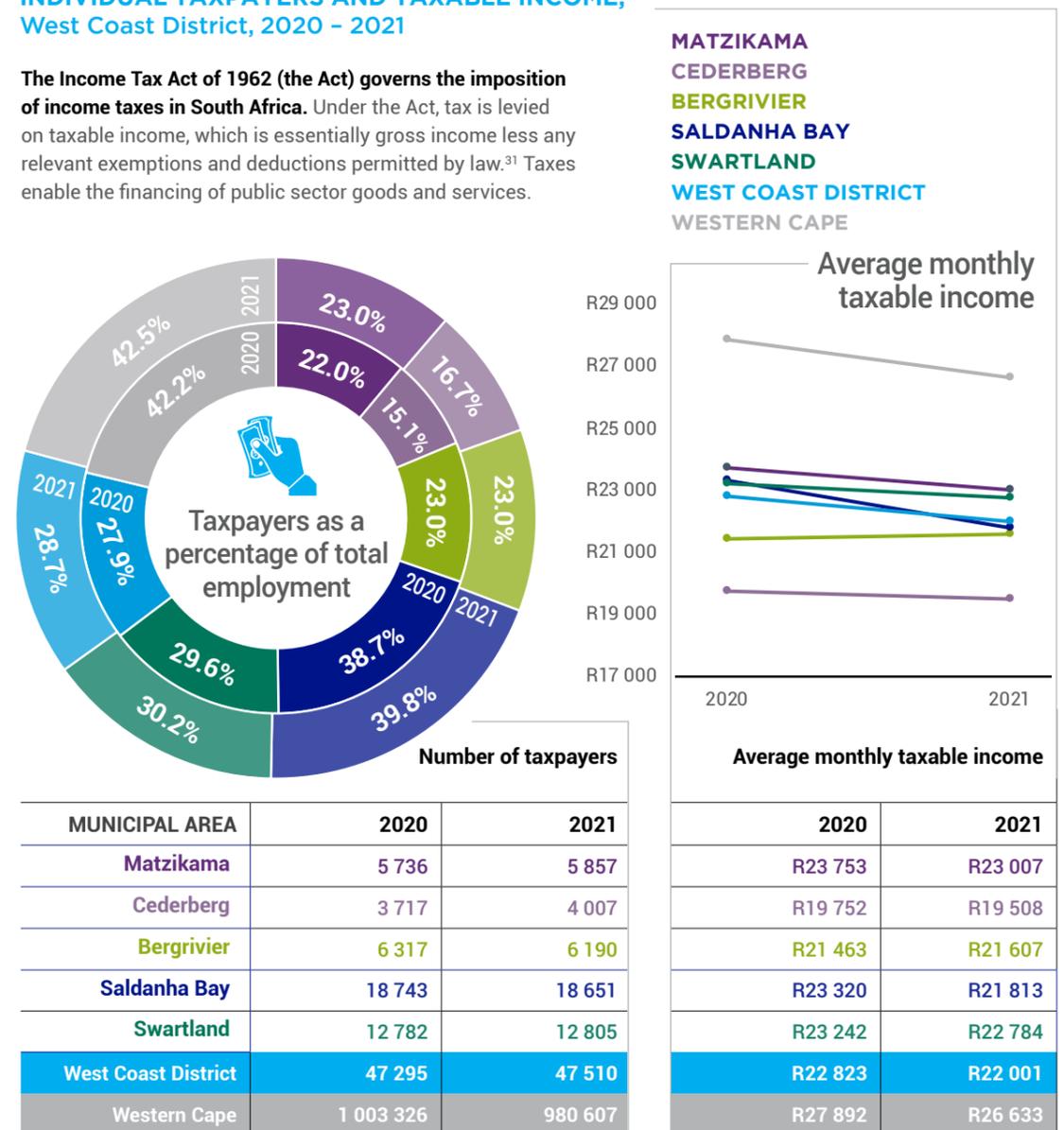
Within the Bergrivier municipal area, Velddrif, a fishing village known for its picturesque coastal location along the Atlantic Ocean and proximity to the Berg River Estuary, attracts tourists and workers in the tourism, agriculture and fishing industries. The median income in Velddrif is R7 799, although about 55.9 per cent of the population earn wages from R3 200 to R6 400. Piketberg, situated inland amid rolling wheatfields and vineyards, with agriculture as a significant economic driver, reports a lower average median income (R4 754 per month).

In the Cederberg municipal area, most workers (56.7 per cent) earn between R3 200 and R6 400 a month, with 14.7 per cent making less than R3 200. This has a profound impact on the general wellbeing of local communities. Towns that rely primarily on agriculture or fishing - Elands Bay, Leipoldtville and Wupperthal, for instance - have much lower income levels than towns with more diverse economies such as Citrusdal and Clanwilliam. The latter has a significant presence of public administration workers and workers in other service sectors, who typically earn higher salaries.

These income distributions influence tax earnings in the WCD. In 2021, the District accounted for just 4.8 per cent of the overall number of taxpayers in the Western Cape. Only 28.7 per cent of employed people were registered as taxpayers, further illustrating the generally low levels of income earned by those formally employed in the WCD. On a more positive note, there was a slight increase in taxpayer numbers in 2021 compared with the previous year.

Figure 3.3
INDIVIDUAL TAXPAYERS AND TAXABLE INCOME,
West Coast 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.³¹ Taxes enable the financing of public sector goods and services.



Sources: Quantec research, National Treasury and SARS, 2023

³¹ (South African Revenue Service, 2023).

Many individuals in the Cederberg municipal area earn wages that are below the taxable threshold, to the extent that the area has the smallest proportion of employed workers who are taxpayers compared with other municipal areas of the WCD (only 16.7 per cent of the employed population). Given that lower earnings are a constraint on tax revenue, this scenario presents the Cederberg government with challenges in the financing of social services and infrastructure projects. Both the availability and quality of public services may be put at risk. Furthermore, in the context of low earnings and restricted household incomes, individuals within the Cederberg municipal area may be more likely to qualify for government assistance programmes such as welfare, housing subsidies or food support. A similar trend, although less pronounced, is evident in the Bergrivier and Matzikama municipal areas, which also rely heavily on agriculture for employment. Additionally, Cederberg has the lowest taxable income in the District.

Conversely, the Saldanha Bay municipal area has the largest share of employed workers who are taxpayers – 39.8 per cent of all employed individuals. This municipal area also recorded the highest absolute number of taxpayers in 2020 and 2021. Saldanha Bay’s advantage stems from a larger number of its residents earning higher incomes because of its more diverse economy.

3.2 Income inequality

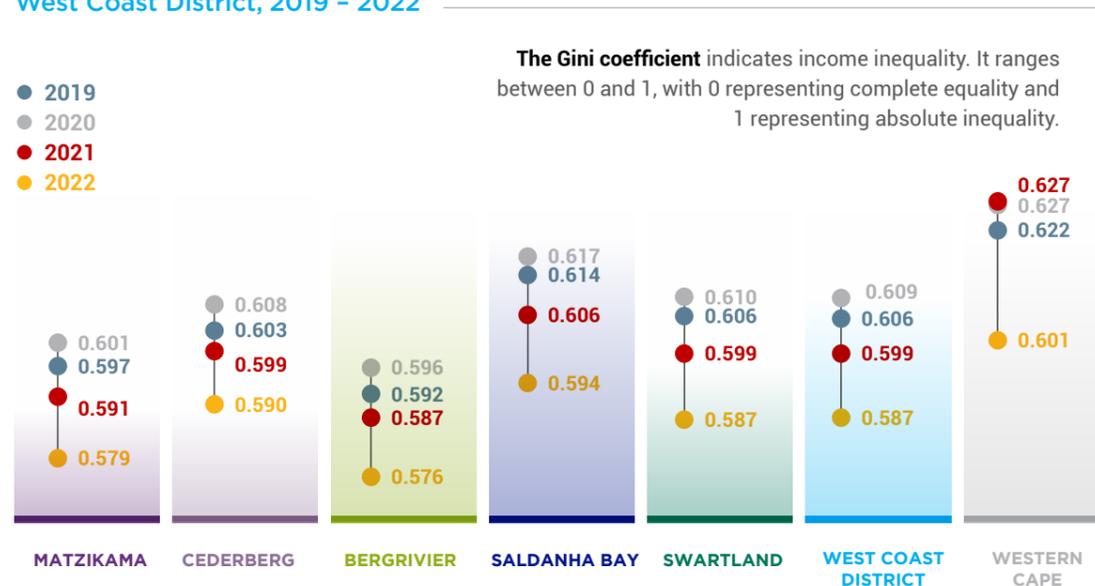
Various methods can be employed to assess societal inequality, encompassing income, expenditure, assets, employment, education, health, access to basic services, and social mobility. By adopting a multidimensional perspective, the broader context of South Africans’ challenges can be better defined regarding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

Ratios and indices utilised to measure inequality encompass the Gini coefficient, the Theil index, general entropy, the Palma ratio, and the Atkinson index.³² Nonetheless, the Gini coefficient stands out at the local municipal level as the most readily available and widely used data for measuring inequality.



³² (Stats SA, 2019).

Figure 3.4
GINI COEFFICIENTS,
West Coast District, 2019 – 2022



Source: S&P Global, 2022

The National Development Plan (NDP) sets forth a vision for 2030, which includes reducing the share of households with a monthly income of less than R419 per person 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 2030.³³

From 2019 to 2022, income inequality in the WCD was less pronounced than in the Province. During 2020, Gini coefficients increased across all municipal areas and in the Province because of the economic disruptions resulting from the COVID-19 pandemic. These disruptions led to widespread job losses and reduced incomes, which disproportionately impacted low-wage and informal workers. Those already earning lower incomes bore the brunt of these effects, resulting in an exacerbated income gap. The WCD’s Gini coefficient rose from 0.606 in 2019 to 0.609 in 2020 before declining in 2021 and 2022.

The Saldanha Bay municipal area had the highest level of income inequality in the District between 2019 and 2022. However, it remained below the level of inequality recorded in the Province. The heightened inequality in Saldanha Bay can be attributed to differences in the earnings of its residents. A significant number of persons employed in public administration positions in this area earn relatively high incomes. The town of Saldanha, serving as the primary urban centre in the region, reported the second-highest average median income in the District in 2021 – R12 565. By contrast, during the same year, Hopefield and Langebaanweg had average median incomes of R5 953 and R4 275, respectively. Such income disparities contribute to this municipal area’s relatively high Gini coefficient.

³³ (The National Planning Commission).

Bergrivier’s economic landscape reveals a distinct lack of diversification, leading to lower levels of income inequality. It consistently had the lowest Gini coefficient among all five municipal areas of the WCD. The Bergrivier economy is heavily dependent on primary industries tied to its coastal location and natural resources. Jobs in agriculture, the largest employer in the area, are generally low paid. As workers have few options for better-paid employment in other sectors, there is little scope for the development of income disparities within the labour force. This limitation is particularly evident in the towns of Leipoldtville and Wittewater, where the lowest average median incomes in the WCD were recorded.

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, West Coast District, 2022

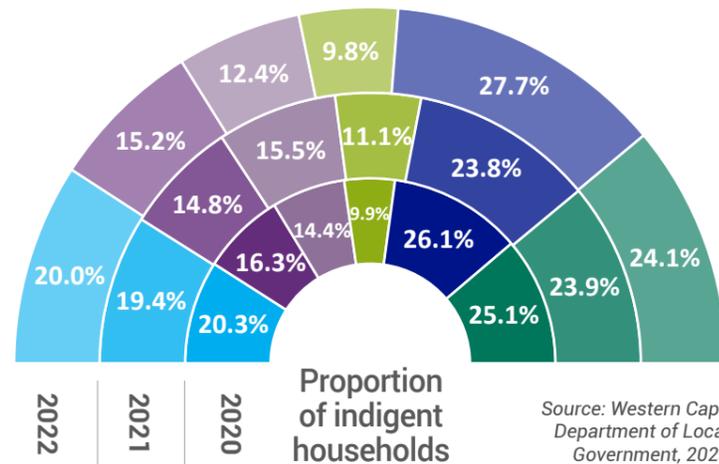
Municipal Area	Indigent Policy
Matzikama	All households earning less than R5 103 per month will receive free basic services. ³⁴
Cederberg	All households earning less than R3 800 per month will receive free basic services. ³⁵
Bergrivier	Customers can apply for indigent subsidies if the total household income of all members of the household living on the premises is less than R4 000 per month. ³⁶
Saldanha Bay	Gross income for a household must be R5 500 or less per month. ³⁷
Swartland	The combined income of the occupants does not exceed R4 515. ³⁸

Figure 4.1
PROPORTION OF INDIGENT HOUSEHOLDS, West Coast District, 2020 - 2022

25 529
TOTAL
Indigent
households
WEST COAST



MATZIKAMA
CEDERBERG
BERGRIVIER
SALDANHA BAY
SWARTLAND



Source: Western Cape Department of Local Government, 2023

Between 2020 and 2021, the WCD saw a decline in the number and proportion of indigent households within the District. However, both the number and proportion increased in 2022. This trend is a consequence of the general employment level in the WCD. Likewise, Cederberg and Bergrivier experienced an increase in indigent households in 2021 as a result of continued job losses and reduced working hours, especially for those in lower-paying and informal sectors.

³⁴ (Matzikama Municipality, 2022).
³⁵ (Cederberg Municipality, 2022).
³⁶ (Bergrivier Municipality, 2022).
³⁷ (Saldanha Bay Municipality, 2022).
³⁸ (Swartland Municipality, 2023).

In 2022, the Saldanha Bay municipal area had the highest percentage of indigent households in the WCD, accounting for 27.7 per cent of the total households and exceeding the District’s proportion of 20.0 per cent. While the proportion of indigent households in Saldanha Bay declined by 2.4 percentage points between 2020 and 2021, it rose by 3.9 percentage points from 2021 to 2022. This is further supported by the area’s consistently elevated Gini coefficient over the reference period, indicating income inequality, as residents in urban areas have access to a broader range of opportunities and earn higher incomes than those in rural parts of Saldanha Bay. Additionally, it is important to note that urban areas tend to experience a higher prevalence of indigence because of factors such as higher living costs in these areas.

The significant presence of indigent households places an added burden on the local municipalities in that they are required to provide these households with essential basic services at reduced or no cost. However, there was a positive development in the Bergrivier municipal area, where the share of indigent households decreased to 9.8 per cent in 2022. This decline alleviates pressure on the local municipality to deliver services to indigent households.

In summary, the slight reduction in indigent households suggests progress in addressing poverty within the WCD. Nonetheless, the substantial proportion of indigent households in certain areas, notably the Saldanha Bay and Swartland municipal areas, highlights the obstacles to uplifting vulnerable households and ensuring their access to support and opportunities. Saldanha and Swartland also have the fastest household and population growth, an indication that people are relocating to these areas, possibly in search of job opportunities. However, if such opportunities are not as plentiful as expected or newcomers from rural parts of the WCD lack the necessary skills, they may struggle financially and ultimately add to the indigent population.



4.2 Social grants

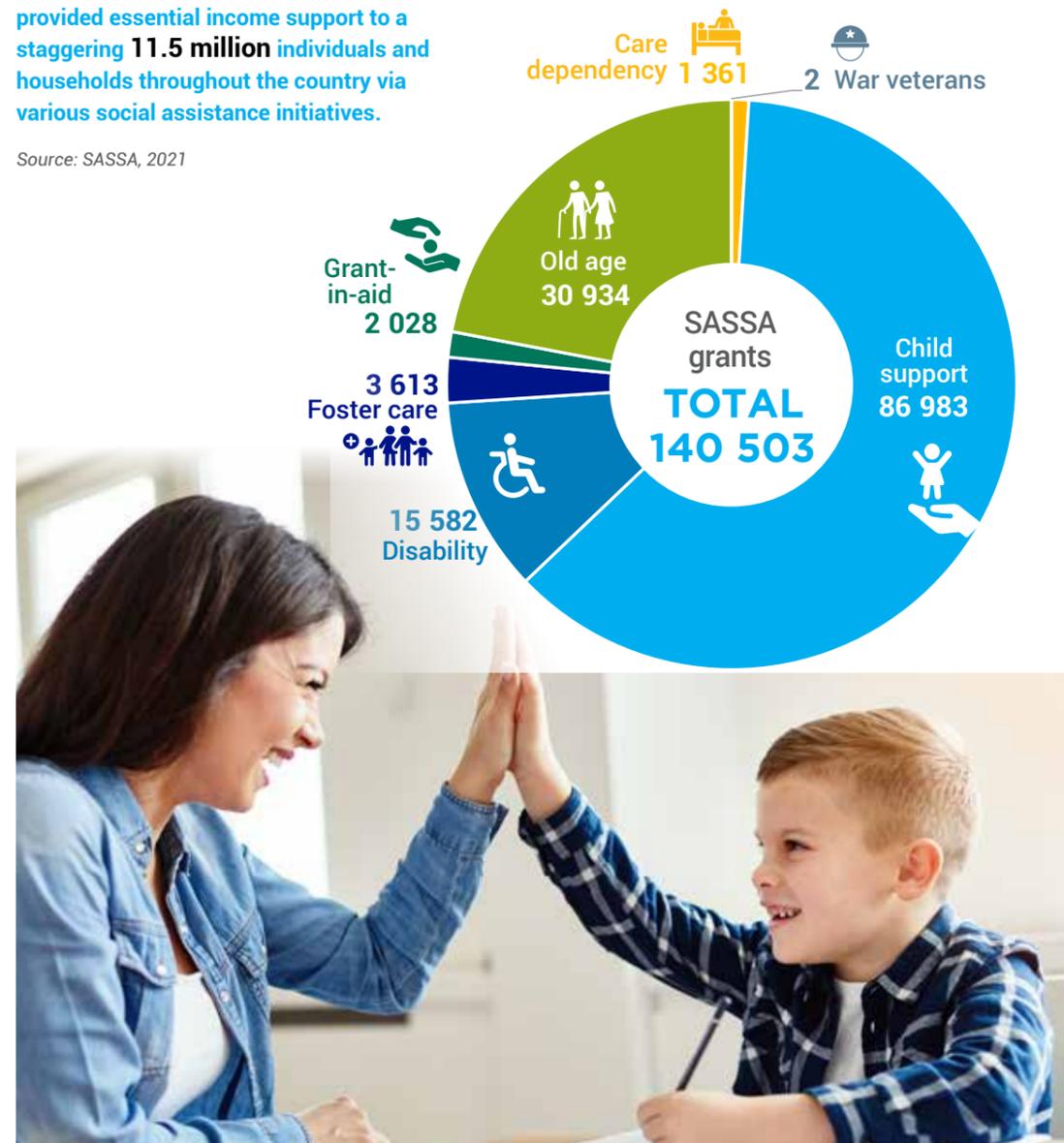
Despite the vast geographical area of the WCD, the District operates only two SASSA centres – one in Vredenburg (Saldanha Bay) and the other in Vredendal (Matzikama). In 2021, these centres collectively supported 140 503 grant recipients, disbursing aid totalling R135.4 million. These recipients accounted for 30.2 per cent of the District population. The range of grants available includes child support, disability, foster care, grant-in-aid and care dependency grants.

Figure 4.2
DISTRIBUTION OF SASSA GRANTS, West Coast 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.³⁹ 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.⁴⁰

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.

Source: SASSA, 2021



³⁹ (South African Social Security Agency, 2023).
⁴⁰ (Parliament of South Africa, 2021).

The largest share of grant beneficiaries – 61.9 per cent – were those who received child support grants. Given that the Matzikama municipal area has the largest child population in the WCD, the prevalence of child support grants in this area aligns with expectations.

Significantly, 30 934 pensioners received the old age grant in 2021, constituting 22.0 per cent of those who received assistance within the WCD. The pension is a lifeline, enabling the elderly to meet basic needs such as those concerning food, shelter and healthcare. This financial support enhances their overall quality of life by reducing the risk of poverty. In essence, the role of an old age pension extends beyond providing financial aid; it serves as a cornerstone for improving wellbeing, preserving dignity and enhancing the quality of life for pensioners. The remaining grants distributed included the disability grant, received by 11.1 per cent of the WCD population, with a total disbursement of R29.4 million in 2021.

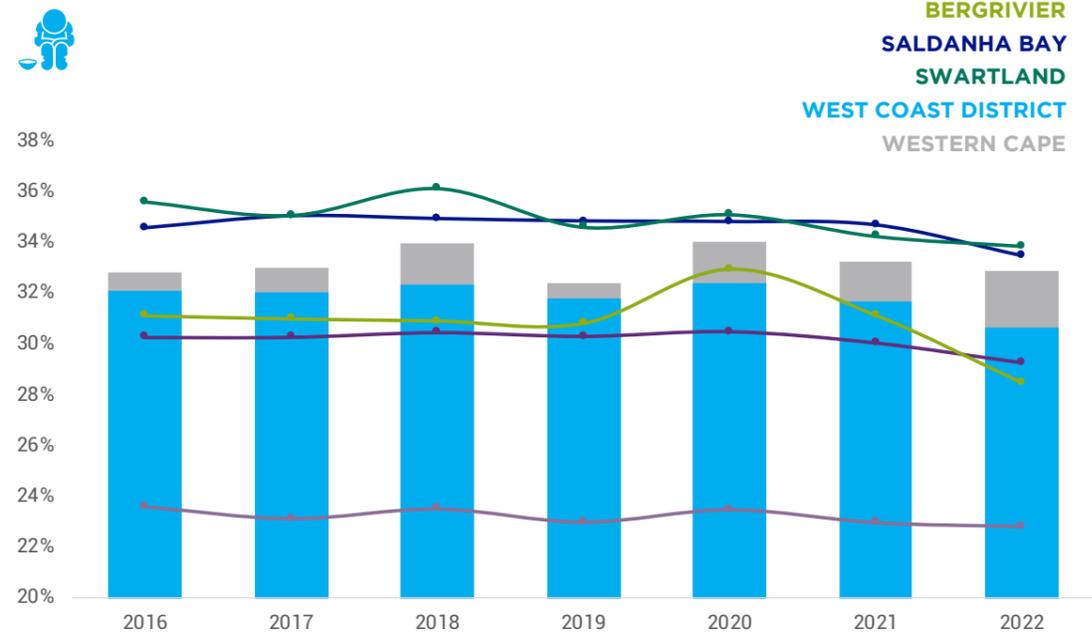
Adequate income support programmes and social safety nets are crucial in mitigating the impact of low income and unemployment on food security. Economic growth and job creation can positively influence income levels and reduce the proportion of individuals living below the food poverty line (FPL).



4.3 Food security

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

Figure 4.3
PROPORTION OF PEOPLE BELOW THE FOOD POVERTY LINE, West Coast 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%
West Coast District	32.1%	32.0%	32.4%	31.8%	32.4%	31.7%	30.7%
Matzikama	30.3%	30.3%	30.5%	30.3%	30.5%	30.0%	29.3%
Cederberg	23.6%	23.1%	23.5%	23.0%	23.5%	23.0%	22.8%
Bergrivier	31.1%	31.0%	30.9%	30.8%	33.0%	31.1%	28.5%
Saldanha Bay	34.6%	35.0%	34.9%	34.8%	34.8%	34.7%	33.5%
Swartland	35.6%	35.1%	36.1%	34.6%	35.1%	34.2%	33.9%



To meet the minimum required daily energy intake, a person needs to be able to spend R663 on food each month.⁴¹

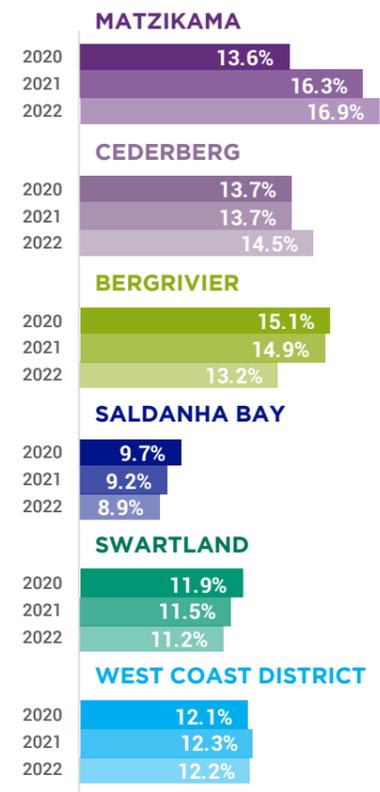
Aligned with the lower levels of unemployment, the WCD also had a smaller proportion of people below the FPL. The proportion of people below the FPL fluctuated between 2016 and 2022. Notably, there was a 1.0 percentage point decrease of this share in the WCD between 2021 and 2022. This decline is significant, as it reflects an overall improvement in the community's access to adequate nutrition and indicates reduced food insecurity. In 2022, the number of job opportunities in the WCD increased, resulting in a lower unemployment rate. Consequently, more individuals could afford a balanced diet, resulting in better health outcomes and an enhanced quality of life.

In 2022, the Swartland municipal area had the highest proportion of people in the WCD living below the FPL. Furthermore, throughout the reference period it had the highest average of residents living below the poverty line (33.9 per cent). While many Swartland residents earn high wages or salaries equivalent to the median wage and have stable employment, it is important to note that economic disparities can exist even in areas of relative wealth. Some residents, particularly in towns such as Riebeek-Kasteel and Koringberg, may experience food poverty because of their lower-income status. Additionally, the challenge of feeding larger families, even with relatively higher per capita incomes, can strain available resources. This is evident in the Swartland municipal area, which has the highest average household size in the District.

Despite the Cederberg municipal area's small economy and large cohort of people earning below-average incomes, only 22.8 per cent of its population lived below the FPL in 2022. The Cederberg municipal area has an above-average labour absorption rate (57.2 per cent), indicating a larger cohort of employed working-age people. So, while incomes may be low, there is a higher likelihood of employment, resulting in lower levels of food poverty.

⁴¹ (Stats SA, 2022).

Figure 4.4
LOW BIRTH WEIGHT RATE,
West Coast District, 2020 – 2022



According to the World Health Organization (WHO), a birth weight of less than 2 500g is considered low. Weight at birth is regarded as a core health indicator. Low birth weight is linked to long-term maternal malnutrition, ill health and poor healthcare during pregnancy.⁴² 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.⁴³

Source: Western Cape Department of Health, 2023

Insufficient consumption of essential nutrients is a common factor in both severe acute malnutrition and low birth weight. Pregnant mothers experiencing food poverty may lack access to nutrients required for promoting healthy foetal development, potentially resulting in low birth weight. Similarly, children growing up in conditions of food poverty may be vulnerable to deficiencies in the nutrients crucial for optimal growth and development, potentially leading to cases of severe acute malnutrition.

While there may have been an improvement in the proportion of individuals below the FPL between 2021 and 2022, signalling a reduction in poverty levels, the rate of severe acute malnutrition in the WCD remained unchanged during this period (although the low birth weight rate declined slightly).

Even as poverty diminishes, women continue to face various obstacles to improved wellbeing, often having fewer employment opportunities and typically working in lower-paying jobs. The significant uptake of child support grants underscores the importance of supporting women and children in the WCD.

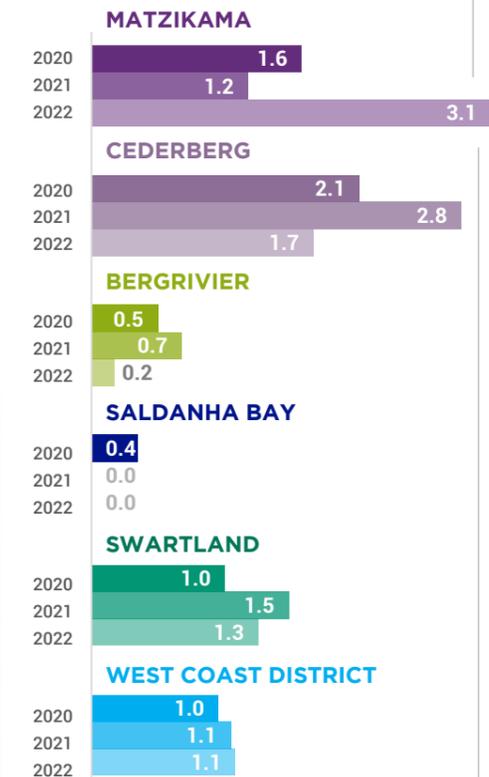
The Matzikama municipal area recorded the highest low birth weight rate in the WCD in 2021. In addition, the rate increased by 0.6 percentage points in 2022. This area, furthermore, had the District's highest rate of severe acute malnutrition in 2022. Given that Matzikama had one of the lowest

proportions of residents living below the FPL in the District, these findings are surprising. It should be noted, however, that income plays a vital role in determining health outcomes. In places such as Nuwerus and Ebenhaezer, where median incomes rank among the lowest in the WCD, individuals may encounter challenges in accessing healthcare and making healthier food choices. People with lower incomes may face financial barriers to healthcare and have limited resources for maintaining a healthy lifestyle.

By contrast, Saldanha Bay recorded no instances of severe acute malnutrition in 2021 and 2022, and also had the lowest low birth weight rate during the 2020 to 2022 period. Bergrivier reported a low rate of severe acute malnutrition in 2022 (only 0.2 per 1 000 children under five years of age), marking a 0.5 percentage point decline in this rate between 2021 and 2022.

Overall, there has been an improvement in the rates of both low birth weight and severe acute malnutrition over the reference period, except in the Matzikama municipal area which recorded an increase in both indicators. This region, which relies predominantly on agriculture in its isolated rural settings, often struggles to provide adequate care during pregnancy and infancy.

Figure 4.5
SEVERE ACUTE MALNUTRITION PER 1 000
CHILDREN UNDER FIVE YEARS, West Coast
District, 2020 – 2022



Source: Western Cape Department of Health, 2023

⁴² (World Health Organization, 2023).

⁴³ (Musiime, Lloyd, McCaul, Van Zyl, & Holgate, 2021).

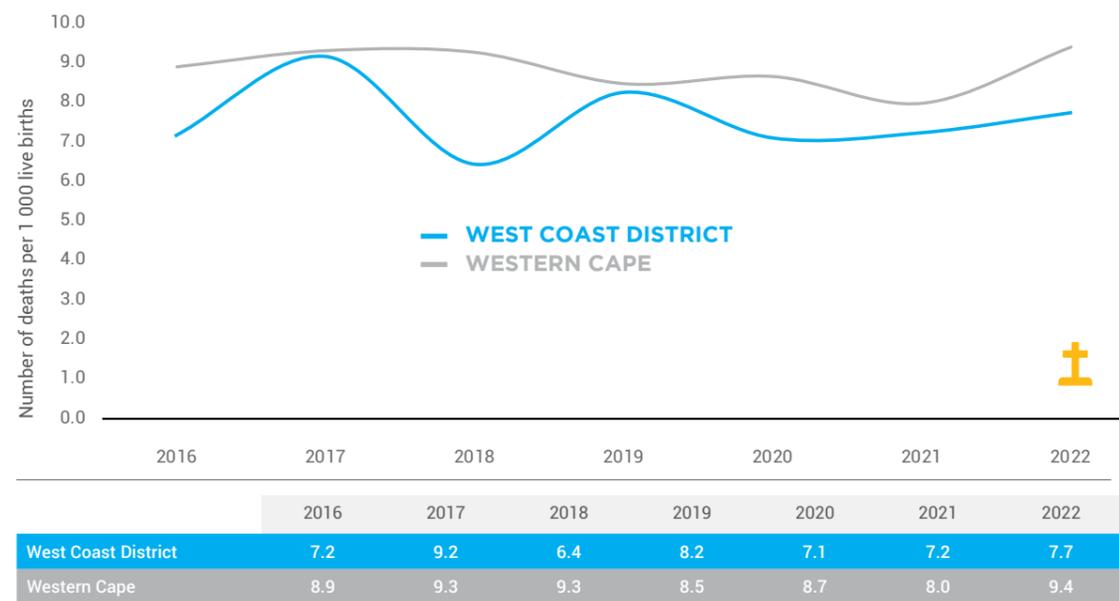
5. HEALTH

5.1 Maternal and child health

The wellbeing of a population plays a crucial role in driving economic performance, primarily through its impact on labour productivity. An aspect that has immense potential for promoting labour force participation is the advancement of women's health.⁴⁴

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

Figure 5.1
NEONATAL MORTALITY RATE PER 1 000 LIVE BIRTHS, West Coast District, 2016 – 2022



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.

Since 2016, the WCD and the Western Cape have witnessed fluctuations in neonatal mortality rates. The District recently experienced a rise in neonatal fatalities, with the neonatal mortality rate increasing from 7.2 deaths per 1 000 live births in 2021 to 7.7 deaths per 1 000 live births in 2022. During this period, the Province recorded a higher increase in neonatal mortality, with the number of deaths per 1 000 live births escalating from 8.0 in 2021 to 9.4 in 2022.

On a more positive note, maternal deaths in the WCD declined by 64.3 per cent between 2021 and 2022. Additionally, maternal fatalities were only reported in the Matzikama municipal area in 2022.

⁴⁴ (Bloom, Kuhn, & Prettnner, 2018).

Table 5.1
MATERNAL DEATH RATES PER 100 000 LIVE BIRTHS, West Coast District, 2020 – 2022

MUNICIPAL AREA	2020	2021	2022
Matzikama	0.0	102.5	110.4
Cederberg	129.7	244.8	0.0
Bergrivier	0.0	0.0	0.0
Saldanha Bay	0.0	0.0	0.0
Swartland	211.9	0.0	0.0
West Coast District	43.0	55.6	19.8

Source: Western Cape Department of Health, 2023

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

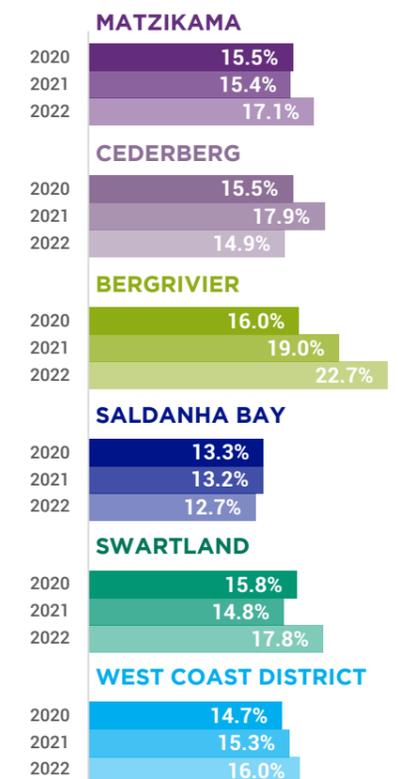
TEENAGE PREGNANCY

A worrying trend in the WCD is the high levels of teenage pregnancy, especially in the Bergrivier, Swartland and Matzikama municipal areas. The numbers speak volumes about the challenges these young mothers face and the underlying factors that drive this phenomenon.

Between 2002 and 2020, the total number of live births to teenage mothers (i.e. females aged 10 to 19) within the WCD was 16 488. This amounted to, on average, 868 births annually. Births to teenage mothers in the District accounted for 7.6 per cent of such births in the Western Cape for the same period. Most of the births occurring in the WCD were in the Swartland and Saldanha Bay municipal areas (2 317 and 7 917 births, respectively).

In 2022, births to teenage mothers accounted for 16.0 per cent of total live births in the WCD, with Bergrivier (22.7 per cent), Swartland (17.8 per cent) and Matzikama (17.1 per cent) having the highest proportions of births to teenage mothers. The delivery rates for teenage mothers fluctuated between 2020 and 2022. In 2022, the rates declined in the Cederberg and Saldanha Bay municipal areas by 3.0 and 0.5 percentage points respectively.

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



Source: Western Cape Department of Health, 2023

Related figures 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, indicating that the ages range from 18 to 34 years. A few outliers were as old as 50, but most fathers fell within the category of 20 to 26 years. It was further reported that, on average, only 13.1 per cent of fathers were identified on birth certificates in the Western Cape between 2002 and 2020.



The timing of these pregnancies follows a distinct pattern. Most births to teenage mothers occur during the months of July, August, September and December. October, November and December (when the end-of-year school holidays take place) are months with high conception rates. The first three months of the year, especially March, also stand out as having high conception rates.

Map 5.1
ASFR PER 1 000 LIVE BIRTHS, West Coast District, 2002 - 2020

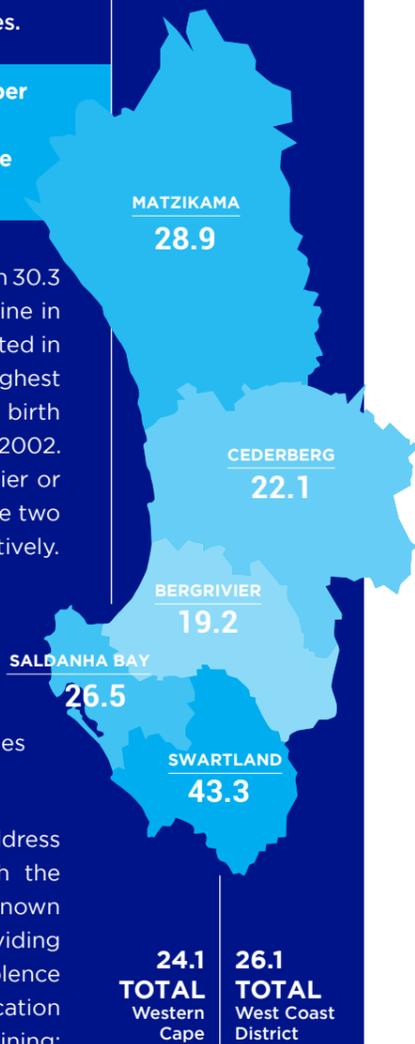
Source: Stats SA, Live Births, 2023

The age-specific fertility rate (ASFR), which refers to the number of females aged 10 to 19 per 1 000 females who have given birth, provides additional insights into the challenge of teenage pregnancies in municipalities.

In 2020, Swartland recorded the highest ASFR in the WCD, with 30.3 teenagers per 1 000 women giving birth; this marked a decline in the municipal ASFR, as 39.5 teenage mothers were documented in 2002. The Matzikama municipal area recorded the second-highest ASFR in 2020, with 27.8 teenagers per 1 000 women giving birth – an increase from the 22.4 young mothers documented in 2002. There is no available data on recent trends in either Bergrivier or Saldanha Bay. What is known is that the average ASFR for the two municipal areas from 2002 to 2012 was 19.2 and 26.5, respectively.

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

A reproductive justice approach should be taken to address the challenges associated with teenage pregnancies, with the following interventions proposed: making abortion services known and accessible; training and supporting all clinic staff in providing patient-centred nonjudgmental care; tackling sexual violence and GBV with rigour; training and supporting sexuality education teachers in providing relevant, open and dialogical training; vigorously tackling youth unemployment; and extending the rights enjoyed by working people to pregnant learners.⁴⁵



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

⁴⁵ (Macleod & Feltham-King, 2021).

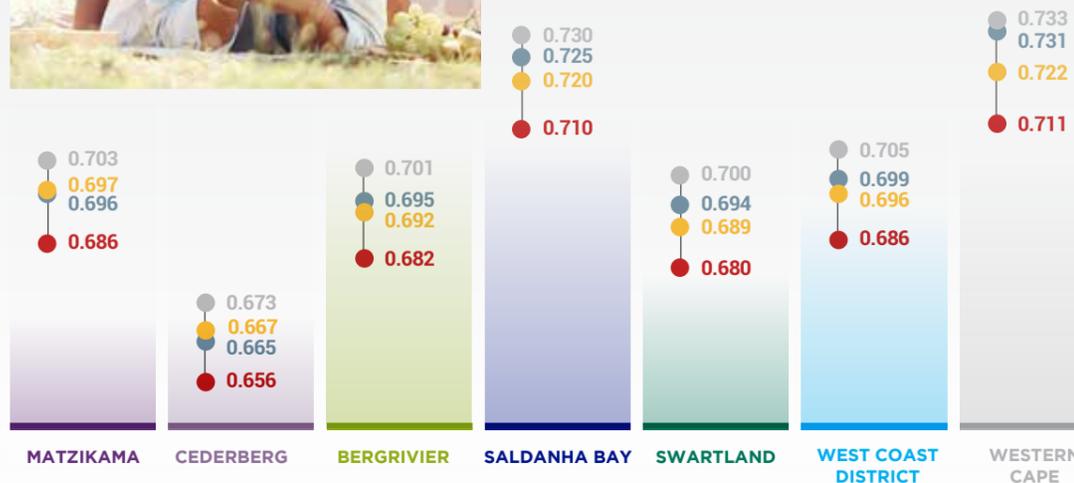
HUMAN DEVELOPMENT INDEX



Figure 5.3
HDI PER MUNICIPAL AREA, West Coast District, 2019 - 2022



● 2019
● 2020
● 2021
● 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.

From 2019 to 2022, the WCD consistently had a lower HDI score than the Province. This disparity was mainly driven by economic differences, as a segment of the population in the more rural parts of the District earned lower incomes than those in urban areas and had limited employment prospects. Conversely, residents of more urban and diverse areas such as Saldanha Bay and Swartland enjoyed higher incomes.

HDI scores across the WCD and the Province declined in 2021, which can primarily be attributed to a reduction in life expectancy brought about by COVID-19. The scores rebounded in 2022 as life expectancy returned to more typical levels. However, they remained below previous levels because of the ongoing problem of low income levels in the WCD. Both the District and the Province witnessed fluctuations in their HDI values from 2019 to 2022. In 2022, the WCD's HDI score was slightly lower than that of the Province. The effects of COVID-19 on

life expectancy and employment, which subsequently affected income levels, were particularly pronounced within the District.

In 2022, the Saldanha Bay municipal area achieved the highest HDI measure in the District (0.720), surpassing that of the District (0.696) and approaching the Province's HDI score (0.722). This was primarily a result of higher incomes in Saldanha Bay compared with those of other municipal areas – the increased earnings made possible by the relative diversity of the Saldanha economy. This economic diversity allowed for improved living standards and access to essential services. By contrast, Cederberg recorded a comparatively low standard of living, primarily because of challenges associated with its low-skilled agriculture sector.

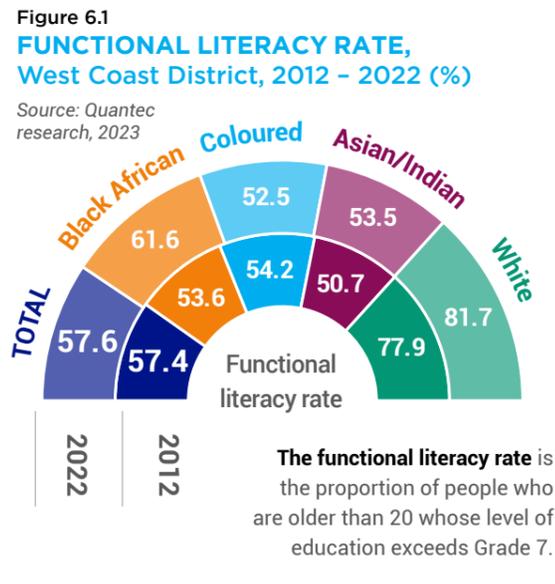
These disparities highlight the urgent need to address socio-economic inequalities, promote educational opportunities and raise incomes. Such actions will uplift communities and create a more equitable and prosperous region.

6. EDUCATION

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

Low literacy levels remain a challenge in the WCD. In 2022, the District literacy rate (57.6 per cent) was substantially lower than that of the Province (66.2 per cent). However, between 2012 and 2022 the rate increased by 0.2 of a percentage point in the WCD, while increasing by 0.9 of a percentage point in the Province. Low literacy rates affect employment prospects, increasing poverty and the need for income assistance.

Racial disparities amplify poverty and income inequality levels in the WCD. Literacy levels are especially low for the coloured population (52.5 per cent) and have declined for this group since 2012. By contrast, literacy levels have improved for other racial groups. A disproportionately high number of coloured people stay on farms, where they may face difficulties in accessing education. This leads to low literacy levels, which impact employability in sectors other than agriculture. Ensuring that school-age children are enrolled in school and attend regularly 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 WCD.



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.⁴⁶



Figure 6.2
LEARNER ENROLMENT, West Coast District, 2020 - 2022

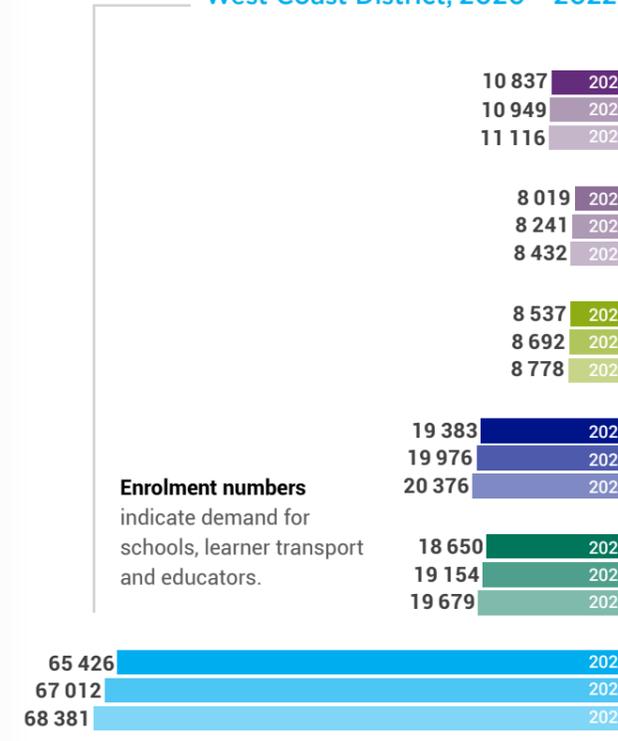
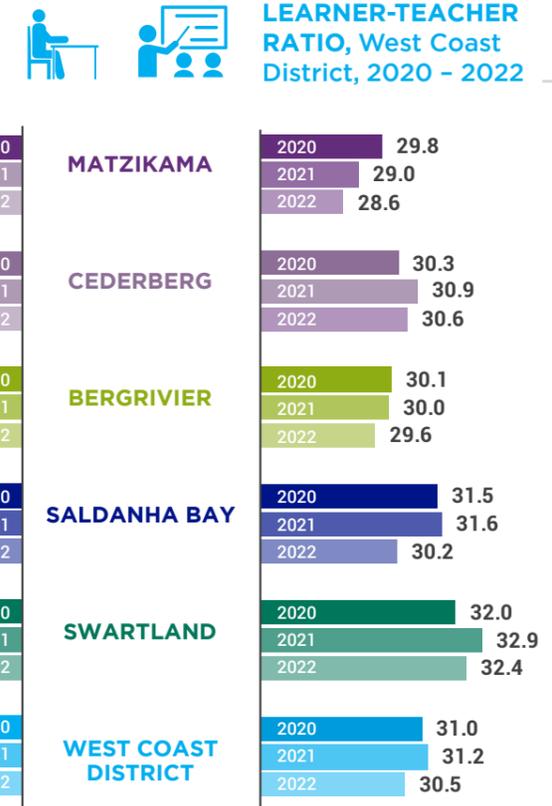


Figure 6.3
LEARNER-TEACHER RATIO, West Coast District, 2020 - 2022



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 35:1.⁴⁷ Lower learner-teacher ratios are associated with more interaction between teachers and learners, which could contribute to better-quality education.⁴⁸

Source: Western Cape Education Department, 2023

⁴⁶ (Western Cape Government, 2022).

⁴⁷ (Sephton, 2017).

⁴⁸ (Moloi & Chetty, 2011).

Between 2020 and 2022, school enrolment in the WCD experienced an average annual growth of 2.2 per cent. In line with the population distribution in the District, the Saldanha Bay municipal area had the highest number of students enrolled, followed by the Swartland municipal area. The learner-teacher ratio in the WCD was higher than the ratio in the Western Cape throughout the reference period.

During the same period, the Swartland municipal area saw a notably faster average increase (2.7 per cent) in the number of children attending schools than other municipal areas within the WCD. This growth can be attributed to improved access to educational facilities in the context of a well-developed urban environment and to semigration to the area. By contrast, the Matzikama municipal area experienced a more modest average increase in learner enrolments between 2020 and 2022 (1.3 per cent).

In 2022, all municipal areas saw a decrease in the learner-teacher ratio. However, the ratio remained relatively high in the Swartland area (32.4), indicating that additional teachers are required in this area. Only the Matzikama and Bergrivier municipal areas had learner-teacher ratios that were lower than those of the District and Province in 2022 (28.6 and 29.6, respectively).



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

LANGUAGE		GRADE 3	GRADE 6	GRADE 9
MATZIKAMA	2019	31.3%	39.5%	66.0%
	2021	26.5%	36.0%	67.6%
	2022	27.6%	29.8%	61.3%
CEDERBERG	2019	28.7%	36.2%	58.6%
	2021	15.2%	32.1%	58.6%
	2022	21.6%	22.0%	57.9%
BERGRIVIER	2019	31.0%	39.7%	63.2%
	2021	27.1%	33.6%	55.4%
	2022	31.4%	27.8%	57.3%
SALDANHA BAY	2019	34.4%	48.1%	54.4%
	2021	26.8%	41.7%	52.0%
	2022	31.5%	37.2%	54.1%
SWARTLAND	2019	29.9%	38.1%	50.5%
	2021	23.7%	34.4%	49.1%
	2022	25.6%	32.0%	49.7%

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

MATHEMATICS		GRADE 3	GRADE 6	GRADE 9
MATZIKAMA	2019	37.9%	33.4%	29.2%
	2021	32.8%	26.2%	34.0%
	2022	32.0%	32.0%	27.2%
CEDERBERG	2019	41.9%	28.0%	26.4%
	2021	24.8%	21.9%	21.9%
	2022	28.7%	27.4%	23.1%
BERGRIVIER	2019	43.6%	34.2%	33.5%
	2021	32.6%	27.0%	28.6%
	2022	38.5%	30.5%	22.9%
SALDANHA BAY	2019	49.9%	38.0%	27.2%
	2021	33.5%	32.5%	28.9%
	2022	40.0%	37.1%	30.0%
SWARTLAND	2019	42.6%	31.7%	21.6%
	2021	29.7%	25.7%	25.2%
	2022	32.3%	32.7%	23.1%

Source: Western Cape Education Department, 2023

In 2022, with improvements in learner-teacher ratios, there was corresponding progress in language and mathematics performance for Grade 3 students in most municipal areas. However, these results remained below the levels observed in 2019. Furthermore, Grade 6 and Grade 9 learners performed poorly in both subjects during 2022. The only improvement noted in this cohort was a marginal increase in pass rates among Grade 6 learners for mathematics.

The Saldanha Bay municipal area achieved the highest mathematics scores in the District for Grades 3, 6 and 9 throughout the reviewed period. While advancements in language outcomes were noticeable for Grade 3 and Grade 6 students, the same degree of progress was not as evident in language achievements for Grade 9 students. However, other municipal areas recorded strong language skills among Grade 9 students. Grade 3 students in Matzikama achieved an impressive 61.3 per cent language pass rate in 2022, surpassing the rates of both the District and the Province. Nevertheless, the mathematics pass rate for Grade 9 students in this area was the second lowest in the WCD in 2022. While Cederberg attained the second-highest language pass rate for Grade 9, learners in this municipal area struggled with pass rates throughout the reference period for all grades and subjects.

The pass rates of Grade 9 students in important subjects such as languages and mathematics have substantial implications for their progression from Grade 10 to Grade 12. School attendance is compulsory until Grade 9. Poor performance during this pivotal year elevates the risk of students dropping out before they enter the further education and training (FET) phase, which encompasses Grades 10 to 12. Even if students continue to the FET phase, inadequate educational achievements in Grade 9 can still result in drop-outs before matriculation.

Consequently, many young individuals in the WCD have an incomplete secondary education. This adversely affects their standing in the job market, since a matric certificate is frequently a minimum requirement for employment. In summary, subpar Grade 9 educational outcomes can have enduring repercussions, constraining career prospects and limiting opportunities for the individuals involved.



LANGUAGE AND MATHEMATICS PASS RATES

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

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. From Grade 4 onwards, they are taught all subjects in English (their home language excepted). The difficulties of this language transition were compounded by the pandemic.

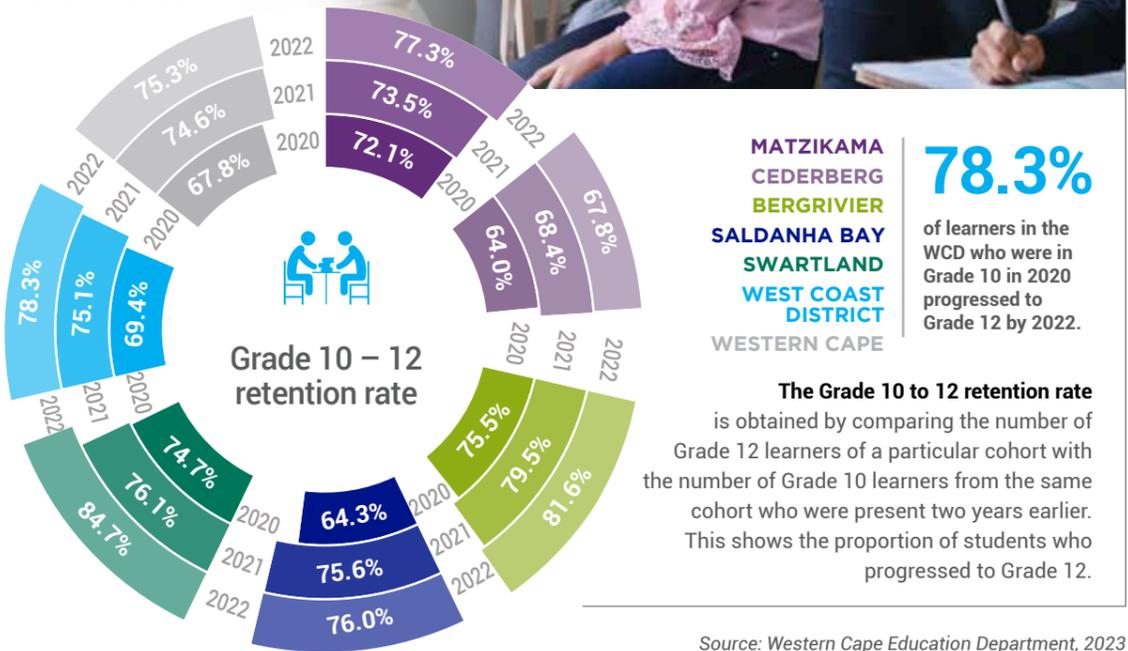
Mathematics performance declined across all grades, with some areas falling below 50.0 per cent and 20.0 per cent proficiency levels. To address these educational shortfalls, the study proposed various interventions. These included providing learners with catch-up time, prioritising mathematics and languages, implementing diagnostic assessments, employing educator assistants and streamlining the curriculum to ensure a focus on essential skills.⁴⁹



⁴⁹ (Van der Berg, Hoadley, Galant, Van Wyk, & Böhmer, 2022).



Figure 6.5
GRADE 10 TO 12
RETENTION RATE,
West Coast District,
2020 - 2022



Source: Western Cape Education Department, 2023

Despite the challenges faced by the education sector during the COVID-19 pandemic in 2020 and 2021, the Grade 10 to 12 retention rate in the WCD consistently improved during this period – a positive trend that continued into 2022. From 2020 to 2022, the District witnessed an 8.9 percentage point increase in the retention rate, which rose from 69.4 per cent to 78.3 per cent between 2020 and 2022. Notably, the 2022 retention rate exceeded the 75.3 per cent observed in the Western Cape. Over the reference period, learner retention improved by 7.5 percentage points in the Province, contrasting with the more substantial increase of 8.9 percentage points observed in the WCD. Between 2021 and 2022, only the Cederberg municipal area recorded a decline in the learner retention rate (0.6 per cent). The retention rate in this area is the lowest in the WCD. This contributes to youth being employed in lower-paying jobs where there are low skill requirements, often jobs in the agriculture sector.

While the Swartland municipal area had the highest learner-teacher ratio in 2022, it achieved the top retention rate for this year in the WCD (84.7 per cent). Additionally, it recorded the second-highest increase in the learner retention rate between 2020 and 2022 (10.0 percentage points), following Saldanha, which had the highest increase (11.7 per cent). This indicates that more students in the Swartland municipal area are successfully completing their secondary education. A higher matriculation rate, in turn, contributes to improved educational attainment levels in the region, resulting in a better-educated workforce, increased knowledge and enhanced skills among the local population.



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



(Inside bar is the bachelor's pass rate) | (Outside bar is the matric pass rate)

Municipal Area	Year	Bachelor's Pass Rate (%)	Matric Pass Rate (%)
MATZIKAMA	2020	43.5%	82.5%
	2021	39.5%	83.3%
	2022	29.4%	74.4%
CEDERBERG	2020	39.0%	82.8%
	2021	38.3%	82.0%
	2022	31.8%	83.3%
BERGRIVIER	2020	43.4%	77.6%
	2021	39.8%	79.6%
	2022	34.1%	68.3%
SALDANHA BAY	2020	41.0%	80.7%
	2021	32.5%	75.7%
	2022	37.1%	82.0%
SWARTLAND	2020	53.5%	85.8%
	2021	50.0%	85.8%
	2022	43.9%	80.7%
WEST COAST DISTRICT	2020	44.9%	82.2%
	2021	40.0%	80.8%
	2022	37.1%	78.9%
WESTERN CAPE	2020	42.6%	79.3%
	2021	44.0%	80.7%
	2022	41.5%	80.9%

To pass Grade 12 and obtain a National Senior Certificate (NSC), a learner must achieve at least 40.0 per cent for three subjects (which are to include their home language), at least 30.0 per cent for two other subjects and a minimum of 20.0 per cent in a sixth subject.⁵⁰ 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

⁵⁰ (Department of Basic Education, 2021).

Despite education outcomes in the Province improving from 2020 to 2022, the WCD faced declines during this period, including a 3.3 percentage point decrease in the matric pass rate between 2020 and 2022. Additionally, the 2022 pass rate was 2.9 percentage points lower than the pre-COVID-19 (i.e. 2019) matric pass rate of 81.8 per cent. The decline in education outcomes was especially pronounced in the Bergrivier municipal area, where the matric pass rate dropped to 68.3 per cent in 2022, marking an 11.3 percentage point decline from 2021. This decline reflects the adverse impacts of the COVID-19 pandemic on learners. Pupils in poor and rural areas could not easily join school online during the pandemic, and the loss of school days in lower grades ultimately impacted the Grade 12 results of 2022.

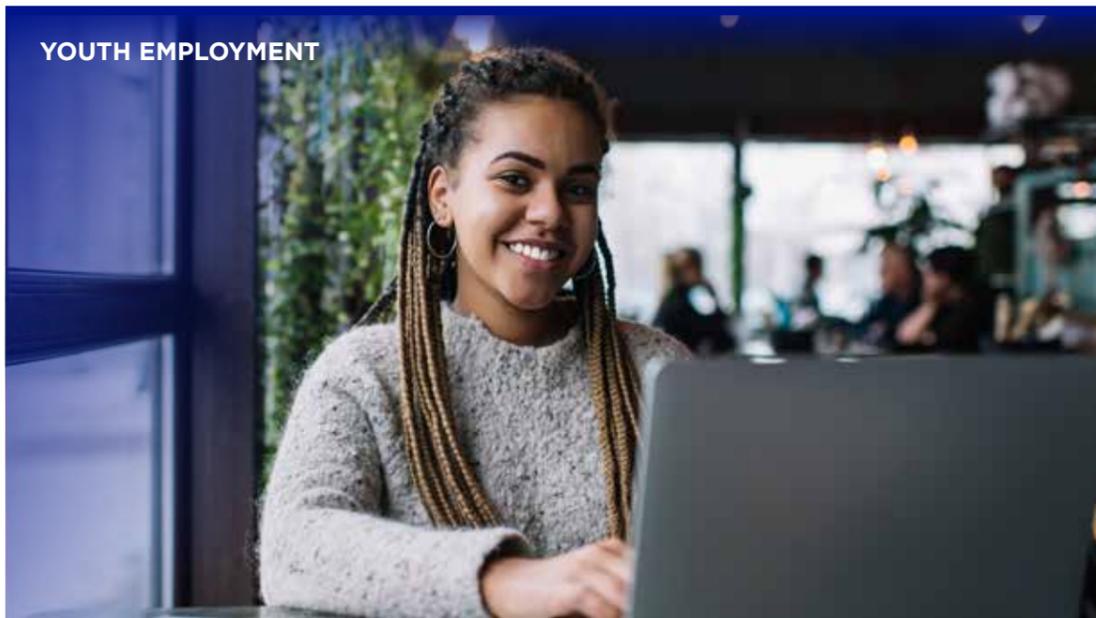
By contrast, the Cederberg municipal area achieved the highest pass rate in the WCD (83.3 per cent), despite having the lowest retention rates and struggling with subject pass rates at lower levels. This achievement is expected to positively impact the local labour market, contributing to the overall wellbeing of communities and the local economy, provided matriculants can find employment locally. This fact emphasises the importance of investing in education and assisting the youth to become actively involved in the economy. Empowering young people to realise their potential enables them to make valuable contributions to the workforce and society while narrowing the skills gap in the WCD and creating a demographic dividend for the area.

In 2022, the WCD had a lower bachelor's pass rate than the Province, with a 4.4 percentage point difference between the two. However, the matric pass rate differed by only 2.0 percentage points. This suggests that while learners are passing their matric exams, they may not be achieving the marks required to advance to tertiary education. This trend has implications for the region's skills development.

Bergrivier had the lowest matric pass rate and one of the lowest bachelor's pass rates in 2022. Cederberg, despite having the highest matric pass rate in 2022, surpassing the rates of both the District and the Province, had an exceptionally low bachelor's pass rate (31.8 per cent).

The decrease in matric and bachelor's pass rates in the WCD raises concerns for future development and skills enhancement in this District. With only the Saldanha municipal area showing improvements in both matric and bachelor's pass rates, the decrease indicates that substantial improvements in education are still necessary in the WCD. The drop in pass rates is expected to negatively impact youth employment and the income levels of the youth population within the WCD.

YOUTH EMPLOYMENT



In 2022 there was a reduction of **2.4%** in formal employment in the WCD among individuals aged 15 to 25.

Young people in the WCD are predominantly employed in agriculture, earning monthly incomes ranging from R3 200 to R6 400 per month.

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

The Youth Development Programme provided by the Department of Social Development offers people aged 14 to 35 a chance to shape their career paths, acquire crucial life skills and benefit from valuable mentorship. It teaches financial management and fosters independence. This initiative extends a comprehensive array of services, opportunities and assistance to participants.

The programme's core aim is to enhance the abilities of young individuals. As such, it provides leadership training, mentoring and assistance in tackling the everyday challenges the youth may encounter.

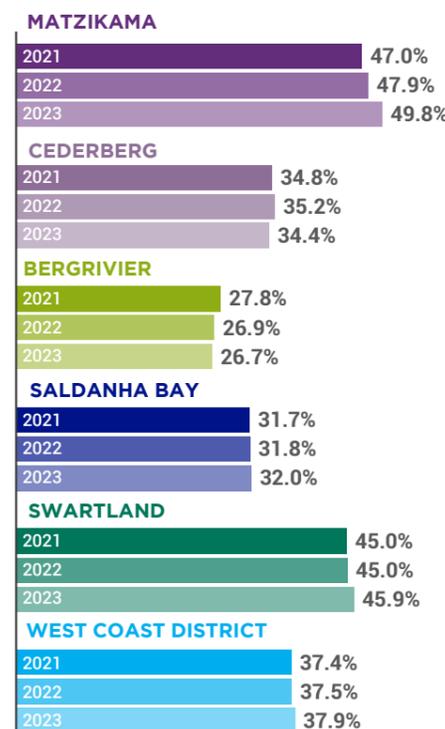
While **non-profit organisations (NPOs) run their own programmes through Youth Cafés and community-based initiatives**, these services are also available at the Department of Social Development's Service Delivery Area Offices. NPOs and Youth Cafés determine the content of their programmes, which focus primarily on skills development, helping young people to prepare for work and occasionally job placement. The programme is strategically designed to ensure the inclusion of most young people, emphasising a diverse range of skills and development opportunities, as well as mentorship and internship offerings.⁵¹

⁵¹ (Western Cape Government, 2023).

7. HOUSING AND ACCESS TO BASIC SERVICES

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

Figure 7.1
WESTERN CAPE HOUSING DEMAND, West Coast 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.

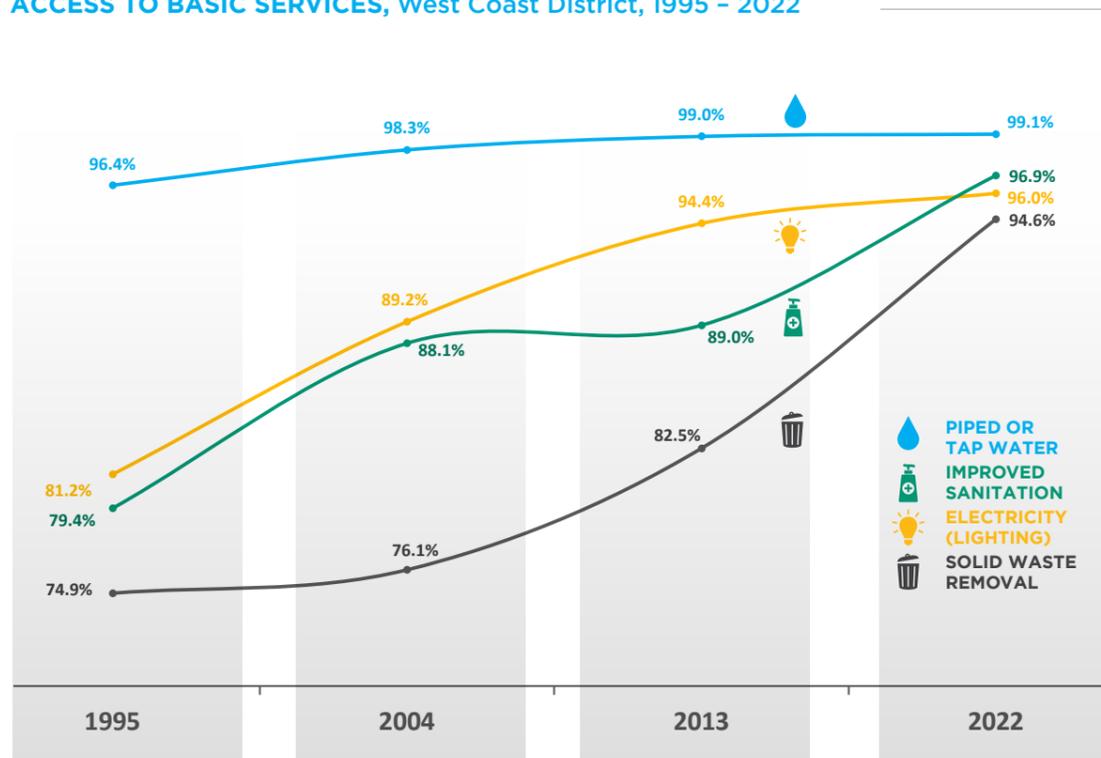
The Matzikama municipal area has the highest housing demand in the WCD, with 49.8 per cent of households in this region registered on the Western Cape Housing Demand Database in 2023.⁵² This marked an increase of 1.9 percentage points on the total for 2022. Urbanisation drives this demand, resulting in informal settlements and lower wages in the municipal area. In a bid to address this challenge, housing support initiatives such as the Integrated Residential Development Programme (IRDP) have identified intervention sites in Vredendal town for the 2023/24 MTEF; the aim is for housing projects under way at these sites to construct approximately 400 units.

In the Swartland municipal area, there was a 0.9 percentage point increase in the proportion of households needing housing between 2022 and 2023, with the percentage currently standing at 45.9 per cent. Providing essential services and housing support is challenging for the government in the absence of a corresponding economic base. Under the IRDP, housing projects have been undertaken to build bulk units in Malmesbury and 652 housing units in Moorreesburg. These initiatives are aimed at addressing housing needs in the medium term.

⁵² More than one person within a household can be registered on the Western Cape Housing Demand Database.

Conversely, the Bergrivier municipal area recorded the lowest housing demand in the WCD in 2023. The area also experienced a decrease in housing demand over the three years from 2021 to 2023, with only 26.7 per cent of households registered for support. While numbers are low, support is still necessary, however, as evidenced by the housing demand in Piketberg. Here, housing units are being developed under the Upgrading of Informal Settlements Development Programme (UISP). Developments are also under way in Porterville, under the IRDP project.

Figure 7.2
ACCESS TO BASIC SERVICES, West Coast District, 1995 – 2022



According to Stats SA, improved sanitation services means that a household either has access to flush toilet which is connected to the public sewerage system or a septic tank, or has access to a pit toilet with ventilation.⁵³

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

Access to appropriate housing and basic services such as water and sanitation is critical for the overall wellbeing of communities. Local municipalities play a vital role in fostering an environment that encourages private investment and entrepreneurship, leading to local economic opportunities that positively impact the community as a whole.

From 1995 to 2022, there was a 2.7 percentage point increase in the share of households with access to piped or tap water. By 2022, an impressive 99.1 per cent of households in the WCD had been provided with this service. Progress has also been made in enhancing access to other essential services. The share of households with access to electricity for lighting grew by 14.8 percentage points from 1995 to 2022. Even more significant enhancements were recorded for access to sanitation and solid waste removal services, with the shares of households provided with these services increasing by 17.6 and 19.7 percentage points respectively. These improvements reflect a commitment to enhancing living

⁵³ (Stats SA, 2022).

conditions and infrastructure within the WCD, one that is particularly notable given the significant growth in households and urbanisation trends over the reference period.

It is essential to acknowledge that the distinctive settlement patterns of the WCD, which encompass a mixture of rural, urban and farming areas, present a number of challenges with regard to service delivery. Most households in this District are located in rural areas and on farms. Efforts to provide these households with solid waste removal services, in particular, have faced delays because of their remote location.

While there are generally high levels of service access in the WCD, disparities still persist, primarily along racial lines. These disparities are mainly due to settlement patterns within urban areas. In 1995, approximately 35.4 per cent of black Africans and 5.3 per cent of coloured people lived in informal settlements. This impacted their access to services, with black Africans having less access to electricity and improved sanitation. Since then, the percentage of the coloured population living in informal settlements has decreased, while the proportion of black Africans has increased. Access to basic services among coloured people and, to a greater extent, black Africans still lags behind the District average.

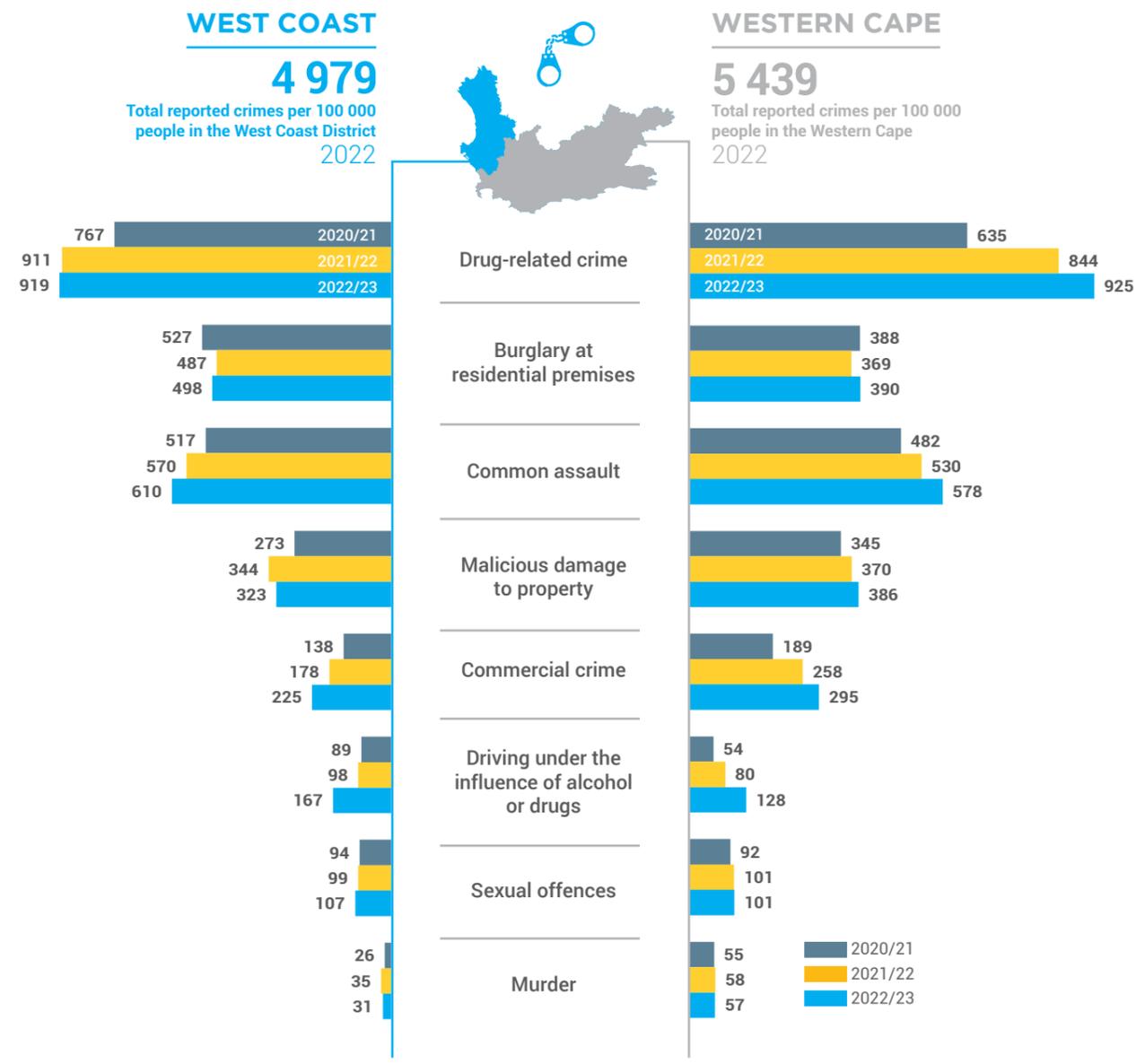


8. CRIME

Despite the decline in unemployment in the WCD, communities are grappling with crime. Between 2020/21 and 2022/23, the District had fewer reported crimes per 100 000 people than the Province. However, rates of burglary at residential premises, common assault and sexual offences in the WCD were higher than those in the Western Cape.

The overall crime rate in the WCD has been on an increasing trend since 2020/21. The imposition of COVID-19 lockdown regulations in 2020/21 contributed to the overall decrease in crime during the year, as more people stayed home, thereby minimising opportunities for crime.⁵⁴

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



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

⁵⁴ (Stats SA, 2022).

Despite increasing in subsequent years, the total crime rate remains lower than prior to 2020/21. Of the crime categories analysed, the WCD noted the highest increase in incidences of driving under the influence of drugs of alcohol, commercial crime and sexual offences. Fewer incidents of malicious damage to property and murder were recorded in 2022/23.

Prior to 2022/23, drug-related crime in the WCD exceeded that of the Province, however, the Province noted a substantial increase in this crime category in 2022/23 which was not replicated in the WCD, as drug-related crime declined in the Cederberg and Swartland municipal areas. However, this crime category remained the most prevalent, with 919 incidents per 100 000 people in 2022/23.

While the murder rate declined marginally on a District level (to 31 incidents per 100 000 people in 2022/23), it increased in the Swartland municipal area, from 29 incidents per 100 000 people in 2021/22 to 33 incidents per 100 000 people in 2022/23.

Incidents of driving under the influence increased in all municipal areas in 2022/23. The Matzikama municipal area recorded the largest increase in this crime category, from 161 incidents per 100 000 in 2021/22 to 275 incidents per 100 000 in 2022/23.

Burglaries at residential premises were more common in the WCD than in the Province throughout the period under review. The number of incidents in the District decreased in 2021/22 but saw a slight increase in 2022/23 (2.4 per cent). This growth can be largely attributed to an increase in cases in the Bergrivier municipal area, where such cases increased by 30.6 per cent in 2022/23.

The number of incidents reported in the WCD emphasises the necessity for additional resources to combat crime, as the number of cases in numerous crime categories continued to rise in in 2022/23.

One of the ways that underlying issues of poverty and inequality are evident in South Africa is through the prevalence of violence and crime. Violence and crime are articulated in different ways. It can be challenging to obtain a comprehensive understanding of the state of crime and violence in South Africa, especially given the under-reporting of certain crimes, with GBV being a prime example. Nevertheless, the impact of crime and violence is widespread. It includes pain and trauma, economic loss, the erosion of social cohesion, unfulfilled human potential and the national psyche being in a persistent state of fear.⁵⁵



⁵⁵ (SPRINT, 2021).

GBV includes any action that causes or is likely to cause physical, sexual or psychological harm or suffering to women. It encompasses threats, coercion and unjust restrictions on their freedom, regardless of whether these actions occur in public or private settings.⁵⁶ 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 such cases reported in the Province.⁵⁷



9. CONCLUDING REMARKS

The WCD boasts a substantial population of young and working-age residents, and this demographic continues to grow steadily. This presents a valuable opportunity for a demographic advantage, which would enable the government to redirect investments towards healthcare and education, thereby fostering future development and economic growth. Such strategic actions collectively aim to bolster the workforce and promote higher-quality job opportunities.

Despite an increase in the number of taxpayers brought about by higher employment rates, the WCD has experienced a decline in average monthly taxable income. This decrease has implications for living standards, potentially limiting access to necessities such as education and healthcare. Encouragingly, the WCD has witnessed a reduction in income inequality, enhancing economic stability by mitigating the instability that can result from pronounced disparities. Ultimately, a more equitable distribution of resources can elevate numerous individuals and families above the poverty threshold.

The ongoing population growth in the region has led to increased demand for housing, necessitating more robust support for basic services throughout the District. Escalating crime rates in the District can discourage businesses from investing in the area, leading to reduced economic growth and fewer job opportunities in certain areas. Such developments, where they occur, place added burdens on Local Government budgets because of increased security costs and may also negatively impact tourism.

Total crimes in the WCD increased in 2022/23, although the rate remained lower than that of the Province. 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. Therefore, it is imperative to acknowledge that crime levels in the WCD continue to be a matter of concern.

⁵⁶ (Government Communication and Information System [GCIS], 2019).
⁵⁷ (Western Cape Education Department, 2022).

The educational landscape of the District encompasses promising trends, including increased learner enrolments and a declining learner-teacher ratio. These trends indicate improved access to education and potentially better learning outcomes. The rise in retention rates suggests that more students are completing their secondary education. Despite this improvement, matriculation pass rates have been declining. This signifies that many young individuals in the WCD are not obtaining a National Senior Certificate. As a result, their prospects for obtaining tertiary qualifications and accessing higher-paying jobs are constrained, potentially resulting in a reduced tax base and diminished economic growth.

While neonatal mortality rates have increased, severe acute malnutrition rates and the incidence of low birth weight infants have remained stable in most municipal areas, indicating improved overall health and wellbeing for residents. However, trends in Matzikama are concerning. Sustaining improvements in health requires a coordinated effort, one that addresses not only healthcare services but also social, economic and cultural factors contributing to health challenges. Additionally, the District has witnessed fewer teenage pregnancies and maternal deaths. This is a positive development, as it eases the burden on healthcare systems, potentially resulting in cost savings and more efficient allocation of healthcare resources.

To promote community wellbeing and safety in the WCD, it is crucial to invest in education and skills development for the growing youth population, address the demand for affordable housing, reduce crime rates, enhance educational quality and promote holistic health and wellbeing, with a focus on teenage pregnancy prevention and maternal health. Community engagement, local economic development and equitable resource distribution are essential for fostering a sense of wellbeing and security among residents.



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

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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