



Western Cape  
Government

2022-23

# Municipal Economic Review and Outlook

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## West Coast District



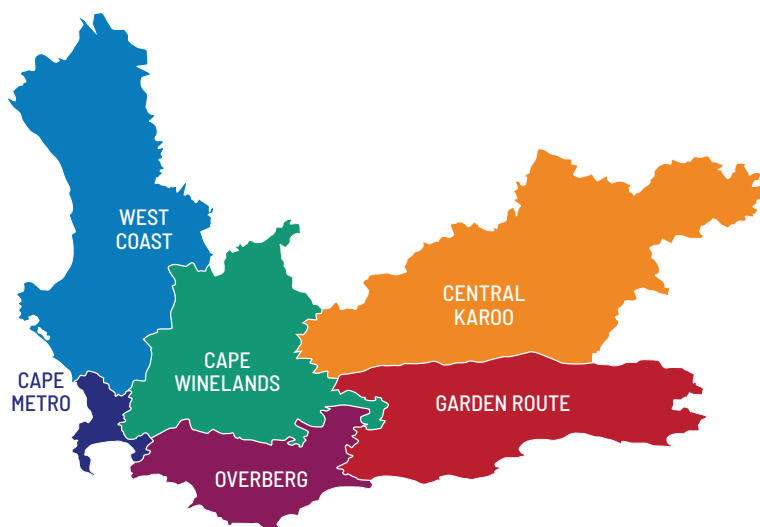
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## West Coast District



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# **ABOUT THE MUNICIPAL ECONOMIC REVIEW AND OUTLOOK (MERO)**

The Municipal Economic Review and Outlook (MERO) is an annual research publication produced by the Western Cape Provincial Treasury. Together with its companion publication, the Provincial Economic Review and Outlook (PERO), the MERO informs the Western Cape Government's (WCG's) evidence-based approach towards integrated planning and budgeting by guiding the equitable and sustainable distribution of financial resources in support of local economic development (LED) and growth. The MERO provides socio-economic intelligence at a municipal level, which feeds into municipal integrated development plans (IDPs), spatial development frameworks (SDFs), LED strategies, municipal reporting and the budget process of municipalities.

In support of the Joint District and Metro Approach, the MERO is disaggregated into separate district-specific publications to provide a more focused overview of the reality facing each Western Cape district. Socio-economic intelligence is made available in such a targeted manner due to each district having its own unique set of strengths, opportunities, threats and challenges which necessitates bespoke solutions.

The MERO commences by providing an analysis of macroeconomic performance and outlook at a global, national and Provincial level, summarising how these affect the growth outlook and labour market trends of all municipal areas within the Western Cape.

Aligned with the Western Cape Recovery Plan, the MERO analysis focuses on economic growth, jobs, safety and wellbeing in each of the Province's district and municipal economies. In doing so, it first provides an in-depth regional economic analysis that considers trends in sectoral growth and key insights into international trade and tourism for each district. An analysis of private and public sector investments follows, with a specific focus on public spending on small, medium and micro enterprises (SMMEs) within designated groups. The report proceeds with a detailed review of key employment trends, skill levels and comparative advantages of sectors within each district. The MERO concludes with an outline of the social circumstances of households and provides an overview of indicators such as population, health, education, housing markets, access to basic services, household income, crime and the Gini coefficient.

The 2022-23 MERO is the 11th edition since its inception in 2012 and can be accessed on the Provincial Treasury's website by using your mobile device to scan the QR code on the adjacent page.



# FOREWORD

The 2022/23 Municipal Economic Review and Outlook (MERO) is a crucial part of the Western Cape Government's planning cycle. It provides our citizens with a wealth of information for a better understanding of the various dynamics of the Province. This valuable information is intended to be used in the municipal integrated development plans (IDPs); spatial development frameworks (SDFs); local economic development (LED) strategies; and budgets for evidence-based decision-making, as well as implementation of the Joint District and Metro Approach to socio-economic development across the Province.

The data contained in the MERO supports private sector development by providing a succinct analysis of the investment potential, comparative advantage and economic specialisation of each region. This year, the MERO includes an analysis of the housing and property markets, as well as the tourism profile of each region.

The MERO continuously sources new data to expand the socio-economic intelligence available to its users. Innovations for the MERO this year include an analysis of COVID-19 vaccinations, the number and average income of taxpayers, mobile location data for the tourism profiles, new investment data and housing market studies within the Garden Route and Cape Winelands Districts, as well as public expenditure trends. Future editions will expand on innovative data sources that deepen the spatial granularity in the MERO analyses.

I wish to extend a special thank you to all the departments, municipalities and agencies that have provided the data analysed within the MERO. I would also like to express my gratitude to the research and development team for compiling this innovative and insightful publication. I trust that the reader, whether representing the public or private sector, will find it useful.



**Ms Mireille Wenger**  
**Minister of Finance and Economic Opportunities**

24 November 2022

# ACRONYMS AND ABBREVIATIONS

AGOA	African Growth and Opportunity Act
ART	Antiretroviral Therapy
BBBEE	Broad-based Black Economic Empowerment
BCI	Business Confidence Index
BEE	Black Economic Empowerment
BER	Bureau for Economic Research
BESS	Battery Energy Storage System
BFAP	Bureau for Food and Agricultural Policy
CAHF	Centre for Affordable Housing Finance Africa
CCBSA	Coca-Cola Beverages South Africa
CGA	Citrus Growers' Association of Southern Africa
CIRAD	French Agricultural Research Centre for International Development
CKD	Central Karoo District
CMD	Cape Metro District
CoGTA	Cooperative Governance and Traditional Affairs
COVID-19	Coronavirus Disease 2019
CPI	Consumer Price Index
CSI	Corporate Social Investment
CSIR	Council for Scientific and Industrial Research
CSP	Customised Sector Programme
CTCP	Clothing and Textiles Competitiveness Programme
CTIA	Cape Town International Airport
CTICC	Cape Town International Convention Centre
CWD	Cape Winelands District
DALRRD	Department of Agriculture, Land Reform and Rural Development
DCD News	DatacenterDynamics News
DEA&DP	Department of Environmental Affairs and Development Planning
DEL	Department of Employment and Labour
DFFE	Department of Forestry, Fisheries and the Environment
DoH	Department of Health
DoHS	Department of Human Settlements
DSD	Department of Social Development
DSD MYPE PPU	Department of Social Development Mid-year Population Estimates Provincial Population Unit

DTIC	Department of Trade, Industry and Competition
DTPW	Department of Transport and Public Works
e	Estimate
EME	Exempted Micro Enterprise
EPWP	Expanded Public Works Programme
EU	European Union
EUR	Euro
EWN	Eyewitness News
f	Forecast
FDI	Foreign Direct Investment
FIA	Fédération Internationale de l'Automobile
FIFA	Fédération Internationale de Football Association
FPL	Food Poverty Line
GBP	Great British Pound
GDP	Gross Domestic Product
GDPR	Gross Domestic Product Per Region
GEOSS	Global Earth Observation System of Systems
GFCF	Gross Fixed Capital Formation
GRD	Garden Route District
GVA	Gross Value Added
HDI	Human Development Index
HIV	Human Immunodeficiency Virus
HSDG	Human Settlements Development Grant
IDP	Integrated Development Plan
IDZ	Industrial Development Zone
IHS	Information Handling Services
ILO	International Labour Organization
IMF	International Monetary Fund
IPP	Independent Power Producer
IRDP	Integrated Residential Development Programme
IRM	Infrastructure Reporting Model
kl	Kilolitre
km	Kilometre



kWh	Kilowatt Hour
LBPL	Lower-Bound Poverty Line
LED	Local Economic Development
MDB	Municipal Demarcation Board
MDR	Multidrug-resistant
MER	Municipal Energy Resilience
MERO	Municipal Economic Review and Outlook
MPC	Monetary Policy Committee
MSCoA	Municipal Standard Chart of Accounts
MTEF	Medium Term Expenditure Framework
MW	Megawatt
MYPE	Mid-year Population Estimates
NCF	Net Capital Formation
OD	Overberg District
OECD	Organisation for Economic Co-operation and Development
OPMII	Overview of Provincial and Municipal Infrastructure Investment
PERO	Provincial Economic Review and Outlook
PPPFR	Preferential Procurement Policy Framework Regulations
PPU	Provincial Population Unit
PV	Photovoltaic
PwC	PricewaterhouseCoopers
QE	Quantitative Easing
QES	Quarterly Employment Statistics
QLFS	Quarterly Labour Force Survey
QR Code	Quick Response Code
QSE	Qualifying Small Enterprise
REIPPPP	Renewable Energy Independent Power Producer Procurement Programme
RMAA	Red Meat Abattoir Association
RMB	Rand Merchant Bank
SA	South Africa
SAACI	Southern African Association for the Conference Industry
SABC News	South African Broadcasting Corporation News
SACU	Southern African Customs Union
SAGIS	South African Grain Information Service

SAICC	South Africa Israel Chamber of Commerce
SALBA	South African Liquor Brand Owners Association
SANRAL	South African National Roads Agency Limited
SAPS	South African Police Service
SARB	South African Reserve Bank
SARS	South African Revenue Service
SAWIS	SA Wine Industry Information and Systems
SBIDZ	Saldanha Bay Industrial Development Zone
SDF	Spatial Development Framework
SEZ	Special Economic Zone
SME	Small and Medium-sized Enterprise
SMME	Small, Medium and Micro Enterprise
SSEG	Small-scale Embedded Generation
Stats SA	Statistics South Africa
TB	Tuberculosis
TIDCA	Trade, Investment and Development Cooperation Agreement
TIFA	Trade and Investment Framework Agreement
UBPL	Upper-bound Poverty Line
UK	United Kingdom
UN	United Nations
UNCTAD	United Nations Conference on Trade and Development
UNDP	United Nations Development Programme
UNAIDS	Joint United Nations Programme on HIV/AIDS
US	United States
USD	United States Dollar
USDA	United States Department of Agriculture
WCD	West Coast District
WCED	Western Cape Education Department
WCG	Western Cape Government
WCSEB	Western Cape Supplier Evidence Bank
WCWSS	Western Cape Water Supply System
WFH	Work From Home
WTO	World Trade Organization
ZAR	South African Rand

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## THE OTHER DISTRICTS





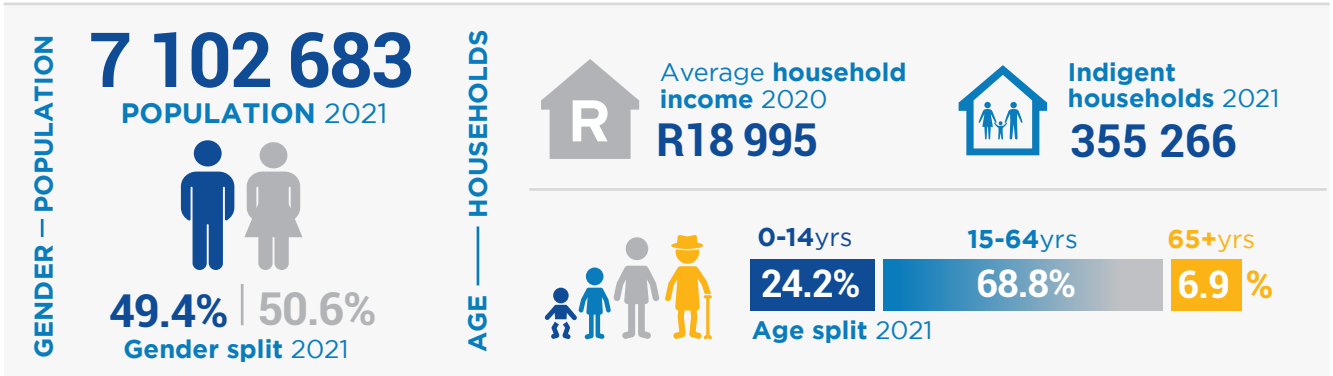


# WC WESTERN CAPE

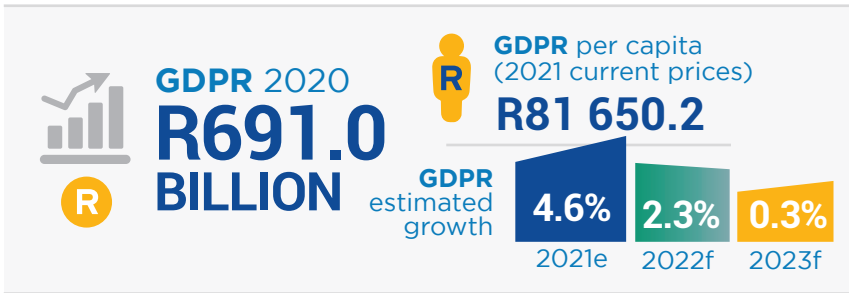
SEAT | AREA | DENSITY  
**Cape Town** | **129 462km<sup>2</sup>** | **52.9/km<sup>2</sup>**

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

## DEMOGRAPHICS



## GROSS DOMESTIC PRODUCT



## SERVICES



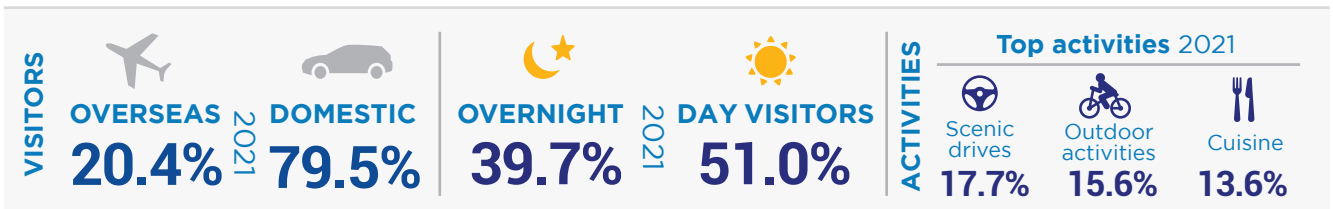
## EMPLOYMENT



## TRADE



## TOURISM






## GDPR

2020 2021

GDPR  
CONTRIBUTION

GDPR  
GROWTH





























## EMPLOYMENT

2020 2021

EMPLOYMENT  
CONTRIBUTION

EMPLOYMENT  
GROWTH

	R		R			
<b>PRIMARY SECTOR</b>	<b>4.2%</b>	 GDPR	<b>7.2%</b>	<b>10.0%</b>		<b>-3.1%</b>
AGRICULTURE, FORESTRY & FISHING	3.9%		8.3%	9.9%		-3.1%
MINING & QUARRYING	0.3%		-14.6%	0.1%		-4.8%
<b>SECONDARY SECTOR</b>	<b>20.7%</b>	 GDPR	<b>4.9%</b>	<b>16.3%</b>		<b>-4.8%</b>
MANUFACTURING	14.6%		7.1%	10.1%		-3.7%
ELECTRICITY, GAS & WATER	2.3%		3.0%	0.4%		-2.4%
CONSTRUCTION	3.7%		-2.0%	5.8%		-6.9%
<b>TERTIARY SECTOR</b>	<b>75.1%</b>	 GDPR	<b>4.4%</b>	<b>73.7%</b>		<b>-2.5%</b>
WHOLESALE & RETAIL TRADE, CATERING & ACCOMMODATION	14.8%		7.1%	22.7%		-5.2%
TRANSPORT, STORAGE & COMMUNICATION	8.0%		5.2%	4.3%		-9.1%
FINANCE, INSURANCE, REAL ESTATE & BUSINESS SERVICES	30.6%		3.6%	20.2%		-2.1%
GENERAL GOVERNMENT	10.6%		-0.7%	6.5%		1.1%
COMMUNITY, SOCIAL & PERSONAL SERVICES	11.1%		7.4%	20.1%		0.6%



SECTION A

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# BACKGROUND AND MACROECONOMIC CONTEXT





# 1. INTRODUCTION AND BACKGROUND

## 1.1 INTRODUCTION

The Municipal Economic Review and Outlook (MERO) provides extensive and comprehensive economic intelligence disaggregated at a metro, district and municipal level. The purpose of the MERO is to inform the determination of policy, planning and budget allocation at the local government level. Furthermore, the MERO is an accompanying document to the Provincial Economic Review and Outlook (PERO), which provides economic intelligence at a Provincial level.

The MERO employs a variety of data sources to provide a detailed analysis of the socio-economic trends displayed across the municipal areas within the Western Cape. National economic and employment data are sourced from Statistics South Africa (Stats SA), while the Western Cape gross domestic product per region (GDPR) and employment data are obtained from Quantec Research. To discuss the various indicators, the most recent available data sources are used. The publication makes use of regional GDPR data for the period 2011 to 2020, while figures for 2021 are estimated. Forecasts for 2022 and 2023 are based on the national forecast from the South African Reserve Bank (SARB), as well as the agriculture sector forecast from the Bureau for Food and Agricultural Policy (BFAP). Data sources for the various socio-economic indicators are sourced from Provincial departments, namely Treasury, Health, Education, Social Development, Transport and Public Works, and Local Government. Tourism data is sourced from Wesgro and IHS Markit, and crime data from the South African Police Service (SAPS). District and local municipalities also provided data by completing the Municipal Perception Survey.

## 1.2 OBJECTIVE OF THE RESEARCH

The objective of this research is to provide economic intelligence at a municipal level. It aims to inform municipal planning and budgeting, inclusive of municipal integrated development plans (IDPs), local economic development (LED) strategies and the budget processes of municipalities.

## 1.3 REPORT OUTLINE

The MERO 2022 publication is structured as follows:

**SECTION A: Macroeconomic context.** Provides a broad overview of the macroeconomic performance and outlook of South Africa and the Western Cape.

**SECTION B: Western Cape regions.** More detailed information for the Cape Metro area and the five districts in the Western Cape, namely the West Coast District (WCD), the Cape Winelands District (CWD), the Overberg District (OD), the Garden Route District (GRD) and the Central Karoo District (CKD). Additionally, the 24 local municipal areas are also discussed. An overview of each region is provided as follows:

- **Chapter 1: Economic growth** Overview of the macroeconomic context of each region and the respective municipal areas by focusing on GDP performance and trends. The period under review is between 2016 and 2020; 2021 figures are provided as estimates. In addition, GDP forecasts are provided for 2022 and 2023. Furthermore, this chapter provides key insights into international trade, investments and tourism for each district.
- **Chapter 2: Jobs** This chapter provides an in-depth overview of the key employment trends in each district and municipal area. This is followed by an overview of prevailing skill levels within each municipal area.
- **Chapter 3: Safety and wellbeing** This chapter provides an overview of the economic and social circumstances of households by analysing population, human development, housing, crime and access to basic services. It elaborates on human development in the region by assessing education levels, health and income.



## 2. ECONOMIC PERFORMANCE AND OUTLOOK

### 2.1 INTRODUCTION

This section provides an overview of the recent economic performance and medium-term prospects of the Western Cape. The overview is informed by global and national economic expectations and performances. **This section is an extract of Chapter 2 of the PERO. To read the full PERO scan the QR code.**



### 2.2 GLOBAL ECONOMIC PERFORMANCE

After the short-lived impact of the COVID-19 Omicron variant, the path to global economic recovery was interrupted by Russia's invasion of Ukraine. The invasion led to a humanitarian crisis in Eastern Europe, severe sanctions against Russia and a rapid increase in selected commodity prices such as oil and fertilisers. The imposed sanctions are bound to exacerbate rising global inflation and interest rates further. China also initiated wider-ranging and frequent COVID-19 lockdown measures, which slowed economic activity in China and caused renewed supply chain bottlenecks worldwide. The Russia-Ukraine war has severely set global economic recovery back by 0.4 percentage points from the April 2022 outlook to 3.2 per cent in 2022 and by 0.7 percentage points to 2.9 per cent in 2023.

Table 2.1  
**MOST PROMINENT EXPORT AND TOURISM PARTNERS FOR THE WESTERN CAPE WITH REAL GDP OUTLOOK**



	Share of South Africa		Share of Western Cape		GDP growth forecasts		
	Exports	Tourism Feb 2022	Exports	Tourism Feb 2022	2021(e)	2022	2023
Global economy	100.0%	100.0%	100.0%	100.0%	6.1%	3.2%	2.9%
Advanced economies	57.8%	68.1%	48.1%	86.6%	5.2%	2.5%	1.4%
Emerging-market and developing economies	42.2%	31.9%	52.1%	13.4%	6.8%	3.6%	3.9%
United States	10.6%	7.5%	10.2%	7.8%	5.7%	2.3%	1.0%
Netherlands	3.4%	5.2%	8.6%	8.3%	5.0%	2.9%	2.0%
United Kingdom	6.7%	19.3%	7.5%	24.0%	7.4%	3.2%	0.5%
Namibia	2.8%	2.1%	6.7%	2.3%	2.8%	3.7%	2.4%
China	11.0%	0.4%	6.1%	0.1%	8.1%	3.3%	4.6%
Germany	8.2%	12.7%	3.1%	22.0%	2.8%	1.2%	0.8%
<b>South Africa</b>					<b>4.9%</b>	<b>1.7%</b>	<b>0.3%</b>
<b>Western Cape</b>					<b>4.8%</b>	<b>2.2%</b>	<b>0.3%</b>

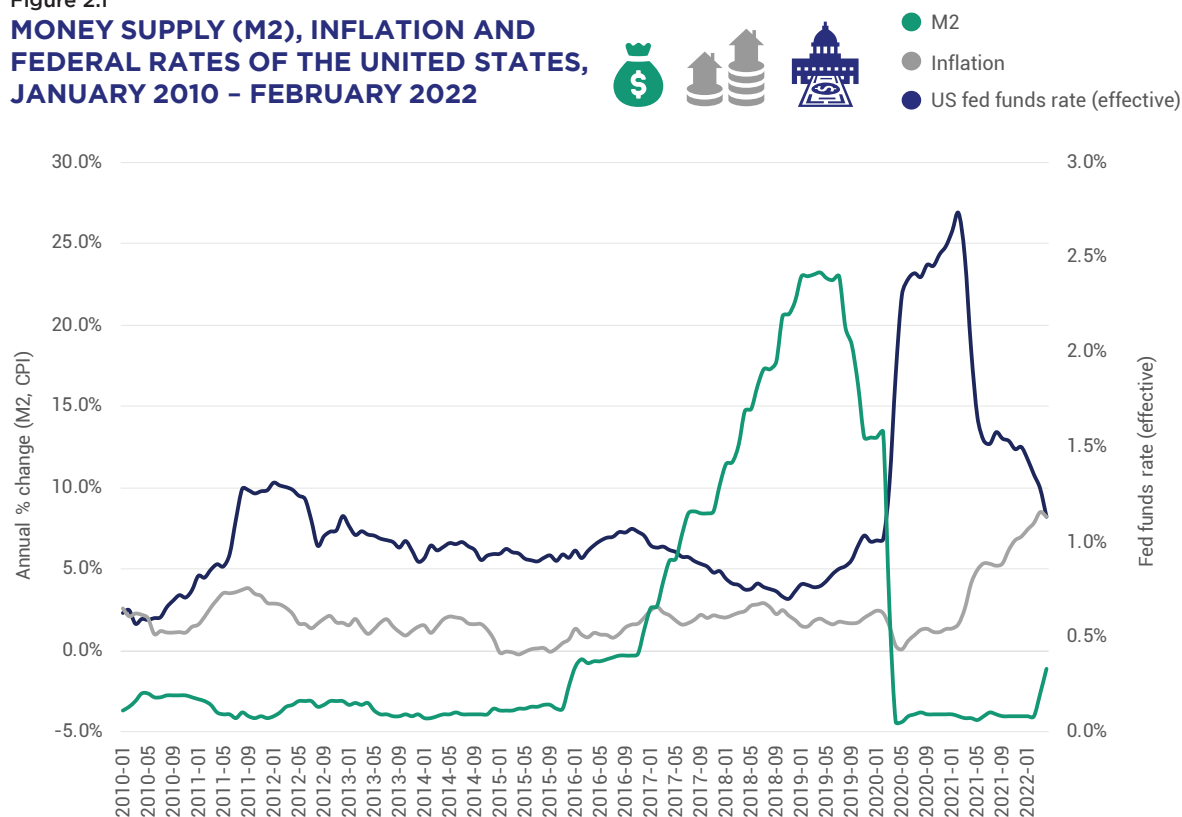
Sources: IMF, Quantec Research, own calculations



In advanced economies, supply shortages in selected sectors are expected to last until 2023. Supply chain bottlenecks are projected to ease as production responds to higher prices and new capacity becomes operational. A large portion of advanced economies (Europe) are in close geographical proximity to Russia and Ukraine, and are highly reliant on Russian fossil fuels and impacted by millions of refugees, who pose coordination and organisational challenges. Inflation has become a central concern and is projected to remain elevated for much longer than previously forecast. Fiscal support is generally set to decline in 2022 and 2023 as emergency measures to cushion the impact of the pandemic are gradually reduced. Advanced economies are projected to expand by 2.5 per cent in 2022 and 1.4 per cent in 2023.

Figure 2.1

**MONEY SUPPLY (M2), INFLATION AND FEDERAL RATES OF THE UNITED STATES, JANUARY 2010 – FEBRUARY 2022**



Source: Economist Intelligence Unit



**In the United States (US), the non-passage of the USD 1.7 trillion Build Back Better plan, in conjunction with continued supply chain disruptions, has depressed the growth prospects of the global economic superpower.** To

stimulate investment in renewable energy, extend subsidies for health insurance and reduce the fiscal deficit, the US passed the Inflation Reduction Act of 2022. Growth expectations are further curtailed by the faster-than-expected withdrawal of monetary support in response to the severe buildup of inflation pressure. The US experienced its highest inflation in 40 years, mainly because of supply chain constraints, demand pressures from quantitative easing,<sup>1</sup> a rise in commodity prices owing to the Russia-Ukraine war and the implementation of stimulus cheques<sup>2</sup> during the COVID-19 pandemic. The US is expected to grow by 2.3 per cent in 2022 and 1.0 per cent in 2023.

<sup>1</sup> The Federal Reserve Bank announced on 15 March 2020 that it would purchase government debt bonds and mortgage-backed securities worth USD 700.0 billion from domestic financial institutions over the coming months, which is a policy known as quantitative easing (QE).

<sup>2</sup> Between 2020 and 2021 total payments to individuals amounted to USD 391.0 billion, while businesses were offered USD 780.0 billion during two rounds of a payment protection programme.



**The Russia-Ukraine war continues to weigh heavily on business and consumer sentiment in Germany, with consumer and producer price inflation reaching record highs in April 2022.**

The bulk of Germany's gas supplies are sourced from Russia. Russian sanctions have led to energy shortages and increased energy prices, and have consequently dampened Germany's economic outlook. Economic growth will moderate this year, as Chinese lockdowns may lead to additional supply bottlenecks and could also weaken export demand. Germany's gross domestic product (GDP) is expected to expand by 1.2 per cent in 2022 and 0.8 per cent in 2023.



**The United Kingdom's (UK's) recovery is losing steam, brought about by a decline in disposable income, rising inflation and geopolitical tensions. Economic activity was hit by disruptions in energy and labour supply, and the implementation of Omicron restrictions.**

The inflationary effects of the war in Ukraine and lockdowns in China have added to existing price pressures, affecting both consumer confidence and economic activity. Although accumulated savings provided for demand support, consumer spending power will be further squeezed by tax increases and record-high inflation. In April 2022, the UK recorded a 54.0 per cent rise in household energy bills. The UK's growth expectation of 3.2 per cent in 2022 is artificially inflated owing to the previous year's low base, and is expected to slow down to 0.5 per cent in 2023.



**The Netherlands entered the new year with increased uncertainty and evaporating economic growth on the back of falling household consumption and waning investment growth. Economic developments in the second quarter of 2022 were mixed, with rising business confidence and improved manufacturing operating conditions juxtaposed with deteriorating consumer sentiment in April and May, and double-digit inflation during April 2022.**

Household spending is expected to remain constrained despite a further tightening of the labour market. As with most economies in Europe, economic growth in the Netherlands is expected to lose steam in 2022 owing to the impact of the invasion of Ukraine, inflation and supply chain restrictions. COVID-19 lockdowns in China will put additional stress on supply chains and undermine export demand. The Netherlands' economy is projected to expand by 2.9 per cent in 2022 and 2.0 per cent in 2023.

In emerging-market and developing economies, the Ukraine invasion has increased capital outflows, tightening financial conditions for both vulnerable borrowers and net importers of commodities, thereby weakening the local currencies of the most exposed countries. Russia's invasion placed emerging markets' debt in the crosshairs of a crisis, causing the asset class to suffer one of its worst drawdowns in recent history. Several countries with the same structural weaknesses as Sri Lanka stand out. Structural weaknesses include difficulty in collecting taxes, large portions of foreign-denominated debt and limited foreign exchange reserves. A continued tightening of monetary policy will place a wider range of emerging-market economies under economic pressure, with rising food and fuel prices that could significantly increase the risk of social unrest. Despite these factors, emerging-market and developing economies are projected to expand by 3.6 per cent in 2022 and 3.9 per cent in 2023.



**China's growth prospects are mainly constrained by COVID-19 lockdowns<sup>3</sup> in numerous cities, a crackdown on private technology companies, reduced export demand and subdued real estate investments.**

The technology clampdown was attributable to large fines levied on companies such as Alibaba and Meituan to rein in monopolistic behaviour. Chinese real estate investments are hampered by cash flow, debt-servicing problems and a subsequent firmer stance on highly leveraged property developers. Contrary to the global trend of tighter monetary policy, China is the exception, where inflation remains low, and its central bank cut policy rates in January 2022 to support the recovery. The Chinese economy is expected to expand by 3.3 per cent in 2022 and 4.6 per cent in 2023.



**Namibia recorded a disappointing economic recovery of only 0.9 per cent in 2021, following a contraction of 8.5 per cent in 2020.**

A more robust expansion in 2022 will largely depend on the performance of its mining sector, which contributes about 11.0 per cent to the total national GDP. The Namibian economy will benefit from rising prices in uranium, which recorded a 44.5 per cent average price increase in 2022 from the previous year. The uranium price increase is largely due to supply constraints brought about by the invasion of Ukraine in early 2022. Russia and Ukraine are both among the top 10 uranium producers in the world. The mining sector will be further supported by commodity price increases in diamonds (7.5 per cent) and copper (6.1 per cent) since the beginning of 2022. However, the economic recovery will be hampered by more restrictive monetary policy. Namibia increased its policy interest rate by 70 basis points in 2022. The economy of Namibia is expected to expand by 2.8 per cent in 2022 and 3.7 per cent in 2023.

Diminished growth prospects among the Western Cape's main sources of tourism and export partners provide for a softer outlook in tourism and export growth.



**In early July 2022, protestors swarmed President Gotabaya Rajapaksa's palace in Sri Lanka, forcing him to flee and step down.**

Sri Lanka is in the midst of its worst financial crisis in seven decades, with depleted foreign reserves, daily power grid cuts, and food and fuel shortages. Inflation soared to 43.3 per cent in May 2022, while food prices increased by 58.0 per cent. The Sri Lankan government owes USD 51.0 billion in debt and cannot make any payments on loans. According to the United Nations (UN) World Food Programme, nine out of 10 families are skipping meals or otherwise skimping to stretch out their food, while three million are receiving emergency humanitarian aid. Sri Lanka is running out of foreign exchange reserves to pay for essential imports, including food, medicine and fuel.

The root of the crisis started with the 2019 suicide bombings at churches and hotels, which badly damaged tourism revenue, a key source of foreign exchange and an important engine of the Sri Lankan economy. During the pandemic, tourism flatlined. In an attempt to boost the economy, the Sri Lankan government embarked on large-scale infrastructure investments. The infrastructure investments were funded by foreign-currency-denominated debt instead of tax revenue. The prime minister subsequently announced the largest tax cuts in Sri Lankan history. These initiatives led to a credit downgrading, which blocked further foreign funding. In April 2021, the Sri Lankan government announced a ban on chemical fertilisers in a push to promote organic farming. The move decimated rice crops and increased the price of staples. In conjunction with rising oil prices, imports became unaffordable.

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<sup>3</sup> Shanghai's two-month lockdown ended on 30 May 2022.

## 2.3 DEVELOPMENTS IN THE SOUTH AFRICAN ECONOMY

### 2.3.1 Performance of the South African economy

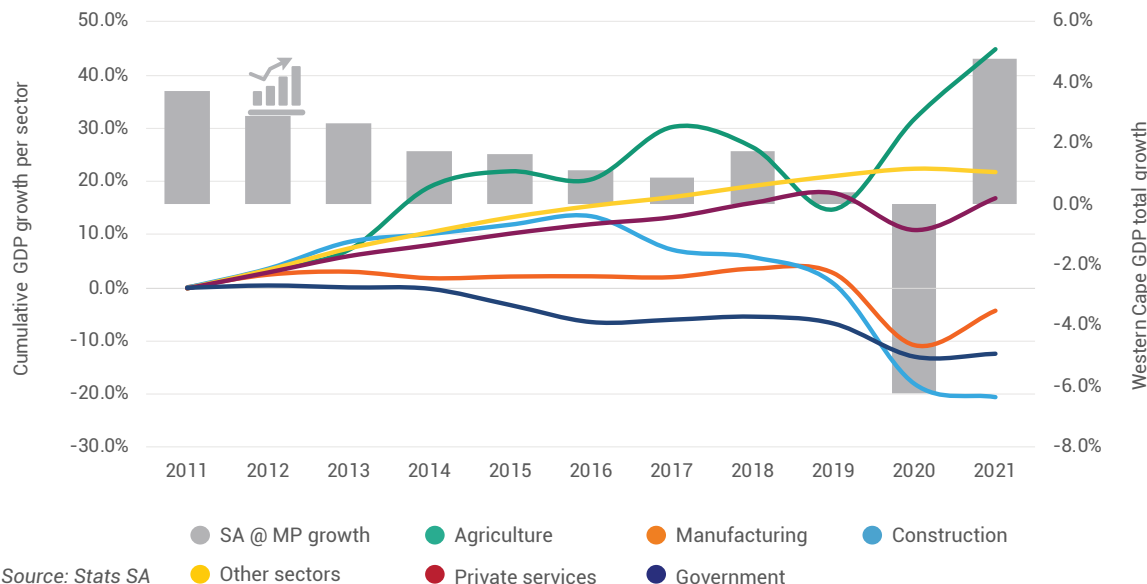
After two years, South Africa's GDP in the first quarter of 2022 finally recovered to levels seen in the first quarter of 2020. However, this was followed by a contraction in the second quarter of 2022, with the national economy facing new disruptions in the global commodity and energy markets caused by the Russian invasion of Ukraine and severe COVID-19 lockdown measures in China. South Africa also faces high unemployment, power outages and elevated public debt service costs, along with rising inflation and interest rates.

South Africa's economy recorded a 0.7 per cent contraction in the second quarter of 2022. Three industries expanded between the first and second quarter of 2022, with the transport (0.2 percentage points) and finance (0.6 percentage points) sectors making the largest growth contributions.

In 2021, South Africa recorded strong GDP growth of 4.9 per cent following a contraction of 6.4 per cent in 2020. The recovery was mainly driven by growth contributions from the finance (0.9 percentage points), manufacturing (0.9 percentage points) and community services (1.0 percentage points) sectors.

Figure 2.2

#### CUMULATIVE GDP GROWTH PER SECTOR; SOUTH AFRICA'S GDP GROWTH, 2012 - 2021



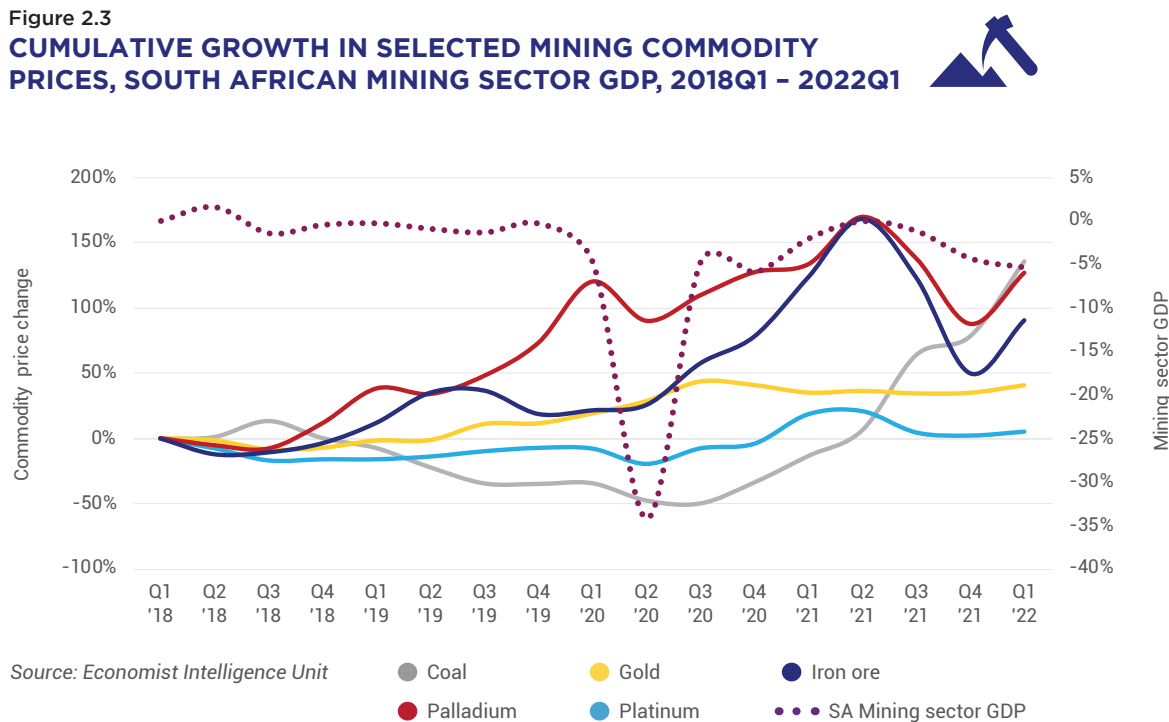
Over the past decade, the South African economy expanded by an average growth rate of 1.0 per cent and a cumulative growth rate of 9.5 per cent. The agriculture sector (55.4 per cent) recorded the highest cumulative growth over this period, followed by the general government (22.6 per cent) and community services<sup>4</sup> (14.5 per cent) sectors. However, the construction (-20.8 per cent), manufacturing (-5.7 per cent) and "Other" (-3.3 per cent) sectors were at lower GDP levels in 2021 than a decade ago. Within the "Other" sectors, both the mining (2.1 per cent) and utilities (-13.0 per cent) sectors have contracted over the last 10 years.

<sup>4</sup> Includes all tertiary sectors excluding government.

COVID-19 lockdown measures adopted by the end of March 2020 have had a significant impact on the national economy's cumulative growth since the second quarter of 2020. All sectors except for the agriculture sector contracted owing to the lockdown measures implemented from the second quarter of 2020.



**Figure 2.3**  
**CUMULATIVE GROWTH IN SELECTED MINING COMMODITY**  
**PRICES, SOUTH AFRICAN MINING SECTOR GDP, 2018Q1 - 2022Q1**

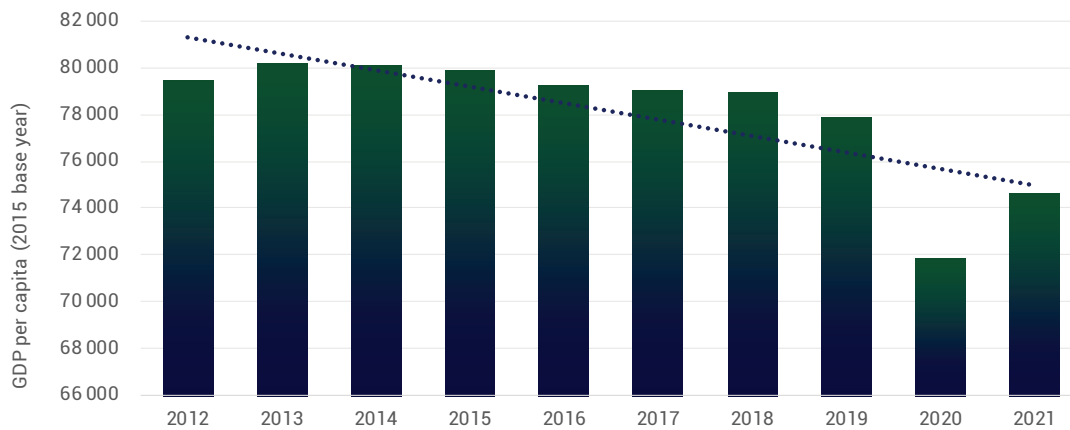


The mining sector's GDP contraction (-1.5 per cent) since 2018 contrasts with a price surge among key mining commodities over the same period. Since 2018, there have been significant price increases in iron ore (90.7 per cent), palladium (127.4 per cent), gold (41.0 per cent) and coal (135.7 per cent). Factors that could also have impacted the mining sector's GDP growth performance over the period include load-shedding, above-inflation electricity price increases and the revised Mining Charter<sup>5</sup> in 2018.

<sup>5</sup> A mining right holder must increase its Black Economic Empowerment (BEE) shareholding from the minimum of 26.0 per cent to 30.0 per cent. The "once empowered always empowered" principle is only applicable for the duration of the mining right and is not applicable upon renewal or transferable upon sale. A non-diluting 5.0 per cent stake must be given to employees and 5.0 per cent to communities. Mining companies must procure 80.0 per cent of services from BEE entities, which must be South African companies; and 70.0 per cent of mining goods, which must be South African-manufactured and produced by BEE entities, women, youths or BEE entrepreneurs.



**Figure 2.4**  
**REAL GDP PER CAPITA IN SOUTH AFRICA, 2012 - 2021**



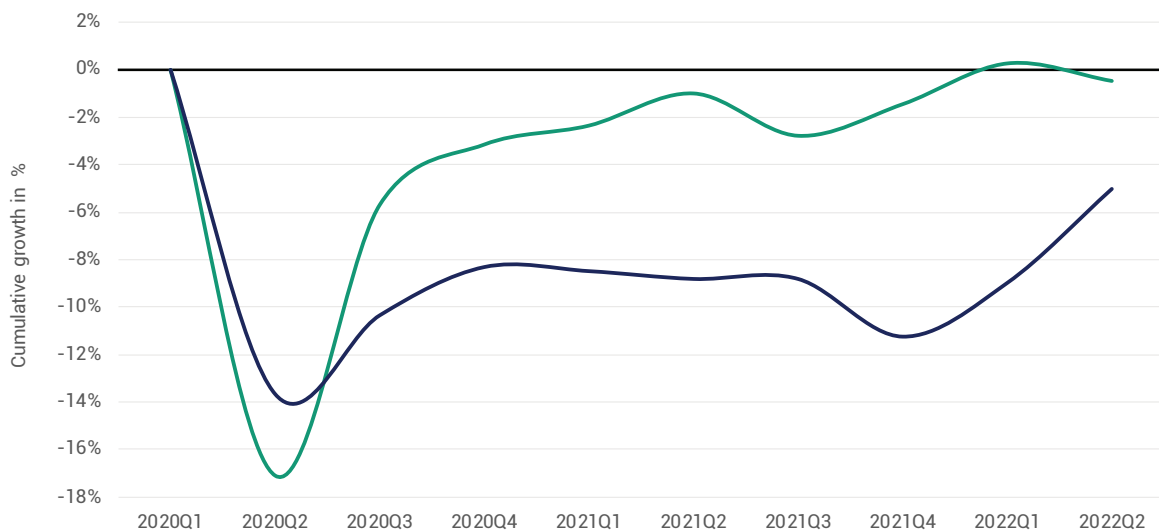
Source: Quantec Research

Since 2012, South Africa’s estimated population has grown by 1.6 per cent per annum. Over the same period, GDP expanded at an average rate of 1.0 per cent. In real terms, South Africa’s economic prosperity has declined since 2014. Since the start of 2014, South Africa’s GDP per capita declined by 6.9 per cent from R80 193 to R74 655 in 2021. The COVID-19 lockdown measures implemented since 2020 significantly accelerated the deterioration in GDP per capita.

**Figure 2.5**  
**SOUTH AFRICA’S CUMULATIVE RECOVERY IN GDP AND EMPLOYMENT, 2020Q1 - 2022Q2**

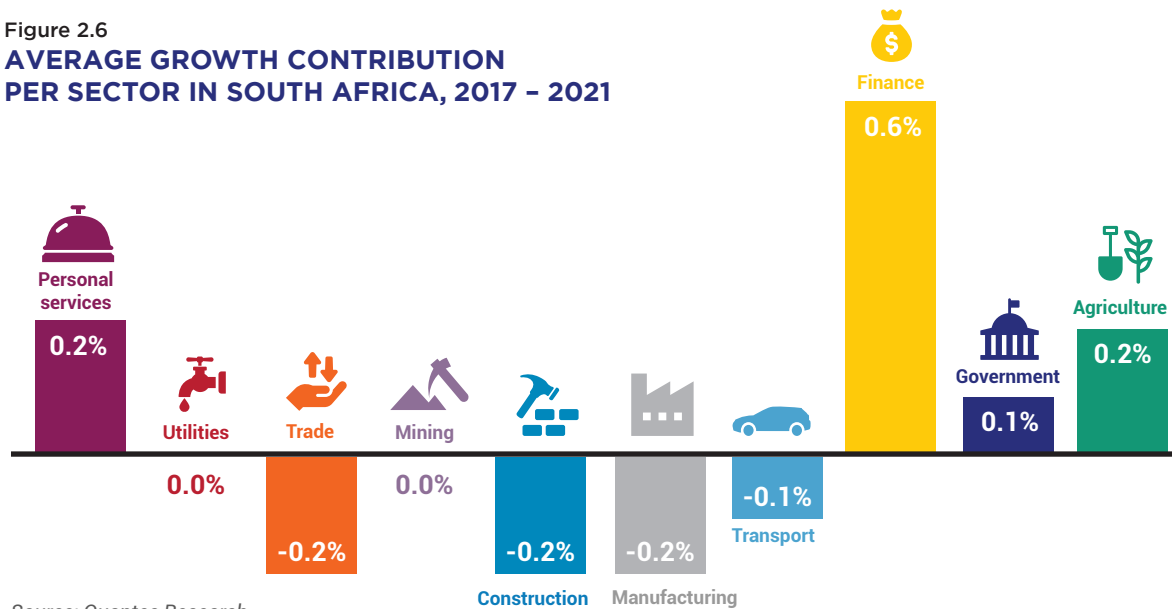


● Employment  
 ● GDP @ market prices



In the second quarter of 2022, the South African economy contracted by 0.7 per cent, after expanding by 1.7 per cent in the first quarter of 2022. Except for transport (2.4 per cent), finance (2.4 per cent) and community services (0.1 per cent), all sectors recorded contractions during the quarter. By the second quarter of 2022, South Africa’s GDP was 0.5 per cent lower than in the first quarter of 2020, while employment levels were still 820 697 or 5.0 per cent lower than pre-COVID-19 pandemic levels.

Figure 2.6  
**AVERAGE GROWTH CONTRIBUTION  
 PER SECTOR IN SOUTH AFRICA, 2017 – 2021**



Source: Quantec Research

The average growth contribution of each sector in the last five years shows the important GDP growth contributions from the finance (0.6 percentage points), agriculture (0.2 percentage points) and community services (0.2 per cent) sectors, while the trade (-0.2 percentage points), construction (-0.2 percentage points), manufacturing (-0.2 percentage points) and transport (-0.1 percentage points) sectors showed diminished economic growth over the same period. Notably, most sectors that made negative contributions to GDP growth were the secondary or primary sectors, which typically provide employment opportunities for semi-skilled or unskilled workers.



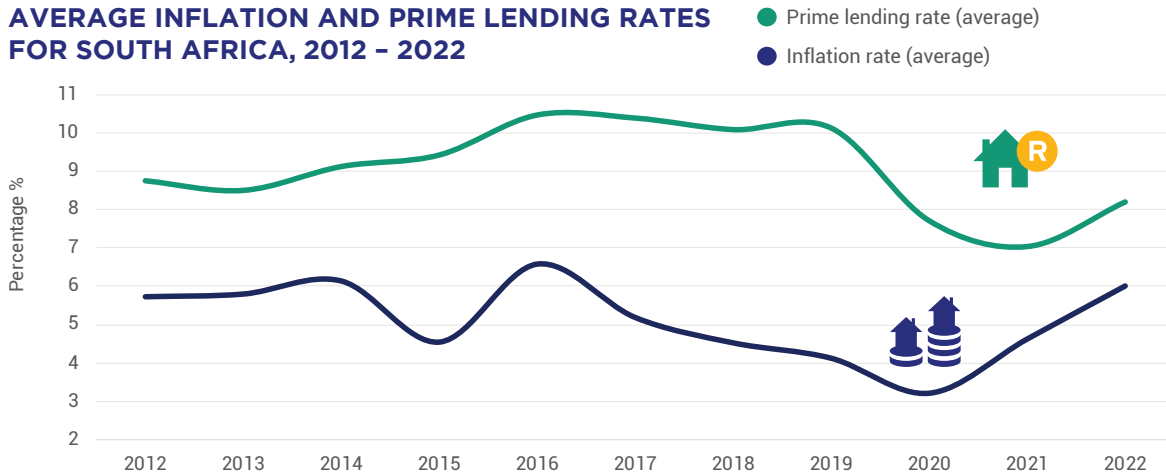
### 2.3.2 Inflation in the South African economy

South Africa is in sync with the surging trend in global inflation. Global factors affecting South African inflation include the surge in key commodity prices (oil, wheat, sunflower seed oil, fertilisers) largely owing to the invasion of Ukraine. In addition to a rise in global commodity prices, South Africa's inflation is further being fuelled by above-inflationary electricity increases and loss of production owing to intermittent power outages.



Figure 2.7

#### AVERAGE INFLATION AND PRIME LENDING RATES FOR SOUTH AFRICA, 2012 - 2022

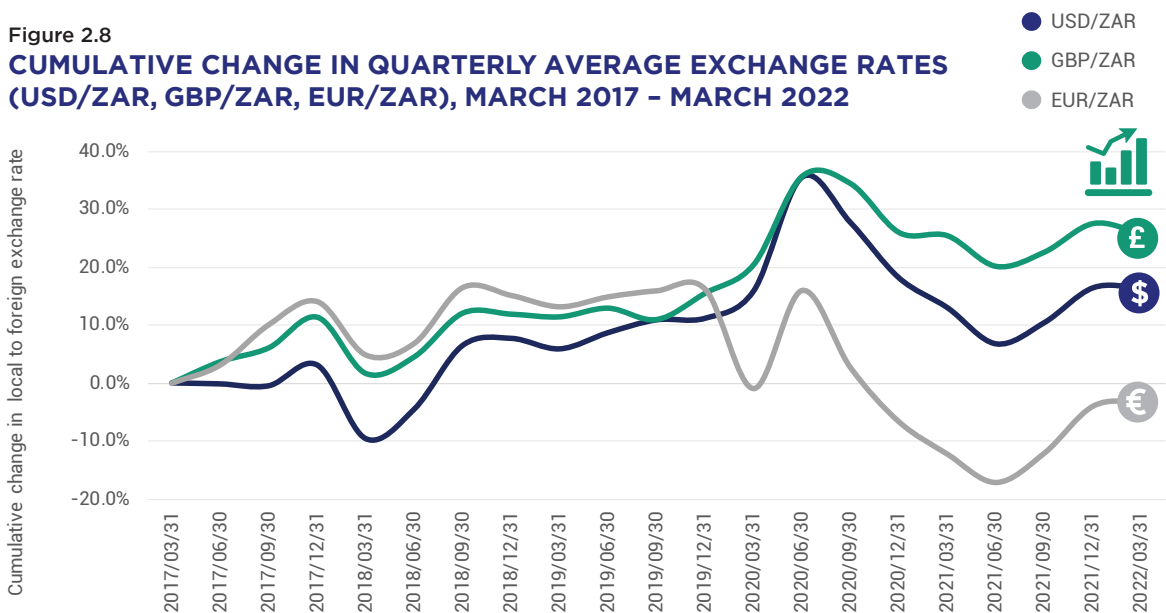


Source: Economist Intelligence Unit

A rising inflation trend in South Africa commenced in 2021, when annual average inflation increased from 3.2 per cent at the end of 2020 to 6.0 per cent by June 2022. Consequently, South Africa's average annual prime lending rate increased owing to repo rate increases, from an average of 7.0 per cent in 2021 to 8.2 per cent by June 2022. In 2016, for an average inflation rate of 6.6 per cent, the average prime lending rate was at 10.5 per cent, 446 basis points higher than the current average prime lending rate. Interest rate increases are likely to continue in 2022 as inflation remains above the upper limit of the SARB's inflation target for the remainder of the year and into the first quarter of 2023.<sup>6</sup> As a result, and as of September 2022 following the latest Monetary Policy Committee (MPC) decision, the repurchase rate has increased to levels prevailing prior to the onset of the COVID-19 pandemic.<sup>7</sup>

Figure 2.8

#### CUMULATIVE CHANGE IN QUARTERLY AVERAGE EXCHANGE RATES (USD/ZAR, GBP/ZAR, EUR/ZAR), MARCH 2017 - MARCH 2022



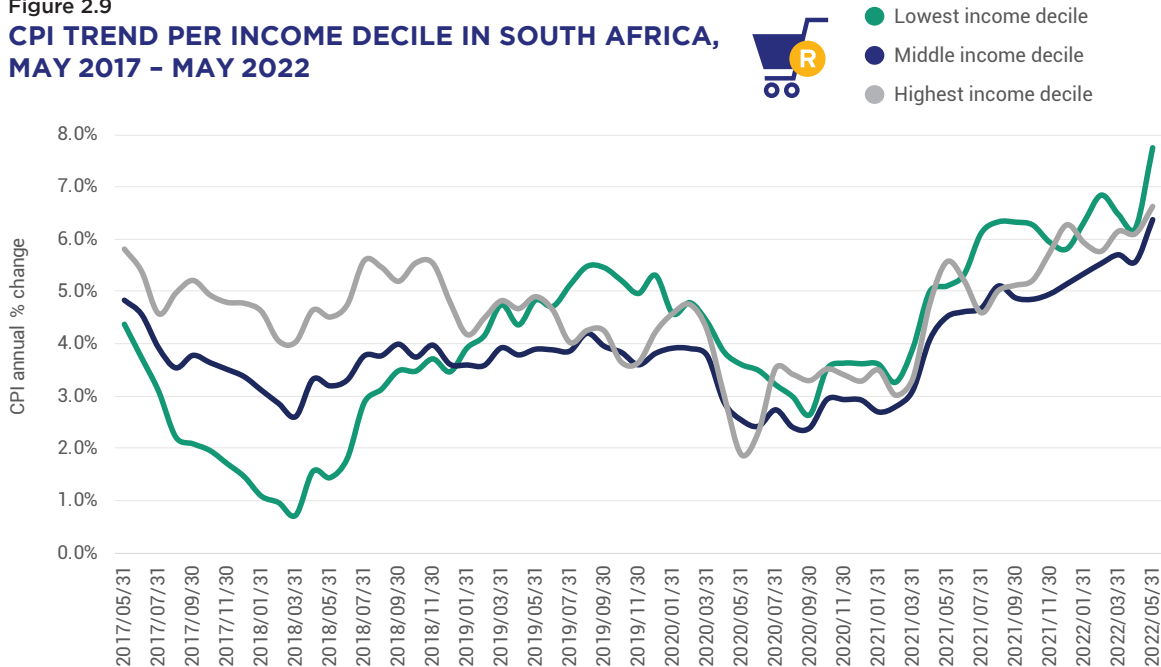
Source: Quantec Research

<sup>6</sup> (SARB, 2022).

<sup>7</sup> (SARB, 2022).

Exchange rate movements impact price inflation in South Africa through imported goods and services. The average quarterly exchange rate of the rand against the US dollar, British pound and euro appreciated from the third quarter of 2020 to the second quarter of 2021. (See Figure 2.8.) However, since the third quarter of 2021 the rand has depreciated against the US dollar, British pound and euro. Combined with commodity price increases, the depreciation of the rand will lead to higher import costs and inflation in South Africa.

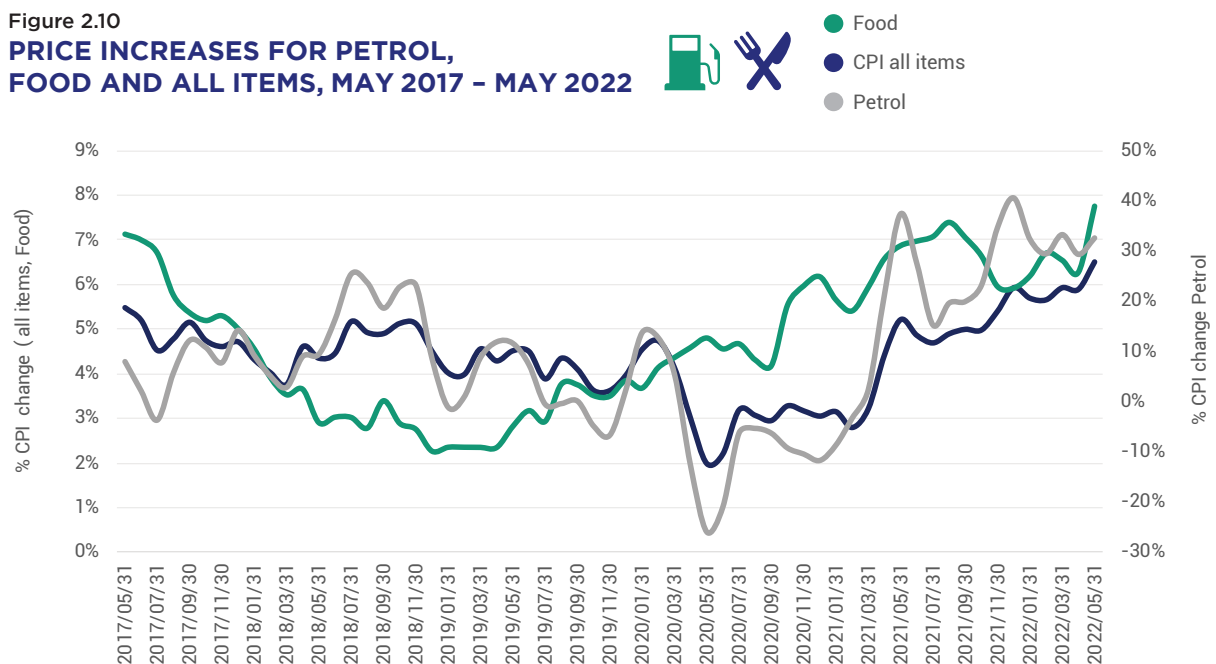
**Figure 2.9**  
**CPI TREND PER INCOME DECILE IN SOUTH AFRICA, MAY 2017 – MAY 2022**



Source: Quantec Research

The lowest income groups have been more severely affected by inflation over the past two years. By May 2022, the inflation rate for the lowest income decile (7.8 per cent) was higher than both the highest income decile (6.6 per cent) and the middle income decile (6.1 per cent). The lowest income groups spent a larger portion of their income on food and transport.

**Figure 2.10**  
**PRICE INCREASES FOR PETROL, FOOD AND ALL ITEMS, MAY 2017 – MAY 2022**



Source: Quantec Research

Since June 2019, a year before the headline and petrol inflation rates started to increase in July 2020, there has been an increasing trend in food inflation rates. Since the Russian invasion of Ukraine on 24 February 2022, the average petrol price has increased by 31.6 per cent (monthly, year-on-year), while average food and headline inflation has been 6.9 and 6.1 per cent respectively.

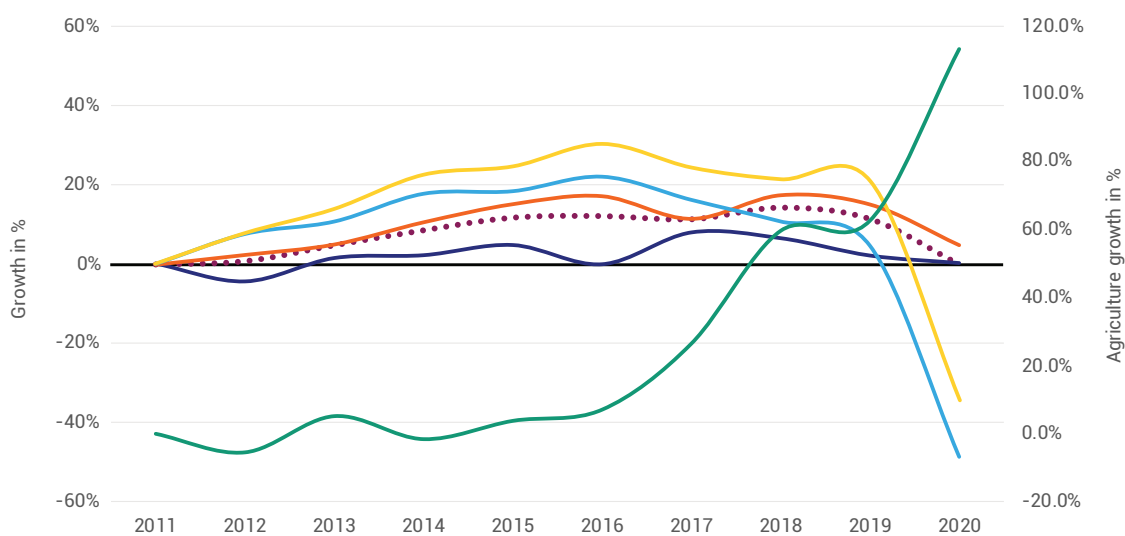
### 2.3.3 Trade performance of the South African economy



The integration of national economies into a global economic system has been one of the most important developments of the last century. Over the last two decades, trade has grown remarkably, with a quarter of total global production exported today. South Africa is known for its exports of mining commodities, manufacturing products such as vehicles and machinery, and agricultural produce including fruit and nuts. South Africa is also a significant importer of oil, electrical machinery and equipment, vehicles and pharmaceuticals.



Figure 2.11  
**REAL EXPORTS OF TOP FIVE EXPORTING SECTORS IN SOUTH AFRICA, 2011 - 2020**

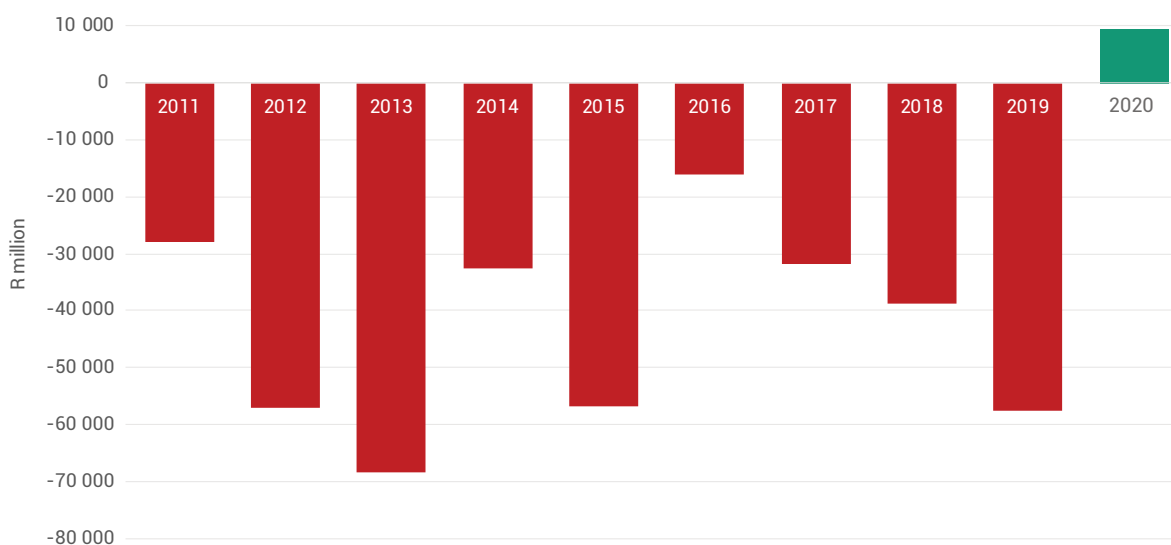


Source: Quantec Research

- Total
- Mining
- Manufacturing
- Transport
- Finance
- Agriculture



**Figure 2.12**  
**NET REAL EXPORTS FOR SOUTH AFRICA, 2011 – 2020**



Source: Quantec Research

Between 2011 and 2020, South Africa’s real imports exceeded its real exports every year except for 2020, when South Africa recorded a trade surplus of almost R9.5 billion. The trade surplus can be attributed to the COVID-19 lockdown measures, which reduced total imports by 16.6 per cent as opposed to a 10.6 reduction in exports in the same year. The manufacturing (62.5 per cent), transport (14.8 per cent) and mining (11.0 per cent) sectors made the most notable contributions to the import reductions in 2020.

**Table 2.2**  
**MAJOR EXPORT AND IMPORT DESTINATION OF SOUTH AFRICA, 2012 AND 2021**

Country	Share of total imports		% point difference		Country	Share of total imports		% point difference	
	2012	2021				2012	2021		
China	14.0%	20.6%	▲	6.5%	China	10.4%	11.0%	▲	0.6%
Germany	9.8%	8.1%	▼	-1.7%	United States	7.9%	10.6%	▲	2.8%
United States	7.1%	7.0%	▼	-0.1%	Germany	4.5%	8.2%	▲	3.7%
India	4.4%	5.7%	▲	1.3%	Japan	5.6%	6.7%	▲	1.1%
Saudi Arabia	7.6%	4.4%	▼	-3.2%	United Kingdom	3.3%	6.7%	▲	3.4%
Thailand	2.6%	3.2%	▲	0.6%	Botswana	5.1%	6.6%	▲	1.5%
Japan	4.4%	2.8%	▼	-1.6%	Mozambique	2.4%	3.6%	▲	(1.5%)
Italy	2.5%	2.8%	▲	0.3%	India	3.8%	3.5%	▼	1.1%
Nigeria	3.6%	2.4%	▼	-1.2%	Netherlands	2.8%	3.4%	▲	(0.4%)
France	2.4%	2.1%	▼	-0.3%	Belgium	1.9%	3.4%	▲	0.5%

Sources: Quantec Research, own calculations

In 2021, China was South Africa's largest export (11.0 per cent) and import (20.6 per cent) destination. Since 2012, China has become a more prominent source of imports, with its share of imports increasing significantly by 6.5 percentage points. Between 2012 and 2021, the US (2.8 percentage points), United Kingdom (3.4 percentage points) and Germany (3.7 percentage points) increased their share of South Africa's export destinations.

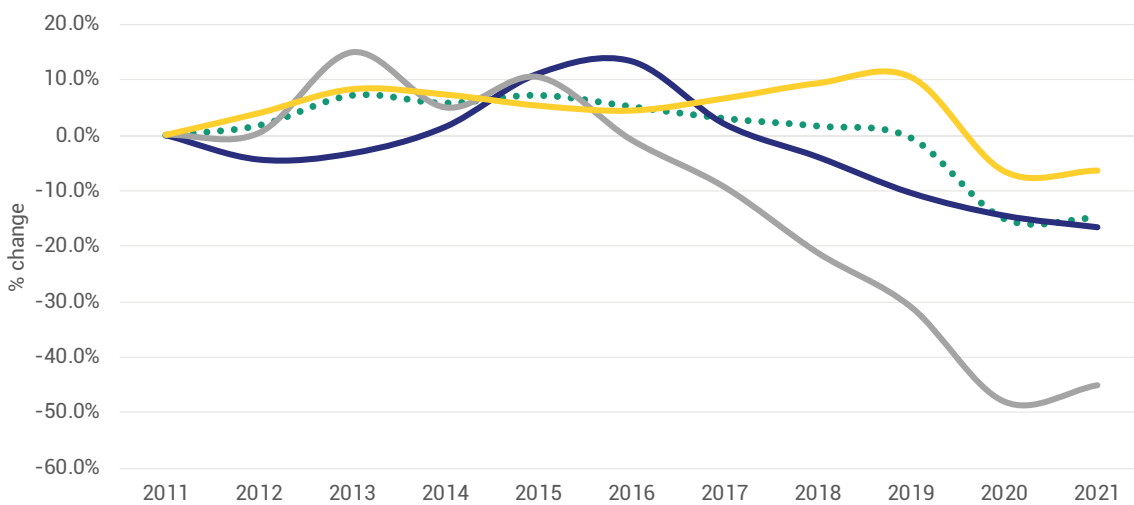


### 2.3.4 Fixed investment in South Africa

Capital formation, or the increase in capital stock, plays an important role in the modern productive system, as more goods can be produced with the aid of additional capital. Capital formation makes an important contribution to the productivity of workers and thus the economy as a whole, and is a key factor in accelerating economic growth.



**Figure 2.13**  
**CUMULATIVE GROSS FIXED CAPITAL FORMATION BY ORGANISATION IN SOUTH AFRICA (REAL), 2011 - 2021**



Source: Quantec Research

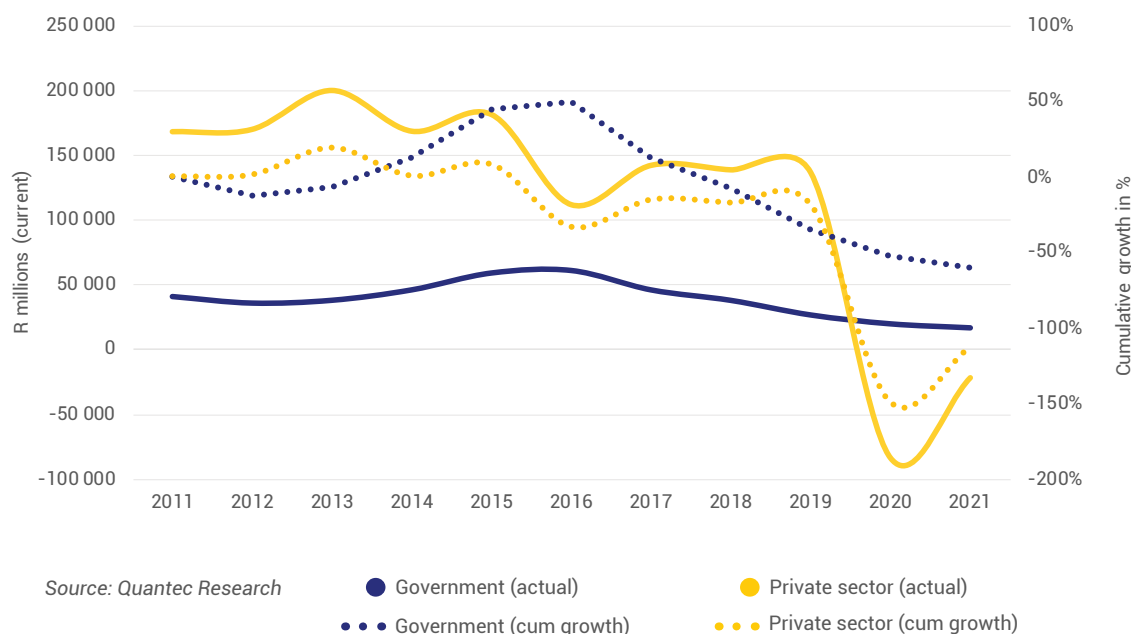
- Total
- General government
- Public corporations
- Private business enterprises

Gross fixed capital formation (GFCF) includes new capital investments and capital replacement costs. In 2021, GFCF in South Africa was 14.9 per cent less than in 2011. Some of the decline in GFCF over the period can be attributed to a contraction of 14.6 per cent in 2020. However, the decline of GFCF started back in 2016. Between 2016 and 2021, South Africa recorded a decline (-20.6 per cent) in GFCF.

In 2021, private business enterprises (70.7 per cent) were responsible for the largest portion of GFCF investments in South Africa. Contributions from general government (18.3 per cent) and public corporations (11.0 per cent) made up the balance. Cumulative GFCF contractions were more significant for general government (16.6 per cent) and public corporations (-45.0 per cent) than private business enterprises (6.5 per cent) between 2012 and 2021.

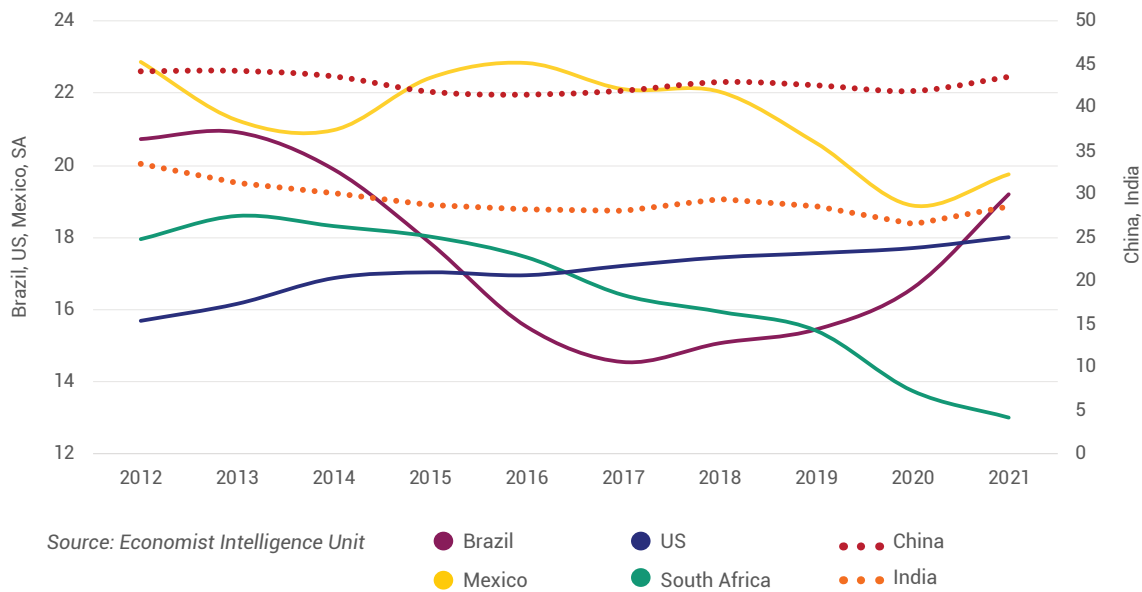
The GFCF decline in private business enterprises commenced in 2020, while the declining trends for general government and public corporations commenced in 2017 and 2016 respectively. Between 2012 and 2021, public corporations and general government combined were responsible for 72.1 per cent of GFCF decline in South Africa.

**Figure 2.14**  
**NET CAPITAL FORMATION BY ORGANISATION TYPE (CURRENT),**  
**2011 - 2021**



Net capital formation (NCF) excludes the depreciation or replacement of capital from GFCF. In current terms, NCF declined over the last decade for both the government (-59.7 per cent) and the private sector (-112.7 per cent). Although the bulk of the decline occurred in 2020, private sector NCF contracted in nominal terms from 2014 and for the government sector from 2017.

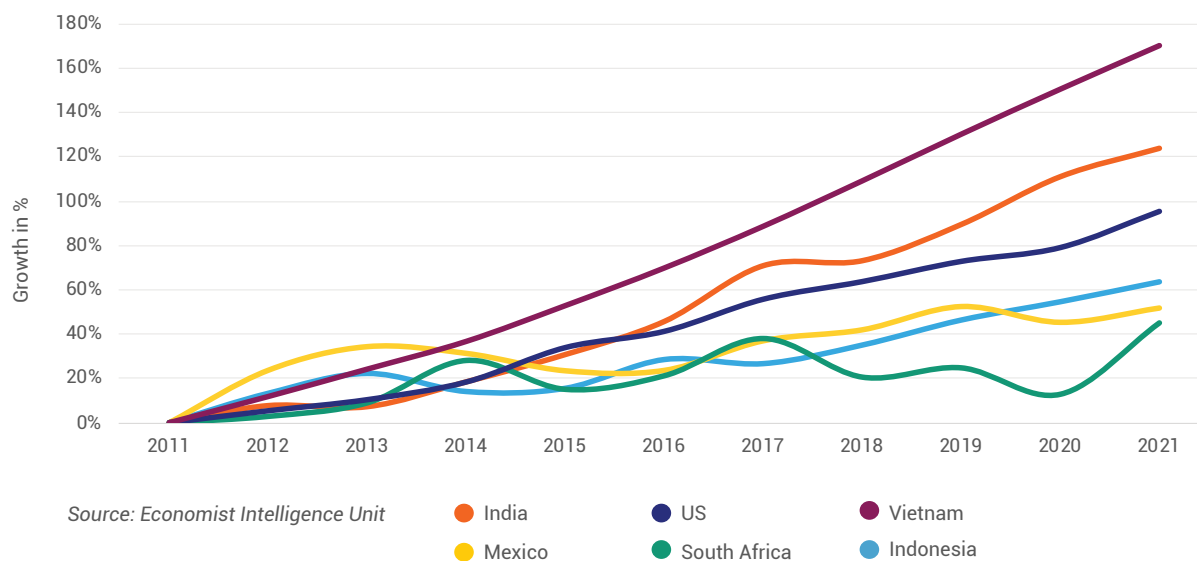
**Figure 2.15**  
**FIXED INVESTMENT AS A PERCENTAGE OF GDP FOR SELECTED COUNTRIES,**  
**2012 – 2021**



In 2021, South Africa had a low and declining fixed investment ratio (13.0 per cent) in comparison to the US (18.0 per cent), Brazil (19.2 per cent) and Mexico (19.8 per cent). China (43.6 per cent) and India (28.6 per cent) are two countries with exceptionally high and stable fixed investment ratios.

Foreign direct investment (FDI) is particularly important to emerging-market and developing economies like South Africa. Foreign direct investment helps raise living standards, facilitates economic growth, provides project finance, creates employment opportunities, improves infrastructure and infuses new technology and technological know-how.

**Figure 2.16**  
**CUMULATIVE GROWTH OF FOREIGN DIRECT INVESTMENT STOCK PER HEAD IN USD,**  
**2011 – 2021**



Between 2012 and 2021, South Africa's FDI stock per head cumulatively expanded by 44.8 per cent, in comparison with Vietnam (170.0 per cent), India (123.7 per cent), the United States (95.2 per cent), Indonesia (63.8 per cent) and Mexico (51.9 per cent). The substantial increase in South African FDI in 2021 was mainly due to technology investor Prosus buying about 45.0 per cent of its South African parent Naspers. Between 2018 and 2020, FDI stock per head in South Africa declined by 18.2 per cent.

South Africa is currently yielding insufficient FDI to make significant inroads into economic growth and unemployment. The lack of FDI in South Africa can possibly be ascribed to elevated crime rates, high levels of social unrest (strikes and protests), corruption and structural issues in electricity supply and logistics. There are also concerns around the lack of clarity concerning policy and structural reforms.

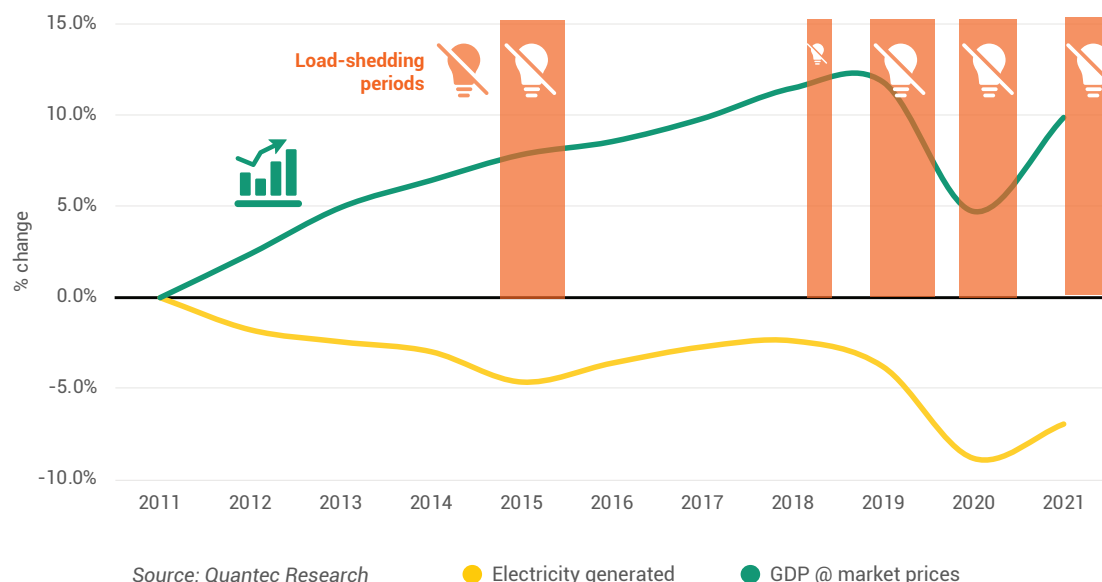


### 2.3.5 The South African energy crisis



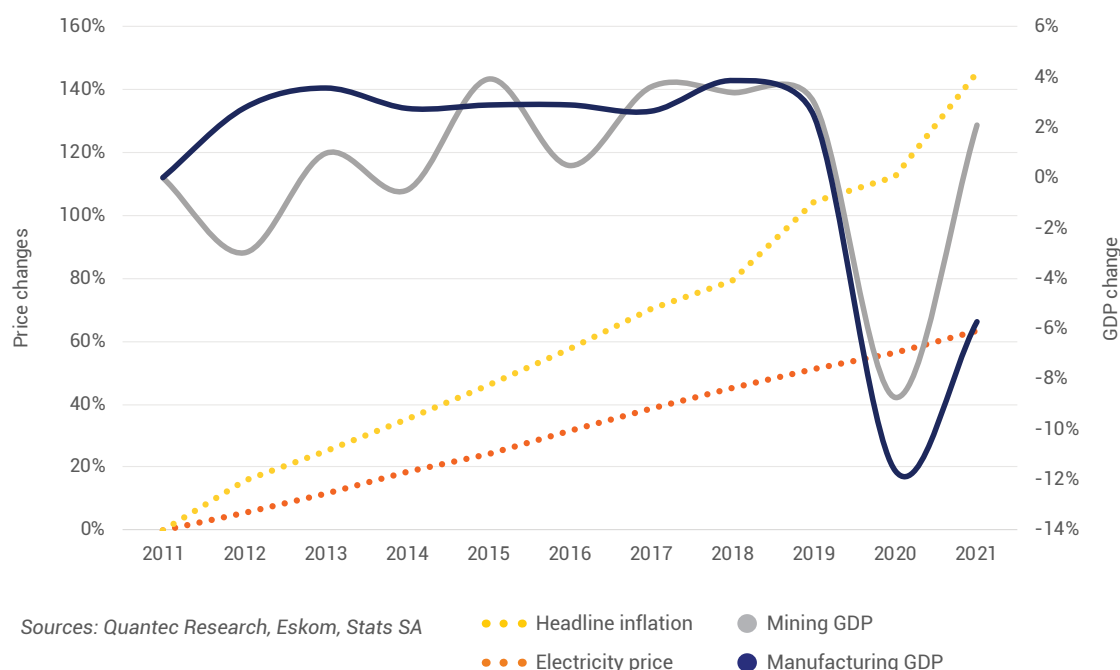
One of South Africa's largest obstacles to more robust economic growth is a shortage of reliable electricity supply accompanied by above-inflationary electricity price increases. Since late 2007, South Africa has been subjected to rolling electricity blackouts. The reasons for load-shedding include wet coal; sabotage; diesel shortages; the collapse of coal silos; lack of maintenance, which leads to plant breakdowns; and unlawful strike action.

Figure 2.17  
**CUMULATIVE ELECTRICITY GENERATED AND GDP IN SOUTH AFRICA, 2011 - 2021**



The average electricity generated in South Africa in 2021 was 6.9 per cent less than at the end of 2011. (See Figure 2.17.) Over the same period, the economy expanded cumulatively by 9.9 per cent. The estimated economic cost of load-shedding for the national economy is substantial. The financial services group the Efficient Group has conservatively estimated the South African economy to be between 8.0 and 10.0 per cent smaller as a direct consequence of load-shedding, while Alexforbes has estimated the cost of stage 6 load-shedding to be R4.0 billion per day. The impact of load-shedding on the national economy has led to an estimated one million fewer job opportunities.

**Figure 2.18**  
**ESKOM AVERAGE ELECTRICITY PRICE INCREASES**  
**AND HEADLINE INFLATION IN SOUTH AFRICA,**  
**2011 – 2021**



Average electricity price increases in South Africa have exceeded headline inflation. (See Figure 2.18.) Between 2012 and 2022, average electricity prices increased by 145.3 per cent compared with headline inflation of 63.2 per cent. Consequently, electricity costs have become a larger component of total costs for both consumers and producers in South Africa.

The manufacturing and mining sectors are two sectors that are particularly vulnerable to high electricity costs. Between 2012 and 2021, the manufacturing sector in South Africa contracted by 5.7 per cent, while the mining sector’s GDP<sup>8</sup> was only 2.1 per cent higher.

<sup>8</sup> GDP measured in basic prices.



## IN RESPONSE TO A CRISIS

On 28 June 2022, South Africa experienced stage 6 load-shedding for the second time in history, with seven of the 12 largest coal power stations operating at less than 50.0 per cent capacity owing to deterioration in Eskom's generation units. South Africa's President, Cyril Ramaphosa, announced a recovery plan on 25 July 2022.

### The plan included the following:

- The removal of the 100MW renewable licence threshold.
- Additional generation via gas and battery requirements.
- A boosted maintenance budget to cut out red tape, which delays purchases.
- The recruitment of former plant managers and engineers from the private sector.
- The purchase of additional electricity from private entities such as mines.
- More power purchases from Botswana and Zambia.
- Special legislation with a single approval point will be passed to speed up new power generation projects.
- The development of price structures to encourage solar power investments from businesses and households.
- Private and state-owned companies will be able to participate in the energy market.

The recovery will be coordinated by a Crisis Committee under the Presidency. The committee will use the best expertise from business, professional engineering entities, labour and civil society, with regular reporting by relevant ministers to the President.



Sources: *Daily Maverick*, 26 July 2022; *Rapport*, 17 July 2022

## THE MUNICIPAL ENERGY RESILIENCE (MER) PROJECT AND SMALL-SCALE EMBEDDED GENERATIONS (SSEG)

The Municipal Energy Resilience (MER) Project was developed following an amendment to Schedule 2 of the Electricity Regulation Act in 2020, allowing municipalities to generate their own electricity. The key objectives of the MER Project are development, support and capacity building to implement renewable energy projects in municipalities across the Province for municipalities, businesses and households to generate, procure and sell electricity. The project aims to secure reliable electricity supplies for the Province and increase economic resilience. The project includes four approaches: creating space for small-scale embedded generation (SSEG), providing assistance in procurement processes for municipalities to source energy from independent power producers (IPPs), building a business case for utility-scale gas to power generation, and finally, reforming the sector. The six candidate municipalities participating in the first phase of the MER Project in this financial year are:

- 
- Drakenstein Municipality;
  - Mossel Bay Municipality;
  - Overstrand Municipality;
  - Saldanha Bay Municipality;
  - Stellenbosch Municipality; and
  - Swartland Municipality.
- 

This project will consider multiple pioneering renewable energy technologies and scales, cost options, the scale of investment required, location issues, risks, municipal readiness needs, infrastructure needs, timelines to get capacity on to the grid, transaction and procurement mechanisms, and regulatory issues.

SSEG enables solar photovoltaic (PV) systems to be grid-tied and feed in any excess electricity generated. Registering a feed-in system allows you to export excess electricity to the grid and receive credit based on the SSEG tariff. It is structured to support PV system owners while covering the costs of their electricity service.



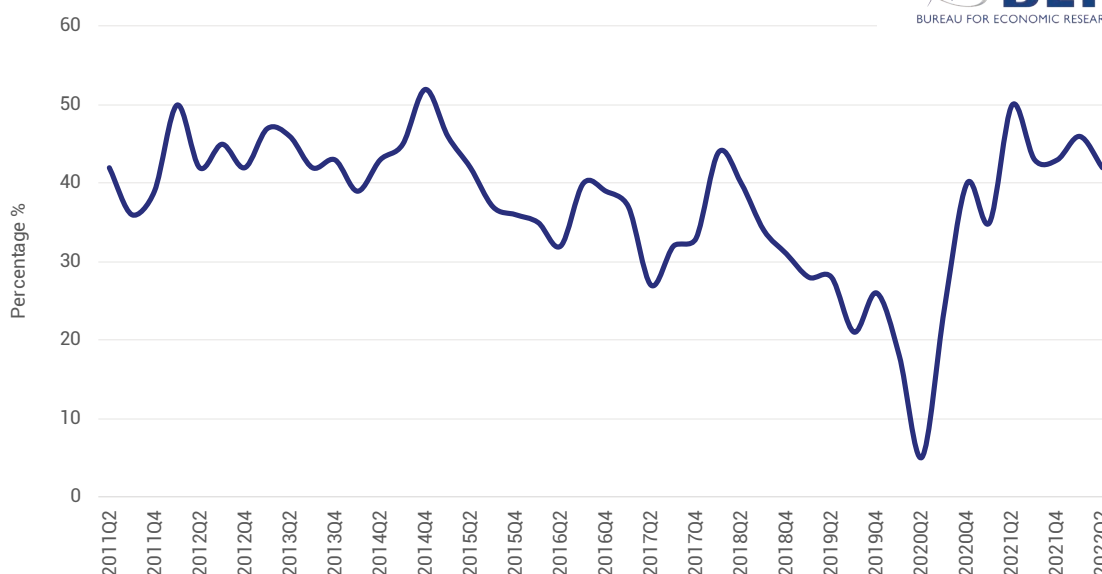
Source: Western Cape Government, 2022

### 2.3.6 Economic outlook of South Africa

The South African outlook on economic expansion is hampered by increasing inflation and interest rates, high unemployment, power shortages and slow reform momentum. High government debt, along with elevated debt service costs, is expected to constrain much-needed public investment.



**Figure 2.19**  
**RMB/BER COMPOSITE BUSINESS CONFIDENCE INDEX,**  
**2011Q2 – 2022Q2**














Source: Quantec Research

The RMB/BER Composite Business Confidence Index (BCI) takes the percentage of respondents who rate prevailing business conditions as satisfactory as an indicator or proxy of business confidence. The latest BCI shows that 42.0 per cent of respondents were positive. The BCI measures the unweighted mean of five sectoral indices: manufacturers, building contractors, retailers, wholesalers and new vehicle dealers. In the second quarter of 2022, the BCI declined by 4.0 percentage points to 42.0 per cent from the previous quarter, meaning that 58.0 per cent of respondents were negative about current business conditions in South Africa. The weakening of the BCI can potentially point to the relatively weaker GDP performance in the second quarter of 2022.



Table 2.3

### GDP GROWTH AND CONTRIBUTION TO GROWTH FORECAST PER SECTOR IN SOUTH AFRICA, 2022 AND 2023

Sector	% growth		% point contribution	
	2022 (f)	2023 (f)	2022 (f)	2023 (f)
 Agriculture	9.3%	1.2%	0.3%	0.0%
 Mining	-1.6%	0.4%	-0.1%	0.0%
 Manufacturing	3.0%	-0.6%	0.4%	-0.1%
 Utilities	0.1%	0.2%	0.0%	0.0%
 Construction	0.3%	1.7%	0.0%	0.0%
 Trade	8.4%	1.8%	1.1%	0.2%
 Transport	5.8%	1.6%	0.5%	0.1%
 Finance	-1.2%	-0.9%	-0.3%	-0.2%
 Government	-1.1%	0.3%	-0.1%	0.0%
 Personal services	-0.4%	0.3%	-0.1%	0.1%
 SA GDP@ MP	<b>1.7%</b>	<b>0.3%</b>	<b>1.7%</b>	<b>0.3%</b>

Source: Quantec Research

South Africa is expected to grow sluggishly at 1.7 per cent in 2022 and 0.3 per cent in 2023. Major growth contributions are expected from the agriculture (0.3 percentage points), manufacturing (0.4 percentage points), trade (1.1 percentage points) and transport (0.5 percentage points) sectors in 2022.

The growth outlook for the agriculture sector in 2022 remains positive (9.3 per cent), with a substantial jump expected in sunflower harvests (35.0 per cent) but with expected reductions in maize (11.0 per cent) and soya bean (4.0 per cent) crops. Animal product revenue is expected to increase by 4.5 per cent on the back of increased volumes and higher beef prices.

Supported by growth in real personal consumer spending and a return to in-person experiences, the trade sector is expected to increase substantially in 2022 (8.4 per cent). The mining sector is bracing itself for another tough year. Pressured by load-shedding and a three-month strike in the gold sector, the mining sector is expected to contract by 1.6 per cent in 2022. Potential growth in the finance sector is hampered by rising business interruption claims, while credit extension is limited by over-indebtedness and rising interest rates. The finance sector is expected to contract by 1.2 per cent in 2022.

The South African economic outlook will significantly affect the economic prospects of the Western Cape economy.



### 2.3.7 Risks to the South African outlook

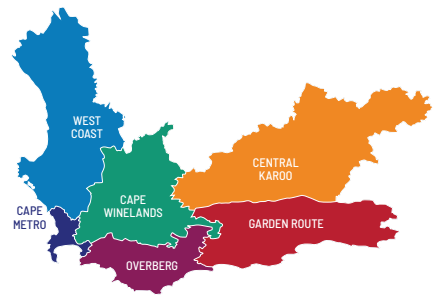


The outlook of the South African economy faces both global and domestic risks, including:

- A risk of high and increasing inflation with subsequent monetary policy tightening, fuelled by a long-term Russia-Ukraine war and global price disruptions.
- Ongoing power outages accompanied by above-inflation electricity price increases in South Africa.
- Weak economic growth, growing unemployment and subsequent socio-economic decline, with potential social unrest and escalating crime rates.
- A global stock market crash, a recession and rising policy interest rates in advanced economies, which could potentially cause large-scale capital outflows from emerging-market and developing economies, with significant currency depreciation.



## 2.4 DEVELOPMENTS IN THE WESTERN CAPE ECONOMY

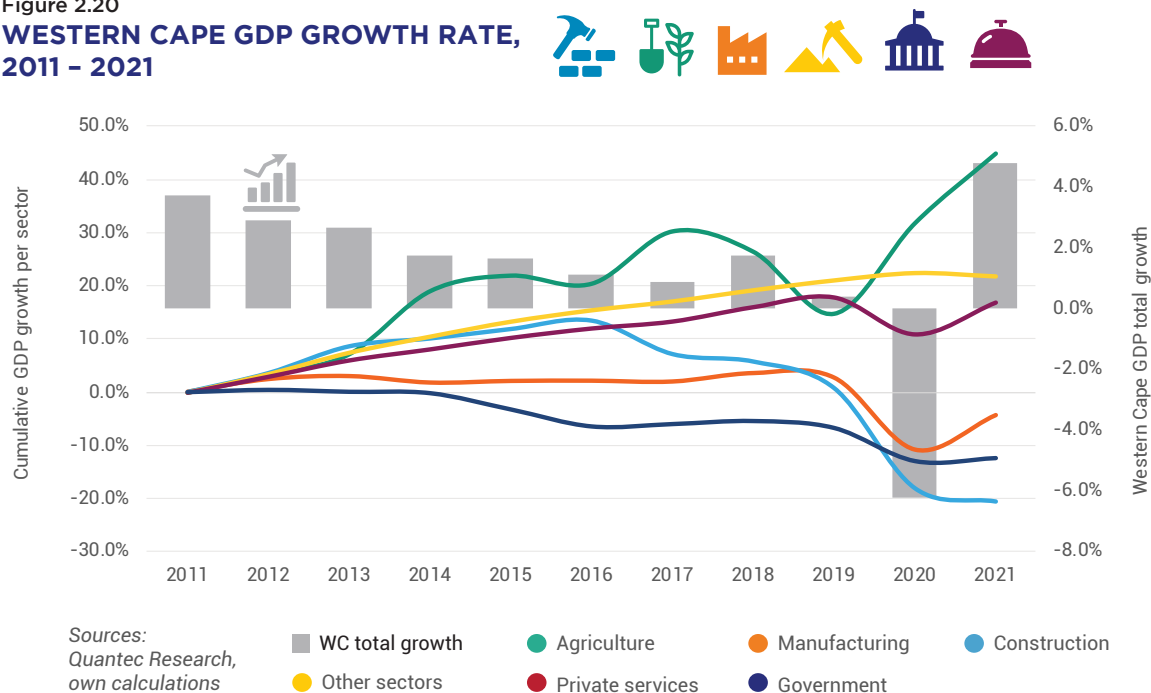


Compared with the rest of South Africa, the Western Cape has a more service-oriented economy, with a relatively strong contribution from the finance sector and a unique dependence on the tourism and wine industries. In 2021, the Western Cape was the third-largest regional economy in South Africa, accounting for 14.2 per cent of the South African economy, behind Gauteng (35.2 per cent) and KwaZulu-Natal (16.2 per cent).

Over the past decade, the Western Cape was among only three provinces that increased their contribution to national GDP, contributing 0.2 percentage points. Relative GDP contribution gains were also made by Gauteng (0.7 percentage points) and the Northern Cape (0.1 percentage points).

In the Western Cape, the GDP contribution of the finance sector is substantially larger than that of the national economy (31.3 per cent versus 25.2 per cent), while the mining (0.2 per cent versus 5.6 per cent) and community services (10.7 per cent versus 16.8 per cent) sectors make significantly smaller contributions to total GDP.

**Figure 2.20**  
**WESTERN CAPE GDP GROWTH RATE, 2011 - 2021**



Between 2012 and 2021, the average estimated economic expansion of the Western Cape (1.2 per cent) was marginally higher than South Africa (1.0 per cent). The 2020 recession made a substantial dent in the average growth of the Western Cape economy (-6.2 per cent). Between 2012 and 2019, the average annual growth rate of the Western Cape was 1.6 per cent.



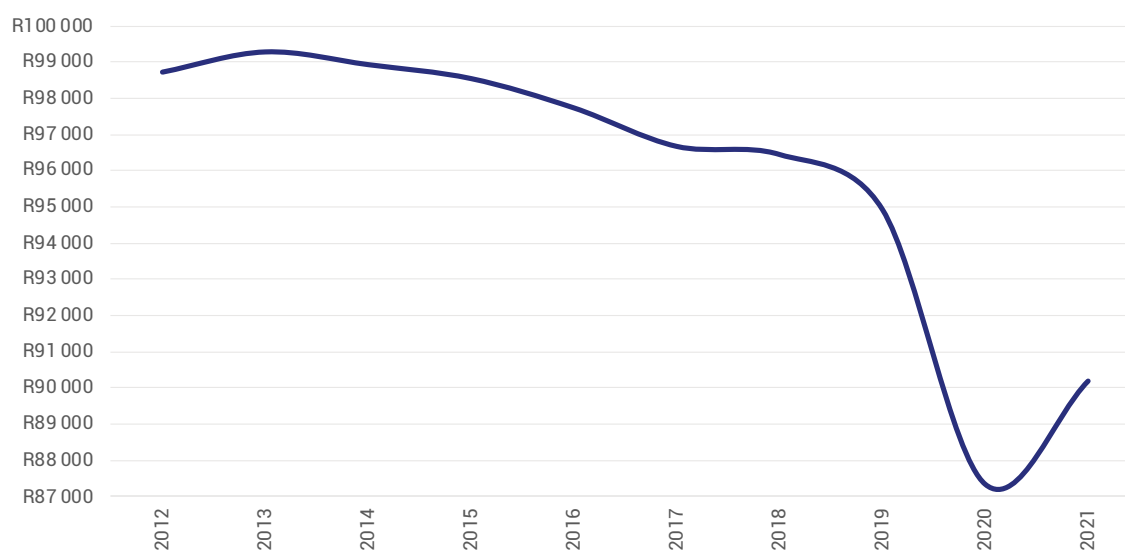
## 2.4.1 Sectoral performance

Between 2012 and 2021, the agriculture sector (44.9 per cent) outperformed all other sectors in the Province. This sound performance can be attributed to the sector's significant growth in exports over the same period. The rapid expansion took place despite harsh periods of drought between 2015 and 2019, and alcohol-related COVID-19 restrictions that impacted the wine industry in 2020. The wine industry reportedly lost R300.0 million per week during the level 5 lockdown measures.

In 2021, the estimated GDP in the construction (-20.7 per cent), "Other" (-12.5 per cent) and manufacturing (-4.4 per cent) sectors was smaller than in 2011. The contraction of these industries can largely be attributed to the reimplementation of load-shedding between 2015 and 2021, and the 2020 recession.

GDP per capita is a useful indicator to measure the overall standard of living and economic prosperity, and to describe how regional populations experience economic benefit. It divides a region's GDP by its population. It also helps to compare the wealth between different countries and regions.

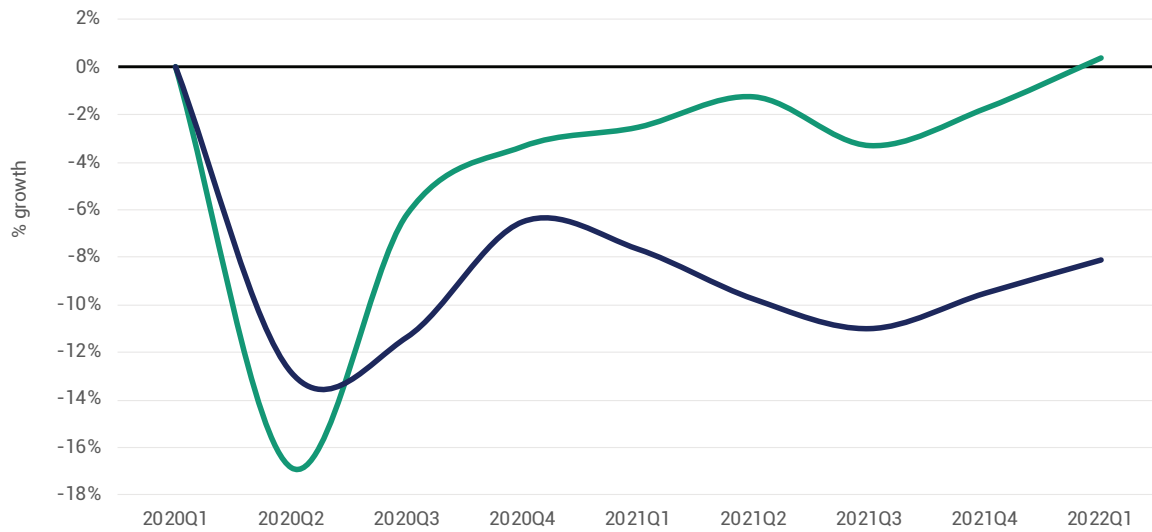
**Figure 2.21**  
**REAL GDP PER CAPITA IN THE WESTERN CAPE,**  
**2012 - 2021**



Sources: Quantec Research, Stats SA, own calculations

The Western Cape's economic prosperity (GDP per capita) has declined over the past decade. The decline is due to population growth (18.9 per cent) exceeding GDP growth (11.7 per cent) over the same period. The sluggish expansion of GDP can largely be attributed to the slow-growing national economy, a severe drought (2015 to 2019), the Cape Metro water crisis (2017/18), the 2020 recession and load-shedding (since 2015). In 2021, real GDP per capita was 9.2 per cent lower than in 2013. The highest GDP per capita level (R99 258) over the past decade was in 2013, while the lowest level (R87 332) was in 2020.

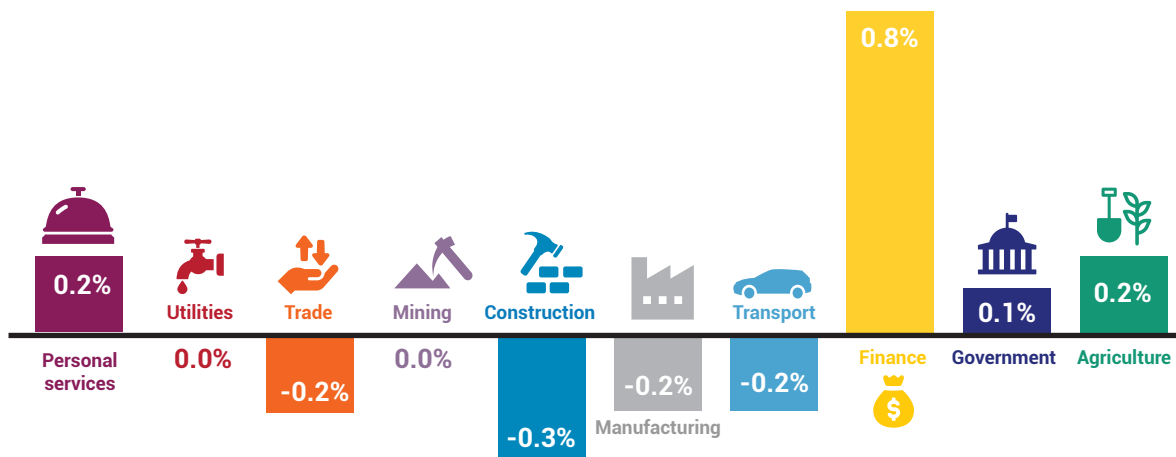
**Figure 2.22**  
**RECOVERY OF GDP AND EMPLOYMENT LEVELS**  
**IN THE WESTERN CAPE, 2020Q1 – 2022Q1<sup>9</sup>**



Sources: Quantec Research, Stats SA, own calculations

The COVID-19 pandemic and subsequent lockdown measures had a devastating impact on the Provincial economy. In the first quarter of 2022, the estimated GDP exceeded the first quarter of 2020 (pre-pandemic) by 0.4 per cent. However, employment levels in the Western Cape were still 8.1 per cent lower than the pre-pandemic level. Only the manufacturing (10.6 per cent), transport (3.3 per cent) and finance (1.0 per cent) sectors had higher employment levels than before the pandemic. Although one of the fastest-growing sectors (GDP) since the COVID-19 lockdown, the agriculture sector had one of the largest employment deficits (-20.2 per cent) compared with its pre-pandemic level. The slow recovery in employment levels follows the same trend as South Africa.

**Figure 2.23**  
**AVERAGE GDP CONTRIBUTION PER SECTOR IN THE WESTERN CAPE,**  
**2017 – 2021**



Sources: Quantec, Research, own calculations

<sup>9</sup> 2020Q1 indexed to 0.

Contribution to growth measures the relative impact of each sector on total growth in the Province and is a function of the relative size of each sector combined with the growth over a specific period.

Between 2017 and 2021, the Western Cape economy is estimated to have expanded by 0.3 per cent on average, with the finance (0.8 percentage points), agriculture (0.2 percentage points) and community services (0.2 percentage points) sectors making the largest contributions to growth. The finance sector's significant contribution to growth was mainly due to its size. Over the period the finance sector, as the largest sector by GDP contribution (29.8 per cent), expanded by 0.9 per cent on average. The agriculture sector's solid contribution to growth was largely due to its spectacular growth over the period. The relatively smaller agriculture sector (4.1 per cent) expanded by 4.2 per cent on average over the same period.

The construction sector (-0.3 percentage points) made the largest negative contribution to total growth in the Western Cape. The main challenges experienced by this sector over the period included the declining trend in fixed investments, a sluggish underlying economy, load-shedding, COVID-19 lockdown measures and the Cape Metro water crisis. Between 2017 and 2021, the construction sector had the largest average annual contraction (-6.7 per cent).














## 2.4.2 Regional performance

The Western Cape has a diverse landscape and people, consisting of five municipal districts and the Cape Metro. Each district makes a unique contribution to the Western Cape economy. In 2021, the Cape Metro (72.5 per cent) made the largest economic contribution and was the most service-inclined (68.3 per cent) regional economy in the Western Cape.

In 2021, the Cape Metro had the lowest GDP growth rate (4.3 per cent) of all the Western Cape districts. The largest growth contributions were made by the finance (1.1 percentage points), manufacturing (1.0 percentage point) and trade (0.9 percentage points) sectors.

Over the past decade, the Cape Metro had the lowest average growth rate (1.0 per cent) among the Provincial districts. The agriculture sector (4.4 per cent) had the highest average growth rate, while the construction sector (-2.1 per cent) contracted. The most important contribution to growth was made by the finance (0.7 percentage points), general government (0.2 percentage points) and community services (0.2 percentage points) sectors.

**Table 2.4**  
**GDP AT BASIC PRICES PER WESTERN CAPE SECTORS AND DISTRICTS, 2012 – 2021**

Sector	% GDP GROWTH											
	Cape Town		West Coast		Cape Winelands		Overberg		Garden Route		Central Karoo	
	2021	2012 – 2021 (ave)	2021	2012 – 2021 (ave)	2021	2012 – 2021 (ave)	2021	2012 – 2021 (ave)	2021	2012 – 2021 (ave)	2021	2012 – 2021 (ave)
 <b>Total</b>	4.3%	1.0%	6.2%	1.8%	5.3%	1.5%	5.5%	1.6%	4.7%	1.2%	4.8%	1.2%
 Agriculture	8.9%	4.4%	8.6%	4.1%	7.9%	3.2%	7.4%	2.5%	7.6%	2.7%	8.0%	3.6%
 Mining	-14.4%	0.6%	-16.0%	-0.8%	-14.1%	0.4%	-14.3%	1.0%	-14.0%	0.5%	-14.0%	1.1%
 Manufacturing	7.1%	-0.3%	8.7%	1.4%	5.6%	-1.3%	8.9%	2.0%	7.3%	0.6%	7.7%	0.5%
 Utilities	3.0%	-1.9%	2.0%	-2.8%	3.5%	-0.3%	3.3%	-1.6%	2.7%	-2.0%	3.9%	-0.6%
 Construction	-1.8%	-2.1%	-4.0%	-2.3%	-1.2%	-0.4%	-1.5%	-1.8%	-3.8%	-3.5%	-6.1%	-3.3%
 Trade	6.9%	0.3%	7.7%	0.9%	8.0%	1.5%	7.8%	1.2%	7.0%	0.1%	6.7%	-1.4%
 Transport	5.1%	0.2%	4.4%	-1.2%	6.2%	1.1%	6.0%	1.2%	5.3%	0.7%	3.3%	-1.5%
 Finance	3.3%	2.1%	4.9%	2.9%	4.9%	3.7%	4.6%	2.8%	4.3%	3.1%	3.8%	2.6%
 Government	-1.0%	2.0%	1.5%	2.2%	0.2%	1.6%	-1.1%	1.1%	-1.0%	1.0%	1.6%	2.7%
 Personal services	7.4%	1.8%	8.5%	2.7%	7.2%	1.6%	7.7%	2.1%	7.0%	1.5%	8.6%	2.3%

Note: GDP at basic prices. Sources: Quantec Research, own calculations












In 2021, the WCD made the third-smallest contribution (4.9 per cent) to the Provincial economy. However, the District made a notable GDP contribution (26.7 per cent) to the Western Cape agriculture sector. The District was the least service-oriented in 2021, with private services contributing only 43.0 per cent to the West Coast economy. In the same year, the agriculture (23.3 per cent) and mining (19.9 per cent) sectors made the largest contributions to the West Coast's total GDP.

In 2021, the WCD had the largest GDP expansion (6.2 per cent), largely owing to significant growth in the agriculture (8.6 per cent) and manufacturing (8.7 per cent) sectors. The manufacturing sector was of relatively high importance in the WCD and contributed a substantial portion (18.7 per cent) of total GDP in the District.

Between 2012 and 2021, the WCD had the highest average GDP growth rate (1.8 per cent). The outperformance of other Provincial districts was mainly due to the prominence of the agriculture sector in the District. Over the past decade, the agriculture sector has made the largest contribution to growth (0.8 percentage points) in the WCD.

Table 2.4 (continued)

**GDP AT BASIC PRICES PER WESTERN CAPE SECTORS AND DISTRICTS, 2012 – 2021**

Sector	CONTRIBUTION TO GDP GROWTH (% POINTS)											
	Cape Town		West Coast		Cape Winelands		Overberg		Garden Route		Central Karoo	
	2021	2012 – 2021 (ave)	2021	2012 – 2021 (ave)	2021	2012 – 2021 (ave)	2021	2012 – 2021 (ave)	2021	2012 – 2021 (ave)	2021	2012 – 2021 (ave)
 <b>Total</b>	4.3%	1.0%	6.2%	1.8%	5.3%	1.5%	5.5%	1.6%	4.7%	1.2%	4.8%	1.2%
 Agriculture	0.1%	0.1%	2.0%	0.8%	0.7%	0.3%	0.8%	0.2%	0.4%	0.1%	1.3%	0.5%
 Mining	0.0%	0.0%	-0.1%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
 Manufacturing	1.0%	0.0%	1.6%	0.2%	0.8%	-0.2%	1.2%	0.3%	1.0%	0.1%	0.2%	0.0%
 Utilities	0.1%	0.0%	0.0%	0.0%	0.1%	0.0%	0.1%	0.0%	0.1%	0.0%	0.2%	0.0%
 Construction	-0.1%	-0.1%	-0.1%	-0.1%	-0.1%	0.0%	-0.1%	-0.1%	-0.2%	-0.2%	-0.2%	-0.1%
 Trade	0.9%	0.0%	1.0%	0.1%	1.2%	0.2%	1.2%	0.2%	1.0%	0.0%	0.7%	-0.2%
 Transport	0.5%	0.0%	0.2%	-0.1%	0.4%	0.1%	0.5%	0.1%	0.4%	0.1%	0.3%	-0.2%
 Finance	1.1%	0.7%	0.8%	0.4%	1.3%	0.9%	1.2%	0.7%	1.4%	0.9%	0.5%	0.3%
 Government	-0.1%	0.2%	0.2%	0.2%	0.0%	0.1%	-0.1%	0.1%	-0.1%	0.1%	0.3%	0.5%
 Personal services	0.8%	0.2%	0.8%	0.2%	0.8%	0.2%	0.7%	0.2%	0.7%	0.1%	1.5%	0.4%

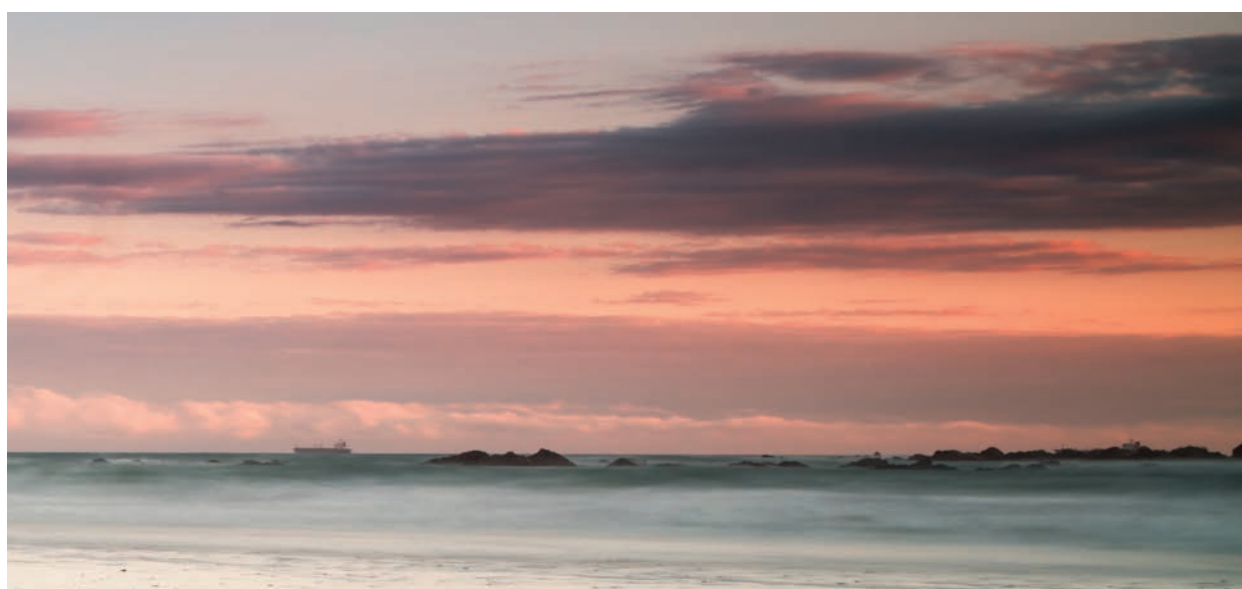














Table 2.5

**SECTOR CONTRIBUTION TO TOTAL DISTRICT GDP IN 2021**

	Cape Metro	West Coast	Cape Winelands	Overberg	Garden Route	Central Karoo
 Agriculture	1.7%	23.3%	9.6%	11.0%	5.6%	16.3%
 Mining	0.1%	0.7%	0.1%	0.1%	0.2%	0.0%
 Manufacturing	14.1%	18.7%	14.2%	13.4%	13.4%	2.5%
 Utilities	1.9%	1.2%	1.5%	1.6%	1.9%	3.9%
 Construction	3.5%	3.1%	4.6%	5.1%	4.0%	3.2%
 Trade	13.9%	13.1%	15.6%	16.2%	14.8%	11.1%
 Transport	9.3%	5.2%	7.2%	8.1%	8.1%	10.0%
 Finance	34.0%	15.2%	26.7%	26.8%	32.8%	14.0%
 Government	10.4%	10.0%	9.6%	8.1%	9.0%	20.7%
 Personal services	11.2%	9.5%	10.9%	9.6%	10.2%	18.2%

Sources: Quantec Research, own calculations

The finance sector and wine industry have a strong presence in the CWD. Notable company headquarters in the Cape Winelands include Zeder, Capitec, Steinhoff and Distell. In 2021, the CWD made the second-largest contribution (11.1 per cent) to the Western Cape GDP. The finance (26.7 per cent), trade (15.6 per cent) and manufacturing (14.2 per cent) sectors made the largest contributions to total GDP in the District, while the agriculture sector in the District made a substantial contribution (24.9 per cent) to agriculture in the Province.

In 2021, the CWD had the third-highest GDP growth rate (5.3 per cent) in the Province. Within the District, the finance (1.3 percentage points) and trade (1.2 percentage points) sectors made the largest contributions to growth. Over the past decade, the CWD has expanded by 1.5 per cent, with the finance sector making the largest contribution (0.9 percentage points).

The OD is well known for its grain-farming activities, apple production in the Elgin Valley and whale watching in Hermanus. In 2021, the OD's GDP contribution (3.4 per cent) to the Western Cape GDP was the second smallest. In 2021, the Overberg's GDP expanded by 5.5 per cent. The trade, finance and manufacturing sectors (all at 1.2 percentage points) made the largest contributions to growth in 2021.

Over the past decade, the OD has grown at an average rate of 1.6 per cent, with the finance sector (0.7 percentage points) making the largest growth contribution.

Ecologically diverse vegetation with numerous estuaries and lakes makes the GRD a popular tourist destination. Trendy holiday towns include Knysna, Plettenberg Bay, Wilderness and George. In 2021, the Garden Route made the third-largest contribution to the Western Cape GDP. The District was the second most service-oriented district in the Western Cape, with a substantial contribution to total GDP (65.9 per cent) from the private services sector.

In 2021, the Garden Route expanded the least (4.7 per cent) out of all the rural districts. The underperformance compared with other rural districts was due to the relatively smaller contribution of the agriculture sector (5.6 per cent) to the District's economy. Over the past decade, the GRD has expanded at an average rate of 1.2 per cent, with the finance sector (0.9 percentage points) making the largest growth contribution.



The endless plains of semi-desert in the Central Karoo provide for the largest and most sparsely populated district in the Western Cape. In 2021, the CKD had the smallest economy and contributed 0.5 per cent to the Western Cape GDP. The CKD relies heavily on the general government sector. The general government sector (20.7 per cent) made the largest contribution to the District's total GDP, followed by the agriculture (16.3 per cent) and finance (14.0 per cent) sectors.

In 2021, the CKD's GDP expanded by 4.8 per cent. The bulk of the growth was contributed by the community services (1.5 percentage points) and agriculture (1.3 percentage points) sectors. Over the past decade the CKD's average growth rate was 1.2 per cent, with the general government and agriculture sectors making the largest contributions (0.5 percentage points each).



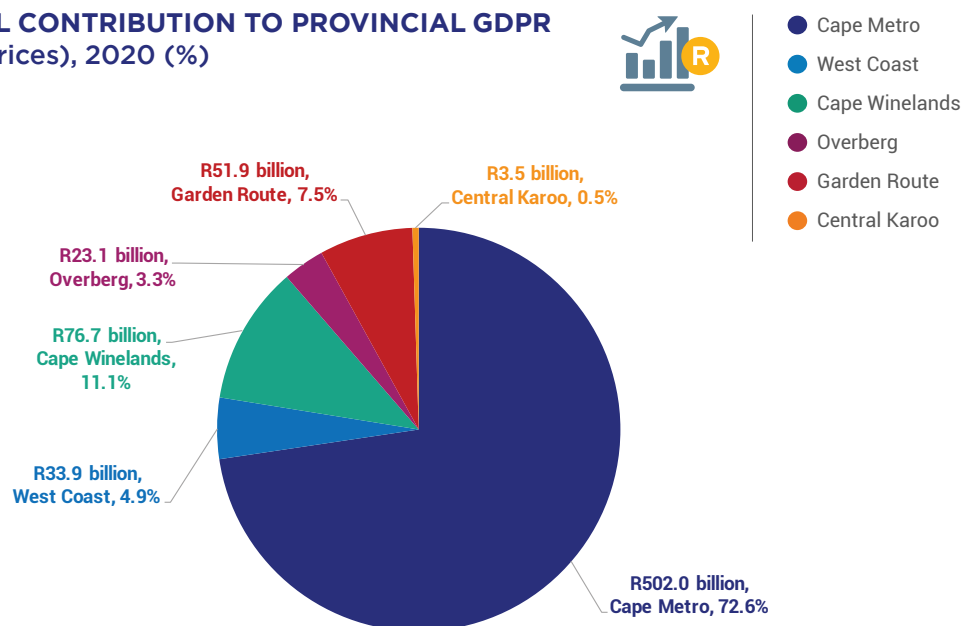
## 2.5 REGIONAL ECONOMIC OVERVIEW

This subsection provides an overview of the GDP contributions to the Provincial economy. In addition, it provides GDP growth rates from 2011 to 2020, estimates for 2021, and forecasts for 2022 and 2023. The subsection concludes with an overview of the regional sectoral contributions to the Provincial economy.

Figure 2.24 illustrates the GDP contributions of each region to the economy of the Western Cape in 2020.

Figure 2.24

### REGIONAL CONTRIBUTION TO PROVINCIAL GDP (current prices), 2020 (%)



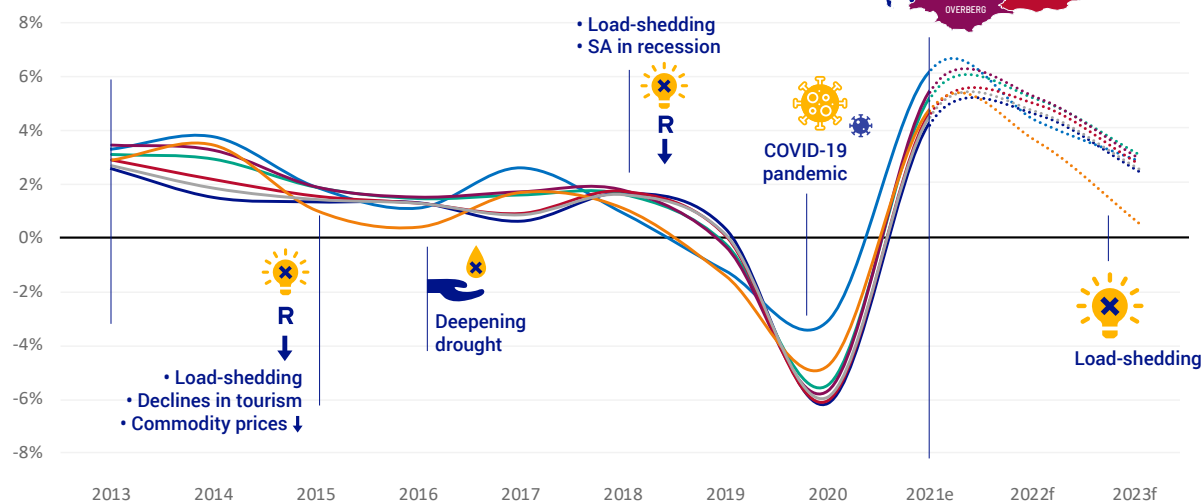
Source: Quantec Research, 2022

Valued at R502.0 billion in 2020, the Cape Metro area contributed the largest share to the Provincial economy at 72.6 per cent for the year. With a contribution of 11.1 per cent in 2020, the CWD accounted for the second-largest share of Provincial GDP. The OD and CKD were the smallest contributors to the Provincial economy in 2020, with a cumulative contribution of 3.8 per cent.



Figure 2.25 indicates the GDP growth trends between 2013 and 2020, with estimates provided for 2021, and forecasts for 2022 and 2023.

**Figure 2.25**  
**GDPR GROWTH RATE PER REGION, 2013 – 2023**



	2013	2014	2015	2016	2017	2018	2019	2020	2021e	2022f	2023f
<b>Western Cape</b>	2.7%	1.9%	1.5%	1.3%	0.9%	1.6%	0.1%	-5.9%	4.6%	2.3%	0.3%
— Cape Metro	2.6%	1.5%	1.3%	1.3%	0.6%	1.7%	0.3%	-6.1%	4.3%	2.2%	0.2%
— West Coast	3.3%	3.8%	1.9%	1.1%	2.6%	0.9%	-1.2%	-3.1%	6.2%	3.4%	1.1%
— Cape Winelands	3.1%	2.9%	1.9%	1.5%	1.6%	1.6%	-0.2%	-5.5%	5.3%	2.5%	0.8%
— Overberg	3.5%	3.3%	1.9%	1.5%	1.7%	1.8%	-0.3%	-5.7%	5.5%	2.6%	1.0%
— Garden Route	2.9%	2.2%	1.5%	1.3%	0.9%	1.7%	0.1%	-6.0%	4.7%	2.4%	0.4%
— Central Karoo	2.9%	3.4%	1.0%	0.4%	1.7%	1.1%	-1.4%	-4.7%	4.8%	2.8%	0.7%

Source: Quantec Research, 2022 (e denotes estimate, f denotes forecast)

The Provincial economy experienced an overall downward trend in annual growth rates between 2013 and 2020. In 2013, the Provincial economy recorded a growth rate of 2.7 per cent, with all regional economies recording annual growth rates in excess of 2.5 per cent. However, in 2014, growth in the Province slowed significantly to 1.9 per cent. The deterioration in the Province’s growth performance can be attributed to the lower growth rate recorded in the Cape Metro area (1.5 per cent) relative to that of the Western Cape economy during the same year. This lower growth rate can be attributed to contractions in the construction and manufacturing sectors during 2014.

Between 2015 and 2017, growth in the Province continued to deteriorate, reaching a low of 0.9 per cent in 2017. Over the period, the Cape Metro area recorded the largest deterioration in annual growth, followed by the GRD and CWD. These declines in growth, in addition to that of the broader Provincial economy, can be ascribed to the below-average rainfall recorded in this period, which subsequently impacted agricultural and agro-processing activities.<sup>10</sup> Apart from the agriculture industry, most economic activity in the Cape Metro area was constrained by severe water shortages, with the Cape Metro area narrowly avoiding “Day Zero” in early 2018.<sup>11</sup>

<sup>10</sup> (Otto, et al., 2018).

<sup>11</sup> (Alexander, 2019).



Annual growth in the Province improved in 2018 and reached 1.6 per cent during the year, with recoveries recorded in the Cape Metro area, GRD and OD. However, in 2019 the Provincial economy registered near stagnant growth of 0.1 per cent, with all regions apart from the Cape Metro area and GRD recording contractions. The deterioration in growth recorded in the Provincial economy can be ascribed to the poor performance of the South African economy in 2019, with the national economy entering a technical recession in the fourth quarter of the year. Sectors such as transport and trade were the largest overall negative contributors to the performance of the South African economy, which was further exacerbated by load-shedding and subdued investor confidence.<sup>12</sup>

In 2020, annual growth in the Province deteriorated significantly, with the Provincial economy recording a contraction of 5.9 per cent during the year. It is worth noting that all regions in the Province recorded steep contractions, with the Cape Metro area recording the largest contraction of 6.1 per cent, followed by the GRD at 6.0 per cent. The contraction in economic activity recorded during the year was the result of the COVID-19 pandemic and subsequent lockdown measures to contain its spread. The impact of the lockdown restrictions was further amplified by restrictions on international travel and trade, which disrupted supply chains and the tourism economy in the Province.<sup>13</sup>

Estimates for 2021 indicate a marked recovery in GDP growth, with the Provincial economy recording growth of 4.6 per cent. During the same year, the WCD and OD are expected to have recorded the highest growth rates, at 6.2 per cent and 5.5 per cent respectively. The recovery in economic activity was, in part, a result of the easing of COVID-19 restrictions as well as the improvement in domestic travel and, to a lesser extent, international travel.<sup>14</sup> Notwithstanding these positive effects, the recovery of the South African economy was further hampered by the July 2021 unrest in KwaZulu-Natal and Gauteng, and the third wave of COVID-19.



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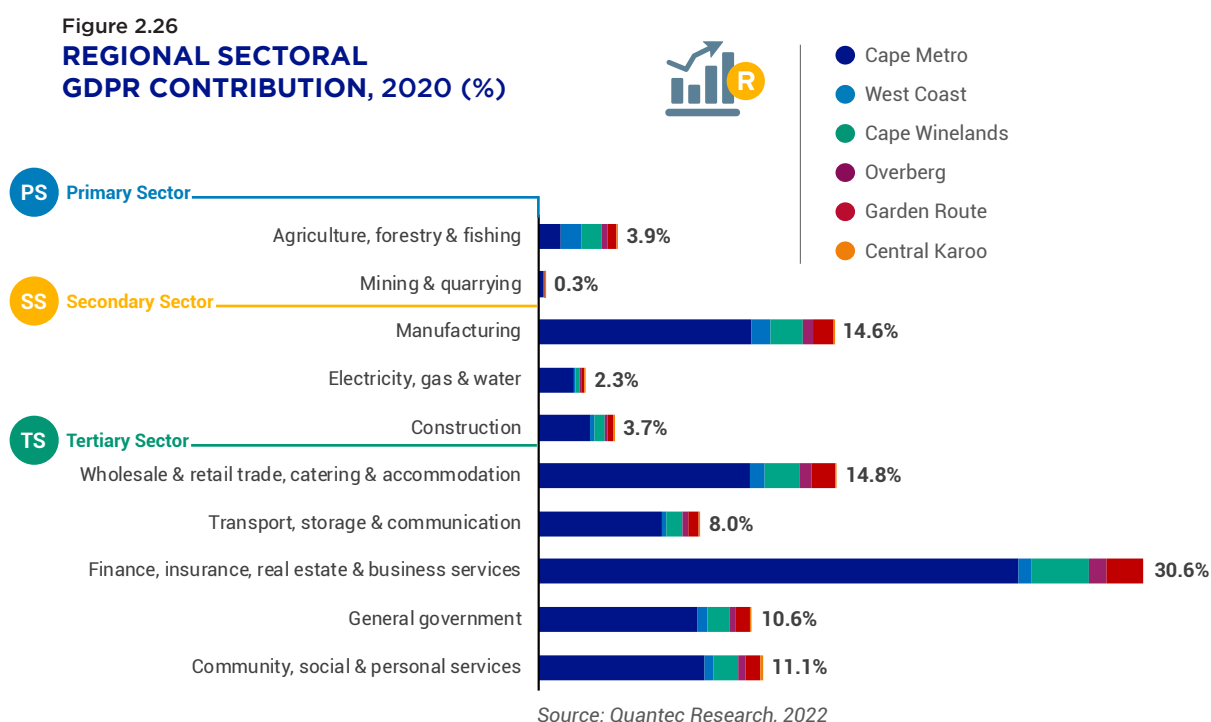
<sup>12</sup> (Mathe, 2020).

<sup>13</sup> (Rogerson & Rogerson, 2020).

<sup>14</sup> (Wesgro, 2021).

In the 2022 forecast period, growth in the Province is expected to decline to 2.3 per cent, before further declining to 0.3 per cent in 2023. Economic activity is expected to remain constrained owing to electricity supply constraints in addition to the onset of the Russia-Ukraine conflict. This has also resulted in higher international oil prices and, subsequently, increases in domestic fuel prices and consumer inflation. The anticipated decline in 2023 will probably be as a result of the return to pre-COVID-19 trend growth. Additionally, the conflict in Europe has caused ongoing disruptions in economic activity, which impact the South African economy.<sup>15</sup>

Figure 2.26 illustrates each region's sectoral GDP contributions to the Western Cape economy in 2020.



In 2020, the finance sector was the leading contributor to GDP at 30.6 per cent. This was followed by the trade and manufacturing sectors at 14.8 per cent and 14.6 per cent respectively.

The Cape Metro area accounted for 23.8 percentage points of the finance sector's contribution to the Provincial economy, followed by the CWD and GRD at 2.8 and 2.4 percentage points respectively. It should be noted that the Cape Metro is also the most dominant contributor to the finance sector within the Province. Similar proportions were recorded in the trade sector, where the Cape Metro area contributed 10.5 percentage points, followed by the CWD (1.8 percentage points) and the GRD (1.2 percentage points). Manufacturing activity was also concentrated largely in the Cape Metro area at 10.5 percentage points, followed by the CWD (1.7 percentage points) and the GRD (1.0 percentage points).

Within the primary sector, economic activity was again concentrated in the Cape Metro area, followed by the WCD and CWD.

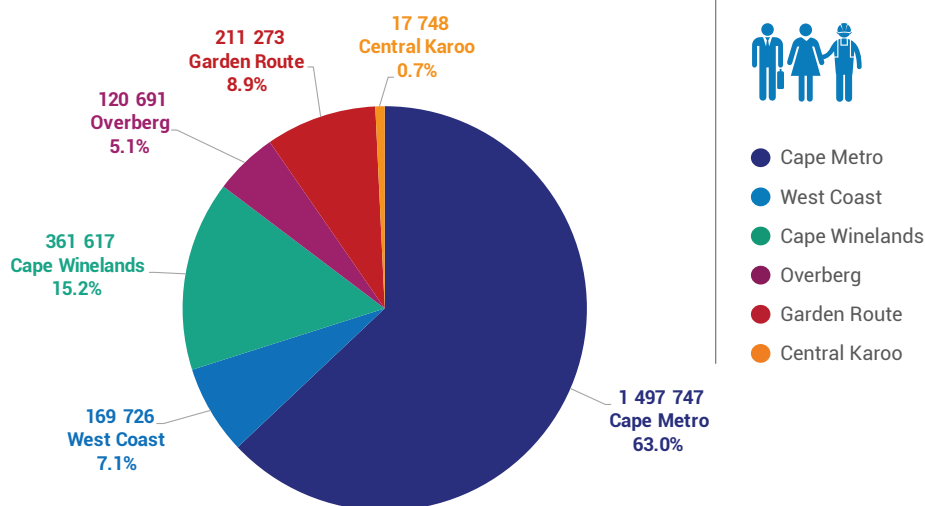
<sup>15</sup> (International Monetary Fund, 2022).

# 3. LABOUR MARKET DYNAMICS

## 3.1 REGIONAL LABOUR TREND ANALYSIS

Contributions to Provincial employment in 2020 by each of the respective regions that comprise the Western Cape are illustrated in Figure 3.1. Broadly, the employment contribution by each region to Provincial employment in 2020 mirrors their respective contributions to GDP. It should be noted that the Cape Metro is the largest contributor of the Province's GDP owing to the concentration of high-value industries within the metro that are less labour-intensive. Conversely, other regions in the Western Cape have a lower contribution to GDP with more intensive labour requirements.

Figure 3.1  
**REGIONAL CONTRIBUTION TO PROVINCIAL EMPLOYMENT, 2020 (%)**



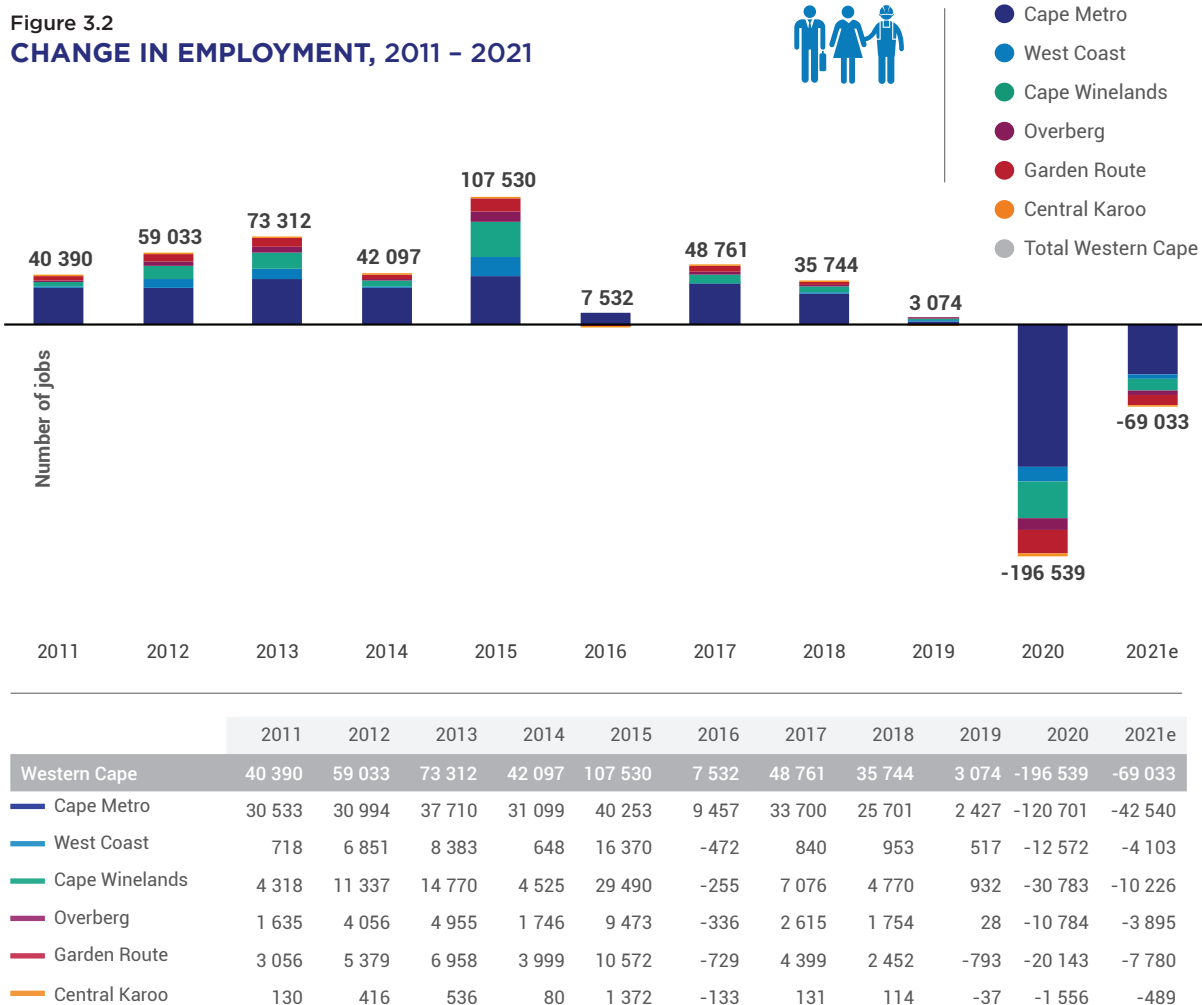
Source: Quantec Research, 2022

In 2020, the Cape Metro area contributed the largest share to Provincial employment at 63.0 per cent. This was followed by the CWD and GRD, contributing 15.2 per cent and 8.9 per cent respectively. The WCD and OD contributed 7.1 per cent and 5.1 per cent respectively, while the CKD contributed the least to employment in the Province at 0.7 per cent.





The employment trends in the districts and Cape Metro area between 2011 and 2021 are indicated in Figure 3.2.



Source: Quantec Research, 2022 (e denotes estimate)

Between 2011 and 2013, there were year-on-year increases in Provincial employment, which increased from 40 390 jobs in 2011 to 73 312 jobs in 2013. These recoveries can be attributed to the high GDP growth rates recorded during the same period, as well as recoveries in the labour market following the global financial crisis. Furthermore, the high number of jobs created in 2013 can be ascribed to the roll-out of public infrastructure initiatives during the year.<sup>16</sup>

Despite recording a slowdown in new employment opportunities in 2014, Provincial employment increased substantially in 2015,<sup>17</sup> with 107 530 jobs created during the year. The Cape Metro area (40 253 jobs) contributed the largest share to this increase, followed by the CWD and WCD with 29 490 and 16 370 jobs respectively.

In 2016, all regions apart from the Cape Metro area recorded declines in employment opportunities. However, Provincial employment still increased by 7 532 jobs during the year. The slowdown in new employment opportunities was probably due to continued drought conditions throughout the Province, amplified by the Western Cape's reliance on the agriculture sector as a source of employment.

<sup>16</sup> (Department of Employment and Labour, 2021).

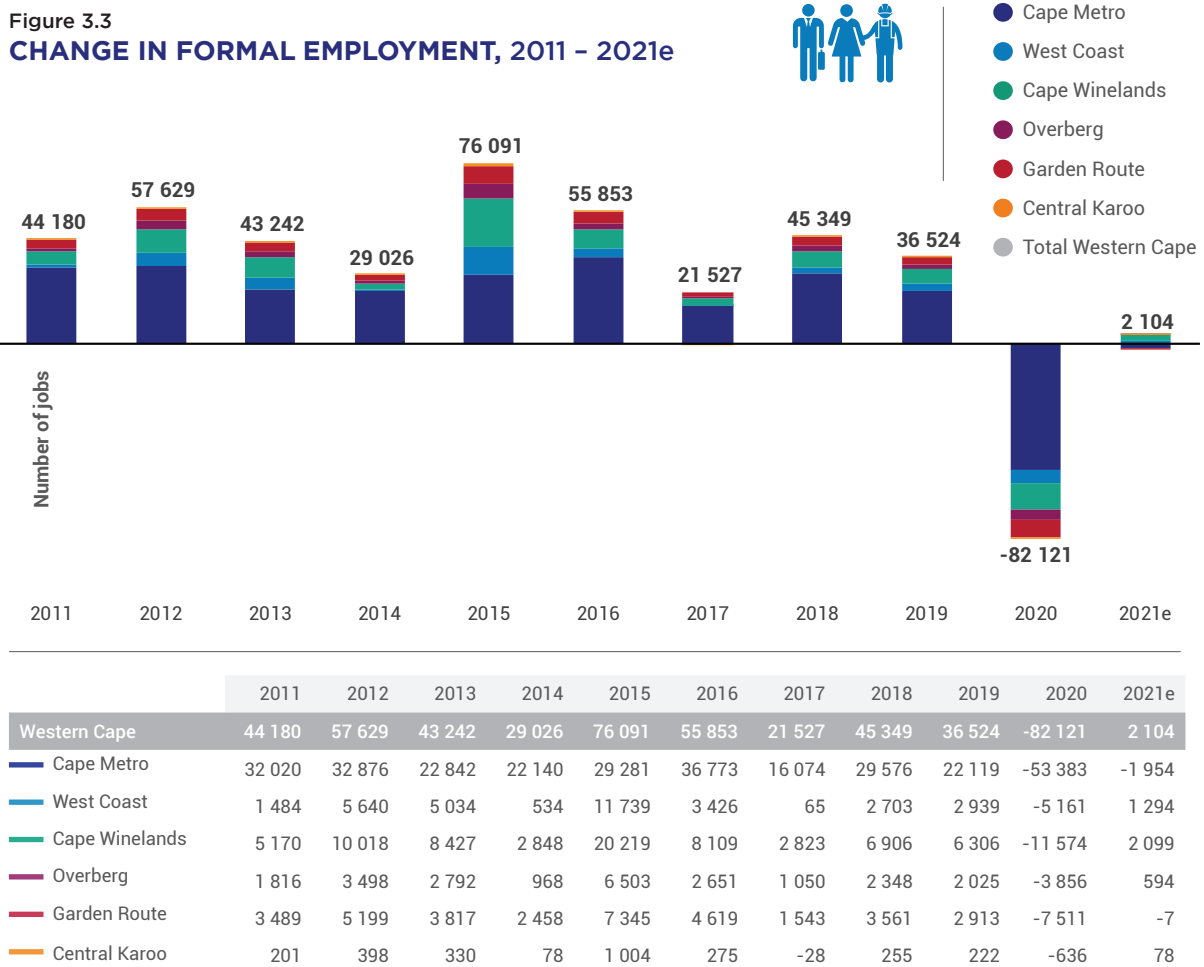
<sup>17</sup> It should be noted, however, that in 2015 a new master sample was implemented in the Quarterly Labour Force Survey (QLFS), which may have impacted the data owing to variations in its design (Stats SA, 2015).

The Province experienced a recovery in employment creation during 2017, with 48 761 jobs created during the year. However, in the two-year period thereafter, the number of new employment opportunities created in the Province declined significantly to reach a low of 3 074 jobs in 2019. This trend mirrors the GDPR performance of the Western Cape economy and that of the broader national economy over the same period.

With 196 539 jobs lost in 2020, the Provincial economy saw considerable employment losses. The Cape Metro region lost the most jobs (120 701), followed by the CWD and GRD, which lost 30 783 and 20 143 jobs respectively. As with GDPR, the advent of COVID-19 in South Africa exacerbated labour market circumstances dramatically. However, job losses documented during the year were most likely mitigated in part by the Province’s reliance on agriculture, which was less constrained by lockdown restrictions than other economic sectors.

Estimates for 2021 indicate a continuance of job-shedding in the Province. During the year, it is anticipated that 69 033 jobs were lost throughout the Province, with the Cape Metro area accounting for nearly two-thirds of all jobs lost. This occurrence is probably due to the lagged recovery in employment following the sharp contractions in GDPR recorded in 2020.

Figure 3.3 illustrates the formal employment<sup>18</sup> trend for each district and the Cape Metro area between 2011 and 2021.



Source: Quantec Research, 2022 (e denotes estimate)

<sup>18</sup> Formal employment is created through contractual arrangements between an incorporated company and an individual employee. (Source: Sustainable Energy Jobs Platform: <http://sejplatform.org/Key-concepts/employment-formal-and-informal/>.)

Changes in Provincial formal employment broadly follow the trends observed in total Provincial employment between 2011 and 2021.

Between 2011 and 2012, the number of new formal employment opportunities in the Province increased from 44 180 jobs to 57 629 jobs. During each year, the Cape Metro area accounted for the largest contributions to new formal employment opportunities created, followed by the CWD and GRD. However, the number of new formal employment opportunities in the Province slowed in 2013 and 2014.

The number of new formal employment opportunities generated in the Province peaked in 2015,<sup>19</sup> with 76 091 formal jobs created that year, and then mostly declined until 2020. The COVID-19 pandemic and limitations on formal economic activity were the reasons for the high formal job-shedding reported in 2020, with 82 121 formal jobs lost over the year. However, the number of formal employment losses documented throughout the year did not outnumber the number of informal job losses.

In 2021, a total of 2 104 formal jobs are expected to have been created in the Province. The CWD and WCD are expected to have accounted for the largest contributions to this total at 2 099 and 1 294 formal jobs respectively. However, the Cape Metro area is anticipated to have recorded job-shedding in 2021, with 1 954 formal jobs lost during the year. As there is a strong correlation between recoveries in formal economic activity and formal employment,<sup>20</sup> the slowed recovery of the Cape Metro area in 2021 relative to the majority of the remaining districts restrained the recovery of formal employment in the Province. In addition, an increase in formal economic activity may not have translated into a need for new formal jobs, as it is likely that businesses were able to increase production by increasing the number of hours worked by suspended or dismissed employees who had returned to work.<sup>21</sup>



<sup>19</sup> It should be noted, however, that in 2015 a new master sample was implemented in the Quarterly Labour Force Survey (QLFS), which may have impacted the data owing to variations in its design.

<sup>20</sup> (World Bank, 2019).

<sup>21</sup> (International Labour Organisation, 2021).

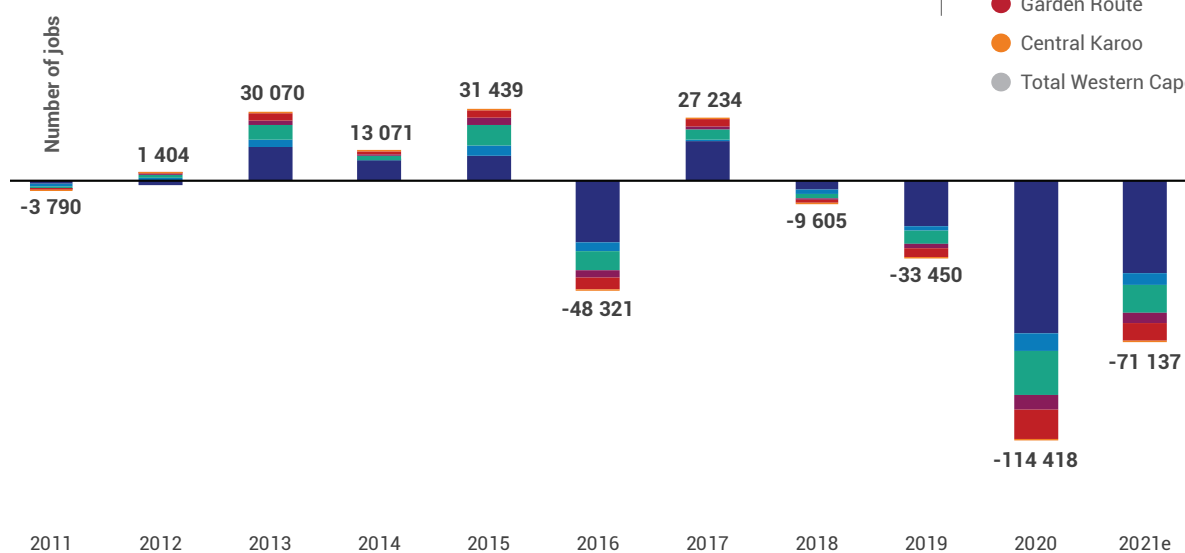
Changes in informal jobs created between 2011 and 2021 are provided in Figure 3.4. Broadly, changes in informal employment followed overall changes in employment observed across the districts over the same period.

Figure 3.4

**CHANGE IN INFORMAL EMPLOYMENT, 2011 – 2021e**



- Cape Metro
- West Coast
- Cape Winelands
- Overberg
- Garden Route
- Central Karoo
- Total Western Cape



	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021e
<b>Western Cape</b>	<b>-3 790</b>	<b>1 404</b>	<b>30 070</b>	<b>13 071</b>	<b>31 439</b>	<b>-48 321</b>	<b>27 234</b>	<b>-9 605</b>	<b>-33 450</b>	<b>-114 418</b>	<b>-71 137</b>
■ Cape Metro	-1 487	-1 882	14 868	8 959	10 972	-27 316	17 626	-3 875	-19 692	-67 318	-40 586
■ West Coast	-766	1 211	3 349	114	4 631	-3 898	775	-1 750	-2 422	-7 411	-5 397
■ Cape Winelands	-852	1 319	6 343	1 677	9 271	-8 364	4 253	-2 136	-5 374	-19 209	-12 325
■ Overberg	-181	558	2 163	778	2 970	-2 987	1 565	-594	-1 997	-6 928	-4 489
■ Garden Route	-433	180	3 141	1 541	3 227	-5 348	2 856	-1 109	-3 706	-12 632	-7 773
■ Central Karoo	-71	18	206	2	368	-408	159	-141	-259	-920	-567

Source: Quantec Research, 2022 (e denotes estimate)

In 2011, decreases in informal employment were recorded, with the Province shedding 3 790 informal jobs. The decreases in informal employment during the year suggest that informal employment required a longer period of recovery when compared with formal employment following the global financial crisis. This is evident in the growth in informal jobs recorded in 2012.

Strong increases in informal employment opportunities were recorded between 2013 and 2015, peaking at 31 439 informal jobs created in 2015.<sup>22</sup> The Cape Metro area (10 972 informal jobs) accounted for the largest share in new informal employment opportunities created in the Province during the year. In 2016, declines in informal employment were recorded, with a total of 48 321 informal jobs lost throughout the Province.

Despite recovering in 2017, informal employment opportunities registered contractions in both 2018 and 2019, with a total of 43 055 informal jobs lost. Further contractions were recorded in 2020 amid the COVID-19 pandemic, with recorded losses of 114 418 informal jobs in the Province. Informal job-shedding throughout 2020 far exceeded that of formal job-shedding, as

<sup>22</sup> It should be noted, however, that in 2015 a new master sample was implemented in the Quarterly Labour Force Survey (QLFS), which may have impacted the data owing to variations in its design (Stats SA, 2015).

informal workers are more likely to be vulnerable to economic shocks owing to their ineligibility for government support measures in some instances.<sup>23</sup> Overall, informal employment during the period under review was more volatile and vulnerable to economic shocks than the formal sector.

Estimates for 2021 suggest that informal jobs continued decreasing, with 71 137 informal jobs lost during the year. This represents a smaller decline when compared with the previous year owing to the easing of COVID-19 regulations. Furthermore, recoveries in informal employment are again expected to have lagged behind recoveries in formal employment, as was evident in the period following the global financial crisis.



The informal sector's economic and social contributions to employment,<sup>24</sup> livelihoods<sup>25</sup> and food security<sup>26</sup> are recognised in academic research but are not always fully acknowledged in local government policies and bylaws.

Informal job losses over the past two years have highlighted the sector's precarity, and as a response the following key themes should be considered by local government:

- **Regulation and enforcement:** Policies should better understand the nature of the informal sector and enable informal trade. Bylaws should be in line with the Constitution and encourage compliance from traders and officials.
- **Provision of services and infrastructure:** The provision and maintenance of basic services and necessary infrastructure are essential to support informal trade. Further training should be made available to traders as well as local municipal officials to improve skill levels.
- **Products and services:** Bylaws must accommodate different types of trade given the diversity of informal trade.
- **Tariff structure and participation:** Tariffs should be flexible and transparently administered, while informal traders need to be considered in the decision-making processes of local municipalities.<sup>27</sup>

<sup>23</sup> (Stats SA, 2021).

<sup>24</sup> (Rogan & Skinner, 2022).

<sup>25</sup> (Blaauw, 2017).

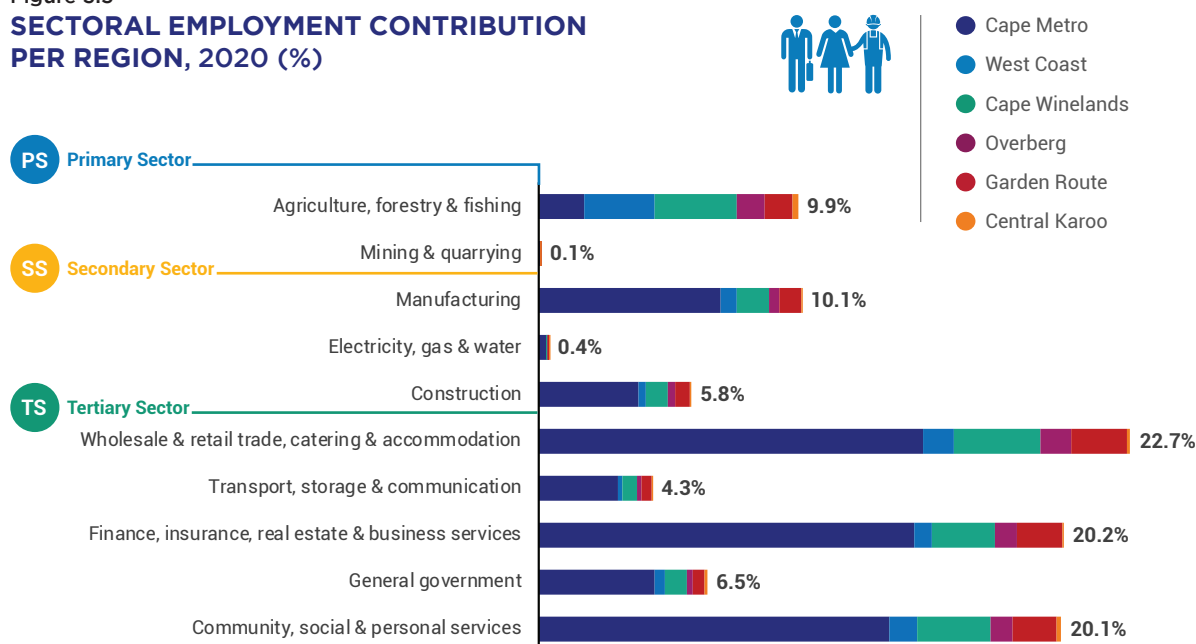
<sup>26</sup> (Battersby, Marshak, & Mngqibisa, 2016).

<sup>27</sup> (Socio-Economic Rights Institute of South Africa, 2022).



Figure 3.5 illustrates the sectoral employment contribution to the Provincial economy per region in 2020.

**Figure 3.5**  
**SECTORAL EMPLOYMENT CONTRIBUTION**  
**PER REGION, 2020 (%)**



Source: Quantec Research, 2022

In 2020, the trade sector was the leading contributor to employment in the Western Cape, contributing 22.7 per cent. Other prominent contributions to employment were by the finance sector as well as the community services sector, which contributed 20.2 per cent and 20.1 per cent respectively.

The Cape Metro area accounted for 14.8 per cent of the trade sector's total employment contribution. This was followed by the CWD and GRD, with contributions of 3.3 per cent and 2.1 per cent respectively.

Employment in the finance sector was also concentrated in the Cape Metro area, accounting for 14.4 per cent. Similar trends were seen in the community services sector, with the Cape Metro area (13.5 per cent) contributing the largest share, followed by the CWD (2.8 per cent) and GRD (1.7 per cent).

The CWD was the largest contributor to employment in the agriculture sector at 3.2 per cent. The WCD was the second-largest contributor in the agriculture sector at 2.7 per cent, followed by the Cape Metro area at 1.8 per cent. Furthermore, the Cape Metro area had the largest contribution to employment in the manufacturing sector, contributing 7.0 per cent of the sector's total employment.



## 4. CONCLUDING REMARKS

The global economy is estimated to have grown by 6.1 per cent in 2021. It should be noted that the strong growth recorded by the global economy in 2021 resulted from the constrained base of 2020. However, in 2022, global economic growth is expected to slow to 3.2 per cent before easing further to 2.9 per cent in 2023. The slowdown in global economic growth can possibly be ascribed to a significant decline in growth recorded in the Chinese economy, while the Russia-Ukraine conflict has contributed to rising global inflation and disruptions in economic activity in European economies.

Although the South African economy registered recoveries in the first quarter of 2022, the country's economy contracted by 0.7 per cent in the second quarter of the same year. This contraction is the result of disruptions in global energy and commodity markets stemming from the conflict in Europe and COVID-19 restrictions in China. In addition, South Africa's recovery from the COVID-19 pandemic has also been significantly restrained by power outages, rising inflation and interest rates, while the country's unemployment levels continue to remain high. Given these risks, the South African economy is anticipated to register a growth rate of 1.7 per cent in 2022, before easing to 0.3 per cent in 2023.

While recording a sharp contraction at 5.9 per cent in 2020, the Western Cape economy is estimated to have grown by 4.6 per cent in 2021. As with the global and national economies, this recovery stems from the sharp contractions recorded in 2020 and may not be sustainable as economic activity normalises. In the 2022 forecast periods, annual growth in the Province is expected to remain stagnant at 4.6 per cent. Economic activity is anticipated to remain constrained due to disruptions in electricity supply and global supply chain disruptions brought about by the Russia-Ukraine conflict. Subsequently, growth in the Western Cape is expected to slow to 2.5 per cent in 2023.

In conclusion, forecasts for 2023 are subdued owing to a range of international and local factors. The global economic slowdown experienced in 2022 is likely to continue into the coming year, partly because of the US's interest rate hiking cycle and the Russia-Ukraine conflict. Nationally, inflation and load-shedding will place unprecedented pressure on both consumers and producers. In response to these tough conditions, innovative projects such as the MER are good examples of innovations that may assist in protecting and creating jobs in the Western Cape.



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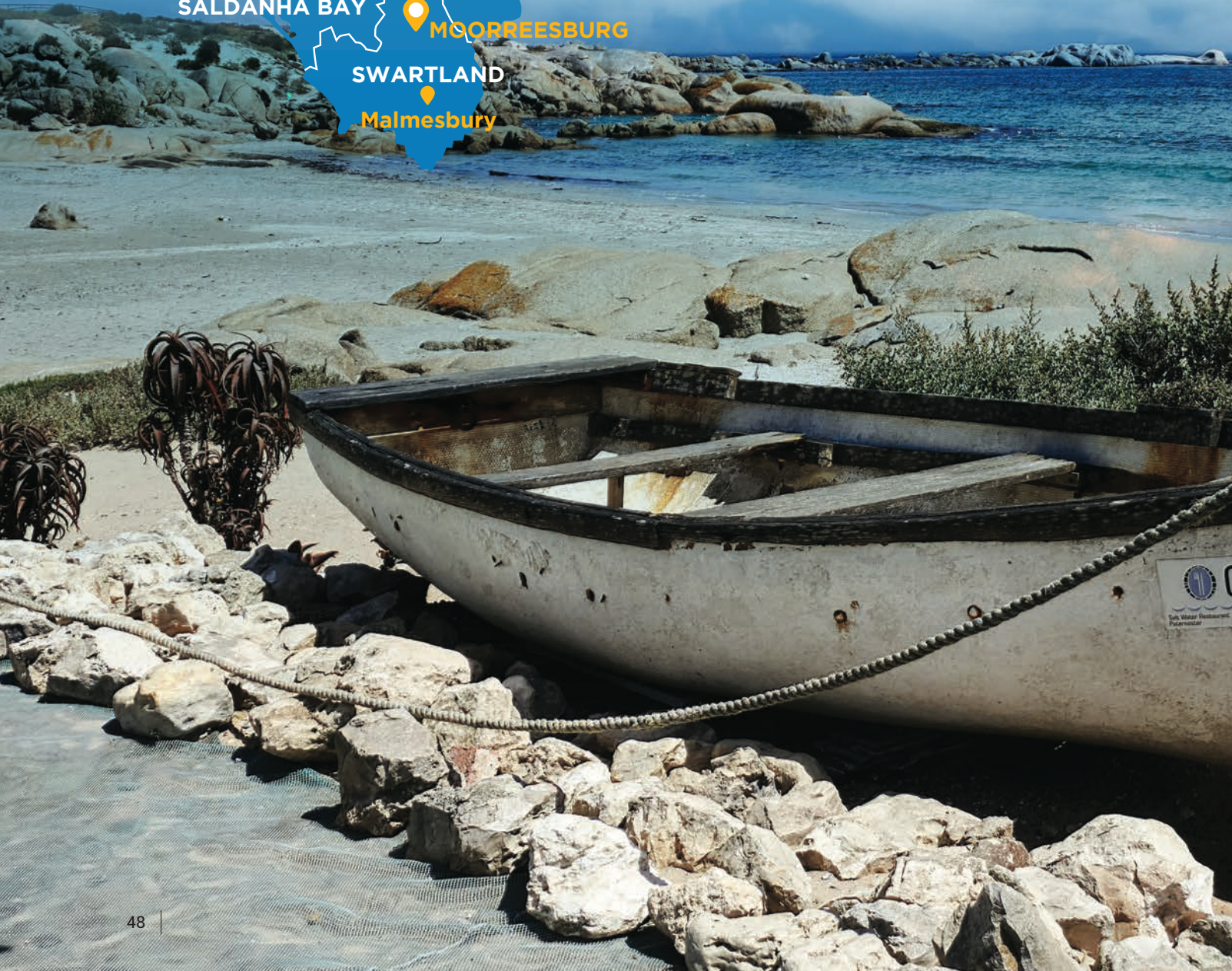
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# WEST COAST DISTRICT

31 118KM<sup>2</sup>





# WEST COAST DISTRICT

**MATZIKAMA, CEDERBERG,  
BERGRIVIER, SALDANHA BAY,  
SWARTLAND**

## INFOGRAPHIC SUMMARY

### 1 Economic growth

- Introduction
- Regional GDP performance
- GDP performance per municipal area
- International trade and tourism
- Investments
- Concluding remarks

### 2 Jobs

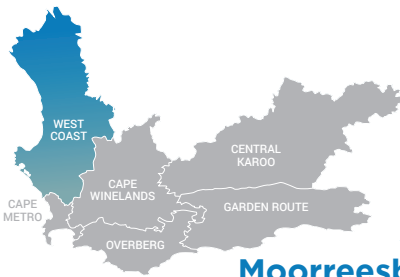
- Introduction
- Regional labour trend analysis
- Employment and skills per municipal area
- Concluding remarks

### 3 Safety and wellbeing

- Introduction
- Population profile
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- Access to housing and basic services
- Crime
- Concluding remarks

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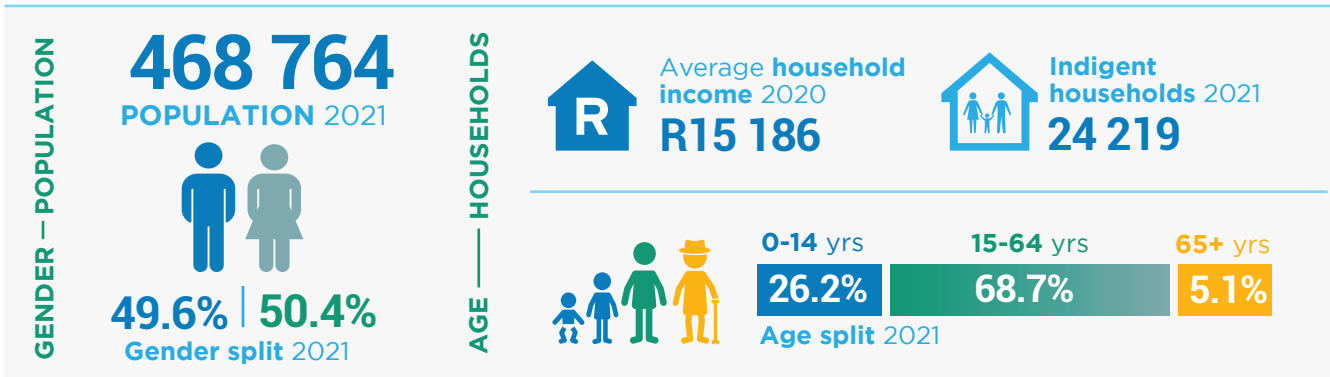


# WEST COAST DISTRICT

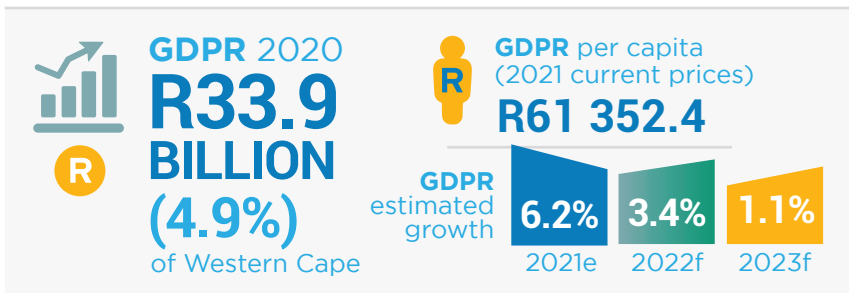
SEAT | AREA | DENSITY  
**Moorreesburg** | **31 118km<sup>2</sup>** | **13/km<sup>2</sup>**

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

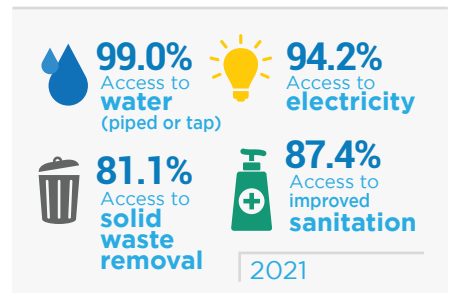
## DEMOGRAPHICS



## GROSS DOMESTIC PRODUCT



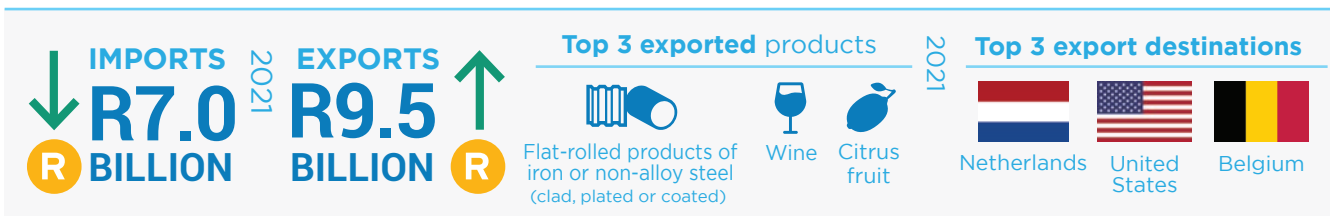
## SERVICES



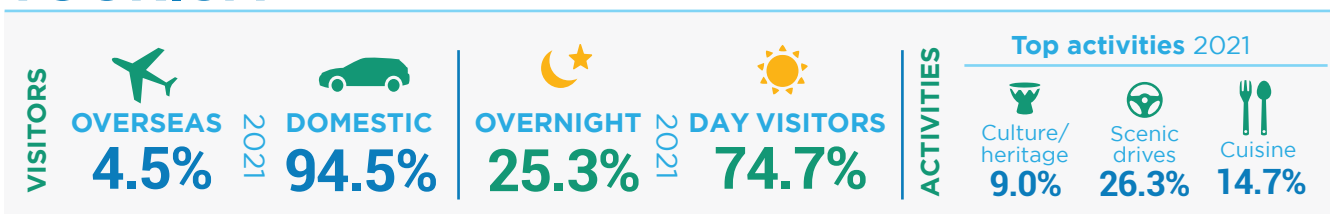
## EMPLOYMENT



## TRADE



## TOURISM





## GDPR

## EMPLOYMENT

	2020		2021	
	GDPR CONTRIBUTION	GDPR GROWTH	EMPLOYMENT CONTRIBUTION	EMPLOYMENT GROWTH
<b>PRIMARY SECTOR</b>	<b>22.5%</b>	<b>7.7%</b>	<b>37.8%</b>	<b>-3.5%</b>
AGRICULTURE, FORESTRY & FISHING	21.1%	8.6%	37.6%	-3.5%
MINING & QUARRYING	1.4%	-16.0%	0.2%	-4.4%
<b>SECONDARY SECTOR</b>	<b>24.1%</b>	<b>6.4%</b>	<b>13.2%</b>	<b>-3.1%</b>
MANUFACTURING	19.2%	8.7%	9.3%	-2.0%
ELECTRICITY, GAS & WATER	1.6%	2.0%	0.2%	-3.6%
CONSTRUCTION	3.3%	-4.0%	3.6%	-6.0%
<b>TERTIARY SECTOR</b>	<b>53.4%</b>	<b>5.5%</b>	<b>49.0%</b>	<b>-1.4%</b>
WHOLESALE & RETAIL TRADE, CATERING & ACCOMMODATION	13.7%	7.7%	16.8%	-4.1%
TRANSPORT, STORAGE & COMMUNICATION	5.2%	4.4%	2.4%	-8.8%
FINANCE, INSURANCE, REAL ESTATE & BUSINESS SERVICES	14.6%	4.9%	9.2%	-1.2%
GENERAL GOVERNMENT	10.3%	1.5%	5.6%	1.3%
COMMUNITY, SOCIAL & PERSONAL SERVICES	9.5%	8.5%	15.0%	1.7%





# 1

## ECONOMIC GROWTH

### 1.1 INTRODUCTION

The WCD spans an area of 31 118km<sup>2</sup>, which is 24.0 per cent of the total size of the Western Cape. In total, the WCD comprises five municipal areas, namely Swartland, Bergrivier, Cederberg, Matzikama and Saldanha Bay. Although all municipal areas have unique characteristics, the WCD is renowned for its scenic coastline, vast farmlands and wildflowers.

This chapter provides a detailed discussion of three prominent measures of macroeconomic performance, namely GDP, international trade and tourism, and investment. Regional GDP data is available up to 2020, while 2021 figures are estimated.<sup>1</sup> In addition, an outlook regarding GDP for 2022 and 2023 is also provided.

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<sup>1</sup> Stats SA will only release official regional indicators for 2021 in 2023.

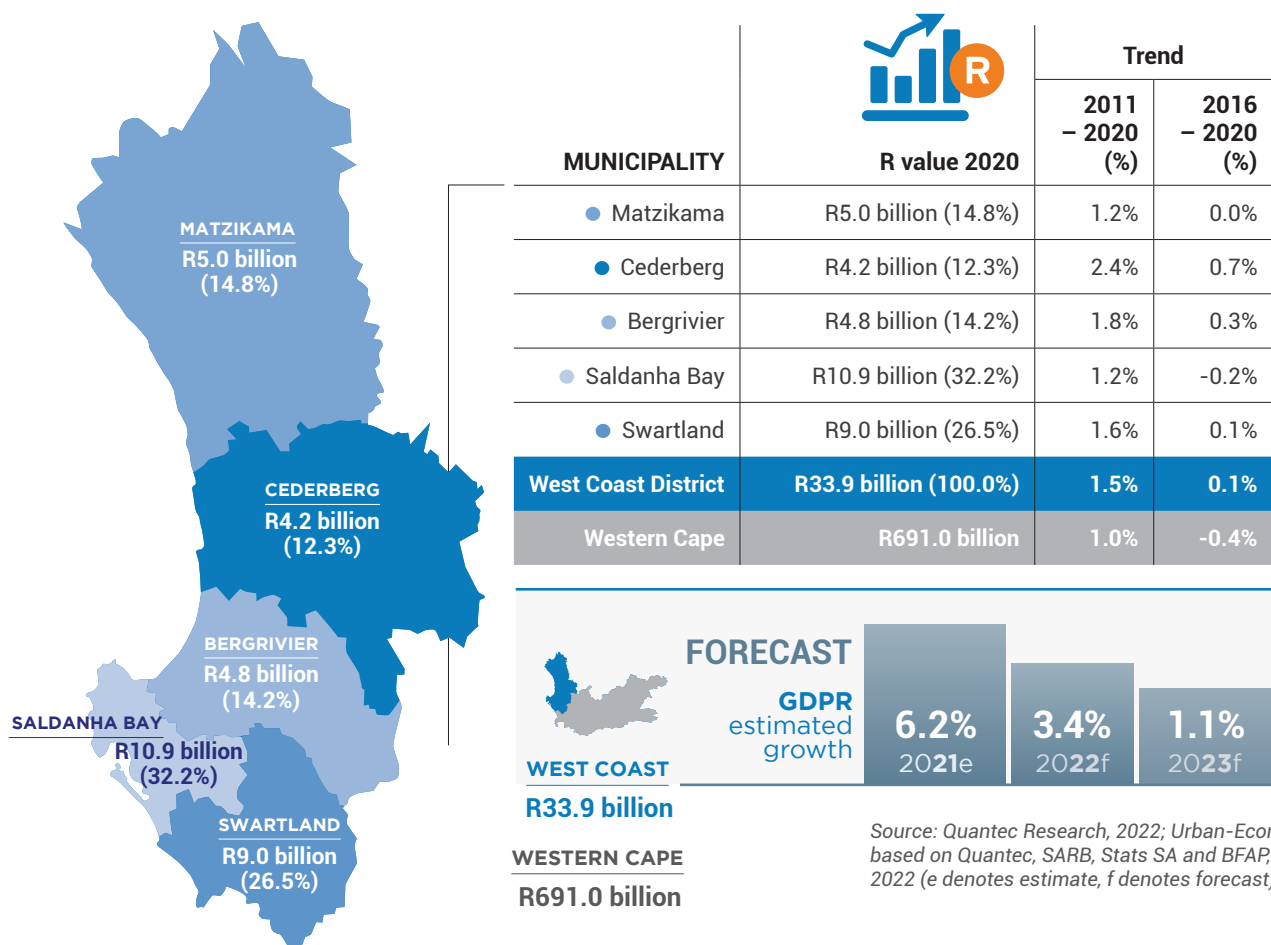


## 1.2 REGIONAL GDPR PERFORMANCE

This section provides key insights into the performance of the WCD economy by evaluating the size of the WCD's economy, GDPR performance per municipal area and sectoral contributions of the respective economic sectors.

Diagram 1.1 illustrates the GDPR contributions and trends of each municipal area that comprise the WCD.

**Diagram 1.1**  
**GDPR CONTRIBUTION AND AVERAGE GROWTH RATES PER MUNICIPAL AREA, West Coast District**



Valued at R33.9 billion in 2020, the WCD economy accounted for 4.9 per cent of the Western Cape economy during the year. Between 2016 and 2020, the District's economy recorded a near stagnant average annual growth rate of 0.1 per cent. This rate was higher than the average annual contraction of 0.4 per cent experienced in the Province over the same period. The improved performance of the District relative to the Province over the period could potentially be attributed to its reliance on the agriculture sector. Although drought conditions are likely to have adversely impacted the sector in the District, the downturn in economic activity recorded in 2020 was most likely offset by the continued operation of the agriculture sector amid COVID-19 restrictions. Conversely, the Provincial economy largely depends on industrial activity, which was significantly restrained by lockdown restrictions.

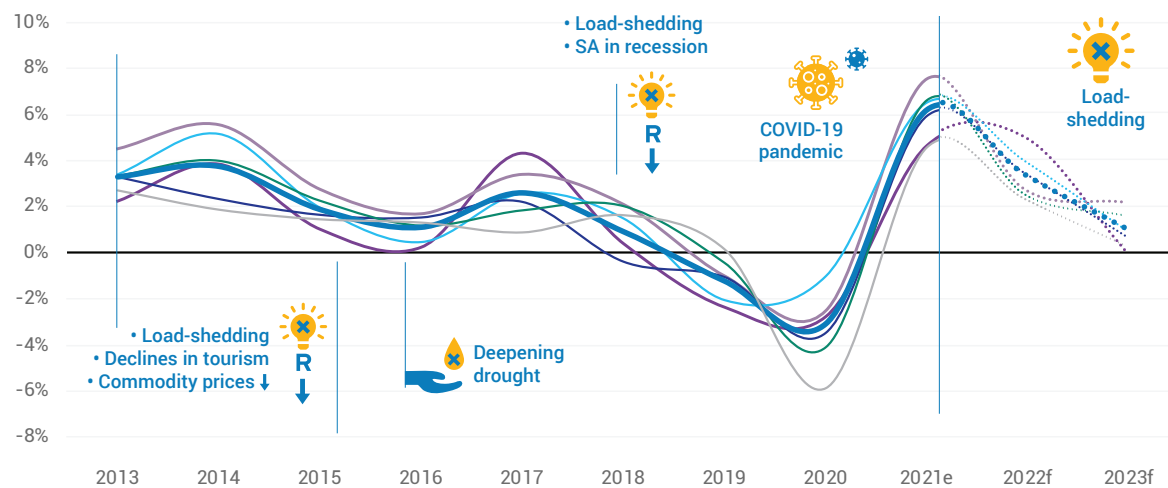
In 2020, the Saldanha Bay municipal area was the leading contributor to GDP at 32.2 per cent. This was followed by the Swartland municipal area at 26.5 per cent during the year. The Matzikama and Bergrivier municipal areas had similar contributions in 2020 at 14.8 per cent and 14.2 per cent respectively. However, the Bergrivier municipal area's average annual growth outweighed that of the Matzikama municipal area between 2016 and 2020, which suggests that it may soon surpass the Matzikama municipal area's GDP contribution. The Cederberg municipal area registered the smallest contribution to the WCD economy in 2020 at 12.3 per cent.

Between 2016 and 2020, the Saldanha Bay municipal area was the only municipal area that recorded an average annual contraction (0.2 per cent). The remaining municipal areas, apart from the Matzikama municipal area, which remained stagnant between 2016 and 2020, recorded growth rates between 0.1 per cent and 0.7 per cent over the same period.



The historical GDPR growth rate trends recorded in the respective municipal areas, in addition to the WCD and Province, are illustrated in Figure 1.1.

**Figure 1.1**  
**GDPR GROWTH PER MUNICIPAL AREA, West Coast District, 2013 - 2023**



	2013	2014	2015	2016	2017	2018	2019	2020	2021e	2022f	2023f
Western Cape	2.7%	1.9%	1.5%	1.3%	0.9%	1.6%	0.1%	-5.9%	4.6%	2.3%	0.3%
<b>West Coast District</b>	<b>3.3%</b>	<b>3.8%</b>	<b>1.9%</b>	<b>1.1%</b>	<b>2.6%</b>	<b>0.9%</b>	<b>-1.2%</b>	<b>-3.1%</b>	<b>6.2%</b>	<b>3.4%</b>	<b>1.1%</b>
Matzikama	2.3%	3.9%	1.0%	0.3%	4.3%	0.4%	-2.3%	-2.7%	4.7%	4.9%	0.1%
Cederberg	4.5%	5.5%	2.7%	1.7%	3.4%	2.1%	-1.0%	-2.5%	7.5%	2.7%	2.2%
Bergrivier	3.4%	5.2%	2.0%	0.5%	2.6%	1.5%	-2.1%	-1.0%	6.5%	3.9%	1.0%
Saldanha Bay	3.3%	2.3%	1.7%	1.5%	2.2%	-0.4%	-1.1%	-3.5%	6.0%	3.4%	0.7%
Swartland	3.3%	4.0%	2.2%	1.2%	1.8%	2.0%	-0.5%	-4.1%	6.6%	2.5%	1.6%

Source: Quantec Research, 2022; Urban-Econ based on Quantec, SARB, Stats SA and BFAP, 2022 (e denotes estimate, f denotes forecast)

Despite recording strong growth rates in 2013 and 2014, growth in the WCD slowed significantly in 2015 to reach 1.9 per cent. However, this rate was above the 1.5 per cent recorded in the Provincial economy during the same year. The deterioration in annual growth can be ascribed to a slowdown in international merchandise trade brought about by the depreciation of emerging market currencies against the US dollar and subdued global economic growth.<sup>2</sup>

Growth in the District continued to deteriorate in 2016 to reach 1.1 per cent, which is reflective of the slowdown in annual growth across all municipal areas and the Province during the same year. Given the reliance of the WCD on citrus fruit exports, the economic performance of the WCD was adversely impacted by drought conditions in the Province,<sup>3</sup> in addition to restrictions on citrus fruit exports imposed by the European Union (EU).<sup>4</sup> Furthermore, flat-rolled iron and non-alloy steel commodities are among the leading commodities exported by the WCD, and these were impacted by a downturn in global steel demand during the year.<sup>5</sup>

<sup>2</sup> (UNCTAD, 2016).  
<sup>3</sup> (Wesgro, 2021).  
<sup>4</sup> (Venter, 2017).  
<sup>5</sup> (Denina, 2016).

Following a sharp increase in growth in 2017 (2.6 per cent), annual growth in the WCD declined in 2018 and 2019. In 2018, the WCD recorded a growth rate of 0.9 per cent before experiencing a contraction of 1.2 per cent in 2019. The poor performance of the District's economy in 2018 and 2019 can be ascribed to recorded periods of load-shedding,<sup>6</sup> and was further exacerbated by the poor performance of the national economy. The impact of these occurrences is also evident in the subdued performance of the Provincial economy in both 2018 and 2019.

In 2020, the WCD and its respective municipal areas recorded steep contractions in annual growth. During the year, the District's economy contracted by 3.1 per cent. However, this contraction was less than the 5.9 per cent contraction recorded in the Provincial economy during the same year. These contractions were driven by the onset of the COVID-19 pandemic and lockdown measures to contain its spread. However, as noted previously, the fact that the WCD economy performed better than the Provincial economy in 2020 was likely due to its reliance on the agriculture sector, which was not as restrained by lockdown measures.

Estimates for 2021 indicate a steep recovery in GDP growth in the District. During the year, the WCD is estimated to have recorded a growth rate of 6.2 per cent, which is higher than the 4.6 per cent recorded in the Province during the same year. In addition, all municipal areas are estimated to have recorded growth rates of 4.7 per cent and higher, with the Cederberg municipal area recording the highest growth rate at 7.5 per cent. This was followed by the Swartland and Bergvliet municipal areas, which recorded estimated growth rates of 6.6 per cent and 6.5 per cent respectively in 2021. The recovery in GDP growth in 2021 could be ascribed to the easing of COVID-19 restrictions. Furthermore, given the District's reliance on steel exports, the WCD economy further benefited from recoveries in global steel and coal demand during the year.<sup>7</sup>

In the 2022 and 2023 forecast periods, GDP growth in the WCD is expected to slow to 3.4 per cent and 1.1 per cent respectively. Although this trend is reflected in the slowdown in Provincial growth over the same period, the WCD is anticipated to record higher annual growth rates in both years. The slowdown in GDP growth in 2022 can be ascribed to the return of economic activity to a stable level following the high growth rates recorded in 2021. Rising inflation owing to fuel price increases and stemming from the Russia-Ukraine conflict is likely to restrain consumption expenditure.<sup>8</sup> In addition, load-shedding in 2022 and the expected continuance thereof in 2023, exchange rate volatility as well as continued geopolitical tensions in Europe are expected to further exert downward pressure on growth.<sup>9</sup> In addition, fears of a global economic recession weighed on 2023 forecasts.<sup>10</sup>

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<sup>6</sup> (Council for Scientific and Industrial Research, 2020).

<sup>7</sup> (Arnoldi, 2022).

<sup>8</sup> (Parker, 2022).

<sup>9</sup> (PwC, 2022).

<sup>10</sup> (Shalal, 2022).

## 1.2.2 Sectoral GDPR performance

Table 1.1 provides an overview of the sectoral contributions to the WCD economy in 2020, in addition to their respective growth rates between 2016 and 2020, along with estimates for 2021 and forecasts for 2022 and 2023.

Table 1.1  
**GDPR PERFORMANCE PER SECTOR, West Coast District (%)**

SECTOR	 R million value 2020	Trend		Real GDPR growth		
		2011 – 2020	2016 – 2020	2021e	2022f	2023f
<b>PS</b> <b>Primary Sector</b>	<b>R7 637.5 (22.5%)</b>	<b>3.6%</b>	<b>2.2%</b>	<b>7.7%</b>	<b>10.1%</b>	<b>0.2%</b>
Agriculture, forestry & fishing	R7 154.9 (21.1%)	3.7%	2.4%	8.6%	9.8%	0.5%
Mining & quarrying	R482.6 (1.4%)	1.1%	-0.7%	-16.0%	20.1%	-8.7%
<b>SS</b> <b>Secondary Sector</b>	<b>R8 155.5 (24.1%)</b>	<b>-0.1%</b>	<b>-1.7%</b>	<b>6.4%</b>	<b>1.1%</b>	<b>1.0%</b>
Manufacturing	R6 506.3 (19.2%)	0.6%	-0.5%	8.7%	0.5%	1.3%
Electricity, gas & water	R543.4 (1.6%)	-2.9%	-3.8%	2.0%	2.1%	-0.7%
Construction	R1 105.8 (3.3%)	-1.9%	-6.4%	-4.0%	4.0%	-0.6%
<b>TS</b> <b>Tertiary Sector</b>	<b>R18 078.8 (53.4%)</b>	<b>1.6%</b>	<b>0.2%</b>	<b>5.5%</b>	<b>1.3%</b>	<b>1.5%</b>
Wholesale & retail trade, catering & accommodation	R4 647.4 (13.7%)	0.7%	-1.9%	7.7%	7.7%	2.5%
Transport, storage & communication	R1 753.9 (5.2%)	-1.4%	-4.1%	4.4%	7.2%	1.3%
Finance, insurance, real estate & business services	R4 952.3 (14.6%)	2.8%	2.6%	4.9%	-1.6%	0.5%
General government	R3 498.1 (10.3%)	2.4%	1.5%	1.5%	-3.3%	2.2%
Community, social & personal services	R3 227.1 (9.5%)	2.3%	1.2%	8.5%	-1.1%	1.1%
<b>Total West Coast District</b>	<b>R33 871.8 (100.0%)</b>	<b>1.5%</b>	<b>0.1%</b>	<b>6.2%</b>	<b>3.4%</b>	<b>1.1%</b>

Source: Quantec Research, 2022; Urban-Econ based on Quantec, SARB, Stats SA and BFAP, 2022 (e denotes estimate, f denotes forecast)

Valued at R18.1 billion in 2020, which signified a GDPR contribution of 53.4 per cent, the tertiary sector was the leading contributor to the WCD economy during the year. Between 2016 and 2020, the tertiary sector recorded an average annual growth rate of 0.2 per cent, which was marginally higher than the average growth rate of 0.1 per cent recorded in the WCD over the same period. As such, it is concluded that growth in the District is largely dependent on the performance of the tertiary sector.

Within the tertiary sector, the finance sector accounted for the largest share of GDPR at 14.6 per cent in 2020. This was followed by the trade and general government sectors, which contributed 13.7 per cent and 10.3 per cent respectively during the year. Between 2016 and 2020, the finance sector recorded an average annual growth rate of 2.6 per cent, which was significantly above the 0.1 per cent average growth rate recorded by the District. This signifies the importance of the finance sector in the WCD economy.



In addition, the general government sector recorded an average growth rate of 1.5 per cent over the five-year period. This can probably be attributed to fiscal support given to farmers in the District to offset the impact of drought conditions,<sup>11</sup> in addition to the roll-out of health interventions amid the COVID-19 pandemic in 2020.

The tertiary sector is estimated to have recorded a growth rate of 5.5 per cent in 2021. Despite all individual sectors, apart from the general government sector, recording strong recoveries in growth, the high growth rate recorded in the tertiary sector can mostly be ascribed to the high growth rate in the trade sector (7.7 per cent) given its GDP contribution. This could be as a result of the recoveries in trade and tourism activities following the easing of COVID-19 restrictions.

In 2020, the secondary sector contributed 24.1 per cent to the District's economy. Activity in the secondary sector was dominated by the manufacturing sector, which accounted for the largest contribution to GDP at 19.2 per cent during the year. Between 2016 and 2020, the secondary sector recorded an average annual contraction of 1.7 per cent. Similarly, the manufacturing sector contracted by an average rate of 0.5 per cent per year over the same five-year period. As noted previously, agro-processing activity was impacted by drought conditions in the Province, while steel manufacturing is likely to have been impacted by fluctuations in global steel demand.

The secondary sector is estimated to have grown by 6.4 per cent in 2021, marginally above the 6.2 per cent growth rate recorded in the WCD during the same year. This high growth rate could be ascribed to the strong growth rate estimated to have been recorded by the manufacturing sector (8.7 per cent) in 2021. Manufacturing activities benefited from the easing of COVID-19 restrictions on industrial activity, in addition to recoveries in global supply chains and a strong increase in global steel demand during the year.<sup>12</sup>

Valued at R7.6 billion in 2020, the primary sector was the smallest contributor to the WCD economy at 22.5 per cent during the year. Within the primary sector, the agriculture sector



<sup>11</sup> (Western Cape Government, 2019).

<sup>12</sup> (Burger, 2021).

dominated activity with a contribution to GDP measuring 21.1 per cent in 2020. As such, average annual growth in the primary sector between 2016 and 2020 (2.2 per cent) was closely correlated with that of the agriculture sector (2.4 per cent). Despite drought conditions in the Province over the period, the agriculture sector still recorded a growth rate over the five-year period. As noted previously, this may be the result of interventions by the Provincial government to support farmers.<sup>13</sup>

The primary sector is estimated to have recorded the highest growth rate in 2021 out of the three main economic sectors at 7.7 per cent. This can be attributed to the strong growth rate recorded in the agriculture sector at an estimated 8.6 per cent during the year. The agriculture sector benefited from recoveries in agro-processing demand following the resumption of manufacturing activity, in addition to increased international prices for agricultural commodities.<sup>14</sup>

In the 2022 forecast period, growth in the tertiary and secondary sectors is expected to slow to 1.3 per cent and 1.1 per cent respectively. Conversely, the primary sector is anticipated to record the highest growth rate at 10.1 per cent during the year. As noted previously, the key driver of activity in the primary sector is the agriculture sector, which continued to benefit from government support measures.<sup>15</sup> The mining and quarrying sector is forecast to record the highest growth rate during the year at 20.1 per cent, which is likely due to increases in phosphate prices (a key input in the production of fertiliser) owing to the conflict in Europe.<sup>16</sup> However, the sector does not contribute significantly to GDP. The slowdown in growth in the secondary and tertiary sectors can probably be attributed to recurrent load-shedding, in addition to restrained consumer expenditure and international trade disruptions.

Forecasts for 2023 indicate that growth in the tertiary sector is expected to increase slightly to 1.5 per cent, while growth in the secondary sector is anticipated to decline marginally to 1.0 per cent. Growth in the primary sector is expected to slow significantly to reach 0.2 per cent in 2023.



<sup>13</sup> (Western Cape Government, 2019).

<sup>14</sup> (World Bank, 2021).

<sup>15</sup> (Western Cape Government, 2022).

<sup>16</sup> (Sihlobo, 2022).





## 1.3 GDP PERFORMANCE PER MUNICIPAL AREA

This subsection provides an in-depth macroeconomic overview of the WCD economy at a municipal level by considering the sectoral and GDP growth.

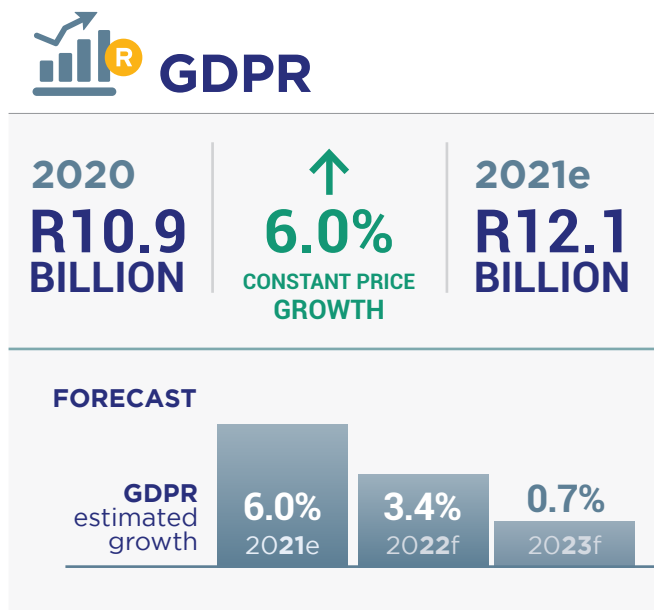
### 1.3.1

## SALDANHA BAY

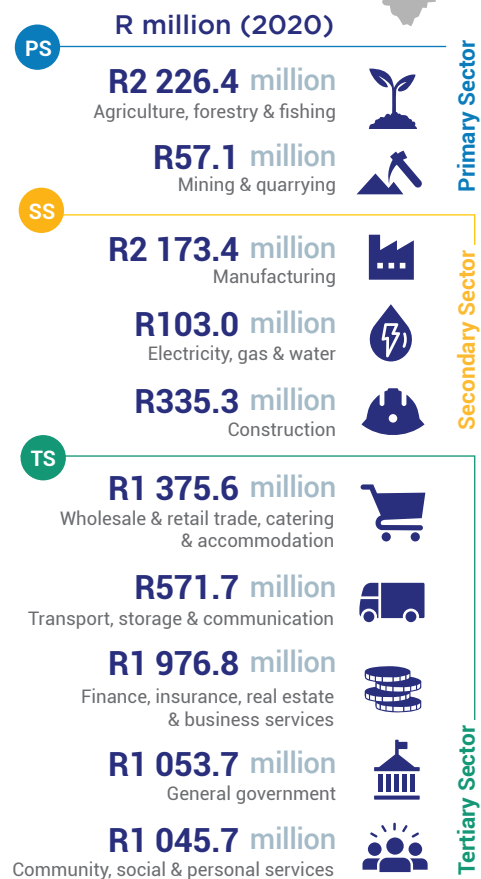
The Saldanha Bay municipal area is the largest economy in the District, and with its coastline of 238km the municipal area is the home of a large fishing industry and a number of tourist towns.<sup>17</sup> Saldanha Bay is also known for its harbour, steel mill and Industrial Development Zone (IDZ), while Vredenburg is the largest administrative and commercial centre in the WCD. Coastal towns such as Paternoster, St Helena Bay, Jacobsbaai and Langebaan are popular areas for holiday homes. Inland, Hopefield is a service centre for the grain, dairy, meat and honey farmers in the area.<sup>18</sup>



Diagram 1.2  
**GDPR (CURRENT PRICES)**  
Saldanha Bay, 2020 and 2021e



Source: Quantec Research, 2022; Urban-Econ based on Quantec, SARB, Stats SA and BFAP, 2022 (e denotes estimate, f denotes forecast)



The Saldanha Bay municipal area's GDP was valued at R10.9 billion (current prices) in 2020 and is estimated to have increased by 6.0 per cent in 2021 in real terms. The agriculture sector was the leading contributor, with R2.2 billion in 2020, followed by the manufacturing sector with R2.2 billion and the finance sector with a R2.0 billion contribution. It is forecast that the economy of the municipal area will increase by 3.4 per cent in 2022, and by 0.7 per cent in 2023.

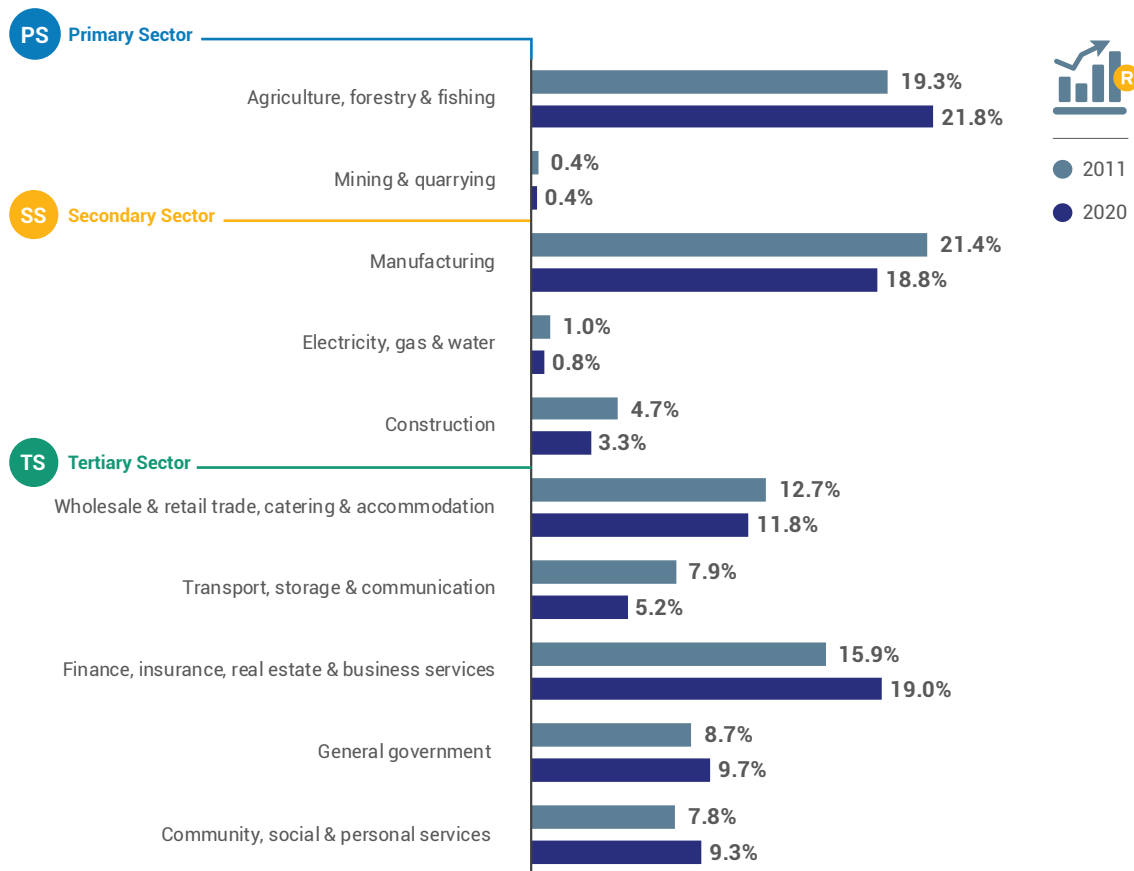
<sup>17</sup> (Municipal Demarcation Board, 2018).

<sup>18</sup> (Saldanha Bay Municipality, 2017).



Figure 1.2 provides an overview of the sectoral GDPR contribution within the Saldanha Bay municipal area.

**Figure 1.2**  
**SECTORAL GDPR CONTRIBUTION (CONSTANT PRICES), Saldanha Bay (%)**



Source: Quantec Research, 2022

In 2020, the agriculture sector was the leading contributor (21.8 per cent) in terms of GDPR in the municipal area. The GDPR contribution of the agriculture sector increased by 2.5 per cent from 2011 to 2020. This could be the result of improved weather conditions, as well as the increased prices of wheat and planted pastures in 2020, as these are the most common crops in the Saldanha Bay area.<sup>19</sup> Fishing in the municipal area also contributes to the GDPR performance, with sardines and pilchards being the most popular. Small-scale community-based fishing also contributes to the agriculture sector, with salted mullet (bokkoms) and West Coast rock lobster being the most popular commodity. The finance sector was the second-largest contributor in the municipal area in 2020, with 19.0 per cent. This could be the result of improved access to financial services in the municipal area, as well as the proclamation of the IDZ, which attracts professionals to the area.

The manufacturing sector was the leading contributor in 2011 (21.4 per cent) in terms of economic contribution. However, the sector's contribution contracted to 18.8 per cent in 2020, which could be the result of the challenges faced in the iron and steel production industry.<sup>20</sup> The IDZ in the Saldanha Bay municipal area will help to encourage international competitiveness and sustainable economic growth through strategic investments in export manufacturing industries such as green hydrogen.<sup>21</sup>

<sup>19</sup> (South African Grain Information Service, 2022).


<sup>20</sup> (MERO, 2021).

<sup>21</sup> (Saldanha Bay Municipality, 2022).



Table 1.2 outlines the Saldanha Bay municipal area's GDPR performance per sector.

Table 1.2  
**GDPR PERFORMANCE PER SECTOR, Saldanha Bay**



SECTOR	Trend		Annual real GDPR growth		
	2011 – 2020	2016 – 2020	2019	2020	2021e
<b>Primary Sector</b>	<b>2.8%</b>	<b>1.5%</b>	<b>-7.4%</b>	<b>11.3%</b>	<b>7.9%</b>
PS Agriculture, forestry & fishing	2.9%	1.5%	-7.5%	11.4%	8.3%
Mining & quarrying	0.0%	-0.9%	-3.2%	4.3%	-16.1%
<b>Secondary Sector</b>	<b>-0.8%</b>	<b>-2.5%</b>	<b>-1.1%</b>	<b>-11.1%</b>	<b>5.5%</b>
SS Manufacturing	-0.3%	-1.5%	0.2%	-9.1%	7.4%
Electricity, gas & water	-1.9%	-2.7%	-3.3%	-9.2%	3.4%
Construction	-2.6%	-7.0%	-6.4%	-21.1%	-4.6%
<b>Tertiary Sector</b>	<b>1.6%</b>	<b>0.3%</b>	<b>1.3%</b>	<b>-5.2%</b>	<b>5.3%</b>
TS Wholesale & retail trade, catering & accommodation	0.7%	-2.0%	0.4%	-13.9%	7.6%
Transport, storage & communication	-2.8%	-5.6%	-3.9%	-20.7%	3.4%
Finance, insurance, real estate & business services	3.0%	2.8%	3.0%	1.5%	4.9%
General government	2.4%	1.4%	1.6%	0.5%	0.7%
Community, social & personal services	3.1%	1.9%	3.0%	-0.7%	9.2%
<b>Total Saldanha Bay</b>	<b>1.2%</b>	<b>-0.2%</b>	<b>-1.1%</b>	<b>-3.5%</b>	<b>6.0%</b>

Source: Quantec Research, 2022 (e denotes estimate)

The municipal area realised an average annual growth rate of 1.2 per cent between 2011 and 2020. However, between 2016 and 2020 the municipal area's economy contracted by 0.2 per cent per annum. This was mostly due to the contraction in the construction and transport sectors, which contracted by 7.0 per cent and 5.6 per cent per annum respectively. The main reason for the contraction in the construction sector can be linked to the property market collapsing as a result of a reduced demand for second homes, especially in the Paternoster area. The Port of Saldanha was recently upgraded, which could potentially increase the performance of the transport sector in the future. The finance sector realised the largest annual growth between 2016 and 2020, with 2.8 per cent, followed by the community services sector, which increased by 1.9 per cent per annum.

The leading sector in the municipal area, the agriculture sector, contracted in 2018 and 2019 as a result of the drought experienced. The sector showed recovery in 2020, with an 11.4 per cent growth rate, and is estimated to continue to recover in 2021, with 8.3 per cent growth. This will influence the municipal area positively, as it is estimated that the total economy will grow by 6.0 per cent in 2021. The only two sectors that are estimated to have contracted in 2021 are the mining and construction sectors.







## 1.3.2 SWARTLAND

The Swartland municipal area consists mostly of farmland, with Malmesbury being the main economic node in the area. While the protected coastline is mostly uninhabited, Yzerfontein is a popular tourist area. Towns within the municipal area that serve as centres for the agriculture industry include Darling, Riebeeck West, Riebeeck-Kasteel, Riverlands, Chatsworth, Moorreesburg, Kalbaskraal and Abbotsdale.

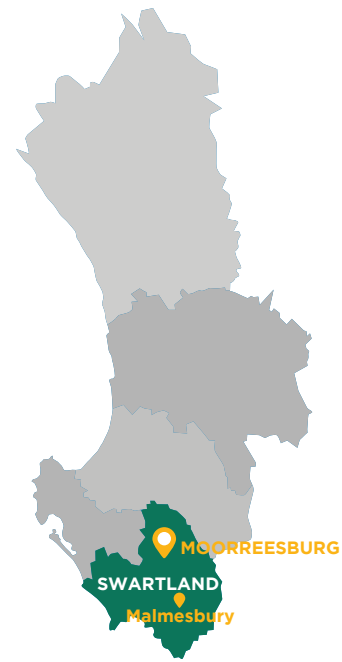
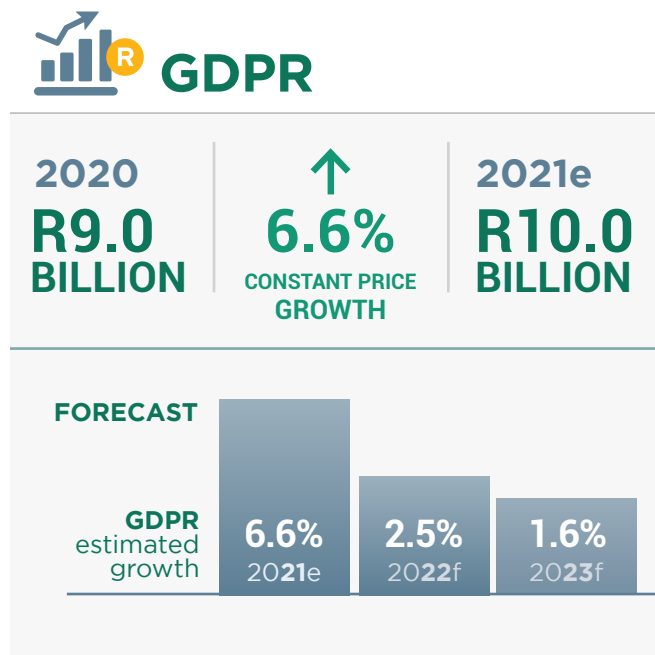
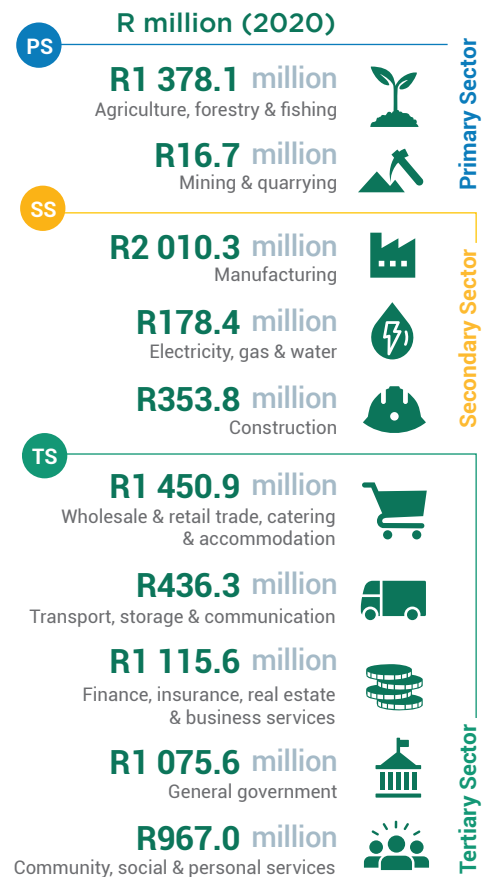


Diagram 1.3  
**GDPR (CURRENT PRICES)**  
 Swartland, 2020 and 2021e



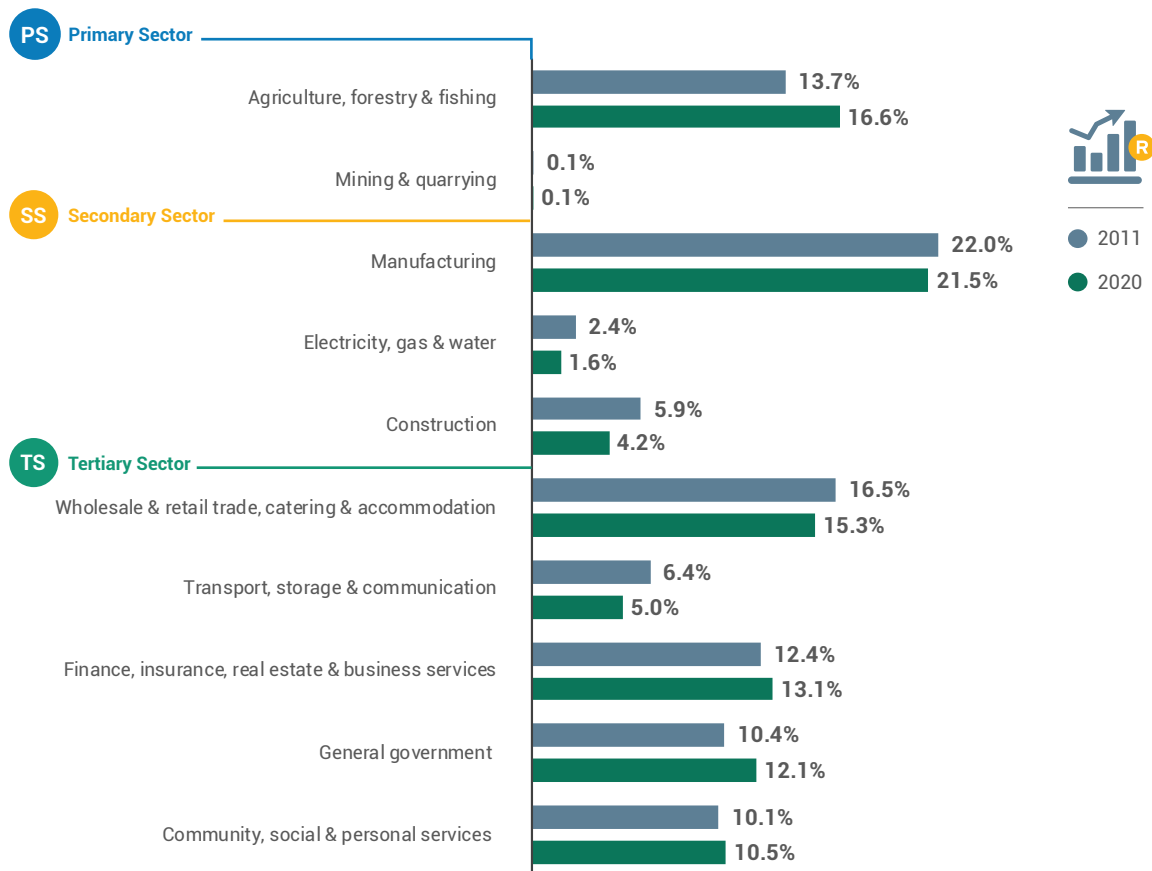
Source: Quantec Research, 2022; Urban-Econ based on Quantec, SARB, Stats SA and BFAP, 2022 (e denotes estimate, f denotes forecast)



The municipal area’s economy was valued at R9.0 billion in real terms in 2020, and this is estimated to have increased by 6.6 per cent to R10.0 billion in 2021. The manufacturing sector was the leading contributor in 2020, with R2.0 billion, followed by the trade sector (R1.5 billion) and the agriculture sector (R1.4 billion). It is forecast that the economy of the municipal area will increase by 2.5 per cent in 2022, and 1.6 per cent in 2023.

Figure 1.3 provides a breakdown of the sectoral contribution to GDP in the Swartland municipal area in 2011 and 2020.

**Figure 1.3**  
**SECTORAL GDP CONTRIBUTION (CONSTANT PRICES), Swartland (%)**



Source: Quantec Research, 2022


The largest contributors to GDP in the Swartland municipal area in 2020 were the manufacturing sector (21.5 per cent), the agriculture sector (16.6 per cent) and the trade sector (15.3 per cent). The municipal area has a considerable agro-processing industry with several wine cellars, especially in the Malmesbury region. Darling Romery, a creamery, is also a large economic contributor to the manufacturing sector for the municipal area. The agriculture sector's economic contribution increased by 2.9 percentage points from 2011 to 2020. This could be as a result of higher grain (wheat) prices and improved weather conditions. The main commodities in the Swartland municipal area are dairy, wheat, canola and olives.

The trade sector's economic contribution contracted by 1.2 percentage points from 2011 to 2020. This could be as a result of the COVID-19 pandemic, which restricted the tourism industry. The municipal area should continue to focus on benefiting from its proximity to Cape Town. The region is well set up for tourists interested in food and wine tasting, and offers a well-established wine route (also featuring olive growers) focused around Malmesbury and Riebeeck-Kasteel.<sup>22</sup>

<sup>22</sup> (Allen, 2018).

Table 1.3 outlines the Swartland municipal area's GDP performance per sector.

Table 1.3  
GDP PERFORMANCE PER SECTOR, Swartland



SECTOR	Trend		Annual real GDP growth		
	2011 – 2020	2016 – 2020	2019	2020	2021e
<b>PS</b> Primary Sector	<b>3.7%</b>	<b>2.1%</b>	<b>-9.7%</b>	<b>13.7%</b>	<b>8.4%</b>
Agriculture, forestry & fishing	3.7%	2.1%	-9.8%	13.8%	8.5%
Mining & quarrying	2.2%	1.9%	-1.0%	8.0%	-13.5%
<b>SS</b> Secondary Sector	<b>0.4%</b>	<b>-1.2%</b>	<b>1.0%</b>	<b>-9.9%</b>	<b>7.1%</b>
Manufacturing	1.2%	0.2%	2.8%	-7.6%	9.5%
Electricity, gas & water	-2.6%	-3.3%	-3.4%	-8.0%	2.4%
Construction	-1.8%	-6.1%	-4.7%	-20.5%	-3.4%
<b>TS</b> Tertiary Sector	<b>1.8%</b>	<b>0.3%</b>	<b>1.4%</b>	<b>-5.6%</b>	<b>5.8%</b>
Wholesale & retail trade, catering & accommodation	1.3%	-1.4%	0.8%	-12.8%	8.1%
Transport, storage & communication	-0.7%	-3.5%	-2.1%	-18.6%	5.2%
Finance, insurance, real estate & business services	2.1%	2.0%	2.2%	0.5%	4.2%
General government	3.3%	2.3%	2.6%	1.3%	3.0%
Community, social & personal services	2.1%	1.0%	2.1%	-1.4%	8.2%
<b>Total Swartland</b>	<b>1.6%</b>	<b>0.1%</b>	<b>-0.5%</b>	<b>-4.1%</b>	<b>6.6%</b>

Source: Quantec Research, 2022 (e denotes estimate)

The municipal area realised an average annual growth rate of 1.6 per cent between 2011 and 2020. The municipal area's economy stagnated between 2016 and 2020, with a 0.1 per cent annual growth rate. The transport sector contracted by 3.5 per cent per annum and the construction sector by 6.1 per cent per annum between 2016 and 2020. The manufacturing sector, which is the leading economic contributor, realised an average growth of 0.2 per cent per annum in the same period. This could be related to the impact of COVID-19 on the sector, as the sector contracted by 7.6 per cent in 2020.

The municipal area's economy is estimated to have increased by 6.6 per cent in 2021. The manufacturing sector is estimated to have increased by 9.5 per cent, which is the largest growth estimate for 2021. This could be the result of manufacturing businesses operating at full capacity after the country eased the COVID-19 restrictions. The trade sector is also estimated to have increased in 2021 (8.1 per cent), with travel restrictions being lifted and the tourism industry being opened for international and domestic tourists. The agriculture sector is estimated to have realised a lower growth rate in 2021 than in 2020. This could be the result of some farmers in the Swartland area being unable to plant malting barley because of storage issues at AB InBev, linked to the longer-term effect of the alcohol bans in 2020.<sup>23</sup>

<sup>23</sup> (Amelia, 2021).







### 1.3.3

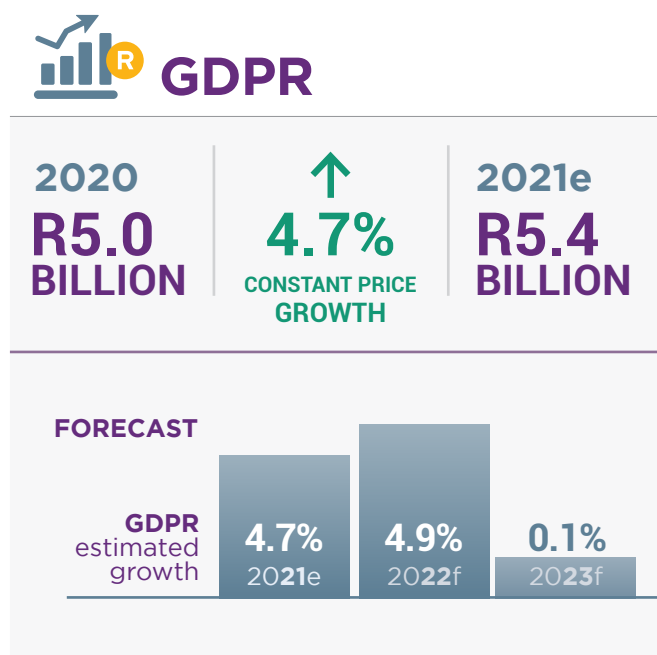
## MATZIKAMA

The Matzikama municipal area is located on the north-west coast of the WCD. It borders the Northern Cape in the north and east,<sup>24</sup> and is traversed by the N7, which serves as a valuable transit link between the Western Cape, the Northern Cape and Namibia. Large parts of the municipal coastal area are uninhabitable, with only three small coastal settlements, namely Doringbaai, Strandfontein and Papendorp. The economic activity in the municipal area occurs mainly in the southern areas, with Vredendal being the main economic node. Other towns in the municipal area include Vanrhynsdorp, Klawer, Lutzville, Koekenaap, Nuwerus and Ebenhaezer.

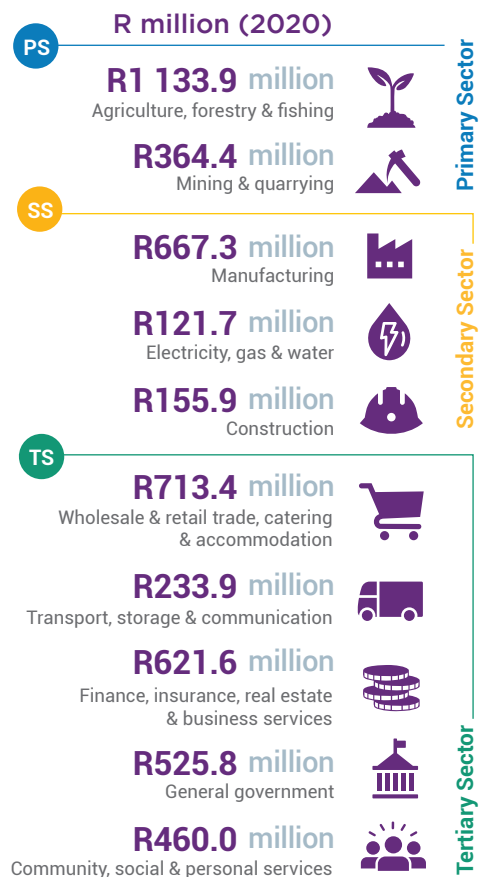


Diagram 1.4

#### GDPR (CURRENT PRICES) Matzikama, 2020 and 2021e



Source: Quantec Research, 2022; Urban-Econ based on Quantec, SARB, Stats SA and BFAP, 2022 (e denotes estimate, f denotes forecast)

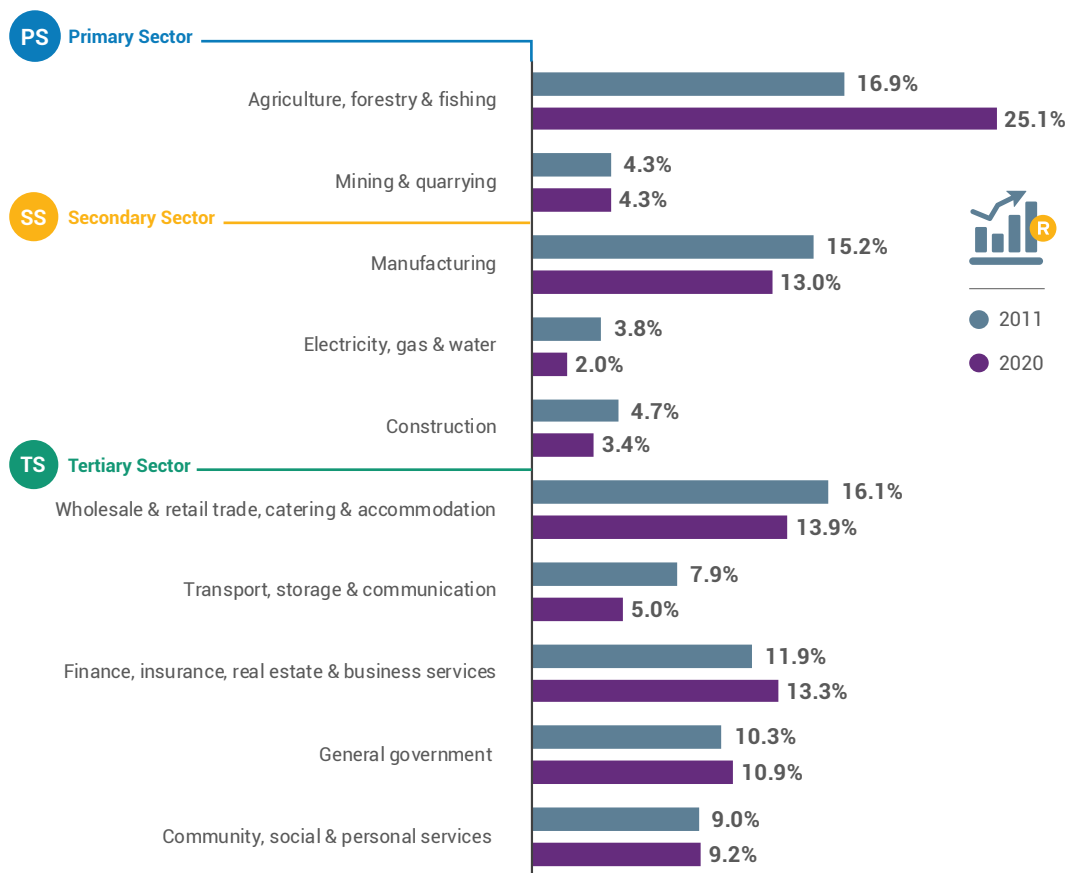


The Matzikama municipal area's GDPR was valued at R5.0 billion (current prices) in 2020 and is estimated to have increased by 4.7 per cent in 2021 in real terms. The agriculture sector was the leading contributor, with R1.1 billion in 2020, followed by the trade sector with R713.4 million and the manufacturing sector with a R667.3 million contribution. The smallest sector in the Municipality is the electricity, gas and water sector, contributing R121.7 million in 2020. It is forecast that the economy of the municipal area will increase by 4.9 per cent in 2022 and stagnate in 2023, with 0.1 per cent growth.

<sup>24</sup> (Matzikama Municipality, 2017).

Figure 1.4 provides a breakdown of the sectoral contribution to GDP in the Matzikama municipal area in 2011 and 2020.

**Figure 1.4**  
**SECTORAL GDP CONTRIBUTION (CONSTANT PRICES), Matzikama (%)**



Source: Quantec Research, 2022

The agriculture sector is the leading economic contributor for the municipal area, contributing 16.9 per cent in 2011 and 25.1 per cent in 2020. The north-eastern part of the municipal area is known for sheep farming, whereas the southern part, mainly Vredendal, is known for wine grapes and raisins.<sup>25</sup> The increase in mutton prices in 2020 contributed to the economic growth experienced by the agriculture sector.<sup>26</sup> The trade sector is the second-largest contributor to GDP in the municipal area, contributing 16.1 per cent in 2011. However, the tourism sector was severely affected by COVID-19 restrictions and the trade sector's contribution contracted to 13.9 per cent in 2020.


The manufacturing sector is also a leading contributor in terms of GDP for the municipal area. The sector contributed 15.2 per cent in 2011, contracting to 13.0 per cent in 2020. The operations of agro-processing plants such as Tiger Brands in Lutzville were constrained as a result of COVID-19 restrictions. The electricity, gas and water sector is the smallest sector in the municipal area, contributing 2.0 per cent in 2020.

<sup>25</sup> (Cape Farm Mapper, 2022).

<sup>26</sup> (Department of Agriculture, Land Reform and Rural Development, 2022).

Table 1.4 provides a more detailed overview of sectoral contributions to GDP in the Matzikama municipal area.

**Table 1.4**  
**GDP PERFORMANCE PER SECTOR, Matzikama**



SECTOR	Trend		Annual real GDP growth		
	2011 – 2020	2016 – 2020	2019	2020	2021e
<b>PS</b> <b>Primary Sector</b>	<b>4.9%</b>	<b>4.2%</b>	<b>-8.1%</b>	<b>12.0%</b>	<b>5.1%</b>
Agriculture, forestry & fishing	5.7%	5.3%	-9.7%	14.0%	8.8%
Mining & quarrying	1.5%	-0.8%	0.8%	1.7%	-16.1%
<b>SS</b> <b>Secondary Sector</b>	<b>-1.5%</b>	<b>-3.2%</b>	<b>-1.9%</b>	<b>-12.2%</b>	<b>4.0%</b>
Manufacturing	-0.5%	-1.5%	-0.3%	-9.8%	7.1%
Electricity, gas & water	-5.6%	-6.7%	-6.4%	-10.2%	-1.5%
Construction	-1.9%	-6.4%	-4.8%	-21.0%	-4.6%
<b>TS</b> <b>Tertiary Sector</b>	<b>0.7%</b>	<b>-0.6%</b>	<b>0.5%</b>	<b>-6.2%</b>	<b>4.6%</b>
Wholesale & retail trade, catering & accommodation	0.0%	-2.5%	-0.2%	-13.7%	7.1%
Transport, storage & communication	-3.4%	-6.0%	-4.9%	-19.3%	1.1%
Finance, insurance, real estate & business services	2.4%	2.3%	2.7%	0.9%	4.7%
General government	1.9%	1.0%	1.2%	0.0%	0.5%
Community, social & personal services	1.4%	0.5%	1.6%	-1.9%	7.8%
<b>Total Matzikama</b>	<b>1.2%</b>	<b>0.0%</b>	<b>-2.3%</b>	<b>-2.7%</b>	<b>4.7%</b>

Source: Quantec Research, 2022 (e denotes estimate)

The municipal area realised a growth rate of 1.2 per cent per annum between 2011 and 2020. Between 2016 and 2020, the economy of the Matzikama municipal area stagnated, mostly owing to the economic conditions experienced in 2020 across the majority of the sectors as a result of the COVID-19 pandemic. The agriculture sector experienced growth of 14.0 per cent in 2020 owing to improved weather conditions and higher commodity prices. However, sectors in the municipal area contracted, with the trade sector contracting by 13.7 per cent and the manufacturing sector by 9.8 per cent.

It is estimated that the municipal area's economy showed recovery in 2021, with the total economy increasing by 4.7 per cent. This is due to the continued strong performance in the agriculture sector (8.8 per cent increase), as well as the recovery in the trade and manufacturing sectors, which are both estimated to have increased by 7.1 per cent in 2021. The recovery in the trade sector could be linked to travel restrictions being lifted for international and domestic tourists, which meant that people were able to visit the numerous wine cellars in the municipal area, especially in Vredendal. The positive growth for the manufacturing sector can be attributed to the fact that plants such as Tiger Brands in Lutzville, which produces products such as tomato paste, were able to operate at full capacity in 2021 thanks to COVID-19 restrictions being lifted.





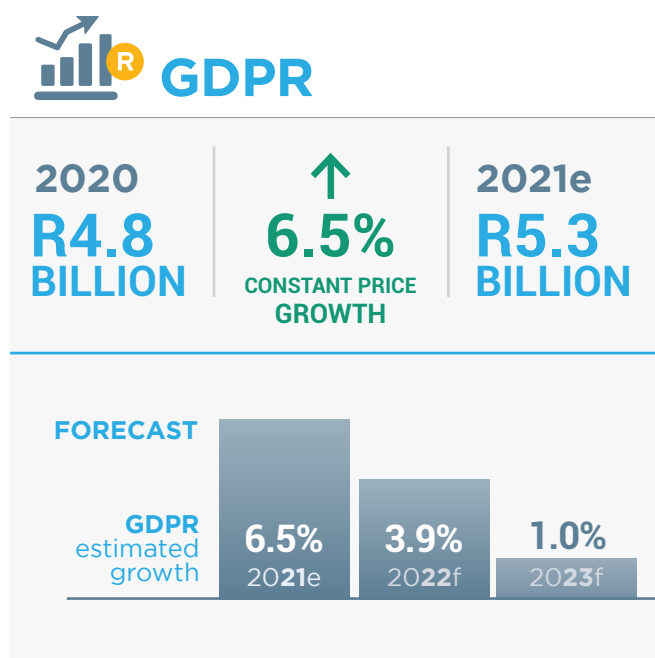


## 1.3.4 BERGRIVIER

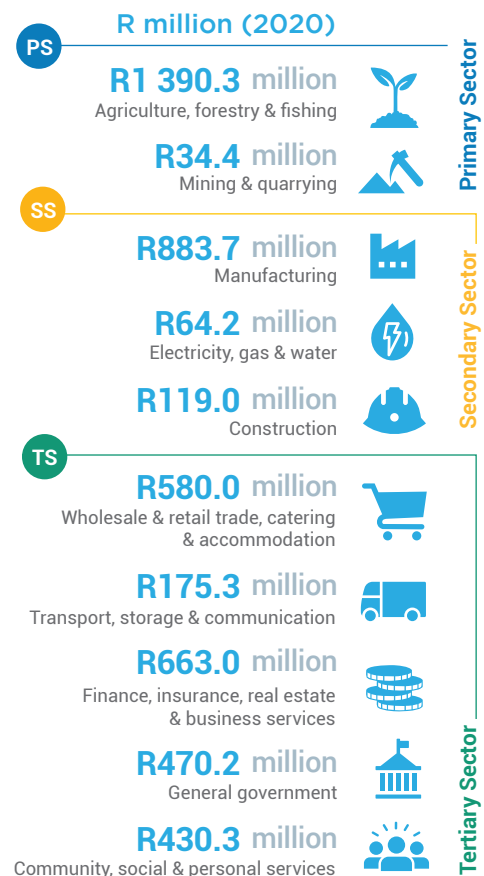
The Bergrivier municipal area is a popular tourist destination with a 40km coastline, which is used by local fisherfolk in the region. The municipal area is well known for its vast farmlands and is home to the towns of Piketberg, Porterville, Eendekuil, Redelinghuys, Aurora, Goedverwacht and Wittewater, which are service centres for the agriculture industry. The coastal towns in the Bergrivier municipal area include Velddrif, Laaiplek and Dwarskersbos, which play a significant role in the economy of the Bergrivier municipal area. The N7, which forms part of the Cape Town-Namibia transit route, traverses the local municipal area.<sup>27</sup>



Diagram 1.5  
**GDPR (CURRENT PRICES)**  
 Bergrivier, 2020 and 2021e



Source: Quantec Research, 2022; Urban-Econ based on Quantec, SARB, Stats SA and BFAP, 2022 (e denotes estimate, f denotes forecast)

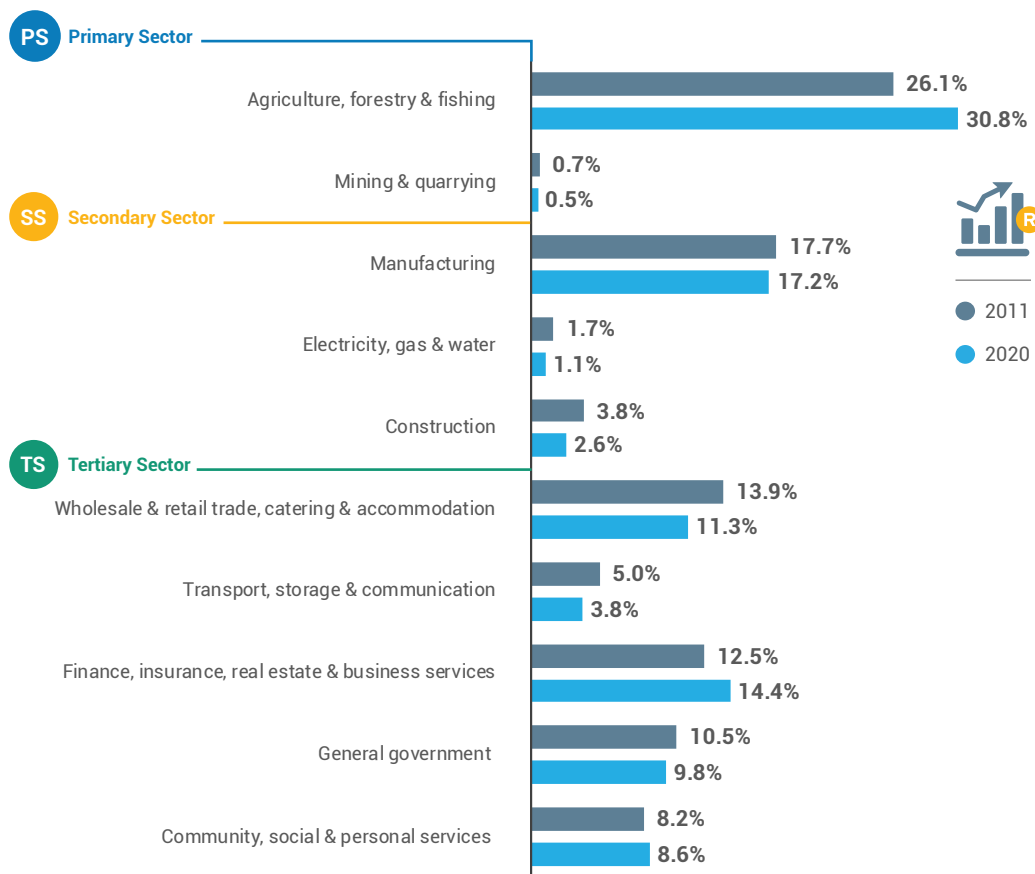


The municipal area’s economy was valued at R4.8 billion in real terms in 2020, and this is estimated to have increased by 6.5 per cent to R5.3 billion in 2021. The agriculture sector was the leading contributor in 2020, with almost R1.4 billion, followed by the manufacturing sector (R883.7 million) and the finance sector with R663.0 million. It is forecast that the economy of the municipal area will increase by 3.9 per cent in 2022 and 1.0 per cent in 2023.

<sup>27</sup> (Bergrivier Municipality, 2017).

Figure 1.5 indicates the sectoral contribution to GDP in the Bergrivier municipal area in 2011 and 2020.

**Figure 1.5**  
**SECTORAL GDP CONTRIBUTION (CONSTANT PRICES), Bergrivier (%)**



Source: Quantec Research, 2022


The main economic contributors in the municipal area are the agriculture and manufacturing sectors. The agriculture sector contributed 26.1 per cent in 2011, and this increased to 30.8 per cent in 2020. The main agricultural enterprises in the municipal area are grain, flowers, citrus, blueberries and pomegranates. High prices and improved weather conditions could be the cause of the increase in this sector. This industry provides vital inputs to the local manufacturing sector, which is commonly focused on agro-processing businesses. The dependence on agriculture in the municipal area makes it exposed to environmental conditions such as the drought that has endured in the Western Cape and has affected the region in the past. The manufacturing sector contributed 17.2 per cent towards GDP in the municipal area in 2020. The municipal area is known for its award-winning olive oils,<sup>28</sup> as well as the local bakkoms. The trade sector contributed 11.3 per cent towards GDP in 2020. The municipal area is known for the Namaqualand flowers hiking trails, which attract domestic and international tourists.

Agriculture and agro-processing; tourism; manufacturing and the development of small and medium enterprises were designated as four pillars for economic development in the Bergrivier municipal area by the Municipality's local economic development (LED) strategy. The Municipality focuses on various programmes in these main sectors to revive economic development and to counter COVID-19's impact on employment.

<sup>28</sup> (SA Olive, 2022).

Table 1.5 outlines the GDP performance per sector for the Bergrivier municipal area.

**Table 1.5**  
**GDP PERFORMANCE PER SECTOR, Bergrivier**



SECTOR	Trend		Annual real GDP growth		
	2011 – 2020	2016 – 2020	2019	2020	2021e
<b>PS</b> <b>Primary Sector</b>	<b>3.6%</b>	<b>2.0%</b>	<b>-9.4%</b>	<b>13.6%</b>	<b>8.3%</b>
Agriculture, forestry & fishing	3.7%	2.1%	-9.5%	13.8%	8.7%
Mining & quarrying	-1.0%	-2.0%	-4.4%	3.1%	-17.1%
<b>SS</b> <b>Secondary Sector</b>	<b>0.5%</b>	<b>-1.2%</b>	<b>0.6%</b>	<b>-10.5%</b>	<b>7.3%</b>
Manufacturing	1.2%	0.0%	2.4%	-8.7%	9.5%
Electricity, gas & water	-2.6%	-3.4%	-3.9%	-9.6%	2.7%
Construction	-2.0%	-6.7%	-7.0%	-21.0%	-5.0%
<b>TS</b> <b>Tertiary Sector</b>	<b>1.4%</b>	<b>0.2%</b>	<b>1.2%</b>	<b>-4.6%</b>	<b>5.1%</b>
Wholesale & retail trade, catering & accommodation	0.0%	-2.5%	-0.4%	-13.0%	6.9%
Transport, storage & communication	-0.8%	-3.4%	-2.3%	-16.9%	4.1%
Finance, insurance, real estate & business services	3.3%	3.2%	3.7%	2.1%	5.3%
General government	1.0%	0.1%	0.3%	-0.8%	-0.4%
Community, social & personal services	2.4%	1.4%	2.6%	-1.0%	9.0%
<b>Total Bergrivier</b>	<b>1.8%</b>	<b>0.3%</b>	<b>-2.1%</b>	<b>-1.0%</b>	<b>6.5%</b>

Source: Quantec Research, 2022 (e denotes estimate)

The municipal area realised an average annual growth rate of 1.8 per cent between 2011 and 2020. The municipal area’s economy stagnated between 2016 and 2020, with a 0.3 per cent annual growth rate. The construction sector contracted by 6.7 per cent per annum and the trade sector by 2.5 per cent per annum between 2016 and 2020. This was mainly due to the economic impacts of the COVID-19 pandemic experienced in 2020. The construction sector contracted by 21.0 per cent in 2020, while the manufacturing sector contracted by 8.7 per cent. The only sectors that experienced growth in 2020 were the agriculture sector (13.8 per cent), the mining sector (3.1 per cent) and the finance sector (2.1 per cent).

The municipal area’s economy is estimated to have increased by 6.5 per cent in 2021. The manufacturing sector is estimated to have increased by 9.5 per cent, which is the largest growth estimate for 2021. This could be the result of manufacturing businesses operating at full capacity after the country eased the restrictions caused by COVID-19. The trade sector is also estimated to have increased, with 6.9 per cent growth in 2021, as a result of travel restrictions being lifted and the tourism industry being opened for international and domestic tourists. The leading economic sector in the municipal area, the agriculture sector, is estimated to have increased further in 2021, by 8.7 per cent.



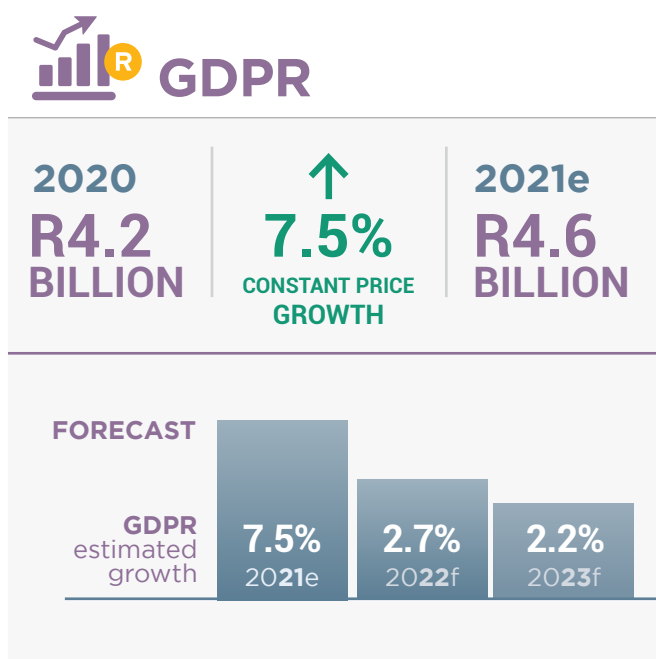


# 1.3.5 CEDERBERG

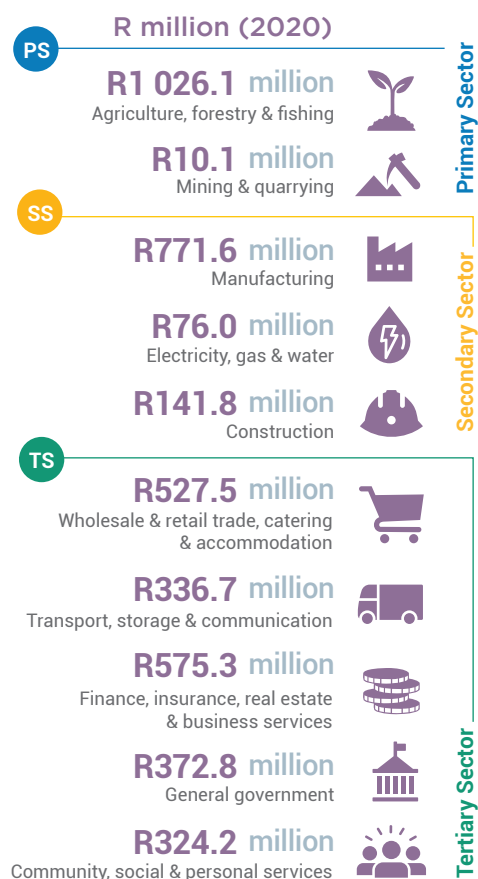
The Cederberg municipal area is centrally located in the WCD. It is characterised by its connectivity via the N7, like all the WCD municipal areas, and borders the Northern Cape and the Atlantic Ocean. The main town of the Cederberg municipal area is Clanwilliam, with smaller towns and settlements including Citrusdal, Graafwater, Leipoldtville, Wupperthal, Algeria and the coastal towns of Elands Bay and Lambert’s Bay.<sup>29</sup>



Diagram 1.6  
**GDPR (CURRENT PRICES)**  
 Cederberg, 2020 and 2021e



Source: Quantec Research, 2022; Urban-Econ based on Quantec, SARB, Stats SA and BFAP, 2022 (e denotes estimate, f denotes forecast)

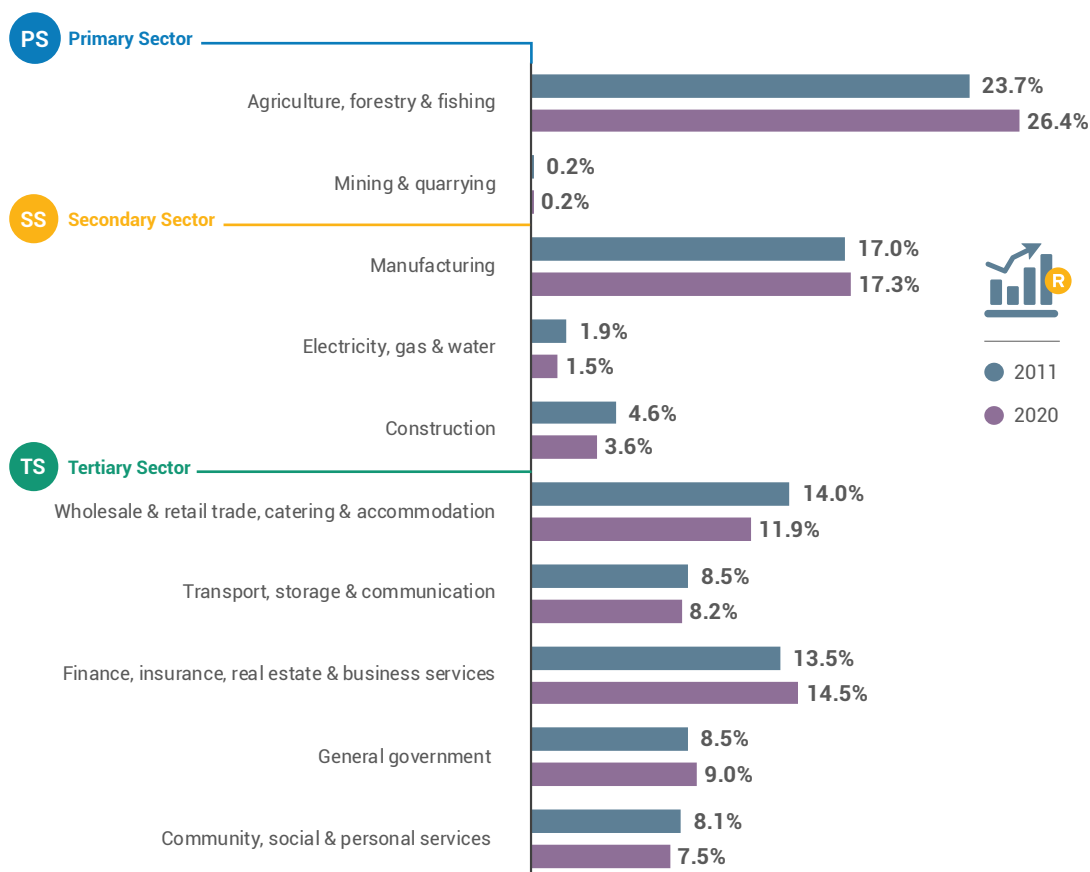


The Cederberg municipal area’s GDPR was valued at R4.2 billion (current prices) in 2020 and is estimated to have increased by 7.5 per cent in 2021 in real terms. The agriculture sector was the leading contributor, with R1.0 billion in 2020, followed by the manufacturing sector with R771.6 million and the finance sector with a R575.3 million contribution. It is forecast that the economy of the municipal area will increase by 2.7 per cent in 2022 and by 2.2 per cent in 2023.

<sup>29</sup> (Cederberg Municipality, 2018).

As illustrated in Figure 1.6, the agriculture sector and the manufacturing sector were the main contributors to GDP in the Cederberg municipal area in 2020, contributing 26.4 per cent and 17.3 per cent respectively to GDP.

**Figure 1.6**  
**SECTORAL GDP CONTRIBUTION (CONSTANT PRICES), Cederberg (%)**



Source: Quantec Research, 2022


The agriculture sector’s contribution increased by 2.7 percentage points from 2011 to 2020 and was the main driver of GDP growth in the municipal area in 2020. This could be the result of improved weather conditions and higher commodity prices experienced in 2020 for the fruit farmers in the area. Other winners from the local agriculture sector in 2020 included rooibos farmers, with the product having experienced a resurgence of consumer interest owing to health concerns brought on by the COVID-19 pandemic. The manufacturing sector contributed 17.3 per cent towards GDP in 2020, with the main processing industries in the municipal area being honeybush and rooibos. The municipal area also has several citrus packhouses that contribute towards the manufacturing sector.

It should be emphasised that the raising of the Clanwilliam Dam wall is projected to have a considerable influence on agriculture, notably for farmers, as this will increase storage capacity, resulting in a higher crop yield owing to improved irrigation. It is estimated that 6 000ha of high-value crops are currently not being irrigated because of the delay in this project. The project needs to be prioritised, as it will boost the municipal area’s contribution to GDP.<sup>30</sup>

<sup>30</sup> (Erasmus, 2022).

Table 1.6 outlines the Cederberg municipal area's GDPR performance per sector.

Table 1.6  
**GDPR PERFORMANCE PER SECTOR, Cederberg**



SECTOR	Trend		Annual real GDPR growth		
	2011 – 2020	2016 – 2020	2019	2020	2021e
<b>Primary Sector</b>	<b>3.6%</b>	<b>2.2%</b>	<b>-9.0%</b>	<b>13.6%</b>	<b>8.8%</b>
PS Agriculture, forestry & fishing	3.6%	2.2%	-9.0%	13.7%	9.0%
Mining & quarrying	2.3%	1.7%	-0.9%	7.3%	-13.8%
<b>Secondary Sector</b>	<b>1.9%</b>	<b>-0.2%</b>	<b>1.6%</b>	<b>-10.5%</b>	<b>8.3%</b>
SS Manufacturing	2.5%	1.2%	3.6%	-8.5%	10.8%
Electricity, gas & water	-0.1%	-1.5%	-2.1%	-8.1%	4.1%
Construction	0.2%	-4.8%	-4.8%	-19.7%	-2.5%
<b>Tertiary Sector</b>	<b>2.2%</b>	<b>0.7%</b>	<b>1.6%</b>	<b>-5.8%</b>	<b>6.5%</b>
TS Wholesale & retail trade, catering & accommodation	1.0%	-1.6%	0.8%	-13.3%	8.3%
Transport, storage & communication	2.6%	-0.8%	0.0%	-15.5%	7.4%
Finance, insurance, real estate & business services	3.1%	3.0%	3.1%	1.5%	6.2%
General government	3.1%	2.1%	2.3%	1.0%	2.9%
Community, social & personal services	1.6%	0.6%	1.7%	-1.7%	7.9%
<b>Total Cederberg</b>	<b>2.4%</b>	<b>0.7%</b>	<b>-1.0%</b>	<b>-2.5%</b>	<b>7.5%</b>

Source: Quantec Research, 2022 (e denotes estimate)

The municipal area achieved an average annual growth rate of 2.4 per cent between 2011 and 2020. However, the growth slowed down between 2016 and 2020, with an average of 0.7 per cent per annum. This was mostly due to the impact of COVID-19 in the municipal area, as the majority of sectors contracted in 2020, with an overall contraction of 2.5 per cent.

The primary sector is estimated to have increased by 8.8 per cent in 2021, mostly because of the continued strong performance in the agriculture sector in the same year. The mining sector contributes the least towards GDPR and its estimated 13.8 per cent contraction in 2021 will therefore have a negligible impact on the economy of the municipal area. The secondary sector is estimated to have increased by 8.3 per cent in 2021, with the largest increase in the manufacturing sector. This will benefit the Municipality, as it is one of the main economic sectors in the municipal area. The construction sector will continue showing the impact of COVID-19, as this sector is estimated to have contracted by 2.5 per cent in 2021. The tertiary sector is estimated to have increased by 6.5 per cent, with the trade sector showing recovery with an increase of 8.3 per cent. The total Cederberg municipal area is estimated to have increased by 7.5 per cent in 2021.

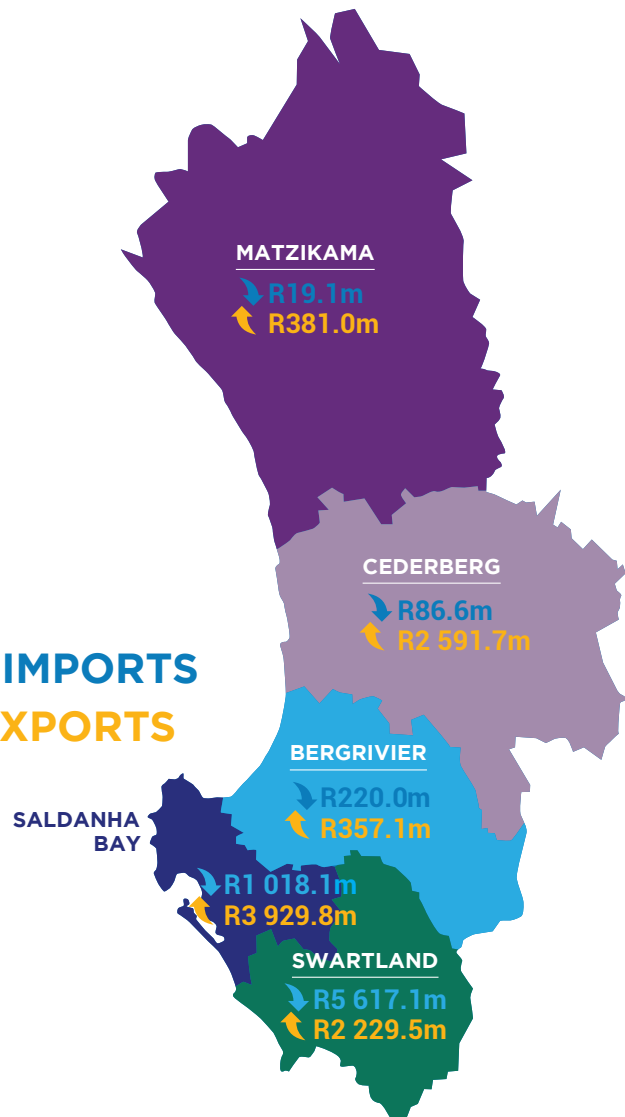
## 1.4 INTERNATIONAL TRADE AND TOURISM

District and local economies are influenced not only by the spending of local households but also by regional economic activities such as the trade of goods and services, and domestic and international tourism. More specifically, exports and tourism can be considered injections into the economy, while imports are considered leakages. This subsection explores trade dynamics at a district level and for each of the municipal areas within the WCD. It also provides an overview of the District's tourism profile.

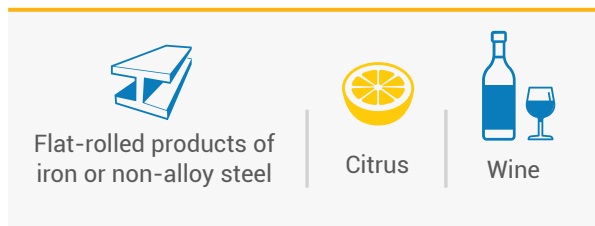
### WEST COAST TRADE



IMPORTS  
EXPORTS



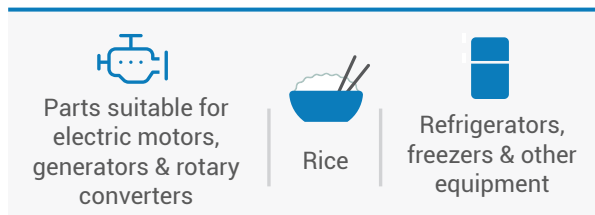
#### TOP 3 EXPORTED PRODUCTS



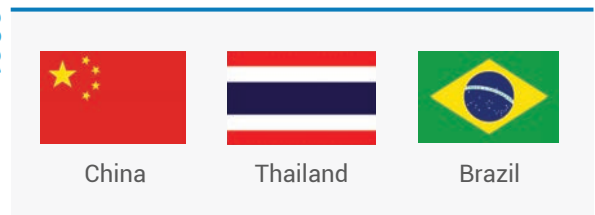
#### TOP 3 EXPORT DESTINATIONS



#### TOP 3 IMPORTED PRODUCTS



#### TOP 3 IMPORT DESTINATIONS

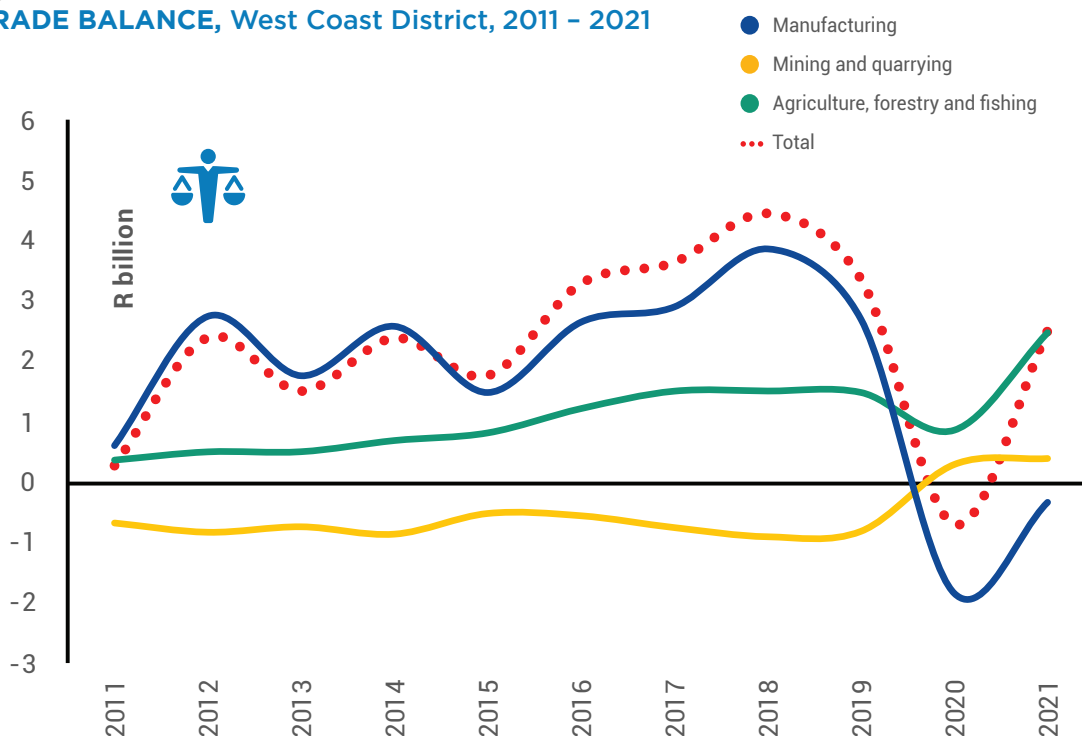




### 1.4.1 Trade balance

One of the indicators for international trade in an area is the trade balance, which is obtained by subtracting imports from exports. A positive trade balance therefore indicates that the WCD exports more than it imports, and vice versa. Furthermore, a positive trade balance indicates a net inflow of foreign currency, which is beneficial to the economy. Figure 1.7 provides an overview of the trade balance for the WCD between 2011 and 2021. The figure illustrates the total trade balance, as well as the trade balance for the main sectors that export and import goods, namely agriculture, manufacturing and mining.

**Figure 1.7**  
**TRADE BALANCE, West Coast District, 2011 - 2021**



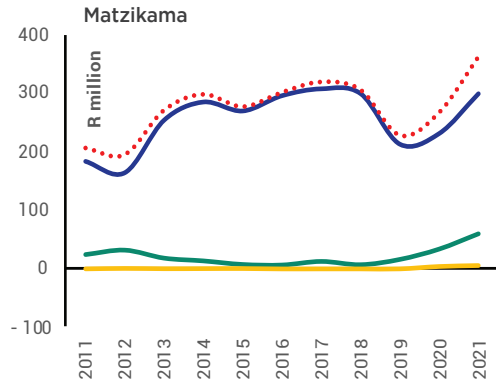
Source: Quantec Research, 2022

The WCD experienced a trade surplus for most of the period under review, increasing from R0.3 billion in 2011 to R3.4 billion in 2019. The agriculture and manufacturing sectors were largely responsible for the trade surplus during this period. However, in 2020 the District recorded a trade deficit of R0.7 billion, which can be attributed to the restrictions on movement and trade imposed by COVID-19. The manufacturing sector was largely responsible for the trade deficit recorded during this year. In 2021, the WCD’s trade recovered from the R0.7 billion deficit in 2020 to a R2.5 billion surplus. Both mining and agriculture recorded a trade surplus, while the manufacturing sector’s deficit decreased from a deficit of R1.8 billion in 2020 to R0.3 billion in 2021.

In 2021, the manufacturing sector contributed 97.8 per cent of total imports, while the agriculture sector contributed 2.2 per cent. Manufacturing accounted for the largest share of the District’s exports, contributing 68.3 per cent to the total, while the agriculture sector contributed 27.6 per cent and the mining sector accounted for 4.1 per cent of all exports. Not all areas have the same resources or skills to harvest, produce or provide certain goods and services. Therefore, trade is important to help expand markets within various regions.

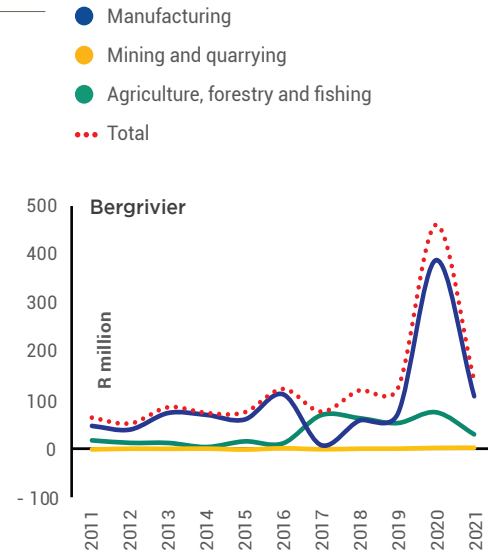
Figure 1.8 illustrates the trade balance per municipal area for the period between 2011 and 2021.

**Figure 1.8**  
**TRADE BALANCE PER MUNICIPAL AREA, West Coast District, 2011 – 2021**



Source: Quantec Research, 2022

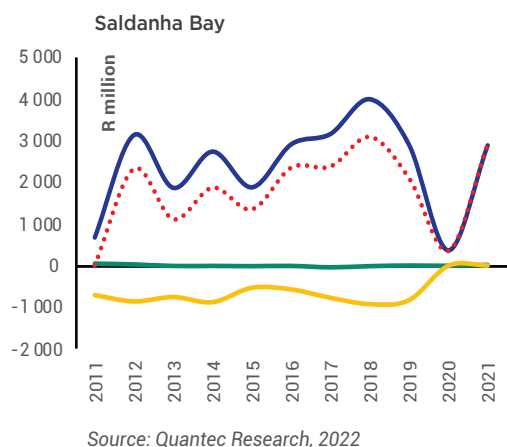
The **Matzikama municipal area** experienced a trade surplus for the entire period under review, increasing from R206.3 million in 2011 to R361.9 million in 2021. It is evident that this municipal area's trade balance is highly dependent on the manufacturing sector, as it closely resembles these trade trends. The mining and agriculture sectors also experienced a trade surplus between 2011 and 2021.



Source: Quantec Research, 2022

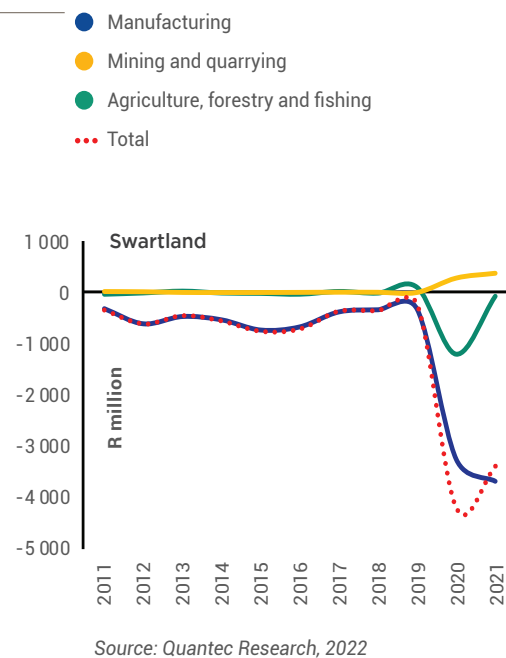
The **Bergrivier municipal area** experienced a trade surplus for the entire period between 2011 and 2021. A major spike in the municipal area's trade surplus is evident in 2020 and this can mainly be attributed to the spike seen in the manufacturing sector for the same year. The agriculture sector also recorded a trade surplus for the period under review. Mining mostly recorded a trade surplus, with a zero trade balance recorded at certain times.





A trade surplus was recorded for the entire period under review for the **Saldanha Bay municipal area**, increasing from R22.8 million in 2011 to R2 086.1 million in 2019. A significant decline is evident in 2020, as a trade surplus of R369.3 million was recorded. This can mainly be attributed to the global pandemic, which resulted in restrictions on movement and trade. The manufacturing sector followed a similar trend to the total trade balance of the Saldanha Bay municipal area and recorded a trade surplus for the entire period between 2011 and 2021. The Saldanha Bay Industrial Development Zone (SBIDZ) plays a significant role in the export manufacturing industries in this municipal area. The SBIDZ is aimed at enhancing competitiveness and sustainable economic growth.<sup>31</sup>

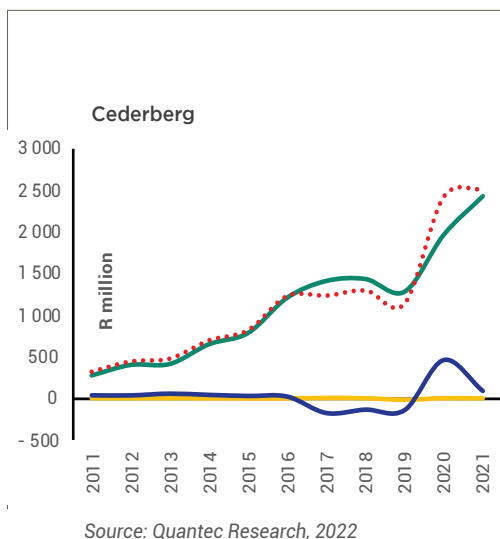
The agriculture sector's trade balance declined from a R50 million trade surplus in 2011 to a trade deficit of R5 million in 2020, and recovered to a R23.7 million trade surplus in 2021. It should be noted that the Port of Saldanha allows for higher volumes of trade in the Saldanha Bay municipal area compared with other local municipal areas in the WCD.



The **Swartland municipal area** experienced a trade deficit for the entire period under review. However, there was a significant increase from a R216.9 million deficit in 2019 to a R4 210.3 million deficit in 2020, which can be attributed to the COVID-19 pandemic. The Swartland is also the only municipal area in the WCD with a trade deficit between 2011 and 2021; all other municipal areas had a trade surplus for this period.

The largest share of the District's imports was recorded in the Swartland municipal area, accounting for 80.7 per cent of all imports. This was followed by the Saldanha Bay, Bergrivier, Cederberg and Matzikama municipal areas, which contributed 14.6 per cent, 3.2 per cent, 1.2 per cent and 0.3 per cent respectively. The Saldanha Bay, Cederberg and Swartland municipal areas contributed 41.4 per cent, 27.3 per cent and 23.5 per cent respectively to the District's total exports. The Matzikama and Bergrivier municipal areas accounted for the remaining share of exports, contributing 4.0 per cent and 3.8 per cent to the total exports.

<sup>31</sup> (Saldanha Bay Municipality, 2020).



The trade balance for the **Cederberg municipal area** experienced a continuous increase from a trade surplus of R316.5 million in 2011 to a R2 505.1 million surplus in 2021. The total trade balance closely resembles that of the agriculture sector, highlighting the Cederberg municipal area's dependence on its agricultural activities. The Cederberg municipal area is known for its **unique agricultural produce such as the rooibos herb**, which is used for rooibos tea. Rooibos is indigenous to South Africa and thrives in the Cederberg region in particular.<sup>32</sup>

The manufacturing sector had a trade surplus for most of the period under review, except for the period between 2017 and 2019. The mining sector had a zero trade balance for the entire period under review.



<sup>32</sup> (Teatulia, 2021).





The Cape Trade Portal was officially launched in 2022 by Wesgro in partnership with the Western Cape Government and the City of Cape Town to assist local exporters in expanding their global footprint and to strengthen the Cape brand identity across global markets with an initial priority focus on the Province's top export markets internationally.

Leveraging on the Cape's reputation as an exporting powerhouse of premium, competitive, diverse and quality products and services, the portal acts as a dedicated resource centre, providing tools, insights and expertise to support Western Cape exporters on their journey. Among some of the other services offered by the platform are training and mentoring programmes, keeping exporters updated on upcoming trade exhibitions, offering support with non-tariff export barriers as well as assistance with regulatory and compliance requirements.

Wesgro has also developed a "Made in the Cape" brand story, supported by a robust digital marketing roll-out, to deepen and boost the brand story of the Cape as a region of origin of quality goods and services.

The campaign aims to strengthen the identity of Western Cape exports by connecting the Cape to quality by highlighting hard-hitting proof points across five products, including but not limited to rooibos (representative of Natural Products), citrus (representative of Agriculture), wine (representative of Wine and Spirits), software development (representative of Tech Innovation) and design (representative of Creative Industries).

To learn more about Made in the Cape quality products and services visit [www.capetradeportal.com](http://www.capetradeportal.com)




## 1.4.2 IMPORTS



Figure 1.9 illustrates the WCD's top 10 import partners in 2021.

Table 1.7 provides a more detailed overview of the top 10 products that were imported by the WCD in 2021.

Table 1.7  
**MAIN IMPORT PRODUCTS,  
West Coast District, 2021**



PRODUCT	R million 2021	% share	Main trading partners
Parts suitable for electric motors, generators and rotary converters	2 080.7	29.9%	China
Rice	1 297.4	18.6%	Thailand
Refrigerators, freezers and other refrigerating or freezing equipment	317.7	4.6%	China
Unwrought zinc	283.3	4.1%	Brazil
Flat-rolled products of iron or non-alloy steel, cold-rolled	250.8	3.6%	China
Polymers of styrene	189.1	2.7%	Singapore
Unclassified	169.6	2.4%	China
Articles for the conveyance or packing of goods	155.5	2.2%	Netherlands, Italy, Germany
Flat-rolled products of iron or non-alloy steel, hot-rolled	145.6	2.1%	India, China
Amino resins, phenolic resins and polyurethanes	131.9	1.9%	China
<b>Total imports</b>	<b>6 960.9</b>		

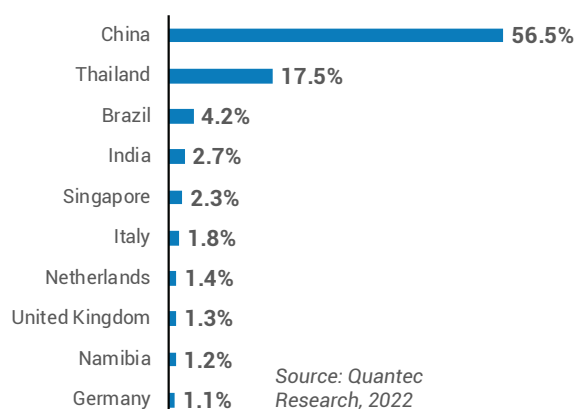
Source: Quantec Research, 2022

The WCD's main import partner in 2021 was China, accounting for 56.5 per cent of imports and with a value of R3.9 billion. This was followed by imports from Thailand, which contributed 17.5 per cent and had a value of R290.0 million.

The District's total value of imported products in 2021 was R7.0 billion. The main import products were parts suitable for electric motors, generators and rotary converters, imported from China. These parts accounted for 29.9 per cent of all imports and had a value of R2 080.7 million. Other products imported from China included refrigerators, freezers and other refrigerating or freezing equipment, flat-rolled products of iron or non-alloy steel (cold- and hot-rolled), as well as other unclassified products.

Rice imported from Thailand made up the second-largest share of all imported products, accounting for 18.6 per cent of all imports. The value of rice imports decreased from R1 593.9 million in 2020 to R1 297.4 million in 2021. In order to meet the local demand for rice, South Africa is highly dependent on rice imports.<sup>33</sup>

Figure 1.9  
**TOP 10 IMPORT PARTNERS,  
West Coast District, 2021**



<sup>33</sup> (National Agricultural Marketing Council, 2020).

### 1.4.3 EXPORTS



Figure 1.10 illustrates the WCD’s top 10 export partners in 2021.

As illustrated in Table 1.8, the agriculture sector was the main driver of the WCD’s exports in 2021.

Figure 1.10  
TOP 10 EXPORT PARTNERS,  
West Coast District, 2021

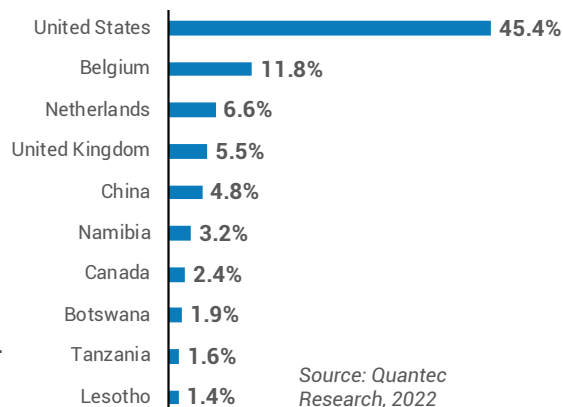


Table 1.8  
MAIN EXPORT PRODUCTS,  
West Coast District, 2021



PRODUCT	R million 2021	% share	Main trading partners
Flat-rolled products of iron or non-alloy steel, clad, plated or coated	3 448.1	36.3%	United States, Belgium
Citrus fruit	2 300.7	24.2%	United States, Netherlands, United Kingdom
Wine	683.8	7.2%	United States, United Kingdom
Flat-rolled products of iron or non-alloy steel, not clad, plated or coated	317.5	3.3%	Belgium, United States, Pakistan
Builders' joinery and carpentry of wood, including cellular wood panels, assembled flooring panels, shingles and shakes	250.0	2.6%	United States, United Kingdom, Namibia
Monitors and projectors, reception apparatus for television	234.9	2.5%	Tanzania, Namibia, Botswana
Flours, meals and pellets, of meat or meat offal, of fish or of crustaceans, molluscs or other aquatic invertebrates, unfit for human consumption	231.5	2.4%	Turkey, Greece, China
Refrigerators, freezers and other refrigerating or freezing equipment	223.5	2.4%	Tanzania, Botswana, Mozambique
Pumice stone, emery, natural corundum, natural garnet and other natural abrasives	216.7	2.3%	United States
Zirconium and articles thereof, including waste and scrap	202.6	2.1%	China
<b>Total exports</b>	<b>9 489.0</b>		

Source: Quantec Research, 2022

The WCD’s main export partner in 2021 was the United States, accounting for 45.4 per cent of exports and with a value of R4.3 billion. This was followed by Belgium, with an 11.8 per cent share in all exports and valued at R1.1 billion.

The main export products of the WCD in 2021 were flat-rolled products of iron or non-alloy steel, (clad, plated or coated), exported to the United States and Belgium and contributing the largest share of 36.3 per cent of all exports, with a value of R3 448.1 million. The closure of the ArcelorMittal Saldanha Steel plant, a key role player in the manufacturing sector in the WCD, had a major impact on manufactured and export products as well as employment. According to ArcelorMittal South Africa the plant is still undergoing maintenance to keep it in a good

state should an opportunity arise to reopen the plant and resume operations.<sup>34</sup> The value of citrus fruit exports for 2021 was recorded at R2 300.7 million, accounting for 24.2 per cent. This fruit was mainly exported to the United States, the Netherlands and the United Kingdom.

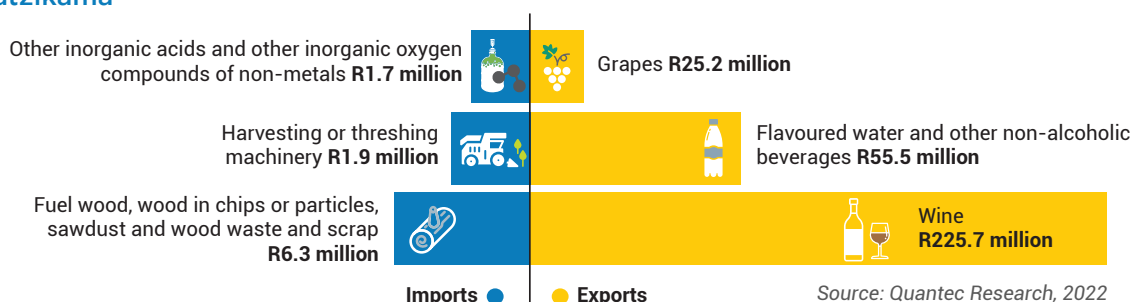
### 1.4.4 Municipal imports and exports

The imports and exports of goods stimulate economic growth and play an important role in the value chains within any given industry. The main products being imported and exported for all municipal areas of the District are provided in Figure 1.11.

**Figure 1.11**  
**TOP 3 IMPORTS AND EXPORTS PER MUNICIPAL AREA, West Coast District, 2021**



#### Matzikama



The main products imported into the **Matzikama municipal area** in 2021 were fuel wood, wood in chips or particles, sawdust and wood waste and scrap with a value of R6.3 million. Harvesting or threshing machinery recorded an import value of R1.9 million, while other inorganic acids and other inorganic oxygen compounds of non-metals had a value of R1.7 million. The Matzikama municipal area's main export product in 2021 was wine with a value of R225.7 million. This was followed by exports of flavoured water and other non-alcoholic beverages valued at R55.5 million and grape exports worth R25.2 million.

#### Cederberg



The **Cederberg municipal area's** main import product was concentrated or sweetened milk and cream with a value of R21.7 million. This was followed by exports of prepared or preserved fruit, nuts and other edible parts of plants valued at R10.6 million, and malt exports with a value of R8.2 million. The main export product of the Cederberg municipal area was citrus fruit with a value of R2.3 billion. Exports of food preparations not elsewhere specified or included were valued at R123.0 million. Locust beans, seaweeds and other algae, sugar beet and sugar cane, fruit stones and kernels, and other vegetable products had an export value of R54.1 million.

<sup>34</sup> (Cape Business News, 2021).



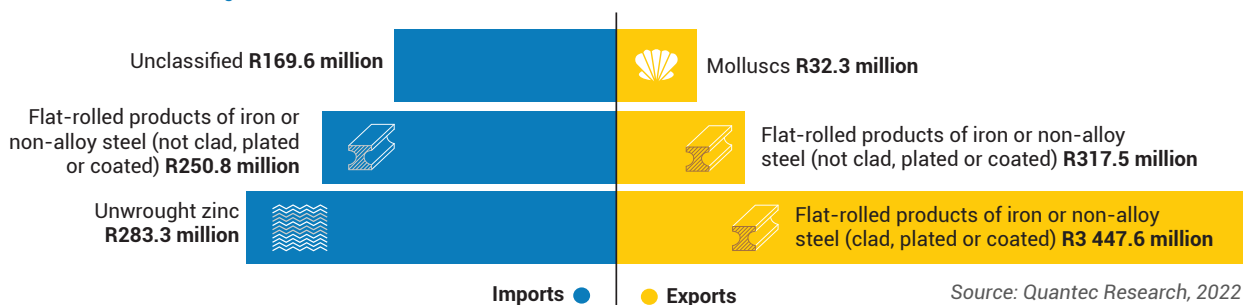
### Bergrivier



The exports of the Bergrivier municipal area in 2021 included frozen fish, prepared or preserved tomatoes, and machinery, plant or laboratory equipment for the treatment of materials by a process involving a change of temperature. Exports of frozen fish were valued at R98.7 million, while prepared or preserved tomatoes had a value of R52.9 million, and machinery, plant or laboratory equipment for the treatment of materials by a process involving a change of temperature had a value of R26.9 million.

The main import products in 2021 were flours, meals and pellets, of meat or meat offal, of fish or of crustaceans, molluscs or other aquatic invertebrates with a value of R231.5 million. Essential oil imports were valued at R39.1 million for the same year and fats and oils, and their fractions, of fish or marine mammals had a value of R23.8 million.

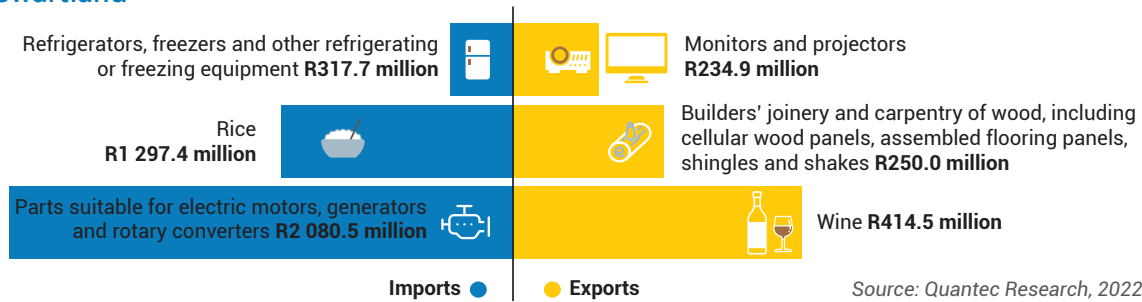
### Saldanha Bay



The Saldanha Bay municipal area’s main import product was unwrought zinc with a value of R283.3 million. This was followed by flat-rolled products of iron or non-alloy steel (not clad, plated or coated) with an import value of R250.8 million. Imports of unclassified products or items were valued at R169.6 million. The main export product was flat-rolled products of iron or non-alloy steel (clad, plated or coated) with a value of R3.4 billion. Exports of flat-rolled products of iron or non-alloy steel (not clad, plated or coated) were valued at R317.5 million and the export of molluscs was valued at R32.3 million.



## Swartland



The Swartland municipal area's main import products in 2021 were parts suitable for electric motors, generators and rotary converters valued at R2.1 billion. Rice imports for the same year were valued at R1.3 billion, while imports of refrigerators, freezers and other refrigerating or freezing equipment had a value of R317.7 million. The main export product was wine valued at R414.5 million. This was followed by builders' joinery and carpentry of wood, including cellular wood panels, assembled flooring panels, shingles and shakes worth R250.0 million. Monitors and projectors, and reception apparatus for television exports were the third-largest export products valued at R234.9 million.

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## investSA

ONE STOP SHOP

WESTERN CAPE

Streamlining government services through digital solutions, the InvestSA One Stop Shop Western Cape is the first in the country to launch a virtual online booking platform in 2021.

The One Stop Shop is a collaborative platform between various arms of national, Provincial and local government who endeavour to assist investors and exporters with navigating regulatory and administrative bottlenecks.

Through the One Stop Shop, potential investors and business owners looking to expand into exports can access national and Provincial regulators including Home Affairs; the Department of Employment and Labour; the Red Tape Reduction Unit; the Department of Trade, Industry and Competition (DTIC); the South African Revenue Service (SARS); the National Regulator for Compulsory Specifications; CapeBPO; VFS Global; and the Companies and Intellectual Property Commission. At a Provincial level, investors can access the Western Cape Government, City of Cape Town, GreenCape, the Saldanha Bay Industrial Development Zone (SBIDZ) and the Atlantis Special Economic Zone (SEZ).

In three simple steps, potential investors and exporters are able to view available dates and time slots of the chosen entity they wish to meet with by selecting their preferred virtual meeting platform from options such as MS Teams, Google Hangouts, WhatsApp, Zoom, Cisco Jabber or a conference call.

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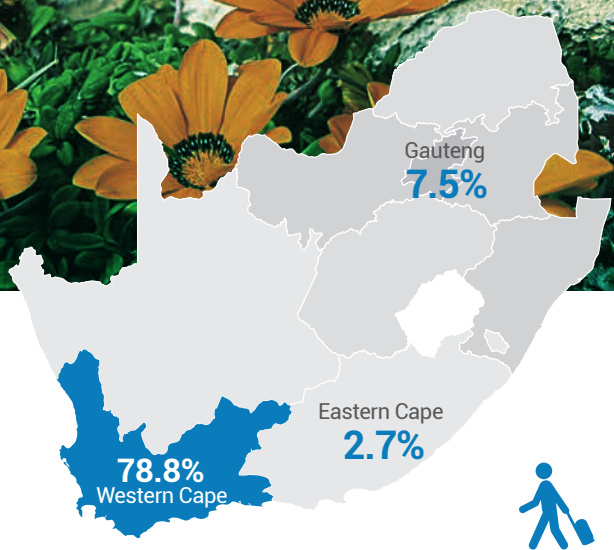




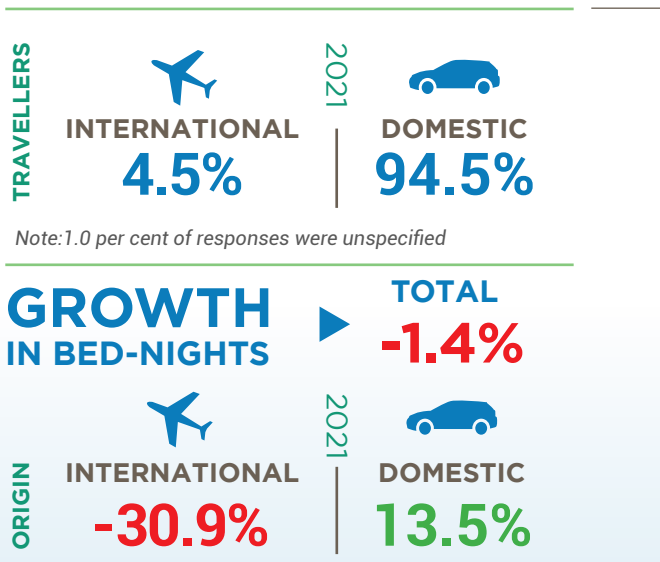


# TOURISM

## WEST COAST DISTRICT



### DOMESTIC VS INTERNATIONAL



### TOP 3 DOMESTIC TRAVELLERS 2021

### TOP 3 INTERNATIONAL TRAVELLERS 2021



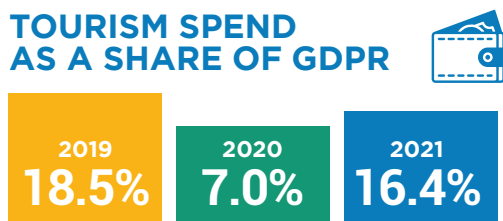


# TOURISM PROFILE

The WCD has a diverse offering ranging from marine tourism to wine tourism, and is known for its cultural and natural resources that are unique to the western coastal area of South Africa. Moreover, the District is a hidden gem and is ideal for people wanting to escape from their busy lives and experience tranquillity and the simplicities of life. The region is steeped in the Nama culture and offers nature lovers a variety of attractions and activities. The West Coast National Park is the closest spot outside Cape Town where tourists can experience the spring flower season. The West Coast Fossil Park, which is next door to the West Coast National Park, has uncovered 200 different kinds of animals, many of them new to science.<sup>35</sup>



**In 2021, domestic growth in bed-nights in the WCD increased by 13.5 per cent, while international bed-nights declined by 30.9 per cent.** The reason for the decline in international bed-nights in 2021 is probably due to the international source markets experiencing lockdowns in their respective countries. Overall, the growth in bed-nights declined by 1.4 per cent in 2021.



Source: IHS Markit, 2022

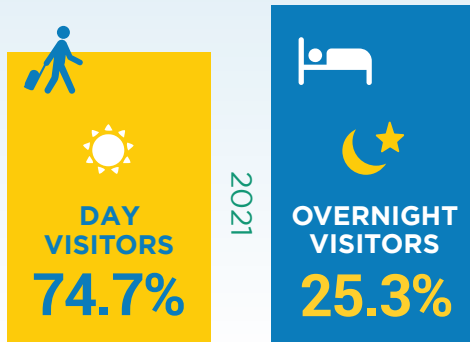
**The tourism spend in the WCD for 2021** made up an estimated 16.4 per cent of the GDP and is an increase of 9.4 per cent from 2020. In 2019, tourism spend as a share of GDP was 18.5 per cent, meaning the WCD is almost back to pre-pandemic levels.<sup>36</sup>

**Most visitors to the WCD in 2021 were domestic (94.5 per cent).** Domestic visitors were mainly from the Western Cape (78.8 per cent), Gauteng (7.5 per cent) and the Eastern Cape (2.7 per cent). Despite the COVID-19 regulations regarding travel, the trends indicate that the domestic market continued to travel to this region once the restrictions had eased, confirming that the WCD is a popular holiday destination. In 2021, only 4.5 per cent of all travellers to the WCD were international visitors and originated mainly from the United Kingdom (15.6 per cent), Germany (10.4 per cent) and the Netherlands (4.8 per cent). The international visitor trend to the WCD is consistent with the Province in the sense that European countries dominate as source markets.

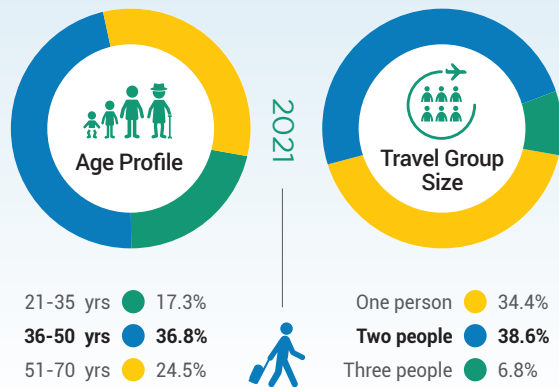
<sup>35</sup> (West Coast Travel Directory, n.d.).

<sup>36</sup> (IHS Markit, 2022).

## OVERNIGHT VS DAY VISITORS

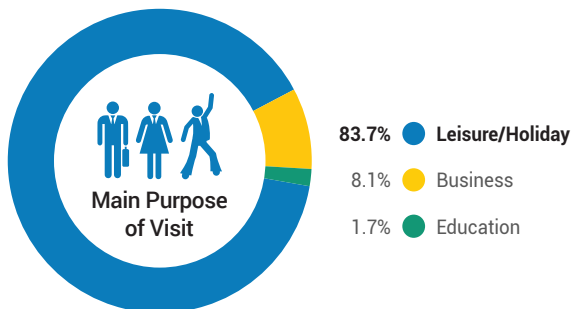


## TOP 3 VISITOR PROFILES



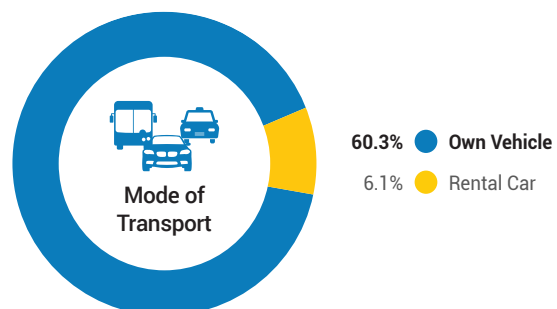
## TOP 3 MAIN PURPOSES OF VISIT

2021



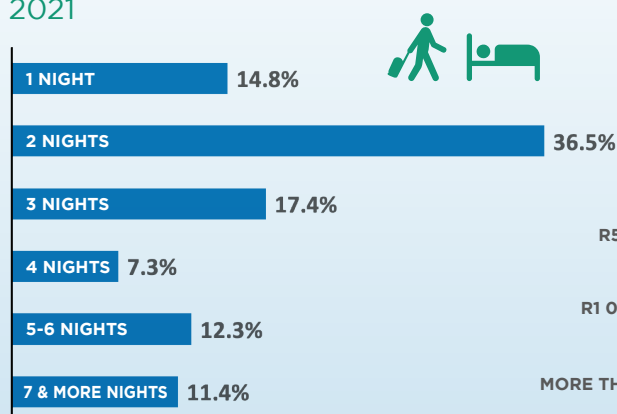
## TOP 2 MODES OF TRANSPORT USED BY VISITORS

2021



## AVERAGE LENGTH OF STAY BY VISITORS

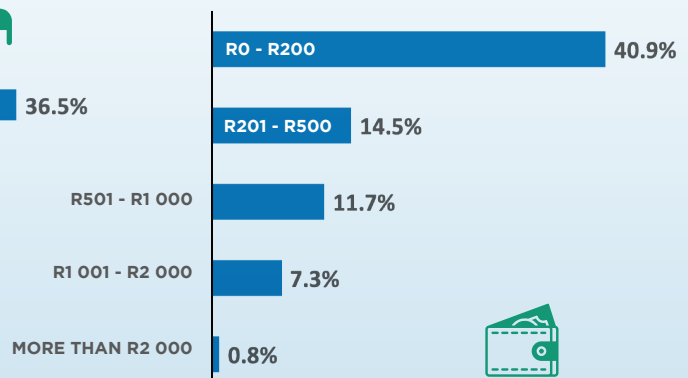
2021



Note: 0.2 per cent of responses were unspecified

## AVERAGE DAILY EXPENDITURE BY VISITORS

2021

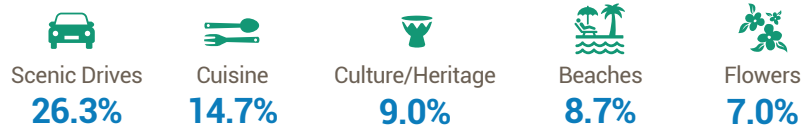


Note: 24.7 per cent of responses were unspecified

**Most visitors were day visitors (74.7 per cent), and overnight visitors accounted for 25.3 per cent.** It would be beneficial for the District to encourage visitors to overnight in the District, as this could have a positive influence on the economy and local communities. Many visitors used their own vehicle (60.3 per cent) and only 6.1 per cent rented a vehicle, which is a clear indication that the domestic market enjoyed travelling to the District in 2021. A total of 67.1 per cent of visitors spent between R0 and R1 000, and only 0.8 per cent spent more than R2 000. It is recommended that the District encourage tourists to spend more while visiting the area. Most visitors stayed for two nights (36.5 per cent), which could mean that visitors enjoyed travelling to the WCD over weekends, and 11.4 per cent stayed longer than seven nights.

**Visitors to the WCD were mainly between the ages of 36 and 50 (36.8 per cent), and 24.5 per cent were between the ages of 51 and 70.** This could indicate that the older populations prefer to travel to this area, as only 17.3 per cent were between the ages of 21 and 35. The WCD is a popular holiday destination, as 83.7 per cent travelled for the purpose of leisure or holiday and 8.0 per cent travelled for the purpose of conducting business. Very few visitors travelled to visit friends or relatives (1.4 per cent), which confirms that the District is a holiday destination. Travel group sizes varied between just one person (34.4 per cent) and two people (38.6 per cent).


**TOP 5 TOURIST ACTIVITIES UNDERTAKEN 2021**



**The region is known for its unspoilt beauty, pristine beaches, fishing villages and rich cultural history, and therefore offers a wide variety of attractions and activities for visitors.** Leisure activities include taking scenic drives (26.3 per cent), cuisine (14.7 per cent), and culture or heritage activities (9.0 per cent).

**WEST COAST REGIONAL TRENDS 2021**

The majority of the tourism indicators, unless otherwise stated, were sourced from *Weskus Regional Trends 2021*, which was sourced from Wesgro. The full report can be accessed by means of 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 because of the survey collection method and sample size. Therefore, the information reported on cannot be seen as absolute figures. Furthermore, the information cannot be compared with other regions, nor with the information released by South African Tourism. It is also not advisable to compare year-on-year information, as the sample sizes are not comparable.



## 1.5 INVESTMENTS

Both private and public sector investment play a significant role in enhancing economic growth within a country. Investment refers to the allocation of capital to the production of goods that will be used to generate other goods in the long term.<sup>37</sup> Thus, in the long term, investment is important for improving productivity and increasing the competitiveness of an economy. Targeted impact investing also has a role to play in generating decent jobs and sustained employment in South Africa.<sup>38</sup>

This subsection discusses various forms of investments occurring in the WCD, including gross fixed capital formation, building plans passed and completed, new investments from prominent local companies and a consolidated overview of municipal spending on contracted services and infrastructure.

### 1.5.1 Private sector investment

#### 1.5.1.1 Sectoral investments and business expansion

Because of the growing work from home (WFH) trend, the WCD benefited from semigration in 2021. With 915 property sales in 2021 compared with 632 sales in 2019, Langebaan in the Saldanha Bay municipal area in particular saw a substantial increase in sales.<sup>39</sup> Buy-to-let investors recognise the municipal area's potential and understand that tourism will drive up demand.<sup>40</sup>

Tronox invested more than R9.8 million in 2021 to improve the neighbourhoods around its Namakwa Sands operations in Vredenburg and Saldanha. The money was allocated to remodelling the community centre, building classrooms at two elementary schools and updating the restrooms at a secondary school. These initiatives generated almost 80 temporary jobs for the residents of local communities, further highlighting the importance of private entities reinvesting in communities.<sup>41</sup>

Approximately R20.0 million has been committed by the Rupert Foundation for the restoration and preservation of Wupperthal, a small village in the Cederberg municipal area that was devastated by fire on 31 December 2018.

The R650 million mixed-use De Zwartland Werf development in Malmesbury in the Western Cape was launched by the Devmark Property Group. The project will require capital investments during both its development and operating phases, which will boost economic activity. With a shopping mall, hospital, office space, drive-through windows, a showroom and more, it will be the first mixed-use development and one of the largest investments ever undertaken in the Swartland municipal area.<sup>42</sup> More than 1000 temporary employment opportunities are expected to be created during construction, and once the development is completed there will be about 650 permanent jobs.<sup>43</sup> In October 2021, the new multigenerational Allesverloren Village began its first phase of unit sales, which resulted in the sale of 25 units worth R86 million.<sup>44</sup> It was constructed on 15ha of property in the Swartland municipal area.<sup>45</sup>

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<sup>37</sup> (Organisation for Economic Co-operation and Development, 2020).

<sup>38</sup> (Makhathini, Mpanza, & Mlambo, 2020).

<sup>39</sup> (Property24, 2022).

<sup>40</sup> (Property 24, 2021).

<sup>41</sup> (Tronox, 2022).

<sup>42</sup> (Devmark Property Group, 2022).

<sup>43</sup> (Property Wheel, 2021).

<sup>44</sup> (Bizcommunity, 2021).

<sup>45</sup> (Property Wheel, 2021).



Eskom has signed with Hyosung Heavy Industries and Pinggao Group to supply lithium-ion batteries for its battery energy storage system (BESS) through an open tender process. The project will be implemented in two phases, with Hyosung providing 292MWh of storage and Pinggao providing 395MWh as part of Phase 1. Phase 1 consists of eight sites that are expected to be completed by June 2023, while Phase 2 will include four additional sites that should be completed by December 2024. The largest site, with a daily capacity of 320MWh and a dispatchable output of 80MW, is expected to be in the Matzikama municipal area. Eskom projects that the project will cost about R11.0 billion in total for both stages.<sup>46</sup>

A green-hydrogen-generating facility has been launched in the Vredendal municipal area. The developer, Keren Energy, is seeking funding for the commercial plant, which would include a 10MW solar photovoltaic facility and a 5MW hydrogen plant. It is anticipated that expenditure of R460.0 million will be necessary to get the facility up and running by March 2023.<sup>47</sup>

PPC announced that it will invest R664.0 million into its new decarbonisation plan to meet its 2025 goals. The majority of the investment will go towards introducing calcined clay at its Riebeeck mine in the Swartland municipal area. It is anticipated that using calcined clay instead of clinker will reduce the energy intensity of cement manufacturing.<sup>48</sup>

The Norwegian Investment Fund for developing countries has invested R120.0 million in Redsun, a South African producer of dried fruit and nuts. The money will be used to construct two state-of-the-art facilities in Vredendal in the Matzikama municipal area, doubling the company's processing capacity. Nearly 400 individuals are anticipated to gain direct work as a result of the building of these facilities.<sup>49</sup>

African Rainbow Capital stated that it would be loaning an additional R121.5 million to the Kropz PLC, a phosphate mine in Elandsfontein. Mining delays were brought about by the discovery of hard material that cannot be mined using free-digging techniques, and the funds will be utilised to satisfy immediate financing needs at the mine.<sup>50</sup>

The Saldanha Bay Municipality and four regional internet service providers joined together to officially launch the Baobab Fibre Project on 6 December 2021. The project includes an open-access fibre infrastructure as part of the Smart City vision and is expected to be finished in roughly 18 months. The Baobab Fibre Project also includes Amoeba TSC's Digital Citizen App, which is intended to integrate with municipal services seamlessly while connecting every household in the municipal area.<sup>51</sup>

Furthermore, the Transnet National Ports Authority has invested R5.5 billion in the upgrading of Saldanha Bay Harbour. The upgrades will increase the efficiency of the harbour and will create future capacity, making it easier for businesses to import and export through the harbour.<sup>52</sup>

Gross fixed capital formation (GFCF) is defined as the net acquisition of all existing and new capital assets, for instance machinery, construction works and buildings. These "produced assets" only come into existence as a result of a production process and can be purchased by the general government, private enterprises and state-owned corporations as long-term investments.<sup>53</sup> Tracking GFCF growth is a helpful representative metric of the state of the economy, as it is an important driver in real gross domestic expenditure and real gross domestic product.

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<sup>46</sup> (MyBroadband, 2022).

<sup>47</sup> (Creamer Media, 2022).

<sup>48</sup> (Creamer Media, 2021).

<sup>49</sup> (Business Insider, 2022).

<sup>50</sup> (Kropz PLC, 2022).


<sup>51</sup> (Saldanha Bay Municipality, 2022).

<sup>52</sup> (Creamer Media, 2022).

<sup>53</sup> (Stats SA, 2016).

Table 1.9 provides the WCD's GFCF per sector with regard to trends over the period 2011 to 2020. Additionally, an estimate for 2021 is provided.

**Table 1.9**  
**GROSS FIXED CAPITAL FORMATION, West Coast District**



SECTOR	R million 2020	Trend		Annual growth		
		2011 – 2020	2016 – 2020	2019	2020	2021e
<b>Primary Sector</b>	<b>R1 502.9 (27.5%)</b>	<b>4.8%</b>	<b>0.6%</b>	<b>-9.8%</b>	<b>7.7%</b>	<b>28.8%</b>
<b>PS</b> Agriculture, forestry & fishing	R1 325.5 (24.2%)	5.6%	0.6%	-11.6%	9.8%	33.5%
Mining & quarrying	R177.4 (3.2%)	0.3%	2.1%	8.7%	-9.3%	-18.1%
<b>Secondary Sector</b>	<b>R1 427.2 (26.1%)</b>	<b>0.9%</b>	<b>-3.7%</b>	<b>1.3%</b>	<b>-14.0%</b>	<b>3.1%</b>
<b>SS</b> Manufacturing	R1 127.6 (20.6%)	3.4%	0.4%	6.5%	-11.5%	6.4%
Electricity, gas & water	R201.4 (3.7%)	-5.0%	-16.0%	-14.9%	-21.3%	-13.0%
Construction	R98.2 (1.8%)	-2.5%	-5.8%	-7.7%	-24.4%	-2.4%
<b>Tertiary Sector</b>	<b>R2 538.8 (46.4%)</b>	<b>-0.3%</b>	<b>-4.8%</b>	<b>-1.7%</b>	<b>-15.4%</b>	<b>2.6%</b>
<b>TS</b> Wholesale & retail trade, catering & accommodation	R375.9 (6.9%)	3.1%	-2.7%	-2.2%	-15.5%	10.3%
Transport, storage & communication	R544.4 (10.0%)	-1.3%	-7.4%	-4.1%	-11.8%	-15.5%
Finance, insurance, real estate & business services	R615.4 (11.3%)	-1.7%	-4.0%	-0.8%	-24.8%	5.4%
General government	R831.0 (15.2%)	0.5%	-4.3%	-0.8%	-10.3%	8.4%
Community, social & personal services	R172.1 (3.1%)	0.2%	-4.2%	-1.5%	-10.1%	5.1%
<b>Total West Coast District</b>	<b>R5 468.9 (100.0%)</b>	<b>1.0%</b>	<b>-3.4%</b>	<b>-2.8%</b>	<b>-9.9%</b>	<b>9.6%</b>

Source: Quantec Research, 2022 (e denotes estimate)

The WCD recorded a total of R5.5 billion in GFCF in 2020, with the largest contributor being the tertiary sector (46.4 per cent). Although the tertiary sector contributed most to overall investment, the single-largest contributor to GFCF was the agriculture sector (24.2 per cent), followed by the manufacturing sector (20.6 per cent). The WCD recorded a contraction in GFCF in 2020 of 9.9 per cent. However, this was the lowest contraction in GFCF compared with all the other districts in the Province. Over the period 2011 to 2020, the WCD recorded an average growth of 1.0 per cent in total investment, which was the highest average growth of all the districts in the Province.

Estimates for 2021 indicate that primary sector investment grew the most at 28.8 per cent, which was largely due to an increase in investment within the agriculture sector (33.5 per cent). Like most districts within the Province, agriculture made a steady recovery in investment following the drought period. Other sectors that are estimated to have grown in 2021 include manufacturing (6.4 per cent), trade (10.3 per cent) and general government (8.4 per cent). From 2016 to 2020 a contraction of 3.4 per cent was recorded, which was largely linked to the impacts of the COVID-19 pandemic restrictions, and in 2020 the only sector that grew was agriculture, by 9.8 per cent.

The agriculture sector experienced the highest GFCF growth (5.6 per cent) over the period from 2011 to 2020. Despite the sector's contraction in both 2018 (-4.0 per cent) and 2019 (-11.6 per cent), the sector recovered significantly in 2020, with a recorded GFCF growth of 9.8 per cent. Owing to customer decisions to adopt better lifestyles in reaction to the COVID-19 pandemic, demand for citrus products surged dramatically, which positively impacted the sector's expansion.<sup>54</sup> In addition, fishing has maintained a strong presence in the WCD owing to the abundance of fishing locations along the coast. However, fishing quotas have decreased by at least 50.0 per cent over the past four decades.<sup>55</sup>

The WCD's transport sector contributes a relatively large proportion towards GFCF compared with the other districts within the Province. The WCD's Port of Saldanha plays a facilitating role in trade and has received significant investment over the last decade by the Transnet National Ports Authority to upgrade the port into a modern harbour. Upgrades were made to facilitate the export of iron ore from mines in the Northern Cape.<sup>56</sup> Additionally, Transnet has made further investment into the expansion of the existing iron ore export channel through the upgrade of the existing railway from Sishen mine to Saldanha over the past decade.<sup>57</sup> The WCD has also received investment over the last decade in the upgrading of existing fishing harbours and ship repair facilities as part of Operation Phakisa.<sup>58</sup>

Over the period 2011 to 2020, the manufacturing sector recorded the second-highest growth in investment at 3.4 per cent. In addition, the sector is the only one to have recorded positive growth each year between 2016 to 2019, after which it then recorded a contraction in 2020. The contraction in manufacturing can be attributed to the COVID-19 restrictions, and this was further exacerbated by the shutdown of the ArcelorMittal steel mill.<sup>59</sup> However, investment in manufacturing is estimated to have grown by 6.4 per cent in 2021, which almost brings growth in GFCF back to pre-pandemic recordings.

The mining sector recorded the highest growth rate between 2016 and 2020. During this period, one of the largest phosphate deposits in the country was developed in Elandsfontein, contributing to the sector's growth.<sup>60</sup> When measured against other WCD sectors, the sector's 0.3 per cent growth in investment from 2011 to 2020 was the second lowest. However, in comparison with other districts in the Western Cape, the WCD experienced the highest growth in mining investment.

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<sup>54</sup> (South African News, 2021).

<sup>55</sup> (Stoltz, 2022).

<sup>56</sup> (Africa Ports, 2022).

<sup>57</sup> (Molekoa, 2011).

<sup>58</sup> (Transnet National Ports Authority, 2020).

<sup>59</sup> (Ponder & Connolly, 2019).

<sup>60</sup> (NS Energy, 2021).

### 1.5.1.2 Building plans passed and completed

Building plans passed and completed are some of the indicators used to measure economic activity and business cycle changes. The value of building plans passed<sup>61</sup> can be used as a leading indicator, while building plans completed<sup>62</sup> can be used as a lagging indicator. Building plans passed and completed have further implications for municipal spatial planning and budgeting. Furthermore, building plans passed indicate the private sector’s willingness to invest in an area, while business plans completed highlight money that has been spent. It should also be noted that the development of non-residential buildings has a positive impact on the local economy during the construction phase as well as the operational phase.

Stats SA’s information on building plans passed and completed is only available for selected municipalities, namely the Saldanha Bay and Swartland municipal areas. The values of building plans passed and completed are expressed in current prices.

Figure 1.12 indicates the total value of building plans passed and completed between 2016 and 2021 in the Saldanha Bay municipal area.

**Figure 1.12**  
**VALUE OF BUILDING PLANS PASSED AND COMPLETED,**  
**Saldanha Bay, 2016 – 2021 (R million)**



Source: Stats SA & Quantec Research, 2022

<sup>61</sup> Number of residential building plans passed for buildings larger than 80m<sup>2</sup>.

<sup>62</sup> Value of non-residential buildings completed (constant prices).



In the Saldanha Bay municipal area, the total value of building plans passed increased from R322.0 million in 2016 to R552.3 million in 2021. During the period under review, residential building plans made up most of all building plans passed. This was followed by additions and alterations to residential buildings. The popularity of second homes in coastal towns such as Saldanha, Langebaan and Paternoster<sup>63</sup> could be one of the main driving forces of building plans passed and completed for residential properties in the Saldanha Bay municipal area.

Building plans passed for both residential buildings and additions and alterations to residential buildings follow similar growth trends. Building plans passed for residential buildings increased from R251.0 million in 2016, reaching a peak of R468.0 million in 2019, before declining to R388.0 million in 2021. This recent decrease can be attributed to the COVID-19 lockdown restrictions, which resulted in income loss and limited prospects for development. Building plans passed for additions and alterations to residential buildings were recorded at R63.5 million in 2016 and increased to a peak of R162.5 million in 2019, before subsiding to R161.9 million.

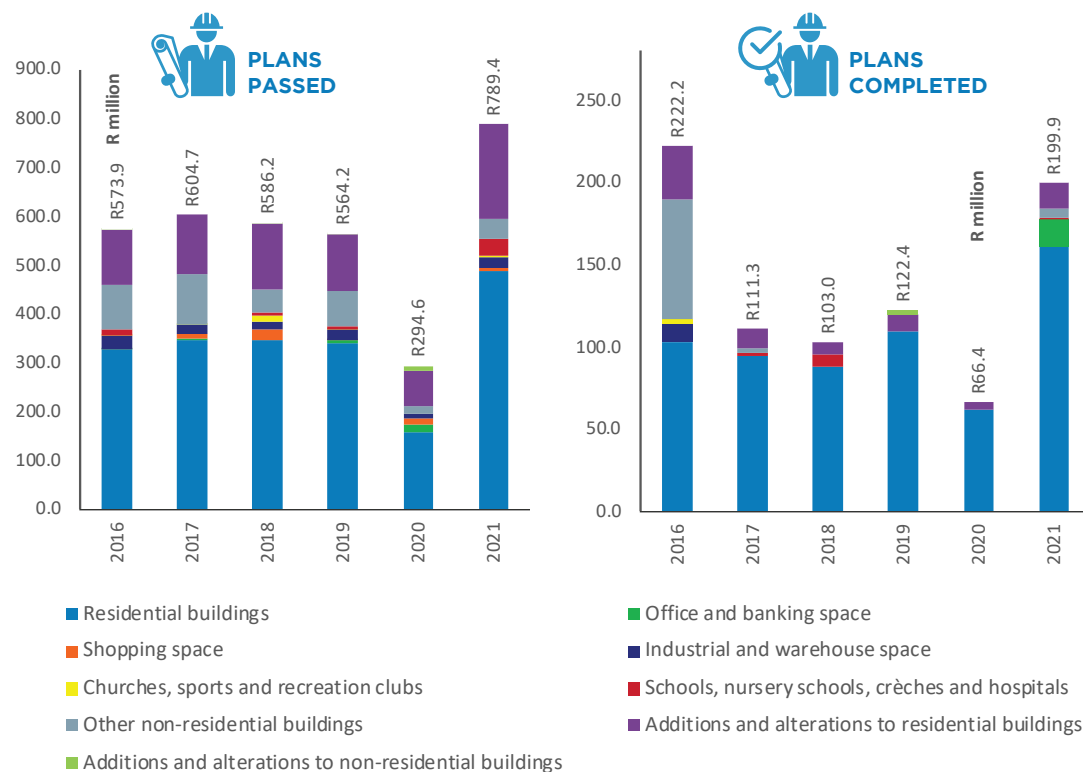
Buildings completed increased from a value of R179.2 million in 2016 to R298.1 million in 2021, peaking at R380.3 million in 2019. Most building plans completed between 2016 and 2021 were for residential buildings. The value of building plans completed for residential developments increased from R171.4 million in 2016 to R286.2 million in 2021. There is a strong correlation between building plans passed and buildings completed in terms of growth patterns for residential buildings during the period between 2016 and 2021.



<sup>63</sup> (Property24, 2021).

Figure 1.13 shows the building plans passed in the Swartland municipal area between 2016 and 2021.

**Figure 1.13**  
**VALUE OF BUILDING PLANS PASSED AND COMPLETED,**  
**Swartland, 2016 – 2021 (R million)**



Source: Stats SA & Quantec Research, 2022

In the Swartland municipal area, the total value of building plans passed increased from R573.9 million in 2016 to R789.4 million in 2021. The highest value of building plans passed during the reference period was recorded in 2021, which also represents a vast recovery from a low of R294.6 million during the COVID-19 pandemic in 2020. Throughout the period of review, most building plans passed were for residential buildings, the value of which also increased from R326.6 million in 2016 to R489.1 million in 2021. Building plans passed for additions and alterations to residential buildings had the second-highest values throughout the period of review, having increased from R111.8 million in 2016 to R194.6 million in 2021. Other significant building plans passed in 2021 included for schools, nursery schools, crèches and hospitals (R33.6 million) and industrial and warehouse space (R22.2 million).

The total value of buildings completed decreased from R222.2 million in 2016 to R199.9 million in 2021, after a dip during the COVID-19 pandemic in 2020, at R66.4 million. In 2021, the total value of buildings completed recovered, reaching the highest value in the last five years. The majority of building plans completed were for residential buildings, the value of which increased from R103.2 million in 2016 to R160.8 million in 2021. Other building plans completed in 2021 included for office and banking space (R17.2 million) and schools, nursery schools, crèches and hospitals (R700 000). The completion of plans for office and banking space in 2021 is quite significant, since it is the first record of completion within the period of review.

Despite the overall decrease in building plans completed, residential buildings completed increased during the period of review. An increase in the development of housing naturally creates new jobs for businesses in an area. Furthermore, an increase in the development of housing may also mean an increase of residents in an area, which translates into an increase in the labour force and economic growth.

## 1.5.2 Public sector investment

Public sector spending has the potential to stimulate the growth of the local economy and create employment opportunities. Small, medium and micro enterprises (SMMEs) can be key role players in the development and creation of jobs through public sector investment.

### 1.5.2.1 Municipal contracted services

The procurement processes of local municipalities can facilitate the development of local SMMEs that provide goods and services, while spending on infrastructure promotes the creation of an enabling environment for households and businesses to function optimally.

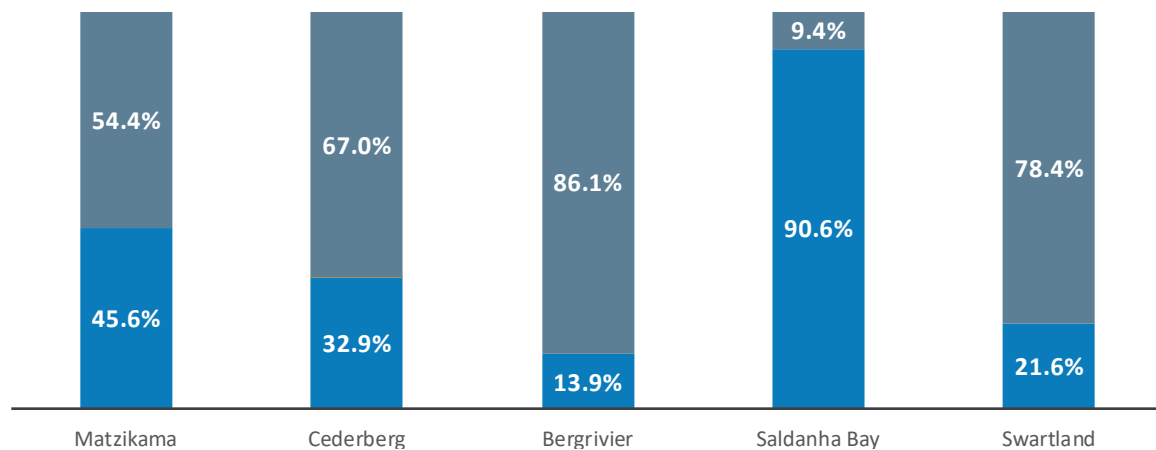
Figure 1.14 shows the proportion of spending on contracted services in 2021/22 for municipalities in the WCD.

Figure 1.14

#### PROPORTION OF SPENDING ON CONTRACTED SERVICES PER MUNICIPALITY, West Coast District, 2021/22<sup>64</sup>



- Outsourced services
- Consulting and professional services
- Contractors



Source: Calculated from National Treasury, 2022

In five out of six of the municipal areas, contractors made up the bulk of the municipal contracted services spend in the District. (See Figure 1.14.) The municipal areas spent approximately R118.7 million on contractors (78.0 per cent). This included money spent on maintenance and the repair of fixed structures, maintenance and repair of machinery and equipment, medical services, security, transport and casual labourers.

<sup>64</sup> According to the Municipal Standard Chart of Accounts (mSCOA), municipalities should have the capacity and expertise to carry out certain services. Outsourced services are therefore services procured by the municipality when it temporarily does not have the capacity to perform these functions, or to save costs. Consulting services refer to specialist services and skills provided to a municipality for the achievement of a specific objective. It is unnecessary to maintain these skills in-house since they are often only required on a once-off or temporary basis. Contractors are utilised for services that are not the core business of the municipality.

Additionally, the municipal area's expenditure on outsourced services was R32.5 million (21.6 per cent). This included money spent on medical doctors, nursing staff, allied health professionals, medical and chemical waste-removal and administrative and support staff. None of the municipal areas spent any money on consulting and professional services. Spending on medical doctors, nursing staff and associated items in these municipal areas as discussed in this section is attributed to the Department of Health.

In the WCD municipal area, nearly all (98.9 per cent) of the municipal contracted spend was allocated to contractors. The majority of this was spent on maintaining and repairing fixed structures (R40.8 million). To drive local economic development, the WCD municipal area assists SMMEs in a number of ways, including training workshops, assistance with registering on the Central Supplier Database and with writing business plans.<sup>65</sup>

Most of the contracted spending in the Matzikama municipal area was on contractors, which accounted for 54.4 per cent of the total expenditure. Additionally, outsourced services accounted for 45.6 per cent of the 2021/22 contracted services expenditure in the municipal area.

In the Cederberg Municipality, 67.1 per cent of the total contracted services spend was allocated to contractors and the remaining 32.9 per cent to outsourced services.

The Bergrivier municipal area spent an estimated 86.1 per cent of total contract expenditure on contractors and the remaining 13.9 per cent was spent on outsourced services. In 2021, the municipal area had 293 SMMEs registered on its supplier database, and it provides support by means of capacity building on how to do business with the State.<sup>66</sup> To encourage local spend, the Council of the Bergrivier municipal area approved a preferential procurement policy containing targets on the use of local SMMEs registered on the supplier database.

In the Saldanha Bay municipal area, 90.6 per cent of total contract expenditure was allocated to outsourced services, of which the majority was allocated to nursing staff (R2.0 million), chemical waste removal (R1.8 million) and medical doctors (R1.1 million).

The Swartland municipal area spent 78.4 per cent of its municipal contract spend on contractors and 21.6 per cent on outsourced services. Most of the funds spent on contractors was spent on maintaining and repairing equipment. Between 2020 and 2021 the number of SMMEs on the Swartland municipal database increased from 120 to 200. The increase in the number of registered SMMEs on the municipal database provides a wider range of contracted services for the local municipal area to choose from and encourages spend locally. This drives LED and creates local jobs.



<sup>65</sup> (West Coast District Municipality, 2022).

<sup>66</sup> (Bergrivier Municipality, 2021).



### 1.5.2.2 Infrastructure

Infrastructure spending by local and provincial governments is an important injection into the local economy, as it helps to create an enabling environment for economic and social development. Infrastructure spending has both short- and medium-term benefits, where it not only boosts the economy from the initial injection but also has the potential to generate employment opportunities. Additionally, it can also stimulate economic activity from the operational activities that result from the initial capital spending. Despite the importance and necessity of maintaining existing infrastructure and investing in new infrastructure, local governments are under pressure, as generating their own revenue is becoming increasingly constrained owing to rising unemployment and poor economic growth, while income from Provincial and national grants is declining.

Table 1.10 outlines the budgeted expenditure on infrastructure by the local municipalities in the WCD for 2022/23.

**Table 1.10**  
**SPENDING ON INFRASTRUCTURE,**  
**West Coast District, 2022/23**

DESCRIPTION R million	2022/23 Municipal infrastructure spend (original budget)
<b>Economic infrastructure</b>	<b>217.2</b>
Road transport and public works	217.2
Environmental services	-
<b>Social infrastructure</b>	<b>22.0</b>
Education	-
Health	0.7
Social development	9.3
Housing	12.0
<b>Trading services</b>	<b>401.7</b>
Energy sources	110.5
Water management	149.1
Wastewater management	122.8
Waste management	19.2
<b>Other</b>	<b>137.4</b>
<b>Total infrastructure spend</b>	<b>778.3</b>

Source: Provincial Treasury, 2022

The WCD allocated R778.3 million to the capital expenditure budgets for 2022/23. This includes allocations made towards economic, social and trading services infrastructure of R217.2 million, R22.0 million and R401.7 million respectively. Other capital expenses to the value of R137.4 million have also been budgeted for 2022/23, which include governance and administration, public safety, community services, sport and recreation, planning and development, and environmental protection services. Key municipal expenditure categories include road transport and public works (R217.2 million) and water management (R149.1 million).

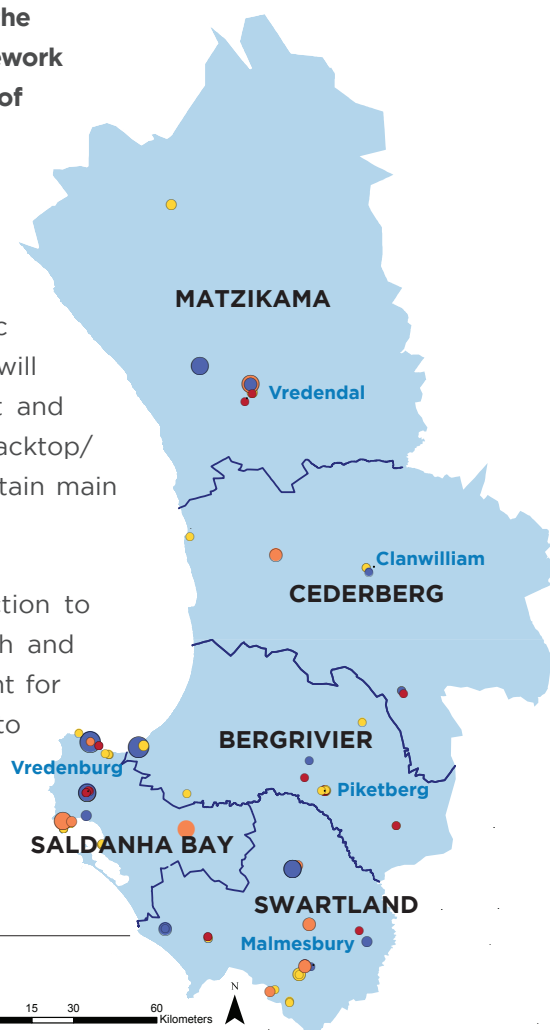
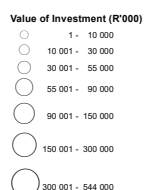
Road infrastructure within the WCD plays an important role in providing access to markets for businesses, as well as employment opportunities for people. In the IDP the WCD outlines the intent to finalise the upgrade of the N7 road.

**Provincial total infrastructure spend in the WCD over the 2022/23 to 2024/25 Medium Term Expenditure Framework (MTEF) amounts to R1.6 billion and accounts for 5.2% of the total Provincial infrastructure budget. Spending is focused on economic and social infrastructure. Per capita spending amounts to R3 385.**

In 2022/23 the Western Cape Government (WCG) will invest a total of R230.8 million in economic infrastructure throughout the WCD. This investment will specifically be directed towards the road transport and public works function to refurbish and rehabilitate blacktop/tarred roads within local municipalities and to maintain main roads spanning the District.

While municipalities do not have a mandated function to provide social infrastructure services such as health and education, they do serve as an implementation agent for the Provincial Department of Human Settlements to build houses and roll out service sites through the Human Settlements Development Grant (HSDG).

- Education (WCED)
- Environmental Affairs and Development Planning (CapeNature) (DEA&DP)
- Health (DoH)
- Human Settlements (DoHS)
- Transport and Public Works (DTPW)



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.

Maps supplied by DEA&DP, Spatial Information Management

**Diagram 1.7**  
**TOTAL DEPARTMENTAL MTEF INFRASTRUCTURE BUDGET AND NUMBER OF PROJECTS & PROGRAMMES, West Coast District, 2022/25**

WC PROVINCIAL DEPARTMENT	No of Projects & Programmes	2022/23 MTEF (R'000)	2023/24 MTEF (R'000)	2024/25 MTEF (R'000)	MTEF Total (R'000)
● Education (WCED)	3	26 000	4 000	44 000	74 000
● Health (DoH)	19	27 082	15 678	10 498	53 258
● Human Settlements (DoHS)	34	181 290	154 647	151 987	487 924
● Transport and Public Works (DTPW)	20	688 573	297 816	391 686	1 378 075
● Environmental Affairs and Development Planning (CapeNature) (DEA&DP)	3	9 500	10 500	0	20 000
<b>Total</b>	<b>79</b>	<b>932 445</b>	<b>482 641</b>	<b>598 171</b>	<b>2 013 257</b>

Source: The data represents an extract from the Provincial Infrastructure Reporting Model (IRM), as at 3 March 2022. Improving the accuracy of information in the reporting model is ongoing and continues to receive attention.

The municipalities of the WCD will to this end spend R4.8 million on the development of human settlements in 2021/22. This allocation is supported by a R155.1 million contribution by the WCG in 2022/23.

The WCG is also making substantial allocations towards the education function to the value of R155.5 million in 2022/23. Specific projects include ongoing construction of Moorreesburg High School, Saldanha Primary School and Panorama Primary School. Upgrades and additions will also be made to Naphakade Primary School and Graafwater Primary School.

The primary sources of infrastructure finance available to municipalities are internally generated funds and national transfers from government. However, these are, on their own, insufficient to meet the scale of infrastructure investment required by municipalities. There is thus a need for municipalities to explore ways of leveraging private finance to mobilise additional resources to fund infrastructure expansions.



Information about the **2022/23 budgeted Provincial infrastructure spend** is provided in the *Overview of Provincial and Municipal Infrastructure Investment (OPMII)*, published by Provincial Treasury.



### 1.5.3 Public sector spending on designated groups<sup>67</sup>

Public sector spending is the largest economic force in most local municipalities. Public sector spend on SMMEs increases LED and creates job opportunities. Additionally, public sector spending has the potential to either bring about societal good or reinforce historical patterns of exclusion.<sup>68</sup>

In the WCD, R29.4 million was spent on Exempted Micro Enterprises (EMEs) and R11.1 million was spent on Qualifying Small Enterprises (QSEs). (See Table 1.11.) The allocation of additional resources to SMMEs will advance bottom-up local economic development, reduce economic leakages and create job opportunities – particularly in farming communities.

**Table 1.11**  
**EXPENDITURE ON REGISTERED SMMES ON THE WESTERN CAPE SUPPLIER EVIDENCE BANK (WCSEB), West Coast District, 2021/22<sup>69</sup>**

	R million	%
EMEs <sup>70</sup>	R29.4	15.6%
Other Entities <sup>71</sup>	R147.9	78.5%
QSEs <sup>72</sup>	R11.1	5.9%
<b>Total</b>	<b>R188.4</b>	<b>100.0%</b>

Source: The Provincial Infrastructure Reporting Model (IRM)



<sup>67</sup> Designated groups mean – 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, 1996 (Act No. 102 of 1996).

<sup>68</sup> The information for black ownership, black woman ownership and the other designated groups was split to avoid duplication of expenditure, as a supplier can be black-owned and a youth.

<sup>69</sup> The information extracted was for the below economic classifications, matched to suppliers registered on the WCSEB for the period 1 April 2021 to 31 March 2022: Goods & Services, Buildings & Other Fixed Structure, Machinery & Equipment and Software & Intangible Assets.

<sup>70</sup> EMEs are (regardless of the composition of their ownership) deemed to have a Level 4 BBBEE status and start-up enterprises (in the first year from formation or incorporation) are measured as EMEs. EMEs are entities with an annual total revenue of R10.0 million or less.

<sup>71</sup> "Other" refers to expenditure on suppliers not registered on the Western Cape Supplier Evidence Bank (WCSEB), petty cash payments, transfer payments and claim-backs.

<sup>72</sup> QSEs are enterprises with an annual total revenue of between R10.0 million and R50.0 million. The BBBEE status of QSEs is measured by reference to all five BBBEE elements in terms of a specific scorecard for QSEs in the BBBEE Codes.



In the WCD, among categories defined in the Preferential Procurement Policy Framework Regulations (PPPFR), public sector spend was the highest for the youth, who received 92.5 per cent of the total PPPFR categorised spend. (See Table 1.12.) This public sector spend will assist in decreasing the historically high youth unemployment rate. Furthermore, this spend will aid in advancing technological innovation, as youth are known to drive innovation in the country. As youth make up the highest population segment in the WCD, it is justified that the majority of the total PPPFR categorised spend was spent on this group. For the people with disabilities and military veterans groups, a total of R0.7 million (3.9 per cent of the total PPPFR categorised spend) and R0.6 million (3.6 per cent of the total PPPFR categorised spend) was spent, respectively. Money spent on these minority groups shows that public spend is aligned with legislative prescripts.

**Table 1.12**  
**PAYMENTS TO SUPPLIERS PER DESIGNATED CATEGORIES DEFINED IN THE PREFERENTIAL PROCUREMENT POLICY FRAMEWORK REGULATIONS (PPPFR), West Coast District, 2021/22**

	R million	%
Military veterans	R0.6	3.6%
People with disabilities	R0.7	3.9%
Youth	R15.4	92.5%
<b>Total</b>	<b>R16.7</b>	<b>100.0%</b>

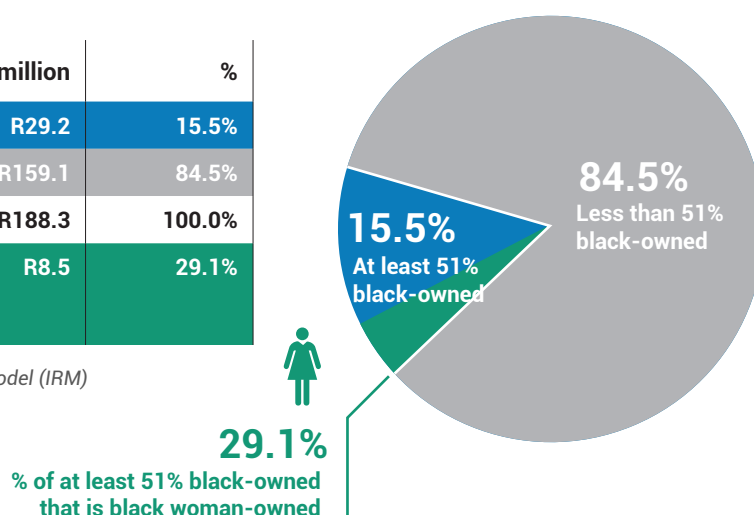
Source: The Provincial Infrastructure Reporting Model (IRM)

In the WCD, R29.2 million was spent on companies that are majority black-owned. (See Table 1.13.) Given the racial makeup of the District (i.e., the majority of the population is black), more measures should be taken to allocate public funds to majority black-owned companies. A total of R8.5 million (29.1 per cent of total spend on companies that are majority black-owned) was spent on companies that are majority black woman-owned. To reduce marginalisation and empower women in business, more public sector funds should be allocated to majority black woman-owned companies in the WCD.

**Table 1.13**  
**EXPENDITURE ON REGISTERED BLACK-OWNED COMPANIES ON THE WESTERN CAPE SUPPLIER EVIDENCE BANK (WCSEB), West Coast District, 2021/22**

	R million	%
At least 51% black-owned	R29.2	15.5%
Less than 51% black-owned	R159.1	84.5%
	<b>R188.3</b>	<b>100.0%</b>
% of at least 51% black-owned that is black woman-owned	R8.5	29.1%

Source: The Provincial Infrastructure Reporting Model (IRM)



## 1.6 CONCLUDING REMARKS

Increased international demand for wines from the region saw the agriculture sector register the highest growth in the Swartland municipal area's GDP between 2011 and 2020. Olive, dairy and wheat farmers in the Swartland municipal area enjoyed positive returns in 2020 and 2021, but in 2022 will face pressure from rising input costs for commodities such as fuel and fertiliser. Projects such as the R600.0 million Moorreesburg N7 upgrade<sup>73</sup> will, however, serve as investments in the region's future economic capabilities.

Recent upgrades to the Port of Saldanha and planned expansions to the SBIDZ will position the District well for export-oriented growth. As traditional strengths such as fishing evolve, these investments in the WCD's logistics infrastructure will support a transition to new value-adding activities such as the manufacturing of green hydrogen. Acknowledging recent lessons from oil, gas and small-scale fisheries, responsible stewardship of the environment and heritage will ensure that the exploitation of the WCD's potential is inclusive and has multistakeholder community buy-in.

The recent investments in BESSs and green hydrogen in the Matzikama municipal area may soon also provide lessons for the Province at large on how to navigate practically towards a just transition. Agriculture was the top-performing economic sector in the Matzikama municipal area between 2011 and 2020. Such robust growth would have made investments such as the building of the Redsun raisin-processing facility in Vredendal not just feasible but also viable.

Small-scale fishers are poised to benefit from recent upgrades to small harbours along the WCD's coastline. Fishing and other agricultural activity in the area, while largely undertaken by private enterprise, is inextricably linked to the provision of enabling infrastructure by different tiers of the State. In this regard, the completion of the raising of the Clanwilliam Dam wall (delayed from 2018 up to 2026) will support 6 000ha<sup>74</sup> of additional irrigation in the Cederberg municipal area and surrounding region.

Farmers in the region produce and often process a range of products linked to rooibos, citrus, olives and various other crops. Recognition of rooibos with geographical indication status over the past year will create opportunities for new forms of tourism, allowing diversification beyond rafting, hiking and experiencing the spring flower displays, which are popular activities in the Bergrivier municipal area.

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<sup>73</sup> (SANRAL, 2022).

<sup>74</sup> (Erasmus, 2022).







# 2 JOBS

## 2.1 INTRODUCTION

The purpose of this chapter is to identify and discuss the key employment trends in the WCD by indicating the contributions of each municipal area. In addition, an overview of the historical employment trends in the District and its municipal areas is provided.

The chapter also discusses sectoral employment by identifying which economic sectors employ the most individuals and highlights which sectors have contributed the most to either creating new jobs or job-shedding in the District. Lastly, a summary of the unemployment rate, labour absorption rate and labour force participation rate is provided.

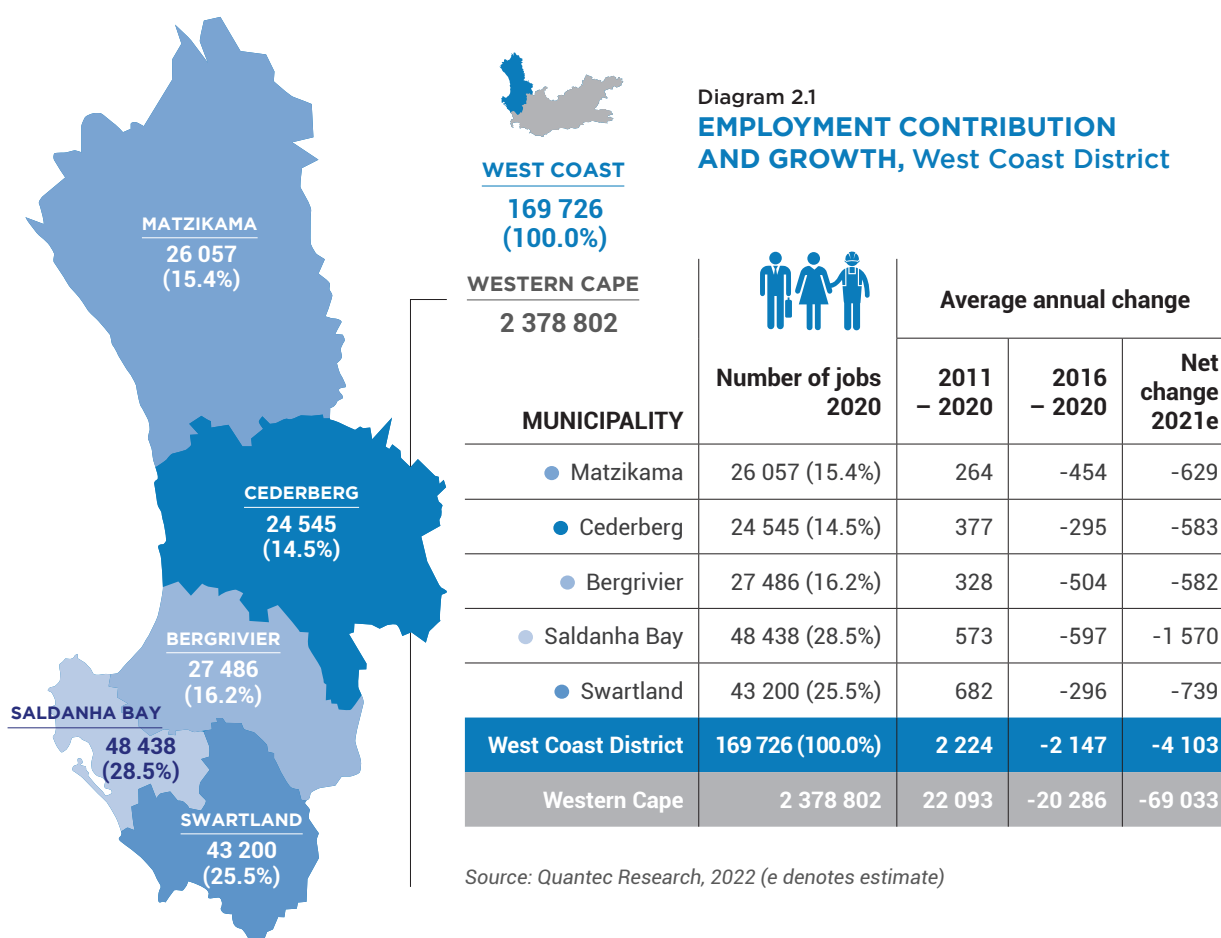


## 2.2 REGIONAL LABOUR TREND ANALYSIS

This subsection provides an overview of the historical employment trends observed in the District by indicating which municipal areas within the WCD are the largest contributors to employment creation. Furthermore, key contributing sectors to employment are identified, in addition to sectors that have contributed the most to creating new employment opportunities (or have experienced job losses). Lastly, the subsection concludes with an overview of the location quotient to analyse the comparative advantage and level of specialisation of the various economic sectors within the WCD.

### 2.2.1 Employment growth

An overview of the employment contributions and growth in the WCD is provided in Diagram 2.1.



In 2020, a total of 169 726 individuals in the District were employed, making a 7.1 per cent contribution to Provincial employment during the year. The Saldanha Bay and Swartland municipal areas accounted for the largest shares of employment in the District at 28.5 per cent and 25.5 per cent respectively. The Cederberg municipal area contributed the smallest share of employment in the District at 14.5 per cent in 2020.

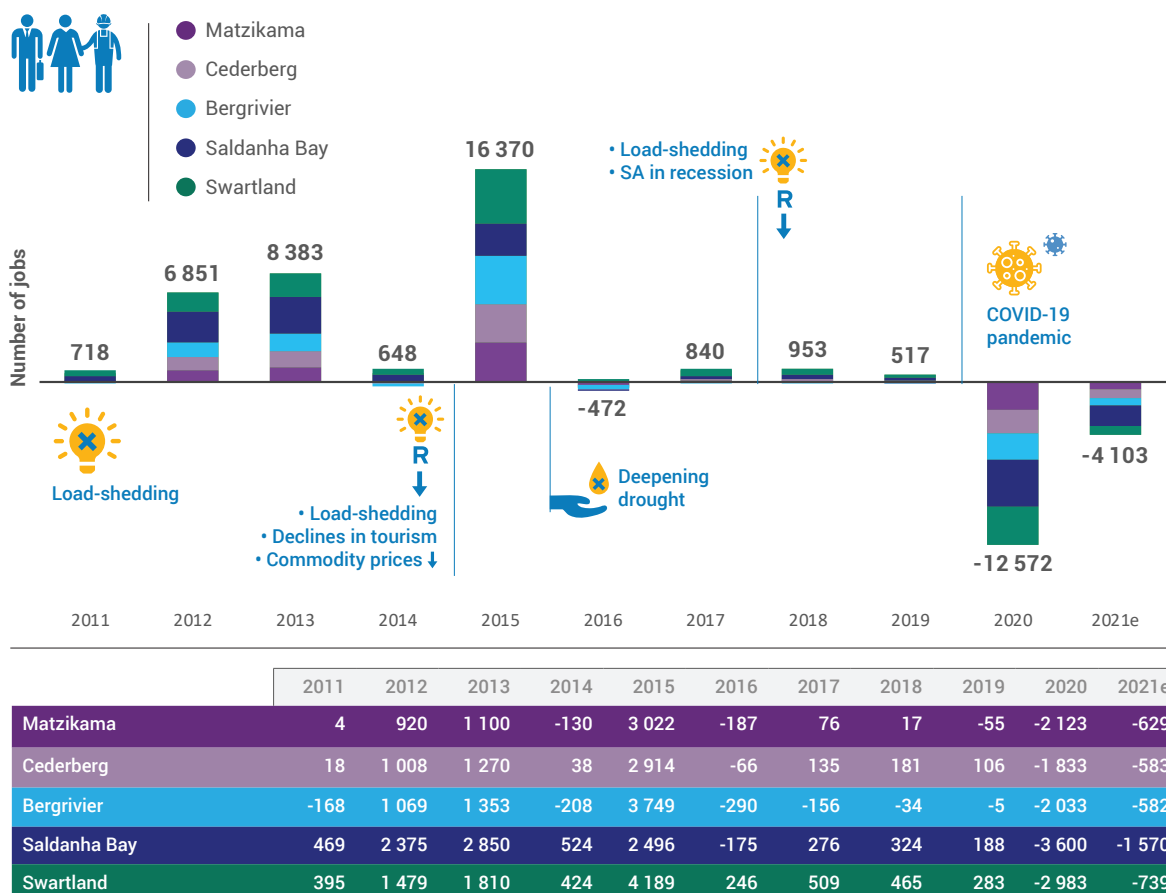
Between 2016 and 2020, employment in the District declined at an average annual rate of 2 147 jobs per year, with all municipal areas experiencing job-shedding of varying magnitudes over the same five-year period.

However, the Saldanha Bay municipal area recorded the largest average annual decline in jobs, with 597 jobs lost on an annual basis. These declines can largely be attributed to drought conditions in the Province. Additionally, low fish stocks adversely impacted agricultural and agro-processing activities.<sup>1</sup> Economic activity in the District was also significantly restrained by the COVID-19 pandemic in 2020. Employment in the District was also impacted by the closure of the Saldanha Steel plant in the first quarter of 2020,<sup>2</sup> which is reflected by the higher job-shedding recorded in the Saldanha Bay municipal area.

Estimates for 2021 indicate further job-shedding in the District, with employment opportunities declining by 4 103 jobs during the year. The Saldanha Bay municipal area recorded the most job-shedding during the year at 1 570 jobs, followed by the Swartland municipal area with 739 jobs lost. The continued deterioration of employment during the year, despite significant recoveries in GDP recorded in 2021, can be ascribed to the lagged recovery in labour market conditions following the sharp downturn in 2020. Furthermore, informal employment is anticipated to experience a slower recovery when compared with formal employment, especially informal workers participating in the formal economy.<sup>3</sup>

Figure 2.1 provides an overview of the employment change per municipal area in the WCD between 2011 and 2021.

**Figure 2.1**  
**EMPLOYMENT CHANGE PER MUNICIPAL AREA, West Coast District, 2011 – 2021e**



Source: Quantec Research, 2022 (e denotes estimate)

<sup>1</sup> (Department of Environment, Forestry and Fisheries, 2021).

<sup>2</sup> (Kassen, 2020).

<sup>3</sup> (Rogan & Skinner, 2022).

Between 2011 and 2015,<sup>4</sup> annual employment changes in the District observed an overall upward trend, with 718 jobs created in 2011 and 16 370 jobs created in 2015. The annual increases recorded in 2011 and 2012 can be attributed to the lagged recovery in employment following the global financial crisis, while tourism activity also recorded year-on-year increases between 2011 and 2015.<sup>5</sup> In addition, the District also benefited from the launch of the SBIDZ in 2013.<sup>6</sup>

In 2016, the WCD recorded a decline of 472 jobs lost during the year. All municipal areas, apart from the Swartland municipal area, recorded declines in employment in 2016. These declines can be attributed to the onset of drought conditions in the Province, which adversely affected agricultural production and agro-processing activity. However, the Swartland municipal area has the smallest agriculture sector in the District, which explains its improved performance during the year. Overall, employment in the District was also impacted by restrictions on citrus fruit exports imposed by the EU,<sup>7</sup> in addition to a downturn in global steel demand.<sup>8</sup>

Despite recovering in 2017, employment creation in the District remained subdued, with a cumulative total of 2 310 jobs created between 2017 and 2019. Economic activity in the District remained restrained by drought conditions, in addition to recurrent periods of load-shedding.<sup>9</sup> Employment in the District was also adversely impacted by the poor performance of the national economy in 2018 and 2019.

In 2020, employment in the District declined by 12 572 jobs, with the Saldanha Bay and Swartland municipal areas contributing the largest shares to this decline. These declines were driven by the COVID-19 pandemic, the imposition of lockdown restrictions and disruptions in global supply chains. Furthermore, as mentioned previously, the closure of the Saldanha Steel plant in the first quarter of 2020 resulted in further job-shedding.

Estimates for 2021 indicate that the WCD continued to record job-shedding, although of a lesser magnitude when compared with 2020, with 4 103 jobs lost during the year. This decline is led by the Saldanha Bay municipal area, with an estimated 1 570 jobs being lost in 2021. However, it is worth noting that all remaining municipal areas in the District recorded job losses during the same year. Although the continued decline in the District's employment recorded during the year can be ascribed to the lagged recovery of employment when compared with economic activity, global supply chains, particularly in respect of raw materials, remained restrained owing to recurrent COVID-19 waves.<sup>10</sup> As such, given the slow recovery in employment, municipal revenue streams in the District are likely to remain restrained.

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<sup>4</sup> It should be noted, however, that in 2015 a new master sample was implemented in the Quarterly Labour Force Survey (QLFS), which may have impacted the data owing to variations in its design (Stats SA, 2015).

<sup>5</sup> (Stats SA, 2016).

<sup>6</sup> (Odendaal, 2013).

<sup>7</sup> (Venter, 2017).

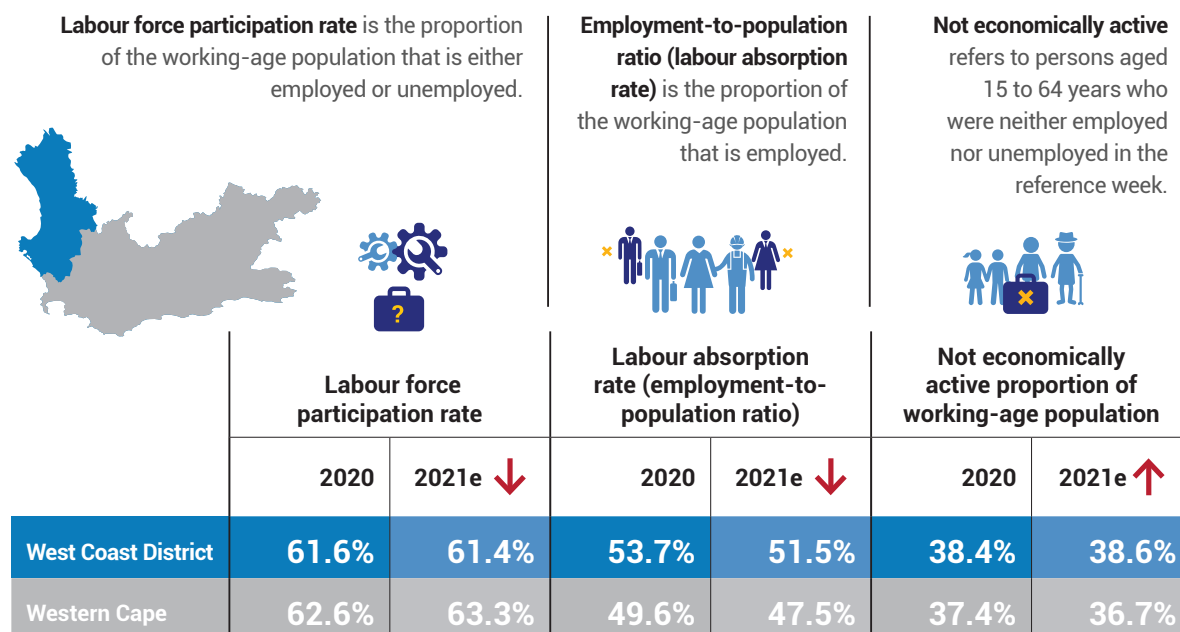
<sup>8</sup> (Denina, 2016).

<sup>9</sup> (Council for Scientific and Industrial Research, 2021).

<sup>10</sup> (Derrien, 2021).

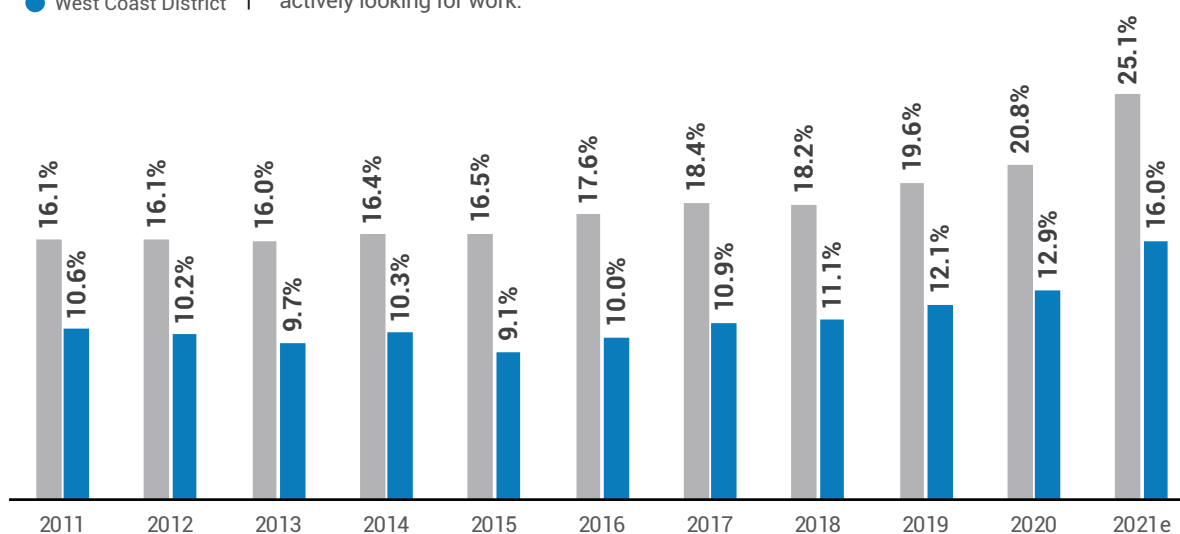
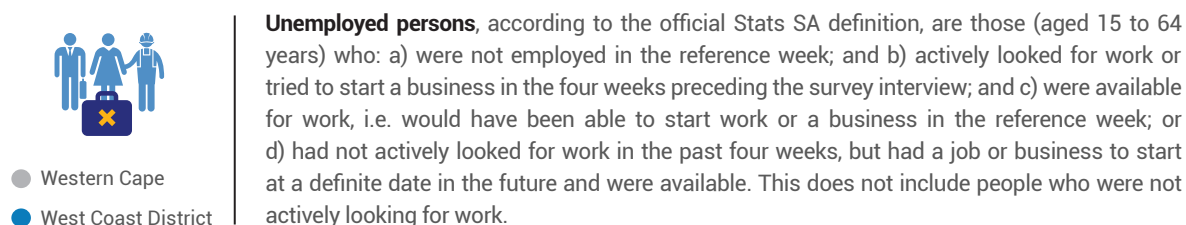
Diagram 2.2 provides a summary of the employment dynamics in the WCD by evaluating the unemployment rate, labour absorption rate, labour force participation rate and the not economically active population as a proportion of the working-age population for the District relative to the Province.

Diagram 2.2  
**LABOUR PROFILE, West Coast District**



Source: Quantec Research, 2022 (e denotes estimate)

### UNEMPLOYMENT PROFILE, West Coast District



Source: Quantec Research, 2022 (e denotes estimate)



Between 2011 and 2020, the unemployment rate in the District experienced an overall upward trend and remained below that of the Province each year. Although the WCD unemployment rate remained relatively stable between 2011 and 2015, an upward trend is evident from 2016 to 2020. This can be ascribed to drought conditions in the Province, which are likely to have impacted farm workers and those employed in agro-processing.<sup>11</sup> Furthermore, the increase in unemployment in 2020 can be attributed to the COVID-19 pandemic and the closure of the Saldanha Steel plant.

Estimates for 2021 indicate that the WCD's unemployment rate continued to increase, reaching 16.0 per cent during the year. This rate is significantly lower than the estimated Provincial unemployment rate of 25.1 per cent in the same year. These increases can be attributed to the lagged recovery in employment following the steep contractions in employment and GDP recorded in 2020.

The WCD's labour force participation rate is estimated to have declined slightly to 61.4 per cent in 2021 and was below the estimated 63.3 per cent recorded in the Province in the same year. Similarly, the District's labour absorption rate is expected to have declined in 2021, reaching 51.5 per cent during the year. This can be ascribed to the increase in the proportion of not economically active individuals in the WCD in 2021 (38.6 per cent).

It is thus concluded that labour market conditions in the District remained constrained in 2021 given the increase in the unemployment rate and proportion of not economically active individuals in the District. This is showcased further by the estimated declines in the labour force participation and labour absorption rates between 2020 and 2021.




<sup>11</sup> (Johnston, 2018).

## 2.2.2 Sectoral employment

The sectoral contributions of each of the respective economic sectors in the WCD are depicted in Table 2.1.

Table 2.1  
**EMPLOYMENT PER SECTOR, West Coast District**

SECTOR	 Number of jobs 2020	Average annual change		Annual change in employment		
		2011 – 2020	2016 – 2020	2019	2020	2021e
<b>PS</b> <b>Primary Sector</b>	<b>64 232 (37.8%)</b>	<b>618</b>	<b>-2 380</b>	<b>-427</b>	<b>-5 480</b>	<b>-2 266</b>
Agriculture, forestry & fishing	63 870 (37.6%)	628	-2 357	-399	-5 441	-2 250
Mining & quarrying	362 (0.2%)	-10	-23	-28	-39	-16
<b>SS</b> <b>Secondary Sector</b>	<b>22 320 (13.2%)</b>	<b>175</b>	<b>-145</b>	<b>-226</b>	<b>-1 268</b>	<b>-696</b>
Manufacturing	15 738 (9.3%)	67	-54	185	-555	-313
Electricity, gas & water	394 (0.2%)	2	-4	-3	-15	-14
Construction	6 188 (3.6%)	106	-88	-408	-698	-369
<b>TS</b> <b>Tertiary Sector</b>	<b>83 174 (49.0%)</b>	<b>1 431</b>	<b>379</b>	<b>1 170</b>	<b>-5 824</b>	<b>-1 141</b>
Wholesale & retail trade, catering & accommodation	28 485 (16.8%)	502	98	540	-3 142	-1 160
Transport, storage & communication	4 065 (2.4%)	33	-76	22	-539	-358
Finance, insurance, real estate & business services	15 662 (9.2%)	396	270	298	-464	-187
General government	9 521 (5.6%)	183	92	127	-87	120
Community, social & personal services	25 441 (15.0%)	317	-4	183	-1 592	444
<b>Total West Coast District</b>	<b>169 726 (100.0%)</b>	<b>2 224</b>	<b>-2 147</b>	<b>517</b>	<b>-12 572</b>	<b>-4 103</b>

Source: Quantec Research, 2022 (e denotes estimate)

In 2020, the tertiary sector was the leading contributor to employment in the District at 49.0 per cent. In addition, the tertiary sector was the only main economic sector that recorded an average annual increase in employment between 2016 and 2020, with 379 jobs created on average on an annual basis. Within the tertiary sector, the trade sector accounted for the largest share of the District's employment at 16.8 per cent. This was followed by the community services and finance sectors at 15.0 per cent and 9.2 per cent respectively during the year.

Estimates for 2021 indicate that the tertiary sector recorded 1 141 job losses. The largest contributors to this decline in the tertiary sector were the trade and transport sectors, with 1 160 and 358 jobs lost respectively during the year. These declines can be ascribed to the subdued recovery in international tourist arrivals owing to the recurrent outbreak of new COVID-19 variants.<sup>12</sup> This is likely to have contributed to a slower recovery in informal employment in these two sectors.

<sup>12</sup> (South African Tourism, 2021).

The primary sector was the second-largest contributor to employment in the District in 2020, with a contribution of 37.8 per cent. The agriculture sector accounted for nearly all employment in the primary sector, with a contribution of 37.6 per cent to the District's employment in 2020. Between 2016 and 2020, the primary sector recorded average job-shedding of 2 380 jobs per annum. As such, given its contribution to employment in the District and the primary sector, the agriculture sector accounted for nearly all jobs lost on an average annual basis between 2016 and 2020. As noted previously, this decline was the result of drought conditions in the Province, in addition to the mechanisation of farming activities.<sup>13</sup> The mining sector is not considered a significant contributor to the District's employment.

In 2021, the primary sector recorded estimated job-shedding of 2 266 jobs, with the agriculture sector accounting for 2 250 jobs lost during the year. The decline recorded in the agriculture sector can be ascribed to declines in seasonal and skilled farm workers,<sup>14</sup> in addition to the expected lagged recovery of informal employment.

The secondary sector accounted for 13.2 per cent of all jobs in the WCD in 2020, being the smallest contributor across all sectors. The bulk of jobs contributed were by the manufacturing sector (9.3 per cent), followed by the construction sector (3.6 per cent). Between 2016 and 2020, the average annual change in employment for the secondary sector resulted in 145 jobs lost on average. This was largely driven by job losses in the construction sector in the same period, with 88 jobs lost on an average annual basis. Declines in the manufacturing sector can largely be attributed to subdued agro-processing activity, while the poor performance of the construction sector is reflective of the subdued performance of the national construction sector.

Estimates for 2021 indicate that a total of 696 jobs were lost in the secondary sector during the year. Although all subsectors recorded declines in 2021, the construction sector led declines in the secondary sector, with an estimated 369 jobs lost during the year. This decline can be ascribed to subdued investor confidence and consumer demand for construction-related services.



<sup>13</sup> (Mhene, 2019).

<sup>14</sup> (Kriel, 2021).

## 2.2.3 Location quotient

Throughout this subsection, the location quotient is used to identify and analyse the comparative advantage and level of specialisation of the various economic sectors in the District. Location quotients are ratios which allow comparison between an area's distribution of employment in terms of industry, ownership and size class to be compared with the national industry.<sup>15</sup> A location quotient exceeding one indicates that the share of labour in the sector in the local economy is greater than that of the national economy. Should the location quotient be less than one, labour in the sector is weaker in the local economy relative to the industry of the national economy. Furthermore, a location quotient of one indicates that the representation of labour in the sector in the local economy is the same as its representation in South Africa.

As a tool, a location quotient does not take external factors such as government policies, investment incentives, proximity to markets, etc. into consideration. This may influence the comparative advantage of an area in a particular sector. Furthermore, the location quotient indicates the relative importance of the local economy to the national economy and does not necessarily indicate that the sector is small or large within a local economy, nor does it indicate the value of importance.

Table 2.2 depicts the location quotient for the WCD in terms of employment.

Table 2.2

### LOCATION QUOTIENT IN TERMS OF EMPLOYMENT, West Coast District




SECTOR	2011	2020	Growth 2011 – 2020
<b>Primary Sector</b>	3.62	3.67	1.2%
<b>PS</b> Agriculture, forestry & fishing	5.84	5.33	-8.7%
Mining & quarrying	0.08	0.07	-13.7%
<b>Secondary Sector</b>	0.85	0.84	-0.2%
<b>SS</b> Manufacturing	0.93	0.98	5.4%
Electricity, gas & water	0.57	0.53	-7.1%
Construction	0.70	0.64	-8.5%
<b>Tertiary Sector</b>	0.66	0.66	0.0%
<b>TS</b> Wholesale & retail trade, catering & accommodation	0.74	0.77	3.6%
Transport, storage & communication	0.60	0.56	-7.8%
Finance, insurance, real estate & business services	0.49	0.50	1.6%
General government	0.86	0.87	0.7%
Community, social & personal services	0.65	0.65	0.0%

Source: Quantec Research, 2022 and Urban-Econ, 2022

<sup>15</sup> (US Bureau of Labor Statistics, 2022).



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.

The agriculture sector had the highest location quotient in terms of employment in 2020 at 5.33. This means the WCD has a very high comparative advantage in agriculture sector employment relative to the national sector. The manufacturing, trade and general government sectors were classified as having a medium comparative advantage in terms of employment. Furthermore, all subsectors with a medium comparative advantage classification showed improvement between 2011 and 2020. The trade sector recorded the largest improvement, as it was classified as having a low comparative advantage in 2011 and a medium comparative advantage in 2020. This suggests that all sectors have improved in their ability to create employment.

The manufacturing, trade and general government sectors were classified as having a medium comparative advantage in 2020. Furthermore, all subsectors with a medium comparative advantage classification showed improvement between 2011 and 2020. The trade sector recorded the largest improvement, as it was classified as having a low comparative advantage in 2011 and a medium comparative advantage in 2020. This suggests that all sectors have improved in their ability to create employment.

Sectors with a low comparative advantage in the WCD in 2020 were the mining, electricity, gas and water, construction, transport, finance and community services sectors. Therefore, the District may rely on imported labour to meet its needs. Furthermore, with a location quotient of 0.07 in 2020, the mining sector in the WCD has a comparatively low presence when compared with the national sector, thus being reliant on external labour. In addition, except for the finance and community services sectors, all other sectors classified as having a low comparative advantage in terms of employment experienced contractions between 2011 and 2020. The finance sector was the only sector classified as low to experience aggregate growth, while the community services sector remained stagnant.



## 2.3 EMPLOYMENT AND SKILLS PER MUNICIPAL AREA

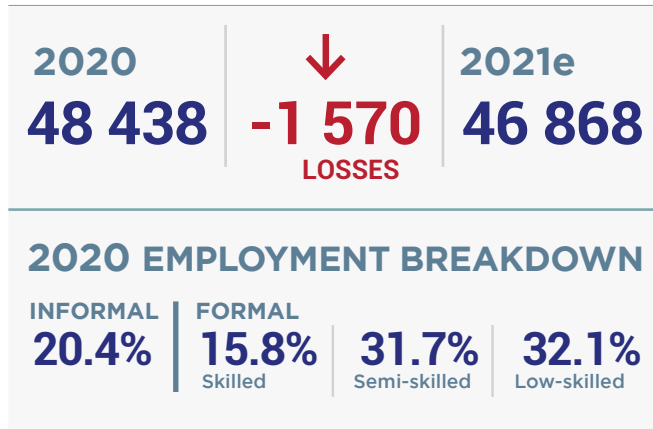
This subsection provides a more in-depth macroeconomic outlook by considering the trends in employment and skill levels for each of the municipal areas within the WCD.

Vredenburg  
SALDANHA BAY



### 2.3.1 SALDANHA BAY

Diagram 2.3  
**EMPLOYMENT,**  
Saldanha, 2020 and 2021e



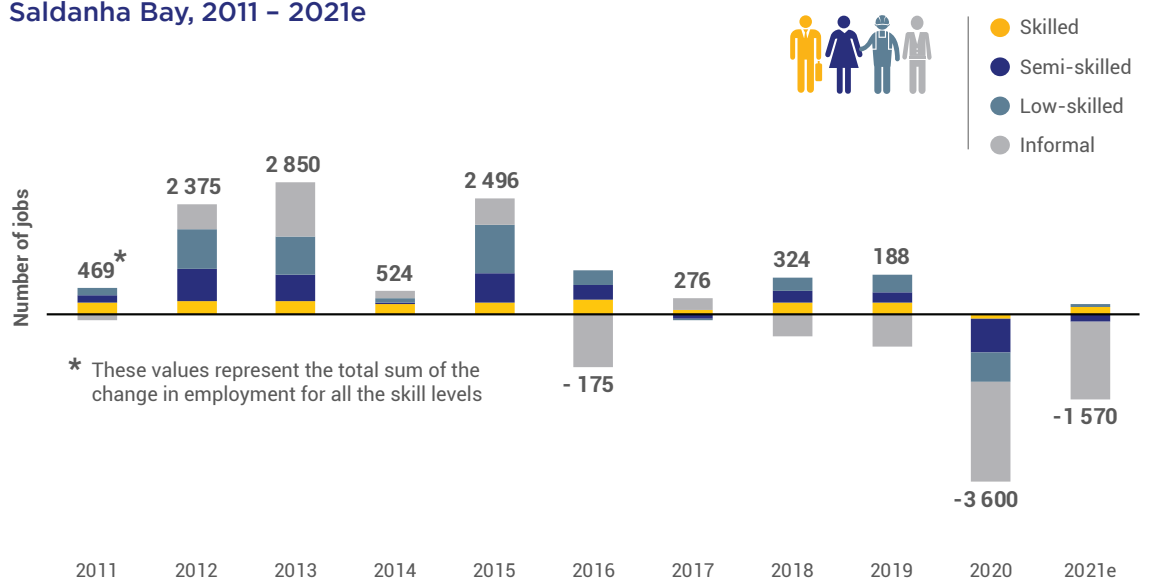
The municipal area had 48 438 employed workers in 2020, and this is expected to have decreased to 46 868 workers in 2021. The total share of formal employment was 79.6 per cent in 2020, with the majority of workers being low-skilled. The share of skilled employment in the municipal area was 15.8 per cent. The informal employment share in 2020 was 20.4 per cent in the Saldanha Bay municipal area. The unemployment rate for 2020 was 18.9 per cent, and this is estimated to have increased to 23.1 per cent in 2021. Labour force participation is estimated to have reached 67.4 per cent in 2021 from 66.6 per cent in 2020.

 Unemployment rate		 Labour force participation rate		 Labour absorption rate (employment-to-population ratio)		 Not economically active proportion of working-age population	
2020	2021e ↑	2020	2021e ↑	2020	2021e ↓	2020	2021e ↓
<b>18.9%</b>	<b>23.1%</b>	<b>66.6%</b>	<b>67.4%</b>	<b>54.0%</b>	<b>51.8%</b>	<b>33.4%</b>	<b>32.6%</b>

Source: Quantec Research, 2022 (e denotes estimate)

Figure 2.2 illustrates the changes in employment in Saldanha Bay between 2011 and 2021.<sup>16</sup>

**Figure 2.2**  
**CHANGE IN EMPLOYMENT,**  
**Saldanha Bay, 2011 – 2021e**



	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021e
Skilled	261	307	278	224	248	327	110	262	247	-95	167
Semi-skilled	144	668	582	40	655	301	-80	240	238	-720	-158
Low-skilled	167	871	822	84	1 046	328	-1	286	385	-626	73
Informal	-103	529	1 168	176	547	-1 131	247	-464	-682	-2 159	-1 652

Source: Quantec Research, 2022 (e denotes estimate)

Between 2011 and 2020 a total of 5 727 jobs were created in the municipal area, with the majority of jobs created for low-skilled workers (3 362 jobs), followed by skilled workers (2 169 jobs), and 2 068 semi-skilled jobs were created in the same period. A total of 1 872 informal jobs were lost between 2011 and 2020.

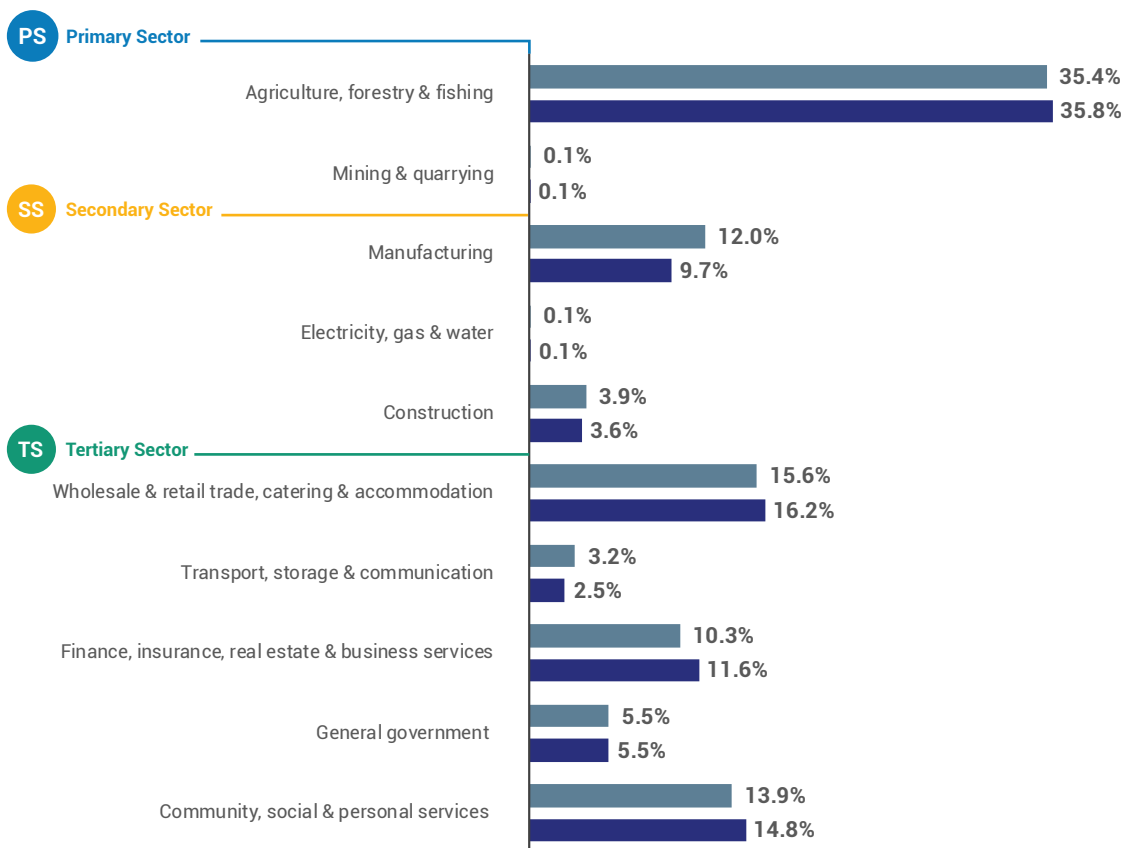
It is estimated that job losses continued in 2021, with an estimated 1 570 jobs lost. Skilled and low-skilled workers showed the most resilience. It is estimated that 167 jobs were created for skilled workers in 2021, which will recover the 95 jobs lost in 2020. An estimated 73 jobs were created for low-skilled workers in 2021. For semi-skilled workers, it is estimated that 158 jobs were lost in 2021. Informal employment continued with a contraction of 1 652 jobs in 2021.



<sup>16</sup> Throughout this chapter, it should be noted that the number of informal sector workers is determined by using labour data from the Quarterly Employment Statistics (QES) and the Quarterly Labour Force Survey (QLFS). Quantec uses the QES formal figure, to which it adds the number of formal agricultural and domestic workers. Using the total employment from the QLFS, informal employment is calculated as a residual. This residual is higher than the figure given in the QLFS owing to the inclusion of small, medium and micro enterprises, which are not accounted for in the QES.

Figure 2.3 provides an overview of the sectoral employment contribution within the Saldanha Bay municipal area.

**Figure 2.3**  
**SECTORAL EMPLOYMENT CONTRIBUTION,**  
**Saldanha Bay (%)**



Source: Quantec Research, 2022


The agriculture sector contributed the most to employment in 2011 as well as 2020, with a contribution of 35.4 per cent and 35.8 per cent respectively. This is in line with the size of the sector, as it is one of the major economic contributors in the municipal area. It is known that the sector is labour-intensive, contributing the most employment for low-skilled workers. The municipal area could focus on skills development for agricultural workers with a particular focus on aquaculture, as this industry requires more skill but is more resilient and predictable than fishing at sea.

The trade sector was the second-highest contributor to employment, contributing 15.6 per cent in 2011, which increased to 16.2 per cent in 2020. It is interesting to note that although the manufacturing industry only accounts for 9.7 per cent of the labour force, it accounts for the second-largest share of total gross value added. This could be an indication of the strong capital-intensive capabilities of the manufacturing sector in Saldanha Bay.



Table 2.3 outlines the Saldanha Bay municipal area’s employment performance per sector.

Table 2.3  
**EMPLOYMENT PERFORMANCE PER SECTOR,**  
 Saldanha Bay

SECTOR	 Number of jobs 2020	Average annual change		Annual change in employment		
		2011 – 2020	2016 – 2020	2019	2020	2021e
<b>PS</b> <b>Primary Sector</b>	<b>17 388 (35.9%)</b>	<b>197</b>	<b>-580</b>	<b>-49</b>	<b>-1 421</b>	<b>-926</b>
Agriculture, forestry & fishing	17 346 (35.8%)	199	-576	-44	-1 415	-924
Mining & quarrying	42 (0.1%)	-2	-3	-5	-6	-2
<b>SS</b> <b>Secondary Sector</b>	<b>6 532 (13.5%)</b>	<b>-58</b>	<b>-136</b>	<b>-137</b>	<b>-467</b>	<b>-276</b>
Manufacturing	4 719 (9.7%)	-77	-97	-6	-256	-157
Electricity, gas & water	65 (0.1%)	1	-1	-2	-3	-1
Construction	1 748 (3.6%)	18	-39	-129	-208	-118
<b>TS</b> <b>Tertiary Sector</b>	<b>24 518 (50.6%)</b>	<b>434</b>	<b>119</b>	<b>374</b>	<b>-1 712</b>	<b>-368</b>
Wholesale & retail trade, catering & accommodation	7 836 (16.2%)	133	13	152	-938	-360
Transport, storage & communication	1 207 (2.5%)	-13	-56	-12	-195	-135
Finance, insurance, real estate & business services	5 634 (11.6%)	139	97	110	-163	-64
General government	2 660 (5.5%)	43	16	27	-33	25
Community, social & personal services	7 181 (14.8%)	133	48	97	-383	166
<b>Total Saldanha Bay</b>	<b>48 438 (100.0%)</b>	<b>573</b>	<b>-597</b>	<b>188</b>	<b>-3 600</b>	<b>-1 570</b>

Source: Quantec Research, 2022 (e denotes estimate)

The Saldanha Bay municipal area had a total of 48 438 jobs in 2020. The tertiary sector was the largest contributor with 24 518 jobs (50.6 per cent), followed by the primary sector with 17 388 jobs (35.9 per cent), and the secondary sector contributed 6 532 jobs (13.5 per cent). Between 2011 and 2020 the municipal area created 573 jobs annually, on average, with the most jobs created in the agriculture sector (199 jobs). The municipal area lost 597 jobs annually, on average, between 2016 and 2020, with COVID-19 being the reason for the large number of jobs shed in 2020. The only sectors that created jobs between 2016 and 2020 were the trade sector (13 jobs annually, on average), the community services sector (48 jobs), the finance sector with 97 jobs and the general government sector with 16 jobs.

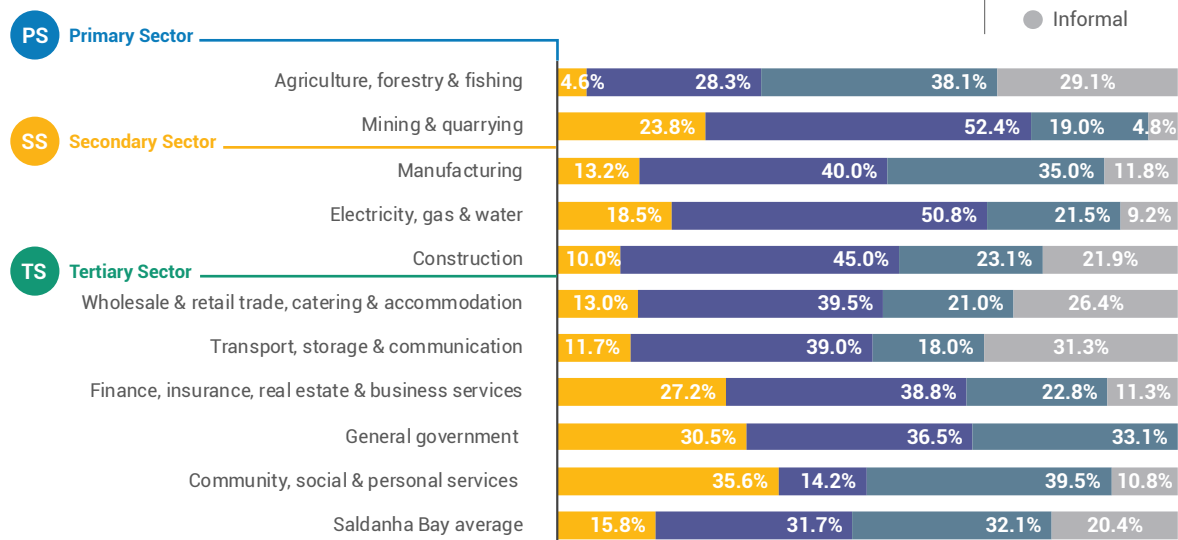
It is estimated that the effects of COVID-19 continued to result in job losses in 2021, with a total of 1 570 jobs lost. The sector indicating the most job losses was the agriculture sector, with 924 jobs lost. It is interesting to note that this sector was the leading contributor in terms of GDP growth in 2020, but also shed the most jobs between 2020 and 2021. It is important for the municipal area to focus on skills development for the workers to ensure their employability. The only sectors that are estimated to have created jobs in 2021 are the general government and community services sectors.

Figure 2.4 provides an overview of informal employment per sector in 2020 in the Saldanha Bay municipal area, as well as an overview of the skill levels per sector for formal and informal employment.

**Figure 2.4**  
**EMPLOYMENT AND SKILL LEVEL PER SECTOR,**  
**Saldanha Bay (%)**



- Skilled
- Semi-skilled
- Low-skilled
- Informal



Source: Quantec Research, 2022

On average, the municipal area was mainly characterised by low-skilled labour (32.1 per cent), followed by semi-skilled labour (31.7 per cent) and a small proportion of skilled labour (15.8 per cent) in 2020. The municipal area had 20.4 per cent informal employment and 79.6 per cent formal employment. The two sectors that predominantly used low-skilled workers in 2020 were the agriculture sector (38.1 per cent) and the community services sector (39.5 per cent).

The remaining sectors in the Saldanha Bay municipal area employed a large proportion of semi-skilled workers, particularly the mining sector, in which 52.4 per cent of workers were classified as semi-skilled. The two sectors with the highest proportion of skilled workers were the community services sector (35.6 per cent) and the general government sector (30.5 per cent). In 2021, only the government and community services sectors are estimated to have created jobs.

Low-skilled workers, who make up the majority of the municipal area's workforce, faced inconsistent demand and recurrent job losses between 2011 and 2021 owing to changes in employment and the economy's skills structure. Skilled workers, on the other hand, who make up the smallest percentage of the workforce in the area, saw consistent job growth and resilience during the time under consideration.

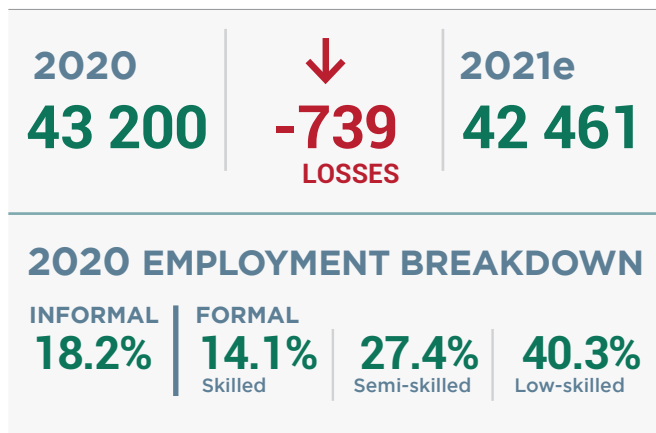
The sector that has the most informal employment is the transport sector, with 31.3 per cent informal workers in 2020. The main reason for this is that a large number of workers in this sector are taxi drivers, which is seen as informal employment.



## 2.3.2 SWARTLAND



Diagram 2.4  
**EMPLOYMENT,**  
Swartland, 2020 and 2021e



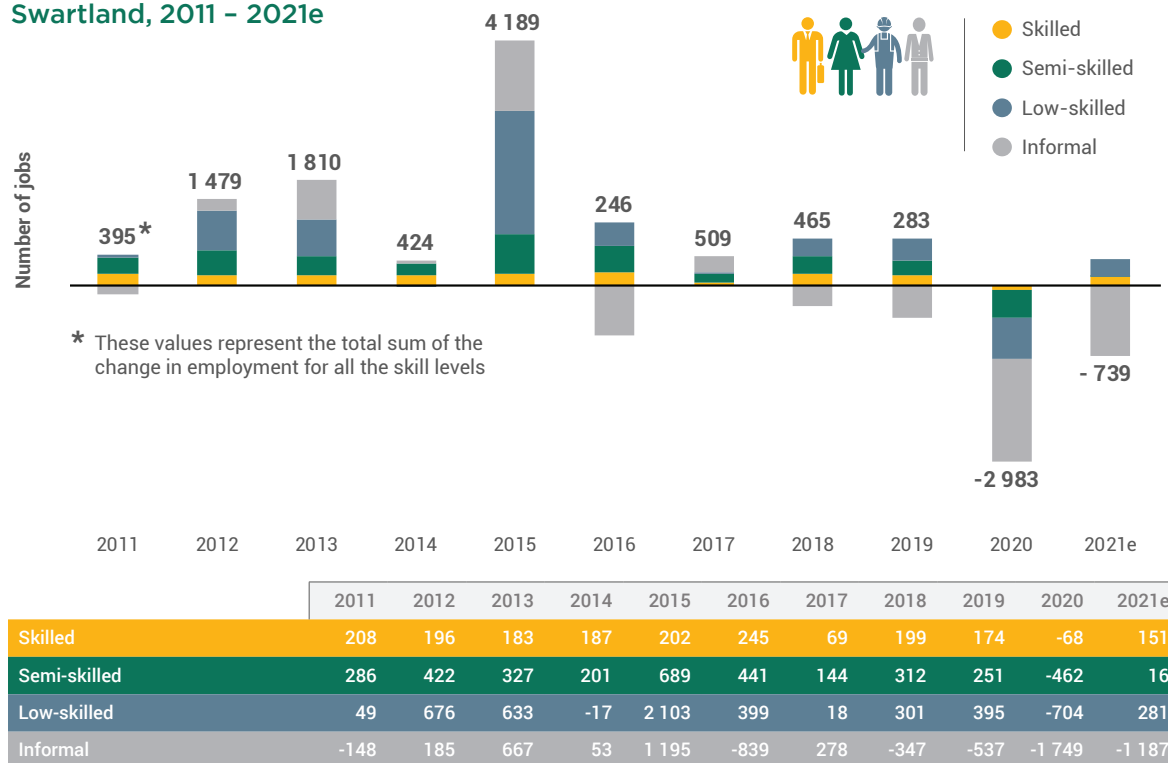
The municipal area had 43 200 employed workers in 2020. This is expected to have decreased by 739 workers in 2021. In 2020, the municipal area had 18.2 per cent informal employment, with the majority of formal employment being low-skilled (40.3 per cent), followed by semi-skilled (27.4 per cent) and skilled (14.1 per cent). The unemployment rate is estimated to have increased from 11.8 per cent in 2020 to 14.6 per cent in 2021.

 Unemployment rate		 Labour force participation rate		 Labour absorption rate (employment-to-population ratio)		 Not economically active proportion of working-age population	
2020	2021e ↑	2020	2021e ↓	2020	2021e ↓	2020	2021e ↑
<b>11.8%</b>	<b>14.6%</b>	<b>57.0%</b>	<b>56.6%</b>	<b>50.3%</b>	<b>48.3%</b>	<b>43.0%</b>	<b>43.4%</b>

Source: Quantec Research, 2022 (e denotes estimate)

Figure 2.5 provides an overview of the change in employment in the Swartland municipal area between 2011 and 2021.

**Figure 2.5**  
**CHANGE IN EMPLOYMENT,**  
**Swartland, 2011 - 2021e**



Source: Quantec Research, 2022 (e denotes estimate)

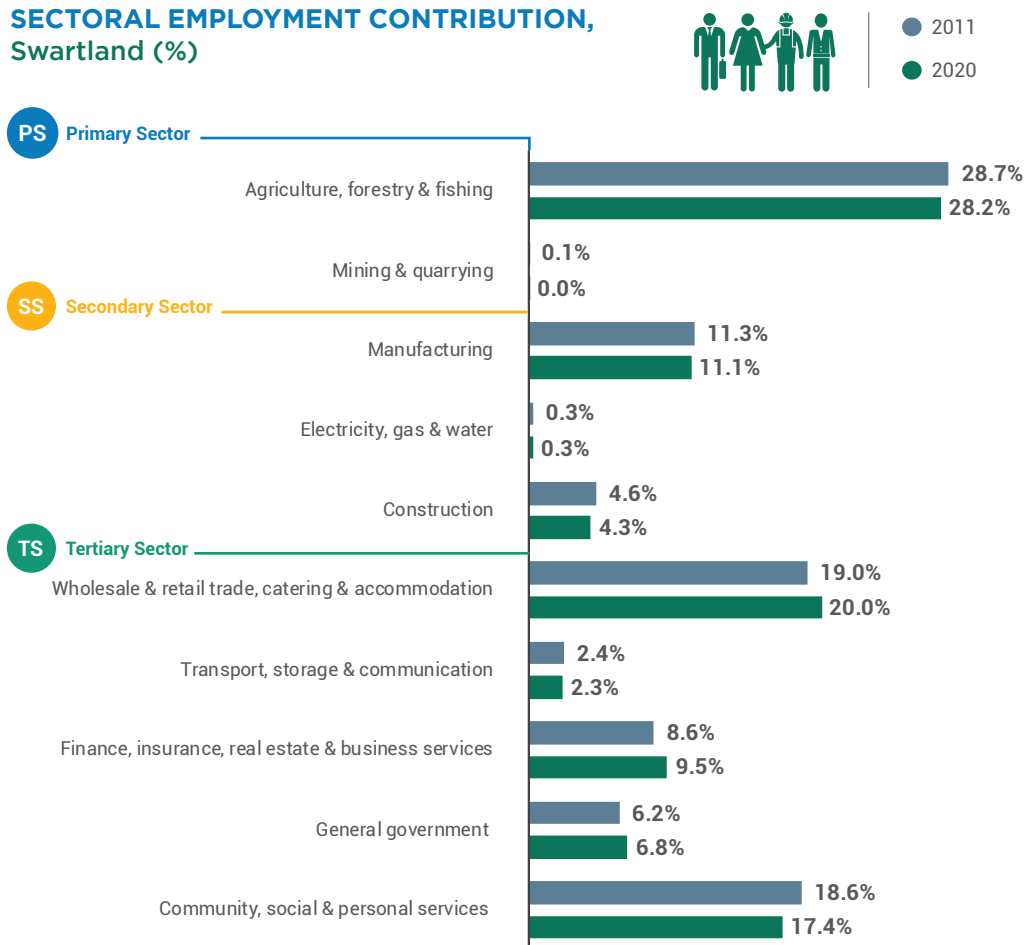
The municipal area experienced positive growth in employment between 2011 and 2019, with 1 663 skilled jobs, 3 073 semi-skilled jobs, 4 557 low-skilled jobs and 507 informal employment opportunities created. COVID-19 impacted employment in the municipal area severely, with a total of 2 983 jobs lost in 2020. Most jobs lost were for informal workers (1 749 jobs), followed by low-skilled (704 jobs) and semi-skilled (462 jobs). Skilled workers showed the most resilience, with the fewest jobs lost (68 jobs).

It is estimated that a further 739 jobs were lost in 2021 as a result of the 1 187 jobs lost for informal workers. It is projected that formal employment will show recovery, with 151 jobs created for skilled labour, 16 jobs for semi-skilled labour and 281 jobs for low-skilled labour. Thus, it can be concluded that the skilled labour force is most likely to show resilience in difficult economic conditions. The contraction in informal employment will put pressure on the municipal area in terms of service delivery expectations.



Figure 2.6 provides a breakdown of the sectoral contribution to employment in the Swartland municipal area in 2011 and 2020.

**Figure 2.6**  
**SECTORAL EMPLOYMENT CONTRIBUTION, Swartland (%)**




Source: Quantec Research, 2022

The agriculture sector was the leading contributor in terms of employment in 2020, with a 28.2 per cent contribution. However, the sector contracted by 0.5 percentage points between 2011 and 2020. The agriculture sector contributed 16.6 per cent towards GDP, which indicates that the sector is labour-intensive. The trade sector contributed 20.0 per cent towards employment, which increased from a 19.0 per cent contribution in 2011. The trade sector showed the best improvement in terms of employment contribution from 2011 to 2020.

The manufacturing sector contributed 11.1 per cent towards employment in 2020. This sector was the leading contributor towards GDP, which indicates that the sector is capital-intensive. The mining and electricity, gas and water sectors were the smallest contributors towards employment in 2020. The community services sector is also a main contributor towards employment, with a 17.4 per cent contribution in 2020.

Table 2.4 outlines the Swartland municipal area's employment performance per sector.

**Table 2.4**  
**EMPLOYMENT PERFORMANCE PER SECTOR,**  
**Swartland**

SECTOR		Number of jobs 2020	Average annual change		Annual change in employment		
			2011 – 2020	2016 – 2020	2019	2020	2021e
<b>PS</b> <b>Primary Sector</b>		<b>12 212 (28.3%)</b>	<b>121</b>	<b>-461</b>	<b>-91</b>	<b>-1 050</b>	<b>-314</b>
Agriculture, forestry & fishing		12 193 (28.2%)	121	-460	-90	-1 049	-313
Mining & quarrying		19 (0.0%)	-0	-1	-1	-1	-1
<b>SS</b> <b>Secondary Sector</b>		<b>6 777 (15.7%)</b>	<b>88</b>	<b>-25</b>	<b>-42</b>	<b>-339</b>	<b>-177</b>
Manufacturing		4 812 (11.1%)	61	8	81	-128	-66
Electricity, gas & water		129 (0.3%)	1	-0	-1	-3	-3
Construction		1 836 (4.3%)	26	-33	-122	-208	-108
<b>TS</b> <b>Tertiary Sector</b>		<b>24 211 (56.0%)</b>	<b>472</b>	<b>190</b>	<b>416</b>	<b>-1 594</b>	<b>-248</b>
Wholesale & retail trade, catering & accommodation		8 656 (20.0%)	192	75	203	-888	-306
Transport, storage & communication		1 000 (2.3%)	15	-6	14	-123	-81
Finance, insurance, real estate & business services		4 102 (9.5%)	112	82	88	-108	-41
General government		2 932 (6.8%)	81	54	67	-3	58
Community, social & personal services		7 521 (17.4%)	72	-15	44	-472	122
<b>Total Swartland</b>		<b>43 200 (100.0%)</b>	<b>682</b>	<b>-296</b>	<b>283</b>	<b>-2 983</b>	<b>-739</b>

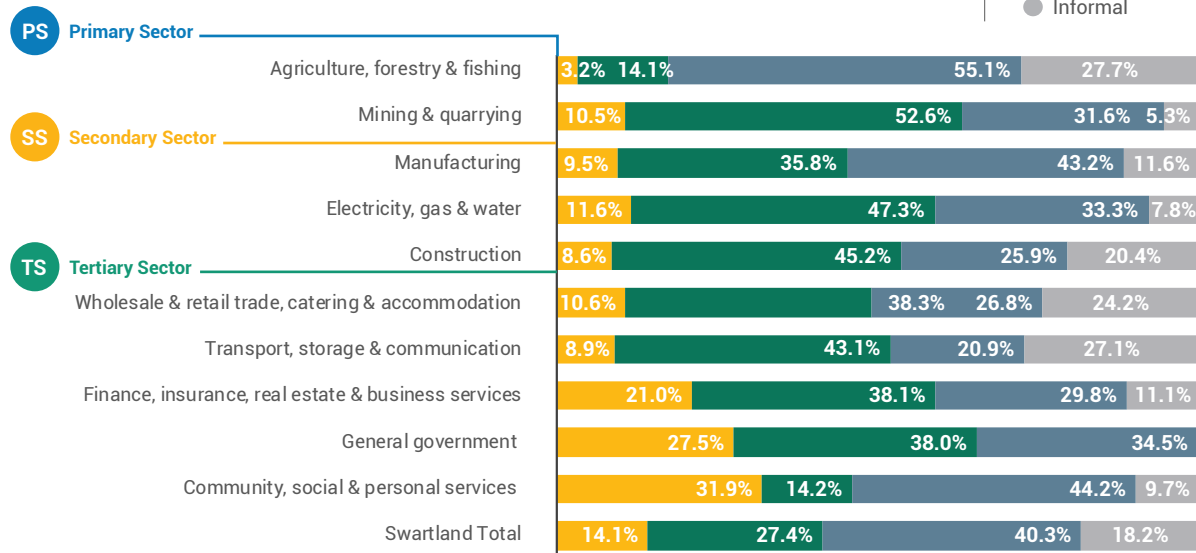
Source: Quantec Research, 2022 (e denotes estimate)

The tertiary sector (24 211 jobs) was the largest contributor to employment in 2020, followed by the primary sector (12 212 jobs) and the secondary sector (6 777 jobs). Between 2011 and 2020 the municipal area created 682 jobs annually, with the most jobs created in the trade sector (192 jobs). The municipal area lost 296 jobs annually between 2016 and 2020 owing to the large number of jobs shed in 2020 as a result of the COVID-19 pandemic. The only sectors that created jobs between 2016 and 2020 were the manufacturing sector (eight jobs), the trade sector (75 jobs), the finance sector (82 jobs) and the general government sector, which created 54 jobs annually.

It is estimated that the effect of COVID-19 continued to result in job losses in 2021, with a total of 739 jobs lost. The sector with the most job losses was the agriculture sector, with 313 jobs lost. The only sectors that are estimated to have created jobs in 2021 were the general government and community services sectors.

Figure 2.7 depicts the sectoral informal employment distribution in the Swartland municipal area in 2020.

**Figure 2.7**  
**EMPLOYMENT AND SKILL LEVEL PER SECTOR, Swartland (%)**



Source: Quantec Research, 2022



The agriculture sector had the largest portion of low-skilled workers at 55.1 per cent in 2020. The Swartland municipal area comprised 14.1 per cent skilled workers in 2020, whereas the general government (27.5 per cent) and community services (31.9 per cent) sectors were the largest employers of skilled workers. The municipal area will need to focus on skills development to ensure that low-skilled workers can seek jobs in other sectors. The agriculture sector had the most informal workers in 2020, with 27.7 per cent, followed by the transport sector with 27.1 per cent.



## 2.3.3 MATZIKAMA

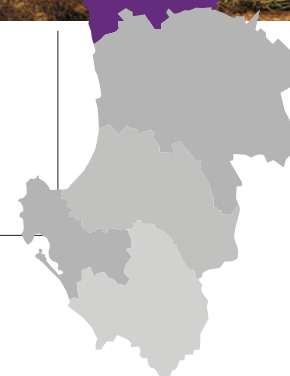
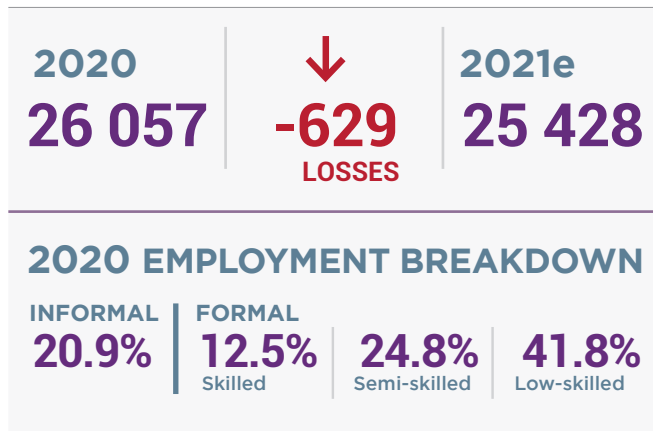






Diagram 2.5  
**EMPLOYMENT,**  
Matzikama, 2020 and 2021e



The municipal area had 26 057 employed workers in 2020, and this is expected to have decreased by 629 workers in 2021. In 2020, the municipal area had 20.9 per cent informal employment, with the majority of formal employment being low-skilled (41.8 per cent), followed by semi-skilled (24.8 per cent) and skilled (12.5 per cent). The unemployment rate is estimated to have increased from 13.3 per cent in 2020 to 16.4 per cent in 2021.

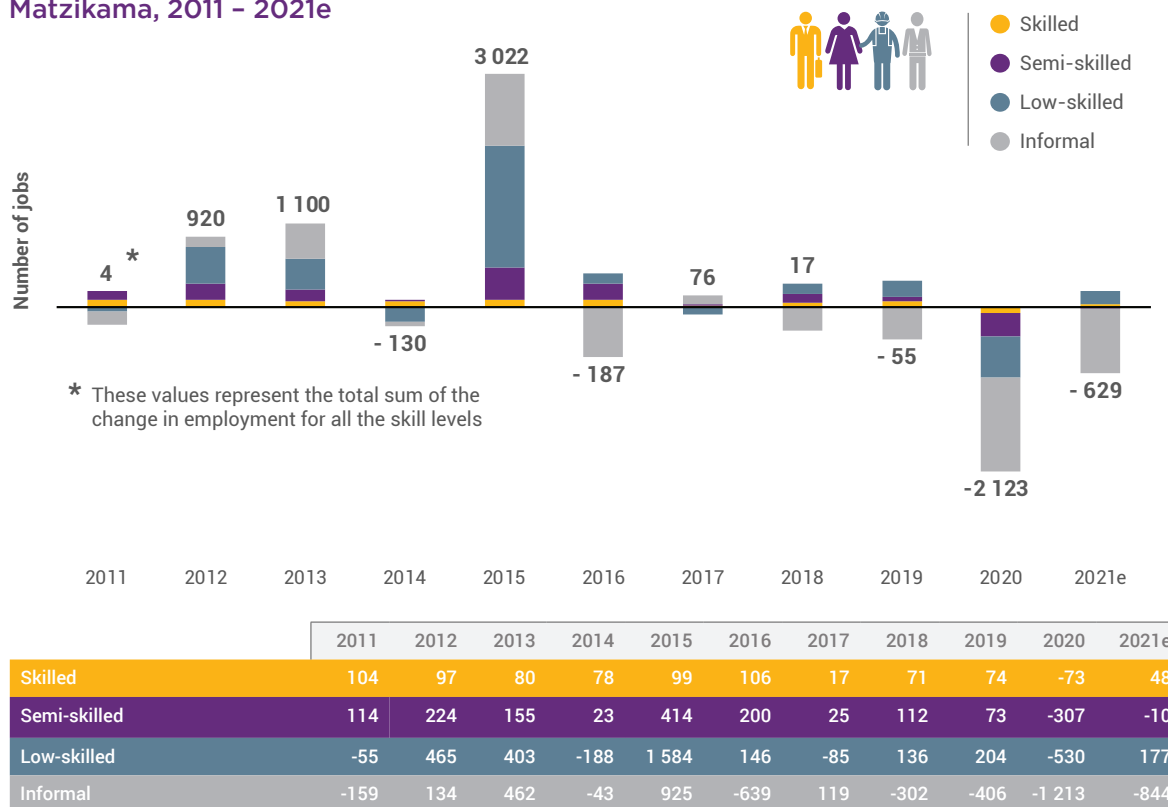
 <b>Unemployment rate</b>		 <b>Labour force participation rate</b>		 <b>Labour absorption rate (employment-to-population ratio)</b>		 <b>Not economically active proportion of working-age population</b>	
2020	2021e ↑	2020	2021e ↓	2020	2021e ↓	2020	2021e ↑
<b>13.3%</b>	<b>16.4%</b>	<b>60.4%</b>	<b>60.2%</b>	<b>52.4%</b>	<b>50.3%</b>	<b>39.6%</b>	<b>39.8%</b>

Source: Quantec Research, 2022 (e denotes estimate)



Figure 2.8 provides an overview of employment changes in the Matzikama municipal area.

**Figure 2.8**  
**CHANGE IN EMPLOYMENT,**  
**Matzikama, 2011 – 2021e**

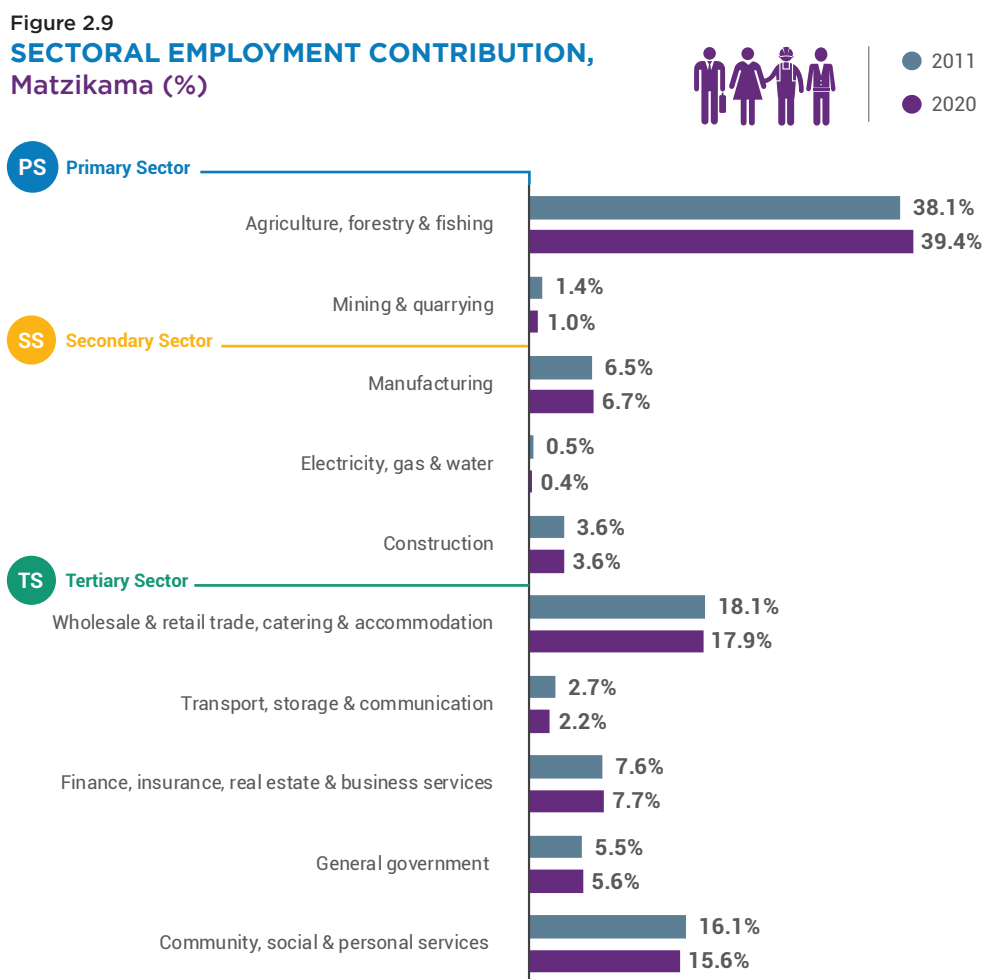


Source: Quantec Research, 2022 (e denotes estimate)

The change in employment for the municipal area fluctuated between 2011 and 2020. The municipal area created a total of 2 644 jobs between 2011 and 2020, with the majority of job opportunities in the semi- and low-skilled labour force.

The total number of jobs created for skilled labour between 2011 and 2020 was 653 jobs. The COVID-19 pandemic impacted the municipal area severely in 2020, resulting in 73 jobs lost for skilled labour. This was the only year that skilled labour was under pressure. It can be concluded that skilled labour shows strong resilience in economic downturns, as it lost the fewest jobs in 2020. Between 2011 and 2020, 1 033 semi-skilled jobs were created, while 307 semi-skilled jobs were lost in 2020. Low-skilled labour fluctuated between 2011 and 2020, with job losses in 2011 (55 jobs), 2014 (188 jobs), 2017 (85 jobs) and 2020 (530 jobs). However, low-skilled labour created the most jobs (2 080 jobs) in this period. Informal labour shed 1 122 jobs between 2011 and 2020, bringing the total employment creation in the municipal area down. In 2020 a total of 1 213 jobs were lost for informal labour, which was the labour force impacted the most by the COVID-19 pandemic. It is estimated that in 2021, 629 jobs were lost, with skilled and low-skilled labour being the only workforces creating employment, with 48 and 177 jobs created respectively.

Figure 2.9 provides a breakdown of the sectoral contribution to employment in the Matzikama municipal area in 2011 and 2020.




Source: Quantec Research, 2022

The main sectors contributing towards employment in the Matzikama municipal area were the same in 2020 and 2011. The agriculture sector was the leading contributor in 2011, with 38.1 per cent, and this increased to 39.4 per cent in 2020. The trade sector contributed 18.1 per cent in 2011, which contracted to 17.9 per cent in 2020. The community services sector was also a main contributor towards employment in the municipal area, with 16.1 per cent in 2011, and this contracted to a 15.6 per cent contribution in 2020.

The other sectors that contracted in employment contribution between 2011 and 2020 were the mining sector (0.4 percentage points), the electricity, gas and water sector (0.1 percentage points) and the transport sector (0.5 percentage points). The agriculture sector improved its employment contribution by 1.3 percentage points from 2011 to 2020, which was the largest improvement in all the sectors. The manufacturing sector was one of the leading sectors in respect of GDP contribution in 2020, but only contributed 6.7 per cent towards employment. This shows that the operations in the manufacturing sector are capital-intensive.

Table 2.5 provides a more detailed overview of sectoral contributions to employment in the Matzikama municipal area.

Table 2.5  
**EMPLOYMENT PERFORMANCE PER SECTOR,  
Matzikama**

SECTOR		Number of jobs 2020	Average annual change		Annual change in employment		
			2011 – 2020	2016 – 2020	2019	2020	2021e
<b>Primary Sector</b>		<b>10 538 (40.4%)</b>	<b>94</b>	<b>-405</b>	<b>-95</b>	<b>-916</b>	<b>-282</b>
PS Agriculture, forestry & fishing		10 273 (39.4%)	101	-389	-75	-888	-272
Mining & quarrying		265 (1.0%)	-7	-16	-20	-28	-10
<b>Secondary Sector</b>		<b>2 774 (10.6%)</b>	<b>37</b>	<b>-6</b>	<b>-38</b>	<b>-193</b>	<b>-94</b>
SS Manufacturing		1 734 (6.7%)	21	9	26	-74	-31
Electricity, gas & water		94 (0.4%)	-2	-2	2	-5	-5
Construction		946 (3.6%)	18	-13	-66	-114	-58
<b>Tertiary Sector</b>		<b>12 745 (48.9%)</b>	<b>134</b>	<b>-43</b>	<b>78</b>	<b>-1 014</b>	<b>-253</b>
TS Wholesale & retail trade, catering & accommodation		4 658 (17.9%)	53	-16	54	-543	-214
Transport, storage & communication		576 (2.2%)	-4	-21	-6	-82	-61
Finance, insurance, real estate & business services		2 008 (7.7%)	30	9	8	-85	-49
General government		1 450 (5.6%)	24	10	15	-18	15
Community, social & personal services		4 053 (15.6%)	31	-25	7	-286	56
<b>Total Matzikama</b>		<b>26 057 (100.0%)</b>	<b>264</b>	<b>-454</b>	<b>-55</b>	<b>-2 123</b>	<b>-629</b>

Source: Quantec Research, 2022 (e denotes estimate)

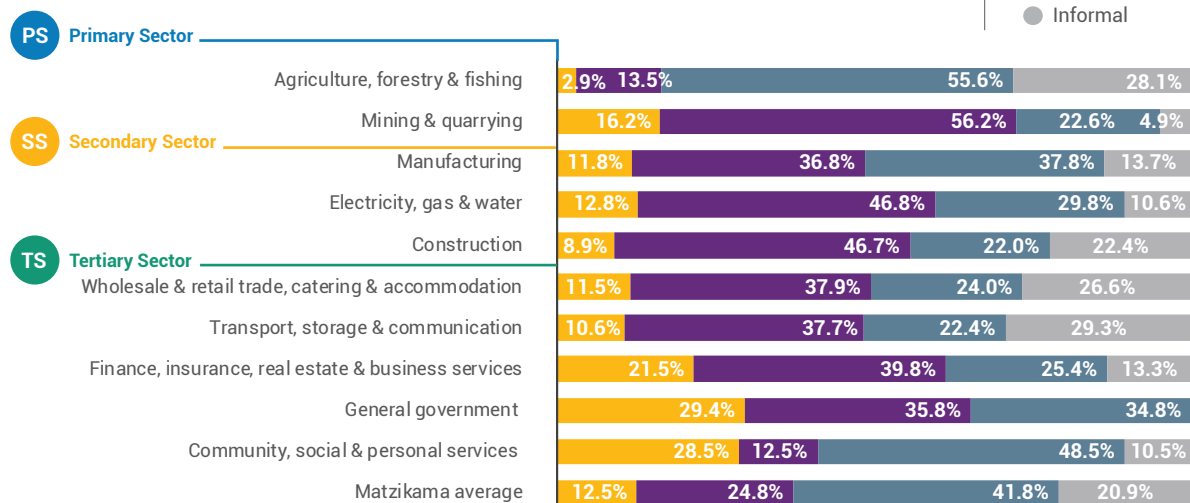
The municipal area's employment reached a total of 26 057 jobs in 2020. Most workers were employed in the tertiary sector (12 745 workers), followed by the primary sector (10 538 workers), and the secondary sector contributed 2 774 workers. The agriculture sector employed the majority of workers, with a total of 10 273 workers, followed by the trade (4 658 workers) and community services (4 053 workers) sectors. The average annual change in employment between 2011 and 2020 was 264 jobs. The tertiary sector created 134 jobs annually, whereas the secondary sector created 37 jobs. The primary sector increased jobs by 94 jobs annually between 2011 and 2020, with all jobs created being in the agriculture sector.

The average annual change between 2016 and 2020 indicated a contraction in jobs, with a loss of 454 jobs annually in the municipal area. The sector with the most job-shedding per year was the agriculture sector, with 389 jobs lost per year. The only sectors in the municipal area that created jobs during this period were the general government sector (10 jobs) and the finance and manufacturing sectors with nine jobs each.

It is estimated that a further 629 jobs were lost in 2021, with 272 jobs in the agriculture sector and 214 in the trade sector. The two sectors estimated to have created additional jobs in the municipal area are the community services sector, with 56 jobs, and the general government sector with 15 jobs.

Figure 2.10 shows informal employment in the Matzikama municipal area in 2020, as well as an overview of formal employment growth by skill levels. Overall, a substantial proportion (41.8 per cent) of the Matzikama municipal area's working population was low-skilled. The second-largest group of the labour force was semi-skilled (24.8 per cent), and informal workers accounted for 20.9 per cent of employed people. The proportion of skilled labour in 2020 was 12.5 per cent.

**Figure 2.10**  
**EMPLOYMENT AND SKILL LEVEL PER SECTOR,**  
**Matzikama (%)**



Source: Quantec Research, 2022

The community services sector as well as the general government sector employed a substantial proportion of skilled (28.5 per cent and 29.4 per cent respectively) people. The finance sector also employed a large proportion of skilled workers (21.5 per cent). The agriculture sector (55.6 per cent), as well as the community services sector (48.5 per cent), employed a large proportion of low-skilled workers. The nature of the work done in these two areas explains the low level of skills necessary.

The transport sector employed the largest proportion of informal workers, most of whom are likely to be the taxi drivers in the municipal area. The trade sector also employed a large percentage (26.6 per cent) of informal workers, which can be linked to the high number of informal traders and vendors across the municipal area.

A large number of low-skilled and informal workers were employed in the agriculture sector within the municipal area. Low-skilled and informal workers, however, are the most vulnerable to job losses as a result of external impacts, given the area's susceptibility to droughts.

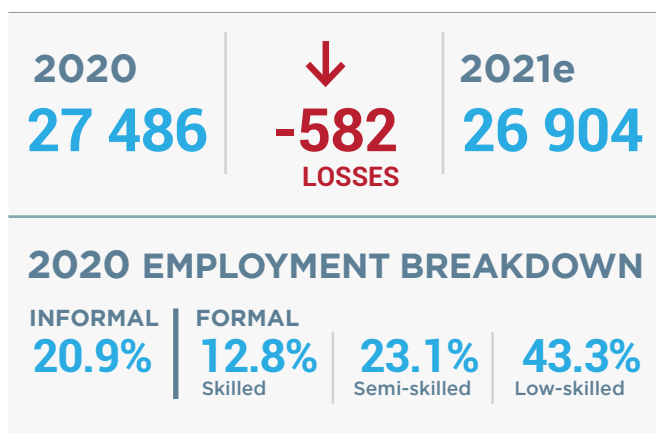








## 2.3.4 BERGRIVIER



Diagram 2.6  
**EMPLOYMENT,**  
Bergrivier, 2020 and 2021e



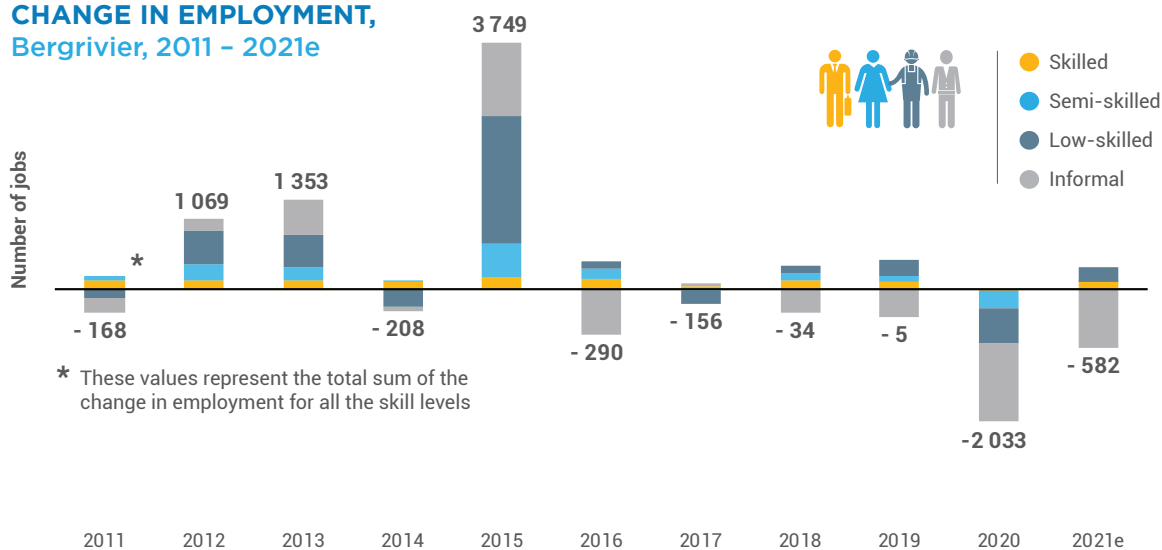
The Bergrivier municipal area employed 27 486 workers in 2020, and it is estimated that a contraction of 582 jobs was experienced in 2021. In 2020, the municipal area had 20.9 per cent informal employment, with the majority of employment being low-skilled (43.3 per cent), followed by semi-skilled (23.1 per cent) and skilled employment (12.8 per cent). The unemployment rate is estimated to have increased from 6.1 per cent in 2020 to 7.7 per cent in 2021.

 Unemployment rate		 Labour force participation rate		 Labour absorption rate (employment-to-population ratio)		 Not economically active proportion of working-age population	
2020	2021e ↑	2020	2021e ↓	2020	2021e ↓	2020	2021e ↑
6.1%	7.7%	60.8%	59.5%	57.1%	55.0%	39.2%	40.5%

Source: Quantec Research, 2022 (e denotes estimate)

Figure 2.11 illustrates the change in employment in the Bergrivier municipal area between 2011 and 2021.

**Figure 2.11**  
**CHANGE IN EMPLOYMENT,**  
**Bergrivier, 2011 – 2021e**



	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021e
Skilled	116	133	129	109	160	151	41	121	112	-30	96
Semi-skilled	77	231	189	26	515	161	-35	108	91	-263	17
Low-skilled	-145	514	494	-273	1 961	106	-201	111	225	-549	202
Informal	-216	191	541	-70	1 113	-708	39	-374	-433	-1 191	-897

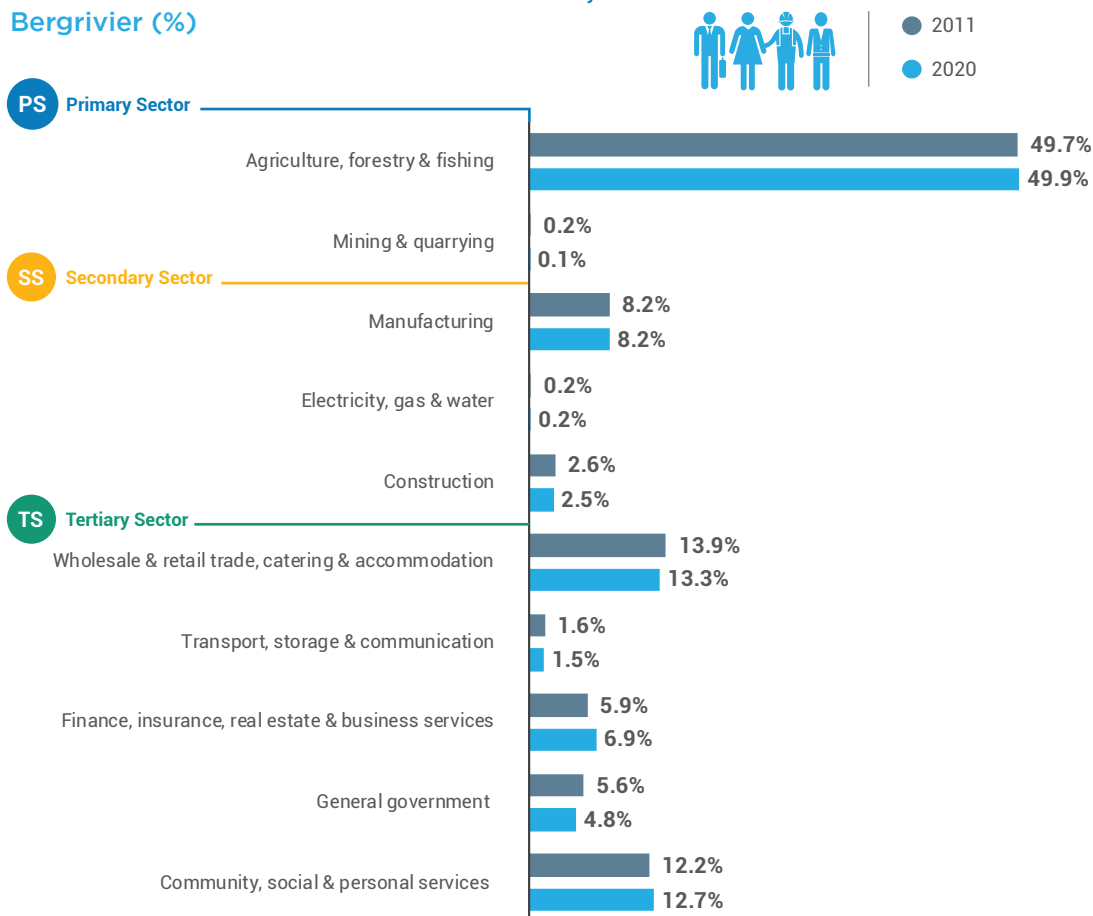
Source: Quantec Research, 2022 (e denotes estimate)

The change in employment for the Bergrivier municipal area fluctuated between 2011 and 2020. The municipal area created jobs in 2012 (1 069 jobs), 2013 (1 353 jobs) and 2015 (3 749 jobs). The total number of jobs created between 2011 and 2020 was 3 277, with the majority of jobs created for low-skilled workers. A total of 1 100 jobs were created for semi-skilled labour and 1 042 for skilled labour. Informal labour in the municipal area realised a contraction of 1 108 jobs between 2011 and 2020. This indicates that skilled workers are most likely to keep their jobs during difficult economic times, as only 30 skilled jobs were lost in 2020 (the lowest across skill cohorts).

It is estimated that a further 582 jobs were lost in 2021 in the municipal area, with 897 jobs lost for informal workers. Formal labour is estimated to have shown recovery in 2021, as 96 jobs were created for skilled labour, 17 jobs for semi-skilled workers and 202 jobs for low-skilled workers. The municipal area and industries should keep focusing on skills development to ensure more stable job creation in the years to come.

Figure 2.12 indicates the sectoral contribution to employment in the Bergrivier municipal area in 2011 and 2020.

**Figure 2.12**  
**SECTORAL EMPLOYMENT CONTRIBUTION,**  
**Bergrivier (%)**



Source: Quantec Research, 2022

The main contributing sectors in terms of employment for the municipal area are the agriculture, trade and community services sectors. The agriculture sector contributed 49.9 per cent in 2020, which was a slight improvement from its 49.7 per cent contribution in 2011. The agriculture sector is known to be a labour-intensive industry, which aligns with the high number of workers in this sector. The trade sector realised a slight contraction in 2020 (0.6 percentage points) from its 13.9 per cent contribution in 2011. The community services sector contributed 12.7 per cent in 2020, which is an increase of 0.5 percentage points from 2011.

The manufacturing sector is one of the main economic contributors in the municipal area, contributing 17.2 per cent to GDP in 2020. The 8.2 per cent contribution towards employment shows that the manufacturing sector is a very capital-intensive sector.



Table 2.6 outlines the employment performance per sector for the Bergrivier municipal area.

**Table 2.6**  
**EMPLOYMENT PERFORMANCE PER SECTOR,**  
**Bergrivier**

SECTOR	Number of jobs 2020	Average annual change		Annual change in employment		
		2011 – 2020	2016 – 2020	2019	2020	2021e
<b>PS</b> <b>Primary Sector</b>	<b>13 741 (50.0%)</b>	<b>131</b>	<b>-522</b>	<b>-102</b>	<b>-1 187</b>	<b>-389</b>
Agriculture, forestry & fishing	13 714 (49.9%)	132	-520	-101	-1 183	-386
Mining & quarrying	27 (0.1%)	-1	-2	-1	-4	-3
<b>SS</b> <b>Secondary Sector</b>	<b>2 994 (10.9%)</b>	<b>32</b>	<b>-12</b>	<b>-22</b>	<b>-125</b>	<b>-77</b>
Manufacturing	2 261 (8.2%)	22	-	30	-45	-28
Electricity, gas & water	51 (0.2%)	0	-1	-2	-2	-3
Construction	682 (2.5%)	10	-11	-50	-78	-46
<b>TS</b> <b>Tertiary Sector</b>	<b>10 751 (39.1%)</b>	<b>165</b>	<b>30</b>	<b>119</b>	<b>-721</b>	<b>-116</b>
Wholesale & retail trade, catering & accommodation	3 644 (13.3%)	37	-14	33	-406	-155
Transport, storage & communication	416 (1.5%)	6	-4	4	-47	-28
Finance, insurance, real estate & business services	1 883 (6.9%)	55	36	43	-52	-14
General government	1 319 (4.8%)	5	-8	-5	-31	2
Community, social & personal services	3 489 (12.7%)	62	20	44	-185	79
<b>Total Bergrivier</b>	<b>27 486 (100.0%)</b>	<b>328</b>	<b>-504</b>	<b>-5</b>	<b>-2 033</b>	<b>-582</b>

Source: Quantec Research, 2022 (e denotes estimate)

The municipal area's employment reached a total of 27 486 jobs in 2020. The majority of workers were employed in the primary sector (13 741 workers), followed by the tertiary sector (10 751 workers), with the secondary sector contributing 2 994 jobs. The agriculture sector had the majority of workers, with a total of 13 714 workers, followed by the trade (3 644 workers) and community services (3 489 workers) sectors.



The average annual change in employment between 2011 and 2020 was an increase of 328 jobs. The tertiary sector added 165 jobs annually, followed by the secondary and primary sectors with 32 and 131 jobs respectively. The agriculture sector created the most jobs in the municipal area, with an average of 132 jobs annually.

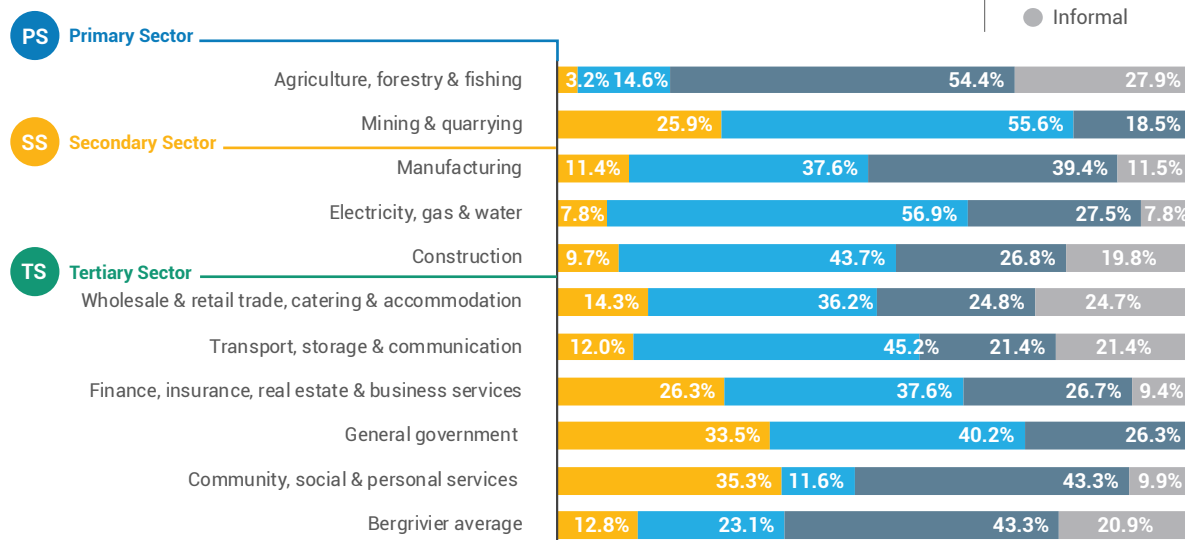


The average annual change between 2016 and 2020 indicated a contraction in jobs created, with a loss of 504 jobs annually. The sector with the most job-shedding per year was the agriculture sector, with 520 jobs lost per year. The loss in employment for the agriculture sector indicates the pressure of high input costs for farmers, as the sector realised a positive economic growth rate but needed to shed jobs to achieve profits. The only two sectors in the municipal area that created jobs during this period were the finance sector (36 jobs) and the community services sector (20 jobs).

It is estimated that a further 582 jobs were lost in 2021, with 386 jobs lost in the agriculture sector and 155 lost in the trade sector. The only sectors that are estimated to have created additional jobs in the municipal area are the community services sector with 79 jobs and the general government sector with two jobs.

As indicated in Figure 2.13, informal employment accounted for 20.9 per cent of total employment, and most formally employed workers in the Bergrivier municipal area were low-skilled in 2020.

**Figure 2.13**  
**EMPLOYMENT AND SKILL LEVEL PER SECTOR,**  
**Bergrivier, 2020 (%)**



Source: Quantec Research, 2022

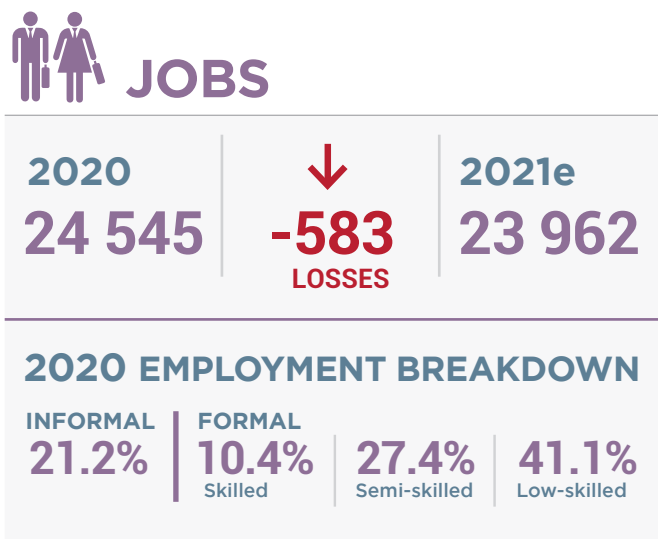
The agriculture and community services sectors had the highest concentration of low-skilled workers in 2020, with 54.4 per cent and 43.3 per cent respectively. The general government and community services sectors employed the highest percentage of skilled workers, which accounted for 33.5 per cent and 35.3 per cent of workers respectively. Considering the employment performance and skill levels per sector in the Bergrivier municipal area, the job losses in the agriculture sector (1 183 jobs) in 2020 mostly affected low-skilled workers. The increased financial strain induced by the significant contraction of employment in the municipal area since 2020 may limit revenue collection by the local municipality and may ultimately adversely affect its service delivery capabilities. Skills development programmes for workers may play a vital role in the economic recovery of the municipal area. The sector that had the most informal labour in 2020 was the agriculture sector with 27.9 per cent, followed by the trade sector with 24.7 per cent.



## 2.3.5 CEDERBERG







Diagram 2.7  
**EMPLOYMENT,**  
Cederberg, 2020 and 2021e



In total, 24 545 workers were employed in the municipal area in 2020, and this is expected to have decreased by 583 workers in 2021. In 2020, the municipal area had 21.2 per cent informal employment, with the majority of formal employment being low-skilled (41.1 per cent), followed by semi-skilled (27.4 per cent) and skilled (10.4 per cent) employment. The unemployment rate is estimated to have increased from 8.8 per cent in 2020 to 11.1 per cent in 2021.

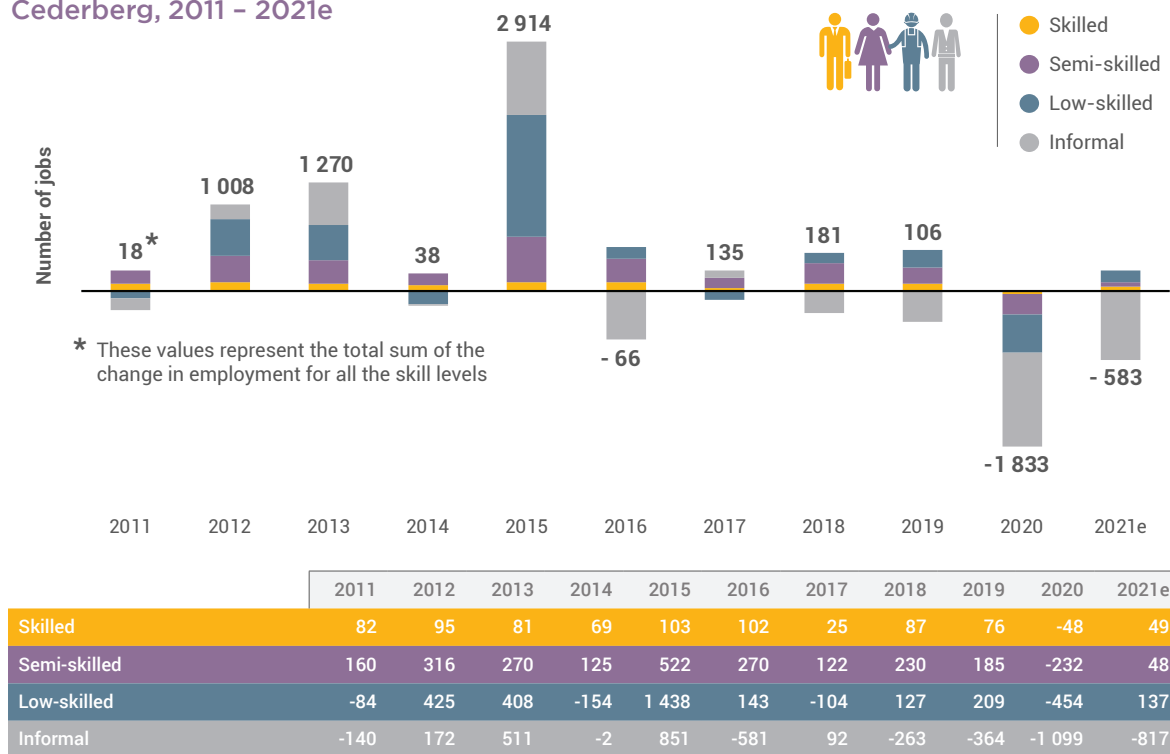
Source: Quantec Research, 2022 (e denotes estimate)

 <b>Unemployment rate</b>		 <b>Labour force participation rate</b>		 <b>Labour absorption rate (employment-to-population ratio)</b>		 <b>Not economically active proportion of working-age population</b>	
2020	2021e ↑	2020	2021e ↓	2020	2021e ↓	2020	2021e ↑
8.8%	11.1%	62.9%	62.1%	57.3%	55.2%	37.1%	37.9%

Source: Quantec Research, 2022 (e denotes estimate)

Figure 2.14 illustrates the change in employment in the Cederberg municipal area between 2011 and 2021.

**Figure 2.14**  
**CHANGE IN EMPLOYMENT,**  
**Cederberg, 2011 - 2021e**



Source: Quantec Research, 2022 (e denotes estimate)

It is evident that employment in the Cederberg municipal area fluctuated between 2011 and 2020. The municipal area created 3 771 jobs between 2011 and 2020, with the majority for semi-skilled labour (1 968 jobs), followed by low-skilled labour (1 954 jobs) and 672 skilled jobs. The municipal area shed 823 informal jobs between 2011 and 2020. It is clear that the formal sector showed the most resilience when the municipal area was under pressure and lost jobs. It is estimated that another 583 jobs will be lost in the municipal area in 2021. A total of 2 416 jobs are estimated to have been lost between 2020 and 2021.

The municipal area is estimated to have created jobs for formal labour in 2021, with 49 skilled jobs, 48 semi-skilled jobs and 137 low-skilled jobs created. It is estimated that skilled labour recovered fully in 2021, with marginal recovery for semi- and low-skilled labour. Informal labour is estimated to have shed another 817 jobs in 2021, bringing the total to 1 916 informal employment opportunities lost between 2020 and 2021.

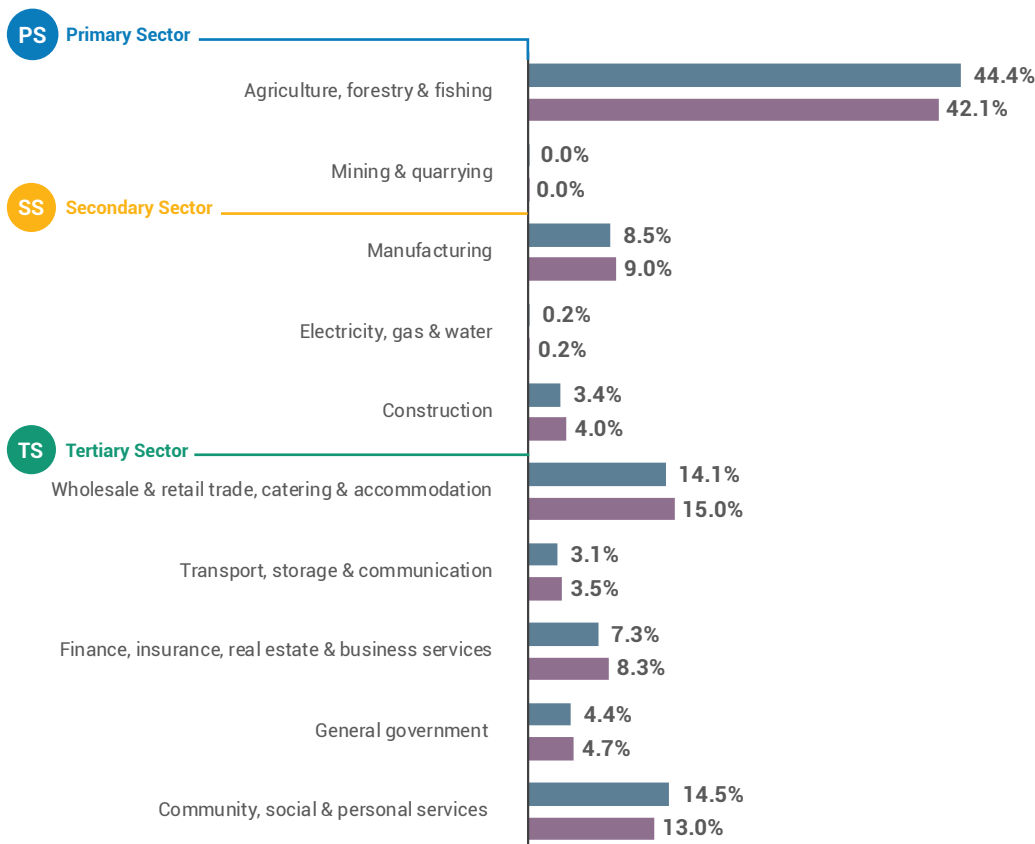
Figure 2.15 indicates the sectoral contribution to employment in the Cederberg municipal area in 2011 and 2020.

Figure 2.15

**SECTORAL EMPLOYMENT CONTRIBUTION, Cederberg (%)**



● 2011  
● 2020



Source: Quantec Research, 2022

The leading contributor towards employment in the municipal area in 2011 was the agriculture sector (44.4 per cent). This contracted to 42.1 per cent in 2020 due to the severe drought experienced between 2015 and 2019, as well as pressure on farmers because of higher input costs in 2020. The trade sector was the second-largest contributor towards employment. This sector improved its contribution from 14.1 per cent in 2011 to 15.0 per cent in 2020. The manufacturing sector is one of the main GDP contributors in the municipal area. However, the sector only contributed 9.0 per cent towards employment in 2020, meaning that the sector is capital-intensive.


The mining and electricity, gas and water sectors remained stagnant in terms of employment contribution from 2011 to 2020. These sectors also contribute the least to employment in the municipal area.





Table 2.7 outlines the Cederberg municipal area’s employment performance per sector.

Table 2.7  
**EMPLOYMENT PERFORMANCE PER SECTOR, Cederberg**

SECTOR	 Number of jobs 2020	Average annual change		Annual change in employment		
		2011 – 2020	2016 – 2020	2019	2020	2021 <sup>e</sup>
<b>PS Primary Sector</b>	<b>10 353 (42.2%)</b>	<b>75</b>	<b>-412</b>	<b>-90</b>	<b>-906</b>	<b>-355</b>
Agriculture, forestry & fishing	10 344 (42.1%)	75	-412	-89	-906	-355
Mining & quarrying	9 (0.0%)	-0	-0	-1	-	-
<b>SS Secondary Sector</b>	<b>3 243 (13.2%)</b>	<b>76</b>	<b>34</b>	<b>13</b>	<b>-144</b>	<b>-72</b>
Manufacturing	2 212 (9.0%)	40	26	54	-52	-31
Electricity, gas & water	55 (0.2%)	1	-	-	-2	-2
Construction	976 (4.0%)	35	8	-41	-90	-39
<b>TS Tertiary Sector</b>	<b>10 949 (44.6%)</b>	<b>226</b>	<b>83</b>	<b>183</b>	<b>-783</b>	<b>-156</b>
Wholesale & retail trade, catering & accommodation	3 691 (15.0%)	88	40	98	-367	-125
Transport, storage & communication	866 (3.5%)	28	10	22	-92	-53
Finance, insurance, real estate & business services	2 035 (8.3%)	61	45	49	-56	-19
General government	1 160 (4.7%)	30	19	23	-2	20
Community, social & personal services	3 197 (13.0%)	19	-32	-9	-266	21
<b>Total Cederberg</b>	<b>24 545 (100.0%)</b>	<b>377</b>	<b>-295</b>	<b>106</b>	<b>-1 833</b>	<b>-583</b>

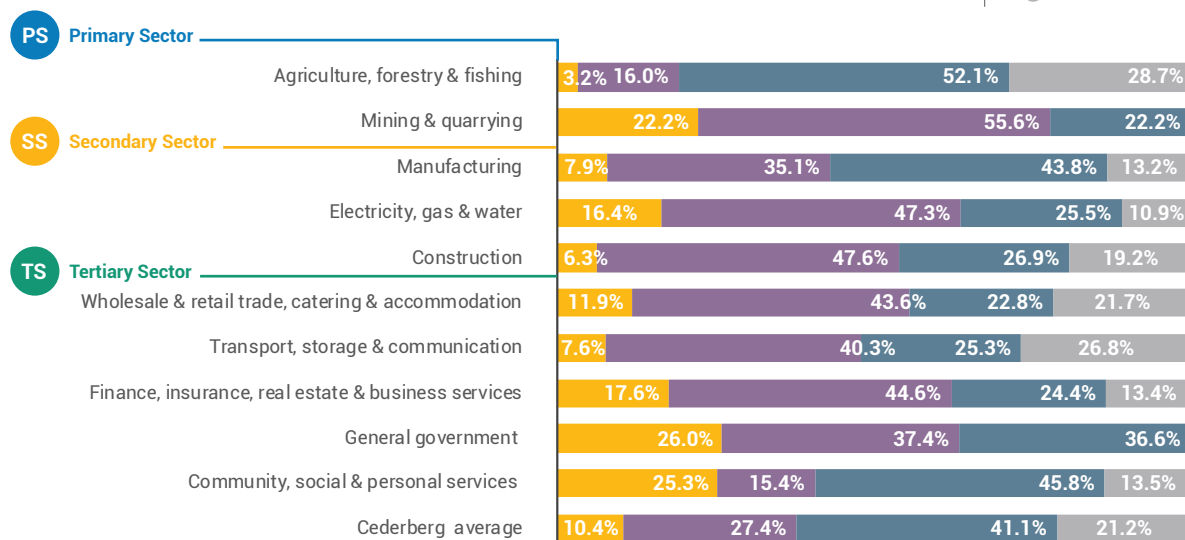
Source: Quantec Research, 2022 (e denotes estimate)

The tertiary sector (10 949 jobs) was the largest contributor to employment in 2020, followed by the primary sector (10 353 jobs) and the secondary sector (3 243 jobs). Between 2011 and 2020 the municipal area created 377 jobs annually, with most jobs created in the trade sector (88 jobs). The municipal area lost 295 jobs annually between 2016 and 2020 owing to the large number of jobs shed in 2020 as a result of the COVID-19 pandemic. The sectors that shed jobs between 2016 and 2020 were the agriculture sector, with 412 jobs annually, and the community services sector with 32 jobs.

It is estimated that the effect of COVID-19 continued to result in job losses in 2021, with a total of 583 jobs lost. The sector with the most job losses was the agriculture sector, with 355 jobs lost. The only sectors that are estimated to have created jobs in 2021 are the general government and community services sectors.

Figure 2.16 provides an overview of informal employment per sector, as well as a sectoral overview of the skill levels of formally employed people in the Cederberg municipal area. On average, the municipal area is mainly characterised by low-skilled labour (41.1 per cent in 2020), followed by semi-skilled labour (27.4 per cent) and informal labour (21.2 per cent). The municipal area had 10.4 per cent skilled labour in 2020.

**Figure 2.16**  
**EMPLOYMENT AND SKILL LEVEL PER SECTOR,**  
**Cederberg, 2020 (%)**



Source: Quantec Research, 2022

The agriculture sector and the community services sector mainly use low-skilled labour, which accounted for 52.1 per cent and 45.8 per cent respectively in 2020, while the general government sector had the highest proportion of skilled labour (26.0 per cent). Skilled workers, the smallest percentage of the municipal area's formal employees, showed the most constant employment growth and resilience between 2010 and 2020, regardless of changes in employment and the economy's skills structure. The agriculture sector has the largest percentage of informal employment, with 28.7 per cent in 2020, followed by the transport sector with 26.8 per cent informal labour.

## 2.4 CONCLUDING REMARKS

Approximately one in 10 workers in the Saldanha Bay municipal area lost their jobs in the cumulative period between 2020 and 2021. Concomitantly, the Saldanha Bay municipal area recorded the largest increase in unemployment rates between 2020 and 2021. This represents the bulk of the WCD's job losses, with those in informal employment being mostly affected. This illustrates how the closure of an entity such as a steel mill not only affects upstream and downstream suppliers and clients but also impacts the informal sector.

The Cederberg municipal area has the highest percentage of informal employment in the WCD, with much of this estimated to be concentrated in agriculture and its associated value chains.

Opportunities in the WCD for low-skilled workers are highest in the Bergrivier municipal area and as a result the municipal area had the lowest unemployment rate in the WCD in 2020. The ability of local employers to match their requirements to the profile of prospective workers is evidenced by how the Bergrivier municipal area experienced the smallest unemployment rate increase in the District between 2020 and 2021.

The agriculture sector in the Matzikama municipal area is highly labour-intensive but is not associated with high levels of productivity. This is in large part due to the area's biophysical conditions, which preclude possibilities for intensive crop and livestock farming. From this context, it is important that future developments such as the planned raisin factory in Vredendal not be overly mechanised and automated to the detriment of local labour. This, together with other developments such as the 80MW BESS, is important for creating new and diversified employment opportunities for local labour.

A perceived lack of new and/or diversified employment opportunities for labour in the Swartland municipal area has contributed to it having the highest proportion of working-age residents who are not economically active in the WCD. Investments such as the green hydrogen pilot undertaken within the municipal area are thus pivotal in stimulating not just the economy but also the local labour market.





# 3

## SAFETY AND WELLBEING

### 3.1 INTRODUCTION

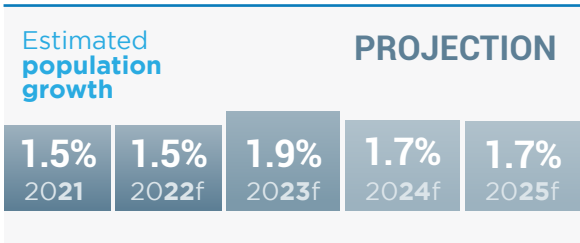
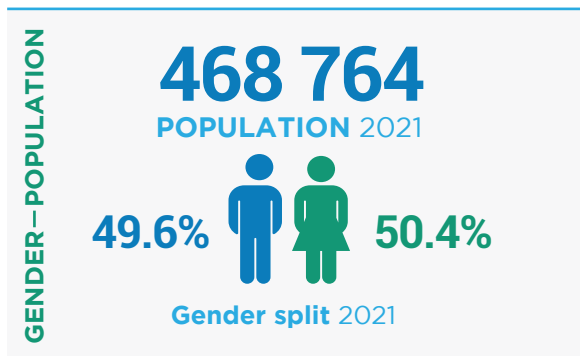
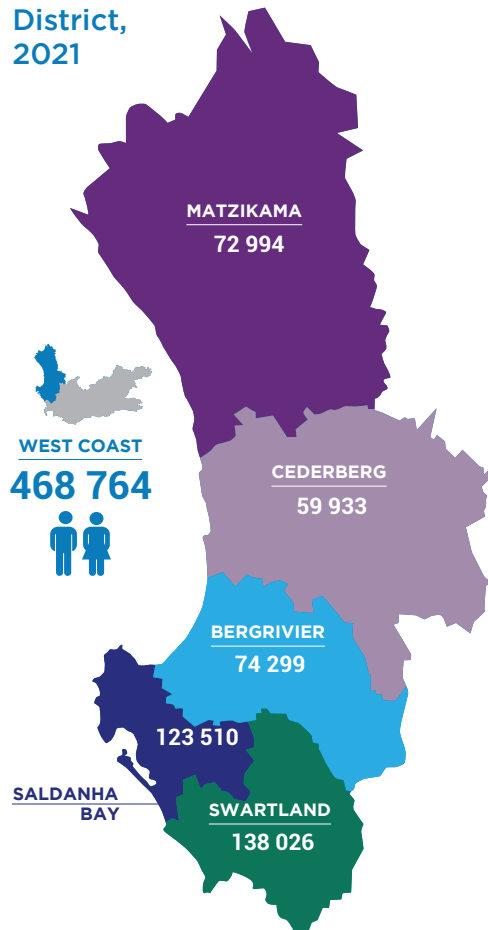
This chapter describes the economic and social circumstances of households living in the WCD by analysing population, human development, housing, crime and access to basic services. More specifically, human development in the region is assessed by exploring education levels, health and income.



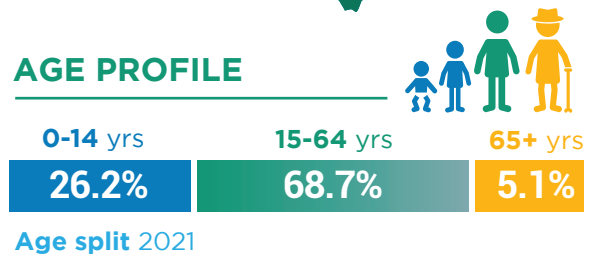
# WEST COAST DEMOGRAPHICS

Some of the key indicators used in the socio-economic analysis include the population growth rate, GDP per capita, household income, the Gini coefficient, the Human Development Index (HDI), educational development and dwelling types. These indicators are discussed in detail in the sections below.

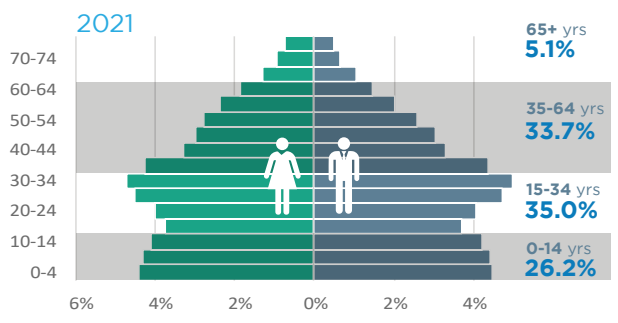
## CURRENT POPULATION, West Coast District, 2021



## AGE PROFILE



## GENDER AND AGE DYNAMICS



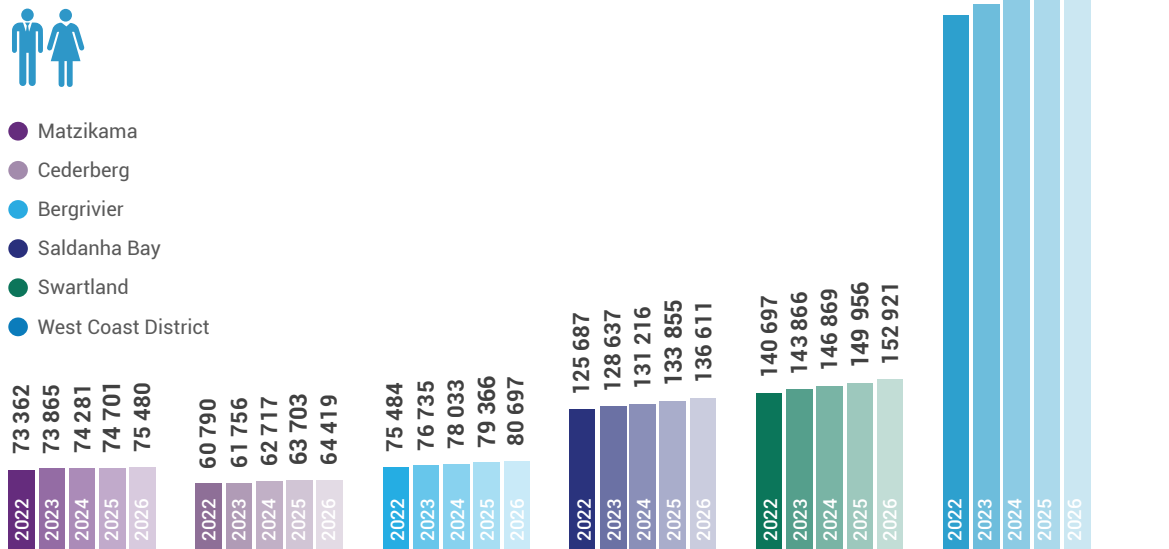
## HOUSEHOLDS



## 3.2 POPULATION PROFILE

Figure 3.1 depicts the future population growth for the WCD.

**Figure 3.1**  
**FUTURE POPULATION GROWTH,**  
**West Coast District, 2022 – 2026**

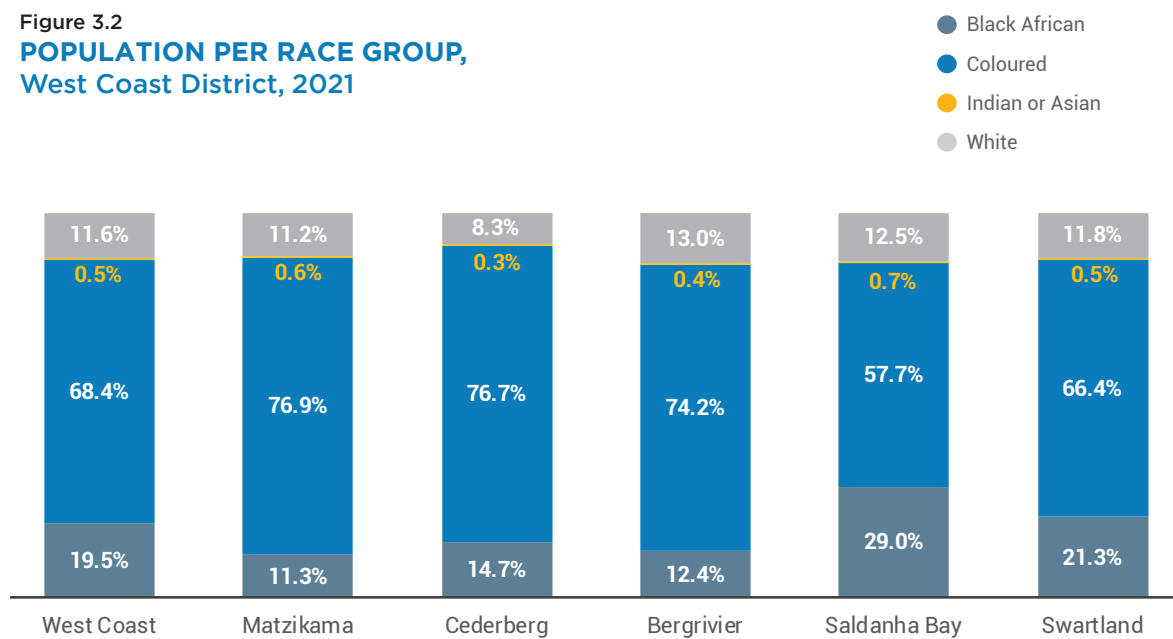


Source: Western Cape Government PPU, 2022. Provincial, district and local municipal area population estimates by sex and age (2002 to 2037) based on Stats SA MYPE series 2021 and 2022

The total population for the WCD is expected to increase by 7.2 per cent from the current estimated population of 476 020 to 510 129 in 2026. The period's annual average population growth for the WCD is 1.7 per cent. The Swartland and Saldanha Bay municipal areas make the largest contribution to the District's population while also having the highest average annual growth rate of 2.0 per cent each, which is higher than that of the WCD's average. The Swartland municipal area's population is expected to increase from 140 697 people in 2022 to 152 921 in 2026, while the population of the Saldanha Bay municipal area is expected to increase from 125 687 in 2022 to 136 611 in 2026. The future average annual population growth rate of the Matzikama, Cederberg and Bergrivier municipal areas is expected to be lower than that of the District's average. The Matzikama, Cederberg and Bergrivier municipal areas are expected to have future average annual population growth of 0.5 per cent, 1.5 per cent and 1.6 per cent respectively. The growth in population may also indicate an increase in the demand for goods and services, and job opportunities.

Figure 3.2 displays the racial composition of the population of the WCD in 2021.

**Figure 3.2**  
**POPULATION PER RACE GROUP,**  
**West Coast District, 2021**



Source: Quantec Research, 2022

Across the population of the WCD, the coloured population contributed the largest population segment at 68.4 per cent in 2021. This was followed by the black African and white population groups, contributing 19.5 per cent and 11.6 per cent of the total population of the District. The Indian or Asian population was the smallest population group in the District, contributing 0.5 per cent of the total population of the District. Within all municipalities in the District the largest racial group was the coloured population, with Matzikama and Cederberg having the highest percentages of the coloured group. The black African racial group was the second-largest population group in all the municipalities in the District.

Inequalities often exist in terms of income levels, employment and education per race group, but it is acknowledged that statistics for these indicators disaggregated at the local municipal level are limited in availability. It is important that there is equitable access to opportunities to ensure socio-economic development benefits all groups and individuals in a municipal area.



The WCD municipal area is a youthful population, as it comprises 34.5 per cent of people between the ages of 15 and 34, followed by 34.3 per cent of the population between the ages of 35 and 64. This means that a total of 68.8 per cent of the population is potentially economically active and is therefore also potentially able to earn an income and contribute to the local economy. Furthermore, 5.2 per cent of the population is older than 65 years old and mostly falls within the category of people who are retired. A fairly large share of 26.0 per cent of the population falls within the age category younger than 15. The District's population also comprises 50.4 per cent of females, while 49.6 per cent of the population comprises males.

Figure 3.3 uses population pyramids to illustrate gender and age patterns in the WCD in 2021.

**Figure 3.3**  
**GENDER AND AGE DYNAMICS,**  
**West Coast District, 2021**



Source: Western Cape Government PPU, 2021. Provincial, district and local municipal area population estimates by sex and age (2002 to 2036) based on Stats SA MYPE series 2021 and 2022



The Matzikama municipal area comprises 50.1 per cent males and 49.9 per cent females. The largest share of the population is made up of the potentially economically active population, which accounts for 66.4 per cent of the municipal area's population. This means that the largest share of the population can potentially earn an income. Furthermore, the municipal area has a fairly large share of dependants younger than 15 years old who make up 28.4 per cent of the total population. A total of 5.2 per cent of the population is older than 65 years.

The Cederberg municipal area comprises 50.0 per cent males and 50.0 per cent females. Approximately 68.0 per cent of the population falls within the age categories of 15 and 64, and therefore falls into the potentially economically active population. A fairly large share of the population is younger than 15 and dependent on those earning an income. A small share of 5.2 per cent of the population is older than 65 years.

The Bergrivier municipal area consists of 51.7 per cent females and 48.3 per cent males. The largest share of the population (36.4 per cent) comprises people between the ages of 35 and 64. A total of 68.6 per cent of the population is potentially economically active, with the potential to form part of the labour force and contribute to the economy. Almost 26.0 per cent of the population are younger than 15, while 5.8 per cent are mostly the elderly or retired population.

In the Saldanha Bay municipal area, the largest share of the population (50.2 per cent) comprises females while 49.8 per cent of the population are males. Nearly 70.0 per cent of the population are potentially economically active people between the ages of 15 and 64, while 25.1 per cent are younger than 15 and 4.9 per cent are older than 65.

The Swartland municipal area also comprises 69.6 per cent of the potentially economically active population, while 25.3 per cent of the population are younger than 15 and 5.0 per cent of the population are older than 65. The female population makes up the largest share of the population and accounts for 50.3 per cent, while males account for 49.7 per cent.



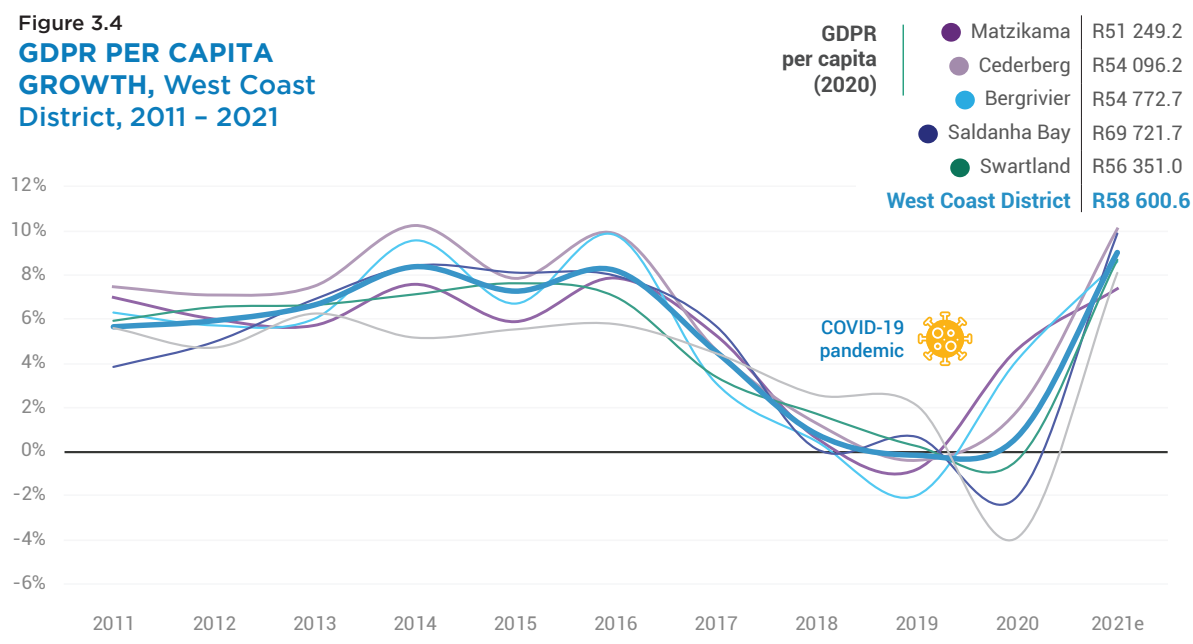
### 3.3 HUMAN DEVELOPMENT

Economists expect economic growth to result in improvements in human development, and economic decline to have an adverse effect on human development. The United Nations uses the HDI to compare the level of socio-economic development across countries. The performance of the economy plays a major role in determining the quality of life for citizens, which is measured by the standard of education, health, dwellings, access to basic services and crime levels.

#### 3.3.1 Income

Figure 3.4 illustrates the GDP per capita growth in the WCD between 2011 and 2021. The District's GDP per capita increased from R58 600.6 in 2020 to an estimated R61 352.4 in 2021 in current prices.

**Figure 3.4**  
**GDPR PER CAPITA**  
**GROWTH, West Coast**  
**District, 2011 – 2021**



	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021e
Western Cape	5.6%	4.7%	6.3%	5.2%	5.6%	5.8%	4.5%	2.6%	2.1%	-3.9%	8.1%
<b>West Coast District</b>	<b>5.7%</b>	<b>5.9%</b>	<b>6.6%</b>	<b>8.4%</b>	<b>7.3%</b>	<b>8.2%</b>	<b>4.5%</b>	<b>0.8%</b>	<b>-0.1%</b>	<b>0.7%</b>	<b>9.0%</b>
Matzikama	7.0%	6.0%	5.7%	7.6%	5.9%	7.9%	5.3%	0.6%	-0.8%	4.6%	7.4%
Cederberg	7.5%	7.1%	7.5%	10.2%	7.8%	9.9%	4.6%	1.3%	-0.4%	1.8%	10.1%
Bergrivier	6.3%	5.7%	6.0%	9.6%	6.7%	9.8%	3.1%	0.5%	-2.0%	4.1%	8.6%
Saldanha Bay	3.9%	5.0%	6.9%	8.4%	8.1%	8.0%	5.7%	0.1%	0.7%	-2.0%	9.9%
Swartland	5.9%	6.5%	6.6%	7.1%	7.6%	7.0%	3.4%	1.7%	0.2%	-0.4%	8.7%

Source: Quantec Research, 2022 (e denotes estimate)

The GDP per capita in the WCD fluctuated during the period under review. However, from 2017 GDP per capita growth deteriorated significantly, declining from 4.5 per cent in 2017 to 0.8 per cent in 2018. Thereafter, GDP per capita recorded a contraction of 0.1 per cent in 2019 before increasing by 0.7 per cent in 2020. The marginal growth in 2020 was as a result of the poor economic performance brought on by the COVID-19 pandemic. After the easing of lockdown restrictions, the GDP per capita growth increased during 2021, recording growth of 9.0 per cent in the year.

All the municipal areas in the District experienced an increase in GDPR per capita in 2021 owing to the economic recovery post-COVID-19. The Cederberg and Saldanha Bay municipal areas are estimated to have had the highest GDPR per capita growth in 2021 at 10.1 per cent and 9.9 per cent respectively.

Table 3.1

**AVERAGE MONTHLY HOUSEHOLD INCOME (CURRENT PRICES),  
West Coast District, 2020**

MUNICIPAL AREA	Average household income 2020 (current prices)	Trend 2016 – 2020
● Matzikama	R13 557	-1.3%
● Cederberg	R14 244	0.0%
● Bergrivier	R15 520	-0.7%
● Saldanha Bay	R15 261	-1.8%
● Swartland	R16 471	-1.3%
<b>West Coast District</b>	<b>R15 186</b>	<b>-1.2%</b>
Western Cape	R18 995	-1.8%

Source: Urban-Econ calculations based on Quantec Research, 2022

The average monthly household income in the WCD for 2020 was R15 186 (in current prices), which was lower than the average household income in the Western Cape. Between 2016 and 2020, the average household income in the Province declined by an average annual rate of 1.8 per cent, while that of the WCD decreased by an annual average rate of 1.2 per cent. However, considering that the average inflation over the period was recorded at 6.5 per cent,<sup>1</sup> household income in the WCD is not growing sufficiently to compensate for higher prices caused by inflation. Since 2016, annual inflation has been on a declining trend, while remaining within the targets set by the SARB. At a rate of 3.3 per cent in 2020,<sup>2</sup> inflation was at its lowest level in more than a decade. However, inflation started increasing in 2021 as a result of the economic downturn in 2020.

The municipal areas that had the lowest average household income were the Matzikama (R13 557) and Cederberg (R14 244) municipal areas. However, Cederberg was the only municipal area that did not experience a downward trend in average monthly income between 2016 and 2020. All other municipal areas within the District experienced a decline in average monthly income in the period under review. The Swartland and Bergrivier municipal areas recorded the highest average annual household income in 2020.

### 3.3.1.1 Taxpayers

Income taxes, which are governed by the Income Tax Act of 1962, provide a substantial amount of the funding for the South African Government.<sup>3</sup> Income tax is an important source of income and is often used to finance crucial national priorities such as repayments of national debt and acquiring public goods and services.

<sup>1</sup> (Stats SA, 2022).

<sup>2</sup> (Stats SA, 2021).

<sup>3</sup> (South African Revenue Service, 2022).

Table 3.2 provides the WCD's number of taxpayers per local municipal area in relation to the Western Cape, as well as the average monthly taxable income, in 2019 and 2020.

**Table 3.2**  
**INDIVIDUAL TAXPAYERS, West Coast District, 2019 – 2020**

MUNICIPAL AREA	Number of taxpayers		Average monthly taxable income	
	2019	2020	2019	2020
● Matzikama	5 199	5 446	R23 616	R23 696
● Cederberg	3 086	3 272	R21 032	R20 556
● Bergrivier	5 205	5 588	R22 343	R22 635
● Saldanha Bay	15 522	16 112	R24 923	R24 531
● Swartland	34 838	37 029	R21 329	R21 140
<b>West Coast District</b>	<b>63 850</b>	<b>67 447</b>	<b>R22 649</b>	<b>R22 252</b>
<b>Western Cape</b>	<b>867 697</b>	<b>906 526</b>	<b>R28 622</b>	<b>R28 495</b>

Source: National Treasury and SARS, 2022

A total of 63 850 taxpayers were registered with the WCD in 2019, while 67 447 were registered in 2020. This shows that the WCD experienced an increase in taxpayers of 5.0 per cent over the period. Despite the increase in taxpayers, the WCD's average monthly taxable income declined from R22 649 in 2019 to R22 252 in 2020. The decline in average monthly taxable income may be related to local businesses seeing a decrease in sales, and salaries being reduced as a result of the COVID-19-related nationwide lockdown. It is likely that more people reached the taxable income threshold during that time period, hence the increase in total taxpayers and the decrease in average monthly taxable income.

The Swartland municipal area had the most taxpayers, making up 55.0 per cent of all taxpayers in the WCD for each year respectively. Despite Swartland having the most taxpayers in the District, Saldanha Bay had the highest average monthly taxable income in 2019 and 2020. The Cederberg municipal area had the District's lowest average monthly taxable income and the fewest taxpayers, making up roughly 4.8 per cent of the WCD's total taxpayer population. This may be due to the low population in comparison with other municipal areas in the WCD.

### 3.3.1.2 Poverty

Stats SA utilises a cost-of-basic-needs approach to produce three poverty lines, namely the food poverty line (FPL), the lower-bound poverty line (LBPL) and the upper-bound poverty line (UBPL). This allows monitoring of poverty at different levels. The FPL is the rand value below which individuals are not able to afford sufficient food that is required for adequate health. The LBPL and the UBPL use the FPL as a base, but they also have a non-food component. Individuals at the LBPL do not have enough resources to purchase both adequate levels of food and non-food items, and must therefore sacrifice food to obtain essential non-food items. Those at the UBPL can afford both adequate food and non-food items.<sup>4</sup> Between 2019 and 2020, the FPL increased from R561 to R585, the LBPL increased from R810 to R840 and the UBPL increased from R1 227 to R1 268 per person per month.<sup>5</sup>

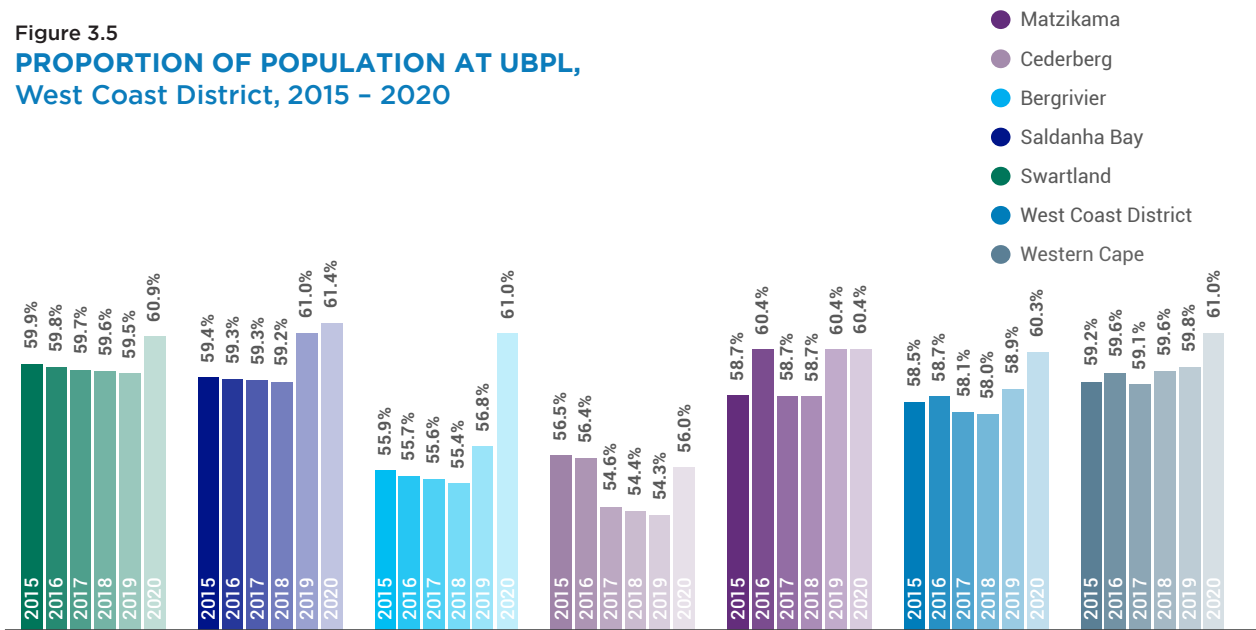
<sup>4</sup> (Stats SA, 2017).

<sup>5</sup> (Stats SA, 2020).



Figure 3.5 details the proportion of the population that is considered to be at the UBPL.

**Figure 3.5**  
**PROPORTION OF POPULATION AT UBPL,**  
**West Coast District, 2015 - 2020**



Source: IHS Markit, 2022



The WCD has a marginally smaller proportion of people at the UBPL compared with the Western Cape. The proportion of people at the UBPL declined from 58.5 per cent in 2015 to 58.0 per cent in 2018, before increasing to 60.3 per cent in 2020. The Saldanha Bay municipal area has the largest proportion of people at the UBPL, which is in line with the high unemployment rate of the municipal area. The Bergrivier municipal area recorded a sharp increase in the proportion of people at the UBPL between 2018 (55.4 per cent) and 2020 (61.0 per cent). Poor economic growth in the municipal area could have contributed to the increase in poverty. Other factors contributing to the increase in people living at the UBPL in the municipal area include job losses in the municipal area. The Bergrivier municipal area recorded the second-largest relative reduction in jobs across all municipal areas in the District between 2018 and 2020.<sup>6</sup>

<sup>6</sup> Argument derived from calculation of data utilised in Chapter 2, West Coast District.

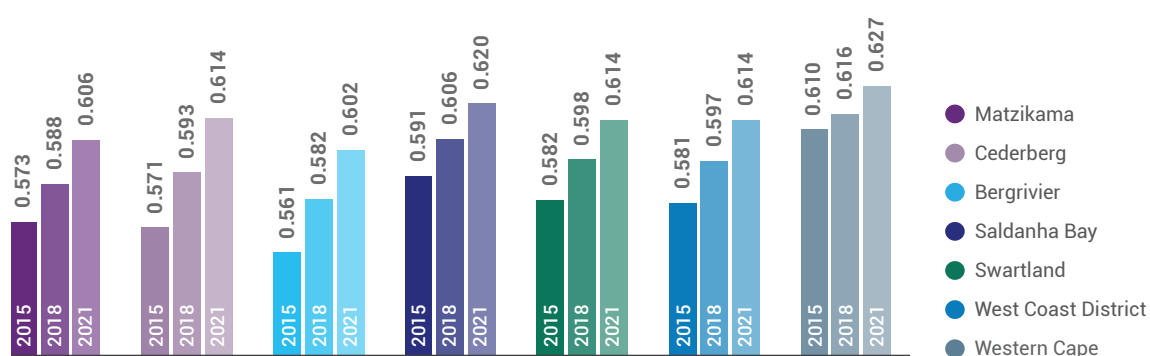
### 3.3.1.3 Inequality



**There are numerous measurements of inequality in a society**, including income, expenditure, asset, employment, education, health, basic services and social mobility inequality. By utilising a multidimensional view of inequality, the broader context of the challenges South Africans face can be analysed. Ratios and indices that measure inequality include the Gini coefficient, the Theil index, general entropy, the Palma ratio and the Atkinson index.<sup>7</sup> However, at a local municipal level, data that is readily available and most widely used is the Gini coefficient, which can therefore be utilised to analyse income inequality at a local level.

Figure 3.6 illustrates the Gini coefficients for the local municipal areas in the WCD.

**Figure 3.6**  
**GINI COEFFICIENTS,**  
**West Coast District, 2015 – 2021**



Source: IHS Markit, 2022

**The Gini coefficient** is an indicator of income inequality and ranges between 0 and 1, with 0 representing complete equality and 1 representing complete inequality.

Income inequality was lower in the WCD than in the Province. All of the municipal areas within the WCD reflected a similar growth trend where there was a moderate increase in the Gini coefficient from 2015 to 2021. The Swartland and Cederberg municipal areas reflected a 0.614 result in 2021 (the same as the WCD). The Cederberg municipal area experienced the highest growth from 2018 to 2021 owing to poor citrus revenue as a result of the EU’s regulation on citrus black spot, as well as depressed rooibos market prices. Reductions in the trade of citrus exports affected revenue for the sector, which also affected income for workers within the agriculture sector, which represents a high share of labour in the District.<sup>8</sup> This contributed to increased income inequality in the municipal area. The Saldanha Bay municipal area had the highest Gini coefficient in 2021 at 0.620 and the Bergrivier municipal area had the lowest at 0.602.

<sup>7</sup> (Stats SA, 2019).

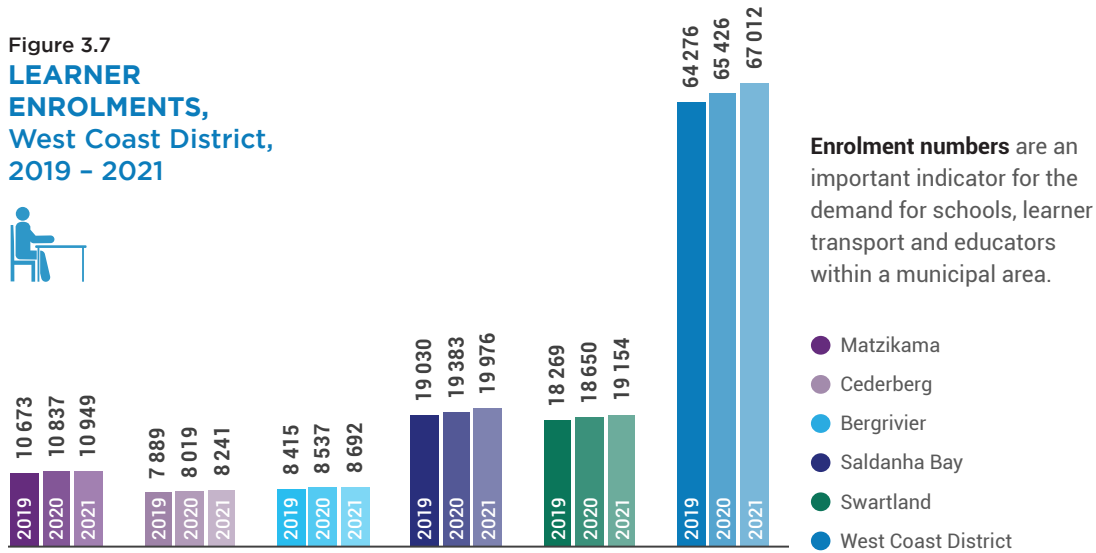
<sup>8</sup> See Section 2.2.3, West Coast District.

### 3.3.2 Education

This subsection explores the educational circumstances of households in the WCD by analysing data on learner enrolments, the Grade 10 to 12 retention rate, matric pass rates and learner-teacher ratios.

Figure 3.7 illustrates the number of learners enrolled in schools in the WCD for 2019, 2020 and 2021.

**Figure 3.7**  
**LEARNER ENROLMENTS, West Coast District, 2019 - 2021**



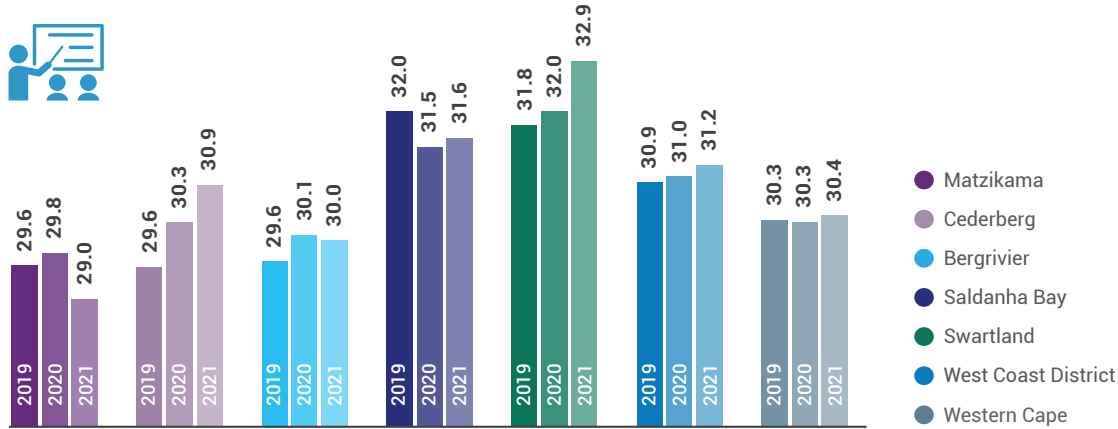
Source: Western Cape Education Department, 2022

The Saldanha Bay municipal area had the largest learner enrolment for the period under review, with 19 976 learners enrolled in 2021, followed by the Swartland municipal area (19 154 learners). In the WCD, learner enrolments increased consistently from 2018 to 2020. The Saldanha Bay municipal area experienced the largest increase in learner enrolments between 2019 and 2021, with learner enrolments increasing by 946 learners, followed by the Swartland municipal area (885 learners). The Matzikama municipal area had the lowest increase in learner enrolments, with an increase of 276 learners between 2019 and 2021.



Figure 3.8 compares the learner-teacher ratio of the WCD with that of the Western Cape.

**Figure 3.8**  
**LEARNER-TEACHER**  
**RATIO, West Coast**  
**District, 2019 – 2021**



Source: Western Cape Education Department, 2022

**Learner-teacher ratios** are indicative of the capacity of schools to accommodate more learners. Learner-teacher ratio upper limits of 40:1 in ordinary primary schools and 35:1 in ordinary high schools are set by the Department of Education.<sup>9</sup> Lower learner-teacher ratios are associated with more interaction between teachers and learners, which could contribute to better-quality education.<sup>10</sup>

The learner-teacher ratio in the WCD increased from 30.9 learners per teacher in 2019 to 31.2 learners per teacher in 2021. For the same period, the largest increases in the learner-teacher ratio were recorded in the Cederberg municipal area (from 29.6 in 2019 to 30.9 in 2021) and the Swartland municipal area (from 31.8 in 2019 to 32.9 in 2021). The municipal areas with above-average learner-to-teacher ratios were the Saldanha Bay and Swartland municipal areas. However, between 2019 and 2021 the learner-teacher ratio declined from 32.0 to 31.6 in the Saldanha Bay municipal area, whereas it showed an increasing trend in the Swartland municipal area. This indicates that the number of educators did not increase in line with learner enrolments.

It is commonly assumed that children receive less personalised attention in larger class environments and that high learner-teacher ratios are detrimental to improved educational outcomes. Factors influencing the learner-teacher ratio are the ability of schools to employ more educators when needed and the ability to collect fees.

The learner-teacher ratio is a strong indicator of the students' level of engagement in a class, the quality of education and student achievement. A lower learner-teacher ratio may result in teachers being able to provide more personalised teaching methods, which improves teaching and learning processes in schools as well as the academic progression of students. Research has also shown that lower learner-teacher ratios are associated with better test results, fewer drop-out learners and higher graduation rates.<sup>11</sup>

<sup>9</sup> (Sephton, 2017).

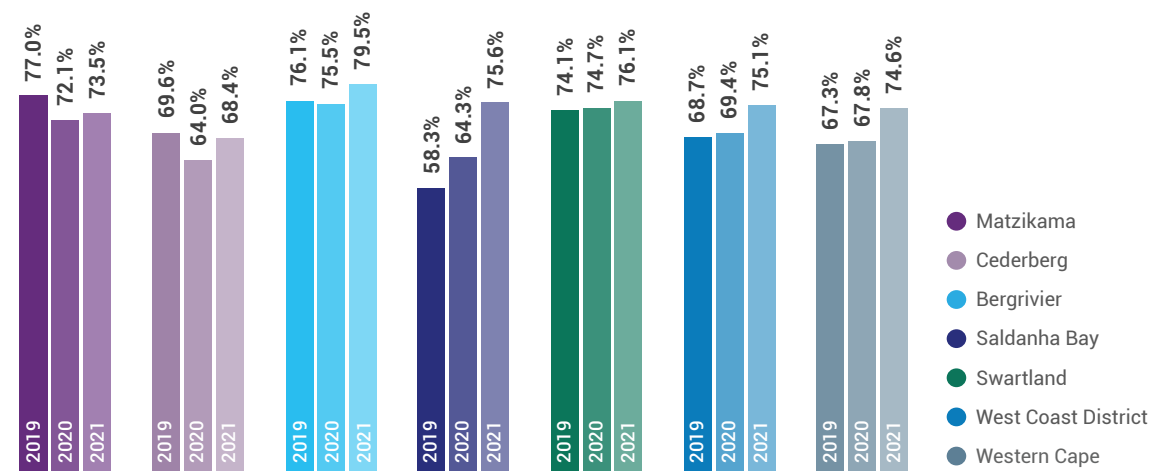
<sup>10</sup> (Moloi, 2011).

<sup>11</sup> (The Hun School of Princeton, 2019).



Figure 3.9 considers the retention rate in the Grade 10 to 12 phase of schools in the WCD.

**Figure 3.9**  
**GRADE 10 TO 12 RETENTION RATE,**  
**West Coast District, 2019 – 2021**



Source: Western Cape Education Department, 2022

**The learner retention rate** is determined by obtaining the proportion of Grade 12 learners in a particular year compared with the number of Grade 10 learners two years previously. This shows the proportion of students who progressed to Grade 12, compared with those enrolled in Grade 10 two years before.

The Grade 10 to 12 retention rate in the WCD consistently improved during the period under review, even though the education sector experienced various challenges during the COVID-19 pandemic, especially in 2020. The retention rate in the WCD improved substantially from 68.7 per cent in 2019 to 75.1 per cent in 2021, which was slightly higher than the Western Cape’s retention rate of 74.6 per cent for the same year. According to the General Household Survey of 2021, the key reasons learners stop attending school include illness and disability, poor academic performance, the inability to pay fees and family commitments.<sup>12</sup>

The Bergrivier municipal area recorded the District’s highest learner retention rate in 2021 (79.5 per cent), followed by the Swartland (76.1 per cent) and Saldanha Bay (75.6 per cent) municipal areas. However, the Matzikama municipal area recorded a sharp decline from 77.0 per cent in 2019 to 73.5 per cent in 2021.

The Saldanha Bay municipal area recorded a considerable improvement in learner retention rates between 2019 and 2021 (from 58.3 per cent to 75.6 per cent).

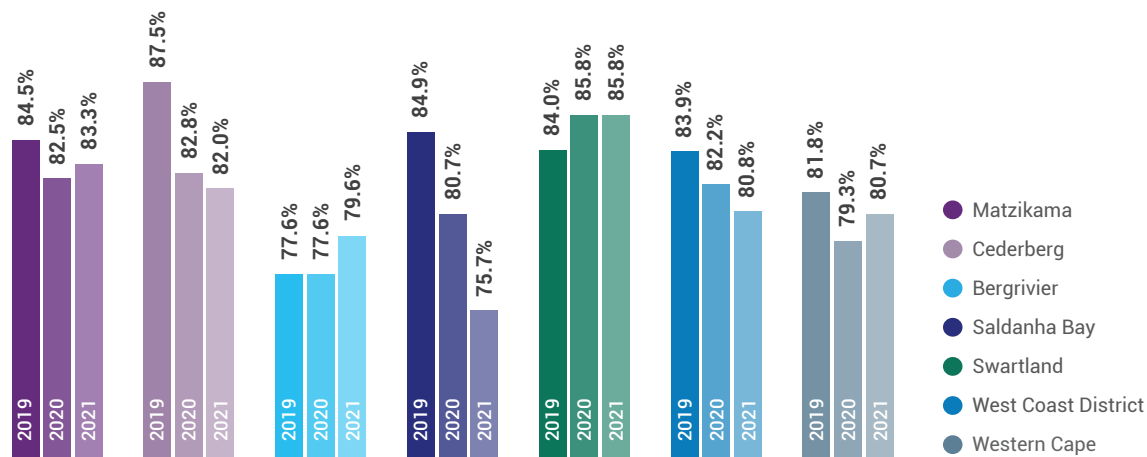


<sup>12</sup> (Stats SA, 2022).

Access to education is an important indicator for labour market skills and access to economic opportunity. Local challenges that result in learners leaving school before Grade 12 need to be assessed, especially considering that most sectors require semi-skilled and skilled labour.

Together with several other variables not considered in this section, learner enrolment, learner-teacher ratios and Grade 10 to 12 retention rates all contribute towards an area's Grade 12 pass rate. Figure 3.10 depicts the proportion of learners who passed Grade 12 and earned a school-leaving certificate in the WCD between 2019 and 2021.

**Figure 3.10**  
**MATRIC PASS RATE,**  
**West Coast District, 2019 - 2021**



Source: Western Cape Education Department, 2022

Over the reference period, the matric pass rate for the WCD was higher than the pass rate for the Western Cape. However, the matric pass rate for the WCD declined from 83.9 per cent in 2019 to 80.8 per cent in 2021. This can be attributed to the COVID-19 pandemic, which caused schools to close, and as a result the academic year was greatly impacted. This also speaks to issues of access to online teaching, as some private schools continued to teach online, while public schools were unable to do so.

The Swartland municipal area recorded the highest matric pass rate in the WCD (also higher than the Province) in 2021 at 85.8 per cent, which is an increase of 1.8 percentage points from 2019. The Bergrivier municipal area recorded a slight improvement in its matric pass rate between 2019 (77.6 per cent) and 2021 (79.6 per cent). The Saldanha Bay municipal area recorded a steady decline in its matric pass rate over the three years from 84.9 percent in 2019 to 75.7 per cent in 2021.

Even though COVID-19 lockdown measures were eased in 2021, the academic performance of many learners was still influenced owing to routine disruptions. Lockdown restrictions impacted the matric pass rate negatively, mostly owing to teaching time lost as well as the transition to online teaching.<sup>13</sup> This also impacted the class of 2021, as students in Grade 11 in 2020 lost more time than the matric class of 2020.<sup>14</sup>

<sup>13</sup> (Govender, 2022).

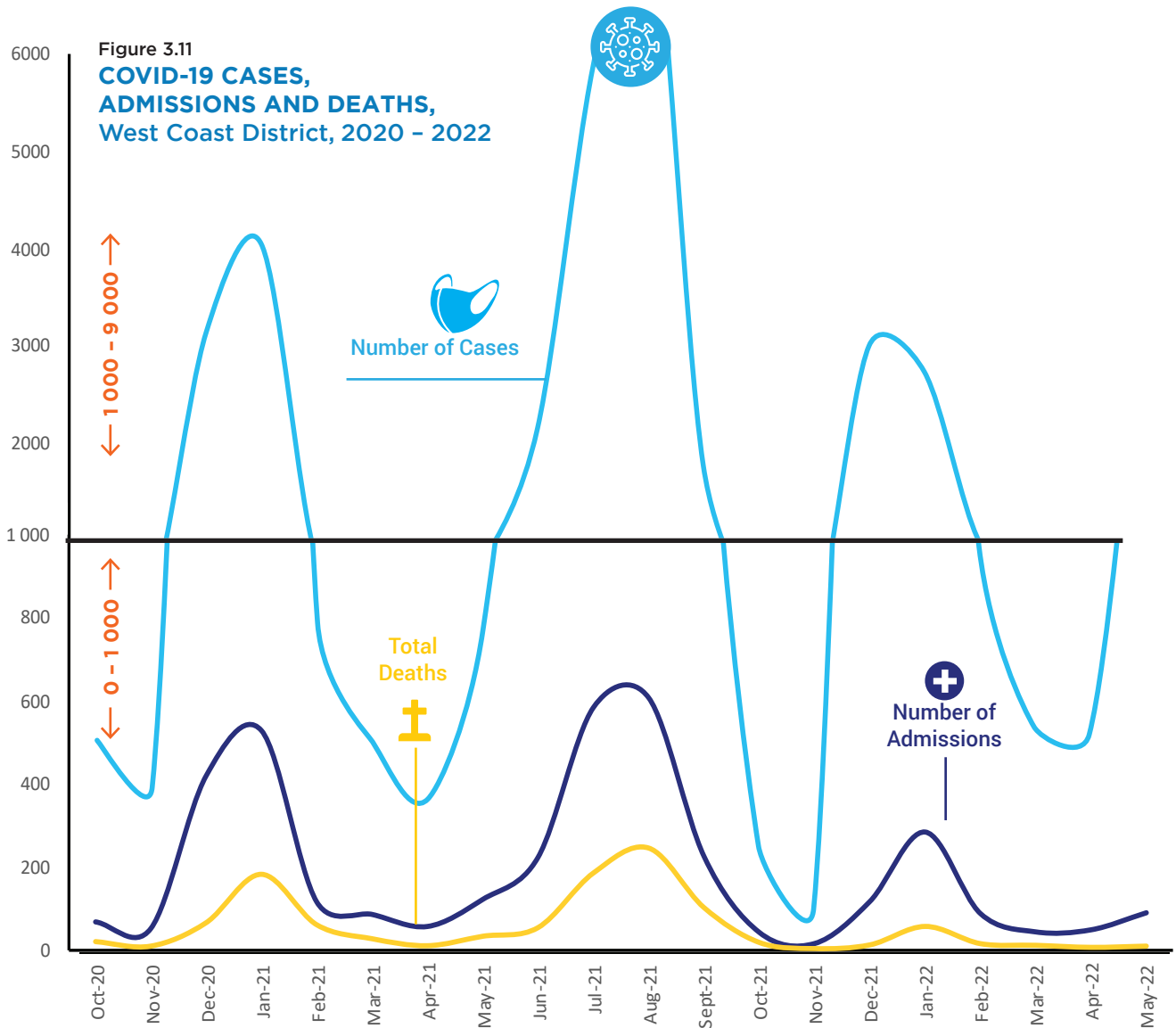
<sup>14</sup> (Makinana, 2020).

### 3.3.3 Health

This subsection analyses the health conditions of people living in the WCD by reviewing COVID-19, the causes of death, human immunodeficiency virus (HIV), tuberculosis (TB), infant mortality rates, maternal death rates and teenage pregnancies.

#### 3.3.3.1 COVID-19

Figure 3.11 indicates the number of COVID-19 cases, admissions and deaths, as well as the distribution of deaths per age group in the WCD since the start of the COVID-19 pandemic in March 2020.

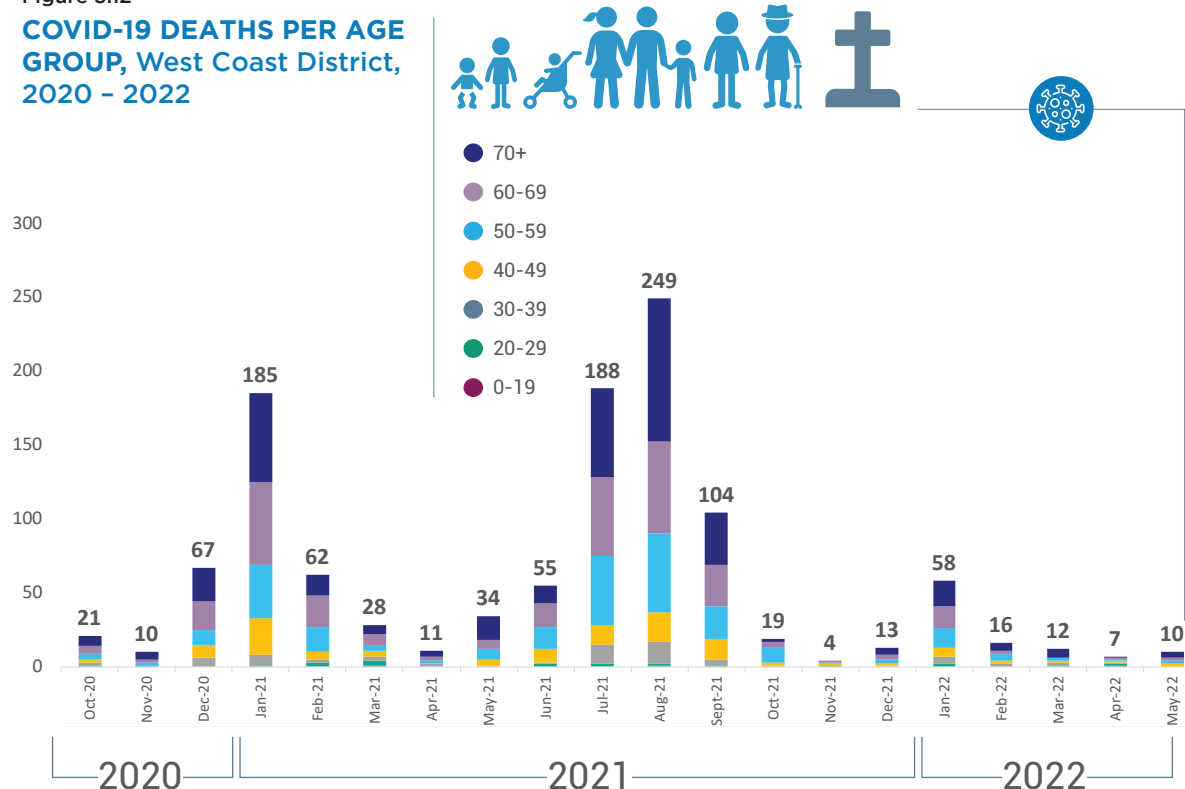


Source: Western Cape Department of Health, 2022

	Oct 20	Nov 20	Dec 20	Jan 21	Feb 21	Mar 21	Apr 21	May 21	Jun 21	Jul 21	Aug 21	Sep 21	Oct 21	Nov 21	Dec 21	Jan 22	Feb 22	Mar 22	April 22	May 22
Cases	512	399	3 133	4 046	794	508	371	776	2151	5 861	7 847	1 766	258	108	2 999	2 732	976	544	526	1 576
Admissions	69	53	420	529	117	87	58	123	224	584	608	227	44	17	118	285	89	45	50	91
Deaths	21	10	67	185	62	28	11	34	55	188	249	104	19	4	13	58	16	12	7	10

The number of COVID-19 cases in the WCD increased rapidly from two cases in March 2020 to 1 305 cases in June 2020. The first peak in the WCD recorded 1 397 cases in July 2020. Hospital admission trends are similar to those of case numbers, increasing with each wave and peaking during the third wave in August 2021. The number of deaths also peaked (249 deaths) during the third wave in August 2021.

**Figure 3.12**  
**COVID-19 DEATHS PER AGE GROUP, West Coast District, 2020 - 2022**



Source: Western Cape Department of Health, 2022

Throughout the duration of the pandemic, those in the older population (aged 60 and above) were more vulnerable to the effects of COVID-19. Across all months, 59.4 per cent of all COVID-19-related deaths in the District were in the older population. This vulnerability increased during wave peaks, as 62.8 per cent of all deaths in the District occurred during periods of peak cases. Conversely, the population aged 19 and under was the least vulnerable to COVID-19 effects, with all deaths in this population segment accounting for 0.4 per cent of all deaths in the District. The increased deaths in the older population may be a result of higher prevalence of comorbidities found in this population segment, as well as an ageing immune system increasing vulnerability.<sup>15</sup>

The South African Government had COVID-19 vaccine roll-outs from February 2021 for healthcare workers, with the Pfizer and Johnson & Johnson vaccines listed as the main options available. Initially, when vaccine dose supply was limited, the public roll-out was limited to the elderly population, as well as the population with comorbidities and those living in hostels and nursing homes from May 2021. The vaccine was only available for all adults from August 2021 and was available for children in October 2021.

<sup>15</sup> (Damayanthi, Pradani, & Weerasekara, 2021).

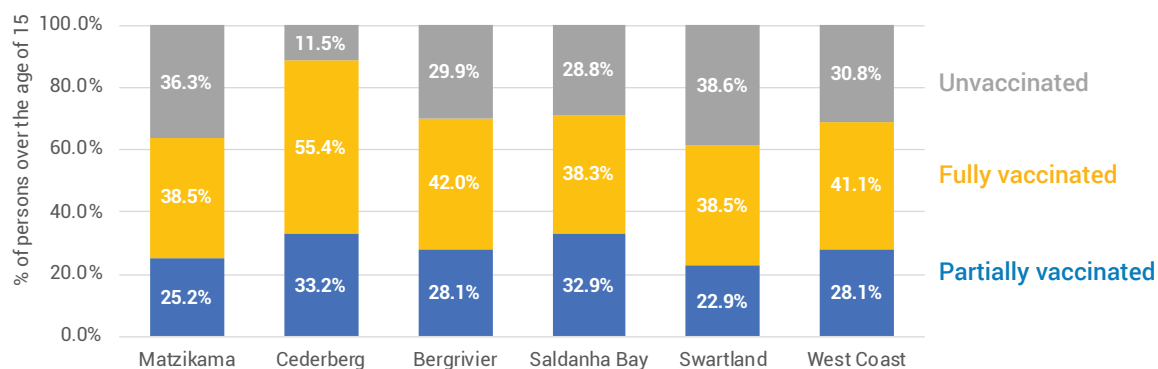


COVID-19 vaccines are safe and effective at protecting people from getting seriously ill or hospitalised.<sup>16</sup> They also offer added protection against new infections and variants of the virus. Furthermore, full vaccination is more beneficial than partial vaccination, as full dosages reinforce immune responses compared with a single dosage.<sup>17</sup> Going forward, boosters are encouraged, as they help people maintain strong protection from severe COVID-19 infection.<sup>18</sup> However, it is acknowledged that vaccine hesitancy occurs for several reasons, including health concerns, mistrust towards the pharmaceutical industry, misinformation, disinformation and a lack of education regarding vaccine efficacy.



Figure 3.13 depicts the population that has received full or partial vaccination as well as the unvaccinated population in the WCD.

**Figure 3.13**  
**COVID-19 VACCINATED POPULATION, West Coast District, 2020 – 2022**



Vaccinations <sup>19</sup>	2020 – 2022		
	Partially vaccinated <sup>20</sup>	Fully vaccinated <sup>21</sup>	Unvaccinated
Matzikama	25.2%	38.5%	36.3%
Cederberg	33.2%	55.4%	11.5%
Bergrivier	28.1%	42.0%	29.9%
Saldanha Bay	32.9%	38.3%	28.8%
Swartland	22.9%	38.5%	38.6%
<b>West Coast District</b>	<b>28.1%</b>	<b>41.1%</b>	<b>30.8%</b>

Source: Western Cape Department of Health, 2022

<sup>16</sup> (Centers for Disease Control and Prevention, 2022).

<sup>17</sup> (Seladi-Schulman, 2021).

<sup>18</sup> (Maragakis & Kelen, 2022).

<sup>19</sup> It should also be noted that the vaccination numbers reported are based on the place of vaccination and not the clients' area of residence.

<sup>20</sup> Percentage of individuals who have received a Pfizer first dose.

<sup>21</sup> Percentage of Individuals who have received a Johnson & Johnson vaccine or a Pfizer first dose and second dose.

Most people in the WCD were vaccinated (69.2 per cent). Across all municipal areas in the District, the Cederberg municipal area recorded the highest share of vaccinated individuals, with 88.6 per cent of persons over the age of 15 partially or fully vaccinated. The smallest share was recorded in the Swartland and Matzikama municipal areas, with 38.6 per cent and 36.3 per cent unvaccinated persons over the age of 15 respectively. Lower vaccination rates suggest that the municipal areas would benefit from disseminating information regarding the COVID-19 vaccine and launching outreach programmes that target communities.

Within the WCD, the population aged between 18 and 34 recorded the highest number of vaccine doses, recording 62 355 first dosages and 24 248 second dosages.<sup>22</sup> This was followed by the population segment aged between 35 and 49 years old, which recorded a count of 46 255 first doses and 22 446 second doses.<sup>23</sup> This is a result of increased vaccination rates in the country, suggesting an increased capability. The child population aged between 12 and 17 years old recorded the lowest number of vaccinations, with 7 948 first doses and 2 469 second doses.<sup>24</sup> This is a result of those in this age range being eligible for vaccines later than the population aged 18 and above. Another factor influencing low vaccination rates in the age group are different laws regarding vaccination for the age group arising from fears of myocarditis or pericarditis.<sup>25</sup> The older population aged 60 and above recorded the largest share of booster dosages, taking a collective 13 359 doses.<sup>26</sup> This may be a result of the higher likelihood of vulnerability within the population creating increased demand for booster dosages.



<sup>22</sup> (Western Cape Department of Health, 2022).

<sup>23</sup> (Western Cape Department of Health, 2022).

<sup>24</sup> (Western Cape Department of Health, 2022).

<sup>25</sup> (Mail & Guardian, 2021).

<sup>26</sup> Collective booster dosages were calculated as the sum between Sisonke booster doses and general booster doses (Western Cape Department of Health, 2022).

### 3.3.3.2 HIV/AIDS and TB

Table 3.3 provides an overview of the trends in HIV testing, treatment and outcomes in the WCD between 2018/19 and 2021/22.

**Table 3.3**  
**TRENDS IN HIV TESTING, TREATMENT AND OUTCOMES,**  
**West Coast District, 2018/19 – 2021/22**



	2018/19	2019/20	2020/21	2021/22
<b>Known HIV+ (Tested; n)</b>	<b>21 831</b>	<b>22 723</b>	<b>23 094</b>	<b>22 817</b>
Of which: Clients started but no longer on ART	34.1%	33.0%	31.6%	28.8%
<b>Of which: Clients on ART</b>	<b>56.6%</b>	<b>58.4%</b>	<b>60.5%</b>	<b>63.5%</b>
Of which: Clients with confirmed viral suppression	68.7%	74.0%	73.7%	72.5%

Source: Western Cape Department of Health, 2022

The number of people who are known to have tested positive in the WCD increased over the reference period from 21 831 in 2018/19 to 22 817 in 2021/22. Knowledge of HIV status is an important starting point to receiving treatment. Even though more people knew their status in 2020/21 than in 2021/22, HIV treatment was disrupted by the effects of the COVID-19 pandemic on the healthcare system.

The Joint United Nations Programme on HIV/AIDS (UNAIDS) targeted that by 2020, 90.0 per cent of all people living with HIV would know their status, 90.0 per cent of people diagnosed with HIV would be receiving antiretroviral therapy (ART) and 90.0 per cent of people receiving ART would have viral suppression.<sup>27</sup> While the percentage of people who started but were no longer on ART has shown a downward trend, it is still noted that discontinuation or interruption of ART may result in a viral rebound. However, the percentage of people who were on ART has continuously increased from 56.6 per cent in 2018/19 to 63.5 per cent in 2021/22.

Viral suppression is when HIV medicine is used to reduce the viral load in the body in such a way that the immune system can function.<sup>28</sup> The percentage of people with confirmed viral suppression in the WCD demonstrated an overall increasing trend, from 68.7 per cent in 2018/19 to 72.5 per cent in 2021/22, having decreased from 74.0 per cent in 2019/20.

The age group that is most susceptible to infection (those between the ages of 15 and 50) is also the most economically and socially active.<sup>29</sup> The economic impacts of HIV/AIDS include reduced labour supply, reduced labour productivity, reduced exports and increased imports.<sup>30</sup> Given the current economic challenges in the WCD, increasing ART and viral suppression is essential.

<sup>27</sup> (UNAIDS, 2022).

<sup>28</sup> (Centers for Disease Control and Prevention, 2021).

<sup>29</sup> (UNAIDS, 2000).

<sup>30</sup> (Dixon, McDonald, & Roberts, 2022).

Table 3.4 shows the trends in TB notification and outcomes in the WCD between 2019/20 and 2021/22.

**Table 3.4**  
**TRENDS IN TB NOTIFICATION AND OUTCOMES,**  
**West Coast District, 2019/20 – 2021/22**



	2019/20	2020/21	2021/22
TB programme success rate	83.6%	82.6%	79.7%
TB clients lost to follow-up	12.1%	10.4%	12.8%
TB client death rate	3.3%	4.7%	5.3%
TB/HIV co-infected	38.4%	39.9%	37.8%
TB MDR treatment success rate	54.0%	45.9%	51.0%

Source: Western Cape Department of Health, 2022

The success rate of the TB programme in the WCD declined from 83.6 per cent in 2019/20 to 79.7 per cent in 2021/22. TB clients lost to follow-up increased from 12.1 per cent in 2019/20 to 12.8 per cent in 2021/22, despite a year-on-year decrease to 10.4 per cent in 2020/21. The multidrug-resistant (MDR) treatment success rate decreased in the period under review from 54.0 per cent in 2019/20 to 51.0 per cent in 2021/2022.

The TB client death rate demonstrated an increasing trend during the period under review from 3.3 per cent in 2019/20 to 5.3 per cent in 2021/2022. The TB client death rate is influenced by the trend of the MDR TB treatment success – the number of TB deaths will increase if MDR TB treatment is less successful. This indicates the importance of treatment availability.

HIV testing, treatment and outcomes trends indicated some recovery from COVID-19 influence. On the other hand, TB notification and outcomes' recent data indicates some deterioration, which can possibly be linked to the impact of COVID-19 on the health system and the population's health in general. Therefore, the improvement in and restraint of HIV indicators point to improved quality of life and as a result opportunities for economic growth, while further improvement in access to and the success of TB treatment is required.



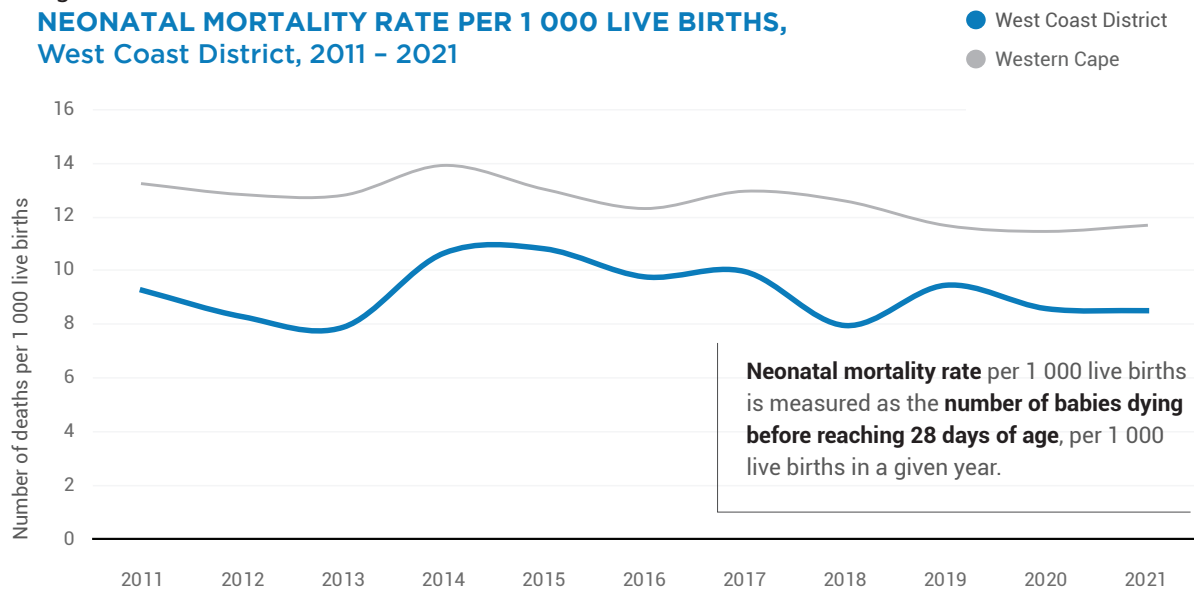


### 3.3.3.3 Child and maternal health

Figure 3.14 depicts neonatal death rates in the WCD and the Western Cape between 2011 and 2021.

Figure 3.14

#### NEONATAL MORTALITY RATE PER 1 000 LIVE BIRTHS, West Coast District, 2011 - 2021



Source: Western Cape Department of Health, 2022

Neonatal mortality for the WCD demonstrates a fluctuating trend for the period under review. The highest rate recorded in the District during the review period was 10.8 deaths per 1 000 live births in 2015. The lowest rate was recorded in the year 2013, with 7.9 deaths per 1 000 live births. The District compares favourably with the Province, as the Province recorded higher rates for all years in the period under review.



Table 3.5 outlines the maternal death rates per 100 000 live births in the WCD between 2019 and 2021.

**Table 3.5**  
**MATERNAL DEATH RATES PER 100 000 LIVE BIRTHS,**  
**West Coast District, 2019 - 2021**

MUNICIPAL AREA	2019	2020	2021
● Bergrivier	0	0	0
● Cederberg	0	130	245
● Matzikama	0	0	102
● Saldanha Bay	0	0	0
● Swartland	0	212	0
<b>West Coast District</b>	<b>0</b>	<b>43</b>	<b>56</b>

Source: Western Cape Department of Health, 2022

**The maternal death rate** is defined as maternal deaths per 100 000 live births in health facilities. Maternal death is death occurring during pregnancy, childbirth and the puerperium of a woman while pregnant or within 42 days of termination of pregnancy, irrespective of the duration and site of pregnancy and irrespective of the cause of death (obstetric and non-obstetric).

The maternal death rate in the WCD increased from no deaths per 100 000 live births in 2019 to 43 deaths per 100 000 live births in 2020, and further increased to 56 deaths per 100 000 live births in 2021. In 2020, only the Cederberg and Swartland municipal areas in the WCD recorded maternal deaths, with 130 deaths per 100 000 live births and 212 deaths per 100 000 live births respectively. Cederberg and Matzikama were the only municipal areas in the WCD that recorded maternal deaths in 2021, with 245 deaths per 100 000 live births and 102 deaths per 100 000 live births respectively, indicating an increase in both municipal areas.

While neonatal deaths have remained rather stable in the WCD, maternal deaths have increased, demonstrating stagnation in child and maternal health in the WCD.



### 3.3.3.4 Teenage pregnancy

Teenage pregnancies can perpetuate the poverty cycle while also resulting in early school drop-out by pregnant teenagers. Teenage pregnancy is influenced by several factors, including lack of knowledge about or access to contraceptives, access to healthcare services and other sociocultural factors. Table 3.6 provides a municipal breakdown of teenage pregnancies in the WCD between 2019 and 2021 by indicating the percentage of babies born to mothers aged between 10 and 19 years.

**Table 3.6**  
**DELIVERY RATE TO WOMEN 10 – 19 YEARS,**  
**West Coast District, 2019 – 2021**

MUNICIPAL AREA	2019	2020	2021
● Bergrivier	19.1%	16.0%	19.0%
● Cederberg	18.6%	15.5%	17.9%
● Matzikama	17.6%	15.5%	15.4%
● Saldanha Bay	13.6%	13.3%	13.2%
● Swartland	13.0%	15.8%	14.8%
<b>West Coast District</b>	<b>16.3%</b>	<b>14.7%</b>	<b>15.3%</b>

Source: Western Cape Department of Health, 2022

The delivery rate to teenagers in the WCD declined from an average rate of 16.3 per cent in 2019 to 15.3 per cent in 2021, after a drop to 14.7 per cent in 2020. The Bergrivier municipal area had the highest delivery rate to teenagers in 2021 (19.0 per cent), followed by the Cederberg municipal area (17.9 per cent). The Swartland municipal area was the only municipal area in the WCD whose delivery rate to teenagers in the period under review increased, by 1.8 percentage points. The rest of the municipal areas in the WCD experienced a decrease in the delivery rate to teenagers, with the largest decline recorded in the Matzikama municipal area at 2.2 percentage points.

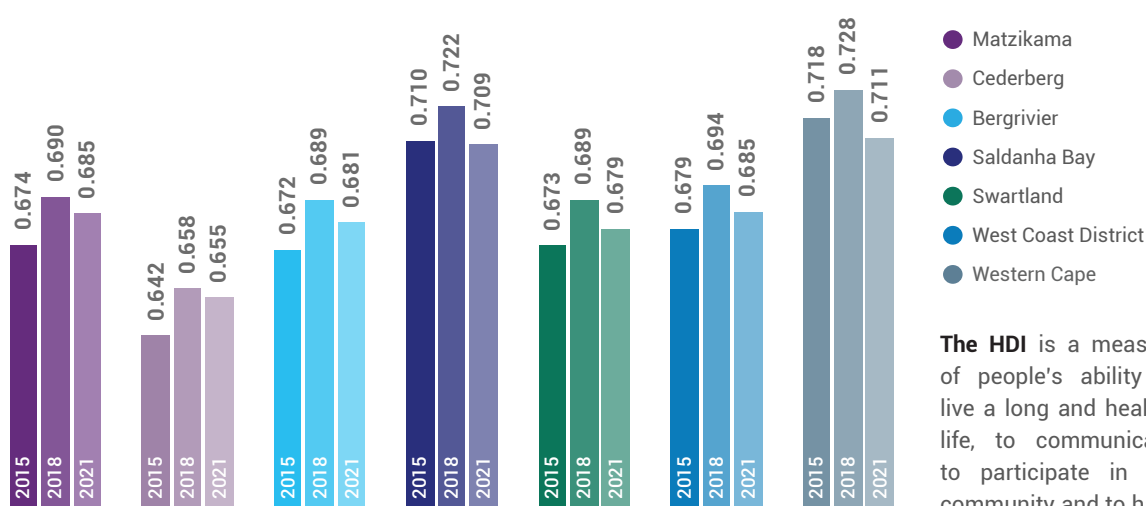
A decrease in delivery rates to teenagers reduces pressure on the public sector for support and more teenagers remain in school, improving the potential for increased skill levels and employment.



### 3.3.4 Human Development Index

The HDI is defined as a composite indicator reflecting education levels, health and income, and is used to compare the relative level of socio-economic development across countries. Economic performance plays an important role in determining the quality of life of citizens; economists expect economic growth to result in improvements in human development, and economic decline to have an adverse effect on human development. Figure 3.15 provides an overview of the HDI per municipal area for the WCD in 2015, 2018 and 2021.

Figure 3.15  
**HDI PER MUNICIPAL AREA, West Coast District, 2015 - 2021**



The HDI is a measure of people's ability to live a long and healthy life, to communicate, to participate in the community and to have sufficient means to

Source: IHS Markit, 2022

afford a decent standard of living. The HDI is represented by a number between 0 and 1, where 1 indicates a high level of human development and 0 represents no human development.

The HDI of the WCD significantly increased from 0.679 in 2015 to 0.694 in 2018. However, it experienced a considerable decline in 2021 to 0.685. The WCD's HDI remains marginally lower compared with that of the Province (0.711). The Saldanha municipal area experienced the highest HDI at 0.709 in 2021 owing to the port and IDZ, which contribute to a higher GDP per capita. The Matzikama and Bergrivier municipal areas reported HDIs of 0.685 and 0.681 respectively in 2021, with the Cederberg municipal area accounting for the lowest HDI at 0.655.

#### GLOBAL HDI COMPARISON

According to the United Nations Development Programme (UNDP),<sup>31</sup> South Africa was ranked 102nd in the world in 2021, with an HDI of 0.713. Although it was lower than the average world HDI of 0.732, South Africa's HDI was still considered high and was above the average HDI of developing countries (0.685). Globally, Switzerland had the highest HDI in 2021 (0.962), while South Sudan was ranked the lowest at 0.385. In 2021, the HDI in the Western Cape (0.711) was also considered high according to the UNDP classification and was above the world average. The 2021 HDI in the WCD (0.685) was considered medium human development according to the HDI classification and on a par with that of Tajikistan (0.685).

<sup>31</sup> (United Nations Development Programme, 2022).



### 3.4 ACCESS TO HOUSING AND BASIC SERVICES

#### Future household growth

This section considers future changes in the distribution of households in the District’s municipal areas.

The number of households in the WCD is expected to increase by 10.5 per cent between 2021 and 2026. The District’s expected average annual household growth between 2022 and 2026 is 2.5 per cent. The number of households in the Saldanha Bay and Swartland municipal areas is expected to increase by an average annual growth rate of 3.4 per cent and 2.5 per cent respectively. The projected average annual household growth of the Matzikama, Cederberg and Bergrivier municipal areas is 1.1 per cent, 2.2 per cent and 2.3 per cent respectively, lower than the average annual growth rate of the WCD (2.5 per cent).

#### Dwellings

One of the important indicators of the level of human development within an economy is access to decent formal housing, which is regarded as a basic human right. Table 3.7 depicts the various types of dwellings of households in the WCD in 2021.

Table 3.7  
**NUMBER AND PROPORTION OF DWELLINGS, West Coast District, 2021**



	West Coast District		● Matzikama		● Cederberg	
	Number	% of total	Number	% of total	Number	% of total
Formal	109 822	87.9%	18 891	89.2%	14 721	87.7%
Informal	14 248	11.4%	2 125	10.0%	1 939	11.6%
Other	882	0.7%	171	0.8%	120	0.7%

	● Bergrivier		● Saldanha Bay		● Swartland	
	Number	% of total	Number	% of total	Number	% of total
Formal	17 587	95.1%	28 976	80.5%	29 647	91.2%
Informal	687	3.7%	6 860	19.1%	2 637	8.1%
Other	223	1.2%	138	0.4%	230	0.7%

Source: Quantec Research, 2022

**Formal dwelling** refers to a structure built according to approved plans, i.e., house on a separate stand, flat or apartment, townhouse, room in back yard, rooms or flatlet elsewhere.

**Informal dwelling** is a makeshift structure not erected according to approved architectural plans, e.g. shacks or shanties in informal settlements or in back yards.

Most of the households in the WCD reside in formal dwellings (87.9 per cent in 2021). This is an improvement of 1.5 per cent compared with the previous year. At a municipal level, the proportion of households residing in formal dwellings was higher in the Bergrivier (95.1 per cent), Swartland (91.2 per cent) and Matzikama (89.2 per cent) municipal areas than the District.

In terms of informal dwellings, approximately 11.4 per cent of households in the District (down 0.3 per cent compared with 2020) resided in this type of dwelling in 2021, and the majority of households were in the Saldanha Bay (19.1 per cent), Cederberg (11.6 per cent) and Matzikama (10.0 per cent) municipal areas. All three municipalities recorded a small decline in informal housing of 0.4 per cent between 2020 and 2021.

According to the MERO 2022 Municipal Perception Survey, illegally erected informal dwellings in the Matzikama and Swartland municipal areas saw a slight decrease in 2021. This correlates with the findings from MERO 2021, recording 14 511 informal households in the previous year.<sup>32</sup> However, the informal housing crisis is still adding pressure to the municipalities, as it is not always possible to provide basic services in informal areas.<sup>33</sup>

Going forward, a main focus relating to improving living conditions in the WCD should emphasise decreasing the number of informal dwellings in the Saldanha Bay municipal area (19.1 per cent), as this municipal area recorded almost double the proportion of informal dwellings in relation to the WCD in 2021 (11.4 per cent).



<sup>32</sup> (Western Cape Government, 2021).

<sup>33</sup> (Matzikama Municipality, 2022).



## HOUSING MARKET STUDY

Functional housing markets that respond to the diversity of residential accommodation needs of households across the spectrum of affordability and optimise the role of the private sector (from large-scale property developers to micro-landlords) are central to the economic and social wellbeing of our settlements, as well as to the financial sustainability of our towns and cities.

**The Western Cape Growth Diagnostic report (2022) notes that** *“a large gap between demand and supply has led to rising prices across the whole housing market from top to bottom. On the one hand, this raises the household wealth of homeowners. On the other, it raises the cost of accommodation, resulting in lower real ex-accommodation household incomes. It also results in upward wage pressure on local firms. Higher prices ripple across the housing market, making even the most affordable formal housing stock more expensive, with huge implications for living standards and inclusion”* (intellidex, 2022). Filling the gap between demand and supply in the property market is therefore crucial.

To appropriately respond to this challenge and the opportunity presented by achieving more functional housing markets, **it is important to understand the performance of the housing markets in our urban centres and the nature of the affordability gap.** The WCG commissioned Housing Market Studies for four of the Province’s intermediate cities/larger towns, namely the George city area, Mossel Bay-Kwanonqaba-Hartenbos, Stellenbosch town and the Paarl-Mbekweni-Wellington area. These studies profile housing demand and supply, and identify the affordability gap in each of the urban centres, building an evidence base to inform suitable responses to address shortcomings in the housing market.

**In comparing the property markets of the four towns and cities,** while there were commonalities, such as the gaps in the market, there were trends specific to each of the settlements. This speaks to the importance of assessing the housing market dynamics in each urban centre, as the performance of the markets will differ and appropriate approaches to addressing the gaps will vary.

**There are many avenues to address the housing supply and affordability gap.** The challenge requires tackling matters, in parallel, at multiple levels in the property development value chain and housing ladder. This requires co-operation from all three spheres of government, the private sector and households. To be successful, factors that drive costs up and limit supply of more affordable housing, as well as factors such as creditworthiness and/or inaccessible finance sitting on the demand side of the housing market, need to be understood in order to be tackled appropriately.

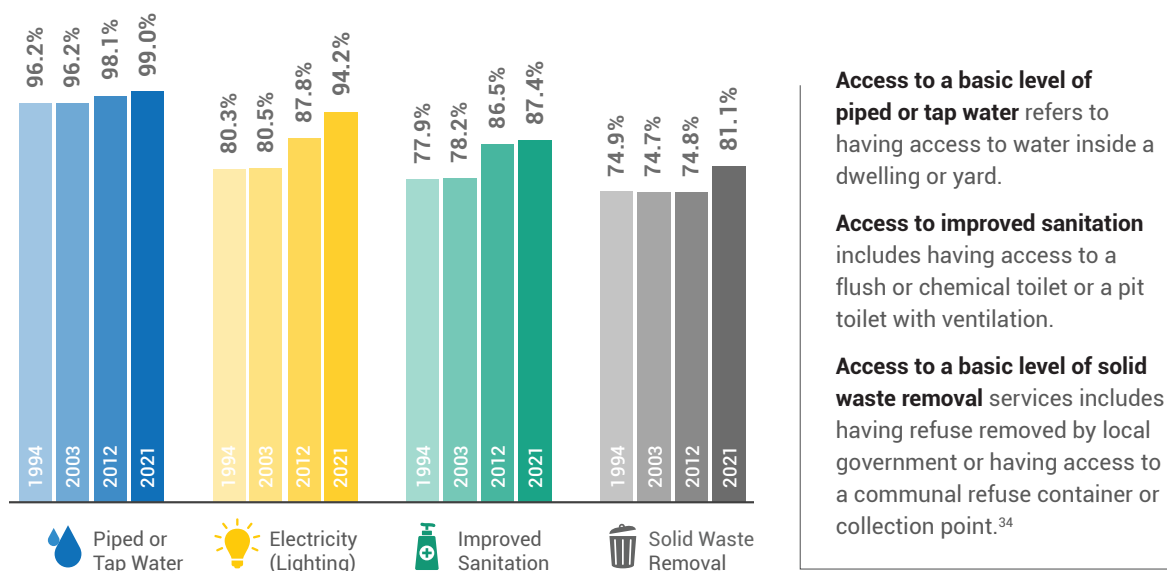
**FOUR HOUSING MARKET STUDIES for Intermediate Cities/Larger Towns in the Western Cape** were prepared by the Centre for Affordable Housing Finance in Africa (CAHF) under the commission of the Western Cape Department of Environmental Affairs and Development Planning and the Western Cape Department of Human Settlements. Scan the QR Code for the full reports.



*Citation: WC DEA&DP (2022) Housing Market Studies for Intermediate Cities/Larger Towns in the Western Cape: George City Area Report, Western Cape Department of Environmental Affairs and Development Planning (WC DEA&DP), Cape Town, South Africa.*

The health, safety and wellbeing of communities are affected by access to basic services such as water and sanitation. Through the provision of basic services, municipalities create an enabling environment that will allow for private investment and entrepreneurship, which could create local economic opportunities. In some cases, households have access to electricity directly from Eskom, and not through a local authority. Figure 3.16 illustrates the access to basic services in the WCD.

**Figure 3.16**  
**ACCESS TO BASIC SERVICES, West Coast District, 1994 – 2021**



Source: Urban-Econ calculations based on Quantec Research, 2022

Overall, access to basic services in the WCD increased during the reference period. Between 1994 and 2021, access to piped or tap water increased by 2.8 percentage points and reached 99.0 per cent. Virtually every household in the WCD had access to water in 2021. Access to electricity increased the most between 1994 (80.3 per cent) and 2021 (94.2 per cent), by 13.9 percentage points. Access to improved sanitation services increased steadily by 9.5 percentage points between 1994 and 2021. Access to solid waste removal services decreased slightly by 0.2 percentage points between 1994 and 2003 but increased by 6.4 percentage points between 2003 and 2021. Access to solid waste management services often lags that of other services, particularly in more rural municipal areas such as the WCD and areas that have many farms, as it is not always financially feasible for regular waste collection services to be provided in these areas.



<sup>34</sup> Quantec Research, 2022).



## INDIGENT HOUSEHOLDS

A household is classified as indigent when the occupants of the household earn a combined income of less than a certain amount as specified by each municipal area in an indigent policy. The poverty threshold for the WCD is indicated in Table 3.8 below.

Table 3.8  
**POVERTY THRESHOLD, West Coast District, 2021**

Municipal Area	Indigent Policy
Matzikama	The Matzikama Local Municipality stipulates that households with a total gross monthly income that does not exceed the value of the monthly government pension grant plus 35.0 per cent of the grant are eligible for indigent support. <sup>35</sup>
Cederberg	Total household income does not exceed R3 720 per month or the sum of twice the state-funded social grant. <sup>36</sup>
Bergrivier	The Bergrivier Local Municipality sets an income threshold of below or equal to R5 000 per month. <sup>37</sup>
Swartland	Total household income may not exceed R4 515 per month. <sup>38</sup>
Saldanha Bay	Total household income may not exceed R5 500 per month. <sup>39</sup>

Table 3.9  
**NUMBER OF INDIGENT HOUSEHOLDS, West Coast District, 2019 – 2021**

A municipal breakdown of the number and percentage of indigent households in the WCD between 2019 and 2021 is provided in Table 3.9.

	2019		2020		2021	
	Number	% of households	Number	% of households	Number	% of households
● Matzikama	3 291	15.9%	3 147	15.0%	2 888	13.6%
● Cederberg	2 041	12.5%	2 262	13.6%	2 487	14.8%
● Bergrivier	1 992	11.0%	1 862	10.2%	2 128	11.5%
● Saldanha Bay	7 384	21.1%	8 481	23.8%	7 880	21.9%
● Swartland	8 923	28.6%	9 027	28.3%	8 836	27.2%
<b>West Coast District</b>	<b>23 631</b>	<b>19.5%</b>	<b>24 779</b>	<b>20.1%</b>	<b>24 219</b>	<b>19.4%</b>

Source: Department of Local Government, 2022

The WCD recorded 24 219 indigent households in 2021, which was a 19.4 per cent share of all households in the District. Across all municipal areas in the District, the Swartland municipal area contributed the largest share of indigent households at 8 836 indigent households in 2021. This was closely followed by the contribution of the Saldanha Bay municipal area of 7 880 indigent households in the year. The Bergrivier municipal area contributed 2 128 indigent households in the District, being the smallest contributor across all municipal areas.

Between 2020 and 2021, the WCD recorded a reduction in the number of indigent households by 0.7 per cent. Additionally, the proportion of indigent households in the District also decreased by 0.7 percentage points. Across all the municipal areas, the largest decrease in indigent households was recorded in the Matzikama municipal area, decreasing by 8.2 per cent. The Bergrivier municipal area had the largest increase in indigent households in the period by 14.3 per cent, but this did not affect the District as a result of its low share of indigent households to the District in the period. Decreases in the District's indigent households between 2020 and 2021 were greatly affected by the decreases recorded in the high GDPR-contributing municipal areas of Swartland and Saldanha Bay. The decreases in both municipal

<sup>35</sup> (Matzikama Local Municipality, 2020).

<sup>36</sup> (Cederberg Municipality, 2021).

<sup>37</sup> (Bergrivier Municipality, 2022).

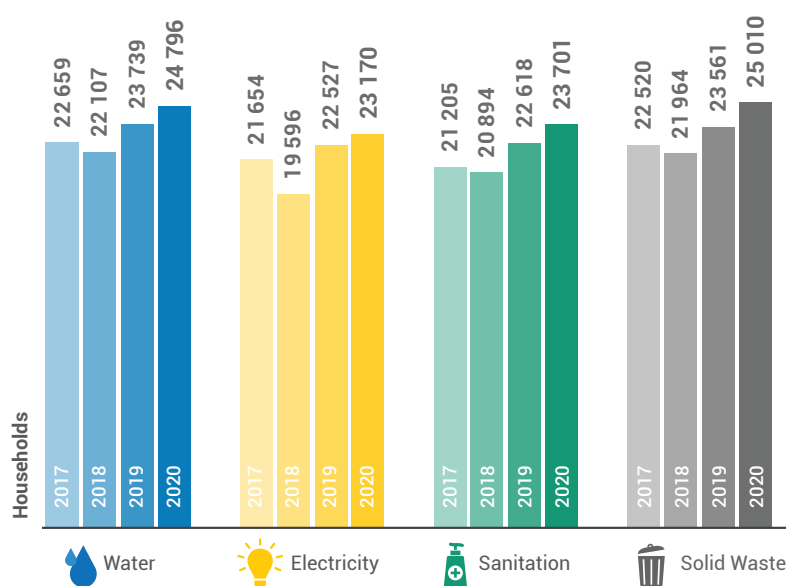
<sup>38</sup> (Swartland Municipality, 2021).

<sup>39</sup> (Saldanha Bay Municipality, 2021).

areas may be a result of increased opportunities for employment in the year. The SBIDZ reported growth in the year,<sup>40</sup> and a new charcoal-manufacturing facility was developed in the Swartland municipal area.<sup>41</sup> These new and continuing developments are likely to have contributed to the decrease in indigent households in the District.

Free basic services are available to households that qualify as indigent households. Figure 3.17 illustrates the number of households with access to free basic services.

**Figure 3.17**  
**ACCESS TO FREE BASIC SERVICES, West Coast District, 2017 – 2020**



Source: Non-financial Census of Municipalities, Stats SA, 2022

The level of free basic services support is guided by the indigent policy of each local municipality. Most municipalities offer up to 6kl of water and up to 50kWh of electricity as free basic services – some of these municipalities also offer some limited support for sanitation and solid waste services. Therefore, the provision of free basic services differs based on the type of service, as access levels and policies differ across municipalities. Between 2017 and 2020, households with access to all of the free basic services provided increased. Access to free basic water increased from 22 659 households in 2017 to 24 796 in 2020. Access to free basic electricity increased from 21 654 households in 2017 to 23 170 in 2020. The number of households with access to free basic sanitation services increased from 21 205 households in 2017 to 23 701 in 2020. The number of households with access to free basic solid waste removal services also increased, from 22 520 households in 2017 to 25 010 in 2020. The overall increase in the number of people who have access to free basic services in more recent years is linked to the increase in indigent households in the District.

<sup>40</sup> (Liedtke, Saldanha Bay IDZ reports positive growth, 2021).

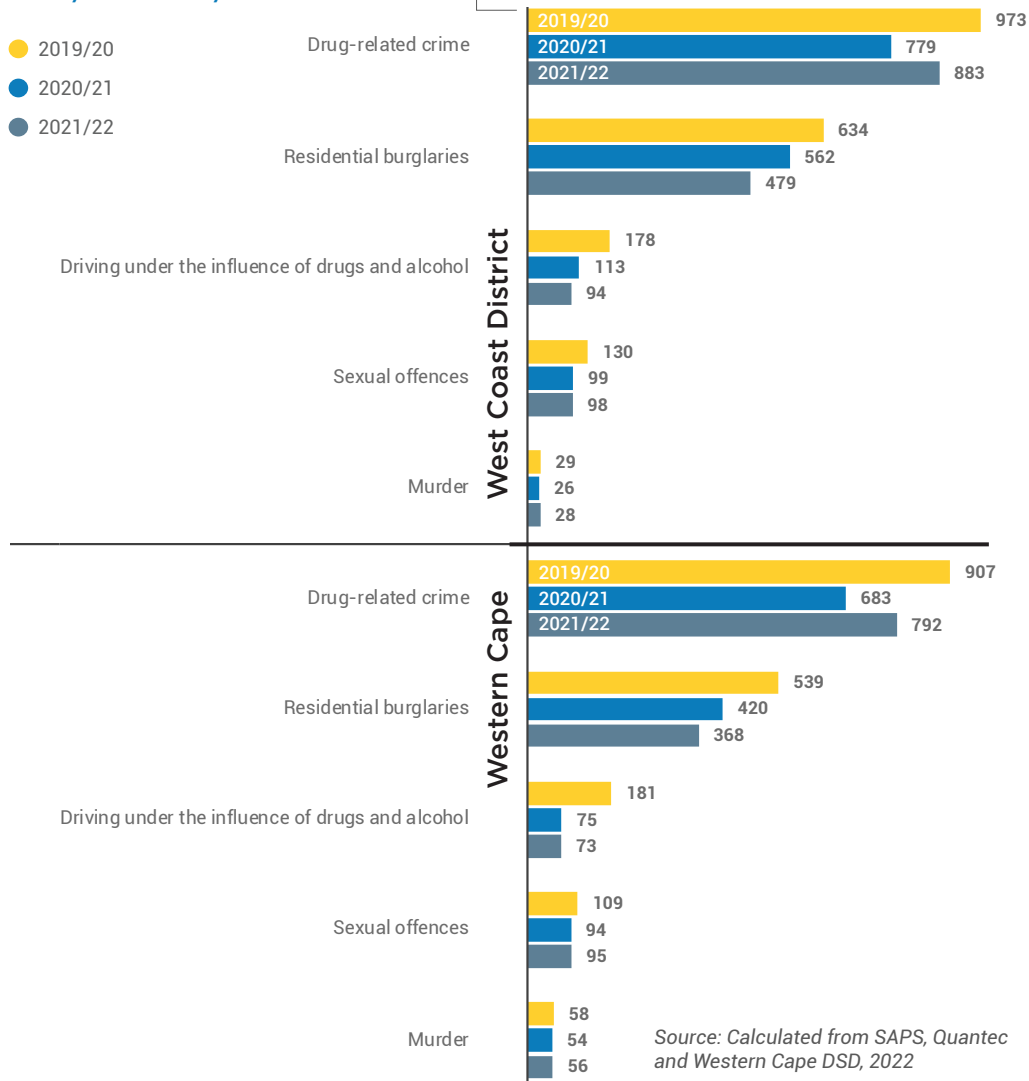
<sup>41</sup> (Liedtke, New charcoal production facility launched in Western Cape, 2020).

### 3.5 CRIME

Figure 3.18 provides an overview of the growth rates in the WCD between 2019/20 and 2021/22 for specific crime categories. It is important to carry out an analysis of crime in the region to determine the typical criminal activities that are prevalent within the WCD.

Figure 3.18

#### CRIME PER 100 000 PEOPLE, West Coast District, 2019/20 - 2021/22



The WCD recorded significantly fewer cases of murder per 100 000 people over the reference period compared with the Province. The murder rate in the WCD declined marginally from 29 people per 100 000 in 2019/20 to 28 people per 100 000 people in 2021/22. A decline in the murder rate was not recorded in all municipal areas, with both the Matzikama and Cederberg municipal areas recording an increase in the murder rate per 100 000 people between 2019/20 and 2021/22. The Cederberg municipal area recorded a murder rate which is more than double that of the WCD, at 66 murders per 100 000 people in 2021/22.

Cases of sexual offences, driving under the influence of drugs and alcohol, residential burglaries and drug-related crime in the WCD also declined over the reference period. However, the WCD recorded more crimes per 100 000 people in these crime categories than the Province, particularly residential burglaries and drug-related crime. In 2021/22, the WCD recorded 479 residential burglaries per 100 000 people and 883 cases of drug-related crime per 100 000 people.

The Saldanha Bay municipal area recorded the most incidents of residential burglaries, with 744 cases per 100 000 people recorded in 2021/22. The Matzikama and Cederberg municipal areas recorded above-average incidents of sexual offences in 2021/22, with 148 cases and 128 cases per 100 000 people respectively, compared with 98 cases per 100 000 people in the WCD and 95 cases per 100 000 people in the Province.

Despite an overall decline in cases between 2019/20 and 2021/22, the Matzikama and Bergrivier municipal areas recorded above-average incidents of driving under the influence of drugs and alcohol, with 166 cases and 172 cases per 100 000 people recorded respectively, compared with 94 cases per 100 000 people in the WCD and 73 cases per 100 000 people in the Province.





### 3.6 CONCLUDING REMARKS

Significant improvement in the education system would greatly benefit the District, as matric pass rates have recorded decreases. The District would also benefit from improved healthcare, as the TB programme success rate declined. These improvements would also address social issues, such as increases in teenage pregnancy in the District.



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