



Western Cape
Government
FOR YOU

2025-26

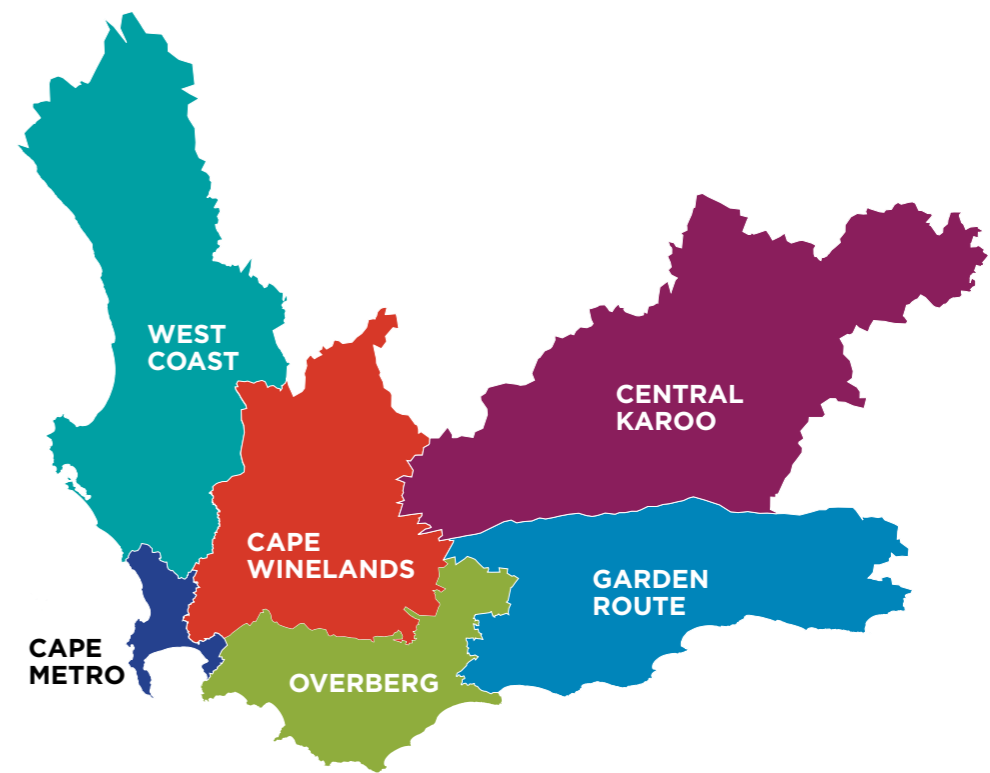
Municipal Economic Review and Outlook

Garden Route District

2025-26

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Garden Route District





2025-26 MERO FOREWORD

Local government bears the responsibility of creating an enabling environment for economic growth and delivering effective services to the citizens of the Western Cape. To execute these duties in a complex and evolving environment, decision-making must be grounded in evidence rather than intuition. Data-driven planning is therefore essential to the success of municipal operations.

The Municipal Economic Review and Outlook (MERO) serves as the primary instrument for this purpose by providing a structured evidence base that enables informed and precise planning. It draws on a broad range of socioeconomic indicators to analyse municipal-level trends. While the Provincial Economic Review and Outlook (PERO) establishes broader macroeconomic conditions and Province-wide dynamics, the MERO complements this by disaggregating economic intelligence down to the metro, district and local municipality levels.

This publication recognises that aggregate Provincial data often obscures the distinct structural realities of individual districts. By isolating these local trends, it provides municipal leadership with the specific insights necessary to navigate unique economic landscapes. The analysis contained in this

year's publication is presented in three sections, each designed to guide the reader from the macro context to the micro reality.

First, the report outlines the broader economic context by situating our local economies within the global and national environment. It examines the external pressures and structural weaknesses affecting the country while contrasting these with the outlook for the Western Cape. This context is vital, as local economies do not operate in a vacuum and are influenced by global geopolitical shifts and national macroeconomic performance.

Next, the focus shifts to the economic performance of the districts and municipal areas themselves. Through a detailed review of gross domestic product per region, trade dynamics and investment trends, this section maps the productive capacity of our regions. It identifies the sectors driving output and highlights where the alignment between public and private investment creates the greatest value.

Finally, the report provides a snapshot of the safety and wellbeing of our communities. Economic growth cannot be viewed in isolation from the living conditions of the population. Accordingly, this section reviews trends in demographics, access to basic services, healthcare, education and crime, illustrating the social pressures that accompany economic activity.

This report represents a collective analytical effort, synthesising datasets and socioeconomic indicators from Statistics South Africa, Quantec, the Provincial Treasury and various Western Cape Government departments. This wide-ranging collaboration ensures that the intelligence presented here is both accurate and relevant to the specific context of the Province.

The value of the MERO is ultimately defined by its application. The document therefore functions as a forward-looking planning tool that goes beyond a historical review of economic performance to establish the analytical foundation required to support policy formulation and resource allocation within municipal areas. The intention is for this research to guide the drafting of integrated development plans and municipal budgets, ensuring that scarce resources are directed towards interventions that yield the highest social and economic returns. In sum, the intelligence contained in these pages positions local governments to make the informed decisions necessary for stability and development across the Western Cape.

We present this publication in support of municipal officials and policy-makers, who bear the responsibility of driving growth on the ground. It reflects a shared commitment to governance that is both responsive and rigorous. I encourage you to engage with these findings and to use them as the basis for the strategic decisions that lie ahead. By grounding our actions in this analysis, we ensure that our planning translates into tangible progress for the people of the Western Cape.

Yours faithfully

MS DEIDRÉ BAARTMAN
PROVINCIAL MINISTER OF FINANCE

Date: 21 January 2026


SECTORAL ACRONYMS


Full name of sector	Abbreviation
agriculture, forestry and fishing	agriculture
community, social and personal services	personal services
construction	construction
electricity, gas and water	electricity
finance, insurance, real estate and business services	finance
general government	general government
manufacturing	manufacturing
mining and quarrying	mining
transport, storage and communication	transport
wholesale and retail trade, catering and accommodation	trade


MUNICIPAL ACRONYMS


District	Abbreviation
City of Cape Town	Cape Metro
Cape Winelands District	CWD
Central Karoo District	CKD
Garden Route District	GRD
Overberg District	OD
West Coast District	WCD



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ACRONYMS AND ABBREVIATIONS

AIDS	Acquired Immunodeficiency Syndrome
ART	Antiretroviral Treatment
ASEAN	Association of Southeast Asian Nations
BPO	Business Process Outsourcing
CAGR	Compound Annual Growth Rate
CBD	Central Business District
CCTV	Closed-circuit Television
CDC	Community Daycare Centre
COVID-19	Coronavirus Disease 2019
CSIR	Council for Scientific and Industrial Research
DBA	Doring Bay Abalone
DCAS	Department of Cultural Affairs and Sport
DDM	District Development Model
DEA&DP	Department of Environmental Affairs and Development Planning
DoH	National Department of Health
DoHS	Department of Human Settlements
DoHW	Department of Health and Wellness
dtic	Department of Trade, Industry and Competition
DTPW	Department of Transport and Public Works
EMS	Emergency Medical Services
EPWP	Expanded Public Works Programme
EU	European Union
f	Forecast
FCS	Fixed Capital Stock
FMCG	Fast-moving Consumer Goods
FPL	Food Poverty Line
FPL	Forensic Pathology Laboratory
FSEZ	Freeport Saldanha Special Economic Zone
FTE	Full-time Equivalent
GDP	Gross Domestic Product
GDPR	Gross Domestic Product per Region
GFCF	Gross Fixed Capital Formation
HIV	Human Immunodeficiency Virus
HSDG	Human Settlements Development Grant
ICT	Information and Communications Technology
IDC	Industrial Development Corporation of South Africa
IDP	Integrated Development Plan
IDZ	Industrial Development Zone
IRDP	Integrated Residential Development Programme
LBPL	Lower-bound Poverty Line
LEGS	Lunar Exploration Ground Sites

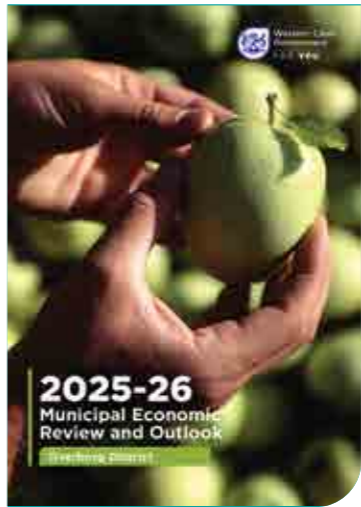
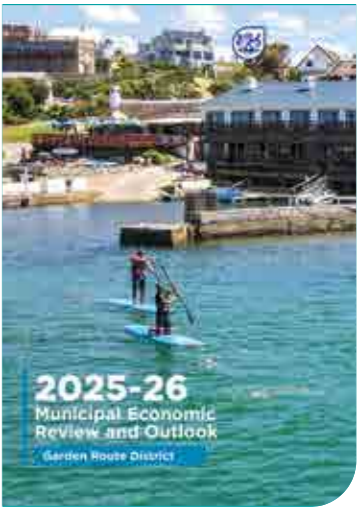
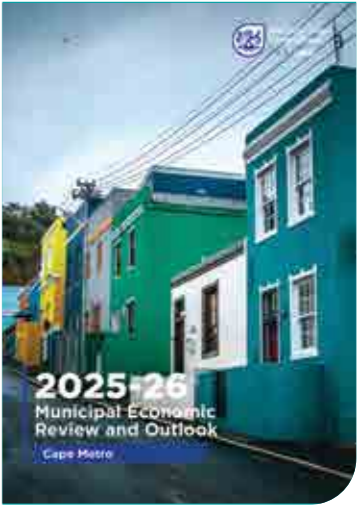
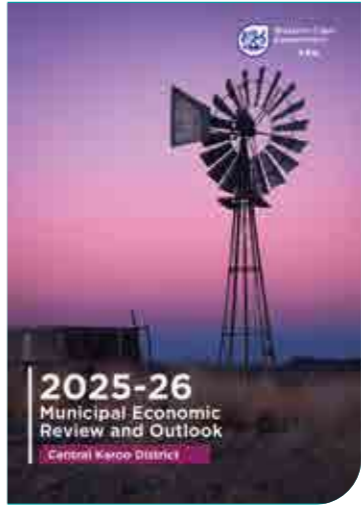
LTR	Learner-teacher Ratio
MERO	Municipal Economic Review and Outlook
MIG	Municipal Infrastructure Grant
MMR	Maternal Mortality Ratio
MOD	Mass Participation; Opportunity and Access; Development and Growth Programme
MTEF	Medium Term Expenditure Framework
MW	Megawatt
MYPE	Mid-year Population Estimates
NDP	National Development Plan 2030
PAYE	Pay As You Earn
PERO	Provincial Economic Review and Outlook
PHC	Primary Healthcare
PRMG	Provincial Roads Maintenance Grant
PV	Photovoltaic
Q1	First Quarter
Q2	Second Quarter
Q3	Third Quarter
Q4	Fourth Quarter
SADC	South African Development Community
SANDF	South African National Defence Force
SAPS	South African Police Service
SARS	South African Revenue Service
SARS-CoV-2	Severe Acute Respiratory Syndrome Coronavirus 2
SBIDZ	Saldanha Bay Industrial Development Zone
SEZ	Special Economic Zone
SMMEs	Small, Micro and Medium Enterprises
TB	Tuberculosis
TVET	Technical and Vocational Education and Training
UAE	United Arab Emirates
UBPL	Upper-bound Poverty Line
UCT	University of Cape Town
UIF	Unemployment Insurance Fund
UISP	Upgrading of Informal Settlements Programme
UK	United Kingdom
WCED	Western Cape Education Department
WCG	Western Cape Government
WEF	World Economic Forum

2025-26 MERO BOOKLETS



2025-26 Municipal Economic Review and Outlook

Garden Route District



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- Crime
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INTRODUCTION AND BACKGROUND



INTRODUCTION

The Western Cape spans a diverse landscape, encompassing the globally recognised urban centre of Cape Town as well as the open plains of the Karoo, the fynbos-covered mountains of the Overberg and the coastal attractions of the Garden Route. Agriculture remains a defining feature of many areas of the Province, including the wheat-producing West Coast and Olifants River regions, the vineyards of the Winelands, and the fruit-producing areas of the Overberg.

Data-driven planning is essential for the fulfilment of local government mandates. The Municipal Economic Review and Outlook (MERO) provide a structured evidence base that enables this planning, drawing on a broad range of socioeconomic indicators to analyse municipal-level trends across the Western Cape. This analytical foundation supports policy formulation, spatial and sectoral planning, and resource allocation within municipalities. It also complements the Provincial Economic Review and Outlook (PERO), which details Province-wide economic dynamics and broader macroeconomic conditions.

The MERO economic analysis of the City of Cape Town (the Cape Metro), the five district municipalities and local municipalities. National employment and economic data was sourced from Statistics South Africa (Stats SA), while data on gross domestic product per region (GDPR) for the Western Cape was obtained from Quantec.

Socioeconomic indicators used in this report were compiled with input from the Provincial Treasury and other Western Cape Government departments, including Health and Wellness, Education, Infrastructure, Social Development, and Local Government. Tourism performance data was sourced from Wesgro, while statistics pertaining to crime, housing and basic services were obtained from Quantec. Local-level insights into community experiences and service delivery perceptions were drawn from the annual Municipal Perception Survey.

The report consists of three parts:

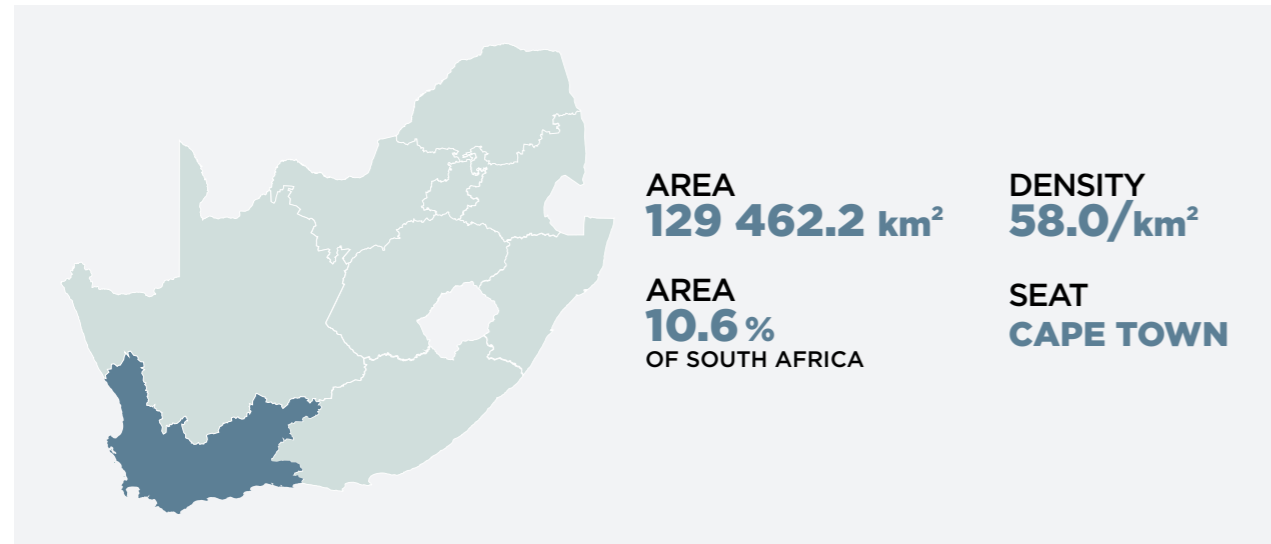
- **Section A** outlines the general economic context of the Western Cape within the global and national economy, reviewing challenges stemming from slow growth, inflation and geopolitical instability. It also considers South Africa's structural weaknesses and uneven sectoral performance alongside the comparatively resilient outlook of the Western Cape, which has been driven by service sector expansion, labour market recovery and emerging opportunities in energy and tourism. These factors have persisted despite infrastructure constraints and growing population pressures.
- **Section B** examines the economic performance of districts and municipal areas of the Province through an analysis of employment, trade, tourism and investment. It includes a review of GDPR trends, town-level employment patterns, 2024 tourism dynamics, and the alignment between public and private investment.
- **Section C** provides a snapshot of safety and wellbeing, dissecting trends in demographics, basic services, income, healthcare, education and crime to illustrate local living conditions and emerging social pressures.

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

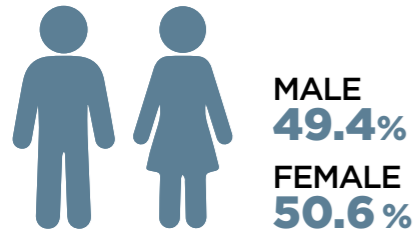
Data related to trade volumes and values is reported according to the location of the reporting firm. This may result in apparent discrepancies between where the activity takes place (i.e. the location of the trading activity) and the area recorded as contributing to exports or imports.

Population estimates at the national, Provincial and District level used in the 2025–26 MERO were sourced from Version 2 of the 2025 mid-year population estimates (MYPE 2025.2), released by Stats SA in September 2025. Municipal-level population estimates were derived from MYPE 2025.2 by the Western Cape Government Provincial Population Unit (WCG PPU) and released in October 2025. These estimates are referenced in this report as MYPEPPU 2025.2

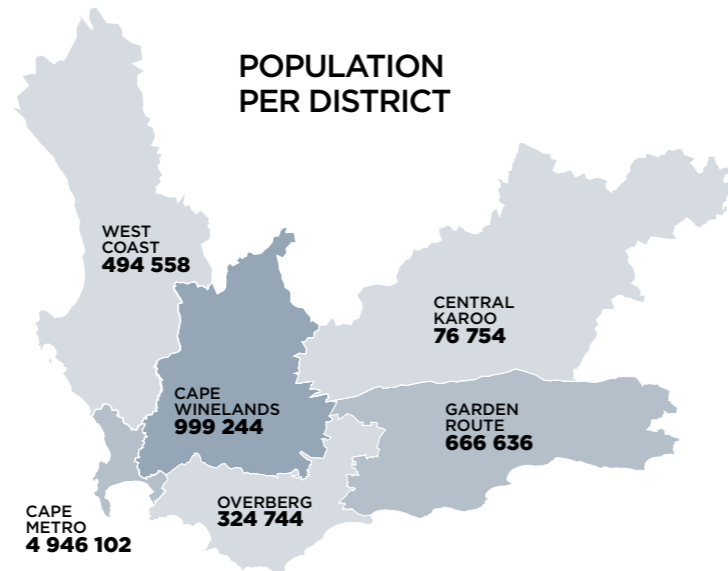
WESTERN CAPE 2024



POPULATION
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AGE SPLIT



ESTIMATED POPULATION GROWTH



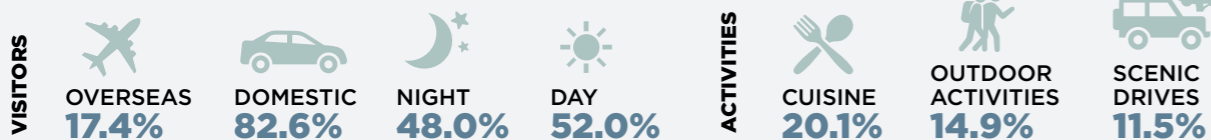
NUMBER OF HOUSEHOLDS
2 055 740



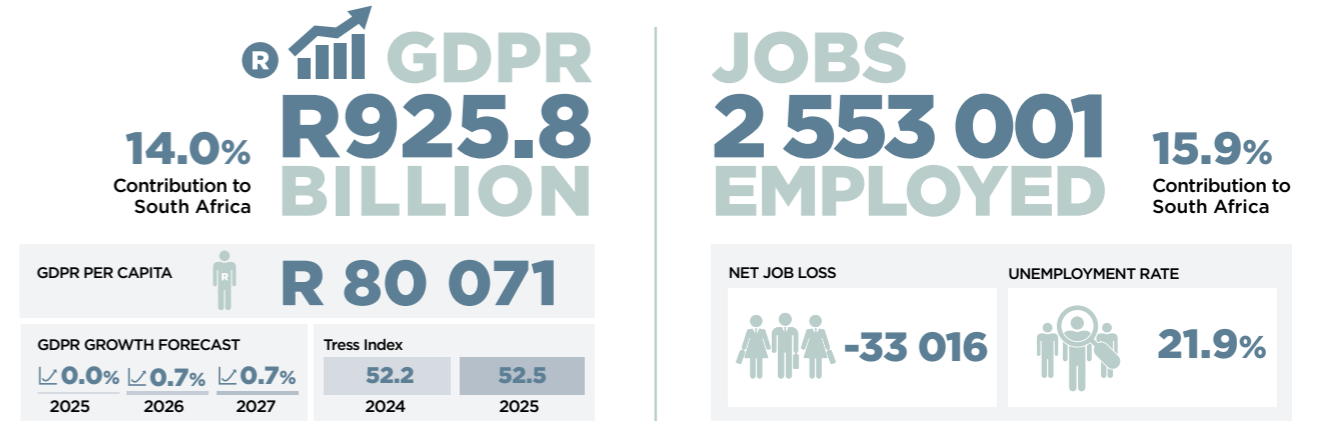
ACCESS TO SERVICES



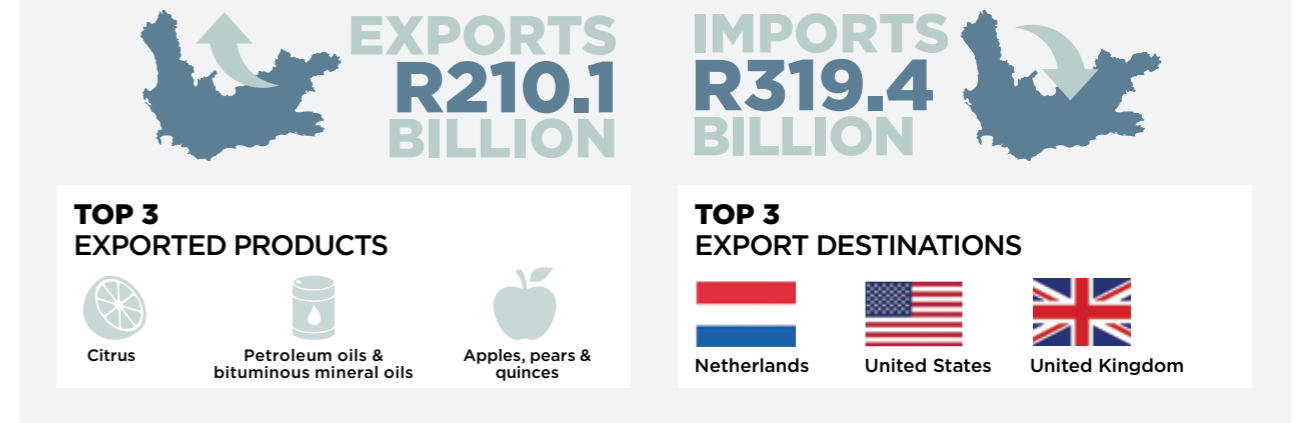
TOURISM



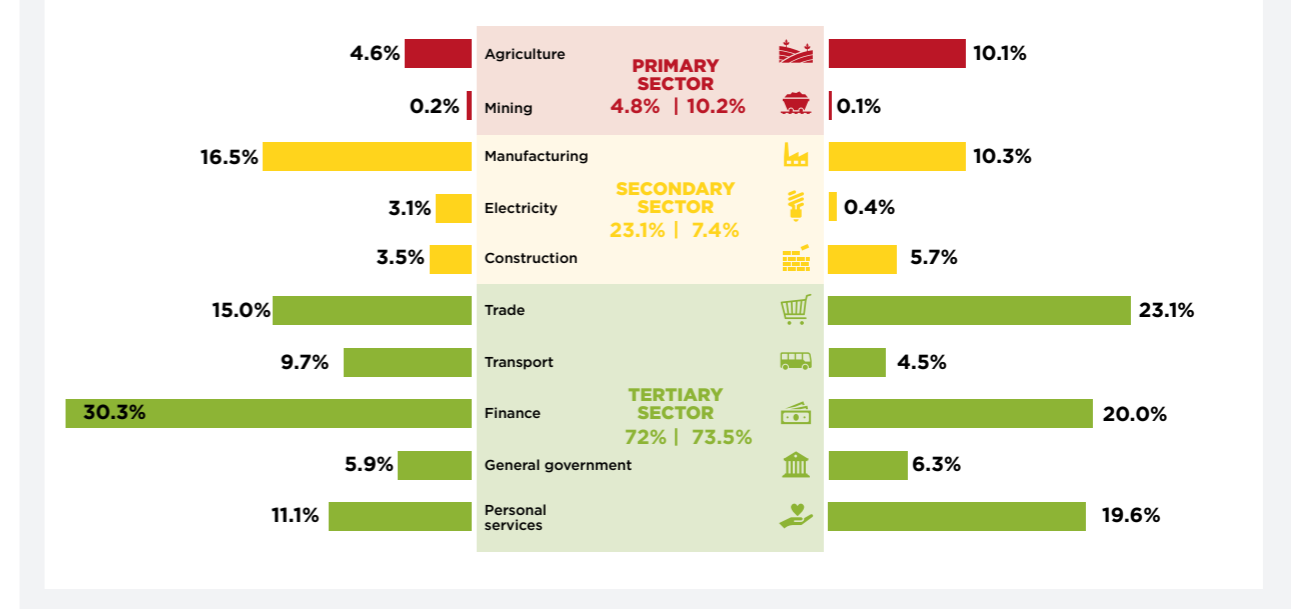
GDPR AND EMPLOYMENT



INTERNATIONAL TRADE



GDPR and Employment



Source: Quantec, 2025; Nell, A. & Visagie, J. Spatial Tax Panel 2014-2024 (dataset). Version 5.1. National Treasury - Cities Support Programme and Human Sciences Research Council (SEAD-SA) 2025



Western Cape
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SECTION

A

**Macroeconomic
performance and
outlook**



1. Global economic context

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

The global economy continues to navigate a period of subdued growth marked by persistent inflationary pressures, fragile consumer and business confidence, and heightened geopolitical uncertainty. While advanced economies have broadly avoided recession, the pace of global growth remains uneven as high interest rates, tighter financial conditions and weakened household consumption continue to constrain expansion. At the same time, emerging markets are experiencing slower growth momentum than in previous global cycles, reflecting softer external demand, currency volatility and elevated sovereign debt burdens. While global output levels have largely regained pre-pandemic levels (sometimes exceeding them), the rate of growth has yet to rebound fully. Furthermore, there are limited indications of a strong acceleration in the near term.

Inflation has moderated across many regions but remains above long-term targets in several major economies. Central banks in the United States, United Kingdom and Europe have adopted a cautious approach to monetary easing, mindful of underlying risks in energy markets, supply chain fragility and sustained price pressures in services. Elevated interest rates have weighed on investment, slowed credit extension and kept financial markets sensitive to policy signals. Although inflation is gradually easing, it continues to influence consumer behaviour and business sentiment, resulting in a conservative global operating environment.

Geopolitical tensions have become a defining feature of the global landscape, contributing to economic fragmentation and uncertainty. Conflicts in Eastern Europe and the Middle East, trade disputes involving major powers, and growing competition in critical technology supply chains have disrupted trade flows and increased volatility in commodity markets. Shipping disruptions, rising insurance costs and the rerouting of vessels within major maritime corridors have added further strain to global logistics networks, affecting both costs and delivery times. These dynamics have particularly serious implications for export-oriented economies dependent on stable trade routes.

Commodity markets remain volatile, with energy, agricultural and metal prices all experiencing fluctuations driven by conflict, climate events and supply constraints. Oil prices have been impacted by production decisions of the Organisation of the Petroleum Exporting Countries and tensions in key shipping channels, while agricultural markets remain sensitive to extreme weather patterns and input cost pressures. For resource-exporting countries, commodity volatility continues to affect foreign earnings, national revenues and inflation dynamics. This creates both downside risks and opportunities, depending on sector exposure.

Despite these challenges, advances in renewable energy, digital transformation and artificial intelligence are creating new avenues for growth, while tourism continues to recover strongly with increased international mobility. However, the medium-term global outlook remains cautious. Structural shifts such as persistently higher borrowing costs, climate-related disruptions and rising geopolitical fragmentation indicate that global growth is likely to remain moderate and uneven. In this context, economies that prioritise adaptability, diversification and strong policy coordination will be better positioned to strengthen resilience and sustain growth in the years ahead.

2. Developments in the South African economy

South Africa's economy continues to face long-standing structural constraints and muted confidence among businesses and consumers. It is also undergoing a shift towards a service-dominated structure that has yet to generate the productivity or investment gains required for faster, more inclusive growth. While finance is now the largest contributor to GDP, overall economic performance remains constrained by weak investment momentum and heightened policy and operational uncertainty. Persistent supply-side bottlenecks, particularly in logistics, continue to limit competitiveness and compromise economic growth.

Macroeconomic performance is further constrained by weak household demand, low levels of investment, and infrastructure failures across electricity, ports, rail and water systems. Although load-shedding remained a significant challenge through much of 2023 and into mid-2024, conditions have since improved, with South Africa experiencing extended periods without load-shedding in recent times. This shift has contributed to cautious optimism regarding the reliability of the national electricity grid. However, ongoing limitations in freight and port performance continue to undermine export potential and raise business costs.

These domestic pressures are compounded by global volatility, tighter financial conditions and geopolitical tensions. At the same time, fiscal space is narrowing as rising debt service costs, slowing revenue and expanding social commitments crowd out capital expenditure and restrict the state's ability to finance long-term development.

A tight monetary stance has also limited growth prospects. High interest rates – maintained to stabilise inflation driven by fuel and food price volatility, currency depreciation and rising administered prices – have increased debt-servicing costs and reduced disposable income. This has dampened household consumption, restricted credit uptake and discouraged private investment, particularly in interest-sensitive sectors such as construction and small business development. Labour market outcomes have been affected by these pressures, with the national unemployment rate remaining one of the highest globally.

Weak labour absorption, the decline of labour-intensive sectors and a shrinking manufacturing base have constrained job creation, especially for young people, while informal employment has not expanded sufficiently to offset weakness in the formal sector.

Despite these constraints, several sectors offer meaningful opportunities for recovery. The renewable energy industry continues to expand as firms and households invest in embedded generation and large-scale renewable projects. Growth in fintech, cloud services, telecommunications and business process outsourcing is strengthening the digital economy, while high-value agricultural exports remain competitive. Tourism is showing sustained improvement as international travel volumes increase and air connectivity grows.

Although structural challenges and limited policy space continue to restrict overall economic performance, resilience in emerging and export-oriented sectors indicates potential for gradual stabilisation. This is provided that structural reforms, improved governance and renewed investment efforts achieve sustained momentum.

3. Developments in the Western Cape economy

The Western Cape remains one of South Africa's most resilient regional economies, supported by structural strengths, a diverse service base and consistent outperformance relative to national trends. Despite fiscal, infrastructural and logistical constraints, the Province contributes a stable share of national output. Its labour market has experienced a marked recovery since the pandemic-related downturn, and the region continues to attract investment in finance, tourism and embedded energy.

In 2024, the Province accounted for 14.3 per cent of the national gross domestic product, affirming its standing as the second-largest economic hub of South Africa. The structural profile of the Western Cape economy is service-oriented, with the finance sector contributing 34.1 per cent of Provincial GDP in 2024. Nationally, the sector accounted for 26.3 per cent of GDP in this year. Manufacturing also accounted for a larger share of Provincial output (14.2 per cent) than to the national gross domestic product, while mining and community and personal services contributed smaller proportions provincially than nationally. This sectoral composition reflects a modern, knowledge-driven economy supported by strong investor activity, innovation capacity and sustained growth in tourism and financial services.

Real gross domestic product per region (GDPR) grew by 0.4 per cent in 2024, driven by finance, personal services and utilities; together, these sectors added 1.3 percentage points to output growth. Finance alone contributed 1.1 percentage points, confirming its role as the Province's key economic driver. Utilities expanded by 4.4 per cent in response to the increased uptake of small-scale embedded generation.

However, several sectors contracted. Agriculture declined by 8.0 per cent in 2024 due to climate-related pressures and broader national economic constraints. Construction shrank by 5.6 per cent, and trade and transport also recorded decreases, resulting in subdued overall performance.

While cumulative real GDP grew by 7.1 per cent between 2015 and 2024, real GDPR per capita declined by 8.6 per cent as population growth outpaced economic expansion. Strong immigration has increased demand for housing, infrastructure, and social services. Due to sectoral constraints, however, this demand has not been fully met and has therefore not translated into proportional GDP gains in the construction sector.

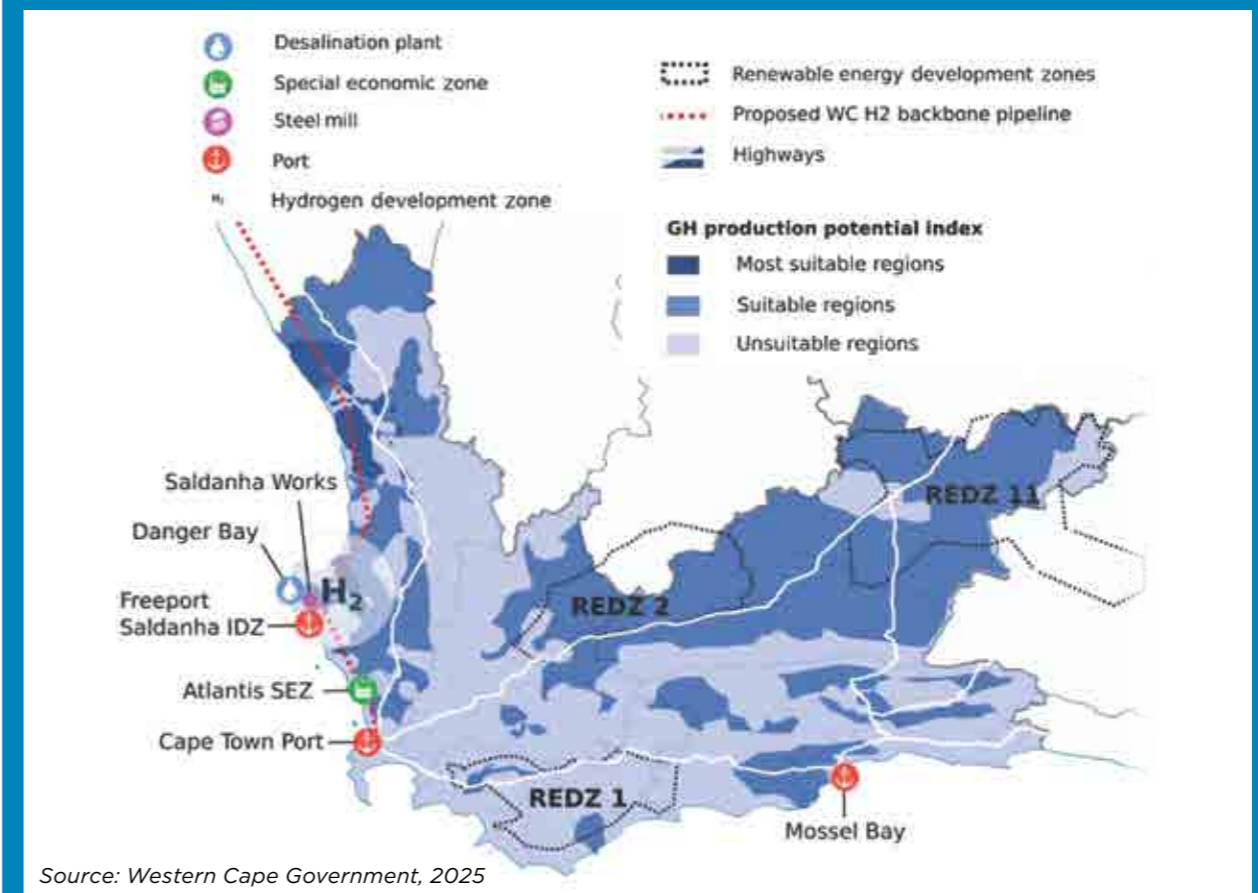
The labour market remains a key strength. Since the first quarter of 2020 (Q1), employment has risen by 9.7 per cent, with the Province recording the lowest unemployment rate nationally. Unemployment declined from 22.3 per cent in Q4 2023 to 21.1 per cent in Q2 2025, while youth unemployment fell from 35.4 per cent to about 30.0 per cent. These improvements indicate recovery in tourism, expansion in services and improved business confidence.

Investment patterns are mixed. Fixed investment remains subdued due to national constraints, energy unreliability, port inefficiencies, rising costs and low public sector capital spend. Nonetheless, momentum is visible in key areas. In the agriculture sector, there has been investment in agro-processing, irrigation and high-value crops. Construction is supported by sustained housing demand, and energy resilience has become a major frontier. The Province has installed 819 MW of small-scale distributed generation, easing pressure on the national grid, improving business stability and advancing a more reliable, diversified energy mix.

WESTERN CAPE GREEN HYDROGEN PROJECT AND ROADMAP

The Western Cape has identified green hydrogen as a major driver of long-term investment. The Provincial cabinet's approval of the Western Cape Green Hydrogen Strategy and Roadmap in May 2024 marks a shift from energy security planning towards full value chain industrial development and export readiness. The strategy envisions the Province as a pioneering green hydrogen economy able to produce, process, store, transport and export hydrogen-derived fuels at scale. This will be accomplished while decarbonising hard-to-abate sectors and fostering new industries and technologies.

South Africa's Just Energy Transition Investment Plan estimates that R319.0 billion is needed for green hydrogen development over the 2023 to 2027 period, with R36.0 billion already committed through public and international partners. This highlights the scale of anticipated investment in enabling infrastructure, electrolysis capacity, port and transmission upgrades, and green industrial manufacturing.



Green hydrogen plays multiple roles in the Western Cape economy. It serves as a clean feedstock and a reducing agent in the production of green steel, fertiliser, transport fuels and petrochemicals, also functioning as an energy-balancing mechanism that supports large-scale renewable integration. Green hydrogen allows for stability at times of intermittent wind and solar supply, provides peaking capacity to reduce load-shedding, and offers long-duration storage beyond current battery capability. These functions assist in realising the goals of the Western Cape Energy Resilience Programme and strengthening long-term energy security.

Geographically, the Western Cape Green Hydrogen Strategy and Roadmap centres on the Saldanha Bay municipal area, which has been designated as the Province's flagship hydrogen hub. The Port of Saldanha, the Freeport Saldanha Special Economic Zone (FSEZ) and the Saldanha Works steel plant offer infrastructure for desalination, electrolysis, and the production and export of ammonia, methanol and synthetic aviation fuel. The area benefits from having access to some of South Africa's strongest wind and solar resources and from its proximity to West Coast renewable energy development zones. These factors enable the production of competitively priced hydrogen for export to Europe and Asia.

The following are considered central to implementing the strategy:

- (1) creating an enabling environment through investment facilitation, hydrogen certification, skills development and streamlined permitting;
- (2) strengthening infrastructure and industrial capability, including hydrogen pipeline feasibility, port upgrades, desalination systems and local manufacturing; and
- (3) leveraging regional partnerships - particularly through the memorandum of understanding between the Western Cape, Northern Cape and Eastern Cape - to build critical mass, co-ordinate shared infrastructure and position South Africa as a competitive hydrogen corridor.

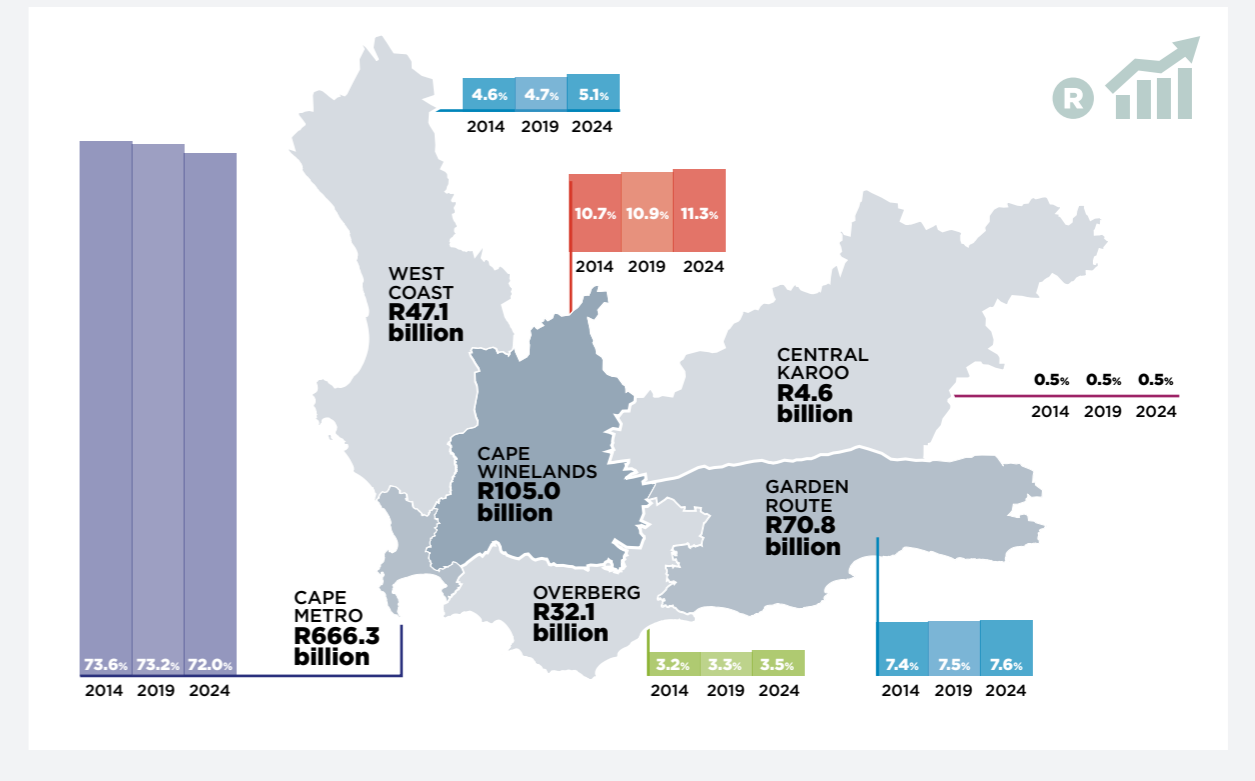
Overall, the move to develop green hydrogen resources signals a structural shift in the Province's industrial profile. The projects will connect ports, free trade zones, renewable developers, universities, metallurgical plants, agriculture and international trade finance, generate high-skill jobs, and support technology supply chains. The projects will also facilitate diversification of exports and align the Province with global decarbonisation requirements.

The strategy provides a long-horizon economic focus that can stimulate fixed investment, improve the trade balance through hydrogen exports and support low-carbon industrialisation.

4. Regional GDP and employment performance

Figure 2.1.1:

REGIONAL CONTRIBUTIONS TO PROVINCIAL GDP (CURRENT PRICES), 2014 - 2024



Source: Quantec, 2025

The Cape Metro continues to lead the Western Cape economy, generating 72.0 per cent of Provincial GDP in 2024. The economic base of Cape Town spans a diverse set of sectors - notably finance; trade; and transport, storage and communication as well as general government and personal services - all of which contribute to sustained and broad-based output over time. The Cape Winelands District (CWD) accounted for 11.3 per cent of Western Cape GDP in 2024, providing the second-largest share of Provincial output in this year. Economic activity in the region centres on wine production and fruit processing, with agricultural supply chains and established commercial centres in Stellenbosch, Paarl and Worcester.

The Garden Route District (GRD) contributed 7.6 per cent of GDP in 2024, and has a varied economy that includes retail, ports and tourism services. The latter are largely concentrated in the towns along the N2 coastal corridor and the inland R62 route, which support tourism, agriculture and small-town service activity.

The Central Karoo District (CKD) remains the smallest contributor to the GDP of the Western Cape, accounting for 0.5 per cent of Provincial output in 2024. Local economic activity within this District takes place mainly in the Beaufort West municipal area, where trade, filling stations, public services and food outlets provide the largest share of formal business sites. Limited industrial capacity, long distances between settlements, and the extended travel times required to access larger markets restrict the growth of other sectors. These factors limit business development, present challenges for supply chain linkages, and undermine attempts to attain commercial scale, resulting in low economic output.

The CWD contributed 15.3 per cent of Provincial employment in 2024. Agricultural production, fruit packing, cold storage and food processing drive the demand for labour, especially during the peak harvest season. Stellenbosch, Paarl and Worcester function as regional service hubs, with municipal offices, supermarkets, health facilities and community institutions providing steady employment in retail, logistics, warehousing, distribution and education. The number of seasonal jobs also increases in summer, when wine tourism and market activity boost short-term hiring in restaurants, tasting rooms, road freight, landscaping and accommodation.

The GRD provided 8.9 per cent of all Provincial employment. Jobs in this District are directly tied to visitor arrivals, the staffing needs of holiday rentals, construction linked to residential building, and the operations of food outlets in coastal towns. George, Mossel Bay and Knysna continue to attract new residents and investment, a trend driven by increased building activity and greater housing demand. George recorded a 53.0 per cent population increase between 2011 and 2022, and a more than 40.0 per cent rise in building plan applications in the 2023/24 financial year.² Mossel Bay has experienced notable in-migration alongside an escalation in property values and ongoing housing development.³ The effects of population expansion are also visible in Knysna, where formal housing development has increased alongside growth in informal settlements. Seasonal activity and in-migration support employment in real estate, maintenance, medical services and personal services, including in hair care, fitness centres, security firms and cleaning companies. Demand for workers intensifies during school holidays, over the summer months and when public events take place, as the presence of day visitors in local business areas during these periods leads to increased economic activity.

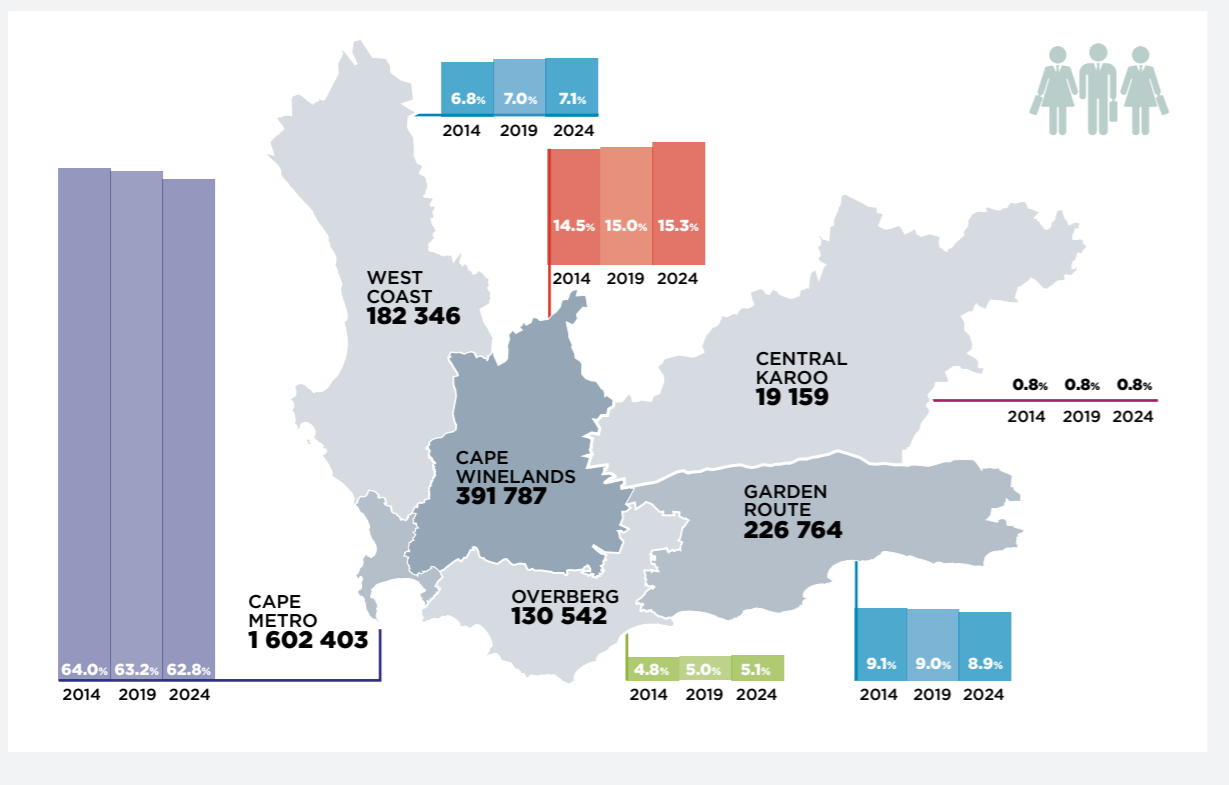
The West Coast District (WCD) and Overberg District (OD) recorded steady employment shares of 7.1 per cent and 5.1 per cent, respectively, in 2024. Both districts retain strong agricultural and fishing bases, which employ large numbers of workers in fruit, tea, barley and citrus production as well as fish processing, dairy handling and transport. Regional service functions have expanded in towns such as Saldanha, Vredenburg, Hermanus and Bredasdorp, generating jobs in banking, government administration, transport, storage, factory production, restaurant supply and clinic support. Labour markets in these areas show seasonal fluctuations linked to shifts in global food demand and changes in fishing quotas. The areas are affected by the extent to which markets in Europe, North America and Asia can be accessed through export certification schemes and port handling schedules.⁴

The CKD had the smallest share of Provincial employment in 2024 (0.8 per cent). As this District has a smaller population than those of other districts and a limited industrial base, hiring volumes tend to be low, with employment centred in public services, trucking support along the N1, local shops, food vendors, maintenance workshops and tourism associated with the Karoo National Park. The considerable distances between settlements and the absence of large firms constrain long-term job creation, obliging many households to rely on small, informal or survivalist activities.

² (George Municipality, 2025).
³ (Mossel Bay Municipality, 2025).
⁴ (Wesgro, 2024).

Figure 2.1.2:

REGIONAL CONTRIBUTIONS TO PROVINCIAL EMPLOYMENT, 2014 - 2024



Source: Quantec, 2025

Home to more than 1.6 million workers, the Cape Metro remains the leading region for employment in the Western Cape, accounting for 62.8 per cent of all recorded jobs in the Province in 2024. This shows the extent to which commercial activity in the Western Cape is concentrated in Cape Town, where retail, government administration, finance, transport, construction and household services operate at scale. The city attracts workers from the various districts of the Province and further afield due to the activities of Cape Town International Airport, the Port of Cape Town, major hospitals, tertiary institutions and national head offices. In the 2014 to 2024 period, population growth in the Cape Metro increased demand for labour in delivery services, security, cleaning, personal care, catering and entertainment. These activities continue despite load-shedding and high operating costs because they serve a large consumer base and are supported by the daily movement of people.¹

¹ (Council for Scientific and Industrial Research, 2023).

When comparing the employment shares of the various regions of the Western Cape with the GDPR generated by each, it is evident that the output of the five districts stems largely from labour-intensive activities such as fruit harvesting, packing, building repairs, trade and caregiving. The Cape Metro, by contrast, generates much of its GDPR through financial and digital services, public administration, healthcare, retail and logistics, which support a broad base of formal employment and operate at scale throughout the year. This combination of diversified service industries, large consumer markets and concentrated economic infrastructure explains why employment remains highest in the Cape Metro even though recent output growth has moderated.

GDPR PER CAPITA

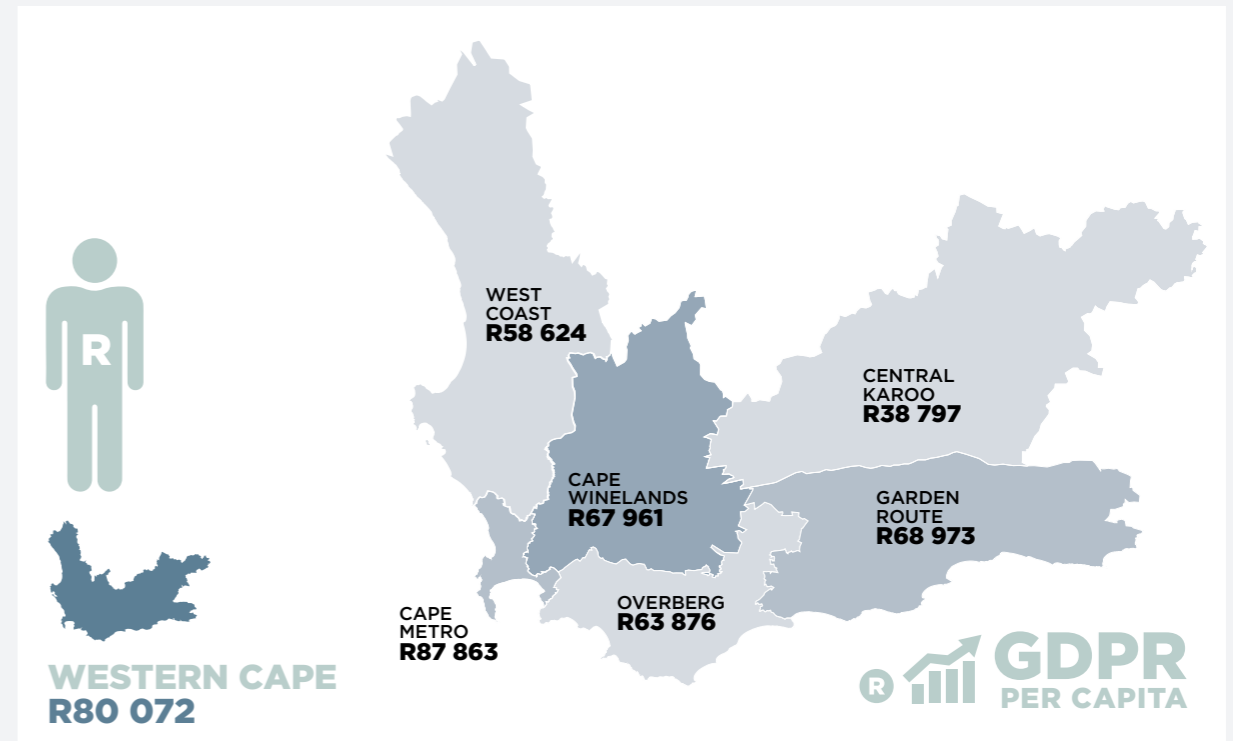
GDPR per capita is a measure of the average economic output generated per resident over a specified period and is key in assessing differences in economic wellbeing across the Province. Higher values in certain areas indicate concentrations of production and income sources in these regions, while lower values are typical of areas with smaller markets, fewer firms and lower population density.

In 2024, the Cape Metro recorded the highest GDPR per capita of the Western Cape regions (R87 863), followed by the GRD at R68 973, the CWD at R67 961, the OD at R63 876, and the WCD at R58 624. The CKD had the lowest per capita GDPR in 2024: R38 797. These figures highlight clear differences between the city and rural districts, while coastal economies had a higher average output per resident than inland areas.

Population growth driven by in-migration has increased pressure on basic services and public facilities, while slower long-term economic growth has reduced output per resident. Higher GDPR per capita values in the Cape Metro, GRD and CWD reflect access to larger markets, stronger transport links, financial services and higher numbers of tourists as well as more efficient public administration. Lower values in the CKD stem from long travel distances, limited commercial activity and the involvement of fewer firms in production, storage and processing.

Public investment in infrastructure, small business development and transport services remains important in creating conditions that support increased economic activity. District differences in GDPR per capita help identify where economic support measures may have the greatest impact.

MAP 2.1.1:
GDPR PER CAPITA, 2024



Source: Quantec, 2025

Figure 2.1.3:
REGIONAL SECTORAL GDPR CONTRIBUTIONS TO PROVINCIAL GDPR (CURRENT PRICES), 2024

		Cape Metro	Cape Wine-lands	Central Karoo	Garden Route	Overberg	West Coast	Western Cape
PRIMARY SECTOR	Agriculture, forestry & fishing	1.3%	1.1%	0.1%	0.4%	0.4%	1.2%	4.6%
	Mining & quarrying	0.1%	0.0%	0.0%	0.0%	0.0%	0.1%	0.2%
SECONDARY SECTOR	Manufacturing	11.9%	1.8%	0.0%	1.2%	0.5%	1.1%	16.5%
	Electricity, gas & water	2.3%	0.3%	0.0%	0.3%	0.1%	0.1%	3.1%
	Construction	2.4%	0.5%	0.0%	0.3%	0.2%	0.1%	3.5%
TERTIARY SECTOR	Wholesale & retail trade, catering & accommodation	10.6%	1.9%	0.1%	1.2%	0.6%	0.7%	15.0%
	Transport, storage & communication	7.4%	1.0%	0.1%	0.7%	0.3%	0.3%	9.7%
	Finance, insurance, real estate & business services	23.4%	2.9%	0.1%	2.4%	0.9%	0.7%	30.3%
	General government	4.4%	0.6%	0.1%	0.4%	0.2%	0.3%	5.9%
	Personal services	8.1%	1.3%	0.1%	0.8%	0.4%	0.5%	11.1%

Source: Quantec, 2025

Finance, manufacturing and trade were the largest contributors to Western Cape GDP in 2024, together accounting for a substantial share of total output. Finance alone contributed 30.3 per cent of provincial GDP, followed by manufacturing at 16.5 per cent and trade at 15.0 per cent.

The Cape Metro was the primary driver of output in these sectors, contributing 23.4 percentage points to provincial GDP through finance, 11.9 percentage points through manufacturing and 10.6 percentage points through trade. These contributions result from the city's large consumer markets and concentration of business and financial services as well as the presence of national banking and corporate headquarters, port activity and integrated supply chains.

In the districts, sectoral contributions were smaller but more diversified. In the CWD, agriculture played a comparatively stronger role due to fruit, wine and export crop production, while finance and manufacturing made modest contributions to GDP. The GRD maintained steady output through trade, transport and personal services, with seasonal tourism and in-migration supporting local spending.

In the WCD, agriculture and food processing underpin commercial activity, alongside fishing, aquaculture and related processing and storage industries. Sectoral contributions in the CKD remained limited across all industries due to small firm networks, thin household markets and long distances between towns, which constrain investment and processing activity.

The distribution of sectoral output helps explain employment patterns across the Province. Trade was the largest employer in 2024, accounting for 14.9 per cent of jobs in the Cape Metro and smaller shares in the five districts. Agriculture played a significant role in the CWD (3.3 per cent of employment in 2024), the WCD (2.7 per cent) and the OD (1.1 per cent), providing seasonal and permanent work in the context of harvest and supply chains. Employment in finance, general government and personal services was predominantly located in the Cape Metro, reflecting the concentration of administrative functions, business services and large consumer markets in the city.

Manufacturing and construction contributed only small employment shares in rural districts, as work in these areas is found more in harvesting, packing, sorting, maintenance and other labour-intensive tasks than in factory production. The CKD continued to register very small employment shares due to the limited number of business sites in the region, small markets, and the presence of only a few medium-sized firms. The contributions to employment of the transport, storage and communication sector and the electricity, gas and water sector each remained below 1.0 per cent in most rural districts in 2024, indicating that infrastructure-linked employment is concentrated in and around urban centres. Overall, the gap between output and employment shows that high-value services drive activity in the Cape Metro, while rural districts depend more on primary production, food processing, storage and basic service functions.

Figure 2.1.4:

REGIONAL SECTORAL CONTRIBUTIONS TO PROVINCIAL EMPLOYMENT⁵, 2024

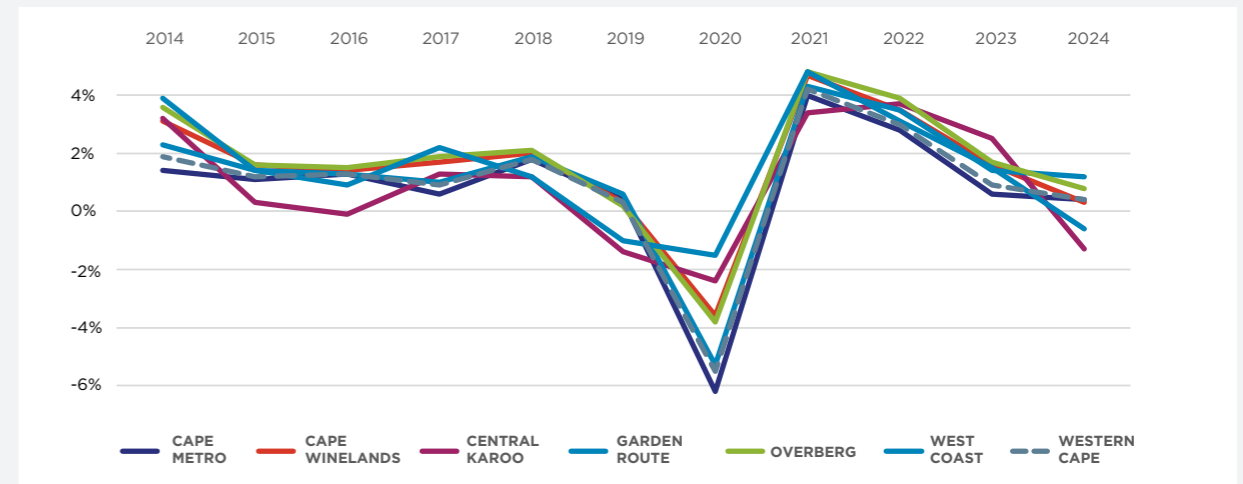
	Cape Metro	Cape Wine-lands	Central Karoo	Garden Route	Overberg	West Coast	Western Cape
PRIMARY SECTOR							
Agriculture, forestry & fishing	1.8%	3.3%	0.2%	1.1%	1.1%	2.7%	10.1%
Mining & quarrying	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.1%
SECONDARY SECTOR							
Manufacturing	7.1%	1.3%	0.0%	0.8%	0.4%	0.7%	10.3%
Electricity, gas & water	0.2%	0.0%	0.0%	0.0%	0.0%	0.0%	0.4%
Construction	3.7%	0.8%	0.0%	0.5%	0.3%	0.3%	5.7%
TERTIARY SECTOR							
Wholesale & retail trade, catering & accommodation	14.9%	3.4%	0.2%	2.2%	1.2%	1.2%	23.1%
Transport, storage & communication	3.1%	0.6%	0.0%	0.4%	0.2%	0.2%	4.5%
Finance, insurance, real estate & business services	14.3%	2.4%	0.1%	1.7%	0.9%	0.7%	20.0%
General government	4.3%	0.8%	0.1%	0.5%	0.2%	0.4%	6.3%
Personal services	13.1%	2.7%	0.2%	1.7%	0.8%	1.0%	19.6%

Source: Quantec, 2025

⁵ Includes formal and informal employment.

Figure 2.1.5:

REGIONAL GDP GROWTH RATES (CONSTANT PRICES), 2014 - 2024



	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Cape Metro	1.4%	1.1%	1.3%	0.6%	1.8%	0.4%	-6.2%	4.0%	2.8%	0.6%	0.4%
Cape Winelands	3.1%	1.6%	1.4%	1.7%	2.0%	0.3%	-3.6%	4.7%	3.5%	1.6%	0.3%
Central Karoo	3.2%	0.3%	-0.1%	1.3%	1.2%	-1.4%	-2.4%	3.4%	3.7%	2.5%	-1.3%
Garden Route	2.3%	1.4%	1.3%	1.0%	1.9%	0.6%	-5.3%	4.3%	3.5%	1.4%	1.2%
Overberg	3.6%	1.6%	1.5%	1.9%	2.1%	0.2%	-3.8%	4.8%	3.9%	1.7%	0.8%
West Coast	3.9%	1.4%	0.9%	2.2%	1.2%	-1.0%	-1.5%	4.8%	3.1%	1.5%	-0.6%
Western Cape	1.9%	1.2%	1.3%	0.9%	1.8%	0.3%	-5.5%	4.2%	3.0%	0.9%	0.4%

Source: Quantec, 2025

The years from 2014 to 2024 can be divided into three periods when analysing trends in GDP growth in the Western Cape.

The first period lasted from 2014 to 2018, during which positive outcomes were recorded across all regions of the Province. In 2014, the WCD registered the highest growth in the Western Cape (3.9 per cent), followed by the OD at 3.6 per cent, the CKD at 3.2 per cent, the CWD at 3.1 per cent and the GRD at 2.3 per cent. The Cape Metro recorded 1.4 per cent growth in 2014. This period coincided with national monetary easing, plentiful fruit harvests, and improvements in trade flows through the Port of Cape Town and the Port of Saldanha. In 2015 and 2016, most districts achieved growth of between 1.1 per cent and 1.7 per cent, supported by food exports and agriculture activity. Growth, however, occurred at lower rates than in 2014 following the onset of drought conditions in 2015. The CKD expanded by only 0.3 per cent in 2015 and contracted by 0.1 per cent in 2016, reflecting the combined effects of drought impacts and limited processing capacity.

The second period, from 2019 to 2020, was characterised by significant disruption. Growth slowed in 2019 as drought conditions reduced water availability and constrained yields for water-intensive crops such as citrus, grapes and stone fruit. The sharpest contraction occurred in 2020, when Provincial GDP declined by 5.5 per cent and output in the Cape Metro fell by 6.2 per cent. National lockdowns and global travel restrictions imposed in response to COVID-19 severely affected tourism, restaurants and air travel, resulting in pronounced declines in visitor-dependent economies. The GRD economy, which relies heavily on accommodation and visitor routes, contracted by 5.3 per cent in 2020. By contrast, while economic activity in the CKD and WCD also weakened due to reduced freight movement, decreased local commerce and logistics disruptions, output in both areas was bolstered by the relative resilience of agricultural production and exports in several subsectors. This resilience was supported by elevated global commodity prices and the classification of agriculture as an essential service during the lockdown period.

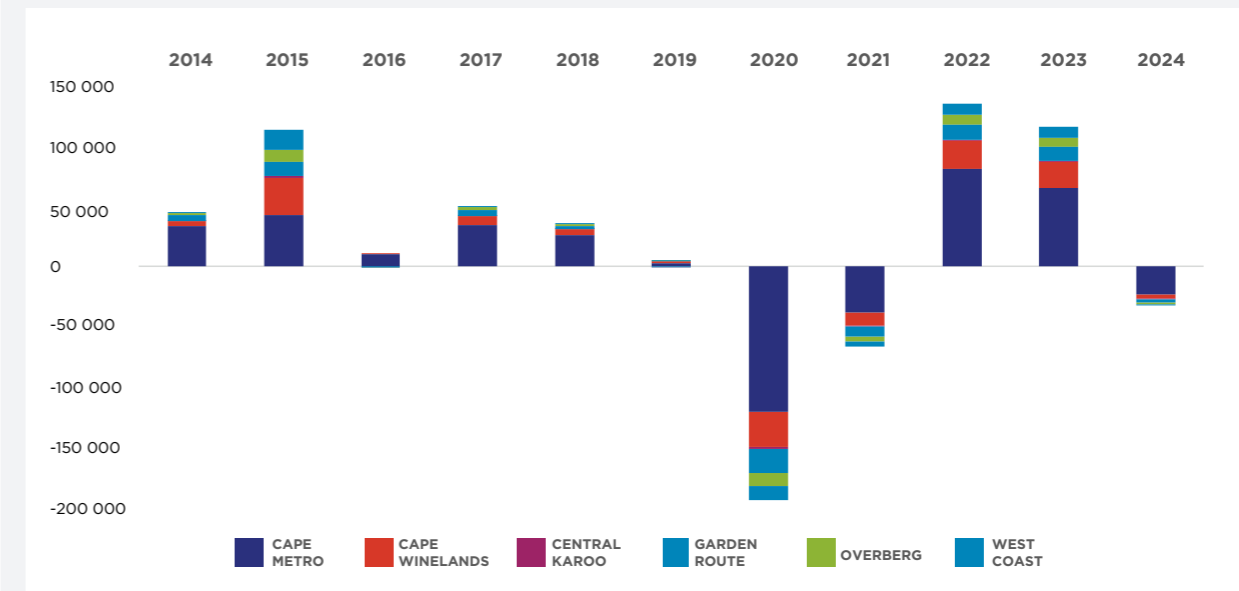
The third phase, from 2021 to 2024, was one of recovery, although expansion later slowed. A rebound in visitor activity, fruit exports and local transactions drove Provincial growth of 4.2 per cent in 2021. All districts expanded in 2021 and 2022, with the OD and WCD attaining growth of 4.8 per cent in 2021 on the back of higher citrus export volumes and renewed tourism. Increased air arrivals supported these gains.

In 2023 and 2024, growth moderated as firms faced an intensification of load-shedding alongside freight bottlenecks and inflationary pressure. The Cape Metro grew by only 0.4 per cent in 2024, while rural districts such as the WCD, OD and CWD lost momentum due to rising agricultural input costs and port delays. The CKD economy contracted by 1.3 per cent in 2024, illustrating how quickly small regional economies are affected by fluctuations in fuel costs and reduced travel along major road corridors.

Overall, regional growth in the Western Cape is closely tied to energy reliability, water availability, agricultural export performance and transport capacity. District economies expand when these conditions are favourable, but load-shedding, drought, port inefficiencies and broader national constraints related to infrastructure performance, policy uncertainty and investment conditions can slow progress.

Figure 2.1.6:

REGIONAL CHANGE IN TOTAL EMPLOYMENT 2014 – 2024



	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Cape Metro	32 713	42 350	9 302	34 059	25 209	1 941	-121 539	-38 922	80 669	64 530	-24 125
Cape Winelands	4 648	30 931	103	7 117	4 875	1 502	-29 324	-10 739	22 840	22 064	-3 091
Central Karoo	88	1 409	-143	121	91	-49	-1 600	-576	923	997	-293
Garden Route	4 531	11 406	-464	4 616	2 486	-668	-20 071	-8 241	12 980	11 053	-3 163
Overberg	1 940	10 081	-69	2 730	1 865	341	-10 253	-4 110	8 108	7 403	-1 044
West Coast	828	16 763	-366	928	968	665	-12 191	-4 902	8 807	9 761	-1 300
Western Cape	44 748	112 940	8 362	49 571	35 494	3 733	-194 978	-67 489	134 327	115 809	-33 016

Source: Quantec, 2025

Employment changes from 2014 to 2024 were influenced by shifts in economic activity, the onset of drought conditions and the impact of COVID-19 restrictions. Between 2014 and 2017, most districts recorded positive outcomes. The Western Cape added 44 748 jobs in 2014 and 112 940 jobs in 2015, while the Cape Metro generated 32 713 and 42 350 additional positions, respectively, in these years. Gains were supported by good fruit harvests, a rise in accommodation bookings in the GRD and steady retail activity in urban centres. Job growth continued in 2016 and 2017, although at a slower pace. The Cape Metro increased employment by 9 302 jobs in 2016 and 34 059 jobs in 2017, while the Province added 8 362 jobs and 49 571 jobs in these years.

Employment slowed sharply in 2018 and 2019. In 2019, the Cape Metro increased its jobs total by only 1 941, while several districts recorded gains of fewer than a thousand positions. Water shortages reduced agricultural employment in the CWD, OD and WCD, with the 2019 drought leading to irrigation constraints and lower crop yields that curtailed packing and sorting work. The most severe employment decline occurred in 2020. Formal employment in the Western Cape contracted by 194 978 positions in this year, with the Cape Metro accounting for 121 539 of the total jobs lost. The CWD, CKD, GRD, OD and WCD also experienced significant losses

as national lockdowns, travel restrictions and business closures reduced visitor flows, freight volumes and retail turnover. Losses continued in 2021, with the Province shedding a further 67 489 positions. This was consistent with evidence at the national level that labour markets recovered slowly in the first year that economies were reopened post-pandemic.⁶

A recovery phase occurred in 2022 and 2023. The Western Cape created 134 327 jobs in 2022 and 115 809 in 2023. The Cape Metro expanded its total by 80 669 positions in 2022, while the CWD, GRD, OD and WCD also recorded gains as agricultural supply systems stabilised. Higher numbers of visitor arrivals, rising demand for accommodation, stronger retail spending and increased transport activity supported further improvements in 2023. However, employment eased again in early 2024. The Western Cape shed 33 016 jobs in the course of this year, with the number of posts in the Cape Metro declining by 24 125 and the remaining districts recording smaller losses. This trend was driven by higher operating costs, electricity interruptions, constrained household budgets and delays in export logistics.

Employment prospects in the youth labour market aligned with the broader trends described above, also reflecting distinct structural characteristics specific to this demographic. In 2024, an estimated 570 929 full-time equivalent (FTE) positions for the youth were recorded. Most young workers took on service-based and labour-intensive roles, as these typically offer flexible routes into employment for those new to the job market. Key youth-employing sectors in 2024 included general public administration, certain forms of retail (in non-specialised stores, involving food and beverages), restaurants and mobile food services, various personal service activities, and grape growing. An examination of the 10 industries employing the largest numbers of young people shows a similar pattern, with service-oriented and labour-intensive activities dominating youth employment.

These industries include call centres, fruit and stone fruit production, mixed farming, diversified retail and private security, all of which offer substantial early career opportunities. They tend to be labour-absorbing, operate with shift-based or seasonal scheduling and rely on intermediate or entry-level skills, making them accessible to young people with limited qualifications or work experience.

In 2024, the formally employed workforce consisted of 29.3 per cent skilled occupations, 44.0 per cent semi-skilled occupations and 26.7 per cent low-skilled occupations. In the course of the year, the share of skilled roles declined marginally while the proportion of low-skilled positions rose slightly relative to 2023. Although these figures refer to all workers rather than the youth specifically, the overall occupational structure of the formal labour market in the Western Cape is consistent with the sectors in which young people are most often absorbed. This indicates that new entrants continue to take on roles requiring modest training or short-cycle accreditation.

A breakdown of occupational skills by sector shows that agriculture, where 64.3 per cent of positions are low-skilled, provides an important entry point for rural youth, particularly the grape, pome fruit and stone fruit value chains. In urban areas, retail and hospitality remain major pathways into work and are characterised by a mix of semi-skilled and low-skilled occupations. Private security demonstrates a similar pattern, with its semi-skilled orientation supported by regulated but attainable certification. Call centres represent one of the few large youth-absorbing industries that offer clearer progression into administrative and business service roles requiring comparatively high skill levels.

⁶ (Council for Scientific and Industrial Research, 2023).

Figure 2.1.7:

REGIONAL GDPR FORECAST 2026



Source: Quantec, 2025

The GDPR forecast for 2026 indicates gradual improvement across most regions, although the outlook remains sensitive to national electricity supply, freight performance and consumer spending. Planned public infrastructure investment by national and Provincial government, particularly in transport, energy and bulk services, is expected to provide some support to regional growth and construction activity over the medium term. The Cape Metro is projected to have recorded a mild contraction (of 0.1 per cent) in 2025. This is indicative of continued weakness in construction, manufacturing and property-related activities as high interest rates, elevated operating costs and limited private investment weigh on output. While tourism and consumer-facing services are expected to continue recovering in 2026, supported by rising passenger volumes through Cape Town International Airport, growth in these sectors is not sufficient to offset declines in more capital-intensive industries. A modest recovery is forecast for 2026 in the Cape Metro, with growth projected at 0.3 per cent as infrastructure investment, easing financial conditions and improved service sector performance begin to support broader economic activity.

The CWD is forecast to grow by 1.2 per cent in 2026, supported by fruit production, export demand and the operations of processing facilities in Stellenbosch and Paarl. International prices for citrus, table grapes and other horticultural products in European and Asian markets will determine producer returns. Although demand for South African fruit remains stable, high input costs and port delays continue to affect export margins. The District also benefits from the work of research institutions and major agribusiness firms around Stellenbosch that support agricultural innovation, workforce development and supply networks.

Forecasts for the GRD and OD indicate steady growth driven by established housing markets, local service industries and consistent visitor traffic. Increases in accommodation bookings in George, Mossel Bay and Hermanus support household consumption and small business activity as does continued migration into coastal towns. These consumer trends stimulate retail, transport services, food outlets and personal services, supporting the regional outlook.

The WCD shows potential for growth in 2026, with food processing, logistics and renewable energy projects likely to play a central role in this expansion. Numerous environmental authorisation applications for wind and solar developments were submitted in 2022, many in WCD and CKD localities. This points to possible investment in power generation infrastructure that could create opportunities for contractors, engineering firms and equipment storage operations. Cold storage, fishing, grain and tea production facilities along the coastal belt, including in Saldanha Bay and Vredenburg, remain key sources of local employment and may generate further gains if global food markets remain strong.

The CKD has a GDPR forecast of 0.8 per cent for 2026 but continues to face constraints. The small size of markets in the District, limited diversification and weak business clustering hinder stronger growth. Although towns along the N1 offer freight advantages, poor road conditions, limited warehousing and low levels of investment in supporting facilities restrict expansion. Progress will depend on road upgrades, a reliable supply of power for rural operations, and the availability of additional fixed business services linked to livestock auctions, trucking and mechanical repairs.

GDPR growth in 2024 was low across most regions, with many sectors contributing only small increments to overall performance. The Cape Metro recorded 0.2 per cent growth in the course of this year – an expansion supported mainly by manufacturing and finance, each of which added 0.1 of a percentage point to regional GDPR growth. The CWD posted an expansion of 0.1 per cent, driven largely by finance.

The GRD recorded the strongest growth in regional GDPR (1.2 per cent), with positive contributions from manufacturing (0.2 per cent), trade (0.2 per cent), finance (0.4 per cent) and several personal and public service activities. The OD grew by 0.7 per cent, with agriculture, trade and finance each contributing between 0.1 per cent and 0.2 per cent to District-level GDPR growth.

The CKD and WCD economies contracted in 2024. The CKD declined by 1.4 per cent, driven by across-the-board negative contributions by agriculture, electricity, trade, transport, finance and general government. This poor performance was indicative of limited company activity and reduced service demand. The WCD economy shrank by 0.5 per cent in 2024 as agriculture, manufacturing, trade, finance and personal services all posted small negative contributions.



Figure 2.1.8:

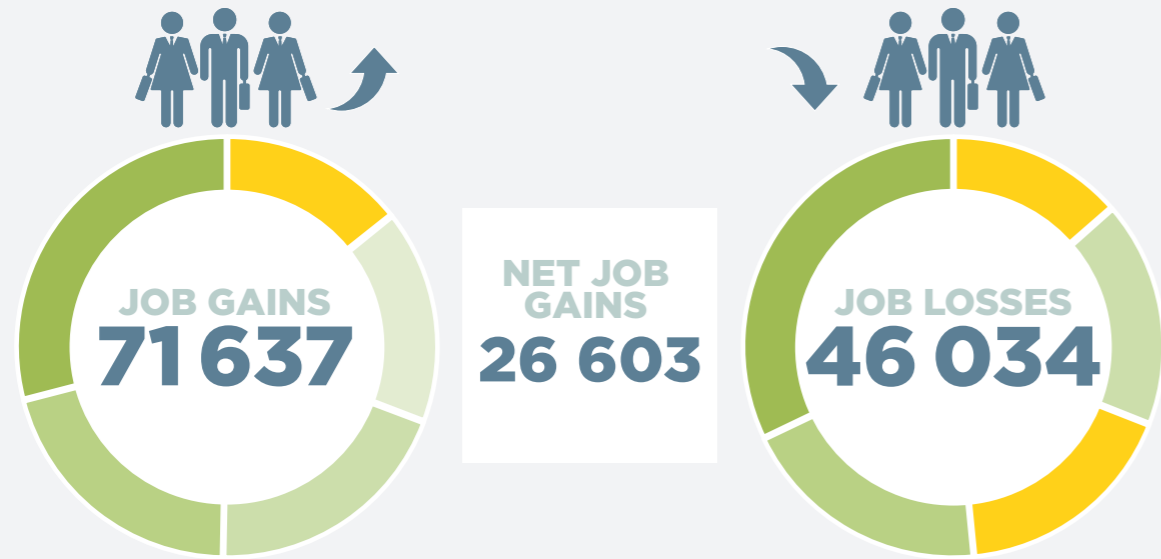
SECTORAL CONTRIBUTIONS TO REGIONAL GDPR GROWTH (CONSTANT PRICES), 2014

		Cape Metro	Cape Wine-lands	Central Karoo	Garden Route	Overberg	West Coast	Western Cape
PRIMARY SECTOR	Agriculture, forestry & fishing	0.0%	0.0%	-0.2%	0.1%	0.1%	-0.1%	-0.3%
	Mining & quarrying	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
SECONDARY SECTOR	Manufacturing	0.1%	0.0%	0.0%	0.2%	0.1%	-0.1%	0.0%
	Electricity, gas & water	0.0%	0.0%	-0.1%	0.0%	0.0%	0.0%	0.1%
	Construction	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	-0.2%
TERTIARY SECTOR	Wholesale & retail trade, catering & accommodation	0.0%	0.0%	-0.2%	0.2%	0.1%	-0.1%	-0.2%
	Transport, storage & communications	0.0%	0.0%	-0.2%	0.1%	0.1%	0.0%	-0.1%
	Finance, insurance, real estate & business services	0.1%	0.1%	-0.2%	0.4%	0.2%	-0.1%	1.1%
	General government	0.0%	0.0%	-0.2%	0.1%	0.0%	0.0%	0.0%
	Personal services	0.0%	0.0%	-0.3%	0.1%	0.1%	-0.1%	0.1%
Total		0.2%	0.1%	-1.4%	1.2%	0.7%	-0.5%	0.4%

Source: Quantec, 2025

Figure 2.1.9:

TOP 5 SECTORS FOR FORMAL JOB GAINS AND LOSSES, 2024



T	Restaurants and mobile food service activities	5 157	T	Retail sale in non-specialised stores	-4 719
T	Other personal service activities	3 669	T	Motion picture, video and television production	-2 858
T	General public administration	3 470	S	Other telecommunication activities	-2 570
T	Short-term accommodation activities	2 929	T	Other monetary intermediation	-2 562
S	Processing and preserving of fruit and vegetables	2 533	S	Manufacture of grain mill products	-1 989
O	Other	53 879	O	Other	-31 336

P PRIMARY SECTOR **S** SECONDARY SECTOR **T** TERTIARY SECTOR **O** OTHER

Source: Nell, A. & Visagie, J. Spatial Tax Panel 2014 – 2024 (dataset). Version 5.1. National Treasury – Cities Support Programme and Human Sciences Research Council (SEAD-SA) 2025

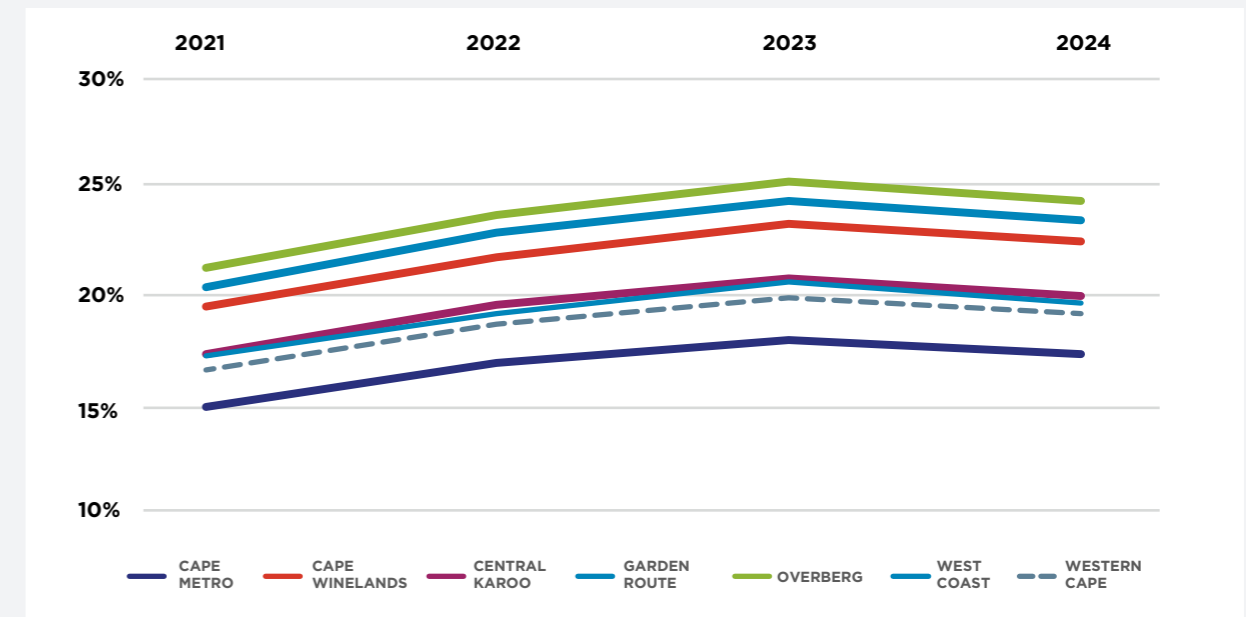
Changes in formal employment from 2023 to 2024 show growth concentrated in hospitality, government functions and food processing. Restaurants and mobile food services added the most jobs, generating 5 157 positions, followed by various personal service activities and general public administration. Hospitality facilities, personal care services and public offices serve local households and visitors, which explains their expansion when consumer spending rises and towns receive seasonal tourists. Short-term accommodation activities added 2 929 jobs while the processing and preserving of fruit and vegetables generated 2 533 positions, driven mainly by demand in the CWD, OD and WCD. These increases indicate that food processing plants, cold storage facilities and dining services continue to create employment because they support the broader agriculture and tourism value chains outlined earlier.

Job losses during this period occurred in sectors with unstable demand or rising costs linked to load-shedding, higher interest expenses and reduced film production budgets. The largest decline was in retail sales in non-specialised stores, where 4 719 jobs were lost, followed by reductions in motion picture and television production. These film-related losses reflect shrinking project budgets and reduced use of local studios, which can in part be attributed to the erosion of the national film incentive. Declines in the manufacture of various food products and grain mill goods indicate pressure from competitive commodity markets and higher input costs, including those associated with raw materials, electricity tariffs and supply chain bottlenecks. Losses in certain forms of monetary intermediation show that banking and financial offices reduced staff due to shifts in transaction services, increased digital use and strict cost control.

When gains and losses are combined, total net employment increased by 25 603 jobs from 2023 to 2024. This reflects a gradual recovery in sectors linked to dining, local tourism, fruit handling and contact services, while discretionary consumer goods, film production and office-based financial activities remain under strain. Overall, job creation was driven mainly by consumer- and visitor-facing activities, whereas margin-sensitive and capital-intensive sectors faced constrained conditions.

Figure 2.1.10:

INFORMAL EMPLOYMENT AS A PERCENTAGE OF TOTAL EMPLOYMENT, 2021 – 2024



Source: Quantec, 2025











Informal employment in the Western Cape increased from 2021 to 2024, rising from 16.7 per cent to 19.2 per cent of all jobs. The largest increases occurred in districts with strong agricultural activity, seasonal work and tourism. In 2024, the OD, GRD and CWD each recorded informal employment above 22.0 per cent. This trend was driven by the activities of fruit farms, tourism facilities and roadside trade, which absorb workers during peak seasons or when formal options are limited. Households in these areas often rely on temporary income during harvests and school vacation periods. The Cape Metro recorded a lower rate of informal employment than both the

provincial average and the rates registered in more rural districts, although its proportion still rose from 15.0 per cent in 2021 to 17.4 per cent in 2024. This is in keeping with the nature of dense urban nodes, where street trading, home-based services, delivery work and spaza retail dominate informal activity.

The CKD recorded 20.0 per cent informal employment in 2024, a consequence of its small formal economy and the prevalence of survivalist trading and transport-related work along the N1 corridor. With formal employment in this District largely concentrated in public facilities, fuel stations and trucking services, many workers in the CKD turn to informal income sources to make a living. The WCD displays similar features, with fishing towns and farm settlements creating seasonal openings during catching and planting periods.

Figure 2.1.11:

INFORMAL EMPLOYMENT CONTRIBUTION TO TOTAL SECTORAL EMPLOYMENT 2024

		Cape Metro	Cape Wine-lands	Central Karoo	Garden Route	Overberg	West Coast	Western Cape
PRIMARY SECTOR	 Agriculture, forestry & fishing	17.4%	26.3%	19.8%	22.8%	25.1%	26.9%	24.3%
	 Mining & quarrying	7.8%	11.1%	36.9%	5.5%	7.4%	4.7%	7.2%
SECONDARY SECTOR	 Manufacturing	13.0%	17.3%	28.3%	19.1%	18.0%	12.0%	14.1%
	 Electricity, gas & water	7.9%	13.2%	18.5%	13.7%	12.5%	10.3%	9.5%
	 Construction	29.1%	26.1%	27.5%	31.3%	31.5%	21.1%	28.6%
TERTIARY SECTOR	 Wholesale & retail trade, catering & accommodation	28.1%	32.0%	38.2%	35.2%	33.5%	24.4%	29.5%
	 Transport, storage & communications	25.2%	35.1%	35.8%	33.9%	36.1%	29.4%	27.9%
	 Finance, insurance, real estate & business services	12.2%	16.3%	16.8%	17.2%	19.0%	11.3%	13.4%
	 General government	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
	 Personal services	14.3%	16.2%	9.0%	18.6%	18.8%	11.1%	14.9%

Source: Quantec, 2025

Informal activity in 2024 was concentrated in the construction; trade; and transport, storage and communication sectors across all regions. Construction had the highest share of informal employment in the Western Cape (28.6 per cent), a proportion that rose above 30.0 per cent in the GRD and OD due to the operations of small contractors, the prevalence of daily wage work, and the activities of independent tradespeople linked to property development, road upgrades and home renovation. Informal trade accounted for 29.5 per cent of all informal employment in the Western Cape in 2024 and an even higher share in the GRD, CWD and OD. This trend was driven by informal food outlets, household goods traders, market stalls and micro-retail serving local and tourism markets.

The transport, storage and communication sector accounted for 27.9 per cent of informal employment Provincially in 2024, with shares above 33.0 per cent in the GRD, OD and CKD. This stems from the prominence of taxi services, small freight operators, delivery drivers and inter-town transport supporting rural commerce. Agriculture contributed 24.3 per cent of informal work in the Western Cape, with the share rising above 25.0 per cent in the CWD, OD and WCD as a result of seasonal harvesting, sorting, packing and farm maintenance.

Manufacturing registered a noticeable amount of informal work in 2024. This was particularly the case in the CKD, where 28.3 per cent of total manufacturing employment was informal, and in the GRD, where the share reached 19.1 per cent. Local processing facilities often recruit short-term labour during certain production runs to keep operating costs sustainable. Finance recorded a lower share of informal employment, although the proportion was relatively high in the OD and GRD in 2024. This reflects the activities of insurance agents, independent brokers, and mobile banking support and loan facilitation workers, who function outside fully registered operations.

5. Concluding remarks

As shown by the above analysis, the Western Cape has remained resilient in recent years, this despite a challenging global environment and South Africa's domestic constraints, including electricity supply disruptions, freight and port inefficiencies, elevated operating costs and weak national investment activity. Although economic growth moderated in 2023 and 2024, the Province continued to benefit from a diversified, service-oriented economic base, a recovery in tourism following the pandemic, and emerging opportunities linked to renewable energy investment.

Economic outcomes vary markedly across regions due to differences in sectoral composition, market size, and exposure to climate risks and external demand conditions. The Cape Metro remains the primary driver of Provincial output and employment, supported by finance, trade, logistics and public services, while district economies depend more heavily on labour-intensive activities such as agriculture, tourism and local services. This makes them more sensitive to drought, seasonal demand and logistics performance.

For the period of 2025 to 2026, growth is forecast to remain gradual and uneven, with outcomes dependent on improvements in electricity pricing and availability, transport and port functionality, the scale and implementation of public sector investment (particularly in infrastructure), and the pace of private fixed investment. The MERO therefore emphasises the need for municipal-level economic planning that aligns infrastructure investment, sector support and labour market interventions with local economic structures. Ideally, such interventions will support employment absorption, strengthen stability and promote balanced and sustainable economic development across the Western Cape.



23 331.1KM² |
18.0% of Western Cape

GARDEN ROUTE DISTRICT

Municipal Economic
Review and Outlook



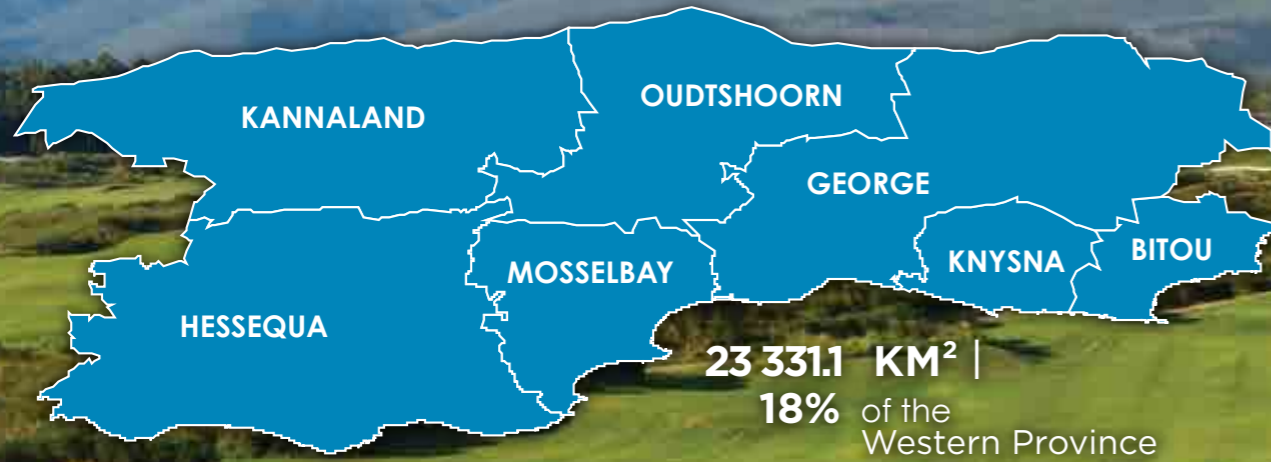
Western Cape
Government
FOR YOU

SECTION

B

ECONOMIC
GROWTH
AND JOBS

DIAGRAM 1.1.1: REGIONAL GDP (CURRENT PRICES) AND EMPLOYMENT, Garden Route, 2024



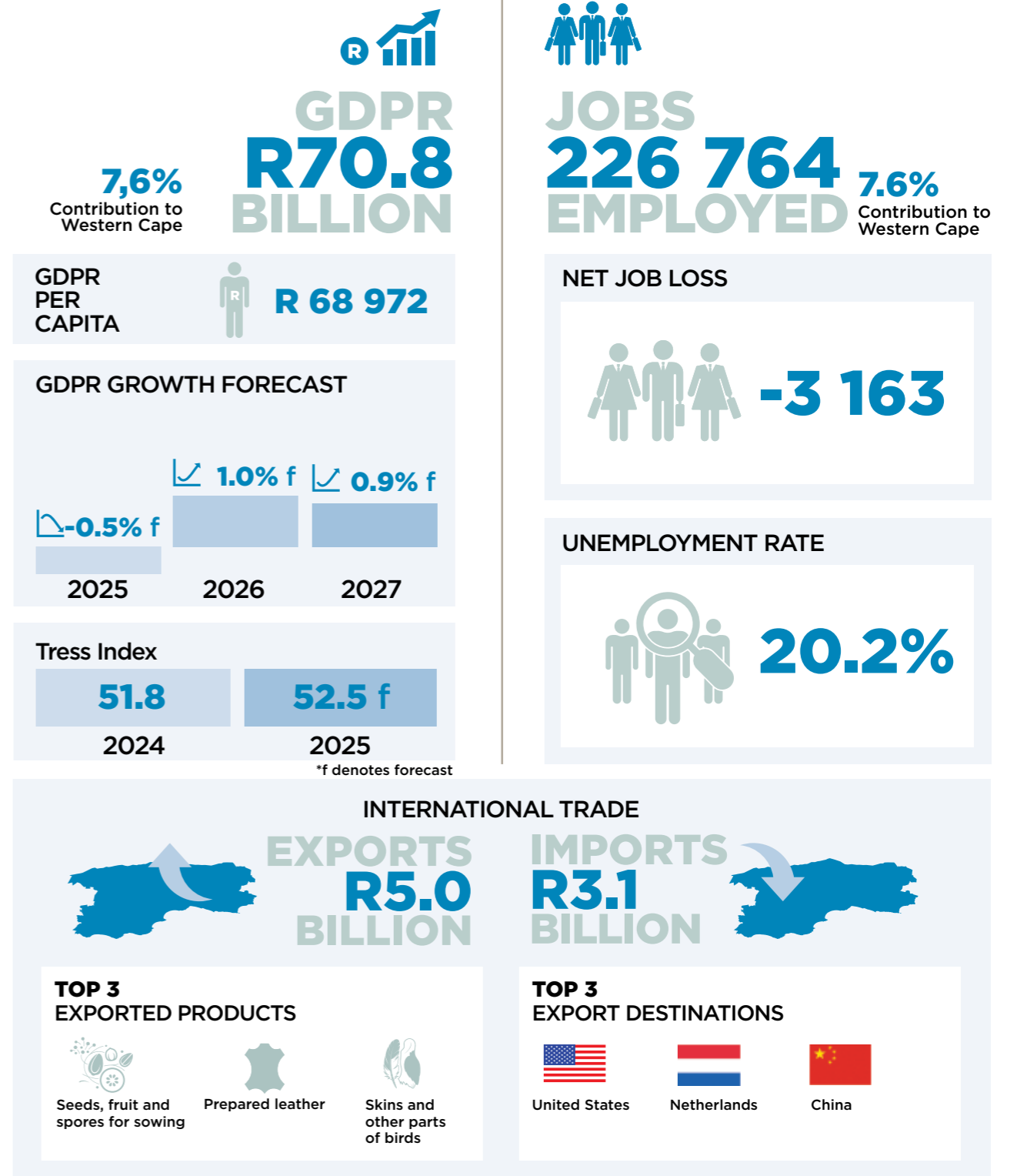
GARDEN ROUTE

1. Introduction

The Garden Route District (GRD) is one of the country’s most scenic and diverse regions. Stretching between the Tsitsikamma forest in the east and the semi-arid Klein Karoo in the north, the District is characterised by a unique blend of mountains, indigenous forests, lakes and rivers, also offering a dramatic coastline along the Indian Ocean. Its favourable positioning makes it a link between the Western and Eastern Cape Provinces. Excellent connectivity is provided courtesy of the N2 highway and George Airport, which serves as the regional air transport hub.

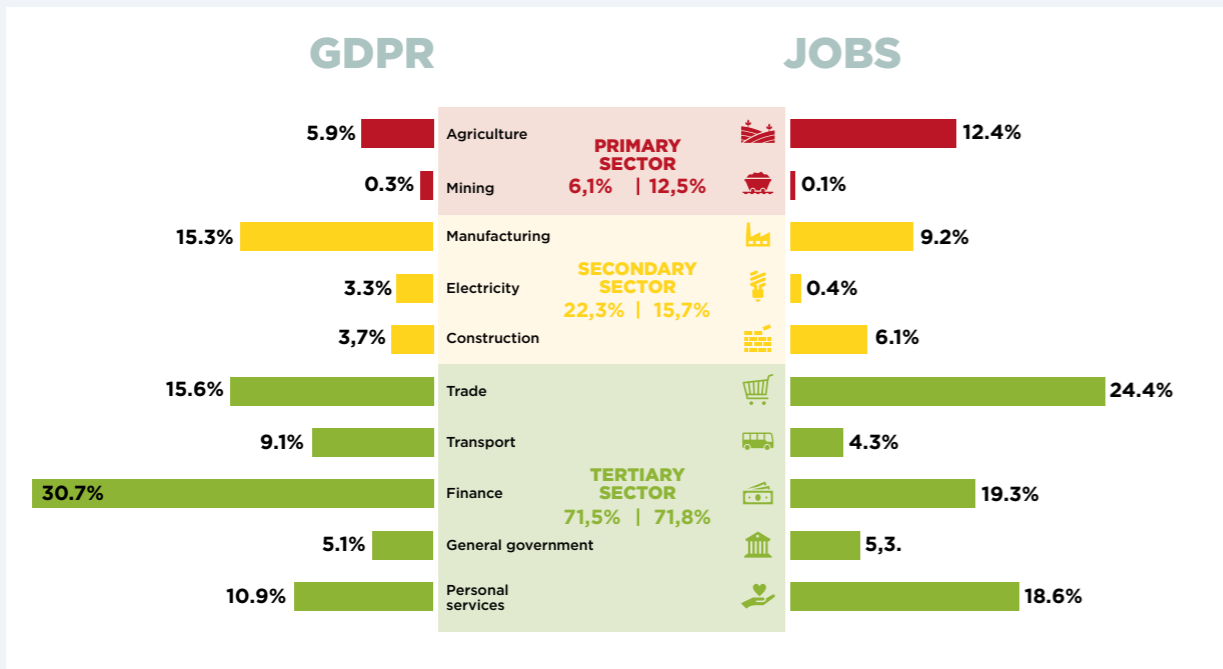
The District encompasses several key towns, each offering distinct attractions: George, the administrative and economic centre; Mossel Bay, a historic coastal town and popular beach destination; Knysna, famed for its lagoon and surrounding forests; Plettenberg Bay, a premier holiday hotspot; and Oudtshoorn in the Klein Karoo, known as the ostrich capital of the world. Popular activities in the region range from whale watching in Mossel Bay, hiking in the Tsitsikamma National Park, and exploring the Cango Caves near Oudtshoorn to adventure sports such as bungee jumping at Bloukrans Bridge and surfing in Victoria Bay. With its combination of natural beauty, adventure, cultural heritage and family-friendly attractions, the GRD is widely regarded as one of South Africa’s leading tourist destinations.

GARDEN ROUTE 2024 GDP AND EMPLOYMENT



Sources: Quantec, 2025; Nell, A. & Visagie, J. Spatial Tax Panel 2014-2024 (dataset). Version 5.1. National Treasury - Cities Support Programme and Human Sciences Research Council (SEAD-SA), 2025

SECTORAL CONTRIBUTION

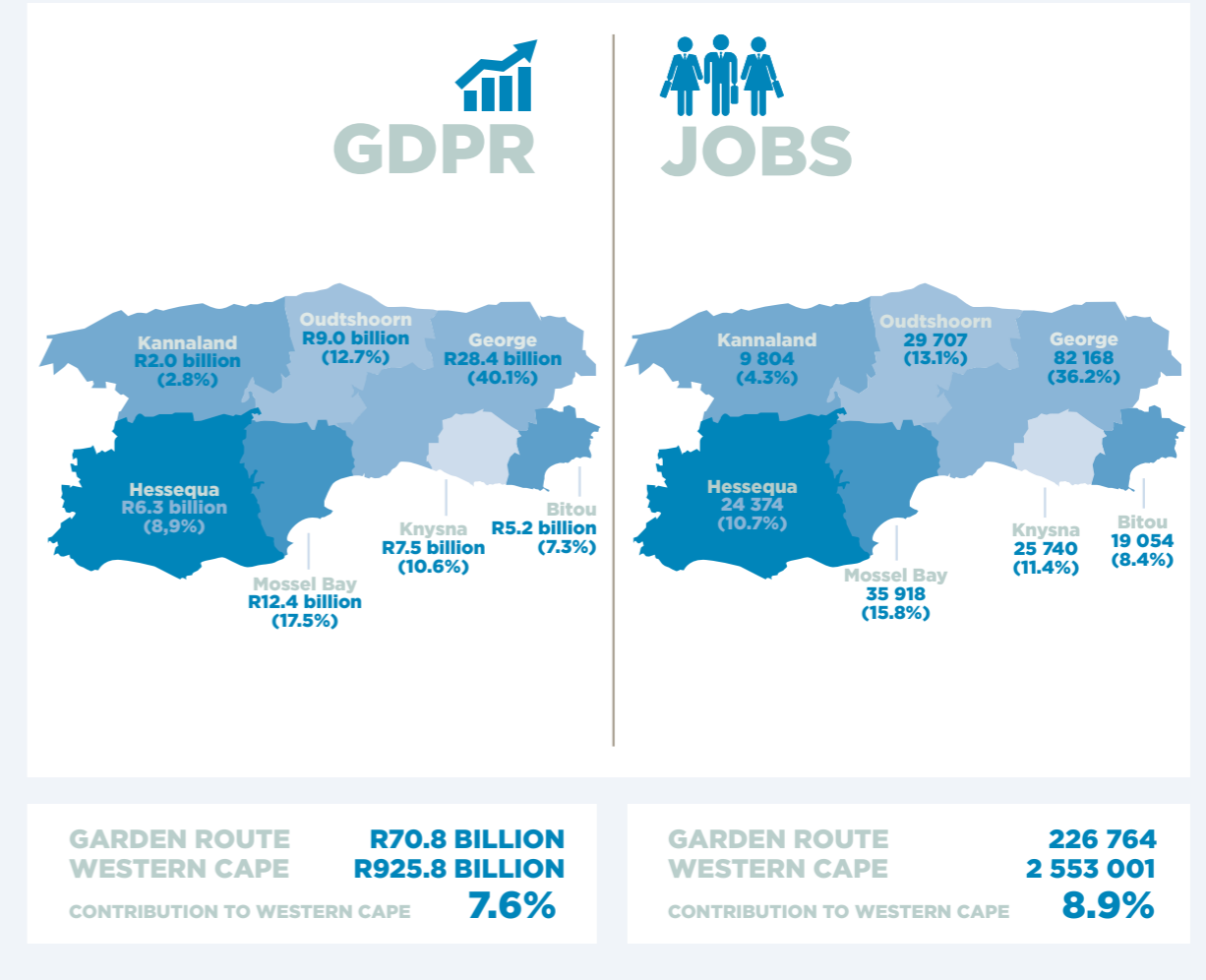


2. Regional GDP and employment performance

2.1 Trends and GDP forecast

DIAGRAM 2.1.1:

MUNICIPAL GDP (CURRENT PRICES) AND EMPLOYMENT CONTRIBUTIONS, Garden Route, 2024

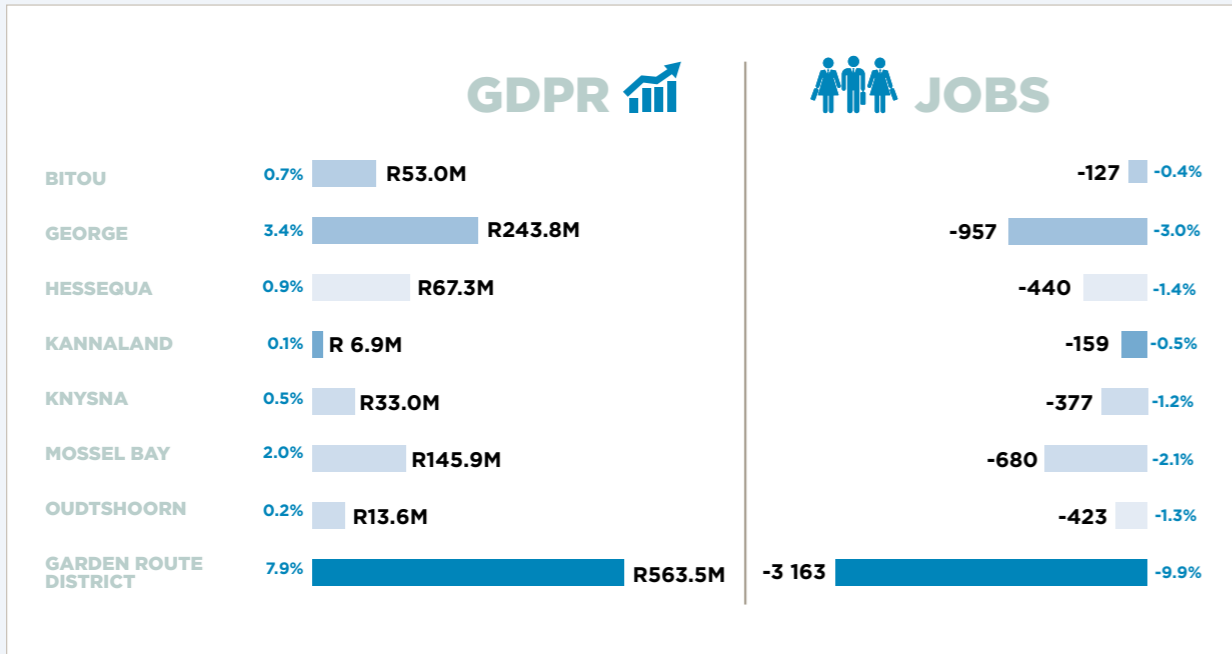


Source: Quantec, 2025



Figure 2.1.1:

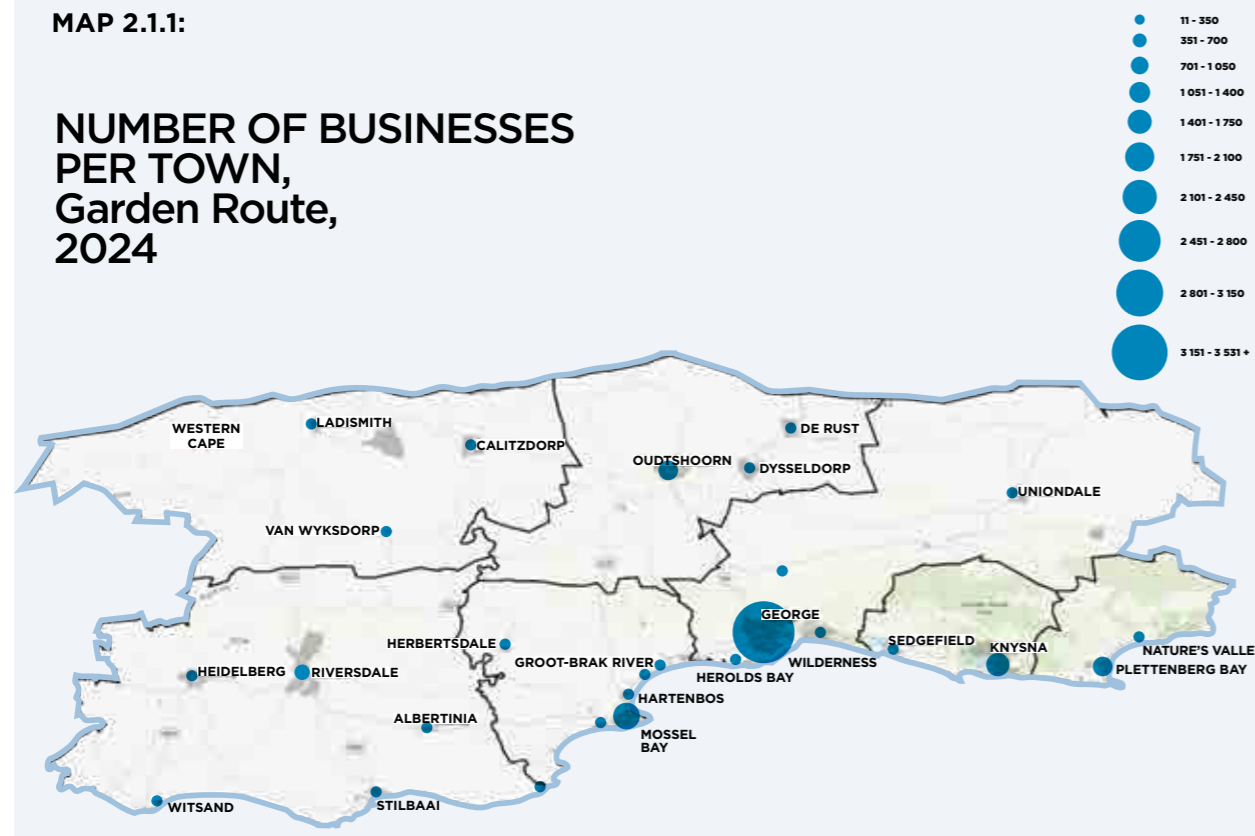
MUNICIPAL CONTRIBUTIONS TO GDP (CONSTANT PRICES) AND EMPLOYMENT GROWTH, Garden Route, 2024



Source: Quantec, 2025

MAP 2.1.1:

NUMBER OF BUSINESSES PER TOWN, Garden Route, 2024



Source: Nell, A. & Visagie, J. Spatial Tax Panel 2014 – 2024 (dataset). Version 5.1. National Treasury – Cities Support Programme and Human Sciences Research Council (SEAD-SA) 2025

In 2024, the GRD generated a gross domestic product per region (GDPR) of R70.8 billion, contributing 7.6 per cent of Western Cape output. GDPR growth of 1.2 per cent was recorded, and the District provided a total of 226 764 jobs, including both formal and informal employment. Despite its sizeable role in the Provincial economy, the District recorded a net loss of 3 163 jobs and an unemployment rate of 20.2 per cent in 2024, indicating that economic activity is not expanding fast enough to create opportunities for a growing labour force.

The structure of the GRD economy is dominated by services, with tertiary activities generating more than 70.0 per cent of GDPR and employment in 2024. Finance (30.7 per cent of GDPR), trade (15.6 per cent) and personal services (10.9 per cent) form the core of this base, supported by the District’s role as a tourism, retail and lifestyle centre. These sectors benefit from steady consumer spending, visitor demand and residential in-migration, but their prominence also means that any downturn in household income or tourism volumes has a broad effect on employment and business activity across the region.

Secondary sector activities added 22.3 per cent of GDPR and 15.7 per cent of jobs in 2024. Manufacturing – largely agro-processing, finishing of timber products and light industrial activity – contributed 15.3 per cent of output, while construction added 3.7 per cent. These industries remain closely tied to the District’s agricultural base, property market and infrastructure rollout. The primary sector, much smaller in output terms, nonetheless plays an important labour absorption role: agriculture supplied 12.4 per cent of jobs in 2024, making it a key source of employment in rural municipal areas despite accounting for only 5.9 per cent of GDPR.

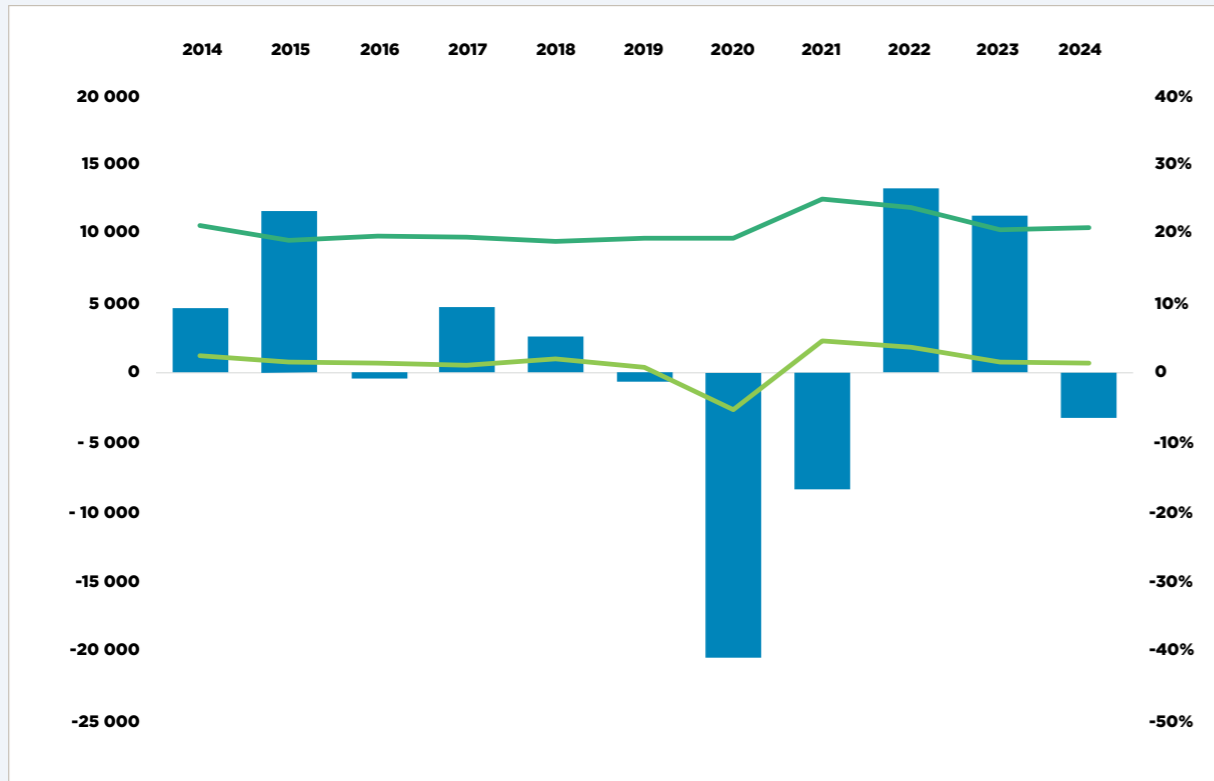
The GRD Tress Index value of 51.8 in 2024, with a slight rise projected for 2025, shows that the economy remains concentrated in a handful of large service and manufacturing industries. This concentration increases the District’s sensitivity to shifts in interest rates, household spending and tourism flows, while the smaller scale of agriculture and mining provides limited protection during economic downturns.⁷

GDPR is expected to have contracted by 0.5 per cent in 2025 but anticipated to grow by 1.0 per cent from 2026 onwards. The short-term downturn was shaped by national economic pressures, including high borrowing costs, slow consumer spending and weak private investment. These factors place constraints on retail, construction, accommodation and manufacturing. Logistics constraints also restrict the output of agro-processing and export-linked producers. The gradual improvement projected from 2026 assumes a reliable electricity supply, continued upgrades to municipal infrastructure, and a firmer recovery of domestic and international tourism. Such developments would support the District’s major service industries.

⁷ (Western Cape Government, 2024).

Figure 2.1.2:

GDPR (CONSTANT PRICES), EMPLOYMENT GROWTH AND UNEMPLOYMENT RATE, Garden Route, 2014 - 2024

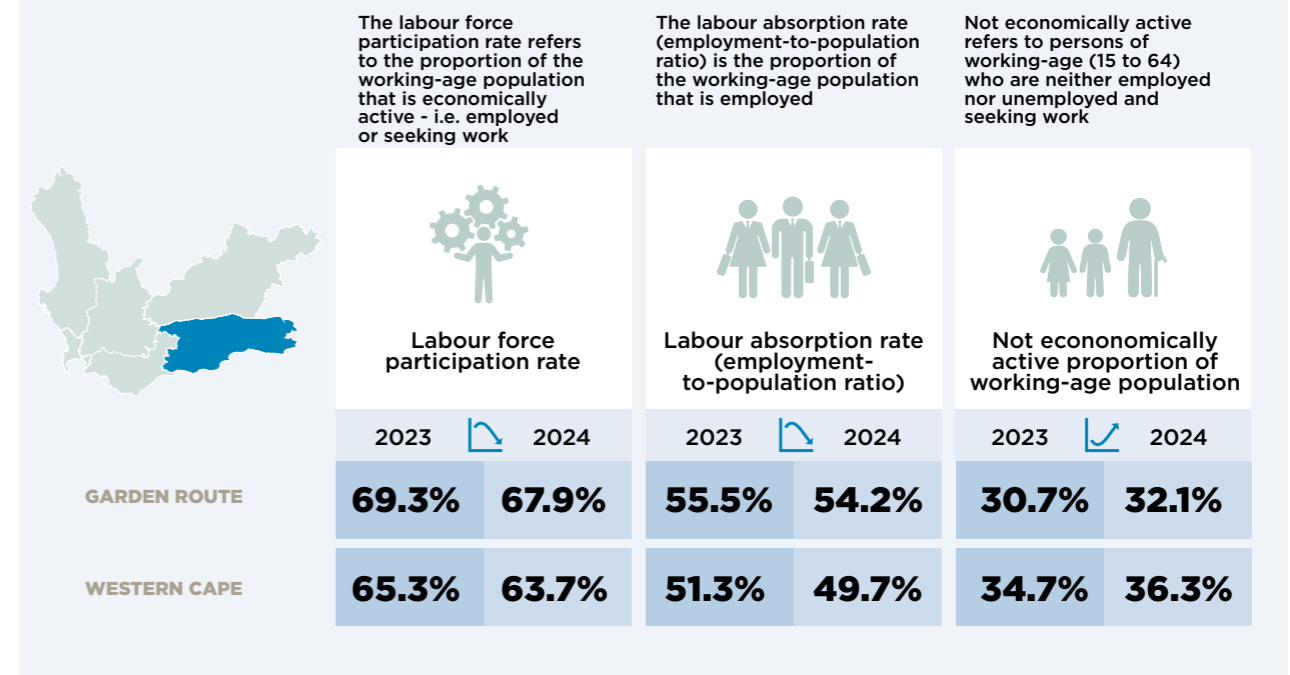


	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Change in employment	4 531	11 406	-464	4 616	2 486	-668	-20 071	-8 241	12 980	11 053	-3 163
GDPR growth	2.3%	1.4%	1.3%	1.0%	1.9%	0.6%	-5.3%	4.3%	3.5%	1.4%	1.2%
Unemployment rate	20.6%	18.4%	19.1%	18.9%	18.3%	18.8%	18.8%	24.2%	23.1%	19.9%	20.2%

Source: Quantec, 2025

DIAGRAM 2.1.2:

LABOUR PROFILE, Garden Route, 2023 - 2024



Source: Quantec, 2025

The distribution of economic activity within the GRD in 2024 showed that growth and employment remain concentrated in a small number of municipal centres, while rural areas continue to support relatively specialised roles within the District economy. The George municipal area remained the core economic hub of the region in 2024, generating R28.4 billion in GDPR (40.1 per cent of the District total) and employing 82 168 people (36.2 per cent of District employment). This dominant position is supported by a broad base spanning finance, retail, logistics, manufacturing and an expanding services sector.

The Mossel Bay, Knysna and Oudtshoorn municipal areas functioned as secondary economic centres. Mossel Bay benefited from tourism activity and port-related functions, Knysna continued to draw steady visitor demand and retirement-linked spending, and Oudtshoorn remained shaped by large agricultural and agro-processing operations. Together, these areas supported the majority of private sector jobs and operated as service hosts for surrounding towns and rural settlements.

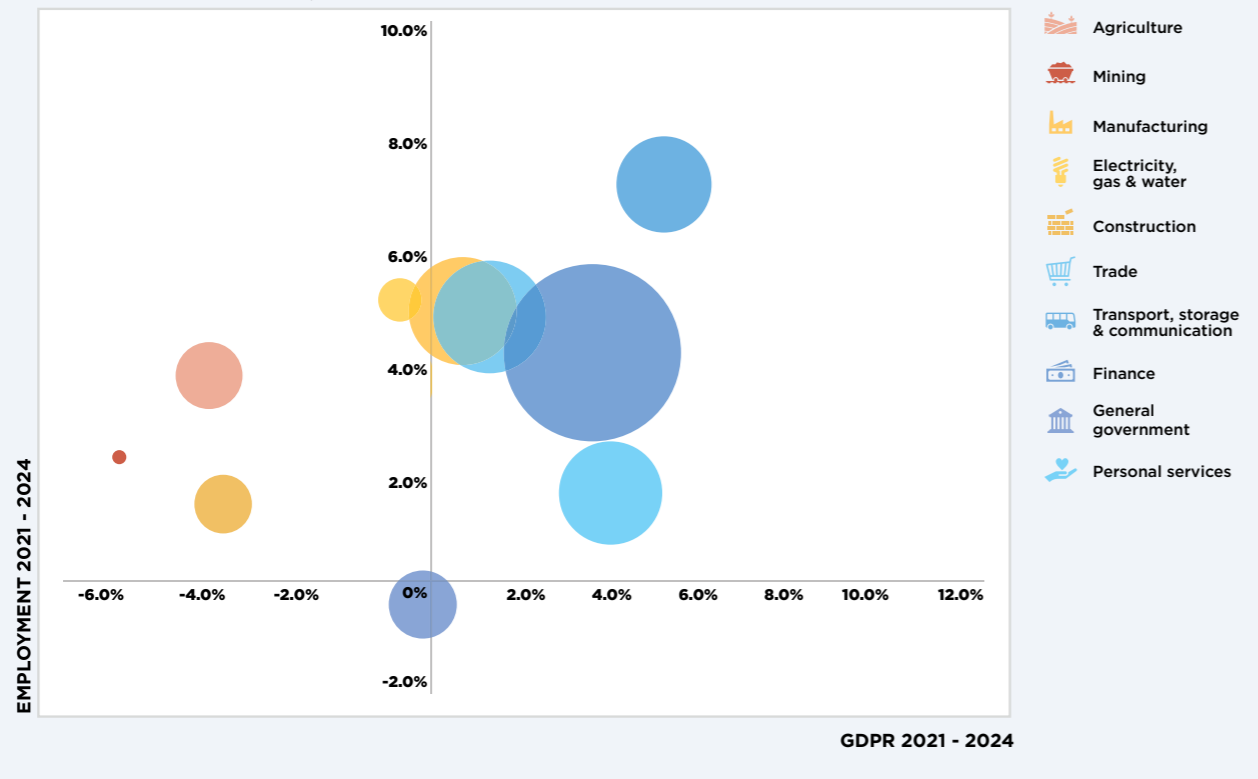
Bitou and Hessequa contributed smaller shares of GDPR, 7.3 per cent and 8.9 per cent respectively, but played important roles in tourism, agriculture and coastal economic activity. Kannaland, the smallest and most rural municipal area of the District, contributed 2.8 per cent to GDPR and 4.3 per cent to employment in 2024. This was consistent with its narrow formal economic base and dependence on primary agriculture.

Labour market indicators for 2024 point to renewed pressure on job creation. The District recorded a net loss of 3 163 formal jobs, reversing part of the recovery seen in 2022 (12 980 jobs added) and 2023 (11 053 jobs added). The unemployment rate increased slightly to 20.2 per

cent in 2024, confirming that the level of economic activity was insufficient to absorb a growing working-age population. The decline in the labour force participation rate (from 69.3 per cent in 2023 to 67.9 per cent in 2024) and the fall in the absorption rate (from 55.5 per cent to 54.2 per cent) indicated that job seekers encountered weaker hiring conditions across several sectors.

Figure 2.1.3:

GDPR (CONSTANT PRICES) AND EMPLOYMENT PERFORMANCE PER SECTOR, Garden Route, 2021 – 2024



Source: Quantec, 2025

Between 2023 and 2024, all seven municipal areas of the GRD experienced net employment losses, which amounted to a District-wide decline of 3 163 jobs. The sharpest reductions occurred in George (957 jobs lost) and Mossel Bay (680 jobs), even though both areas have relatively large and diverse labour markets. These declines were consistent with pressures at the District level that have already been noted: slower spending in hospitality and retail, increased operating costs for firms, and weaker hiring in manufacturing and logistics, sectors that are central to both municipal areas. Smaller rural municipal areas such as Hessequa (440 jobs), Knysna (377 jobs) and Oudtshoorn (423 jobs) experienced more contained employment losses between 2023 and 2024. This was a consequence of their smaller labour markets and stronger dependence on services and agriculture, which saw limited expansion during the period in question.

When considering the part played by each municipal area in GRD job losses between 2023 and 2024, the largest negative contributions came from George (3.0 percentage points), Mossel Bay (2.1 percentage points) and Hessequa (1.4 percentage points). These outcomes were consistent with the slowdown in consumer-facing activity that occurred during 2024 and the pressure on coastal tourism nodes as domestic travel softened.⁸ Despite its small size, Kannaland subtracted 0.5 percentage points from overall GRD employment between 2023 and 2024. This was because the agricultural base of this municipal area remains highly sensitive to drought cycles, irrigation limits and rising input costs.

Despite District losses in employment, GDPR increased across all municipal areas between 2023 and 2024, with the GRD adding R563.5 million in real economic activity. George and Mossel Bay recorded the largest GDPR gains (R243.8 million and R145.9 million respectively). This was supported by stronger activity in finance, trade, logistics and related services, which continued to generate value even as hiring slowed. Hessequa and Bitou also recorded notable increases (R67.3 million and R53.0 million), sustained by visitor services, community services and agricultural activities. Growth in Knysna (R33.0 million) and Oudtshoorn (R13.6 million) was slower, aligned with the gradual recovery of their tourism markets and lower levels of private investment.

Additional context for the municipal outcomes described above is provided by an analysis of sectoral performance over the 2021 to 2024 period. The primary sector contracted, with agriculture declining by 3.9 per cent due to drought conditions, higher input costs and heat-related yield losses. Mining also declined (by 5.7 per cent), although from a very small base. These developments help explain the employment reductions observed in rural municipal areas such as Kannaland, Hessequa and Oudtshoorn, where agricultural activity still plays a central role.

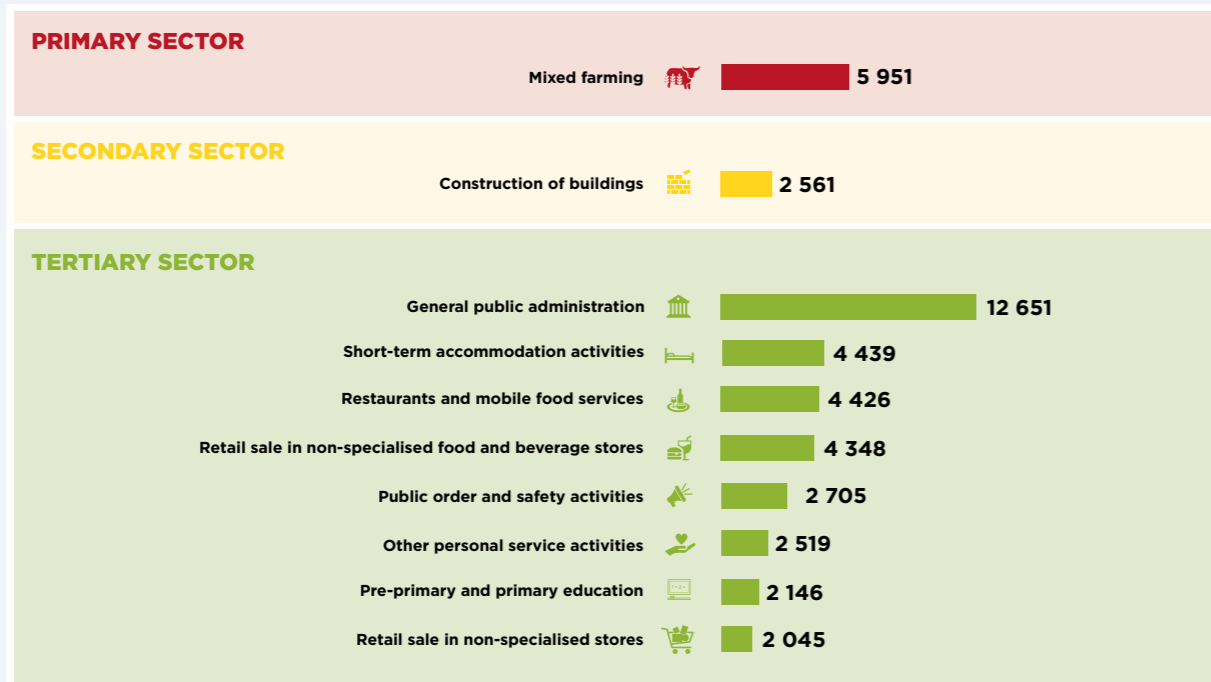
The secondary sector delivered mixed results. Manufacturing recorded slight GDPR growth between 2021 and 2024 (of 0.7 per cent), supported by food and beverage processing linked to the District's agricultural export base. However, construction contracted by 3.7 per cent as high interest rates and slower property development limited new projects. Electricity, gas and water also declined over the 2021 to 2024 period (by 0.7 per cent), pointing to infrastructure constraints that limited output despite increased interest in alternative energy systems.

The tertiary sector recorded the strongest gains between 2021 and 2024, expanding by 13.9 per cent and contributing most of the District's employment growth (16.8 per cent). Transport, storage and communication grew by 5.2 per cent, supported by the GRD's position along major tourism and logistics routes. Finance expanded by 3.6 per cent, linked to the concentration of business services in George and Knysna. Trade, personal services and general government also made meaningful contributions to District output, reinforcing the economic structure observed earlier.

⁸ (Stats SA, 2024).

Figure 2.1.4:

TOP 10 SECTORS BY NUMBER OF FTE JOBS Garden Route, 2024

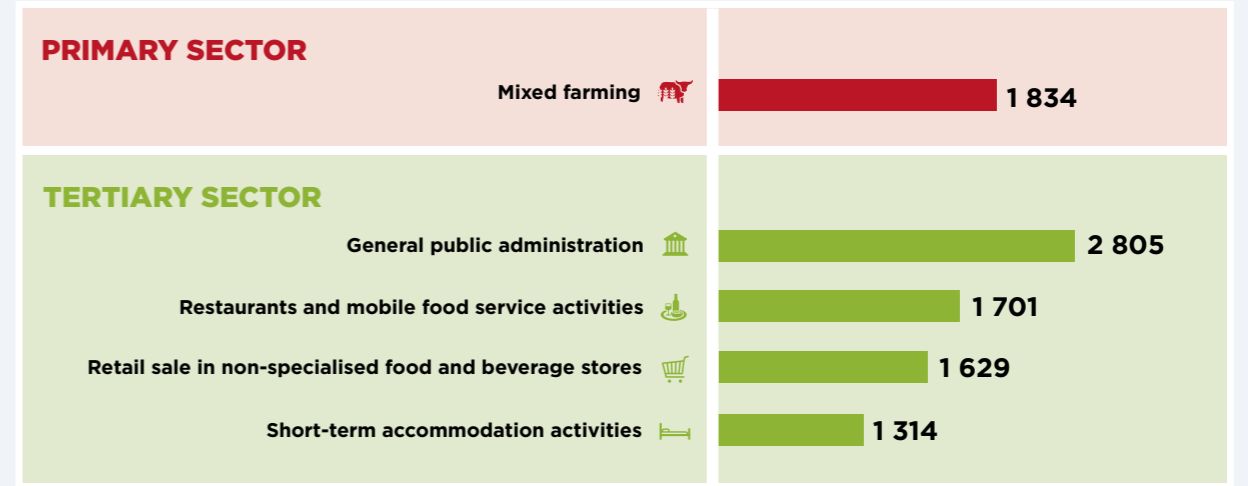


Source: Nell, A. & Visagie, J. Spatial Tax Panel 2014 – 2024 (dataset). Version 5.1. National Treasury – Cities Support Programme and Human Sciences Research Council (SEAD-SA) 2025

The employment structure of the GRD in 2024 continued to be shaped by a strong reliance on services, particularly public administration, tourism and retail. General public administration was the largest source of employment, supporting 12 651 full-time equivalent (FTE) jobs and helping stabilise labour markets during a period of weak hiring across several industries. Mixed farming followed with 5 951 jobs, maintaining its position as the District’s principal agricultural employer despite ongoing pressures linked to drought cycles, higher input costs and variable production outcomes. Tourism-related activities pertaining to short-term accommodation (4 439 jobs), restaurants and mobile food services (4 426 jobs) and retail outlets (4 348 jobs) remained major contributors to employment, supported by consistent visitor inflows, seasonal population movements and the District’s well-established coastal tourism economy.

Figure 2.1.5:

TOP 5 SECTORS FOR YOUTH EMPLOYMENT Garden Route, 2024



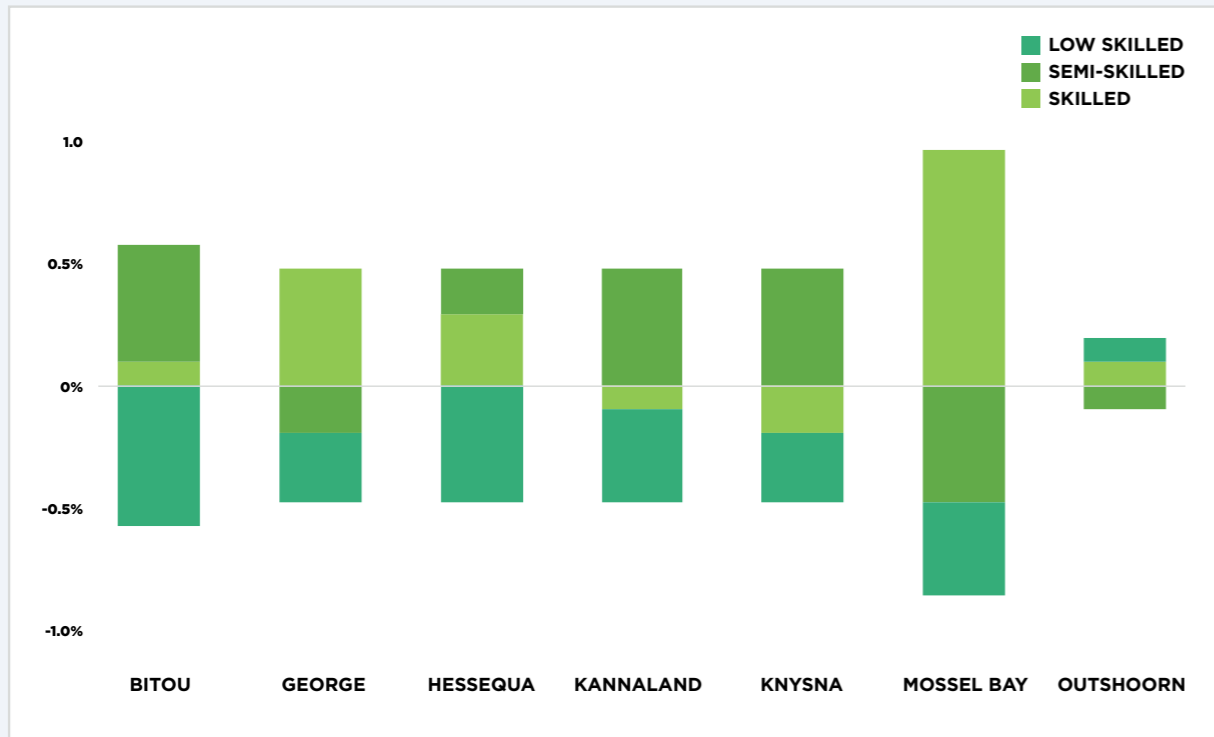
Source: Nell, A. & Visagie, J. Spatial Tax Panel 2014 – 2024 (dataset). Version 5.1. National Treasury – Cities Support Programme and Human Sciences Research Council (SEAD-SA) 2025

Youth employment in the GRD followed the structure of the overall District labour market, with opportunities concentrated in a small group of labour-absorbing industries. Public administration remained the single largest source of youth FTE jobs in 2024 (2 805 jobs), offering stable points of entry into the workplace to young persons, typically in administrative and support roles. Mixed farming followed with 1 834 youth positions, highlighting the continued reliance on younger seasonal labour during peak harvesting and livestock cycles. Restaurants and food services (1 701), jobs retail outlets (1 629 jobs) and accommodation services (1 314 jobs) also featured strongly, reflecting the demand generated by visitor inflows, household consumption and the extensive hospitality footprint across George, Mossel Bay, Knysna and Plettenberg Bay.

Together, these activities largely determine the employment prospects of young entrants to the labour market, providing job opportunities that require moderate skill levels, offer immediate work experience, and increase in number during high-demand tourism periods. The concentration of youth jobs in public administration, hospitality and agriculture, thus corresponds with the District’s wider sectoral structure. Here, too, service-driven activities and primary agriculture remain the most consistent providers of accessible employment to individuals entering the labour market for the first time.

Figure 2.1.6:

CHANGES IN SKILLS DISTRIBUTION Garden Route, 2023 - 2024



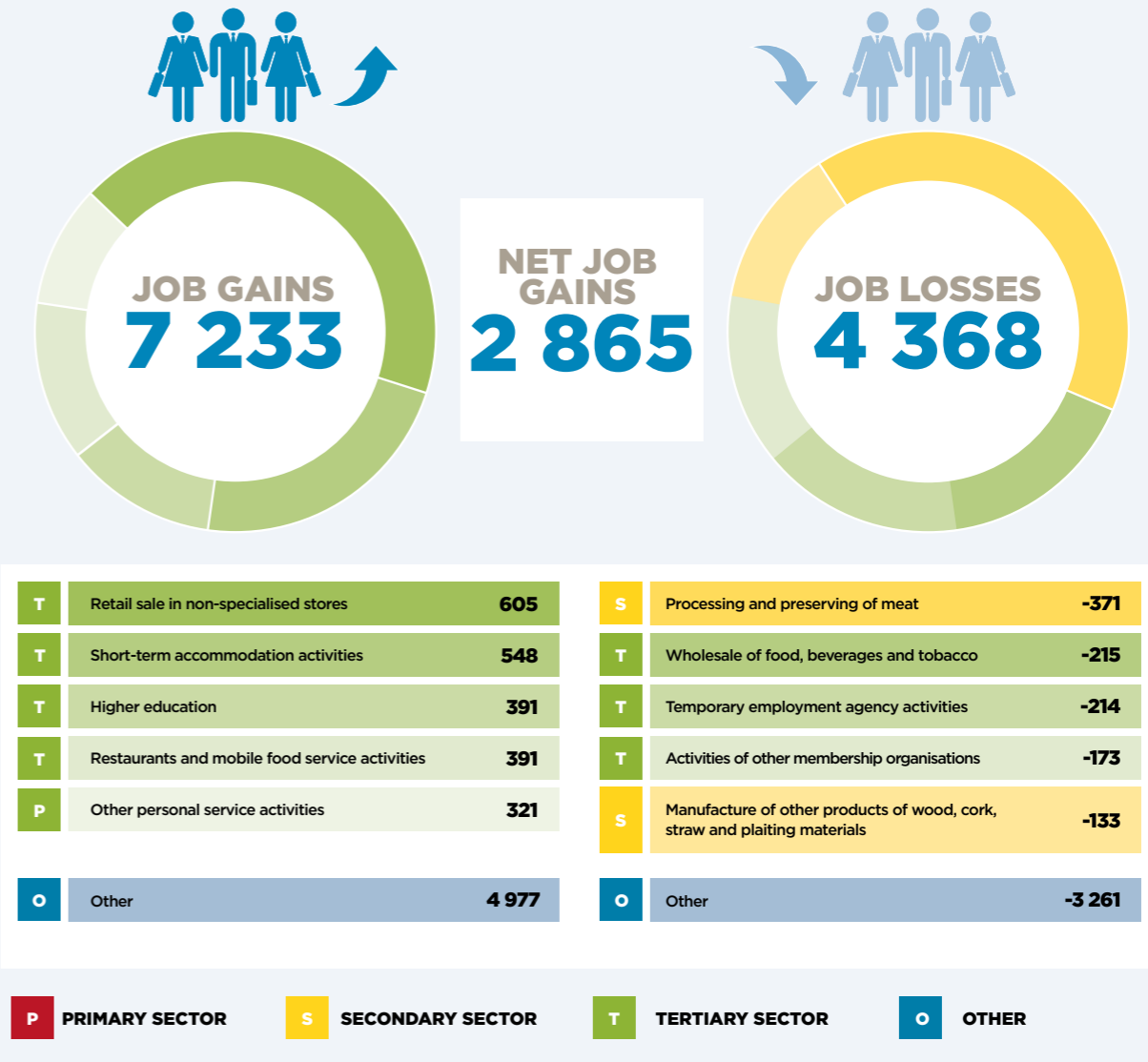
Source: Quantec, 2025

Semi-skilled work remained the largest component of employment in 2024 (39.8 per cent), supported by the strong presence of retail, hospitality, administrative services and agriculture across the District. Low-skilled employment increased from 29.6 per cent in 2023 to 30.1 per cent in 2024, driven by continued demand for labour in seasonal farming, personal services and tourism-related activities. Skilled employment declined marginally from 30.5 per cent to 30.2 per cent, showing that higher-skill opportunities expanded only slightly in a year during which output growth slowed and several municipalities experienced job losses.

Municipal shifts in skills demand pointed to uneven outcomes with regard to composition of employment by skills level across municipal areas. Mossel Bay recorded the highest increase in skilled employment in 2024 (of 1.0 per cent), probably as a result of growth in finance, logistics and administrative services. George also expanded its skilled share (by 0.5 of a percentage point), consistent with its position as the District’s main economic and administrative centre. Smaller increases were evident in Hessequa and Bitou, while Knysna and Kannaland experienced minor declines linked to weaker job creation in activities that typically absorb skilled labour. Semi-skilled work increased most in Kannaland, Knysna and Bitou (by 0.5 percentage points in each instance), driven by activity in retail, accommodation and related services. Low-skilled employment declined across most municipal area, particularly in Bitou and Hessequa. This was due to slower seasonal hiring in agriculture and adjustments in hospitality recruitment during a year of reduced tourism demand.

Figure 2.1.7:

TOP 5 SECTORS FOR FORMAL JOB GAINS AND LOSSES, Garden Route, 2023 - 2024



Source: Nell, A. & Visagie, J. Spatial Tax Panel 2014 - 2024 (dataset). Version 5.1. National Treasury - Cities Support Programme and Human Sciences Research Council (SEAD-SA) 2025

The distribution of formal job gains and losses between 2023 and 2024 highlights the extent to which the GRD labour market relies on service-driven activities, particularly retail, hospitality and public-facing services. The tertiary sector was the biggest formal job creator in 2024, with retail in non-specialised stores adding 605 positions and short-term accommodation a further 548. The increases corresponded with the District’s dependence on tourism and household spending. This was especially the case in George, Knysna and Mossel Bay, where visitor activity and local consumption remain central to employment creation. Additional gains in higher education, restaurants and mobile food services, and personal services indicate that hiring in 2024 was concentrated in semi-skilled and low-skilled occupations. This outcome reflects the District’s broader skills structure and the fact that these sectors are typically the segments of the GRD economy that absorb new entrants.

Job losses were concentrated in industries facing operational pressures, particularly those exposed to higher input costs, energy supply disruptions and fluctuating agricultural throughput. The sharpest reductions occurred in the processing and preserving of meat (371 jobs lost in 2024), followed by the wholesale trade in food and beverages, temporary employment agency activities, and membership-based organisations. Such outcomes point to continued strain in parts of the secondary sector. This was especially true of agro-processing, where rising logistics costs, an intermittent electricity supply and constrained household demand limited the ability of firms to maintain employment. Similar labour market pressures were evident at municipal level, as all municipal areas recorded net employment losses between 2021 and 2024, indicating that these challenges affected the District economy as a whole rather than being confined to individual localities.

Further job losses in manufacturing activities linked to wood, cork and related products (133 jobs shed) highlight the challenges faced by smaller, resource-dependent industries operating in a competitive national market. The District recorded a net gain of 2 865 formal jobs in 2024, driven primarily by service-based activities linked to tourism and household consumption.

The primary sector showed the sharpest turnaround between 2024 and 2026 following a difficult 2024, during which output declined by 9.5 per cent due to drought stress, higher production costs and disruptions in agricultural supply systems. In 2025, agriculture began to recover (expanding by 1.0 per cent in 2025 and project to grow by 10.2 per cent in 2026), supported by improved rainfall conditions and the easing of on-farm constraints. This recovery is particularly important for municipal areas such as Oudtshoorn, Hessequa and Kannaland, where farming remains a central source of income and sustains agro-processing and distribution activities. Mining continues to play a very limited role in the regional economy and is projected to maintain low output levels due to stagnant exploration activity and the declining performance of smaller operations.











The secondary sector exhibited a more restrained recovery. Manufacturing stabilised gradually, attaining growth of 1.9 per cent in 2025 and being anticipated to expand by 1.8 per cent in 2026. The improvement depends heavily on access to a reliable electricity supply and realising gains in logistics, two areas that remain central to infrastructure plans across the District. Construction, however, remains under strain, with contractions forecast for both 2025 and 2026. The sector continues to feel the effects of household financial pressure, high borrowing costs and reduced private investment, all of which have slowed new residential and commercial developments across multiple municipal areas.

Growth in the tertiary sector continues to determine the District’s overall economic direction. Finance, personal services and public administration contribute the most to GDPR and show stable year-on-year expansion. Forecasts for 2025 and 2026 indicate continued progress in trade, transport, finance and personal services, with projected growth generally between 1.6 per cent and 2.9 per cent. These sectors remain the foundation of both economic activity and employment in the GRD, consistent with its service-based structure and dependence on tourism, public services, household spending and administrative functions.



TABLE 2.1.1:

GDPR FORECAST PER SECTOR Garden Route, 2024









SECTOR	2021 - 2023	2024	2025	2026
PRIMARY SECTOR	-1.1%	-9.5%	1.0%	10.2%
 AGRICULTURE	-0.9%	-9.8%	1.2%	10.7%
 MINING	-8.1%	-0.8%	-2.5%	-2.4%
SECONDARY SECTOR	-0.1%	-0.9%	1.6%	1.5%
 MANUFACTURING	1.0%	0.2%	1.9%	18%
 ELECTRICITY	-3.0%	4.2%	-0.5%	-0.5%
 CONSTRUCTION	-2.2%	-6.7%	-6.0%	-5.7%
TERTIARY SECTOR	3.4%	2.6%	2.2%	2.1%
 TRADE	2.5%	-0.9%	1.6%	2.6%
 TRANSPORT	8.4%	-1.0%	2.3%	2.2%
 FINANCE	3.4%	4.0%	3.0%	2.9%
 GENERAL GOVERNMENT	-0.1%	-0.4%	2.7%	1.4%
 PERSONAL SERVICES	2.1%	7.9%	1.6%	1.5%
TOTAL GARDEN ROUTE DISTRICT	2.4%	1.2%	-0.5%	1.9%

Source: Quantec, 2025

2.2 Comparative advantage

TABLE 2.2.1:

LOCATION QUOTIENT IN TERMS OF GDP AND EMPLOYMENT Garden Route, 2024

SECTOR	GDP 	EMPLOYMENT 
PRIMARY SECTOR	0.69	1.18
 AGRICULTURE	1.85	1.69
 MINING	0.04	0.02
SECONDARY SECTOR	1.10	0.99
 MANUFACTURING	1.05	0.95
 ELECTRICITY	0.87	0.88
 CONSTRUCTION	1.52	1.08
TERTIARY SECTOR	1.01	0.97
 TRADE	1.13	1.10
 TRANSPORT	1.13	0.97
 FINANCE	1.28	1.05
 GENERAL GOVERNMENT	0.58	0.84
 PERSONAL SERVICES	0.67	0.83

Source: Quantec, 2025

Location quotients (LQ) provide a way of assessing whether a certain sector in a region has a comparative advantage in relation to that sector on a national scale. An LQ measures the regional strength of the sector against its position nationally.

- An LQ greater than one indicates that the sector in question has a comparative advantage in the region relative to its position nationally.
- An LQ of less than one suggests that the sector's position in the region is weaker than its position nationally.
- An LQ of one indicates that the sector has no comparative advantage or disadvantage in the region relative to its position nationally.

The GRD's comparative advantage profile in 2024 showed a regional economy defined by agriculture, tourism-linked services and a small group of expanding utilities and administrative activities.

The GRD's comparative advantage profile in 2024 indicates a regional economy characterised by strong specialisation in agriculture, tourism-linked services and a smaller group of utilities and administrative activities when measured against the national economy. Agriculture remains the District's most concentrated area of specialisation, with high location quotients in both GDP and employment. Mixed farming and related activities continue to play a decisive role in Hessequa, Oudtshoorn and Mossel Bay, where value chains linked to livestock, vegetables and niche crops sustain much of the rural labour market. Although agricultural output weakened in 2024, the sector's elevated LQs indicate that farming continues to carry significant structural importance within the GRD relative to the national economic profile, consistent with the District's production systems and long-standing agro-processing linkages.

Construction also maintains a strong comparative position, supported by steady population growth, migration into coastal towns and sustained residential development. While the sector faced output pressures in 2024, its location quotient remains well above one when measured against the national economy, confirming its continued economic significance within the District.

Trade and finance, similarly specialised, are driven by the region's tourism economy, a growing base of permanent residents, and the concentration of business and administrative functions in centres such as George. Transport, storage and communication enjoys a stable advantage, supported by the GRD's key transport links between the Western Cape and Eastern Cape as well as the presence of strategic transport assets (including George Airport and major regional road networks). Manufacturing retains moderate specialisation based on food processing, timber products and smaller production lines located around George and Knysna.

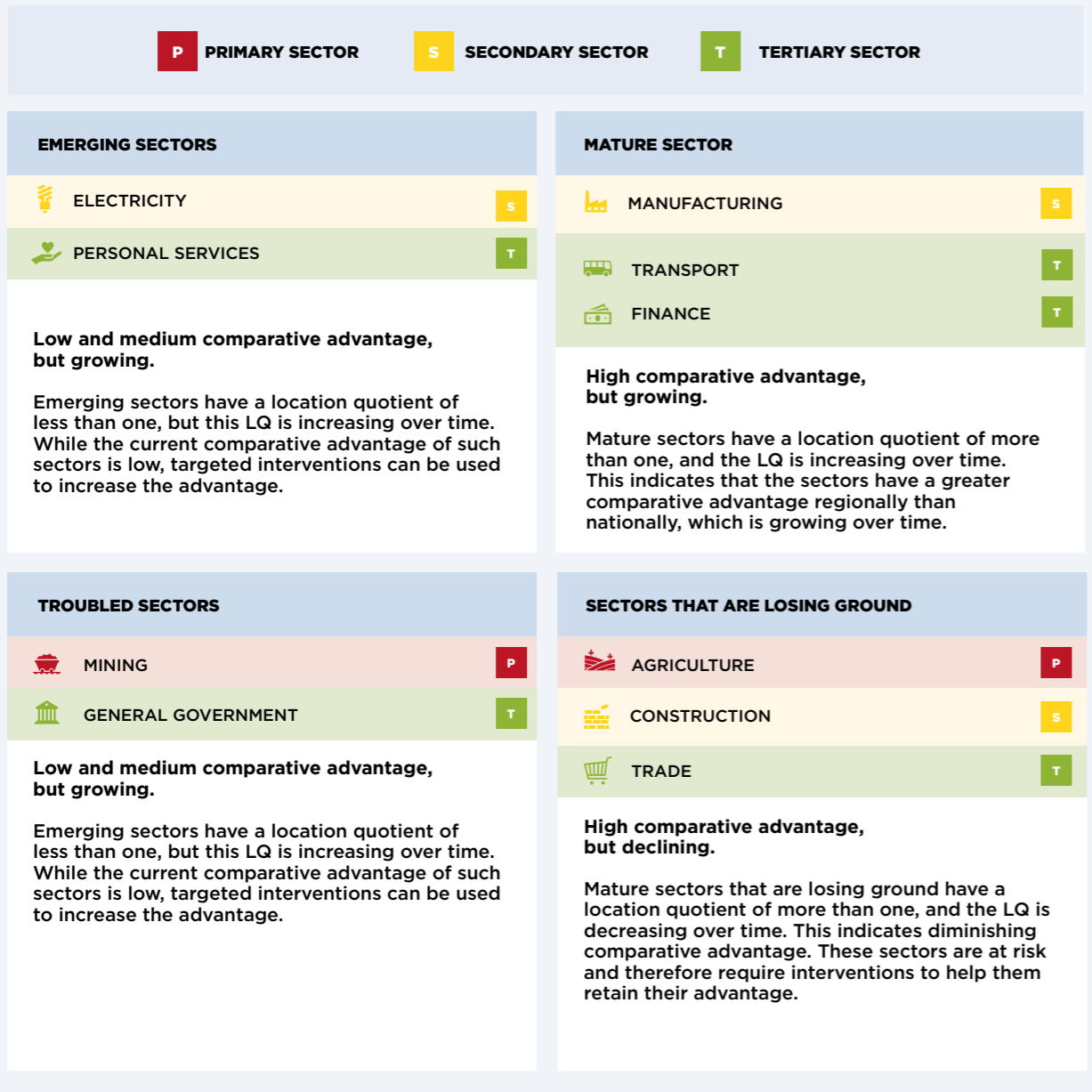
By contrast, mining and general government display very low LQs, indicating minimal structural importance within the GRD economy. Mining's small base and lack of new commercial potential restrict its contribution to both output and employment. General government's low specialisation is shaped by fiscal constraints and the relatively limited administrative footprint of the District. These activities are unlikely to become major job creators.

Emerging potential is evident in electricity, gas and water, where increased attention to renewable energy projects, alternative supply systems and water security measures is beginning to strengthen the sector's position. Personal services also show gradual improvement, supported by household in-migration, the expansion of community-focused activities, and rising demand for lifestyle-oriented services in towns such as George, Mossel Bay and Knysna.

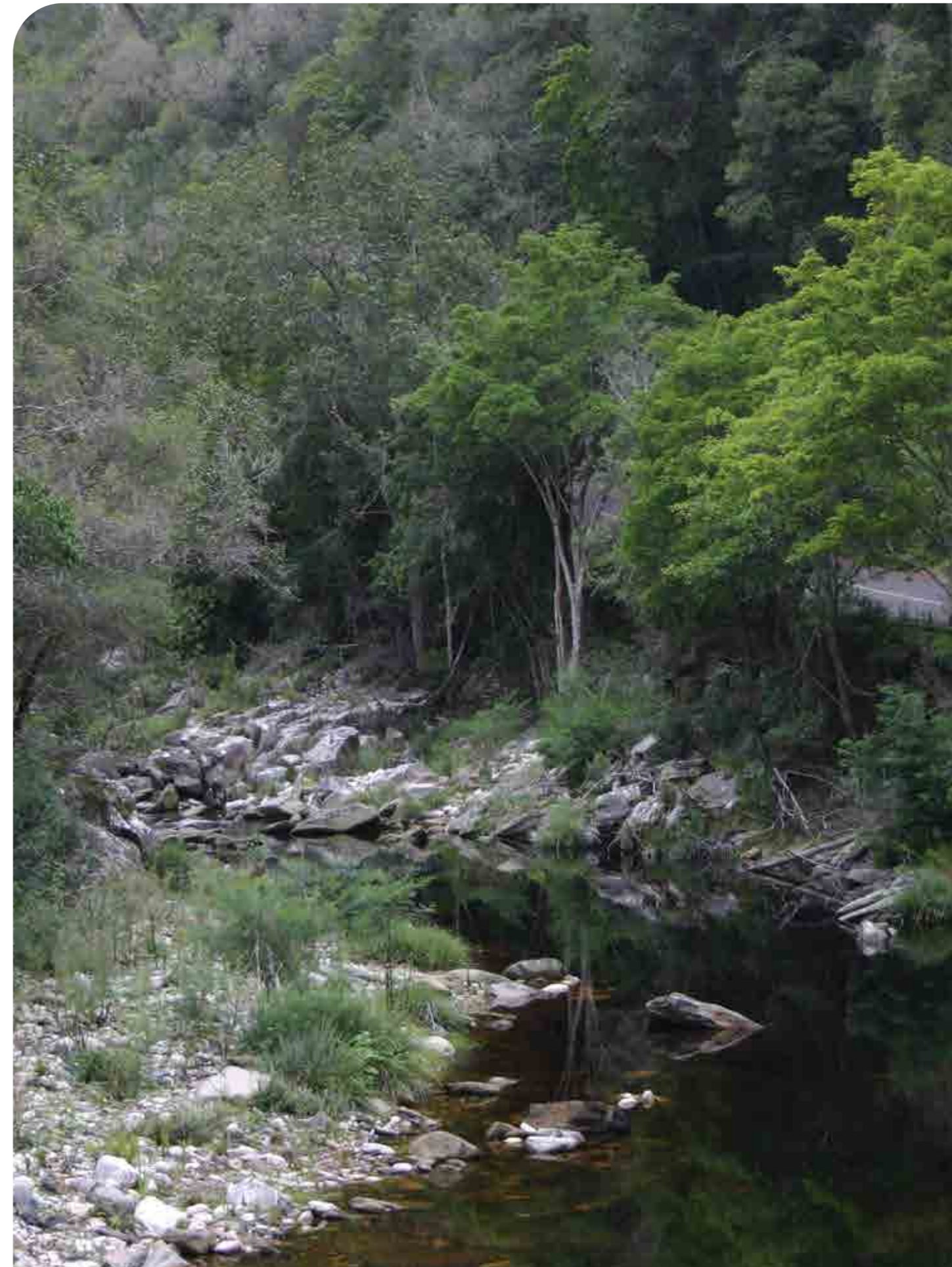
While mature sectors such as agriculture, construction and (in part) trade show signs of slowing due to weather shocks, rising costs and softer consumer spending, they remain central pillars of the GRD economy. Their LQ profiles confirm that they continue to shape output and employment across the region, even as new opportunities emerge in utilities and services. This mix of established strengths and growing areas of activity provides a basis for gradual diversification, particularly as the District adapts to climate uncertainty, energy constraints and continued population growth.

DIAGRAM 2.2.1:

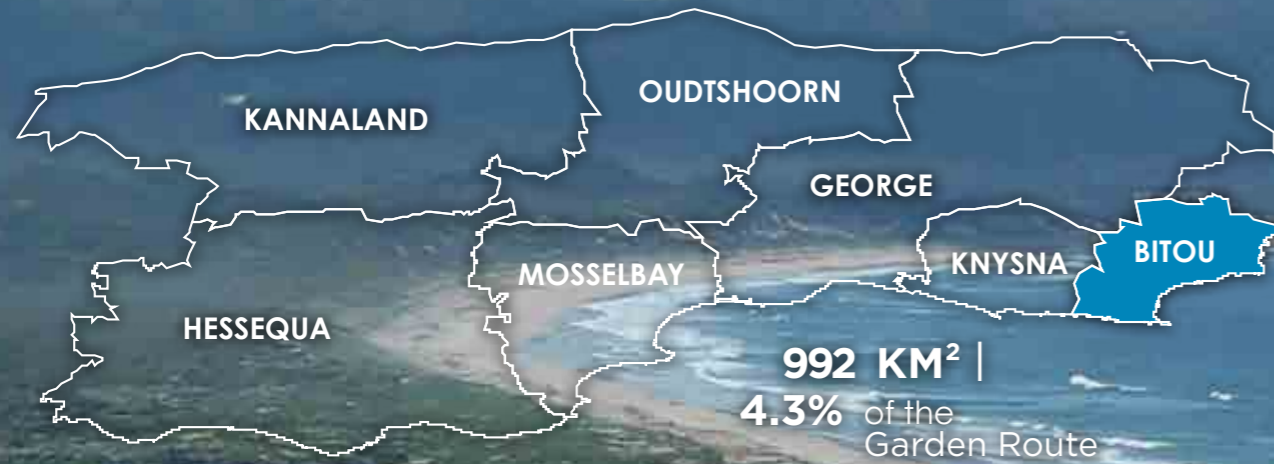
SECTORAL POTENTIAL Garden Route, 2024



Source: Quantec, 2025



3. Municipal GDPR and employment performance

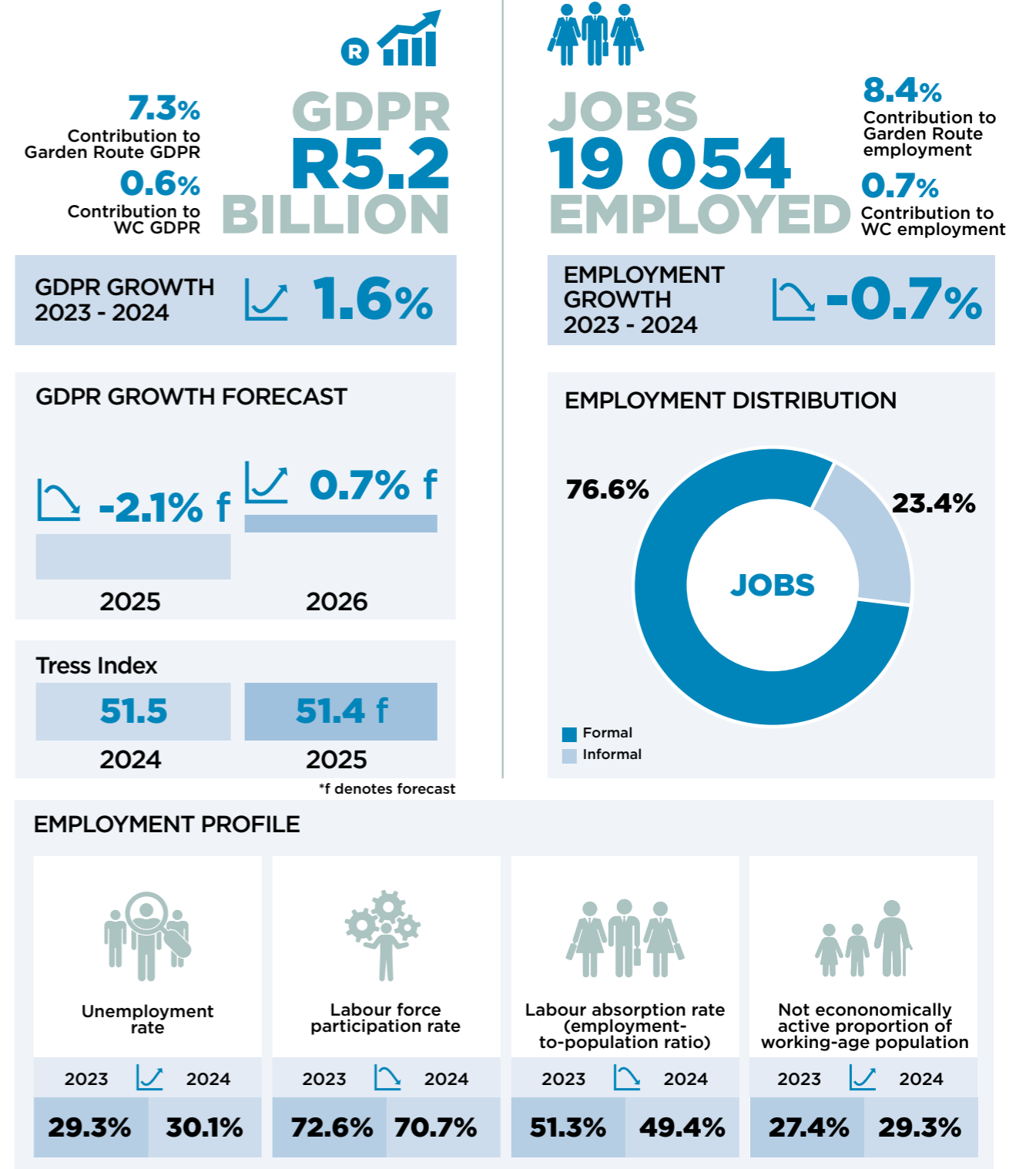


3.1 BITOU MUNICIPAL AREA

The Bitou municipal area, situated in the Garden Route District (GRD), is one that includes several of South Africa’s best-known coastal holiday destinations. Nestled between the Tsitsikamma Mountains and the Indian Ocean, the area is celebrated for its dramatic shoreline, indigenous forests and winding rivers. Key attractions include the Robberg Nature Reserve, the Keurbooms River, Birds of Eden, and Monkeyland, while popular activities range from whale and dolphin watching to hiking, surfing and adventure sports. Smaller settlements such as Nature’s Valley and Kranshoek add to its appeal, offering pristine landscapes and cultural heritage. Thanks to strong tourism infrastructure and a blend of leisure and adventure experiences, Bitou draws a steady flow of domestic and international travellers. The local economy is centred on tourism, which is complemented by agriculture, forestry and fishing. Together, these activities sustain a seasonally dynamic region.

DIAGRAM 3.1.1: MUNICIPAL GDPR (CURRENT PRICES) AND EMPLOYMENT, Bitou, 2024

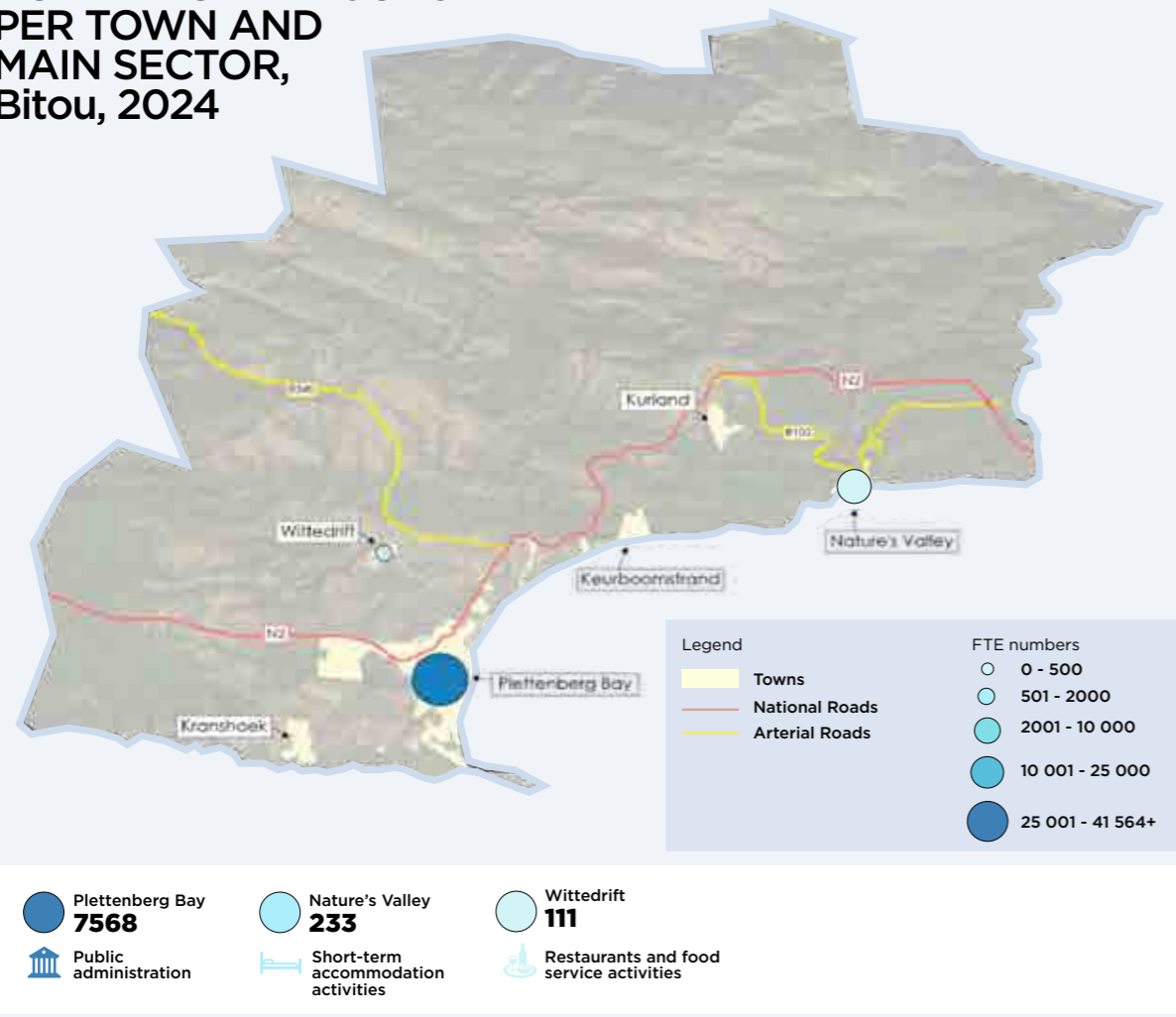
BITOU 2024 GDPR AND EMPLOYMENT



Source: Quantec, 2025

MAP 3.1.1

NUMBER OF FTE JOBS PER TOWN AND MAIN SECTOR, Bitou, 2024



Source: Nell, A. & Visagie, J. Spatial Tax Panel 2014 – 2024 (dataset). Version 5.1. National Treasury – Cities Support Programme and Human Sciences Research Council (SEAD-SA) 2025

In 2024, the Bitou municipal area generated a gross domestic product per region (GDPR) of R5.2 billion, which accounted for 7.3 per cent of the Garden Route District (GRD) output and 0.6 per cent of Western Cape GDPR. Bitou's GDPR grew by 1.6 per cent between 2023 and 2024. This marked a welcome improvement, coming as it did after several years in which economic activity was constrained by pandemic-related disruptions, load-shedding, weaker investment conditions and fluctuating tourism activity.

Despite this output growth, the labour market did not strengthen from 2023 to 2024. Total employment declined by 0.7 percentage points, with the number of jobs dropping from 19 182 to 19 054. The combination of rising output and fewer jobs indicates that economic activity has become more capital-intensive and is registering gains in productivity. This is particularly the case in finance, business services and parts of the tourism value chain, where firms have increasingly adopted digital systems and efficiency-based business models while streamlining operations. Alongside these developments, labour-absorbing sectors such as agriculture and construction remained under pressure from 2021 to 2024. This limited opportunities for low-skilled and entry-level workers, contributing to the weakening of employment.

The unemployment rate rose from 29.3 per cent in 2023 to 30.1 per cent in 2024. Over the same period, the labour force participation rate declined from 72.6 per cent to 70.7 per cent, and the labour absorption rate fell from 51.3 per cent to 49.4 per cent. This was accompanied by an increase in the share of working-age residents who are not economically active, which expanded from 27.4 per cent in 2023 to 29.3 per cent in 2024. Taken together, these shifts indicate that due to limited employment opportunities (particularly in low-skilled and entry-level roles), an increasing number of residents no longer actively seek work. This trend highlights the challenges faced in Bitou regarding the scarcity of stable, accessible jobs for vulnerable workers.⁹ Furthermore, it is consistent with findings about the national labour market showing that periods of slow job creation can heighten discouragement amongst those in search of employment.

Formal employment remains dominant in Bitou, accounting for 76.6 per cent of jobs in 2024 against the 23.4 per cent provided by the informal sector. This composition is characteristic of small coastal municipal areas with a large public sector, hospitality and retail footprints. Bitou's informal economy is shaped by settlement patterns in the area, with informal and township-based trading activity concentrated in localities such as Qolweni, Kwanokuthula, New Horizons, Kranshoek, Green Valley and Kurland. These settlements host a wide range of informal enterprises, including those involving street vending, food preparation, personal services, small-scale motor repairs and seasonal, tourism-related activities. Such undertakings provide essential support to households excluded from formal employment. Many residents of Bitou, mainly from the settlements listed above, rely on informal trading, gardening, small repairs and other micro-enterprises for income, showing that the informal sector remains a social and economic safety net for vulnerable communities in this municipal area.

The geographic distribution of jobs illustrates the extent to which Bitou's economic base is service-oriented. In 2024, public administration was the leading source of jobs in Plettenberg Bay, the administrative and commercial hub of the municipal area. This highlights the stabilising role of state employment in a relatively small local economy. In Nature's Valley, economic activity is dominated by short-term accommodation, consistent with the tourism and conservation orientation of this town, while Wittedrift has a smaller, service-based economy centred on restaurants and food services.

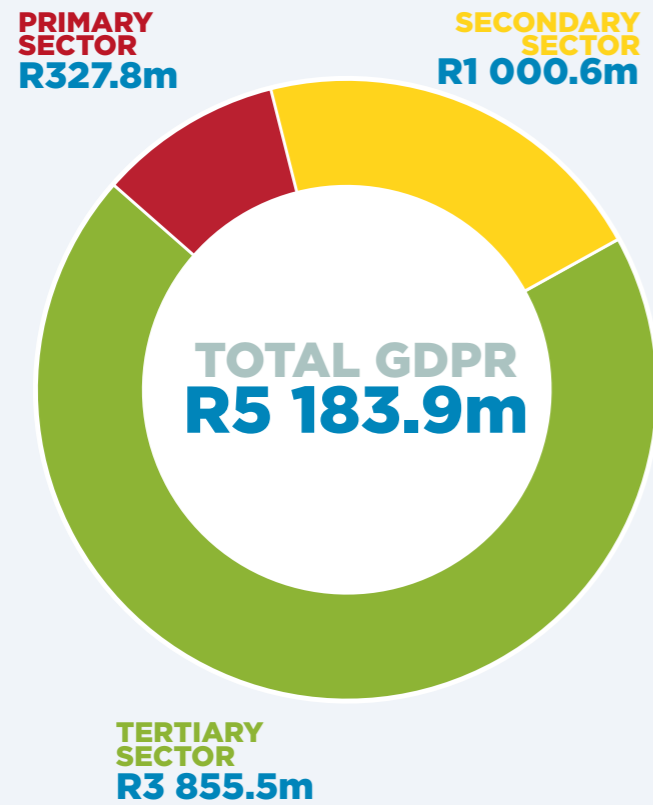
The Tress Index of Bitou, calculated at 51.5 in 2024 and projected to decrease slightly (to 51.4) in 2025, shows that the municipal area has a concentrated economic structure. Values above 50 indicate limited diversification. Much of the local economy is dependent on a small group of sectors, notably finance, tourism, personal services, construction and retail. This level of concentration increases Bitou's exposure to sector-specific shocks. Disruptions in any of these dominant sectors – changes in tourist arrivals, interest rate adjustments, or shifts in government expenditure – can have an outsized impact on the area, compromising overall economic performance and undermining employment.

Municipal GDPR is forecast to contract by 2.1 per cent in 2025 before returning to positive territory in 2026, when growth of 0.7 per cent is anticipated. A downturn in 2025 is expected because of ongoing national and provincial economic pressures, including elevated interest rates, weaker real household spending, reduced construction activity and persistent constraints related to load-shedding. Anticipated gains in electricity supply stability, a gradual strengthening of domestic tourism, and a more favourable interest rate environment for consumption and property-linked activity underpin projections for an expansion of output in 2026.

⁹ (Stats SA, 2024).

Figure 3.1.1:

GDPR DISTRIBUTION (CURRENT PRICES), Bitou, 2024



PRIMARY SECTOR	
SECTOR	2024
Agriculture	R320.1m
Mining	R7.7m
TOTAL	R327.8m

SECONDARY SECTOR	
SECTOR	2024
Manufacturing	R508.3m
Electricity	R58.6m
Construction	R433.7m
TOTAL	R1 000.6m

TERTIARY SECTOR	
SECTOR	2024
Transport	R347.6m
Trade	R926.3m
Finance	R1 631.0m
General government	R350.9m
Personal services	R599.6m
TOTAL	R3 855.5m

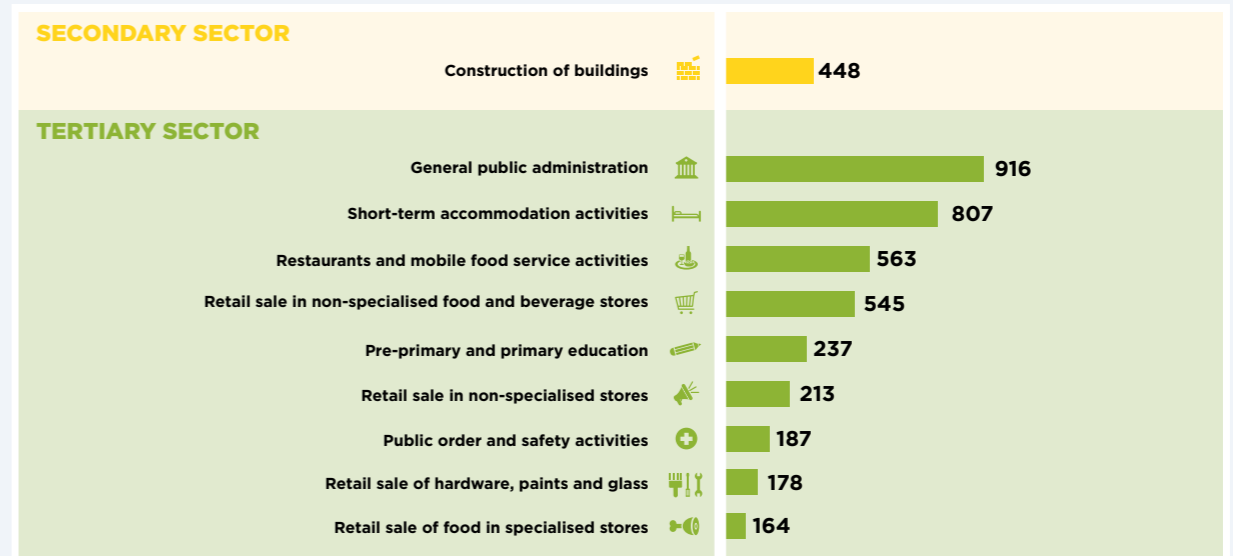
Source: Quantec, 2025

Bitou’s sectoral structure is services-driven. In 2024, the tertiary sector generated R3.9 billion, accounting for 74.4 per cent of municipal GDP. Within this sector, finance was the largest component, providing 31.5 per cent of the total tertiary sector GDP in 2024, followed by trade (17.9 per cent) and personal services (11.6 per cent). General government contributed 6.8 per cent of the total tertiary sector’s GDP, while transport, storage and communication accounted for 6.7 per cent. The secondary sector – comprising manufacturing, electricity, gas and water, and construction – contributed 19.3 per cent of total GDP in 2024, and the primary sector, 6.3 per cent. Mining represented only a very small share of total GDP distribution in 2024.

This structure is consistent with Bitou’s positioning as a tourism-oriented, service-driven and lifestyle-based economy rather than an industrial or primary production hub. The prominence of finance and personal services stems from the strong presence in the area of financial intermediation, real estate activity, professional and business services, and a wide range of household-facing functions. These include activities related to hospitality, recreation, and private security, which support both residents and a steady flow of domestic and international visitors.

Figure 3.1.2:

TOP 10 SECTORS BY NUMBER OF FTE JOBS Bitou, 2024



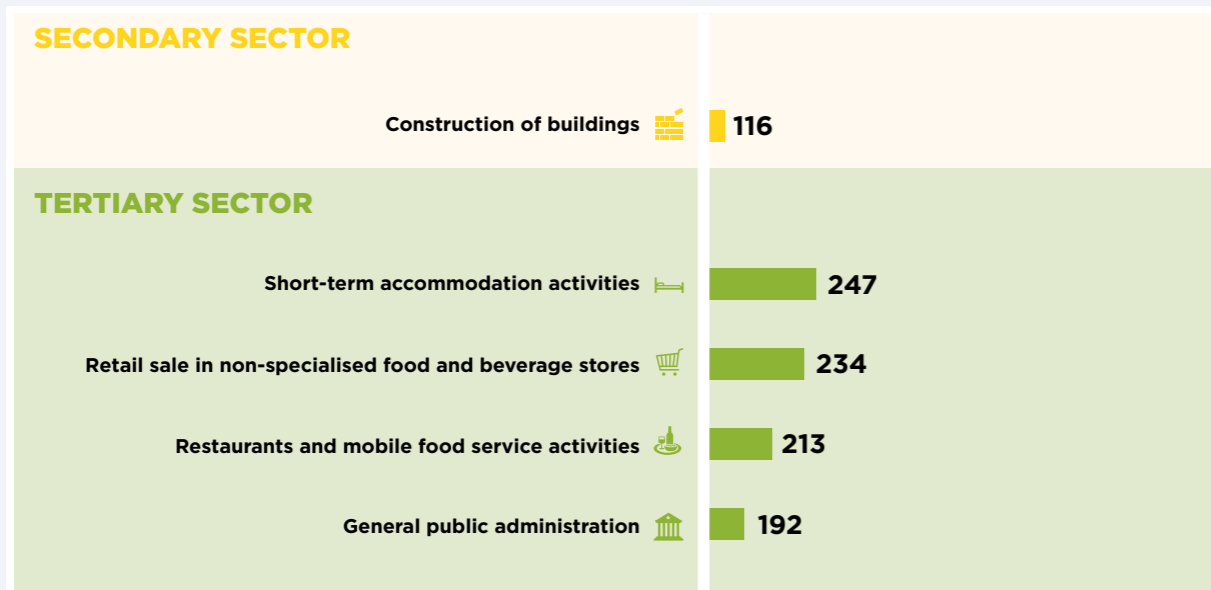
Source: Nell, A. & Visagie, J. Spatial Tax Panel 2014 – 2024 (dataset). Version 5.1. National Treasury – Cities Support Programme and Human Sciences Research Council (SEAD-SA) 2025

In reviewing the leading sources of full-time equivalent (FTE) jobs in 2024, it is evident that most were in the tertiary sector. The principal source of employment in this period was general public administration (916 jobs), followed by short-term accommodation (807 jobs), restaurants and mobile food service activities (563 jobs) and retail sales in non-specialised food and beverage stores (545 jobs). Other key sources of jobs in the tertiary sector included pre-primary and primary education, public order and safety, and various retail sub-sectors. Building construction was the main source of posts in the secondary sector (448 jobs).

This profile shows that Bitou’s employment base is strongly anchored in the public sector, particularly public administration, policing and education, alongside a tourism- and hospitality-driven services economy and a dense retail network that caters to both residents and visitors.

Figure 3.1.3:

TOP 5 SECTORS FOR YOUTH EMPLOYMENT Bitou, 2024



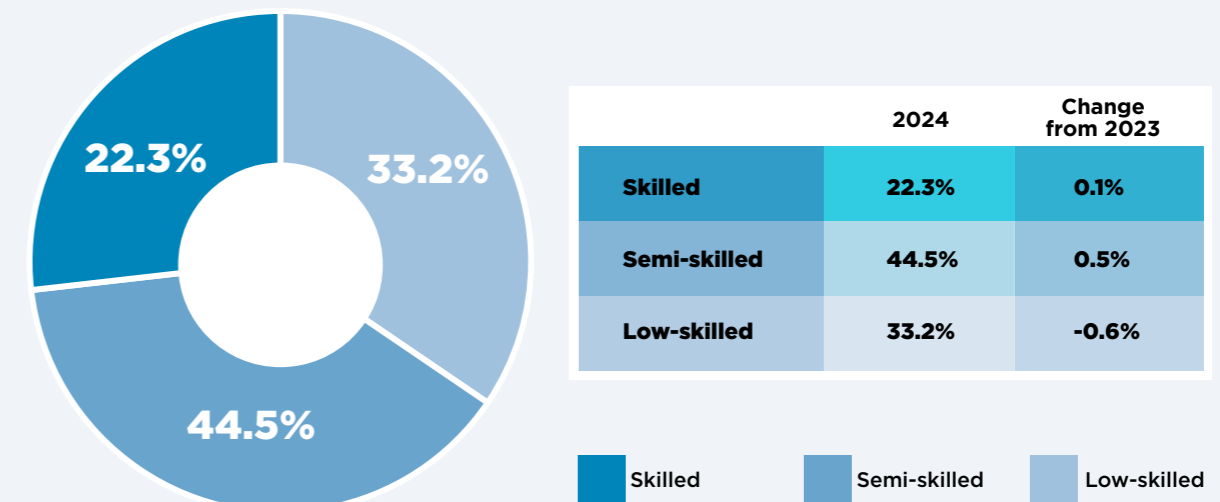
Source: Nell, A. & Visagie, J. Spatial Tax Panel 2014 – 2024 (dataset). Version 5.1. National Treasury – Cities Support Programme and Human Sciences Research Council (SEAD-SA) 2025

Youth employment in Bitou is similarly concentrated in service-based, customer-facing activities, reflecting the broader structure of the local economy. In 2024, the largest sources of FTE jobs for young people were short-term accommodation activities (247 jobs), retail sales in non-specialised food and beverage stores (234 jobs), restaurants and mobile food services (213 jobs), general public administration (192 jobs) and, to a lesser extent, building construction (116 jobs). Four of these five sectors fall in the tertiary economy, with construction the only notable contributor in the secondary sector.

This distribution highlights the extent to which tourism, hospitality and retail provide entry-level pathways into the labour market for young people. However, these opportunities are often characterised by seasonality and relatively low pay as well as heightened vulnerability to fluctuations in demand arising from global shocks, domestic cost of living pressures and shifts in travel behaviour. There is thus a need to broaden economic participation by strengthening skills development, linking hospitality roles to accredited training, and expanding the digital and supervisory competencies that can enhance career mobility and reduce exposure to cyclical downturns.

Figure 3.1.4:

SKILLS DISTRIBUTION Bitou, 2024



Source: Quantec, 2025

Bitou’s labour market remains weighted towards semi-skilled and low-skilled employment: semi-skilled workers made up the largest share of employment in 2024, followed by low-skilled workers and skilled workers. The skills profile of the municipal area has improved slightly in recent years, however, indicating a slow but measurable shift in the composition of the workforce. From 2021 to 2024, the share of skilled workers increased by 0.1 of a percentage point, rising from 22.2 per cent to 22.3 per cent. The proportion of semi-skilled workers expanded by 0.5 of a percentage point, increasing from 44.0 per cent to 44.5 per cent, while the share of low-skilled workers declined, falling from 33.8 per cent to 33.2 per cent.

These changes are closely tied to the performance and requirements of key local sectors. Growth in finance, business services and personal services, which together accounted for more than a third of Bitou’s GDP in 2024, has increased demand for workers with intermediate and higher-level competencies, including those related to administration, financial intermediation, digital services, recreation, and professional support roles. Provincial research consistently shows that these service sectors absorb more skilled labour as firms expand digital, managerial and customer-oriented functions. In addition, public sector employment (e.g. in administration, education and safety, all of which feature prominently in Bitou’s employment profile) typically requires minimum qualification thresholds and formal recruitment processes. The gradual expansion of the skilled cohort over the period of 2021 to 2024 can thus be ascribed to a growing demand for high-level or relatively high-level skills in both the public and private sectors.¹⁰

¹⁰ (Stats SA, 2024).

The increase in semi-skilled employment is also linked to activity in construction, tourism, security and retail, which require the services of machine operators, artisans, supervisory staff, service workers and experienced hospitality personnel. These occupations contribute to the demand for semi-skilled labour in municipal areas where tourism and local consumption drive economic activity.¹¹ Although the construction sector contracted from 2023 to 2024, specific sub-components of the sector, particularly building construction, showed short-term job gains, supporting semi-skilled employment in trades and site operations.

As noted above, some improvement in semi-skills is evident. That said, the proportion of low-skilled workers in Bitou remains substantial, with concentrations in jobs related to elementary services, basic hospitality, domestic services, and segments of agriculture and construction. Such occupations are most vulnerable during periods of weak growth, load-shedding, climate-related disruptions and constrained household spending.¹² This vulnerability is reflected in Bitou's rising unemployment and declining labour absorption rate – indicators that reflect job losses in sectors such as agriculture or construction, where workers with low or no formal qualifications have few employment opportunities elsewhere.

THE ECONOMIC ROLE AND GROWTH POTENTIAL OF THE TOWNSHIP ECONOMY

The township economy constitutes a vital yet under-recognised pillar of South Africa's economy. Township-based enterprises collectively contribute over R900.0 billion annually to the national gross domestic product, with the majority of activity occurring in informal and micro-enterprise segments that sustain household livelihoods and local circulation of income.

Within the Western Cape, there is a substantial number of entrepreneurs in township areas, who engage in retail, food services, logistics and personal care activities. However, limited access to infrastructure, finance and formal markets constrains growth potential, with approximately 80.0 per cent of businesses remaining unregistered.

Targeted local government interventions, including the upgrading of trading infrastructure, the simplification of regulatory and licensing processes, and the strengthening of digital and financial inclusion, are identified as key enablers for integrating township enterprises into wider municipal and regional value chains. Bolstering this segment of the economy can broaden Bitou's development base beyond agriculture and formal services, promote inclusive growth, and enhance the overall economic resilience of the municipal area.¹³

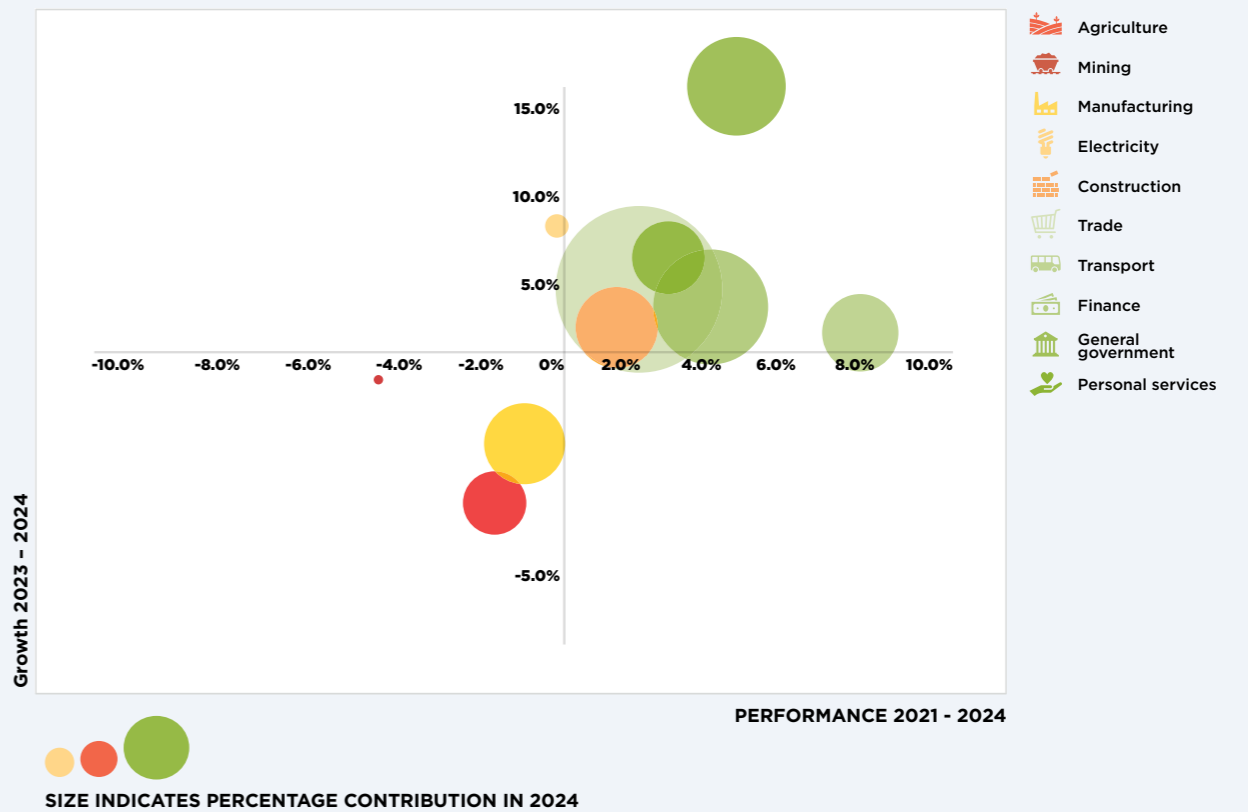
¹¹ (Western Cape Government, 2024).

¹² (Western Cape Government, 2024).

¹³ (Standard Bank, 2025).

Figure 3.1.5:

GDPR PERFORMANCE PER SECTOR (CONSTANT PRICES), Bitou, 2021 - 2024



SECTOR	PERFORMANCE 2021 - 2024	GROWTH 2023 - 2024	CONTRIBUTION TO GDP 2024
PRIMARY SECTOR	AGRICULTURE	-1.7%	5.1%
	MINING	-4.5%	0.1%
SECONDARY SECTOR	MANUFACTURING	1.1%	8.4%
	ELECTRICITY	-0.3%	0.7%
	CONSTRUCTION	-1.0%	8.2%
TERTIARY SECTOR	TRADE	3.4%	16.5%
	TRANSPORT	6.9%	7.4%
	FINANCE	1.7%	34.6%
	GENERAL GOVERNMENT	2.3%	6.6%
	PERSONAL SERVICES	4.0%	12.3%

Source: Quantec, 2025

The agriculture sector in Bitou contracted by an average of 1.7 per cent annually between 2021 and 2024, declining by 6.2 per cent from 2023 to 2024. The sector accounted for 5.1 per cent of municipal GDP in 2024, down from 5.9 per cent in 2021.

This outcome resulted from input cost pressures, climate variability, water constraints and persistent logistics bottlenecks, all of which limited primary production.^{14,15} Mining also experienced a contraction during the 2021 to 2024 period. However, as this sector constitutes only a negligible share of Bitou's economy, the decline was not significant for the area in macroeconomic terms. Manufacturing, by contrast, recorded modest growth of 1.1 per cent per annum between 2021 and 2024, and expanded by 0.5 per cent from 2023 to 2024. This was primarily a consequence of local consumption and tourism-driven supply chain activity, not of large-scale industrial activity output.

Electricity, gas and water showed near-zero growth between 2021 and 2024 (0.3 per cent yearly), although there was an acceleration of growth from 2023 to 2024 (of 4.3 per cent). The stronger recent performance can be associated with increased investment in alternative energy systems, water infrastructure upgrades, and resilience interventions implemented in response to load-shedding and ageing infrastructure. Construction, by contrast, remained under pressure, contracting by 1.0 per cent per year between 2021 and 2024, and declining by 4.0 per cent from 2023 to 2024. The sector continues to be weighed down by higher interest rates, relatively weaker property market conditions, and delays in public sector capital projects. Collectively, these factors constrain both civil and building construction activity.¹⁶

Trade, which includes retail and hospitality activity, expanded by an average of 3.4 per cent annually in the period of 2021 to 2024, although growth from 2023 to 2024 was slower (1.2 per cent). The sector's performance points to an ongoing post-pandemic normalisation in visitor spending and local consumption, although growth continues to be hampered by rising living costs and pressure on household disposable income.

Transport, storage and communication recorded growth of 6.9 per cent per year from 2021 to 2024. However, there was a sharp slowing of momentum between 2023 and 2024, when the sector expanded by only 0.3 of a percentage point, dealing a blow to an otherwise strong performance. This was in line with weaker goods movement resulting from freight rail underperformance, port congestion and domestic demand constraints.¹⁷

Finance, the single largest contributor to Bitou's economy in 2024, when it accounted for 34.6 per cent of GDP, grew by 1.7 per cent annually between 2021 and 2024. From 2023 to 2024, there was an expansion of 1.9 per cent. The steady performance of this sector at a time of instability elsewhere in the economy shows the importance of financial intermediation, real estate-linked activities and business services in sustaining municipal output.

The general government sector also expanded over the 2021 to 2024 period, growing at 2.3 per cent annually, while growth accelerated to 3.1 per cent between 2023 and 2024. This trajectory was supported by sustained public sector wage expenditure and service delivery functions. Personal services recorded the strongest performance of all sectors, growing by 4.0 per cent per year on average from 2021 to 2024, and by a substantial 9.7 per cent from 2023 to 2024. This reflects the expansion of health, education, recreation and community services in response to population growth and increasing demand from both residents and the tourism economy.

¹⁴ (Water Research Commission, 2021).

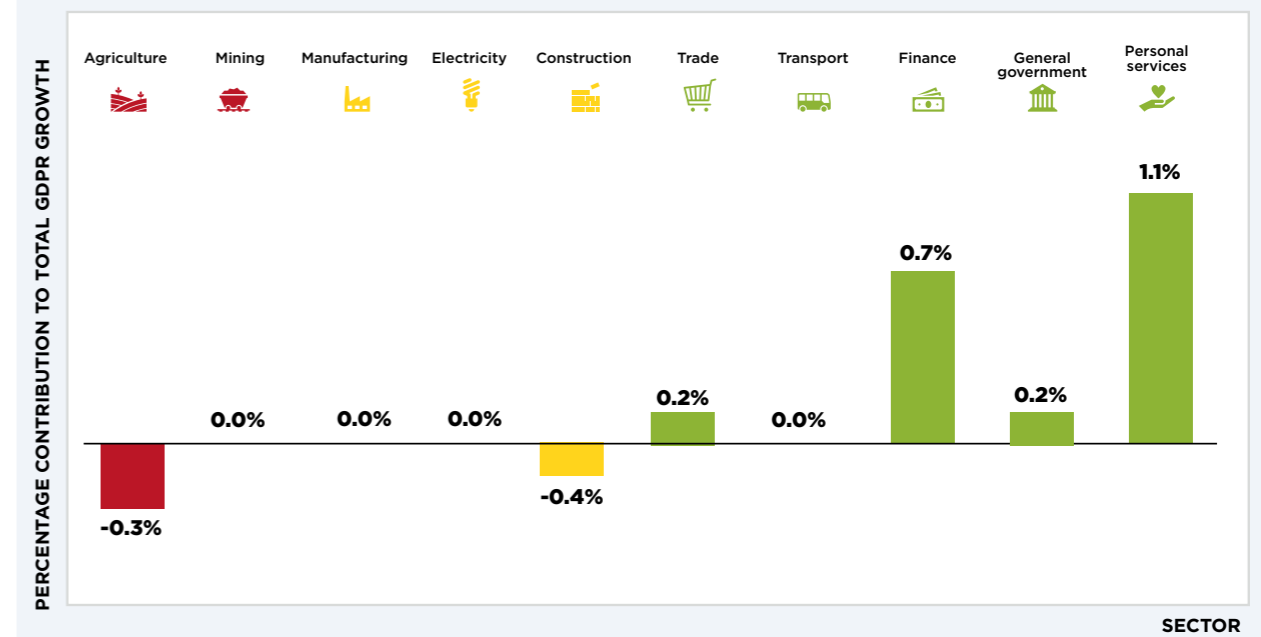
¹⁵ (Bitou Local Municipality, 2022).

¹⁶ (National Treasury, 2024).

¹⁷ (National Treasury, 2024).

Figure 3.1.6:

SECTORAL CONTRIBUTION TO GDP GROWTH (CONSTANT PRICES), Bitou, 2024



Source: Quantec, 2025

The GDP growth of 1.6 per cent recorded by the Bitou municipal area in 2024 was predominantly driven by the tertiary sector, with personal services making the largest contribution to the increase (accounting for 1.1 per cent of growth). This stemmed from the expansion of health, education and social services as well as recreation-related activities in response to rapid population growth, increased household formation and strong tourism demand.¹⁸ These trends have expanded employment and output in personal services, hence the notable contribution to GDP growth of the personal services sector.

Finance added a further 0.7 of a percentage point to the increase in output. This was consistent with its performance throughout the period of 2021 to 2024, when it was the leading sector in the municipal economy, and the continued activity in financial intermediation, real estate services and business support functions at this time. Trade and general government each contributed 0.2 of a percentage point to growth, driven by stabilised retail and hospitality activities in 2024 as well as the sustained role of public sector services in local employment and output.

The negative contribution from agriculture, which cut growth by 0.3 of a percentage point, reflected the sector's contraction over the reference period as a result of rising input costs, drought-related water constraints and ongoing logistics pressures. These factors have reduced margins despite demand stability, undermining performance.

Construction also compromised Bitou's GDP growth in 2024, cutting 0.4 of a percentage point from the total. This was a result of higher interest rates, weaker property market activity and delays in public sector capital projects, which suppressed construction of both buildings and civil infrastructure.¹⁹

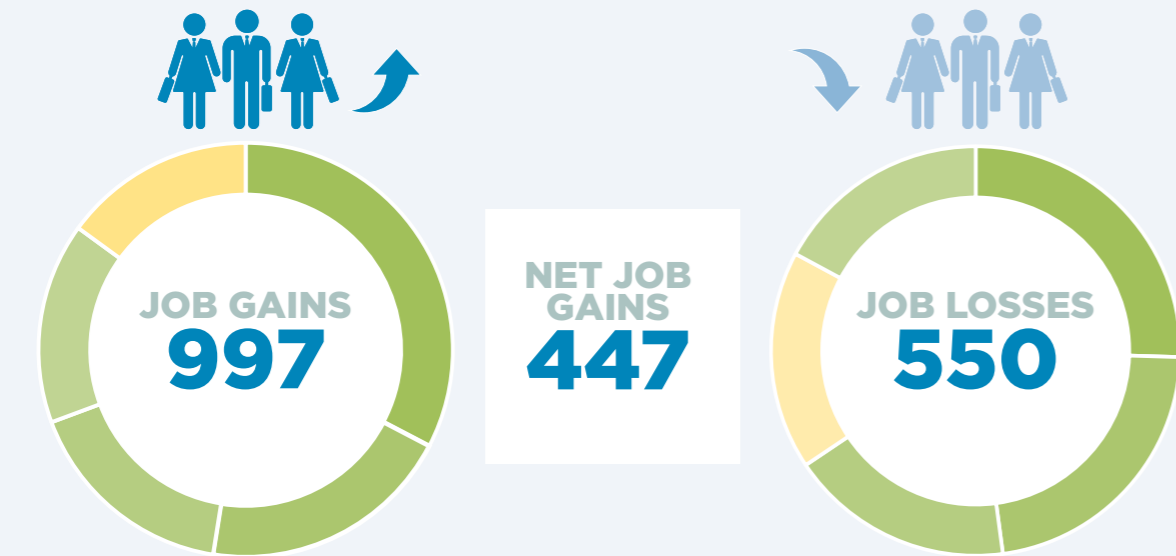
¹⁸ (Bitou Municipality, 2024).

¹⁹ (Western Cape Government, 2024).

The remaining sectors, including manufacturing, mining, electricity, gas and water and transport, storage and communication, made only marginal contributions to growth, highlighting how Bitou’s economic momentum is currently concentrated in service sector activities.

Figure 3.1.7:

TOP 5 SECTORS FOR FORMAL JOB GAINS AND LOSSES, Bitou, 2023-2024



T	Short-term accommodation activities	125	T	Real estate activities on a fee or contract basis	-80
T	Retail sale in non-specialised stores	81	T	Activities of holding companies	-64
T	Security systems service activities	51	T	Other business support activities	-39
T	Beverage serving activities	44	S	Construction of roads and railways	-31
S	Construction of buildings	41	T	Wired telecommunication activities	-30
O	Other	655	O	Other	-306

P PRIMARY SECTOR **S** SECONDARY SECTOR **T** TERTIARY SECTOR **O** OTHER

Source: Nell, A. & Visagie, J. Spatial Tax Panel 2014 – 2024 (dataset). Version 5.1. National Treasury – Cities Support Programme and Human Sciences Research Council (SEAD-SA) 2025

Job creation in Bitou from 2023 to 2024 remained concentrated in tourism-linked and consumer-facing activities, while losses were driven largely by weakness in property-related services and infrastructure-related roles. The municipal area recorded 997 formal job gains against 550 formal job losses, resulting in a net increase of 447 jobs. The largest gains occurred in short-term accommodation (125 jobs), retail in non-specialised stores (81 jobs), security systems services (51 jobs), beverage-serving activities (44 jobs) and construction of buildings (41 jobs).

These increases were consistent with the recovery of hospitality, retail and visitor-driven spending as well as heightened demand for private security services – a pattern common across South African urban areas amidst growing household and business security needs. The gains in building construction, which occurred despite the contraction in the construction sector, suggest that there were pockets of private investment in residential and tourism-oriented real estate, even as large-scale civil works remained constrained.²⁰

Job losses between 2023 and 2024 were concentrated in sectors already under pressure from rising borrowing costs, softer property market activity and cost-containment in corporate services. The largest declines occurred in real estate activities (80 jobs), activities of holding companies (64 jobs), other business support services (39 jobs), construction of roads and railways (31 jobs) and wired telecommunication activities (30 jobs). These losses can be ascribed to a slowdown in property transactions and a tightening in business-service expenditure during periods of elevated interest rates.²¹ The decline in wired telecommunication jobs is also consistent with the ongoing transition from copper-based networks to fibre and wireless technologies, which reduces the demand for traditional installation and maintenance personnel.²²

Overall, Bitou’s employment growth remains service-led and closely tied to tourism, retail activity and household-facing services. Labour-intensive activities related to goods production and infrastructure continue to shed jobs under cost, interest rate and implementation pressures.

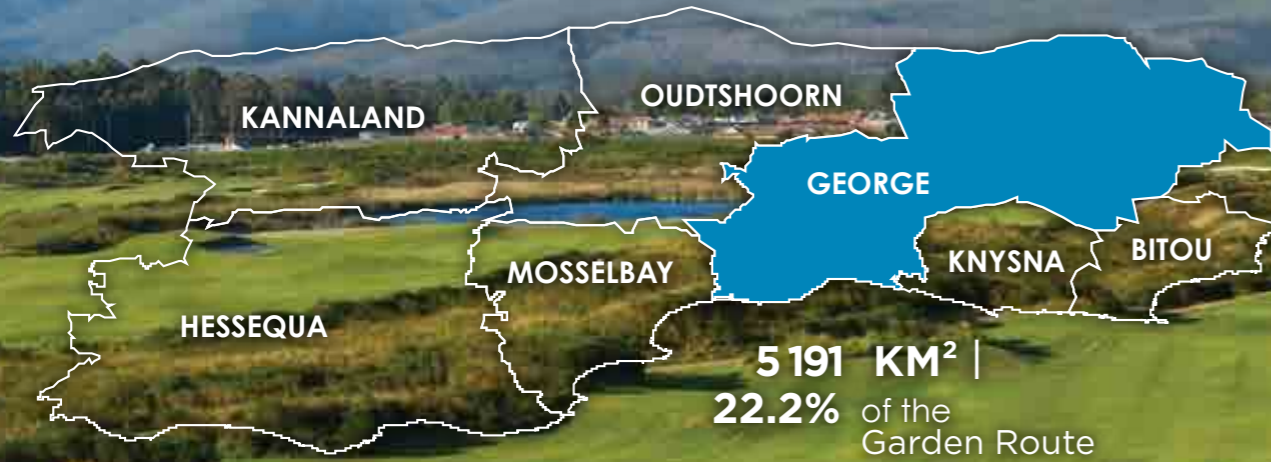


²⁰ (Construction Industry Development Board, 2023).

²¹ (National Treasury, 2024).

²² (Independent Communications Authority of South Africa, 2023).

DIAGRAM 3.2.1: MUNICIPAL GDP (CURRENT PRICES) AND EMPLOYMENT, George, 2024

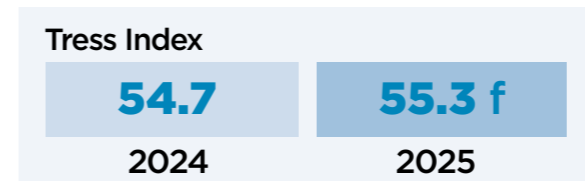
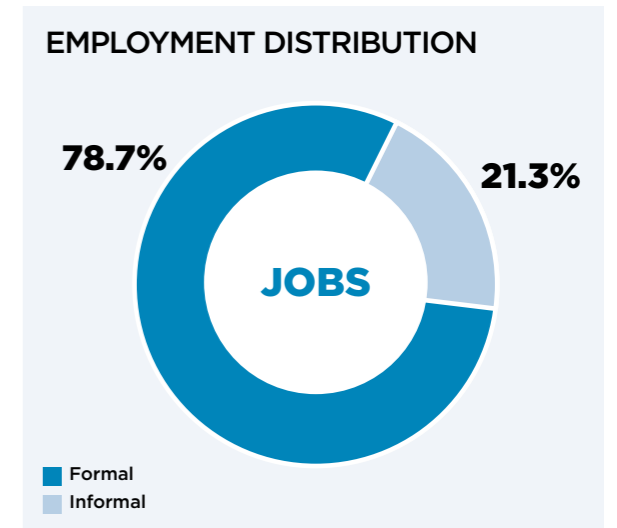
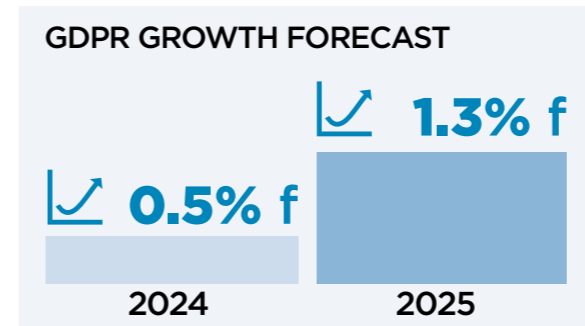


3.2 GEORGE

MUNICIPAL AREA

The George municipal area, located in the heart of the Garden Route District (GRD) between the Outeniqua Mountains and the Indian Ocean, benefits from this strategic positioning by serving as a hub for agriculture, tourism, trade and regional connectivity. George is the largest town and administrative centre in the municipal area and is recognised as a key node for business, travel and regional events. Surrounding towns such as Wilderness, Uniondale and Haarlem add cultural and natural diversity. The area is renowned for its scenic beauty, with attractions including the Wilderness section of the Garden Route National Park, the Outeniqua Pass and pristine beaches. Outdoor activities ranging from hiking and golfing to water sports draw visitors year-round. Wilderness is particularly popular for its lakes and lagoons, and Uniondale offers unique heritage experiences and access to the Karoo hinterland. The region also has well-developed tourism infrastructure, supported by George Airport, which connects the Garden Route to major South African cities. Beyond tourism, the economy is diversified, with strong sectors in agriculture, forestry, manufacturing and a broad range of services, including trade, finance, education, healthcare and public administration. These sectors collectively contribute to the area's economic stability and long-term growth. This combination of natural beauty, accessibility and economic diversity positions George as a vibrant and strategic centre within the Garden Route.

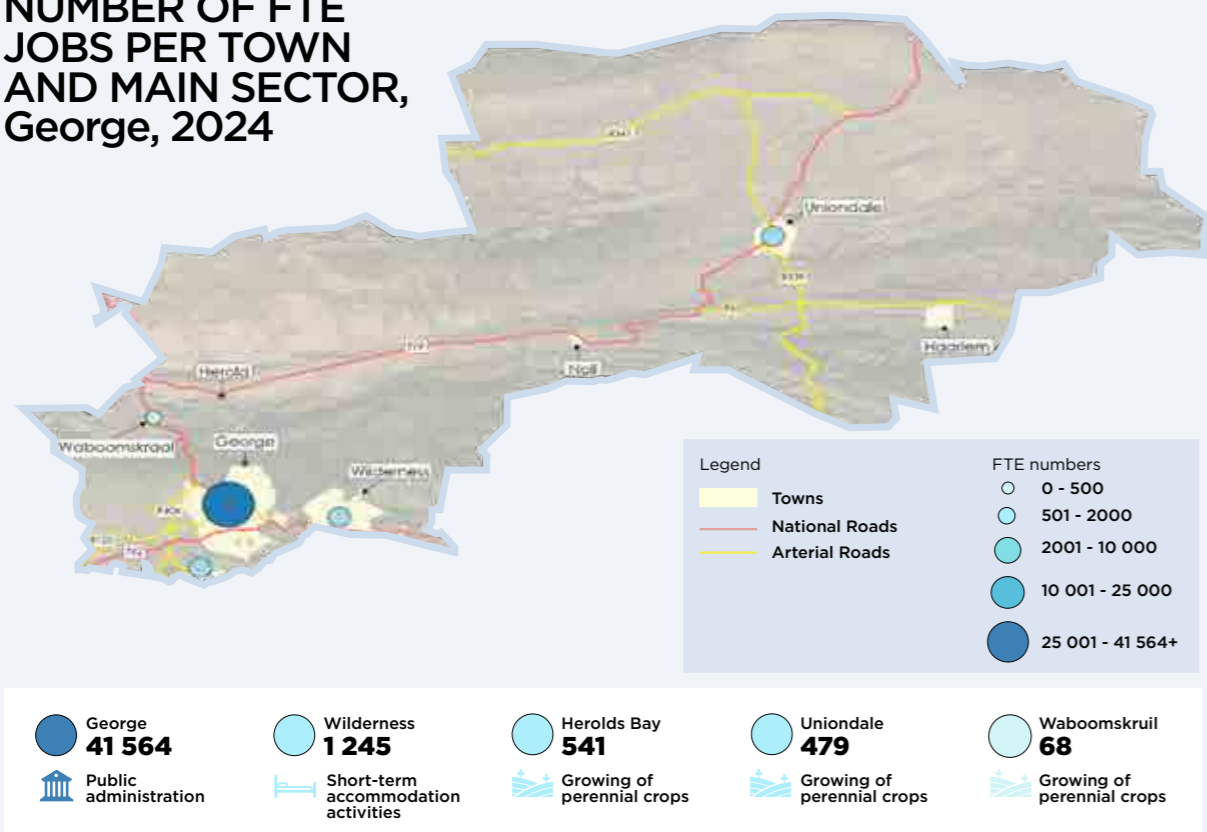
GEORGE 2024 GDP AND EMPLOYMENT



EMPLOYMENT PROFILE			
Unemployment rate	Labour force participation rate	Labour absorption rate (employment-to-population ratio)	Not economically active proportion of working-age population
2023 18.6%	2023 72.2%	2023 58.8%	2023 27.8%
2024 18.7%	2024 71.1%	2024 57.8%	2024 28.9%

Source: Quantec, 2025

MAP 3.2.1:
NUMBER OF FTE JOBS PER TOWN AND MAIN SECTOR, George, 2024



Source: Nell, A. & Visagie, J. Spatial Tax Panel 2014 – 2024 (dataset). Version 5.1. National Treasury – Cities Support Programme and Human Sciences Research Council (SEAD-SA) 2025

The George municipal area maintained its position as the economic driver of the Garden Route District (GRD) in 2024, yet its performance reflected both expansion and decline across sectors. The local economy, measured by gross domestic product per region (GDPR), was valued at R28.4 billion, accounting for a dominant 40.1 per cent of the GRD’s economy and 3.1 per cent of the Provincial total. However, this economic scale translated into only a modest 1.3 per cent growth from the previous year. At the same time, the labour market experienced a parallel contradiction, with total employment declining by 1.2 per cent to 82 168 people. This disconnect between positive GDPR growth and negative employment trends points to a phenomenon of “jobless growth”, where economic expansion is driven by sectors with high productivity that do not require proportional increases in headcount. The sluggish GDPR growth also reflects the stifling effect of national economic pressures, including persistent load-shedding, high interest rates and inflationary conditions, which dampened business investment and consumer spending within the municipal area. Despite the overall decline in jobs, George maintained its status as the primary labour market in the District, contributing 36.2 per cent of its jobs and 3.2 per cent of Western Cape employment. The structure of this market is characterised by a high rate of formal employment, which constitutes 78.7 per cent of all jobs.

The Tress Index for George was recorded at 54.7 in 2024 and is forecast to rise slightly to 55.3 in 2025. This index measures the degree of economic concentration, with higher values indicating less diversification and greater reliance on a limited number of sectors. The slight increase suggests that George’s economy has become marginally more concentrated, driven by the sustained dominance of key tertiary industries such as finance, trade, transport and public administration. While these sectors underpin stability and growth, the uptick in The Tress Index

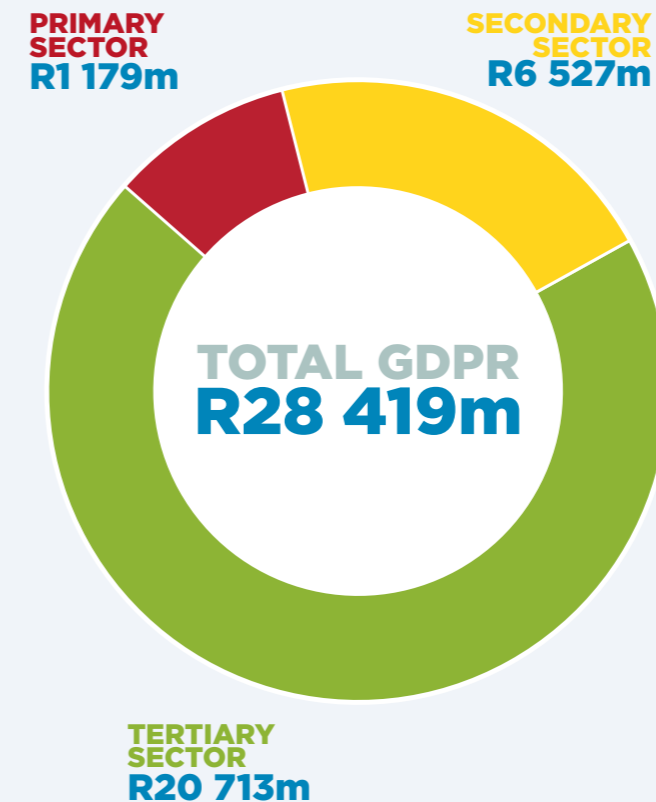
highlights the importance of broadening the economic base, particularly through revitalising manufacturing, construction and high-value agriculture to strengthen resilience and ensure more inclusive, diversified development.

HOPS FARMING IN GEORGE

Hops are a key ingredient in beer-making, having been found to prolong the life of beer in the Middle Ages.²³ They are mostly grown in the northern hemisphere. However, it was found that George has the ideal climate to grow the creeper, and it is the only area to do so on the African continent. Farms growing hops are located near the towns of George, Waboomskraal and Herold. Hops farming plays a significant role in the local economies of these areas, employing about 1 500 people during the six weeks of harvesting every year.²⁴ In addition, several people are employed to cultivate and maintain the crops throughout the year.

Figure 3.2.1:

GDPR DISTRIBUTION (CURRENT PRICES), George, 2024



PRIMARY SECTOR	
SECTOR	2024
Agriculture	R1 144m
Mining	R36m
TOTAL	R1 179m

SECONDARY SECTOR	
SECTOR	2024
Manufacturing	R4 535m
Electricity	R1 028m
Construction	R964m
TOTAL	R6 527m

TERTIARY SECTOR	
SECTOR	2024
Transport	R3 029m
Trade	R4 488m
Finance	R9 209m
General government	R1 226m
Personal services	R2 761m
TOTAL	R20 713m

Source: Quantec, 2025

²³ (Over the Mountain Guest Farm, n.d.).

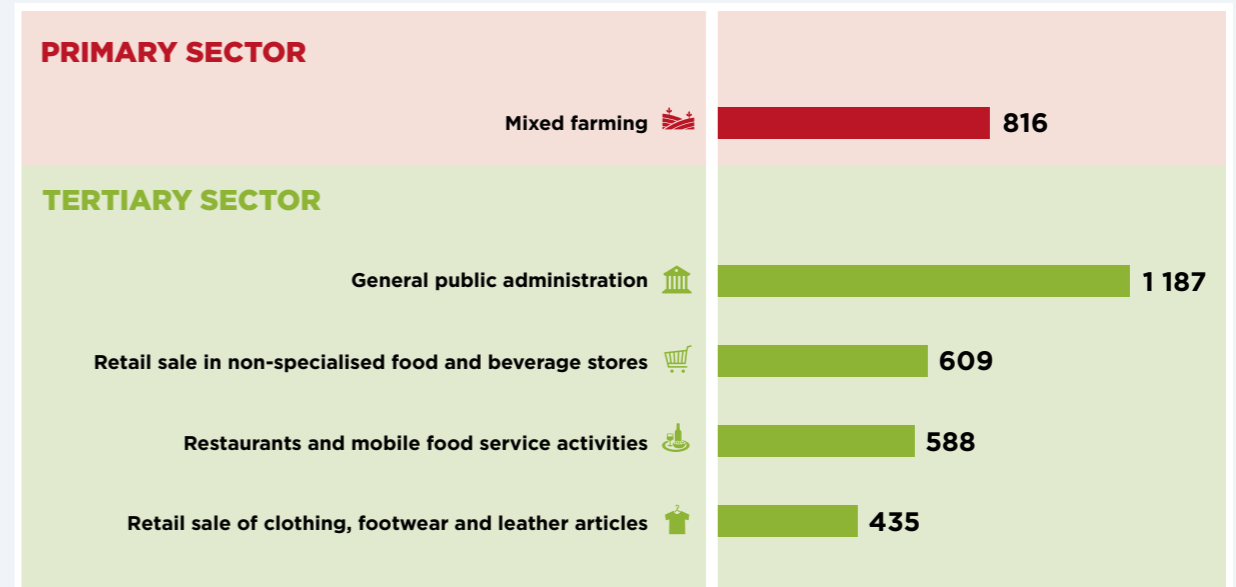
²⁴ (George Herald, 2023).

Spatially, employment is heavily concentrated in the urban core of George itself, which accounts for more than 41 600 full-time equivalent (FTE) jobs driven predominantly by public administration and formal services. The surrounding towns illustrate the area’s economic diversity: Wilderness is dominated by tourism-linked short-term accommodation, while Uniondale, Herolds Bay and Waboomskraal rely primarily on agricultural activities such as perennial crop farming. This pattern highlights a dual economic structure: a formal, service-oriented core in George, complemented by tourism- and agriculture-linked livelihoods in the rural settlements.

The structure of George’s economy provides clear insight into these dynamics. It is predominantly dominated by the tertiary sector, which contributed R20.7 billion, or 72.9 per cent, to the total GDP. This service-led structure cements George’s role as the administrative, commercial and financial hub of the region. Within this sector, finance is the key industry, constituting 32.4 per cent (R9.2 billion) of the total economy. Its high value-to-employee ratio is a key reason why the economy can grow while overall employment shrinks. Trade (15.8 per cent) and transport (10.7 per cent) are other key tertiary sectors, driven by George’s strategic position on the N2 corridor and its role as a retail centre for the region. The secondary sector contributed 23.0 per cent (R6.5 billion), led by manufacturing (16.0 per cent), which benefits from agro-processing and timber-related production. In contrast, the primary sector was a minor contributor at 4.1 per cent (R1.2 billion), though its role in sustaining rural employment, as evidenced by the spatial job distribution, remains vital.

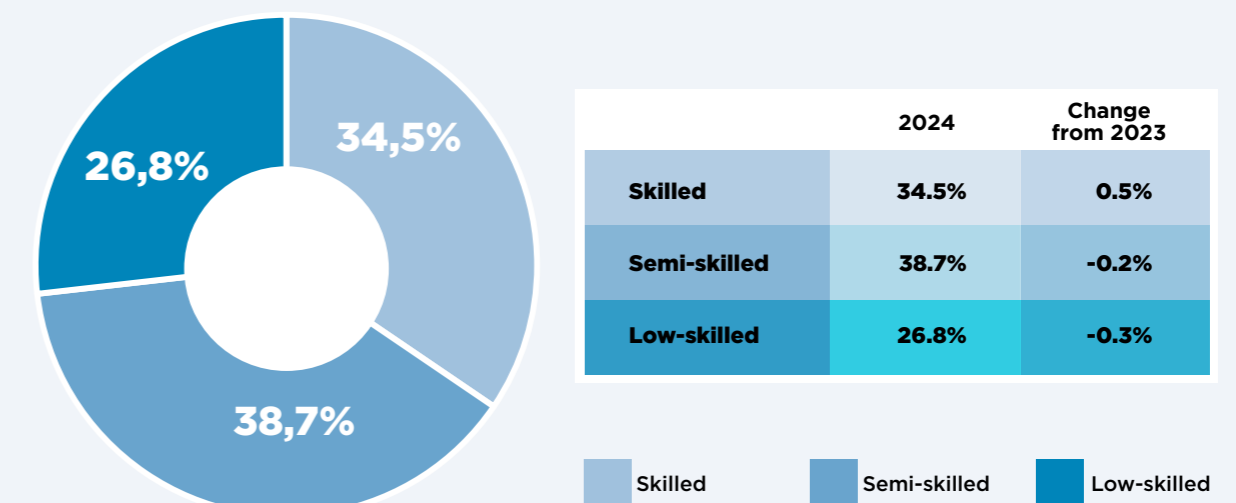
provision. The strong showing of restaurants, accommodation and retail further highlights the significant footprint of tourism and consumer-facing services in the local labour market.

Figure 3.2.3:
TOP 5 SECTORS FOR YOUTH EMPLOYMENT
George, 2024



Source: Nell, A. & Visagie, J. Spatial Tax Panel 2014 – 2024 (dataset). Version 5.1. National Treasury – Cities Support Programme and Human Sciences Research Council (SEAD-SA) 2025

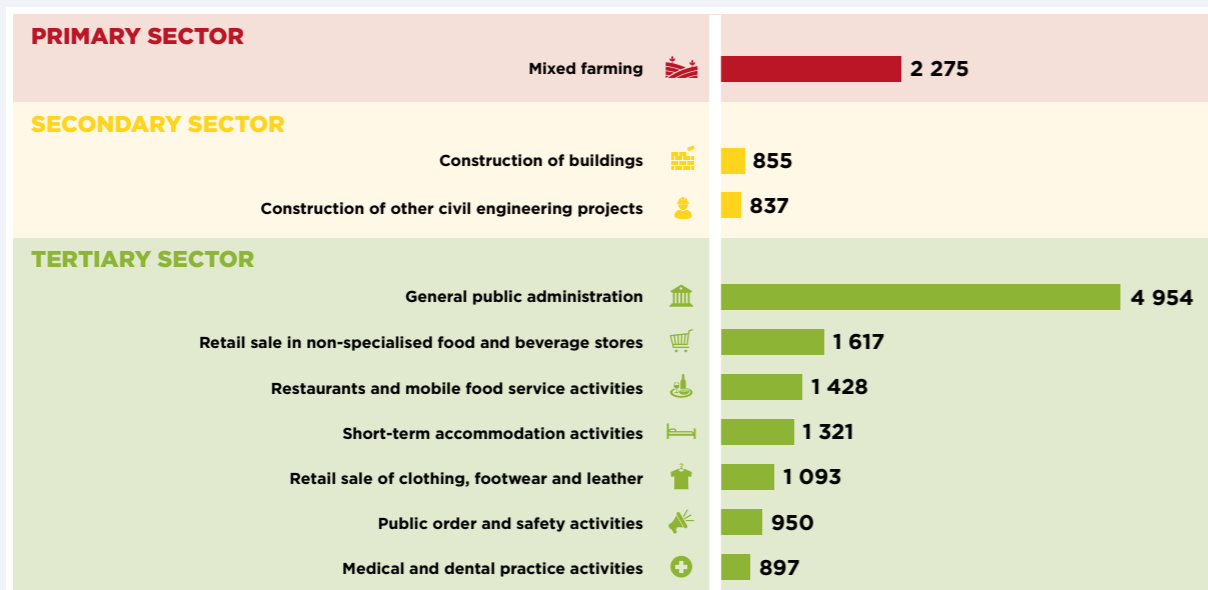
Figure 3.2.4:
SKILLS DISTRIBUTION
George, 2024



Source: Quantec, 2025

Figure 3.2.2:

TOP 10 SECTORS BY NUMBER OF FTE JOBS
George, 2024



Source: Nell, A. & Visagie, J. Spatial Tax Panel 2014 – 2024 (dataset). Version 5.1. National Treasury – Cities Support Programme and Human Sciences Research Council (SEAD-SA) 2025

The top employment sectors reveal a different story from the GDP contributions. Public administration was the largest employer, followed by mixed farming and retail trade. This shows that while finance drives economic value, public services and agriculture are fundamental to job

In 2024, the skills composition of George's labour market reflected a moderately skilled workforce structure, with semi-skilled occupations forming the largest share at 38.7 per cent, followed by skilled roles at 34.5 per cent and low-skilled positions at 26.8 per cent. Over the 2021 to 2024 period, the proportion of skilled workers grew marginally by 0.5 percentage points, while both semi-skilled (0.2 percentage points) and low-skilled (0.3 percentage points) employment contracted slightly. This incremental upward shift in higher-skill employment signals slow but steady progress in skills development and human-capital formation across the municipal economy.

Sectoral patterns showed clear contrasts in how skills have evolved. The finance sector exhibited the most notable growth in skilled employment, rising by 1.6 per cent, underlining the sector's expansion as George's fastest-growing and industry and a key contributor to its tertiary-sector concentration. Similar positive shifts were evident in personal services (1.7 per cent) and general government (0.5 per cent), reflecting sustained demand for professional, technical and administrative roles. These changes correspond with George's positioning as a regional service and administrative hub, where employment creation is increasingly tied to knowledge-intensive activities rather than traditional labour-intensive sectors.

Conversely, declines in skilled employment were most pronounced in electricity, gas and water (1.0 per cent), manufacturing (0.4 per cent), construction (0.2 per cent) and trade (0.5 per cent). These sectors, typically associated with fixed-investment cycles, have been subdued by high interest rates, rising input costs and the effects of energy supply disruptions. The manufacturing sector, in particular, has seen a reallocation of employment from skilled to low-skilled positions, with low-skilled labour rising by 0.6 per cent. This points to a gradual deskilling trend as firms prioritise cost efficiency and flexible labour arrangements in a constrained economic environment. Similarly, the trade sector registered an increase in low-skilled employment (1.0 per cent), driven by continued expansion in retail and logistics activities that rely on service-floor and warehousing staff rather than managerial or professional roles.

Overall, the modest gain in skilled employment across George's economy indicates gradual progress in skills upgrading, consistent with its growing tertiary-sector dominance. However, the uneven sectoral trajectory highlights a structural challenge: while formal services continue to deepen their professional capacity, productive sectors such as manufacturing and construction are experiencing stagnation in higher-level skills absorption. Addressing this imbalance requires stronger links between education, vocational training, and industrial development strategies, ensuring that George's future growth is not only service-driven but also inclusive of a skilled base that supports diversification and value addition within its secondary and primary sectors.

THE ECONOMIC ROLE AND GROWTH POTENTIAL OF THE TOWNSHIP ECONOMY

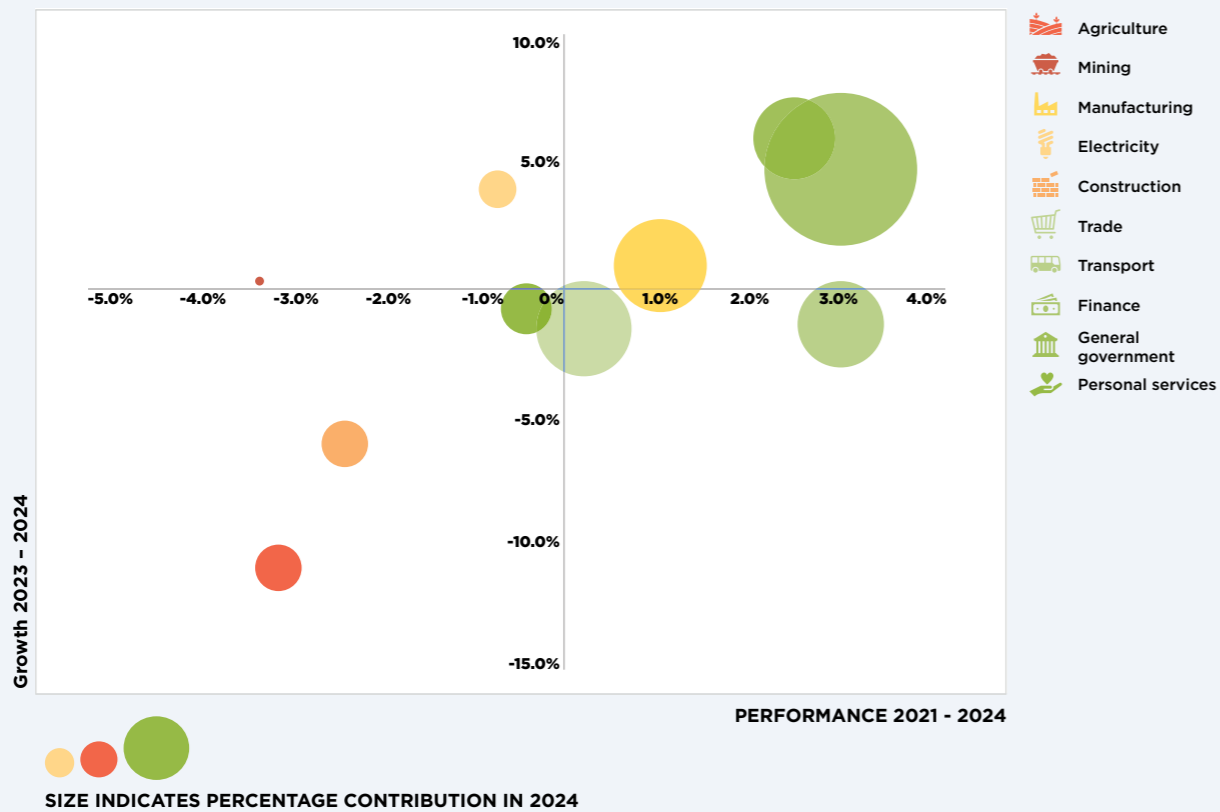
The township economy forms a vital yet under-recognised pillar of South Africa's local economic landscape. Township-based enterprises collectively contribute over R900.0 billion annually to the national economy, with the majority of activity occurring in informal and micro-enterprise segments that sustain household livelihoods and local circulation of income. Within the Western Cape, township areas demonstrate a high density of entrepreneurs engaged in retail, food services, logistics and personal care activities. However, limited access to infrastructure, finance, and formal markets constrains growth potential, with approximately 80.0 per cent of businesses remaining unregistered. The report emphasises the importance of targeted local government interventions, including the upgrading of trading infrastructure, simplified regulatory and licensing processes, and stronger digital and financial inclusion to support the integration of township enterprises into wider municipal and regional value chains. Strengthening this segment of the economy can broaden George's development base beyond agriculture and formal services, promote inclusive growth, and enhance the municipal area's overall economic resilience.²⁵



²⁵ (Standard Bank, 2025).

Figure 3.2.5:

GDPR PERFORMANCE PER SECTOR (CONSTANT PRICES), George, 2021 - 2024



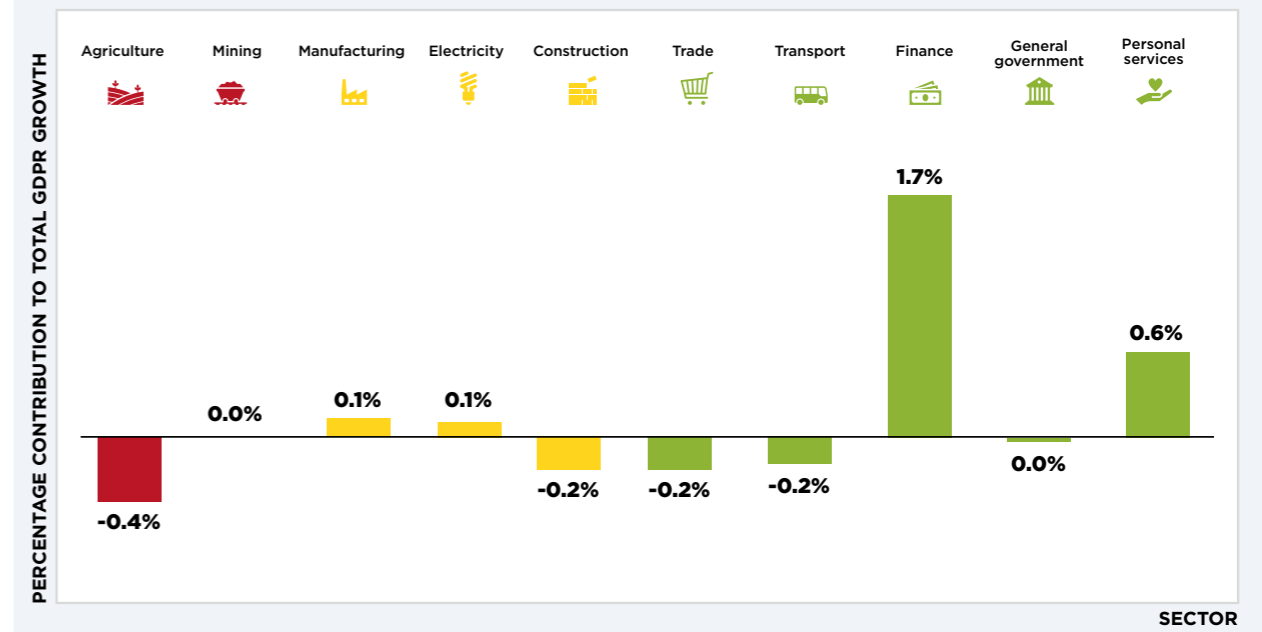
SECTOR	PERFORMANCE 2021 - 2024	GROWTH 2023 - 2024	CONTRIBUTION TO GDP 2024
PRIMARY SECTOR	AGRICULTURE	-3.0%	11%
	MINING	-3.2%	0.3%
SECONDARY SECTOR	MANUFACTURING	1.0%	0.9%
	ELECTRICITY	-0.7%	3.9%
	CONSTRUCTION	-2.3%	-6.1%
TERTIARY SECTOR	TRADE	0.2%	-1.6%
	TRANSPORT	2.9%	-1.4%
	FINANCE	2.9%	4.7%
	GENERAL GOVERNMENT	-0.4%	-0.8%
	PERSONAL SERVICES	2.4%	5.9%

Source: Quantec, 2025

An analysis of sectoral performance from 2021 to 2024 reveals the distinct drivers and lagging sectors of the local economy. Finance and personal services were the standout growth performers. Finance was the single largest driver of the 2024 growth, contributing 1.7 percentage points to the total 1.3 per cent growth rate, supported by sustained demand for banking, insurance and business services. In contrast, agriculture was the largest negative contributor, shaving 0.4 percentage points off the growth rate after contracting by 11.0 per cent year-on-year. This contraction was attributed to a combination of persistent drought conditions, high input costs and the impact of load-shedding on irrigation and cold storage. Construction was also a major drag, with its 6.1 per cent decline signalling a slowdown in fixed investment because of high interest rates and weaker developer confidence.

Figure 3.2.6:

SECTORAL CONTRIBUTION TO GDP GROWTH (CONSTANT PRICES), George, 2024



Source: Quantec, 2025

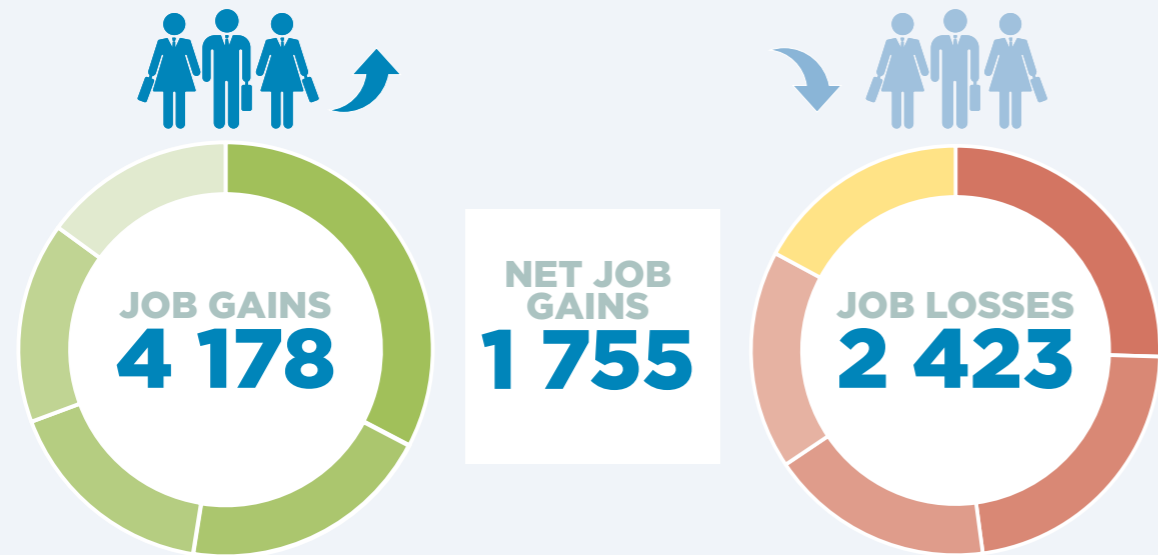
The concentration of youth employment in public administration, mixed farming and retail is an indicator of the structural and skill-based constraints within the George labour market. This makeup is not coincidental but stems from several regional characteristics. First, public administration serves as a relatively stable and accessible employer for new entrants to the job market, often offering entry-level positions that do not require highly specialised skills or extensive prior experience. Second, the prominence of mixed farming reflects the seasonal and labour-intensive nature of the agricultural sector in surrounding towns like Herolds Bay and Uniondale, which provides a critical, though often informal or semi-skilled, entry point for youth in rural areas. Finally, the retail sector thrives on George's status as a commercial hub for the GRD, creating a high demand for sales assistants, cashiers and warehouse staff - roles that are typically filled by younger workers.

However, this reliance on a narrow set of industries also highlights a vulnerability, as it suggests a lack of diversification in high-growth, high-skill sectors that typically offer more stable and upwardly mobile career paths for the youth. The relative absence of youth in sectors like finance, specialised manufacturing and business services points to a potential skills mismatch, where the local education and training pipeline may not be fully aligned with the demands of George's highest-value industries. This leaves many young people channelled into traditional, and often more vulnerable, employment sectors.

larger losses in other areas, most acutely in telecommunications, manufacturing and agriculture, directly linking back to the sectoral struggles evident in the GDPR data. This illustrates an ongoing structural shift away from primary and some secondary sectors towards the tertiary sector. The unemployment rate increased to 18.7 per cent, while the labour force participation rate fell to 71.1 per cent. The decline in participation is particularly indicative, suggesting a rise in discouraged work seekers who have given up actively looking for jobs, which is often a sign of a deeply stressed job market. Additionally, skills mismatch is evident, as workers displaced from agriculture and manufacturing lack the specific skills required for the emerging opportunities in services and education.

Figure 3.2.7:

TOP 5 SECTORS FOR FORMAL JOB GAINS AND LOSSES, George, 2023-2024



T	Higher education	408	P	Mixed farming	-174
T	Other retail in non-specialised stores	248	P	Growth of vegetables	-153
T	Activities of business	210	P	Business operations	-121
T	Short term accomodation	196	P	Maunfacture of dairy products	-118
T	Restuarants and mobile food services	187	S	Contruction of roads and railways	-117
O	Other	2 927	O	Other	-1 790

P PRIMARY SECTOR **S** SECONDARY SECTOR **T** TERTIARY SECTOR **O** OTHER

Source: Nell, A. & Visagie, J. Spatial Tax Panel 2014 - 2024 (dataset). Version 5.1. National Treasury - Cities Support Programme and Human Sciences Research Council (SEAD-SA) 2025

The formal labour market showed significant shifts, recording a net gain of 1 755 positions. Job gains were concentrated in service sectors like higher education, retail and tourism, highlighting George's expansion as an educational and tourist hub. These gains, however, were offset by

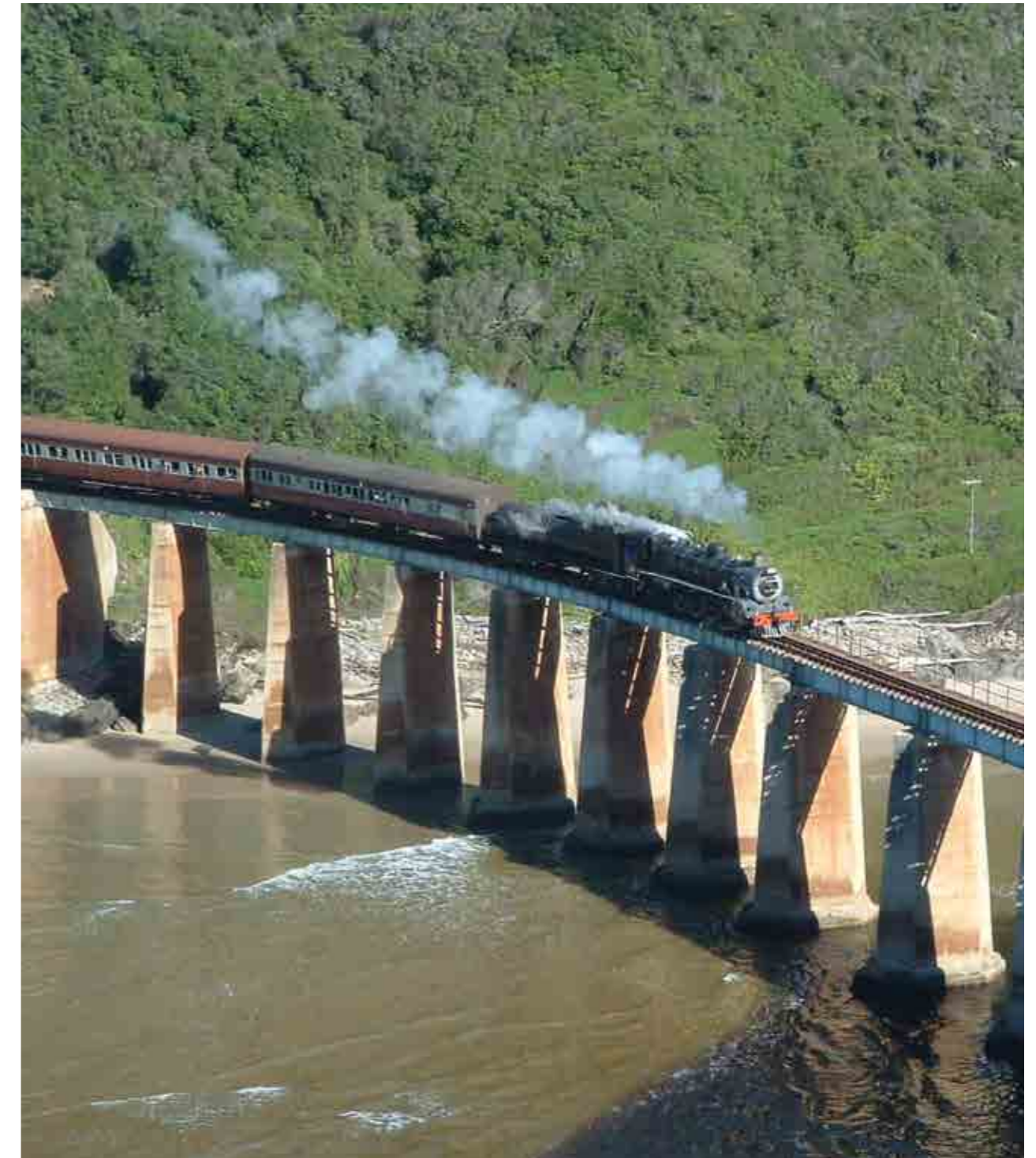
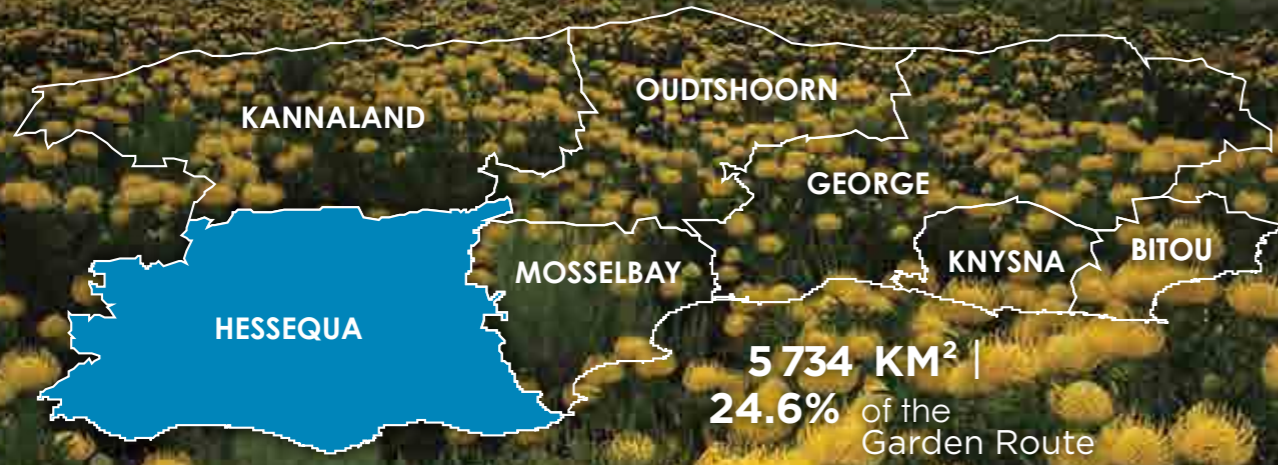


DIAGRAM 3.3.1: MUNICIPAL GDP (CURRENT PRICES) AND EMPLOYMENT, Hessequa, 2024

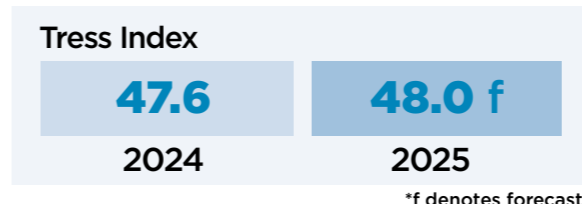
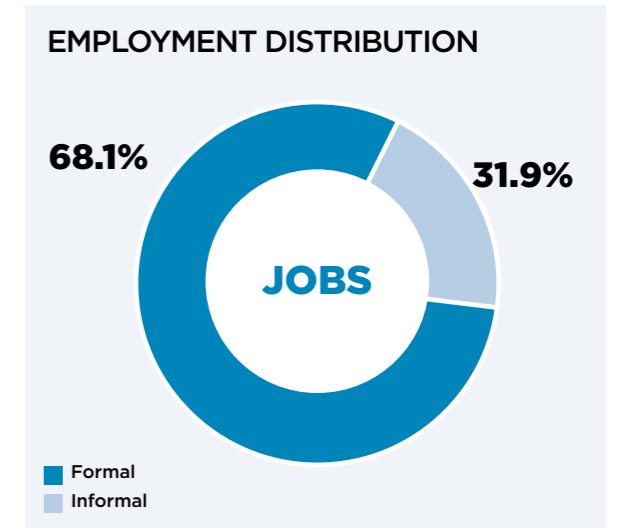
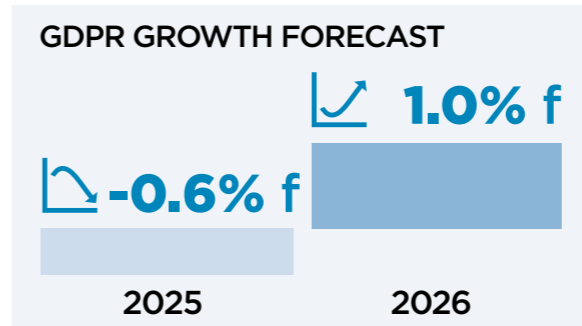


3.3 HESSEQUA

MUNICIPAL AREA

The Hessequa municipal area, situated in the Garden Route District (GRD), extends from the Langeberg Mountains to the Indian Ocean, offering a mix of coastline, rivers and fertile interior valleys. Riversdale serves as the administrative and service hub of the area, with Heidelberg, Stilbaai and Albertinia providing distinctive cultural, recreational and natural attractions. The region is known for its unspoilt beaches, estuaries and fynbos-covered slopes, with activities including surfing, fishing, hiking and birdwatching. With its Blue Flag beaches and estuary, Stilbaai attracts visitors, while Heidelberg and Riversdale highlight cultural heritage, walking trails and local markets. Albertinia is distinguished by its aloe products and agricultural landscapes. Ecotourism, scenic drives and agricultural tourism are growing in prominence, supported by the area's rich natural assets. The economy is shaped by agriculture, forestry and tourism, with a growing focus on sustainable development.

HESSEQUA 2024 GDP AND EMPLOYMENT

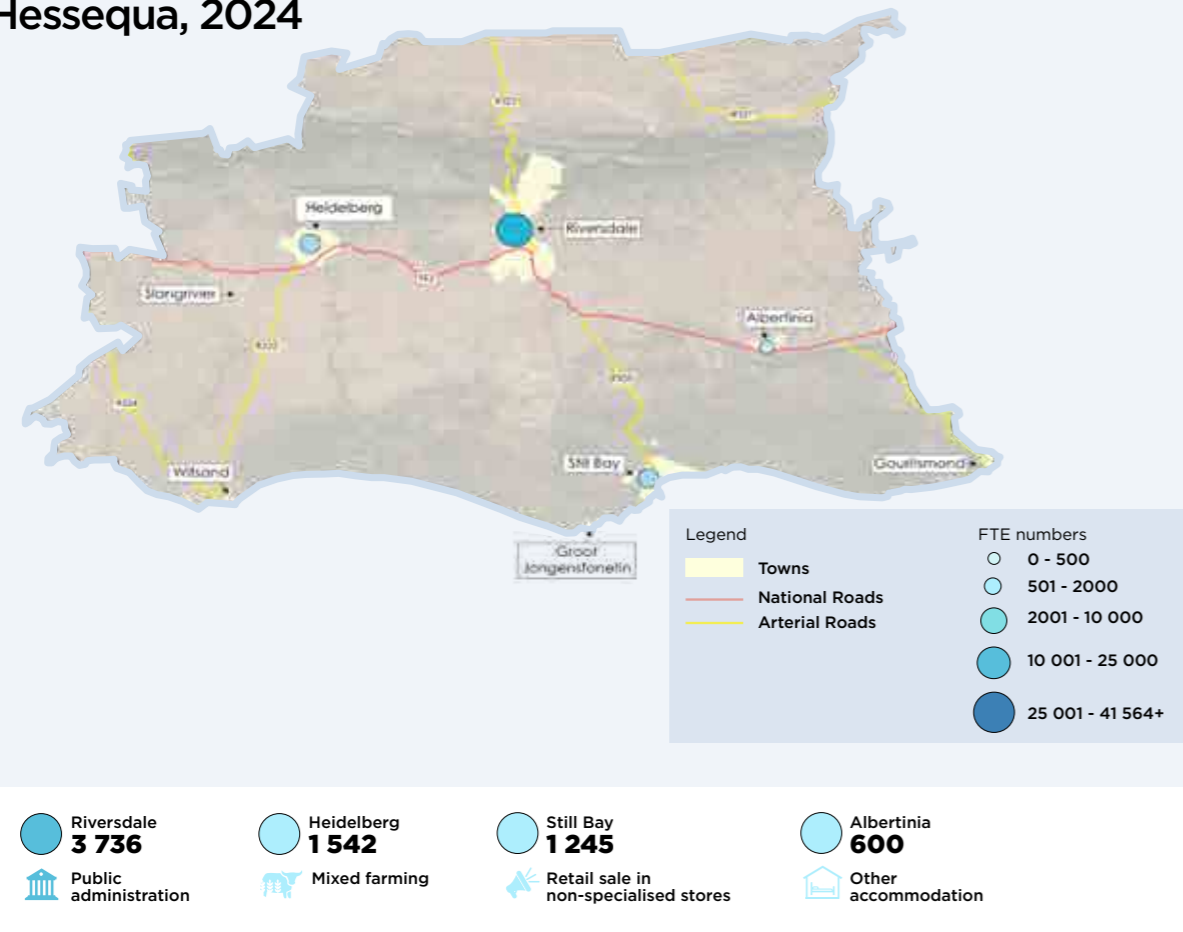


EMPLOYMENT PROFILE			
Unemployment rate	Labour force participation rate	Labour absorption rate (employment-to-population ratio)	Not economically active proportion of working-age population
2023: 10.5%	2023: 75.5%	2023: 67.5%	2023: 24.5%
2024: 10.6%	2024: 74.4%	2024: 66.5%	2024: 25.6%

Source: Quantec, 2025

MAP 3.3.1:

NUMBER OF FTE JOBS PER TOWN AND MAIN SECTOR, Hessequa, 2024



Source: Nell, A. & Visagie, J. Spatial Tax Panel 2014 – 2024 (dataset). Version 5.1. National Treasury – Cities Support Programme and Human Sciences Research Council (SEAD-SA) 2025

The economic profile of the Hessequa municipal area in 2024 was shaped by its position as a predominantly rural region – one with a strong reliance on agriculture, also supported by service-sector activities that are concentrated in the main towns. The municipal economy produced R6.3 billion in gross domestic product per region (GDPR) in 2024, accounting for 8.9 per cent of Garden Route District (GRD) output and 0.7 per cent of Western Cape GDPR. The municipal GDPR grew by 1.7 per cent between 2023 and 2024, indicating a degree of stabilisation. This followed earlier pressures resulting from rising agricultural input costs, reduced manufacturing output and constrained construction activity. Hessequa's GDPR is projected to decline by 0.6 per cent in 2025 before improving by 1.0 per cent in 2026. These forecasts point to a period of slow growth as higher interest rates, electricity and logistics constraints, and cost-of-living pressures continue to limit demand and investment. However, energy-related investments and gradual improvements in load-shedding are expected to support a mild recovery from 2026 onwards.²⁶

²⁶ (National Treasury, 2024).

Spatial employment patterns provide insight into the structure of the local economy. Riversdale, the administrative centre of Hessequa, is driven by general public administration, confirming the town's role as the public sector and service hub of the municipal area. Heidelberg, with a high concentration of mixed farming, shows the depth of agricultural labour absorption in the surrounding farming areas, where diversified production systems require sustained manual and semi-skilled labour. Albertinia's largest source of employment is accommodation activities, consistent with its established ecotourism cluster and aloë-processing heritage. The main coastal settlement of the municipal area, Stillbaai, records its highest employment in the retail trade, which is driven by seasonal tourism, permanent in-migration and second-home ownership.

Together, these spatial patterns correspond with Hessequa's Tress Index, calculated at 47.6 in 2024, a figure that indicates moderate economic concentration. The dominance of a few activities in the towns of the municipal area – agriculture in Heidelberg, public administration in Riversdale, accommodation in Albertinia, and retail in Still Bay – shows that economic activity is geographically segmented, with each town's labour market tied to a narrow set of functions. This level of concentration increases Hessequa's sensitivity to fluctuations in the principal activities, particularly agriculture, tourism and public sector services. In addition, it limits the extent to which growth in one of the towns is able to offset economic contractions in another. The projected increase in The Tress Index from 47.6 in 2024 to 48.0 in 2025 indicates a slight movement toward greater concentration rather than broader diversification. While the shift is marginal, it nonetheless highlights the need to strengthen agricultural value chains, expand tourism-linked services, and deepen complementary service activities across towns. This will help ensure that economic opportunities are more evenly distributed and that resilience improves over time.

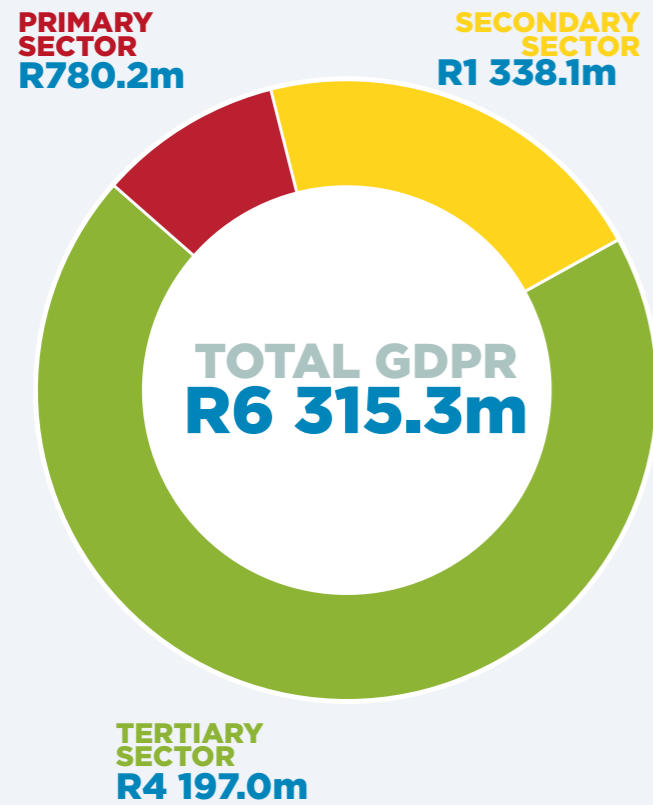
Employment outcomes during the year point to these underlying structural pressures, particularly the seasonal nature of agriculture, the limited depth of the local service economy, and weak construction activity. Total employment declined to 24 374 jobs in 2024, a contraction of 1.8 per cent from 2023. The labour force participation rate fell from 75.5 per cent to 74.4 per cent, while the labour absorption rate decreased from 67.5 per cent to 66.5 per cent. Over the same period, the proportion of working-age residents who were not economically active rose from 24.5 per cent to 25.6 per cent. Shifts of this nature indicate that more residents, particularly those dependent on low-skilled, seasonal or cyclical work, are stepping back from job search activity – this as opportunities tighten in key sectors such as agriculture during non-harvest periods and tourism-related services outside of peak holiday seasons.

In 2024, 68.1 per cent of the workforce was in formal employment, while 31.9 per cent of jobs were informal. The comparatively large informal segment aligns with a recognition by the Municipality that informal business activity plays a significant role in local development. The informal sector contributes meaningfully to job creation, self-employment and poverty alleviation.²⁷ The scale of informal work is also consistent with Hessequa's spatial and economic structure. Many residents rely on household-based trading; informal food production; supplying personal services; and seasonal, tourism-linked activities – particularly in areas such as the surrounding settlements of Riversdale, outlying parts of Heidelberg, and agricultural areas near Albertinia. These activities provide essential livelihood buffers during periods when formal hiring weakens in agriculture (due to seasonal production cycles) or in services and tourism during off-peak months.

²⁷ (Hessequa Municipality, 2022).

Figure 3.3.1:

GDPR DISTRIBUTION (CURRENT PRICES), Hessequa, 2024



PRIMARY SECTOR	
SECTOR	2024
Agriculture	R767.1m
Mining	R13.1m
TOTAL	R780.2m

SECONDARY SECTOR	
SECTOR	2024
Manufacturing	R990.6m
Electricity	R139.9m
Construction	R207.6m
TOTAL	R1 338.1m

TERTIARY SECTOR	
SECTOR	2024
Trade	R982.6m
Transport	R585.7m
Finance	R1 645.3m
General government	R266.6m
Personal services	R716.8m
TOTAL	R4 197.0m

Source: Quantec, 2025

The economic structure of Hessequa in 2024 was shaped by the tertiary sector, which contributed 66.5 per cent of municipal GDP (R4.2 billion). This pattern is characteristic of rural municipal areas where services, rather than large industrial bases, support the bulk of economic activity. Within the tertiary sector, finance was the largest contributor to output, generating 26.0 per cent of total GDP. Performance within this sphere of the economy was driven by financial intermediation, property-related transactions, the use of insurance services by households and farming enterprises, and take-up of a range of business and professional services linked to regional value chains.

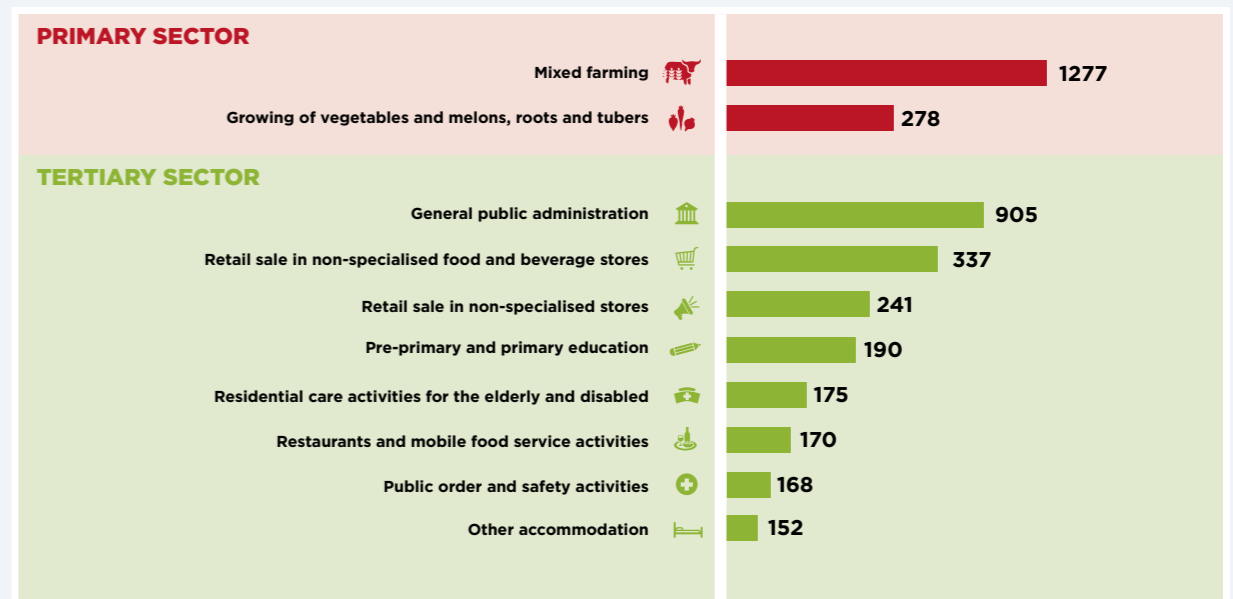
Trade contributed 15.6 per cent of GDP, indicating the importance of Hessequa’s retail and hospitality functions (particularly in Stilbaai) as well as its role as a service centre for surrounding agricultural areas. The performance of the personal services sector, at 11.3 per cent of output (R716.8 million), further illustrates the importance of household-facing activities such as health, education and community services in sustaining local demand. General government, although contributing a smaller share of GDP – 4.2 per cent of output (R266.6 million) – provides an important stabilising effect through public sector employment and the provision of essential services.

The primary sector accounted for 12.3 per cent of GDP in 2024. This contribution was almost entirely driven by agriculture, which was responsible for 12.1 per cent of output (R767.1 million). The performance of this sector highlights the extent to which it is a central pillar of Hessequa’s economic identity. Agricultural activities in the municipal area encompass mixed farming, dairy production, crop cultivation and pasture-based livestock operations. Recent production cycles have, however, been shaped by variable rainfall patterns, rising input costs and transport/logistics challenges that increase the cost of moving produce to market.²⁸ The contribution of mining to municipal GDP remained negligible in 2024, accounting for only 0.2 per cent of output in that year, a total that did not influence overall growth dynamics.

The secondary sector accounted for 21.2 per cent of GDP in 2024. Manufacturing, at 15.7 per cent of output (R990.6 million), consists primarily of agro-processing, food production and small-scale manufacturing linked to regional demand. Construction and utilities, while making smaller contributors, remained sensitive to provincial infrastructure delivery, electricity supply disruptions and private property development cycles. These factors have been weakened in recent years amidst elevated interest rates and affordability pressures on households and firms.²⁹

Figure 3.3.2:

TOP 10 SECTORS BY NUMBER OF FTE JOBS Hessequa, 2024



Source: Nell, A. & Visagie, J. Spatial Tax Panel 2014 – 2024 (dataset). Version 5.1. National Treasury – Cities Support Programme and Human Sciences Research Council (SEAD-SA) 2025

²⁸ (Department of Agriculture, Land Reform and Rural Development, 2024).

²⁹ (Construction Industry Development Board, 2023).

The distribution of full-time equivalent (FTE) jobs in Hessequa provides further insight into the rural service economy of the municipal area and the distinct roles played by its main towns. Mixed farming was the single largest source of employment in 2024, providing 1 277 FTE jobs, which confirmed the agriculture sector's key role in shaping livelihoods across the region.

General public administration followed with 905 jobs, indicating the stabilising influence of government employment across both Riversdale and Heidelberg. Public sector employment remains essential in relatively small rural towns, where administrative, policing, education and frontline services constitute the principal sources of jobs and lessen the volatility associated with seasonal agricultural cycles.³⁰

Retail undertakings were another major contributor to employment, particularly non-specialised food and beverage stores (337 jobs) and general retail (241 jobs). This pattern points to the role played by Hessequa's settlements, especially Stilbaai and Riversdale, as service nodes for surrounding farming areas and destinations for seasonal visitors. Retail and tourism-linked trade forms one of the core economic drivers of the municipal economy, which benefits from local consumption, holiday home markets and through-traffic along the N2.

The employment contribution of operations for the cultivation of vegetables and melons, as well as roots and tubers (278 jobs), shows that there is a substantial horticultural component within the agricultural sector. Currently, this sector supports diversified production systems that are reliant on favourable microclimates and irrigation access. Horticulture, being more labour-intensive than the production of field crops or livestock, is particularly important to job provision in areas surrounding Heidelberg and Albertinia.

Personal services sectors, including those involving pre-primary and primary education (190 jobs), residential care for the elderly and disabled (175 jobs), public order and safety (168 jobs) and restaurants and mobile food services (170 jobs), provide an important layer of stable employment. These activities support both permanent residents and seasonal populations, and they remain comparatively resilient during economic downturns, given the essential role they play within households and society overall. Such services contribute to social stability and serve as a generally reliable source of employment in small towns where economic cycles can prove volatile.³¹

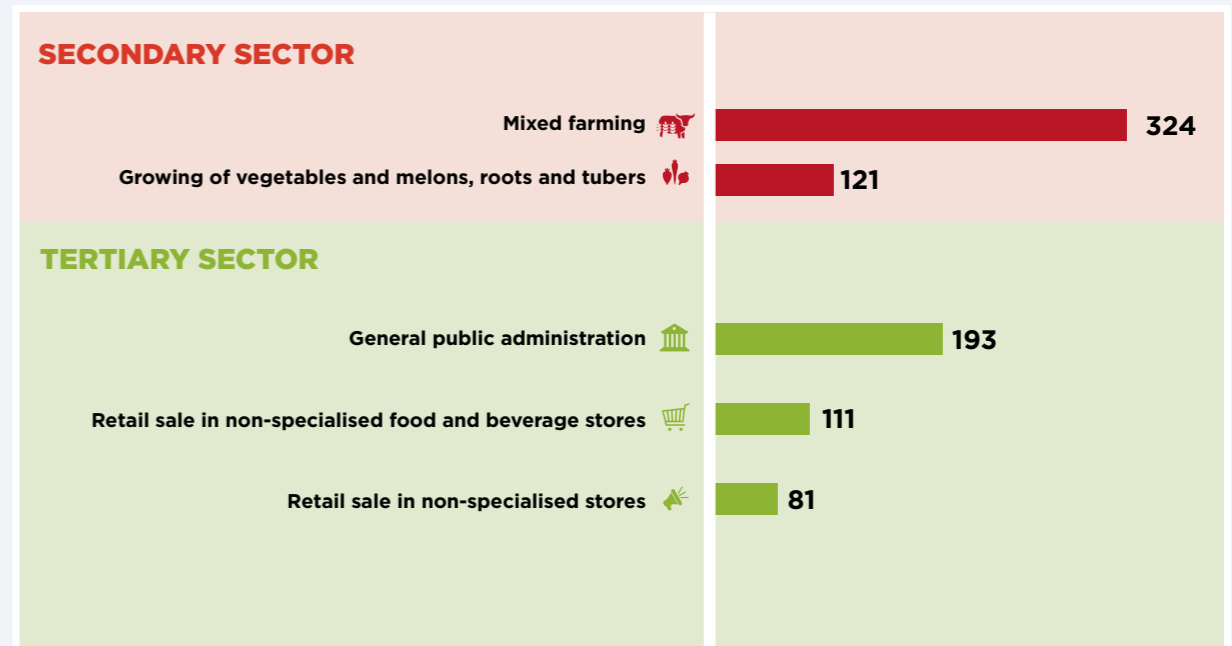
The number of jobs provided by accommodation-related activities, such as those included within the category of "Other accommodation" (152 jobs), further emphasises the role of tourism in Albertinia, Stilbaai and other coastal settlements. This employment pattern corresponds with migration trends where remote workers, retirees and seasonal visitors all contribute to sustained neighbourhood-level demand for hospitality and retail services.

³⁰ (Hessequa Municipality, 2025).

³¹ (Hessequa Municipality, 2022).

Figure 3.3.3:

TOP 5 SECTORS FOR YOUTH EMPLOYMENT Hessequa, 2024



Source: Nell, A. & Visagie, J. *Spatial Tax Panel 2014 – 2024 (dataset)*. Version 5.1. National Treasury – Cities Support Programme and Human Sciences Research Council (SEAD-SA) 2025

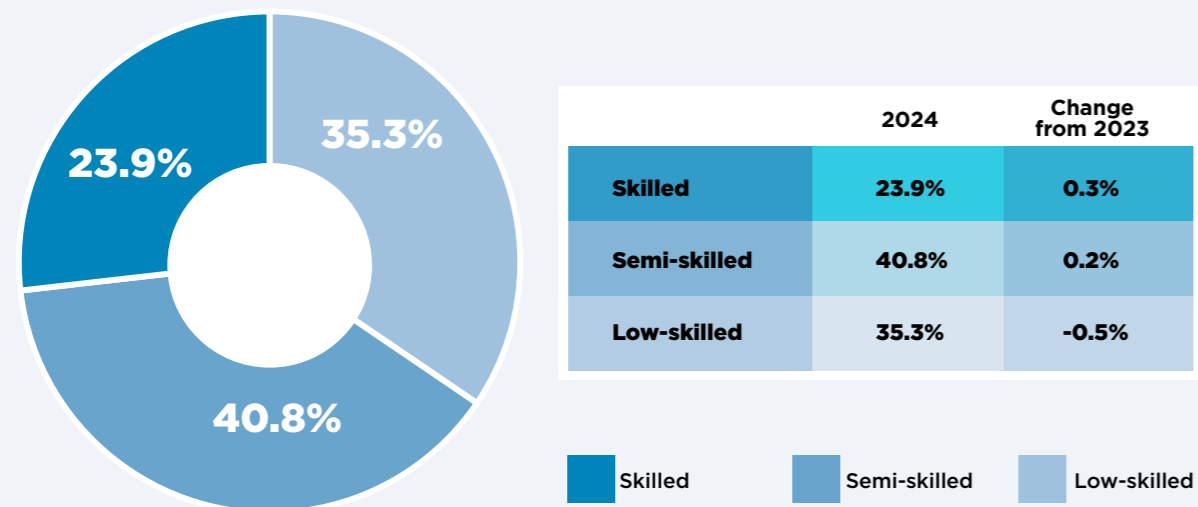
Youth employment patterns in Hessequa in 2024 reveal a labour market where jobs for young people are concentrated in a narrow set of primary and service sector activities. The largest share of FTE jobs for the youth was in mixed farming (324 jobs), followed by general public administration (193 jobs). A further 121 posts for young people were in vegetable and melon cultivation, showing the significant role of agriculture in providing new entrants into the workforce with employment prospects. Retail activities also featured prominently, with 111 jobs for the youth in non-specialised food and beverage stores and 81 jobs in general retail. This indicates that retail remains a significant point of entry into the labour market for young people in Stilbaai, Riversdale and surrounding settlements. The Municipality has identified agriculture, retail and public services as the sectors with the highest capacity to absorb young workers, particularly where formal qualifications are not a prerequisite for the jobs in question.³²

Youth employment is shaped by both seasonal demand cycles (such as agricultural peaks in Heidelberg and tourism peaks in Stilbaai) and the prevalence of entry-level roles in retail and public administration. While these sectors provide important points of access regarding the labour market, they do not always offer long-term career progression or stable, year-round income.

³² (Hessequa Municipality, 2022).

Figure 3.3.4:

SKILLS DISTRIBUTION, Hessequa, 2024



Source: Quantec, 2025

Hessequa's skills profile in 2024 shows a labour market shaped by the combined influence of agriculture and service-based activities, notably those related to public administration, retail and community services. Semi-skilled work (40.8 per cent of total skills distribution) remains the largest component of the workforce, supported by roles in farming operations, retail services, care work, basic administrative functions and community-focused services. Low-skilled employment (35.3 per cent) continues to account for a significant share of jobs, consistent with the need for manual labour in mixed farming, food services and entry-level retail. Skilled workers (23.9 per cent) remain concentrated in public administration, education, health, finance, and professional services.

Across sectors, the skills distribution between 2021 and 2024 shows slow-moving but notable structural changes influenced by both sector performance and Hessequa's spatial economic distribution. In agriculture, the largest employer in the municipal area, the share of semi-skilled workers declined by 0.5 of a percentage point over the 2021 to 2024 period, while the proportion of low-skilled roles increased by 0.6 of a percentage point. This shift indicates a growing reliance on manual and seasonal labour during peak production periods, even as parts of the sector adopt mechanised practices. Mixed farming systems in Hessequa, spanning dairy, livestock and crop production, continue to require substantial amounts of low-skilled labour, which explains the sustained demand for seasonal farmworkers in this category.

Manufacturing experienced small shifts in its internal skills composition, with the share of skilled roles decreasing (by 0.5 of a percentage point) and the proportion of low-skilled work increasing (by 0.3 of a percentage point). This pattern aligns with the limited base of high-technology or scale-intensive industries in Hessequa.³³ Local manufacturing consists mostly of agro-processing, small-scale food production and workshop-based activities, which generally require semi-skilled operators rather than specialised technicians. The business environment in the municipal area continues to be shaped by small enterprise activity rather than large industrial plants, limiting the growth of demand for those in high-skilled occupations.

³³ (Hessequa Municipality, 2024).

In construction, the share of skilled workers increased by 0.8 of a percentage point over the 2021 to 2024 period, while the proportion of low-skilled roles decreased markedly (by 1.6 per cent). These shifts correspond with slowing construction activity and a reduction in the number of large-scale public sector projects. This is linked to infrastructure capacity constraints and delays in capital project implementation, especially in Stilbaai and Riversdale. With fewer civil projects proceeding, the remaining construction activity tends to be private, small-scale building work that typically requires skilled artisans but fewer general labourers.

Over the 2021 to 2024 period, the trade sector saw reductions in the shares of skilled and semi-skilled labour (of 0.8 of a percentage point and 0.6 of a percentage point, respectively) alongside a rise in the proportion of low-skilled employment (of 1.3 per cent). These developments corresponded with the ongoing dominance of entry-level retail work, particularly in Stilbaai and Riversdale, where seasonal tourism and household consumption drive hiring patterns. Public sector services, including those related to administration, safety and education, showed increases in the share of skilled employees (of 1.4 per cent), highlighting the importance of government in the provision of stable employment for high-skilled and semi-skilled workers.

Finance and personal services recorded the strongest gains in skilled employment (of 1.3 per cent and 2.1 per cent, respectively). These increases are in line with Hessequa's growing population of remote workers, retirees and service-oriented professionals, stemming in part from an in-migration of skilled residents. This has increased demand for financial, real estate and personal services.³⁴

Overall, the skills shifts recorded between 2021 and 2024 indicate that the labour market of the Hessequa municipal area is slowly evolving, shaped by its rural economic base, the seasonal nature of key sectors, the stabilising effect of public services and the absence of large industrial employers. While the shares of skilled roles have grown within public services, finance and personal services, agriculture and retail continue to depend heavily on low-skilled labour.

THE ECONOMIC ROLE AND GROWTH POTENTIAL OF THE TOWNSHIP ECONOMY

The township economy constitutes a vital yet under-recognised pillar of South Africa's economy. Township-based enterprises collectively contribute over R900.0 billion annually to the national gross domestic product, with the majority of activity occurring in informal and micro-enterprise segments that sustain household livelihoods and local circulation of income.

Within the Western Cape, there is a substantial number of entrepreneurs in township areas, who engage in retail, food services, logistics and personal care activities. However, limited access to infrastructure, finance and formal markets constrains growth potential, with approximately 80.0 per cent of businesses remaining unregistered.

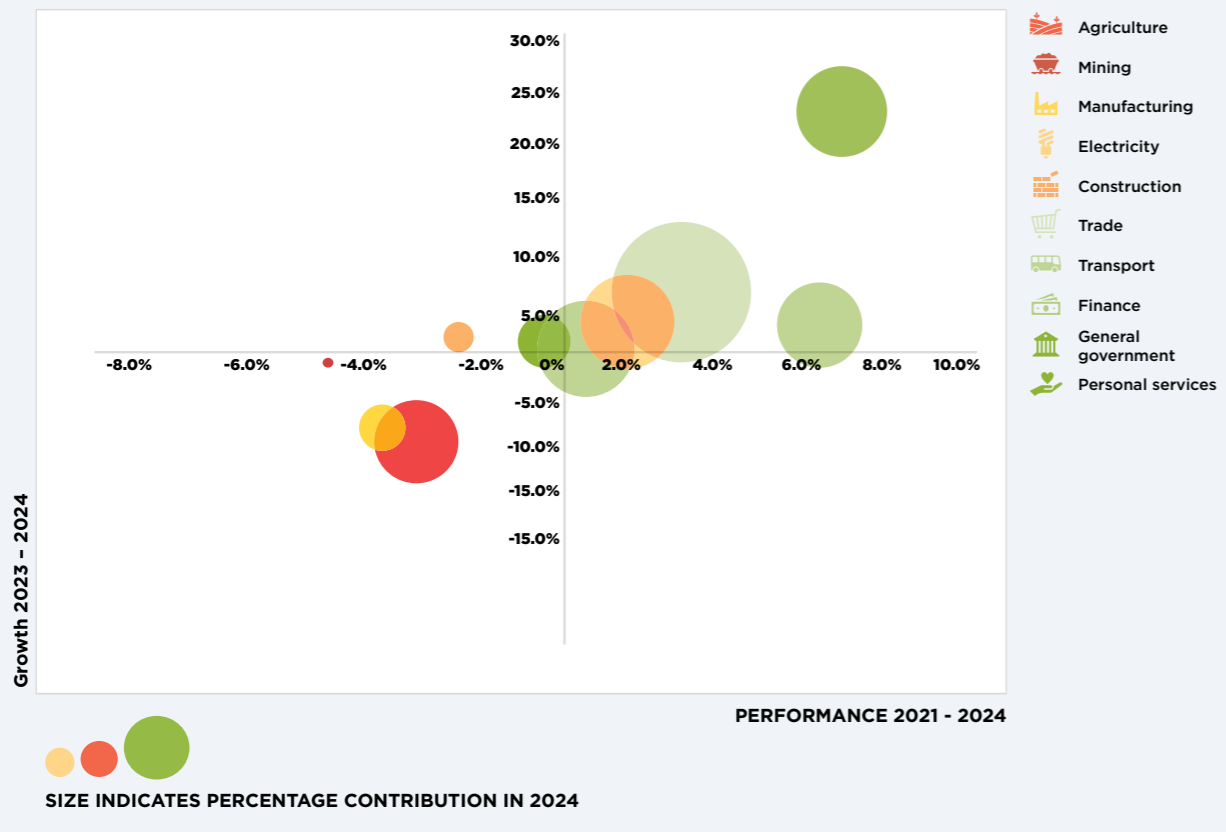
Targeted local government interventions, including the upgrading of trading infrastructure, the simplification of regulatory and licensing processes, and the strengthening of digital and financial inclusion, are identified as key enablers for integrating township enterprises into wider municipal and regional value chains. Bolstering this segment of the economy can broaden Hessequa's development base beyond agriculture and formal services, promote inclusive growth, and enhance the overall economic resilience of the municipal area.³⁵

³⁴ (Hessequa Municipality, 2024).

³⁵ (Standard Bank, 2025)

Figure 3.3.5:

GDPR PERFORMANCE PER SECTOR (CONSTANT PRICES), Hessequa, 2021 – 2024



The sectoral GDP performance between 2021 and 2024 illustrates the uneven nature of Hessequa's recovery from the COVID-19-related economic downturn. It was shaped both by sector-specific conditions and national economic pressures. The former included climate variability in agriculture, slower property market activity (which affected construction) and household spending shifts that influenced trade. The latter encompassed elevated interest rates, logistics constraints and electricity supply instability.

Agriculture experienced a cumulative contraction of 3.5 per cent over the 2021 to 2024 period and a sharp decline of 10.2 per cent from 2023 to 2024. This resulted from fluctuating rainfall patterns, rising input costs and logistical inefficiencies that affect primary producers across the Western Cape. Construction also contracted between 2021 and 2024 (by 4.3 per cent) and shrank by a further 8.9 per cent year-on-year. This is consistent with weaker property development activity, along with delays and scaling down of public sector capital projects.³⁶ Mining remained negligible, contributing only 0.2 per cent to GDP in 2024, and its continued decline has little bearing on overall growth dynamics.

The growth in the finance sector is supported by financial services activity, including banking, property transactions, insurance use by households and agricultural enterprises, and a range of business services operating across the GRD. Personal services posted the strongest gains, rising by 6.4 per cent between 2021 and 2024 and by a substantial 22.5 per cent from 2023 to 2024. This was driven by increased activity in health, education, social services and community-based recreation.

Transport, storage and communication also grew steadily, expanding by 5.8 per cent between 2021 and 2024. This was supported by freight and logistics operations as well as ongoing demand for digital services. Manufacturing remained stable, growing by 1.4 per cent over the medium term and by 0.8 per cent between 2023 and 2024. This was supported by consistent demand for food products, agro-processing and consumer goods. Trade recorded marginal medium-term growth (of 0.4 per cent) but declined slightly from 2023 to 2024 (by 1.7 per cent), indicating pressure on household spending despite steady visitor activity in Stilbaai and Riversdale. Together, these patterns show that Hessequa's overall recovery continues to rely on the performance of service-based sectors. Primary and construction activities remain constrained by climate variability, cost pressures and infrastructure-related bottlenecks.

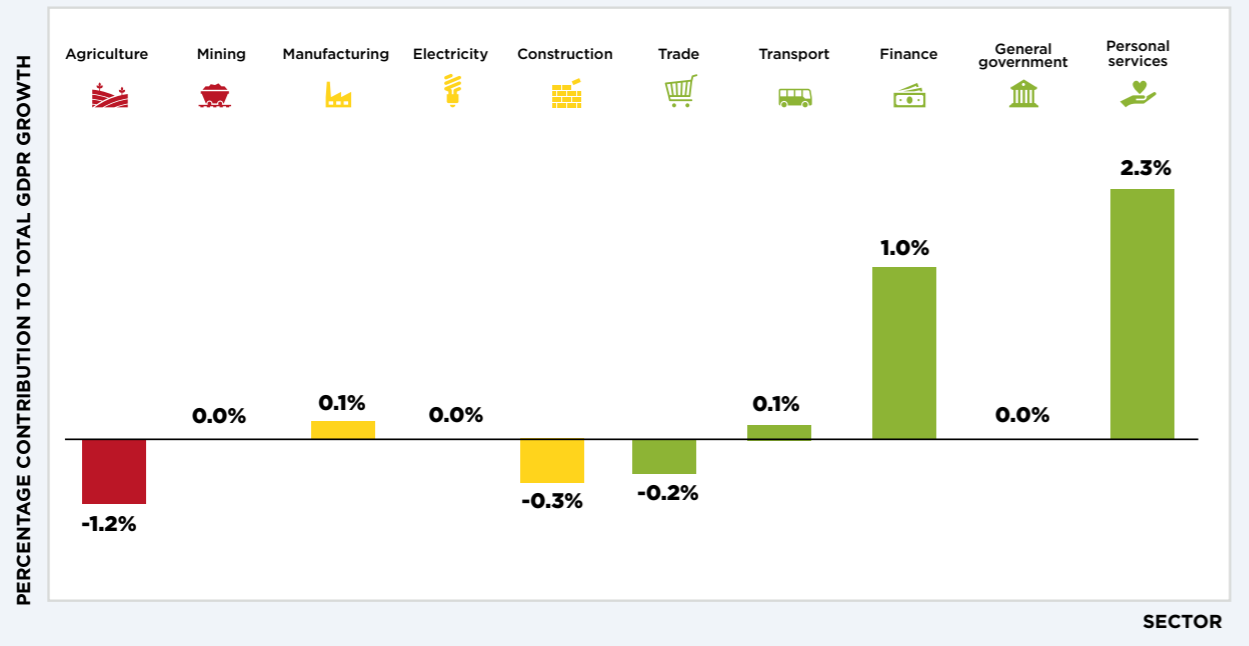
SECTOR	PERFORMANCE 2021 - 2024	GROWTH 2023 - 2024	CONTRIBUTION TO GDP 2024	
PRIMARY SECTOR	AGRICULTURE	-3.5%	-10.2%	10.6%
	MINING	-4.7%	-1.6%	0.2%
SECONDARY SECTOR	MANUFACTURING	1.4%	0.8%	13.4%
	ELECTRICITY	-2.3%	1.5%	1.4%
	CONSTRUCTION	-4.3%	-8.9%	3.3%
TERTIARY SECTOR	TRADE	0.4%	-1.7%	14.1%
	TRANSPORT	5.8%	0.5%	10.9%
	FINANCE	2.6%	3.5%	29.6%
	General government	-0.5%	-1.0%	4.3%
	PERSONAL SERVICES	6.4%	22.5%	12.4%

Source: Quantec, 2025

³⁶ (Hessequa Municipality, 2025).

Figure 3.3.6:

SECTORAL CONTRIBUTION TO GDPG GROWTH (CONSTANT PRICES), Hessequa, 2024



Source: Quantec, 2025

The sectoral contribution to GDPG growth in 2024 shows that Hessequa’s 1.7 per cent expansion in this year was driven by a narrow group of relatively high-performing sectors. Personal services made the largest positive contribution, adding 2.3 percentage points to overall growth between 2023 and 2024. This was supported by rising activity in community, social, education and health services. Finance contributed a further 1.0 percentage point, indicating sustained demand for financial services, property-related transactions and business service activity across the municipal area. Manufacturing and transport each added 0.1 of a percentage point, both sectors having benefited from steady agro-processing demand and a mild recovery in logistics-related functions.

Negative contributions were concentrated in agriculture (which cut 1.2 percentage points from growth), wholesale and retail trade (0.2 of a percentage point) and construction (0.3 of a percentage point). The contraction in agriculture corresponded with a sharp decline in output (of 10.2 per cent) between 2023 and 2024 that was driven by variable rainfall, rising production costs and logistical inefficiencies affecting market access. Reduced activity in trade (of 1.7 per cent) aligns with weakening consumer demand in a high-interest-rate environment, while the decline in construction (of 8.9 per cent) reflects limited private development and slower public sector capital expenditure.³⁷

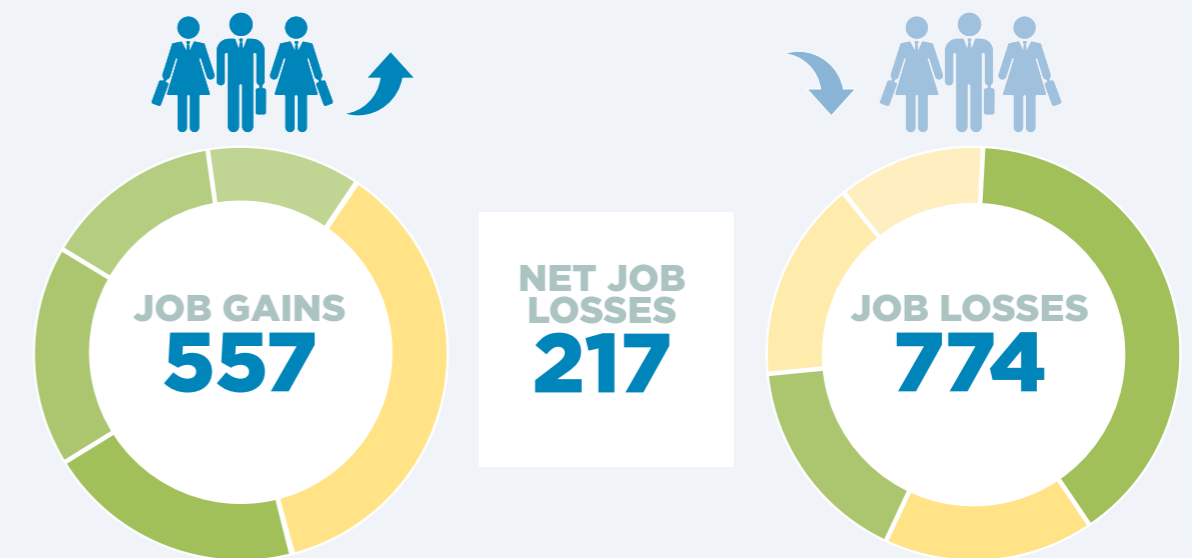
In sum, the data on sectoral GDPG performance in Hessequa for 2021 to 2024 shows that growth in the municipal area was driven almost entirely by tertiary sector activities, while agriculture and construction placed downward pressure on overall performance. This pattern is consistent

³⁷ (National Treasury, 2024).

with earlier observations: municipal growth is increasingly being shaped by locally oriented service activities, whereas goods-producing sectors remain exposed to climatic variability, rising production costs and infrastructure-related constraints. Expanding agro-processing capacity, strengthening tourism-related value addition, and improving the pace and reliability of public infrastructure delivery will be essential for broadening Hessequa’s economic base over time.

Figure 3.3.7:

TOP 5 SECTORS FOR FORMAL JOB GAINS AND LOSSES, Hessequa, 2023-2024



S	Construction of roads and railways	49	T	Temporary employment agency activities	-114
T	Short-term accommodation activities	38	S	Processing and preserving of meat	-48
T	Technical and vocational secondary education	34	T	Wholesale of food, beverages and tobacco	-48
T	Retail sale of food in specialised stores	32	S	Collection of non-hazardous waste	-47
T	Other accommodation	31	S	Manufacture of pharmaceuticals, medicinal chemical and botanical products	-36
O	Other	655	O	Other	-306

P PRIMARY SECTOR **S** SECONDARY SECTOR **T** TERTIARY SECTOR **O** OTHER

Source: Nell, A. & Visagie, J. *Spatial Tax Panel 2014 – 2024 (dataset)*. Version 5.1. National Treasury – Cities Support Programme and Human Sciences Research Council (SEAD-SA) 2025

Labour market trends in Hessequa between 2023 and 2024 point to continued pressures across several key sectors of the local economy. Despite modest output recovery over this period, employment contracted by a net 217 jobs, showing that economic gains did not translate into broad labour absorption. A total of 557 jobs were created, mainly within a narrow band of activities: construction of roads and railways (49 jobs), short-term accommodation (38 jobs),

technical and vocational secondary education (34 jobs), specialised food retail (32 jobs) and other accommodation (31 jobs). These gains were concentrated in activities where demand proved resilient despite wider macroeconomic pressures, namely public infrastructure maintenance, tourism-related accommodation services and education. Persistently high borrowing costs continue to limit household consumption, business investment and labour demand, creating a difficult operating environment for employment growth.³⁸

Gains were outweighed by the 774 job losses recorded over the 2023 to 2024 period, which occurred predominantly in sectors exposed to operational volatility and weaker consumer spending. Temporary employment agency activities registered the largest decline (114 jobs), indicating reduced demand for short-term labour in agriculture and seasonal services. Meat processing and the wholesale of food, beverages and tobacco both shed 48 jobs, pointing to strained agro-processing value chains and pressured household purchasing power. Additional declines in non-hazardous waste collection (47 jobs) and pharmaceutical manufacturing (36 jobs) show both fiscal pressures on municipal service delivery and operational challenges facing specialised manufacturing.

Collectively, these shifts highlight the vulnerability of Hessequa's labour market to fluctuations in agriculture, wholesale trade and outsourced labour services subsectors, which have traditionally absorbed semi-skilled and low-skilled workers. With job creation concentrated in a limited set of service-oriented activities, and job shedding occurring across several labour-absorbing industries, short-term employment prospects remain constrained, particularly for residents with limited formal qualifications.



³⁸ (The South African Reserve Bank, 2024).



DIAGRAM 3.4.1: MUNICIPAL GDP (CURRENT PRICES) AND EMPLOYMENT, Kannaland, 2024

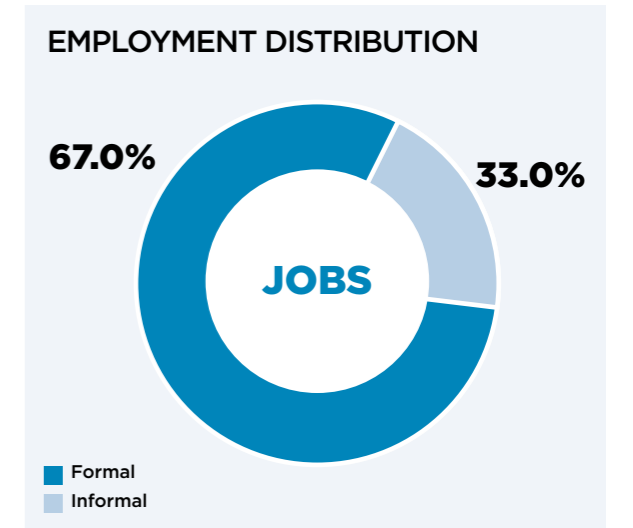
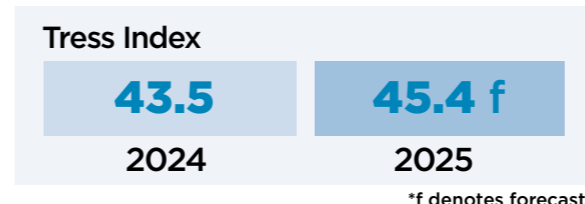
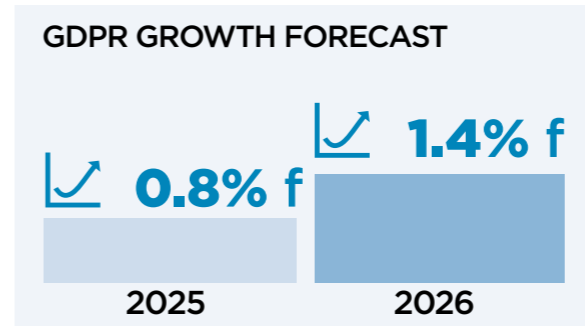


3.4 KANNALAND

MUNICIPAL AREA

The Kannaland municipal area, situated in the Garden Route District (GRD), lies within the Little Karoo, and is defined by semi-arid valleys, rugged mountains and a distinctive rural atmosphere. Ladismith serves as the administrative centre of the area, while towns such as Calitzdorp, Zoar and Van Wyksdorp contribute cultural heritage and small-town character. The area is known for the striking Seweweekspoort Pass, the port wine estates around Calitzdorp, and outdoor activities such as hiking, cycling and birdwatching. Towerkop Mountain dominates the landscape near Ladismith, while Van Wyksdorp provides an authentic escape into the Karoo's quiet setting. Visitors are drawn to the area's combination of scenic beauty, rural tranquillity and cultural encounters. Agriculture, particularly fruit, wine and dairy, underpins the local economy, while tourism continues to grow as a key contributor to development.

KANNALAND 2024 GDP AND EMPLOYMENT

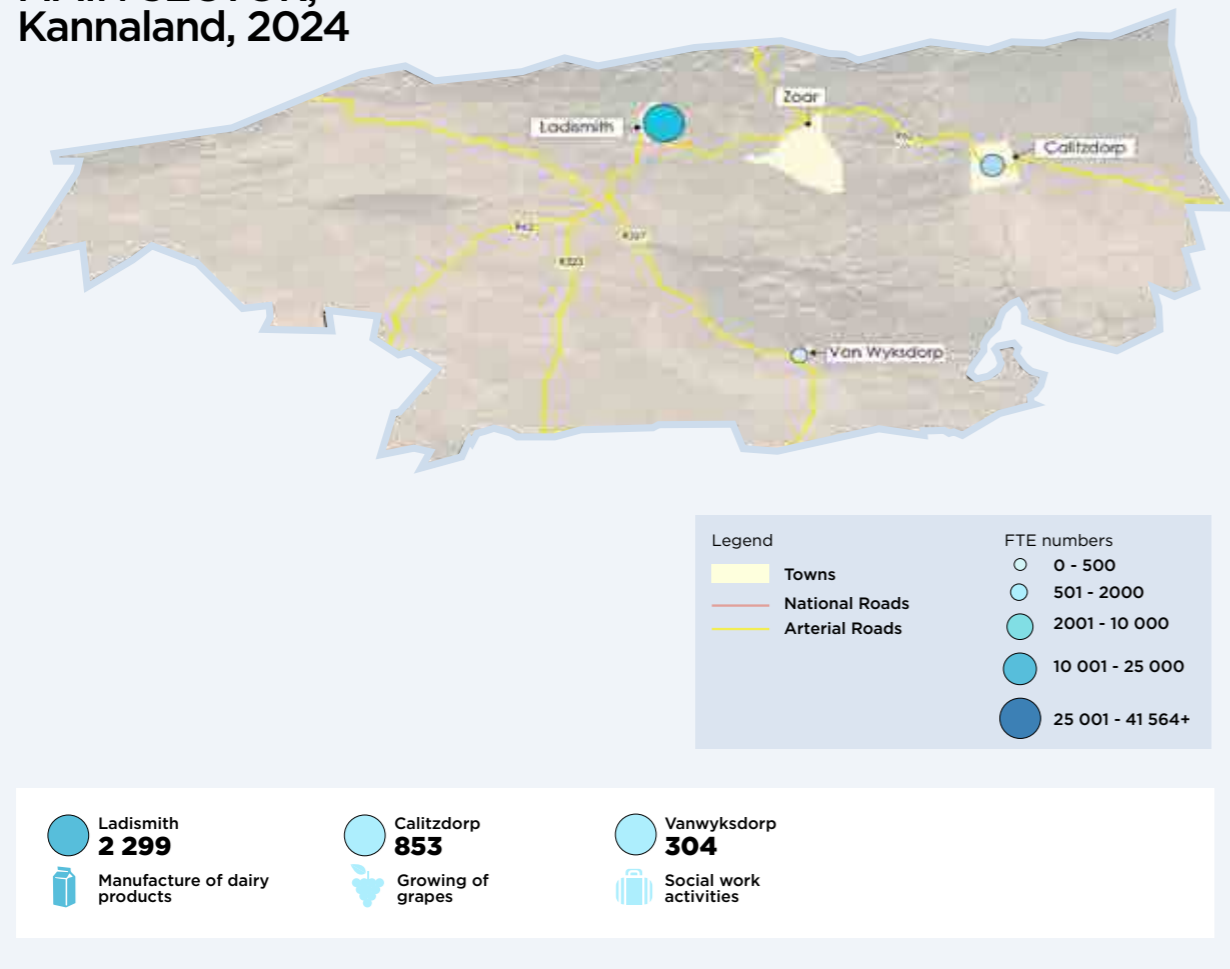


EMPLOYMENT PROFILE			
Unemployment rate	Labour force participation rate	Labour absorption rate (employment-to-population ratio)	Not economically active proportion of working-age population
2023 2024	2023 2024	2023 2024	2023 2024
11.8% 12.0%	75.5% 74.4%	67.5% 66.5%	38.6% 39.9%

Source: Quantec, 2025

MAP 3.4.1:

NUMBER OF FTE JOBS PER TOWN AND MAIN SECTOR, Kannaland, 2024



Source: Nell, A. & Visagie, J. *Spatial Tax Panel 2014 – 2024 (dataset). Version 5.1. National Treasury – Cities Support Programme and Human Sciences Research Council (SEAD-SA) 2025*

The economy of the Kannaland municipal area remains one of the smallest in the Western Cape. It generated R2.0 billion in gross domestic product per region (GDPR) in 2024, which accounted for 2.8 per cent of the Garden Route District (GRD) output and 0.2 per cent of the Provincial GDPR.

Municipal growth of 0.5 per cent during the year shows that expansion was limited, with ongoing production volatility, water insecurity and constrained private investment identified as key factors shaping local performance.³⁹ The outlook for 2025 and 2026, however, points to slightly stronger growth, with GDPR expansion forecast to rise to 0.8 per cent in 2025 and 1.4 per cent in 2026. This projected improvement is predicated on greater stability in agricultural conditions as weather patterns normalise, a recovery from earlier production pressures among livestock and fruit producers, and gradual improvement in the reliability of energy supply. Ideally, growth will be supported by planned upgrades to water systems, electricity infrastructure and rural roads, which are anticipated to support the farming and agro-processing activities that drive much of the output in this municipal area.

³⁹ (Kannaland Municipality, 2024).

Public sector programmes, including municipal employment projects, social development initiatives and the Expanded Public Works Programme (EPWP), remain important stabilisers in smaller settlements, sustaining household income where private sector expansion remains limited. Kannaland Municipality has identified agri-tourism and wine tourism along the Route 62 corridor as emerging contributors to local spending, with improvements in road connectivity expected to strengthen visitor flows to towns such as Ladismith and Calitzdorp.

The municipal area experienced a 1.6 per cent decline in employment relative to 2023, with total employment amounting to 9 804 jobs in 2024. This indicates that economic activity during this year did not generate enough jobs to offset seasonal or structural losses. Consistent with the scale of its economic base, Kannaland accounted for 4.3 per cent of employment in the GRD in 2024 and 0.4 per cent of jobs in the Western Cape. Employment comprised 67.0 per cent formal work and 33.0 per cent informal work, pointing to a prevalence of the seasonal agricultural labour, small-scale trade, and household enterprises that are typical of rural economies.

Labour market indicators show increasing strain: the unemployment rate rose from 11.8 per cent in 2023 to 12.0 per cent in 2024, labour force participation declined from 75.5 per cent to 74.4 per cent, and the labour absorption rate decreased from 67.5 per cent to 66.5 per cent. The proportion of residents who are not economically active increased to 39.9 per cent in 2024, indicating that limited opportunities, particularly for younger jobseekers, are contributing to a decline in work-seeking activity and migration to larger towns.

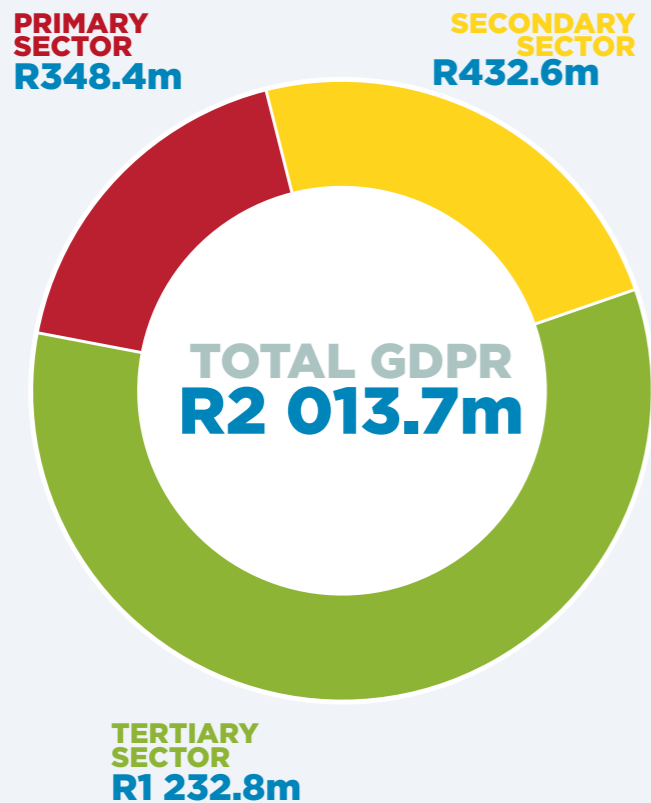
The labour market and economic dynamics of Kannaland differ across the towns of the municipal area. Ladismith functions as the primary employment centre, supported by dairy processing operations and municipal services. Calitzdorp is shaped by grape cultivation and wine-related activities, resulting in seasonal income changes linked to harvesting and cellar work. Vanwyksdorp relies heavily on social services, welfare programmes and community organisations, demonstrating its remoteness and the limited presence of private sector industries in the town. This geographic distribution of economic activity reveals an economy structured around a dairy processing hub in Ladismith, a grape-growing cluster in Calitzdorp, and relatively extensive social services in Vanwyksdorp. Each economic base is sensitive to weather conditions, commodity prices and public sector budgets.

The Tress Index, which measures economic concentration, was 43.5 in 2024 and is projected to rise to 45.4 in 2025. A rising index indicates increasing dependence on a narrow set of activities. In Kannaland, this is significant given the heavy reliance of the municipal area on agriculture, dairy processing and government services. Dependence on climate-sensitive sectors, especially dairy and grape production, creates exposure to drought cycles, fluctuating market conditions and agricultural logistics disruptions.⁴⁰ This concentration explains the modest GDPR growth of 0.5 per cent in 2024 as well as the cautiously optimistic forecasts for 2025 and 2026. With limited diversification, disruptions such as drought, energy interruptions or weakening consumer demand have a stronger-than-usual impact on both output and employment. As agricultural conditions stabilise, infrastructure improvements progress and tourism gains traction over the next two years, Kannaland is expected to see a gradual improvement in economic activity. However, its concentrated economic structure will continue to shape the pace and sustainability of growth.

⁴⁰ (Kannaland Municipality, 2022).

Figure 3.4.1:

GDPR DISTRIBUTION (CURRENT PRICES), Kannaland, 2024



PRIMARY SECTOR	
SECTOR	2024
Agriculture	R348.4m
Mining	R0.0m
TOTAL	R348.4m

SECONDARY SECTOR	
SECTOR	2024
Manufacturing	R258.4m
Electricity	R107.7m
Construction	R66.5m
TOTAL	R432.6m

TERTIARY SECTOR	
SECTOR	2024
Trade	R275.1m
Transport	R180.3m
Finance	R442.5m
General government	R91.6m
Personal services	R243.3m
TOTAL	R1 232.8m

Source: Quantec, 2025

The economic structure of Kannaland is underpinned by a combination of primary agriculture, agro-processing, and a small but important services base. The primary sector contributed R348.4 million to GDP in 2024 (17.3 per cent of the total). This performance was driven almost entirely by agriculture, notably the dairy, grape, fruit and livestock production systems found around Ladismith, Calitzdorp and various rural settlements. While agriculture does not dominate overall output, its contribution to the municipal area has a significance that extends beyond GDP share in that dairy and grape production are the core economic engines of Kannaland, despite their strong seasonal and climatic exposure.

The secondary sector generated R432.6 million (21.5 per cent of municipal GDP) in 2024. The sector is shaped mainly by manufacturing, which contributed R258.4 million in output. Most of the manufacturing that occurs in Kannaland is agro-processing led by dairy processing in Ladismith, fruit packing, and limited value-added food production. These activities connect local farms to regional and provincial markets, creating downstream demand for logistics, transport and packaging services. Electricity, gas and water (R107.7 million) and construction (R66.5 million) remain comparatively small segments of the economy, constrained by infrastructure limitations and low levels of private investment.⁴¹

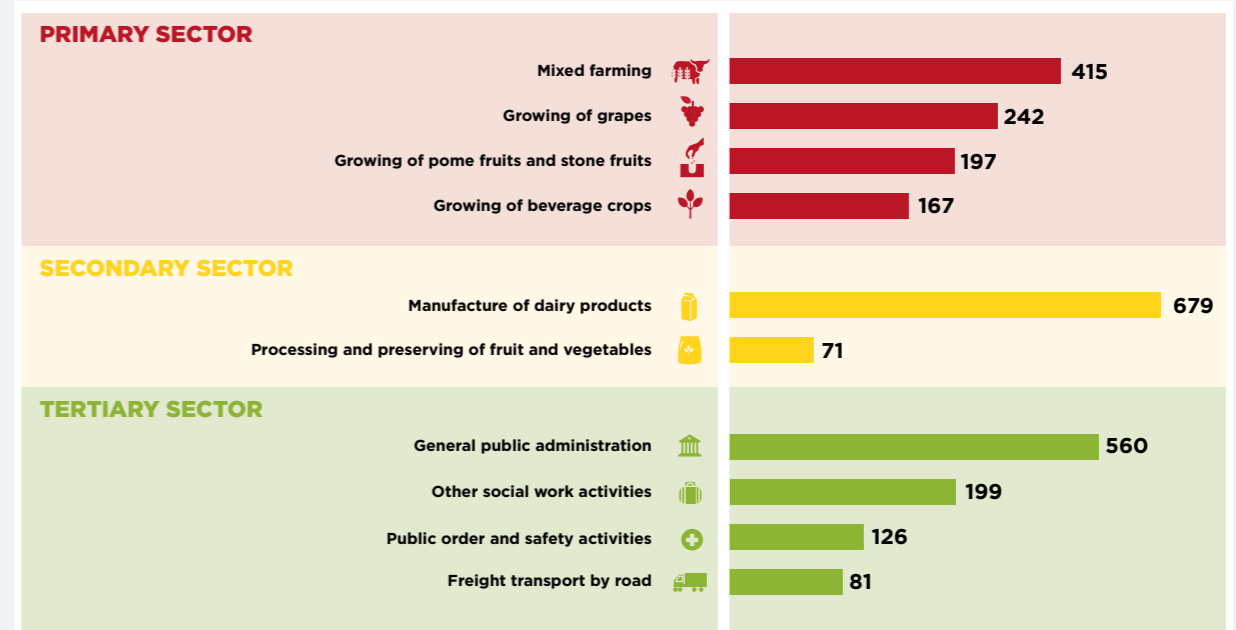
⁴¹ (Kannaland Municipality, 2024).

The tertiary sector was the largest component of Kannaland's economy in 2024, contributing R1.2 billion in output (61.2 per cent of GDP). Within this sector, finance was the single largest subsector, generating R442.5 million. The performance in this instance was driven by financial services, real estate activity, and insurance services linked to agribusiness and household markets. Trade contributed R275.1 million, supported by retail activity in the Route 62 corridor, local consumer demand, and tourism flows into Ladismith and Calitzdorp. Transport, storage and communication generated R180.3 million, reflecting the importance of freight movement, dairy distribution and grape logistics in connecting Kannaland to regional markets. Personal services (R243.3 million) and general government (R91.6 million) remained key stabilisers in smaller towns such as Vanwyksdorp, where welfare programmes and community organisations play an essential role in bolstering local incomes.

Overall, the sectoral composition of Kannaland shows an economy built on agriculture and agro-processing, and supported by finance, retail and transport services that are closely associated with farming cycles. At the same time, the relatively small size of construction and government services points to limited diversification and municipal dependence on climate-sensitive production and dairy-linked value chains.

Figure 3.4.2:

TOP 10 SECTORS BY NUMBER OF FTE JOBS Kannaland, 2024



Source: Nell, A. & Visagie, J. Spatial Tax Panel 2014 – 2024 (dataset). Version 5.1. National Treasury – Cities Support Programme and Human Sciences Research Council (SEAD-SA) 2025

The employment structure of Kannaland tracks the economic activities that shape each of the towns in this municipal area, with the largest share of jobs found in agriculture, agro-processing and public services. The manufacture of dairy products, providing 679 full-time equivalent (FTE) jobs in 2024, was the single largest source of employment in Kannaland for this year, confirming the central position of dairy production and processing in the Ladismith local economy. Dairy-related activities make up the strongest and most established value chain in the municipal area, supported by cattle farming, fodder production, processing plants, packaging services and regional logistics connections along the Route 62 corridor.

The second-largest source of employment in 2024 was general public administration (560 FTE jobs), a significant sector in a municipal area with limited private sector diversity. Government employment provides a steady income in a context where agricultural jobs fluctuate seasonally and where smaller settlements (most notably Vanwyksdorp) depend heavily on public services and welfare programmes.

Mixed farming (415 jobs) constituted the third-largest source of employment, followed by grape cultivation (242 jobs), demonstrating the breadth of primary production. The category of mixed farming includes the production of livestock and livestock feed, as well as the diversified cropping systems that are common in the Little Karoo as a result of the dry climate in this region. Grape cultivation includes both wine and table grape activities around Calitzdorp. These industries generate substantial seasonal labour demand, with employment rising during harvesting, packing and cellar-processing periods.

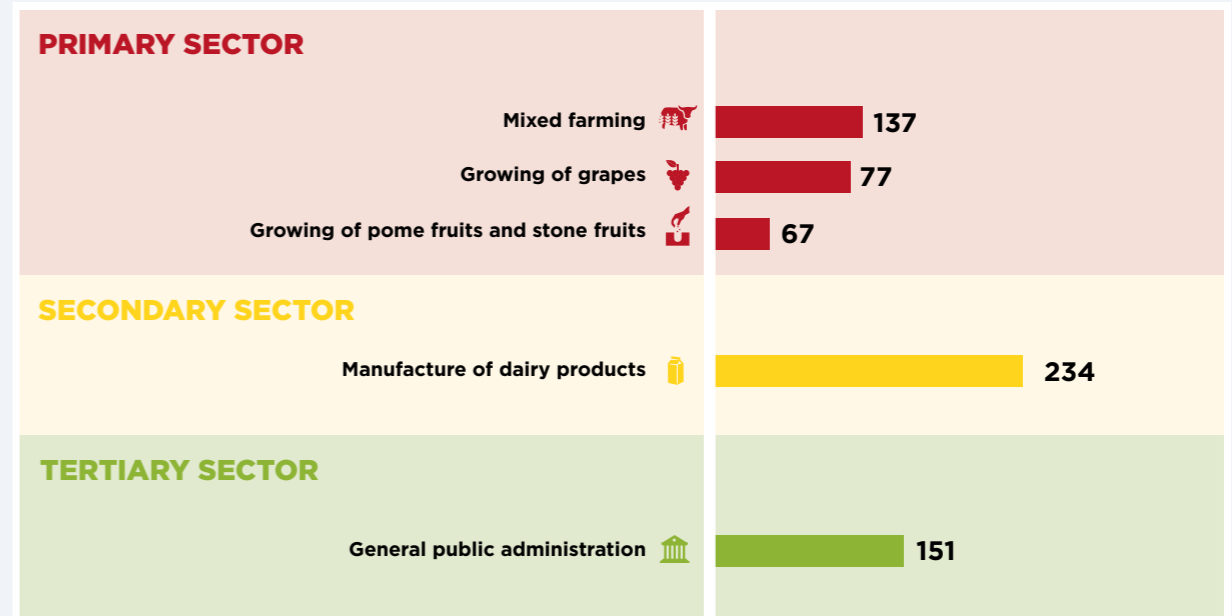
The employment provided by various social work activities (199 jobs) and public order and safety operations (126 jobs) indicates the importance of social services in sustaining household livelihoods, particularly in smaller and relatively remote settlements. In the absence of a large private sector base, many residents rely on community organisations, welfare programmes and municipal services to meet their day-to-day needs.

The role of pome and stone fruit cultivation (197 jobs), beverage crop cultivation (167 jobs) and fruit and vegetable processing and preserving (71 jobs) in making work available shows the importance of fruit, vegetable and wine-related value chains in the Kannaland labour market. These activities are directly linked to climatic conditions, irrigation availability and market prices. The employment provided by road freight transport (81 jobs) highlights the connection between agriculture and regional logistics, which are key to dairy, grapes and fruit products reaching processors, markets and ports.

Overall, the employment distribution of Kannaland in 2024 shows an economy structured around primary farming (dairy, grapes, mixed crops and fruit), agro-processing (dairy manufacturing and fruit/vegetable processing) and public services (administration, social work and safety functions). Transport and logistics provide an essential support function that enables agricultural and dairy products to reach regional and provincial markets.

Figure 3.4.3:

TOP 5 SECTORS FOR YOUTH EMPLOYMENT Kannaland, 2024



Source: Nell, A. & Visagie, J. *Spatial Tax Panel 2014 – 2024 (dataset)*. Version 5.1. National Treasury – Cities Support Programme and Human Sciences Research Council (SEAD-SA) 2025

Youth employment in Kannaland follows the same town-level economic structure described above, with young workers entering the labour market mainly through agriculture, agro-processing and basic public sector roles. The top five youth-employing sectors in 2024 were grape production, mixed farming, dairy processing, horticulture and community-based public services. These patterns are typical of rural municipal areas, where opportunities with low qualification requirements dominate the labour market. Young people in agriculture-dependent regions often enter the world of work by taking on seasonal or physically intensive manual roles, largely because these are the most accessible employment opportunities for first-time job seekers.⁴²

Agriculture was the most prominent entry point into the labour market for the youth in 2024, particularly grape production, pome and stone fruit cultivation, mixed farming and horticulture. These activities rely heavily on seasonal labour for planting, pruning, trellising and harvesting. Youth employment, therefore, fluctuates during the year, increasing sharply in peak agricultural periods and declining in off-season months. This mirrors the agricultural cycles in Kannaland: farming across the Little Karoo remains highly sensitive to rainfall variability, irrigation availability and market conditions, factors that directly impact seasonal hiring.

⁴² (Kannaland Municipality, 2022).

Dairy processing provided the second-most important entry point into formal employment for young workers. It offers year-round employment that is more consistent than work provided by fruit-related jobs. That said, employment in the dairy industry is also physically intensive and shift-based. The concentration of youth in Ladismith's dairy plants is compatible with the economic profile of Kannaland, where dairy has been identified as the strongest value chain and one of the few sources of manufacturing employment. Dairy operations in the area draw young workers into production, packaging and entry-level plant operations. However, opportunities for progression into technical or supervisory roles remain limited in the absence of targeted skills development.

Public and community services, such as administrative support, EPWP placements, social work assistance and public safety provision, formed the third-most significant source of youth employment in 2024. Job opportunities in this sphere are especially important in smaller settlements like Vanwyksdorp, where private sector jobs are limited, and many households depend on municipal programmes and welfare services for income support. Public sector roles help stabilise youth income but do not offer long-term progression in cases where young people lack qualifications or access to structured training opportunities.

While these sectors enable young residents of Kannaland to get a foot on the workplace ladder, the concentration of youth in a small number of low- and semi-skilled occupations raises concerns about long-term advancement. Findings at the national level show that rural youth employed primarily in seasonal agriculture or basic service roles often face restricted mobility. This is because, without formal training, these young people have few pathways into skilled work that commands relatively higher pay. The youth in such contexts remain highly vulnerable to drought cycles, commodity price volatility and fluctuations in agricultural output, all of which limit job stability and earnings potential.

The workforce in Kannaland was heavily concentrated in low-skilled and semi-skilled occupations in 2024, which was consistent with the agricultural and agro-processing economy of the municipal area. Low-skilled workers accounted for 47.1 per cent of all jobs, semi-skilled workers for 33.8 per cent, and skilled workers for only 19.0 per cent. Between 2021 and 2024, the overall skills mix shifted only slightly, with a small increase in the share of semi-skilled work (0.5 of a percentage point) and marginal declines in both skilled (0.1 of a percentage point) and low-skilled employment (0.4 percentage points of a percentage point). This slow progression is typical of rural municipal areas in which seasonal farming, manual labour and limited post-school training opportunities continue to shape the kinds of jobs available. Areas with strong agricultural value chains experience gradual rather than rapid skills upgrading because most jobs still involve physical labour, including crop handling, pruning, harvesting, and other low-entry, low- to semi-skilled occupations.⁴³

Looking beyond the skills profile in aggregate, several sectors showed more noticeable movement over the 2021 to 2024 period. In manufacturing, especially dairy processing in Ladismith, the share of semi-skilled workers increased from 55.9 per cent to 58.2 per cent, while proportions of skilled and low-skilled roles declined. These changes resulted from growing demand for machine operators, quality controllers and cold chain personnel, occupations requiring basic technical training. A rise in skilled employment was also evident in finance, where the share of skilled workers increased from 33.7 per cent in 2021 to 35.2 per cent in 2023, and in personal services, where the skilled work share expanded from 39.4 per cent to 41.0 per cent over the same period. This points to a growth in the number of higher-skilled administrative, financial and community-service roles in the urban centres of Kannaland.

By contrast, the trade sector saw a reduction in the share of skilled roles (which fell by 1.4 per cent over the 2021 to 2024 period) and an increase in low-skilled work (which rose by 1.5 per cent over the same period), indicating that expansion in retail is occurring mainly through entry-level positions. Agriculture showed little structural change, with low-skilled work remaining dominant. Demand for labour in fruit, livestock and mixed farming remained heavily dependent on manual and seasonal activities. A slight expansion of semi-skilled work in the electricity, gas and water sector was consistent with municipal maintenance needs, which increasingly require workers with technical certificates.⁴⁴

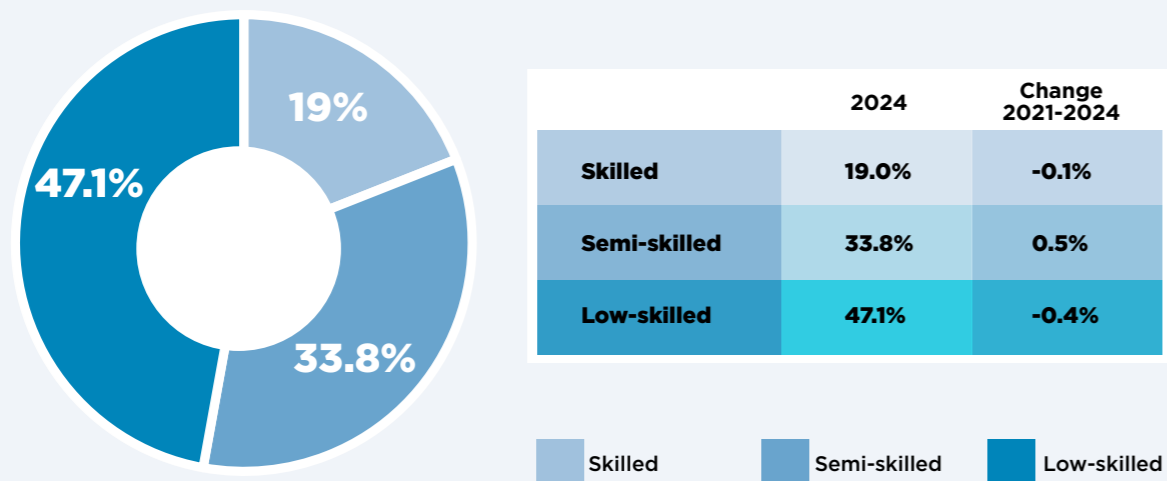
Overall, Kannaland's skills profile shows a labour market that is changing slowly, with growth occurring in semi-skilled occupations within dairy manufacturing and in skilled roles across finance, social services and certain public sector functions. However, most workers, including among the youth, continue to enter the labour market via low- and semi-skilled roles, especially in farming, retail and basic services. Without expanded pathways for technical and vocational training in agro-processing, logistics, municipal services, food technology, digital administration and financial services, many residents of this municipal area will remain in low-productivity occupations that have limited possibilities for progression.

⁴³ (AgriSETA, 2025).

⁴⁴ (Kannaland Municipality, 2024).

Figure 3.4.4:

SKILLS DISTRIBUTION Kannaland, 2024



Source: Quantec, 2025

THE ECONOMIC ROLE AND GROWTH POTENTIAL OF THE TOWNSHIP ECONOMY

The township economy constitutes a vital yet under-recognised pillar of South Africa’s economy. Township-based enterprises collectively contribute over R900.0 billion annually to the national gross domestic product, with the majority of activity occurring in informal and micro-enterprise segments that sustain household livelihoods and local circulation of income.

Within the Western Cape, there is a substantial number of entrepreneurs in township areas, who engage in retail, food services, logistics and personal care activities. However, limited access to infrastructure, finance and formal markets constrains growth potential, with approximately 80.0 per cent of businesses remaining unregistered.

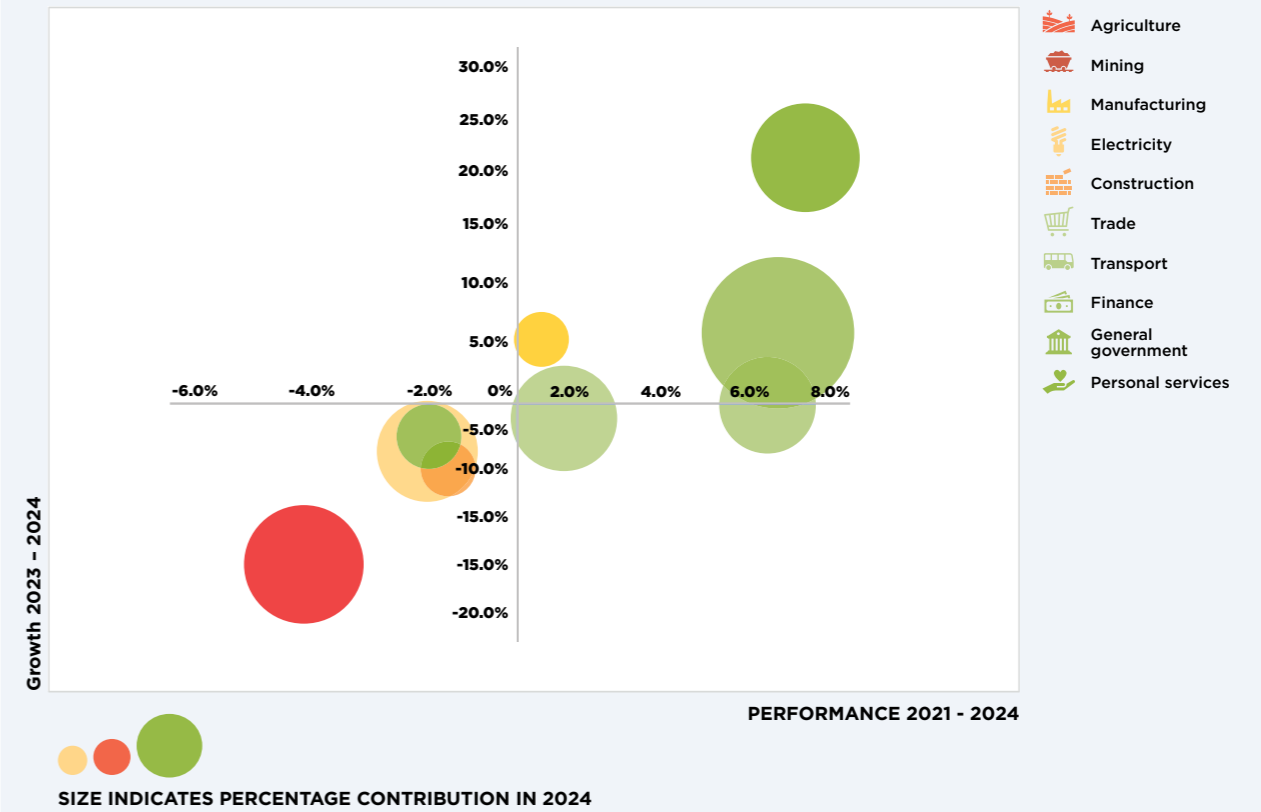
Targeted local government interventions, including the upgrading of trading infrastructure, the simplification of regulatory and licensing processes, and the strengthening of digital and financial inclusion, are identified as key enablers for integrating township enterprises into wider municipal and regional value chains. Bolstering this segment of the economy can broaden Kannaland’s development base beyond agriculture and formal services, promote inclusive growth, and enhance the overall economic resilience of the municipal area.⁴⁵



⁴⁵ (Standard Bank, 2025).

Figure 3.4.5:

GDPR PERFORMANCE PER SECTOR (CONSTANT PRICES), Kannaland, 2021 - 2024



SECTOR		PERFORMANCE 2021 - 2024	GROWTH 2023 - 2024	CONTRIBUTION TO GDPR 2024
PRIMARY SECTOR	AGRICULTURE	-4.2%	-13.4%	15.7%
	MINING	0.0%	0.0%	0.0%
SECONDARY SECTOR	MANUFACTURING	-1.8%	-3.9%	11.2%
	ELECTRICITY	0.5%	5.5%	3.4%
	CONSTRUCTION	-1.4%	-5.4%	3.3%
TERTIARY SECTOR	TRADE	0.9%	-1.2%	12.5%
	TRANSPORT	4.9%	-0.1%	10.4%
	FINANCE	5.2%	6.0%	25.7%
	GENERAL GOVERNMENT	-1.7%	-2.7%	4.6%
	PERSONAL SERVICES	5.7%	20.7%	13.2%

Source: Quantec, 2025

Sectoral performance in Kannaland between 2021 and 2024 was mixed, with expansion in certain sectors even as others struggled. Agriculture recorded the weakest outcomes over this period (contracting by 4.2 per cent), with a sharp decline from 2023 to 2024 (of 13.4 per cent). This drop was consistent with the weather-related challenges experienced during this time, along with water shortages and cost pressures – factors that directly affected fruit, livestock and mixed-farming output. Manufacturing and construction also declined between 2021 and 2024, largely due to higher input costs, limited private investment and slower building activity. In addition, the output of general government decreased in line with fiscal constraints affecting many rural municipal areas.

By contrast, certain service-oriented sectors experienced steady growth. Finance expanded by 5.2 per cent from 2021 to 2024, growing by 6.0 per cent in 2024 alone. This made it the largest contributor to Kannaland's GDP (25.7 per cent) in 2024. The strong performance of this sector was indicative of increased demand for financial services as well as for insurance and administrative support, mainly in Ladismith. Personal services also performed well in the 2021 to 2024 period, recording a 5.7 per cent increase and a growth of 20.7 per cent in 2024. This expansion was driven by the demand for education, health, social services and community programmes that remain important in small rural towns. Transport, storage and communication grew by 4.9 per cent between 2021 and 2024, supported by logistics activity linked to dairy and agricultural value chains.

Although trade grew slightly (by 0.9 per cent), the sector experienced a dip in 2024 (of 1.2 per cent), showing that household spending remains under pressure. Overall, Kannaland's strongest performers between 2021 and 2024 were finance, personal services and transport, storage and communication sector, while agriculture, construction and manufacturing experienced sustained difficulty due to climate, cost and investment constraints.

Kannaland recorded GDP growth of only 0.5 per cent in 2024, the result of a few strong-performing service-oriented sectors compensating for a steep decline in agriculture and smaller contractions in manufacturing and construction. The single biggest drag on growth was agriculture, which reduced the 2024 GDP by 2.5 percentage points. This outcome was consistent with the severe production challenges encountered during this year, notably widespread weather-related crop losses, higher input costs, and water constraints across the Klein Karoo. These factors directly affected fruit, livestock and mixed-farming activities in the municipal area.

As noted above, services-focused sectors accounted for almost all of the economic growth that occurred in Kannaland in 2024. Personal services made the largest positive contribution to growth (contributing 2.3 per cent of the 0.5 per cent municipal GDP expansion), supported by health and education provision as well as the social programmes and welfare services that play a central role in towns such as Vanwyksdorp and Calitzdorp. Finance contributed a further 1.5 percentage points. This points to stable demand for insurance, banking and administrative services, which are key components of Ladismith's growing urban economy. Together, these two sectors offset much of the decline experienced in the primary and secondary sectors.

A smaller positive contribution came from electricity, gas and water (0.2 of a percentage point), a development linked to ongoing municipal maintenance and upgrades in Kannaland.⁴⁷ Manufacturing, trade and construction each recorded mildly negative contributions. With agriculture and construction both contracting and the performance of the trade sector dependent on uncertain local spending conditions, the 2024 GDP expansion of 0.5 per cent was achievable only because Kannaland's service-related sectors, particularly personal services and finance, grew sufficiently to stabilise the overall economy.

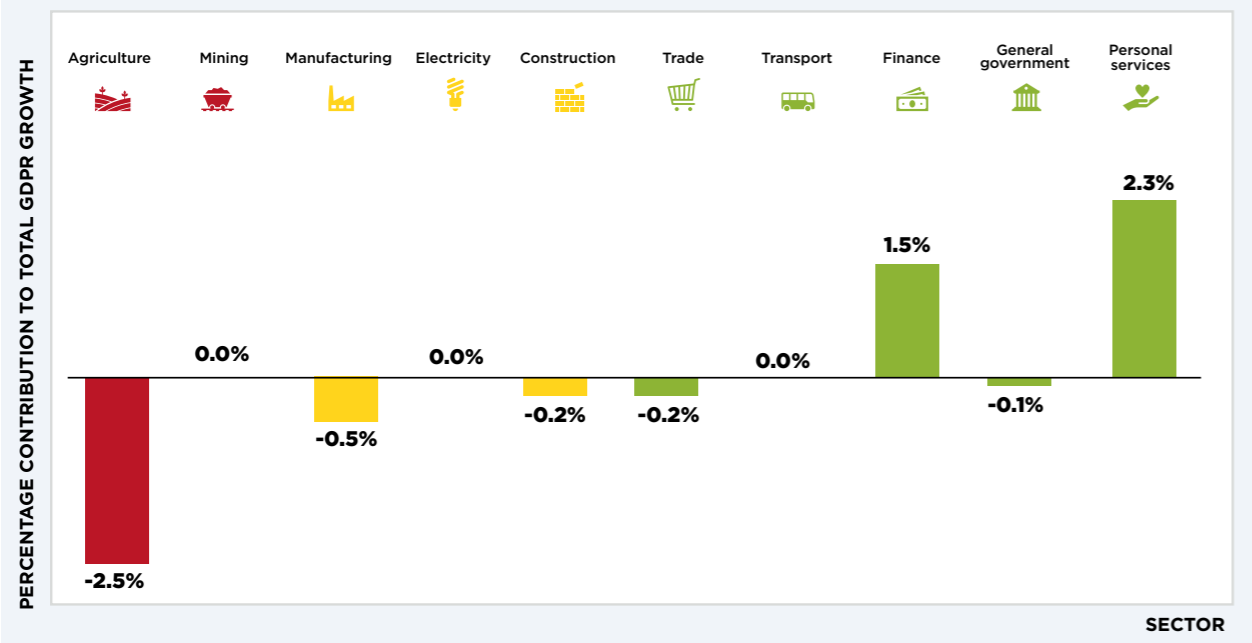
From 2023 to 2024, Kannaland recorded 428 formal job gains and 314 losses, resulting in a net increase of 114 jobs. Together, agriculture and agro-processing accounted for the majority of placements. The single largest gain was in beverage crop farming (114 jobs), linked to expanding wine grape production in Calitzdorp. There has been renewed investment in the vineyards in this area by smaller producers and niche wine estates, increasing demand for workers with the skills for pruning, trellising and harvesting.⁴⁸ Gains in mixed farming (34 jobs) and the cultivation of tree and bush fruits and nuts (31 jobs) align with the broader trend in the Little Karoo towards diversified farming systems. Producers in the region increasingly combine livestock, animal feed crops and fruit crops to manage climate and market risks. Growth in the employment provided by fruit and vegetable processing (35 jobs) shows the labour requirements of food-processing activities in Ladismith, which are supported by stable demand for dairy-adjacent value chains and locally supplied produce. A smaller employment increase in religious organisation activities (24 jobs) relates to community-based welfare and support programmes, which remain a key part of income security in smaller towns such as Vanwyksdorp.

⁴⁷ (Kannaland Municipality, 2024).

⁴⁸ (Kannaland Municipality, 2022).

Figure 3.4.6:

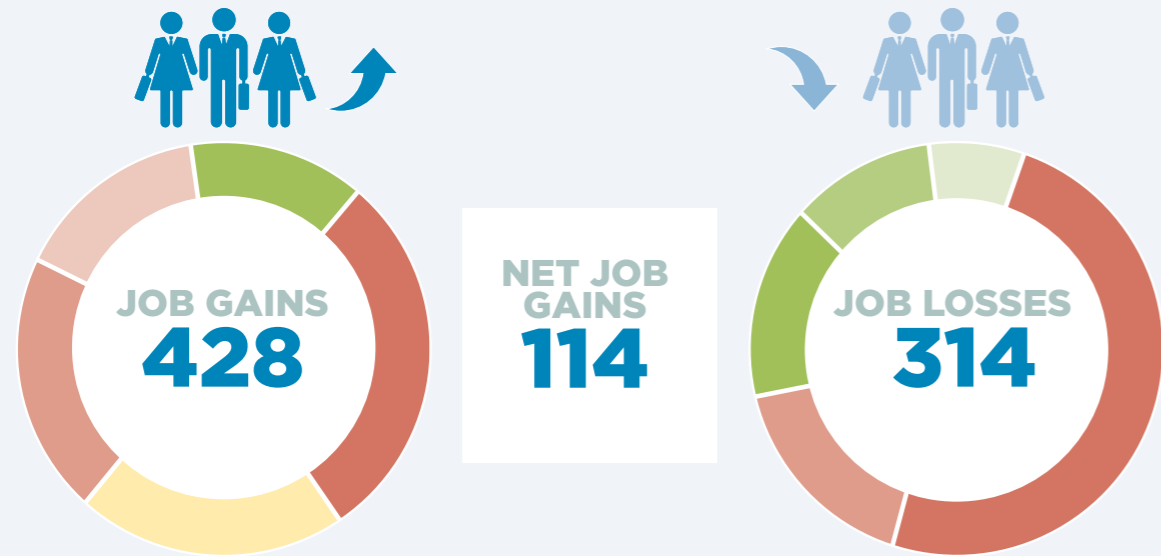
SECTORAL CONTRIBUTION TO GDP GROWTH (CONSTANT PRICES), Kannaland, 2024



Source: Quantec, 2025

Figure 3.4.7:

TOP 5 SECTORS FOR FORMAL JOB GAINS AND LOSSES, Kannaland 2023 - 2024



P	Growing of beverage crops	114	P	Growing of pome fruits and stone fruits	-72
S	Processing and preserving of fruit and vegetables	35	P	Growing of citrus fruits	-28
P	Mixed farming	34	T	General secondary education	-25
P	Growing of other tree and bush fruits and nuts	31	T	Regulation of social service provision	-22
T	Activities of religious organisations	24	T	Pre-primary and primary education	-20
O	Other	190	O	Other	-147

P PRIMARY SECTOR **S** SECONDARY SECTOR **T** TERTIARY SECTOR **O** OTHER

Source: Nell, A. & Visagie, J. Spatial Tax Panel 2014 - 2024 (dataset). Version 5.1. National Treasury - Cities Support Programme and Human Sciences Research Council (SEAD-SA) 2025

Job losses were concentrated in the fruit growing subsectors, which collectively accounted for the bulk of the decline in employment over the 2023 to 2024 period. The largest losses occurred in pome and stone fruit production (72 jobs) and citrus farming (28 jobs). These reductions were associated with severe weather-related damage to orchards, water shortages, rising input costs and disease pressures, which affected fruit yields across the Klein Karoo. As yields fell, seasonal hiring decreased, resulting in fewer pruning, picking and sorting positions. Losses in general secondary education (25 jobs), the regulation of social services (22 jobs) and pre-primary and primary education (20 jobs) reflect ongoing cost containment in the public sector.

The shifts detailed above show that Kannaland's employment outcomes in 2024 were shaped by two forces: agricultural diversification, which supported new jobs in vineyards, mixed farming and processing, and fruit sector stress, which reduced seasonal employment in pome, stone and citrus production. Public sector losses further limited job creation in a municipal area that already depends heavily on government and agricultural activity for formal employment.

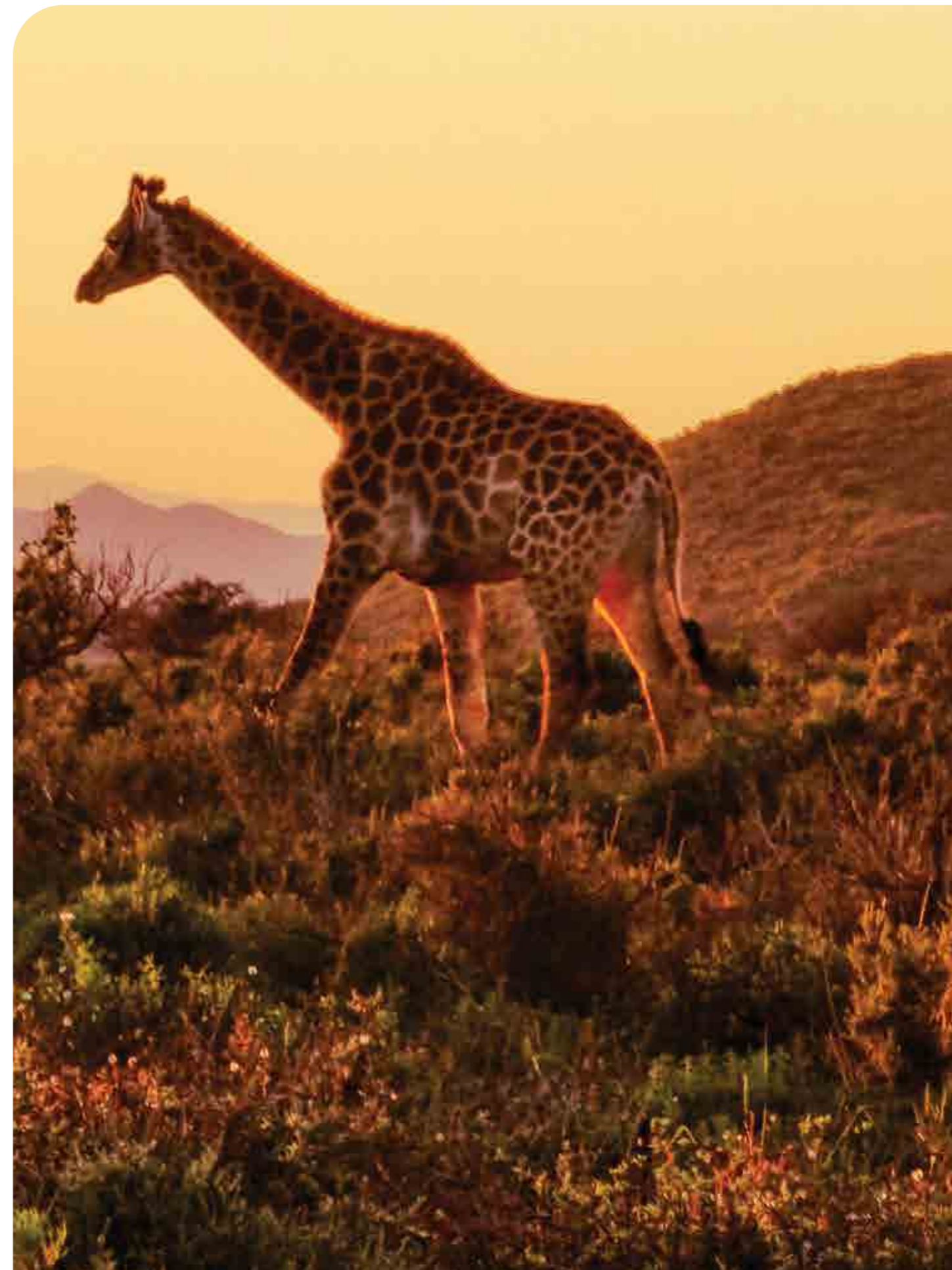
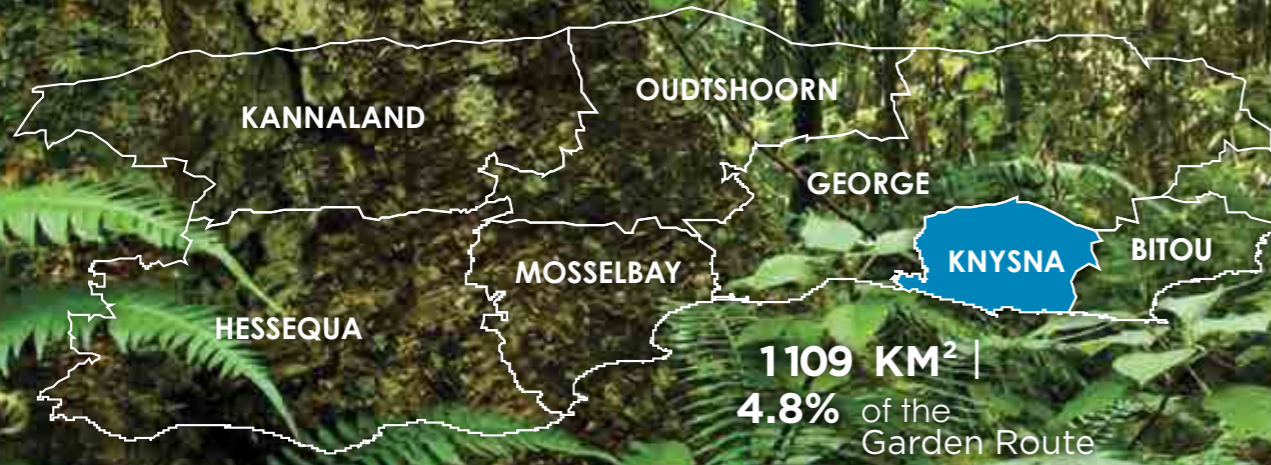


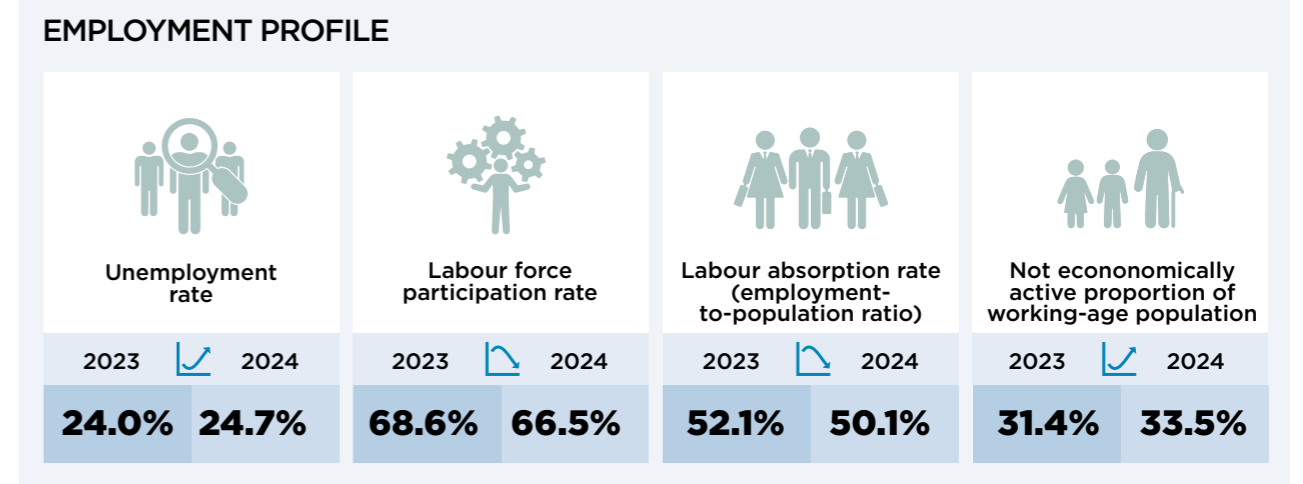
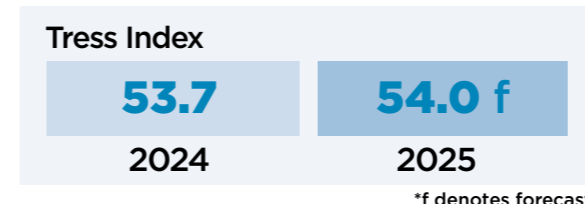
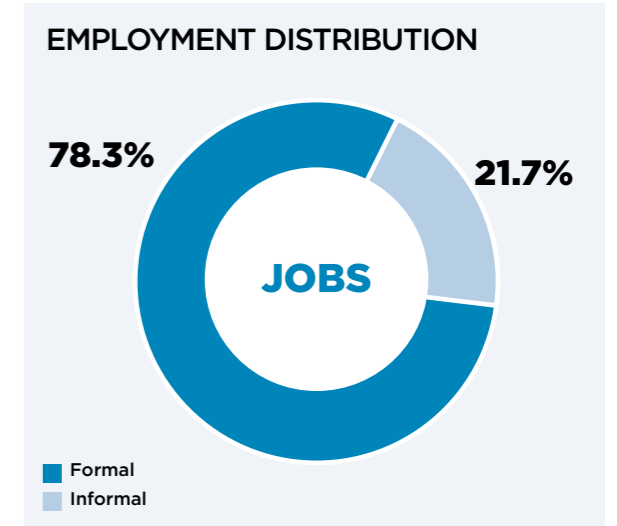
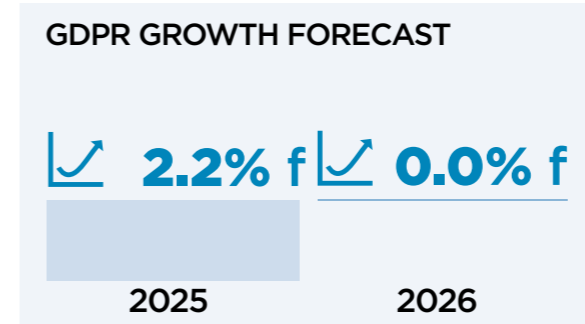
DIAGRAM 3.5.1: MUNICIPAL GDP (CURRENT PRICES) AND EMPLOYMENT, Knysna, 2024



3.5 KNYSNA MUNICIPAL AREA

The Knysna municipal area is renowned for its picturesque lagoon, coastal forests and dramatic oceanfront. The town of Knysna functions as the administrative and tourism hub of the area, with settlements such as Sedgefield, Brenton-on-Sea and Buffelsbaai broadening the region's character. Major attractions include the Knysna Heads, Featherbed Nature Reserve, indigenous forest trails and the annual Knysna Oyster Festival. Outdoor activities range from boating and hiking to cycling, whale watching and beach recreation. Sedgefield is noted for its artistic community and relaxed coastal lifestyle, while Brenton-on-Sea offers untouched beaches and cliffside trails. With its combination of natural landscapes, outdoor adventure and cultural events, Knysna remains a key destination of the Garden Route District (GRD). The economy is diverse, with tourism, forestry, agriculture and small-scale industry contributing to local livelihoods.

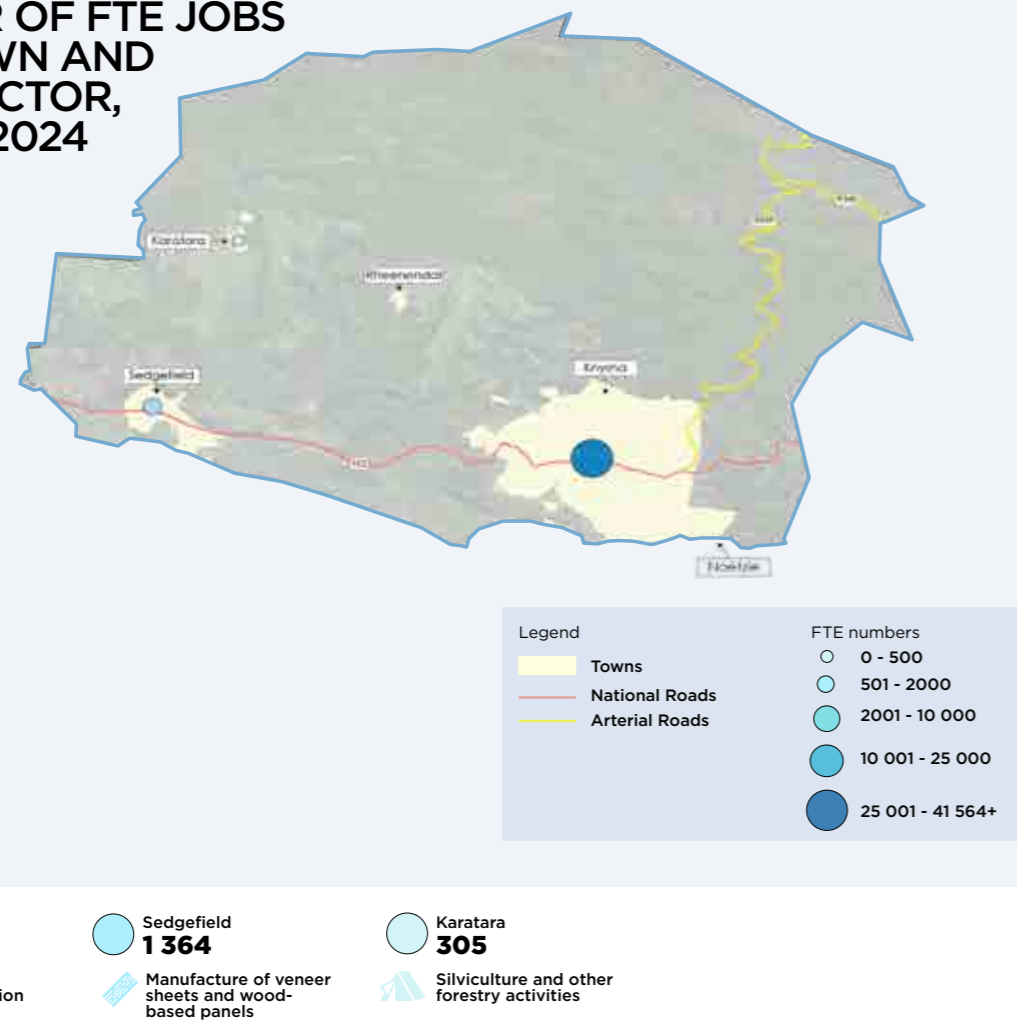
KNYSNA 2024 GDP AND EMPLOYMENT



Source: Quantec, 2025

MAP 3.5.1:

NUMBER OF FTE JOBS PER TOWN AND MAIN SECTOR, Knysna, 2024



Source: Nell, A. & Visagie, J. *Spatial Tax Panel 2014 – 2024 (dataset). Version 5.1. National Treasury – Cities Support Programme and Human Sciences Research Council (SEAD-SA) 2025*

The economy of the Knysna municipal area is shaped by strong tourism activity, a long-standing forestry base, and a concentration of administrative functions in the town of Knysna. Total gross domestic product per region (GDPR) for 2024 was calculated at R7.5 billion, with the municipal area contributing 10.6 per cent of the Garden Route District (GRD) output and 0.8 per cent of Provincial GDPR. This positions Knysna as one of the key economic centres within the GRD.

Employment in the Knysna municipal area declined by 1.4 per cent between 2023 and 2024, prompting the number of jobs to fall from 26 117 to 25 740. This signalled that the economic expansion recorded in 2024 (0.7 per cent) was not sufficient to sustain labour demand. Formal employment accounted for 78.3 per cent of all jobs in the area in 2024, while 21.7 per cent of employment was generated by the informal economy. Informal work, concentrated in township markets, typically takes the form of small-scale services, informal retail, construction-related trades, and home-based hospitality activities. These activities are most common around Knysna town, Hornlee, Rheenendal and settlements along the N2 corridor.⁴⁹

⁴⁹ (Knysna Municipality, 2025).

Labour market indicators suggest that there is growing economic pressure on working-age residents. Unemployment increased from 24.0 per cent in 2023 to 24.7 per cent in 2024, while the labour force participation rate declined from 68.6 per cent to 66.5 per cent. The labour absorption rate fell from 52.1 per cent to 50.1 per cent, showing that fewer people were able to secure employment; this was despite the municipal area having a relatively diverse economy. The expansion in the share of the population that is not economically active, which grew from 31.4 per cent in 2023 to 33.5 per cent in 2024, is partly associated with high living costs, limited transport connectivity across settlements, and inconsistent private sector hiring in tourism and construction.

Geographically, economic activity is concentrated in several settlements that have distinct functions. The town of Knysna serves as the administrative, commercial and hospitality centre, and is driven by government services, retail, financial services and accommodation. Sedgefield contributes through established wood-processing and manufacturing activities and is an important node for small-scale industry and home-based enterprises. Karatara retains its strong links to forestry and silviculture. In addition to these core centres, smaller settlements such as Rheenendal, Brenton-on-Sea, Buffelsbaai and Noetzie contribute to the economy through tourism accommodation, conservation-linked employment, lifestyle estate services and small-scale farming.

GDPR growth is projected to strengthen to 2.2 per cent in 2025 before easing in 2026 as a result of several factors. The Knysna Municipality anticipates a recovery in tourism as domestic travel normalises alongside renewed momentum in boatbuilding. The sector has demonstrated export potential.⁵⁰ Planned investments in water and electricity systems, combined with the adoption of alternative energy sources by households and firms, are expected to reduce operational disruptions and support business activity. These anticipated improvements align with expectations of gradually improving consumer confidence and stabilised visitor numbers.

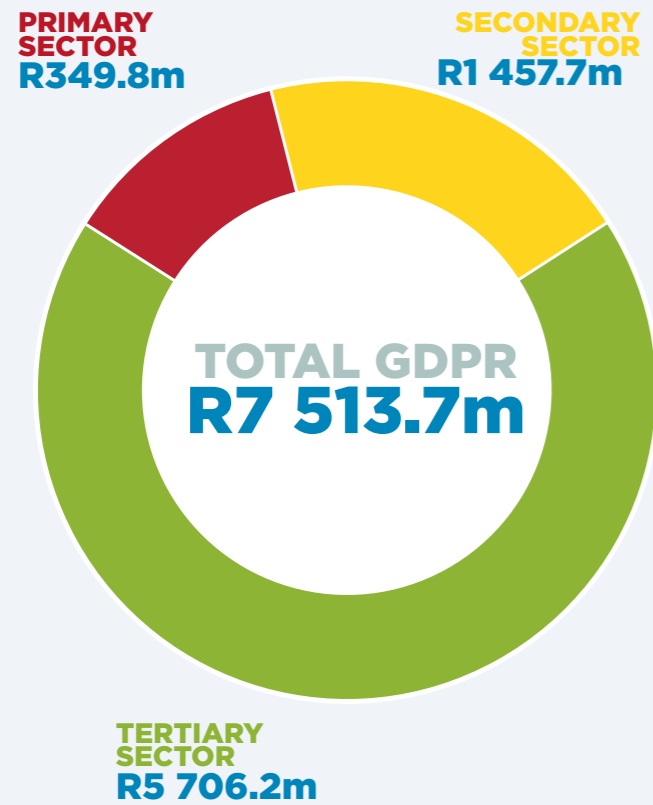
The Tress Index was measured at 53.7 in 2024 and is forecast to rise to 54.0 in 2025. This indicates increasing concentration of economic activity in a limited group of sectors dominated by tourism, retail, forestry-linked manufacturing and public services. Such concentration makes the economy sensitive to shifts in visitor spending and national economic conditions as well as to climate-related risks such as wildfires, despite Knysna having a broader service base than many rural municipal areas.⁵¹ The upward movement of the index, therefore, highlights the importance of broadening the economic base of the municipal area to reduce exposure to external shocks and strengthen long-term stability.

⁵⁰ (WESGRO, 2022).

⁵¹ (Knysna Municipality, 2025).

Figure 3.5.1:

GDPR DISTRIBUTION (CURRENT PRICES), Knysna, 2024



PRIMARY SECTOR	
SECTOR	2024
Agriculture	R343.0m
Mining	R6.8m
TOTAL	R349.8m

SECONDARY SECTOR	
SECTOR	2024
Manufacturing	R876.2m
Electricity	R187.7m
Construction	R393.8m
TOTAL	R1 457.7m

TERTIARY SECTOR	
SECTOR	2024
Trade	R1 301.7m
Transport	R554.5m
Finance	R2 381.1m
General government	R492.7m
Personal services	R976.2m
TOTAL	R5 706.2m

Source: Quantec, 2025

The Knysna municipal area generated R7.5 billion in GDP in 2024. Economic activity during this year was dominated by the tertiary sector, which generated R5.7 billion – 76.0 per cent of municipal output. This highlights the area’s strong orientation toward services, tourism, property-linked activity and public administration. Finance was the single largest industry (contributing R2.4 billion of municipal GDP), supported by an active property market, financial intermediation services and the operations of professional firms such as legal, accounting and estate management practices that cater to both permanent residents and part-time homeowners. A steady inflow of retirees and high-income households further strengthened demand for financial, property and estate-related services.

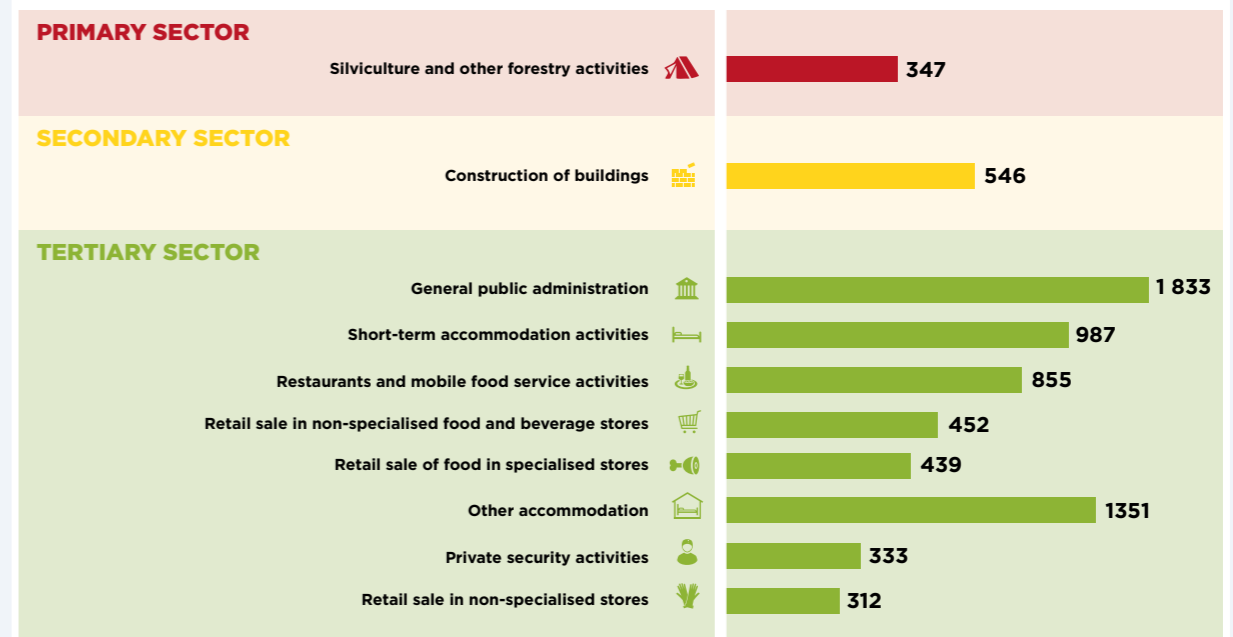
Retail activity, considered part of the trade sector (which contributed R1.3 billion to municipal GDP in 2024), is another major component of the service economy. The tourism cycle of the area, characterised by peak season inflows and recurring short stays by visitors, drives strong expenditure on food services, hospitality, household goods and recreational purchases, supporting a wide base of small and medium-sized retail enterprises. Personal services (R976.2 million) further strengthen the tertiary sector, indicating demand for health, education, recreation and care services alongside lifestyle activities typically associated with coastal towns that attract retirees and part-time residents.

The secondary sector accounted for 19.4 per cent of GDP in 2024, largely thanks to the performance of manufacturing (R876.2 million). This subsector remains closely tied to the forestry wood products value chain through the manufacture of wood panels, artisanal furniture, joinery products and components used in the boatbuilding industry. The contribution of construction (R393.8 million) was also notable, indicating ongoing residential development, estate projects, property upgrades and investment in tourism-related accommodation. These trends also point to continued private development around the towns of Knysna and Sedgefield, as well as along the coastline.⁵²

The primary sector generated R349.8 million, or 4.7 per cent of municipal GDP. Although accounting for relatively small shares of total output, forestry and silviculture remain strategically important, supporting rural settlements such as Karatara and supplying raw timber for wood-processing activities in the secondary sector. Forest management activities, such as planting, thinning, clearing firebreaks and controlled harvesting, play a key role in maintaining the natural environment, supporting local supply chains and ensuring stable employment among firms involved in wood product and related manufacturing.

Figure 3.5.2:

TOP 10 SECTORS BY NUMBER OF FTE JOBS Knysna, 2024



Source: Nell, A. & Visagie, J. Spatial Tax Panel 2014 – 2024 (dataset). Version 5.1. National Treasury – Cities Support Programme and Human Sciences Research Council (SEAD-SA) 2025

⁵² (Knysna Municipality, 2025)

The labour market of the Knysna municipal area in 2024 was strongly shaped by the presence of public institutions and a large tourism-hospitality economy. The town of Knysna functioned as the primary employment hub, with general public administration the single largest source of work. Employment in this cluster is sustained by municipal operations, Provincial departments, the South African Police Service (SAPS) and the education sector, providing a stable base of jobs in a region where private-sector hiring rises and falls with seasonal activity.

Tourism-related activities constituted the second major employment base in 2024 and were the main source of private sector jobs. The number of positions provided by short-term accommodation and restaurant services illustrates the scale of the local visitor economy, which expands sharply during peak seasons and major events. Retail activity linked to the sale of food and household goods also plays a substantial role in absorbing labour across the municipal area, with non-specialised and specialised food stores absorbing large numbers of entry-level and service workers. The presence of a wide range of accommodation types (including guesthouses, boutique lodges, backpackers' accommodation and other establishments) highlights the depth of Knysna's tourism market and its importance to year-round employment.

Alongside tourism and public services, Knysna maintains a long-standing economic base linked to its forestry heritage. Silviculture and other forestry activities provided 347 full-time equivalent (FTE) jobs in 2024. These positions were concentrated mainly around Karatara and supported by downstream wood-processing activities in Sedgefield. Forestry activities supply raw material for furniture manufacturing, wood panels and boatbuilding components. A significant number of jobs were also provided by private security activities (333 jobs), whose operations are driven by tourism, the security requirements of extensive residential estates and a spread-out settlement pattern that increases demand for protection services.

Youth employment patterns in the Knysna municipal area in 2024 followed the broader structure of the local economy, with young workers concentrated mainly in hospitality, food services, retail and public administration. General public administration was the single largest source of youth employment (349 FTE jobs), meaning that government services, municipal administration, Provincial offices, SAPS and education support provided more work for young people than any individual tourism-related sector. This is common in towns where administrative functions are centralised and serve as a source of entry-level clerical and support roles.

Hospitality-related industries collectively constituted the second-largest source of youth employment. Restaurants and mobile food services (306 jobs) and short-term accommodation (280 jobs) created a substantial number of work opportunities linked to Knysna's tourism cycle, where peak seasons and event periods generate short-term and entry-level hiring. These sectors typically feature flexible work hours, minimal barriers to entry and high staff turnover, serving as much-needed points of access into the labour market for young jobseekers.

Retail activity also featured prominently in youth employment. Non-specialised food and beverage stores (186 jobs) and specialised food retailers (132 jobs) absorb large numbers of young workers to fill posts such as those of cashiers, sales assistants, packers and merchandisers. These roles are traditionally accessible to young people because they require limited prior experience. In coastal and tourism-oriented towns, youth participation in the labour market is highest in retail and hospitality due to continuous hiring cycles, seasonal fluctuations and the prevalence of entry-level service work.⁵³

Forestry remains a meaningful youth employer, particularly in areas such as Karatara, where silviculture, planting, thinning and harvesting operations provide physically intensive but accessible work opportunities. Forestry-linked industries continue to offer semi-skilled jobs that are suitable for young workers, especially those with an aptitude for practical work and limited formal qualifications.⁵⁴

Figure 3.5.3:

TOP 5 SECTORS FOR YOUTH EMPLOYMENT Knysna, 2024



Source: Nell, A. & Visagie, J. Spatial Tax Panel 2014 – 2024 (dataset). Version 5.1. National Treasury – Cities Support Programme and Human Sciences Research Council (SEAD-SA) 2025

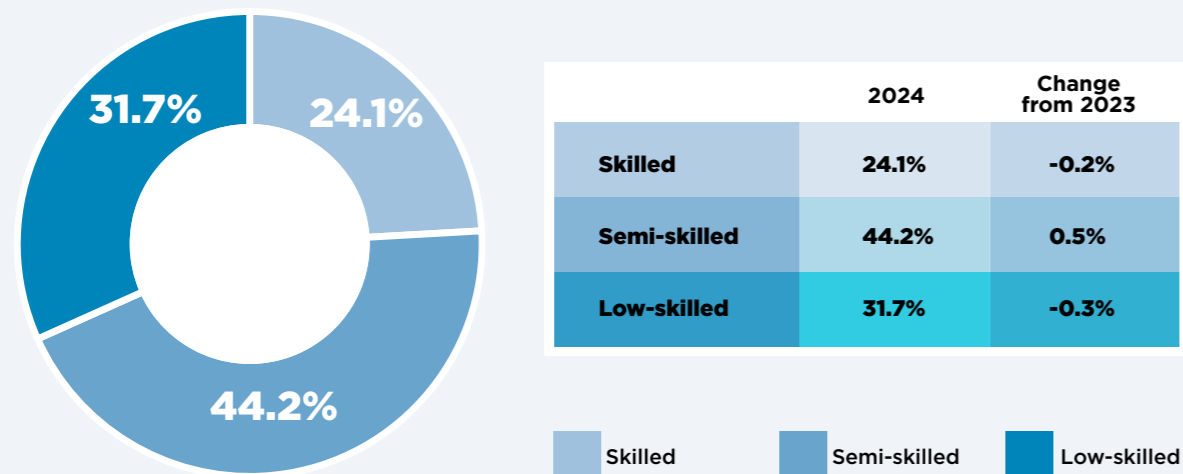


⁵³ (Department of Higher Education and Training, 2022).

⁵⁴ (WESGRO, 2022).

Figure 3.5.4:

SKILLS DISTRIBUTION Knysna, 2024



Source: Quantec, 2025

In keeping with the tourism, retail, construction and forestry profile of Knysna, the workforce of this municipal area is characterised by strong concentrations of both semi-skilled and low-skilled workers. In 2024, semi-skilled workers formed the largest share of total employment in the municipal area (44.2 per cent), followed by low-skilled workers (31.7 per cent). Skilled workers made up 24.1 per cent of total employment in 2024.

Changes in the skills profile between 2021 and 2024 were minimal: the share of semi-skilled roles increased slightly (by 0.5 of a percentage point), while the proportion of low-skilled work declined marginally (0.3 of a percentage point). The share of skilled work also decreased slightly (by 0.2 of a percentage point). Tourism-led economies with strong service and retail components tend to experience gradual transitions in skill levels because entry-level jobs remain widely available and the establishment of formal training pathways progresses slowly.⁵⁵

Minor changes were recorded concerning the breakdown of agricultural skills, with the percentage of skilled roles decreasing slightly (from 9.4 per cent to 9.2 per cent) and that of low-skilled work rising (by 0.4 of a percentage point). By contrast, manufacturing, particularly of wood products, experienced a small shift, with the share of skilled workers declining from 17.4 per cent to 17.6 per cent between 2021 and 2024. The proportion of semi-skilled roles in manufacturing remains stable at about 50.5 per cent. These developments reflect the operational structure of Knysna's woodworking and furniture production activities, which rely heavily on machine operators and technical support staff rather than on high-skilled workers.

⁵⁵ (Knysna Municipality, 2025).

Between 2021 and 2024, the construction sector recorded a slight increase in the share of semi-skilled employment (of 1.1 percentage points). This shift was driven by steady demand for artisans and building site operators linked to ongoing residential development and property upgrade activity. Over the same period, the proportion of skilled construction roles declined marginally (by 0.5 of a percentage point).

More noticeable shifts occurred within the tertiary sector. Finance, one of the largest industries of the Knysna municipal area, saw semi-skilled employment increase by 0.7 of a percentage point and low-skilled work decrease by 0.7 of a percentage point. This is indicative of steady demand for bank clerks, administrative officers and financial service assistants in Knysna's sizeable homeowner, retiree and tourism markets over the 2021 to 2024 period.

Personal services, another major source of employment, only recorded a 1.0 percentage point increase in the share of skilled roles, which expanded from 30.3 per cent to 31.3 per cent in 2024. This stemmed from rising demand for education, health, wellness and recreation services. Meanwhile, transport, storage and communication saw the proportion of semi-skilled roles climb significantly from 64.3 per cent to 66.2 per cent (an increase of 1.9 percentage points), thanks to growing logistics, courier and mobility needs in a geographically dispersed region. Overall, the skills profile of the Knysna municipal area shows gradual structural movement: small expansions in semi-skilled employment are occurring across construction, logistics and finance, while there is steady demand for skilled roles in personal services. That said, a large share of employment remains situated in low-skilled or relatively low-skilled hospitality and retail activities.

THE ECONOMIC ROLE AND GROWTH POTENTIAL OF THE TOWNSHIP ECONOMY

The township economy constitutes a vital yet under-recognised pillar of South Africa's economy. Township-based enterprises collectively contribute over R900.0 billion annually to the national gross domestic product, with the majority of activity occurring in informal and micro-enterprise segments that sustain household livelihoods and local circulation of income.

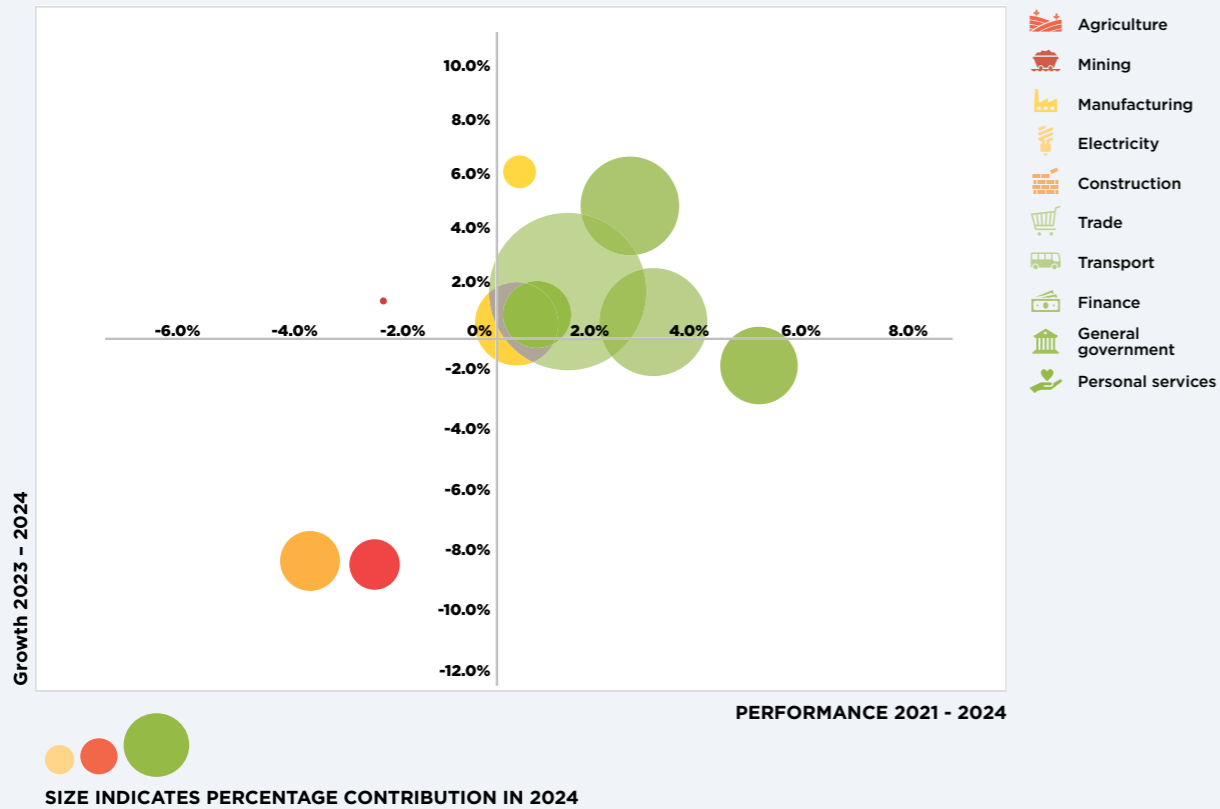
Within the Western Cape, there is a substantial number of entrepreneurs in township areas, who engage in retail, food services, logistics and personal care activities. However, limited access to infrastructure, finance and formal markets constrains growth potential, with approximately 80.0 per cent of businesses remaining unregistered.

Targeted local government interventions, including the upgrading of trading infrastructure, the simplification of regulatory and licensing processes, and the strengthening of digital and financial inclusion, are identified as key enablers for integrating township enterprises into wider municipal and regional value chains. Bolstering this segment of the economy can broaden Knysna's development base beyond agriculture and formal services, promote inclusive growth, and enhance the overall economic resilience of the municipal area.⁵⁶

⁵⁶ (Standard Bank, 2025).

Figure 3.5.5:

GDPR PERFORMANCE PER SECTOR (CONSTANT PRICES), Knysna, 2021 – 2024



SECTOR	PERFORMANCE 2021 - 2024	GROWTH 2023 - 2024	CONTRIBUTION TO GDP 2024
PRIMARY SECTOR			
AGRICULTURE	-2.3%	-8.0%	3.7%
MINING	-2.1%	1.3%	0.1%
SECONDARY SECTOR			
MANUFACTURING	0.4%	0.5%	9.9%
ELECTRICITY	0.4%	6.0%	1.6%
CONSTRUCTION	-3.4%	-7.9%	5.1%
TERTIARY SECTOR			
TRADE	2.9%	0.6%	16.4%
TRANSPORT	4.9%	-0.9%	8.3%
FINANCE	1.3%	1.7%	34.8%
GENERAL GOVERNMENT	0.8%	0.9%	6.4%
PERSONAL SERVICES	2.5%	4.7%	13.8%

Source: Quantec, 2025

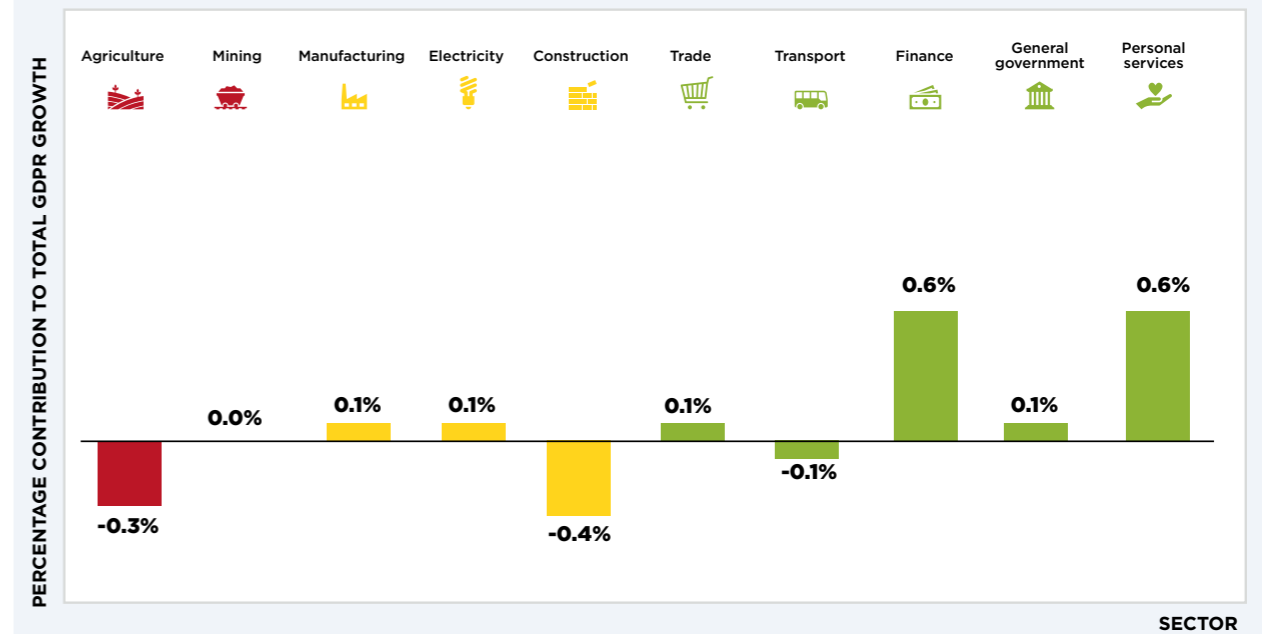
The sectoral performance of the Knysna municipal area between 2021 and 2024 points to a mix of expanding service activities along with weaker primary and construction-related industries. The strongest gains over this period were in the transport, storage and communication sector

(4.9 per cent), trade (2.9 per cent), personal services (2.5 per cent) and finance (1.3 per cent). These sectors are central to the tourism- and resident-driven economy of this region, where hospitality, retail, logistics, financial services and recreation continue to grow in tandem with the arrival of visitors, retirees and new residents. The electricity, gas and water sector grew by 6.0 per cent and personal services by 4.7 per cent, indicating improved performance by utilities and ongoing demand for health, education and community services over the 2023 to 2024 period.

By contrast, agriculture and construction came under pressure. The agriculture sector contracted by 2.3 per cent between 2021 and 2024, declining by 8.0 per cent between 2023 and 2024. Volatility in fruit production, weather-related shocks and rising input costs affected smaller agricultural regions such as Knysna more sharply than was the case for major agricultural hubs.⁵⁷ The construction sector also contracted, shrinking by 3.4 per cent over the 2021 to 2024 period and by 7.9 per cent between 2023 and 2024. This was a result of slower building activity, higher financing costs and a deceleration in private development following the post-COVID property surge. Manufacturing recorded only marginal growth (0.4 per cent), indicating that the forestry wood products value chain remained stable from 2021 to 2024 but showed limited expansion.

Figure 3.5.6:

SECTORAL CONTRIBUTION TO GDPR GROWTH (CONSTANT PRICES), Knysna, 2024



Source: Quantec, 2025

The Knysna municipal area achieved 0.7 per cent GDP growth in 2024, with most of this expansion driven by a small set of service-based industries. Finance and personal services were the two largest contributors to the increase, each adding 0.6 percentage points to overall growth. This outcome mirrors the structure of the Knysna economy, where financial activity is supported by real estate transactions, retirement in-migration and household financial services – while personal services are

⁵⁷ (Western Cape Department of Agriculture, 2024).

sustained by the demand for healthcare, education, recreation and community-oriented activities. Smaller contributions to output came from the manufacturing, electricity, gas and water, trade, and general government sectors (each accounting for 0.1 of a percentage point of growth). This indicates steady activity across core service and utility functions during 2024.

The largest downward pressures on growth in 2024 were exerted by the construction sector (which cut GDP by 0.4 of a percentage point) and agriculture (0.3 of a percentage point). This was consistent with the relatively weak performance of these sectors over the period of 2021 to 2024. Construction shrank due to increased borrowing costs, a slowdown in post-pandemic property development, reductions in building plan approvals and more cautious behaviour among private investors. Agriculture's negative contribution reflected weather-related disruptions, rising input costs and lower horticultural output across smaller production areas. The transport, storage and communication sector also contributed marginally to the decline (0.1 of a percentage point), indicating reduced logistics activity linked to lower agricultural throughput and uneven tourism-related movement during the year.

The Knysna municipal area recorded a net gain of 331 formal jobs between 2023 and 2024, driven by 1 388 job gains and 1 057 job losses. The largest increases in job gains were in restaurants and mobile food services (190 jobs), non-specialised retail (134 jobs) and general secondary education (121 jobs). These gains fit closely with the economic profile of the area as described above, and can be anticipated in a region where tourism, household consumption and public services play central roles. The surge in hospitality and retail hiring corresponds with the strong visitor inflows that typically occur during peak holiday periods and for major events, all of which boost demand for waitstaff, cashiers, kitchen workers and seasonal service staff. Growth in education-related employment points to continue in-migration to the town of Knysna, particularly by school-going families relocating from surrounding municipalities within the GRD.

New jobs in landscape care and maintenance (77 jobs) and electrical installation (53 jobs) show the Knysna municipal area's property-related services. A large proportion of dwellings in this area are second homes, tourism-related establishments or retirement properties, all of which require regular outdoor maintenance. There is also a growing demand for solar, backup energy and small-scale electrical installation work. The national load-shedding environment, combined with household investment in alternative energy sources, has stimulated opportunities for small contractors.⁵⁸

Job losses were concentrated in certain types of education services (82 jobs), temporary employment agencies (76 jobs) and the manufacture of certain wood products (58 jobs). The decline in the number of posts available at temporary employment agencies indicates a shift away from outsourced labour, possibly due to tighter operating budgets among hospitality and retail firms after several high-cost years. Losses in specialist education and post-school learning point to fiscal constraints affecting municipal and provincial institutions operating within the town of Knysna.⁵⁹ The fall in job totals within the wood manufacturing cluster relates to changing timber supply cycles, input cost pressures and intensifying competition from larger manufacturers in the GRD.

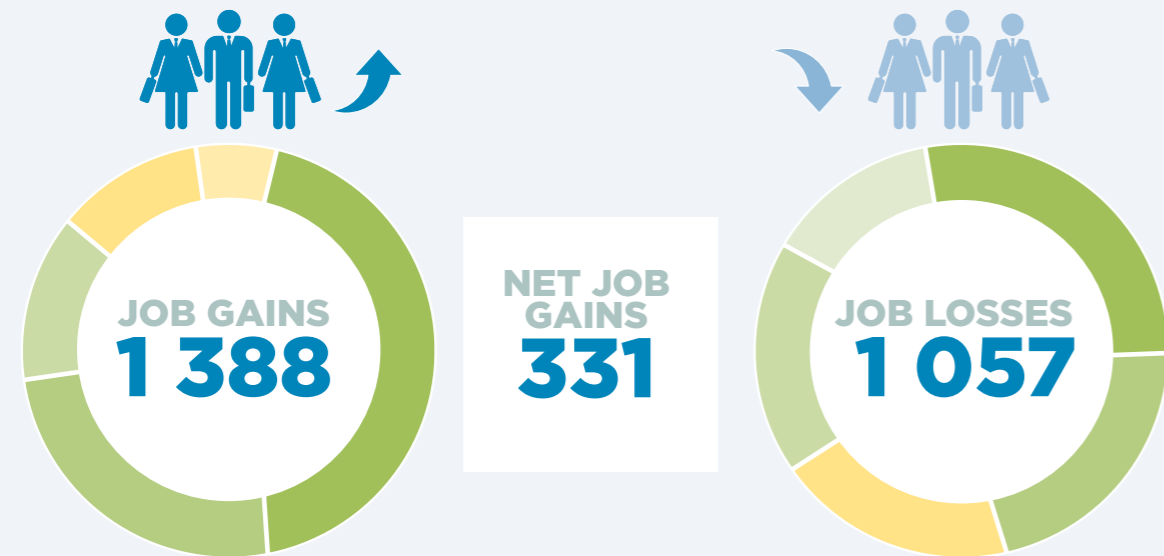


⁵⁸ (Department of Mineral Resources and Energy, 2023).

⁵⁹ (Knysna Municipality, 2024).

Figure 3.5.7:

TOP 5 SECTORS FOR FORMAL JOB GAINS AND LOSSES, Knysna 2023-2024

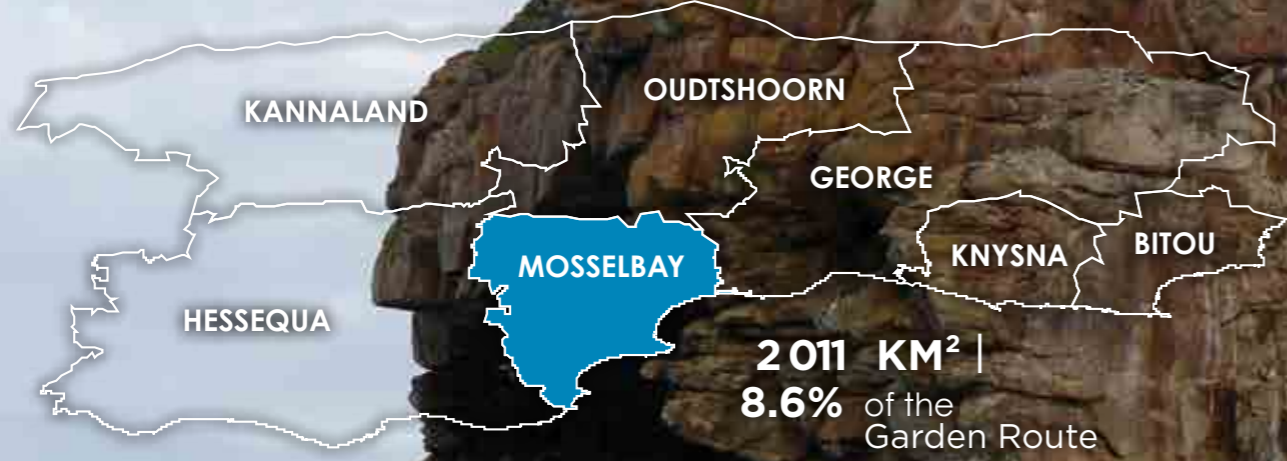


T	Restaurants and mobile food service activities	190	T	Other education	-82
T	Retail sale in non-specialised stores	134	T	Temporary employment agency activities	-76
T	General secondary education	121	S	Manufacture of other products of wood, cork and straw	-58
S	Landscape care and maintenance service activities	77	T	Higher education	-55
S	Electrical installation	53	T	Other personal service activities	-54
O	Other	813	O	Other	-732

P PRIMARY SECTOR **S** SECONDARY SECTOR **T** TERTIARY SECTOR **O** OTHER

Source: Nell, A. & Visagie, J. Spatial Tax Panel 2014 – 2024 (dataset). Version 5.1. National Treasury – Cities Support Programme and Human Sciences Research Council (SEAD-SA) 2025

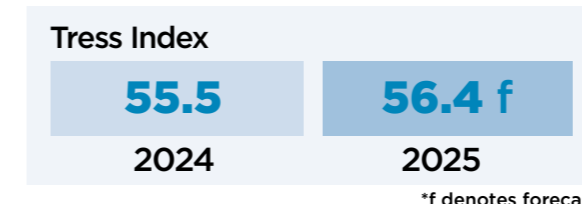
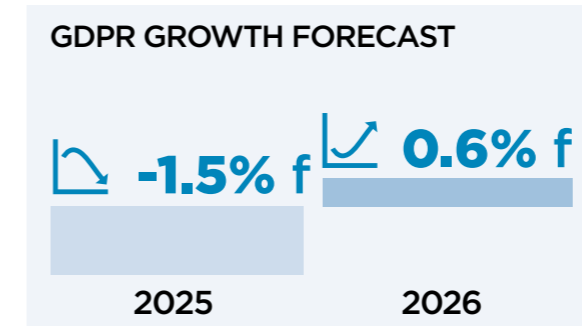
DIAGRAM 3.6.1: MUNICIPAL GDP (CURRENT PRICES) AND EMPLOYMENT, Mossel Bay, 2024



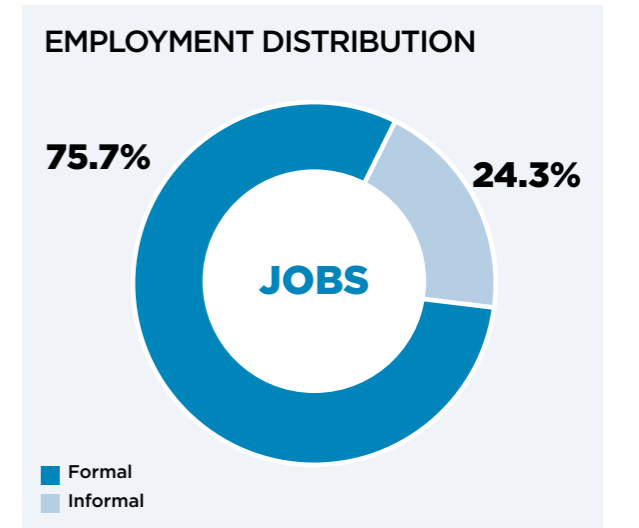
3.6 MOSSEL BAY MUNICIPAL AREA

The Mossel Bay municipal area, located in the Garden Route District (GRD) and strategically along the N2 between George and the Eastern Cape, serves as a major stopover and holiday destination on the Garden Route. The town of Mossel Bay is the administrative and economic centre, with Groot-Brakrivier and Hartenbos adding both residential and recreational character. The area is known for its sandy beaches, historic attractions such as the Bartolomeu Dias Museum Complex and Pinnacle Point Caves, and adventure activities. The latter includes shark cage diving, whale watching and coastal hiking. Hartenbos is especially popular for family-friendly resorts and water recreation, while Groot-Brakrivier provides peaceful natural settings for fishing and birdwatching. With its mix of heritage, outdoor adventure and coastal scenery, Mossel Bay attracts both local and international visitors. The economy is underpinned by tourism, fishing, agriculture and petroleum-related industries.

MOSSEL BAY 2024 GDP AND EMPLOYMENT



*f denotes forecast

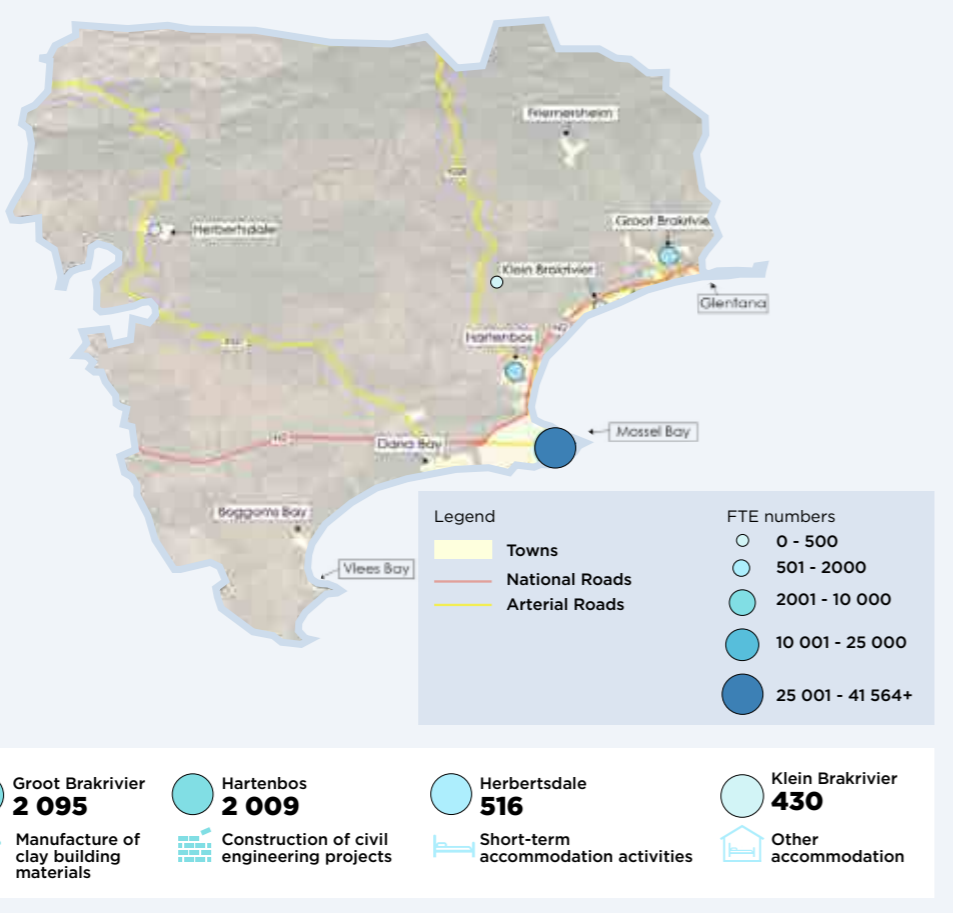


EMPLOYMENT PROFILE			
Unemployment rate	Labour force participation rate	Labour absorption rate (employment-to-population ratio)	Not economically active proportion of working-age population
2023 19.8%	2023 70.4%	2023 56.5%	2023 29.6%
2024 19.9%	2024 69.2%	2024 55.4%	2024 30.8%

Source: Quantec, 2025

MAP 3.6.1:

NUMBER OF FTE JOBS PER TOWN AND MAIN SECTOR, Mossel Bay, 2024



Source: Nell, A. & Visagie, J. Spatial Tax Panel 2014 – 2024 (dataset). Version 5.1. National Treasury – Cities Support Programme and Human Sciences Research Council (SEAD-SA) 2025

The Mossel Bay municipal area's 2024 profile shows a coastal economy with a wide mix of activities, ranging from services and manufacturing to construction and natural resource industries. The municipal area generated R12.4 billion in gross domestic product per region (GDPR) in 2024, representing a growth of 1.8 per cent from 2024. Short-term forecasts, however, point to a contraction of 1.5 per cent in 2025, followed by a slight increase of 0.6 per cent in 2026. The expected downturn in 2025 shows that households are under sustained pressure from high interest rates, elevated debt service costs and weak real income growth.⁶⁰ These pressures reduce household consumption, which forms a large component of the service-driven economy of this municipal area. In addition, private construction activity across the Province continues to be restricted by high borrowing costs, rising building input prices and constrained investor sentiment – pressures that directly affect construction hubs such as Hartenbos and Groot-Brakrivier.⁶¹

The improvement forecasted for 2026 anticipates gradual interest rate reductions, a mild recovery in household spending and a return of business confidence.⁶² Recovery in tourism-related activities is also expected due to stabilising global travel conditions, together with steady performance in finance and business services. Both of these constitute key components of Mossel Bay's tertiary base.

⁶⁰ (National Treasury, 2024).

⁶¹ (Government Technical Advisory Centre, 2025).

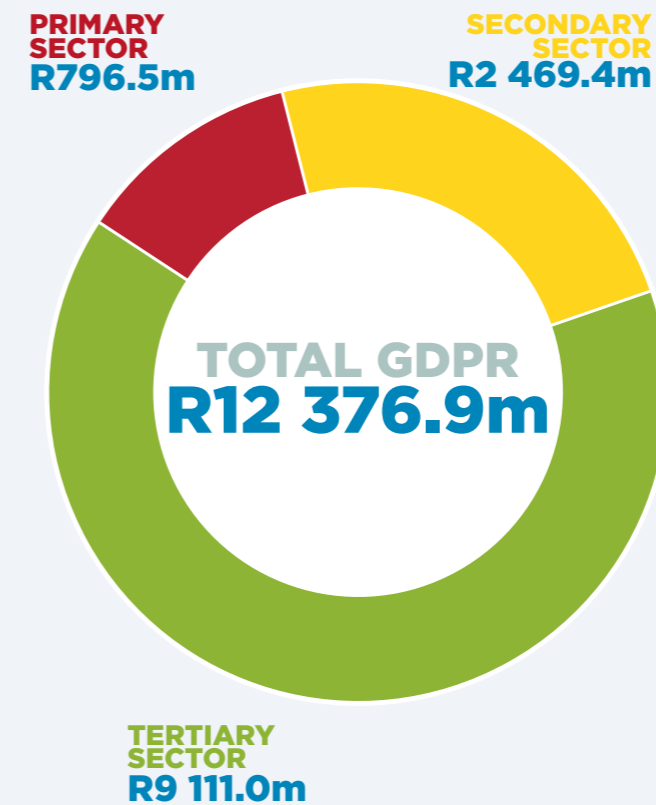
⁶² (National Treasury, 2025).

The GDPR indicates that the Mossel Bay municipal area operates as a multi-sector economy rather than a purely holiday-driven destination. Activities such as finance, retail, accommodation, hospitality and public services sit alongside manufacturing operations and natural resource extraction. This combination enables the region to function as a centre for administration, commercial activity, tourism and processing-related activities.

Employment distribution across the municipal area provides an additional perspective on how these economic activities are spread geographically. The town of Mossel Bay has the largest employment base, with general public administration playing a central role in providing stable incomes and supporting local demand. Groot-Brakrivier shows a strong building materials manufacturing presence linked to regional construction trends. Hartenbos is largely driven by civil engineering construction, which contributes to the broader infrastructure environment of the municipal area. Collectively, these towns form the foundation of the construction-industrial system within the region. Herbertsdale, although much smaller, relies heavily on accommodation for visitors, while Klein-Brakrivier is characterised by coastal lodges and tourist-driven hospitality. These settlements support year-round and seasonal tourism activity.

Figure 3.6.1:

GDPR DISTRIBUTION (CURRENT PRICES), Mossel Bay, 2024



PRIMARY SECTOR	
SECTOR	2024
Agriculture	R673.4m
Mining	R123.1m
TOTAL	R796.5m

SECONDARY SECTOR	
SECTOR	2024
Manufacturing	R1 869.2m
Electricity	R263.2m
Construction	R337.0m
TOTAL	R2 469.4m

TERTIARY SECTOR	
SECTOR	2024
Trade	R1 786.2m
Transport	R1 100.1m
Finance	R4220.2m
General government	R573.0m
Personal services	R1 431.5m
TOTAL	R9 111.0m

Source: Quantec, 2025

The Tress Index, calculated at 55.5 in 2024, was expected to rise to 56.4 in 2025, indicating a shift towards greater economic concentration. In the case of the Mossel Bay municipal area, this is linked mainly to the finance, construction, tourism and natural gas sectors, which contribute significantly to value added but remain sensitive to fluctuations in national and global economic conditions. Coastal regions with strong tourism and natural resource dependencies often display higher concentration levels, increasing vulnerability to external shocks such as interest rate changes, global travel disruptions and commodity market volatility.

The primary sector contributed 6.4 per cent of total GDP in 2024 and is dominated by agriculture (R673.4 million) and mining (R123.1 million). Agriculture draws from livestock, cropping and horticultural activity in the rural hinterland, while the mining category is primarily linked to natural gas operations. The latter remains an important source of output within the GRD.

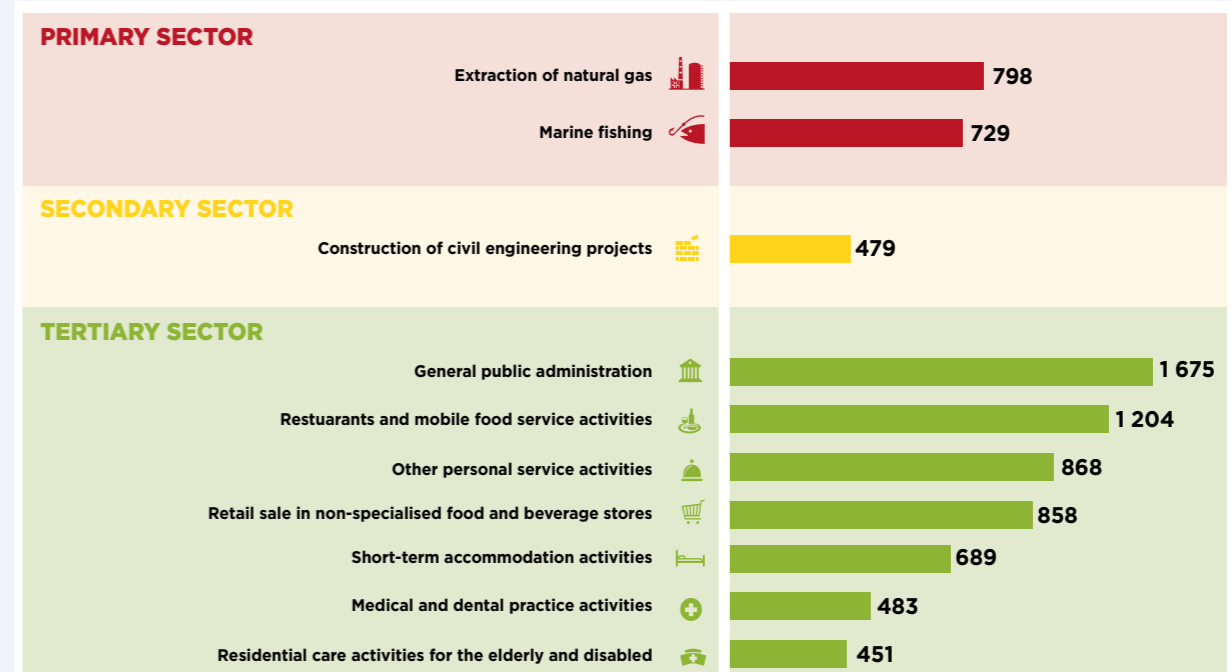
The secondary sector accounted for 20.0 per cent of total GDP in 2024. Manufacturing (R1.9 billion), the largest component, includes food processing, clay building materials and gas-linked processing industries. These activities supply both local and regional markets, forming part of the production base that supports construction and trade across the municipal area. The contribution of electricity, gas and water (R263.2 million) highlights the role of the utility infrastructure required for both households and industrial users, while construction output (R337.0 million) points to continued activity in housing, tourism facilities, road upgrades and civil engineering projects. These trends are consistent with the employment profile observed in Groot-Brakrivier and Hartenbos.

The tertiary sector was the largest contributor to the municipal economy in 2024, at 73.6 per cent of GDP. Finance (R4.22 billion), the leading subsector, is driven by financial intermediation, insurance, property finance and business services. This is supported by an active property market and a growing middle-income population within the municipal area.

The GDP contribution of the trade sector (R1.8 billion) shows the extent to which the municipal area serves as a retail centre catering for residents and a substantial visitor base. Personal services (R1.43 billion) and general government (R573.0 million) point to strong demand for education, health services, care-related activity, recreation and administration, which corresponds with the needs of a maturing and increasingly urban population. The transport, storage and communication sector (R1.1 billion) highlights Mossel Bay's position as a local distribution and mobility hub, with road freight, limited harbour functions and service activities linked to natural gas and fisheries.

Figure 3.6.2:

TOP 10 SECTORS BY NUMBER OF FTE JOBS Mossel Bay, 2024



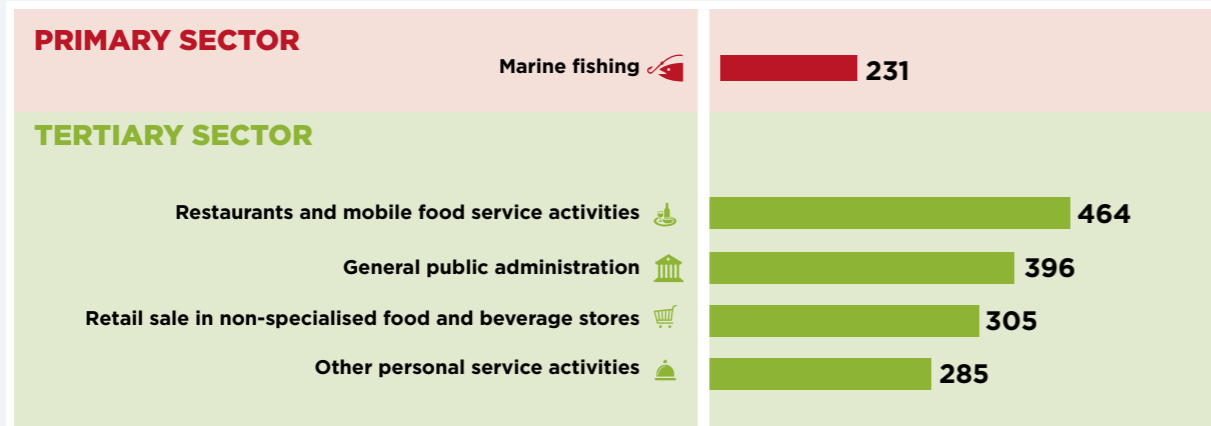
Source: Nell, A. & Visagie, J. *Spatial Tax Panel 2014 – 2024 (dataset)*. Version 5.1. National Treasury – Cities Support Programme and Human Sciences Research Council (SEAD-SA) 2025

The top 10 sectors by full-time equivalent (FTE) employment in 2024 show how residents engage with the local economy and where the main sources of work lie. General public administration, with 1 675 FTE jobs, was the largest source of employment in 2024, highlighting the central role of government in providing stable employment across a range of occupational levels. Tourism and hospitality also contributed substantially: restaurants and mobile food services provided 1 204 jobs, and short-term accommodation added another 689 jobs. This demonstrates the scale of labour absorption across coastal settlements such as the town of Mossel Bay, Hartenbos and Herbertsdale. The 858 jobs generated by retail sales in non-specialised food and beverage stores further demonstrate the importance of everyday consumption activity in sustaining work opportunities.

Alongside these service activities, significant employment is generated by the natural resource and industrial base of the Mossel Bay municipal area. Extraction of natural gas accounted for 798 jobs in 2024, while marine fishing contributed 729 jobs. Both sectors are linked to processing, distribution and specialised operational functions. These activities require higher skill levels and greater capital intensity than typical tourism-related jobs. The presence in the list of employment providers of medical and dental practices (483 jobs) and residential care for the elderly and disabled (451 jobs) points to expanding demand for health and care services, driven in part by the needs of an ageing population and the in-migration of retirees. Construction of civil engineering projects, with 479 jobs, completes the top 10 through its support of ongoing road upgrades, bulk services provision and civil works projects. These initiatives underpin both household needs and industrial activity.

Figure 3.6.3:

TOP 5 SECTORS FOR YOUTH EMPLOYMENT Mossel Bay, 2024



Source: Nell, A. & Visagie, J. Spatial Tax Panel 2014 – 2024 (dataset). Version 5.1. National Treasury – Cities Support Programme and Human Sciences Research Council (SEAD-SA) 2025

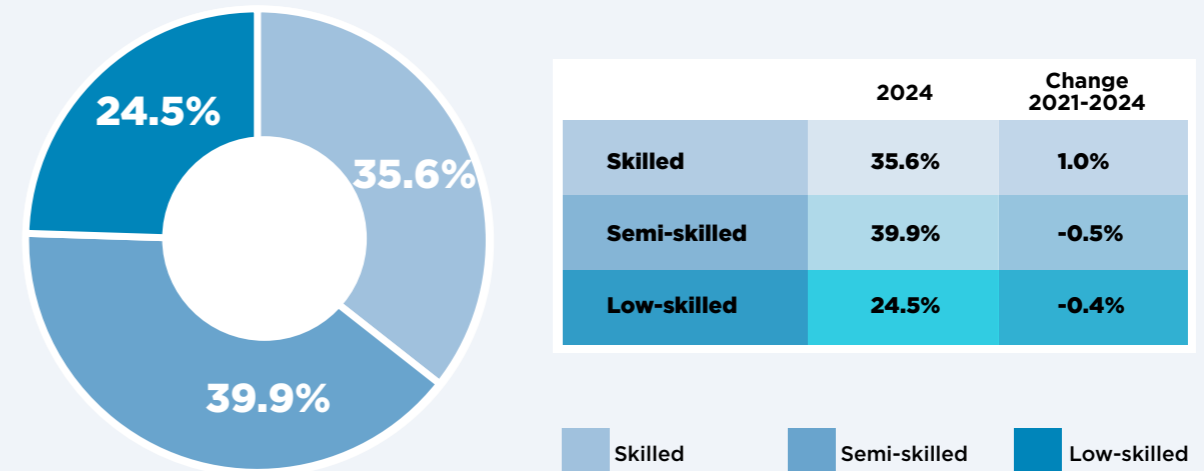
Youth participation forms an important part of the Mossel Bay municipal area’s labour market, supporting both household income and the region’s broader economic performance. This is due to the large share of young entrants in service-based activities, the role they play in sustaining labour supply during periods of high tourism demand, and their contribution to the future skills base of the area. Younger workers within this region are concentrated in restaurants and mobile food services, which provided 1 204 jobs in 2024 and form one of the major entry points into the labour market. Retail activity was also a key source of employment for a large youth cohort through non-specialised food and beverage stores (858 jobs), while short-term accommodation remains another source of employment for younger workers. These activities are accessible to new entrants because they require limited formal qualifications and provide immediate employment opportunities during peak tourism periods.

This concentration places young workers in positions that are sensitive to seasonal demand fluctuations and shifts in household spending. Opportunities in specialised activities such as natural gas operations and marine-linked functions exist, but remain generally out of reach for younger entrants due to technical requirements and the need for prior experience.⁶³ As a result, a large group of young people work in low-wage service activities, while a much smaller group benefits from stable, skilled roles within the industrial and resource-based economy.

⁶³ (Mossel Bay Municipality, 2025).

Figure 3.6.4:

SKILLS DISTRIBUTION Mossel Bay, 2024



Source: Quantec, 2025

The skills distribution in 2024 showed the structure of the Mossel Bay municipal area labour force and the types of work that dominate the local economy. Skilled workers accounted for 35.6 per cent of total employment, semi-skilled workers for 39.9 per cent, and low-skilled workers for 24.5 per cent. Informal employment contributed a further 24.3 per cent of all jobs, indicating that almost a quarter of work in the region takes place outside formal wage employment. This is especially the case for services, small-scale trade and seasonal activities.

Across the economy, semi-skilled workers occupy many positions in food services, retail operations, administrative support, marine fishing crews, civil engineering projects and routine manufacturing roles. Low-skilled workers are concentrated in basic service functions, entry-level hospitality, manual construction tasks and elementary processing. Skilled workers are mainly found in finance, medical and dental practices, public administration, engineering, natural gas operations and higher-level logistics.

Between 2021 and 2024, the share of skilled workers increased in several key sectors. Finance recorded a rise of 2.2 percentage points, personal services 2.1 percentage points, general government 1.4 percentage points, and electricity, gas and water 1.1 percentage points. This growth in skilled occupations was brought about by the expansion of financial and business services, growth in health and care-related activities, and the technical requirements of gas and utility infrastructure in the municipal area over that period. At the same time, semi-skilled employment declined in construction (1.5 percentage points), finance (1.4 percentage points) and trade (0.8 of a percentage point). This is consistent with evidence of constrained construction activity, changing business models in retail, and a gradual shift towards professionalised roles in finance.⁶⁴

⁶⁴ (Western Cape Government, 2024).

Low-skilled employment has moved in different directions across sectors. Trade and manufacturing showed increases of 1.4 per cent and 0.8 of a percentage point respectively in low-skilled positions, indicating continued reliance on entry-level workers in supermarkets, general retail and production lines. Personal services, by contrast, showed a decline of 2.1 per cent regarding low-skilled roles. This was in line with growing demand for better-qualified staff in health and care services, as highlighted in municipal development strategies.

THE ECONOMIC ROLE AND GROWTH POTENTIAL OF THE TOWNSHIP ECONOMY

The township economy constitutes a vital yet under-recognised pillar of South Africa’s economy. Township-based enterprises collectively contribute over R900.0 billion annually to the national gross domestic product, with the majority of activity occurring in informal and micro-enterprise segments that sustain household livelihoods and local circulation of income.

Within the Western Cape, there is a substantial number of entrepreneurs in township areas, who engage in retail, food services, logistics and personal care activities. However, limited access to infrastructure, finance and formal markets constrains growth potential, with approximately 80.0 per cent of businesses remaining unregistered.

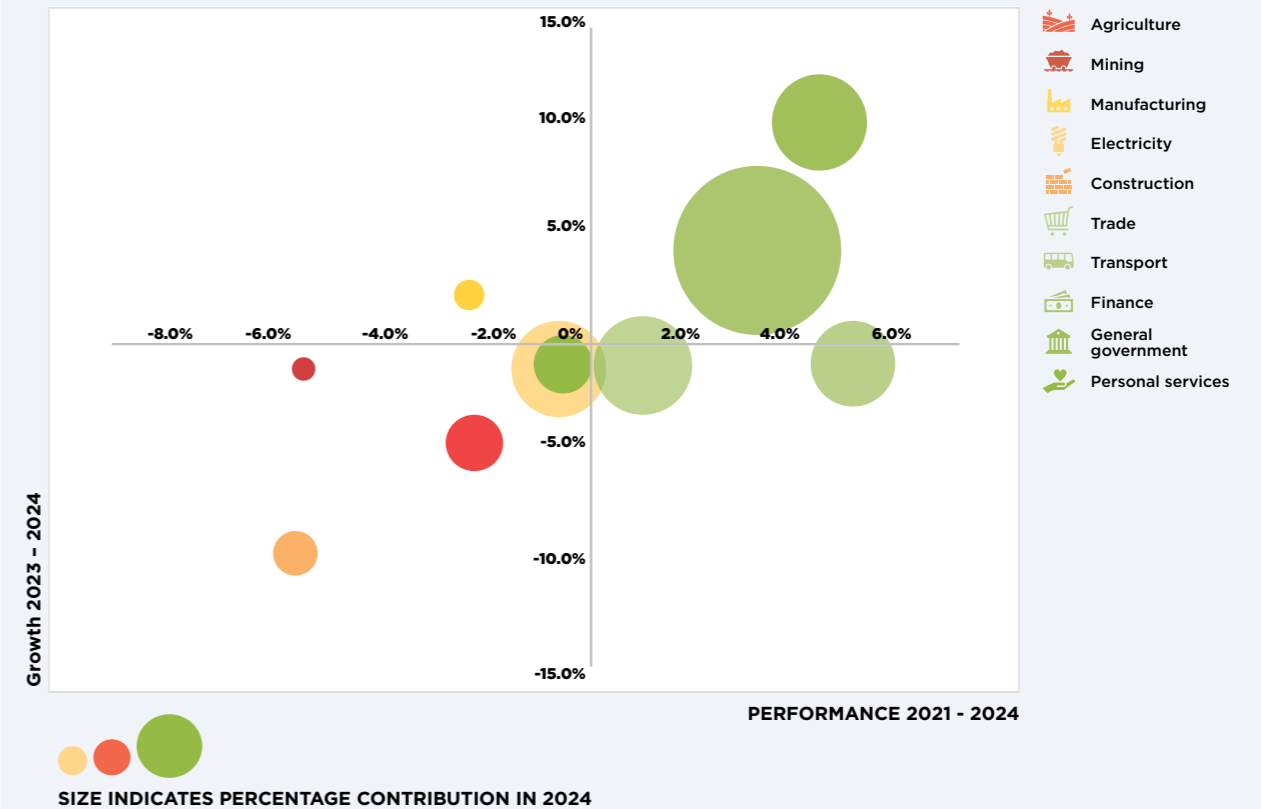
Targeted local government interventions, including the upgrading of trading infrastructure, the simplification of regulatory and licensing processes, and the strengthening of digital and financial inclusion, are identified as key enablers for integrating township enterprises into wider municipal and regional value chains. Bolstering this segment of the economy can broaden Mossel Bay’s development base beyond agriculture and formal services, promote inclusive growth, and enhance the overall economic resilience of the municipal area.⁶⁵



⁶⁵ (Standard Bank, 2025).

Figure 3.6.5:

GDPR PERFORMANCE PER SECTOR (CONSTANT PRICES), Mossel Bay, 2021 - 2024



Source: Quantec, 2025

SECTOR	PERFORMANCE 2021 - 2024	GROWTH 2023 - 2024	CONTRIBUTION TO GDP 2024
PRIMARY SECTOR			
AGRICULTURE	-1.9%	-4.5%	4.4%
MINING	-4.7%	-1.1%	0.7%
SECONDARY SECTOR			
MANUFACTURING	-0.5%	-1.1%	12.4%
ELECTRICITY	-2.0%	2.2%	1.3%
CONSTRUCTION	-4.9%	-9.5%	2.7%
TERTIARY SECTOR			
TRADE	0.8%	-1.0%	13.1%
TRANSPORT	4.3%	-0.9%	9.9%
FINANCE	2.7%	4.2%	38.4%
GENERAL GOVERNMENT	-0.5%	-0.9%	4.6%
PERSONAL SERVICES	3.7%	10.0%	12.4%

The level of GDP generated between 2021 and 2024 showed that the economy of the Mossel Bay municipal area performed unevenly across sectors, contracting in some spheres and growing in others. The most notable declines over the three-year period occurred in mining (4.7 per cent), construction (4.9 per cent), agriculture (1.9 per cent) and electricity, gas and water (2.0 per cent). These outcomes aligned with wider Provincial and national trends where agriculture faced climate-related pressures, construction was affected by weak investment conditions and higher borrowing costs, and electricity and water services operated under cost and infrastructure constraints.

By contrast, transport, storage and communication (4.3 per cent), personal services (3.7 per cent) and finance (2.7 per cent) recorded the strongest gains over the period of 2021 to 2024. Growth in transport services was supported by the municipal area's position within the GRD's logistics corridor, while personal services expanded alongside rising demand for health, care and household-related services. Finance continued to grow on the back of an active property market and a growing service economy.

Personal services again recorded the highest annual growth of what and when? (10.0 per cent), followed by finance (4.2 per cent) and electricity, gas and water (2.2 per cent). Trade, manufacturing and general government registered marginal contractions over the year, while mining and construction experienced the largest annual declines at 1.1 per cent and 9.5 per cent, respectively.

In terms of contributions to GDP in 2024, finance (38.4 per cent), manufacturing (12.4 per cent) and trade (13.1 per cent) remained the largest contributors to the municipal economy. Collectively, these sectors form the core of Mossel Bay's output base and account for much of the overall performance of the region. By comparison, mining contributed less than 1.0 per cent and agriculture accounted for just over 4.0 per cent in 2024, consistent with the smaller scale of these activities within the local economy.

While finance, manufacturing and trade form the largest parts of the economy within the Mossel Bay municipal area, it was the finance and personal services sectors that drove most local growth in 2024.

Finance contributed 1.6 percentage points to the total growth rate of 1.8 per cent, making it the primary driver of the year's outcome. As previously noted, this result aligned with the broader expansion of financial and business services in the municipal area, supported by mortgage activity, property transactions, insurance services and the growing service economy. Personal services added a further 1.2 percentage points, pointing to increased demand for health, care and household-related services as well as to the strong performance of tourism-related activities during 2024.

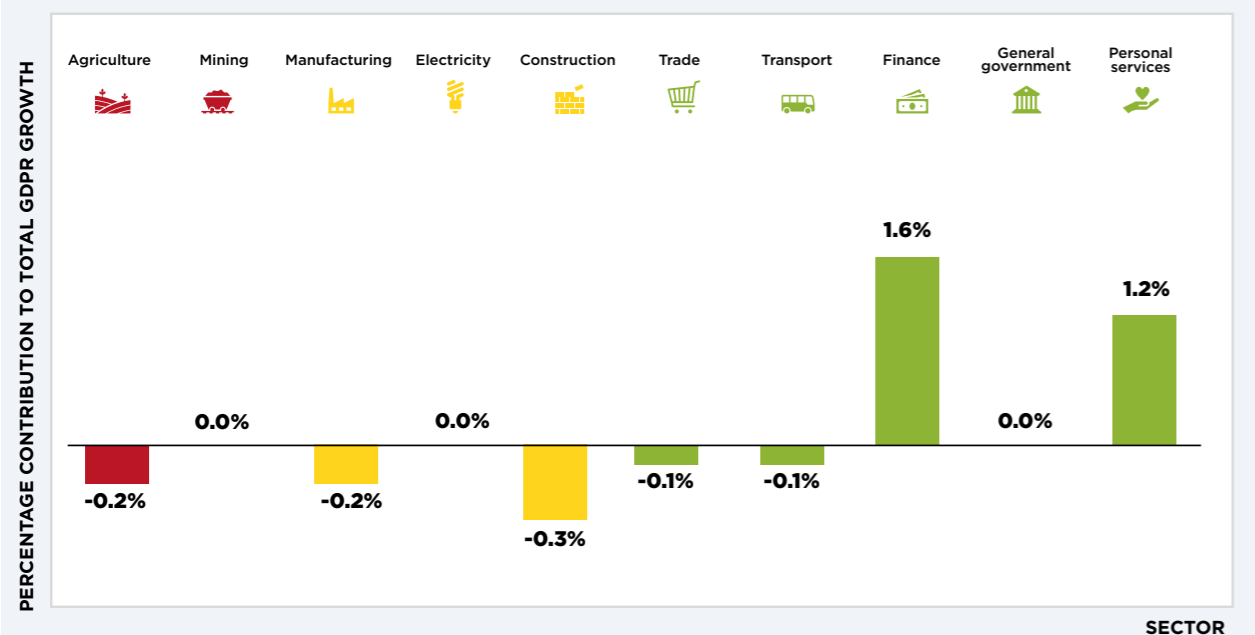
Most other sectors made neutral or negative contributions. Agriculture (0.2 per cent), manufacturing (0.2 per cent), trade (0.1 per cent), transport, storage and communication (0.1 per cent) and construction (0.3 per cent) all reduced overall growth in 2024. This was consistent with external pressures such as climate-related constraints in agriculture, weak investment conditions affecting construction activity, slower retail spending due to high interest rates, and cost pressures within manufacturing and transport services.⁶⁶ Both mining and electricity, gas and water recorded zero growth.



⁶⁶ (Bureau for Food & Agricultural Policy, 2023).

Figure 3.6.6:

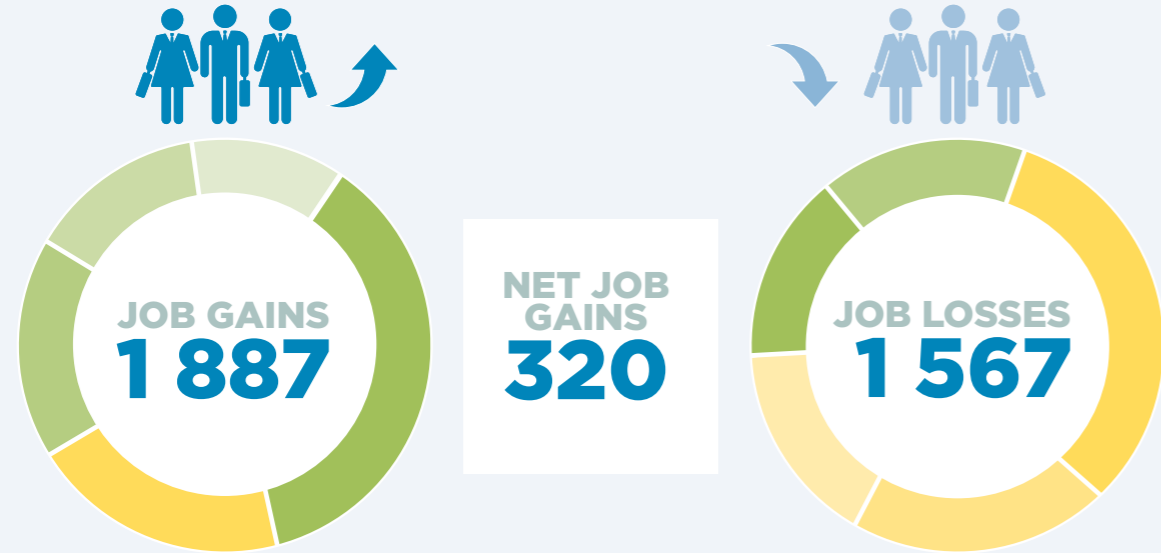
SECTORAL CONTRIBUTION TO GDP GROWTH (CONSTANT PRICES), Mossel Bay, 2024



Source: Quantec, 2025

Figure 3.6.7:

TOP 5 SECTORS FOR FORMAL JOB GAINS AND LOSSES, Mossel Bay, 2023-2024



T	Other personal service activities	245	S	Processing and preserving of meat	-310
S	Construction of roads and railways	165	S	Construction of buildings	-171
T	Short-term accommodation activities	130	S	Other building and industrial cleaning activities	-78
T	Retail sale in non-specialised stores	129	T	Temporary employment agency activities	-77
T	Medical and dental practice activities	98	T	Freight transport by road	-74
O	Other	1120	O	Other	-857

P PRIMARY SECTOR
 S SECONDARY SECTOR
 T TERTIARY SECTOR
 O OTHER

Source: Nell, A. & Visagie, J. Spatial Tax Panel 2014 – 2024 (dataset). Version 5.1. National Treasury – Cities Support Programme and Human Sciences Research Council (SEAD-SA) 2025

The profile of formal job gains and losses between 2023 and 2024 corresponds closely with the sector dynamics outlined earlier. The largest increases occurred in certain personal service activities (245 jobs), construction of roads and railways (165 jobs), short-term accommodation (130 jobs), retail in non-specialised stores (129 jobs) and medical and dental practices (98 jobs). Growth in particular personal services is consistent with the expansion of household-facing and community services observed in the municipal area, supported by population growth, in-migration and continued demand linked to the tourism economy.⁶⁷

⁶⁷ (Mossel Bay Municipality, 2022).

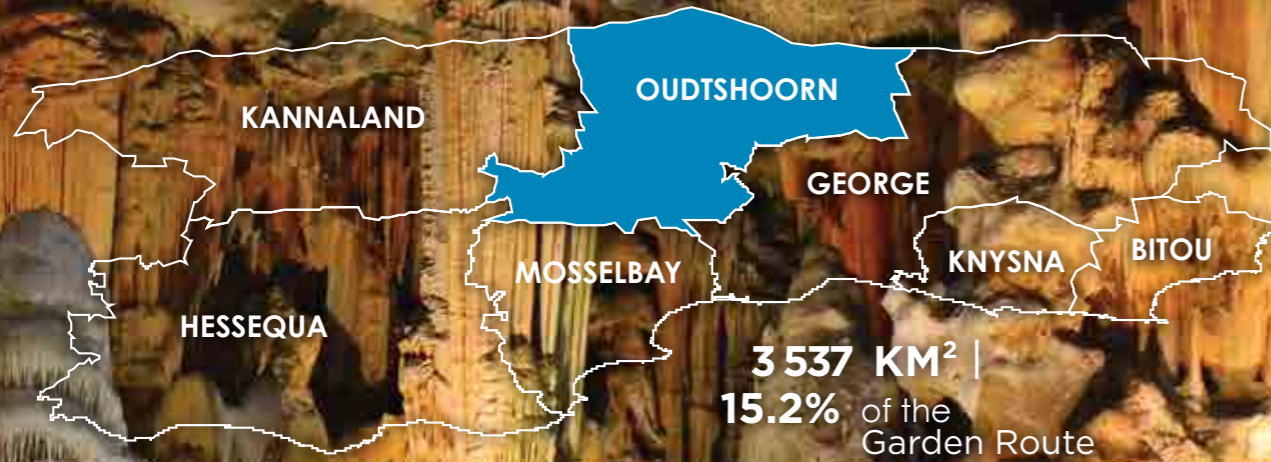
The increase in road and rail construction jobs aligns with ongoing civil engineering and municipal infrastructure programmes, including road upgrades and service-related maintenance projects. Gains in short-term accommodation and general retail correspond with the strong performance of personal services from 2023 to 2024, as well as with steady tourism activity, which raised demand for seasonal and year-round hospitality services. The rise in medical and dental jobs is linked to the expansion of professional health services in the municipal area, supported by established medical practices, growing population demand, and the municipal area’s role as a sub-regional centre for day-to-day medical care.

Job losses between 2023 and 2024 were concentrated in meat processing (310 jobs), building construction (171 jobs), various building and industrial cleaning activities (78 jobs), temporary employment agency activities (77 jobs) and freight transport by road (74 jobs). The losses in meat processing indicate pressures in this value chain, including rising input costs, market consolidation and operational adjustments within food processing firms. The decline in building construction jobs aligns with constrained private sector investment, higher borrowing costs and weaker residential and commercial building activity. Losses in industrial cleaning and temporary employment agency work point to cost reduction measures among firms and a shift towards permanent staffing in certain industries.

Overall, the Mossel Bay municipal area recorded 1 887 job gains and 1 567 job losses over the 2023 to 2024 period, resulting in a net loss of 320 jobs. The composition of these gains and losses illustrates the service-driven employment structure of the region, the continued importance of tourism and household-facing activities, and the exposure of processing and building-related sectors to national and sector-specific pressures. These outcomes also highlight the limits of economic diversification in the area, where strong performance in finance, personal services and tourism-linked activities offsets weakness in goods-producing sectors – but does not fully counterbalance their volatility.



DIAGRAM 3.7.1: MUNICIPAL GDP (CURRENT PRICES) AND EMPLOYMENT, Oudtshoorn, 2024

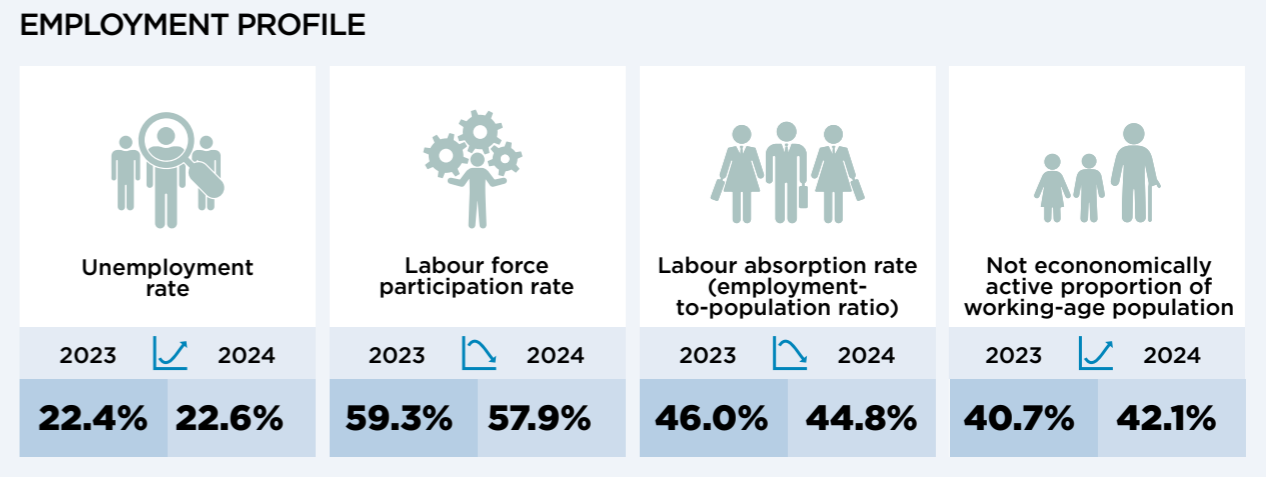
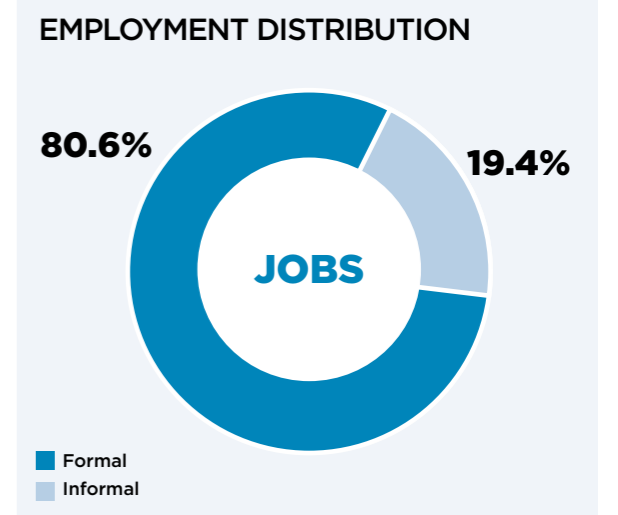
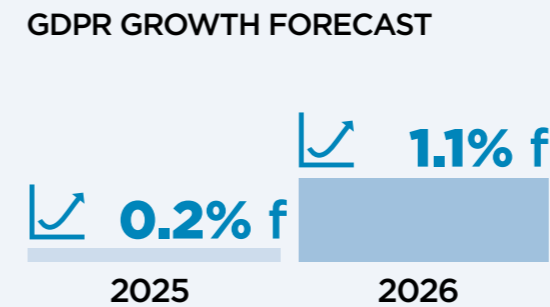


3.7 OUDTSHOORN

MUNICIPAL AREA

The Oudtshoorn municipal area lies in the semi-arid Klein Karoo, framed by the Swartberg and Outeniqua mountain ranges. The town of Oudtshoorn serves as the administrative and service hub, while settlements such as De Rust and Dys-seldorp add rural and cultural diversity. The region is famous for ostrich farming as well as for attractions such as the Cango Caves, Meiringspoort Pass and the Cango Wildlife Ranch. Activities include hiking, birdwatching, 4x4 trails, exploring heritage farms and viewing historic architecture. De Rust offers ecotourism and outdoor experiences, while Dys-seldorp reflects the agricultural life of local communities. Combining natural wonders, adventure opportunities, and cultural depth, Oudtshoorn is a distinctive inland tourism destination within the Garden Route District (GRD). The local economy is supported by agriculture, ostrich farming, tourism and small-scale services.

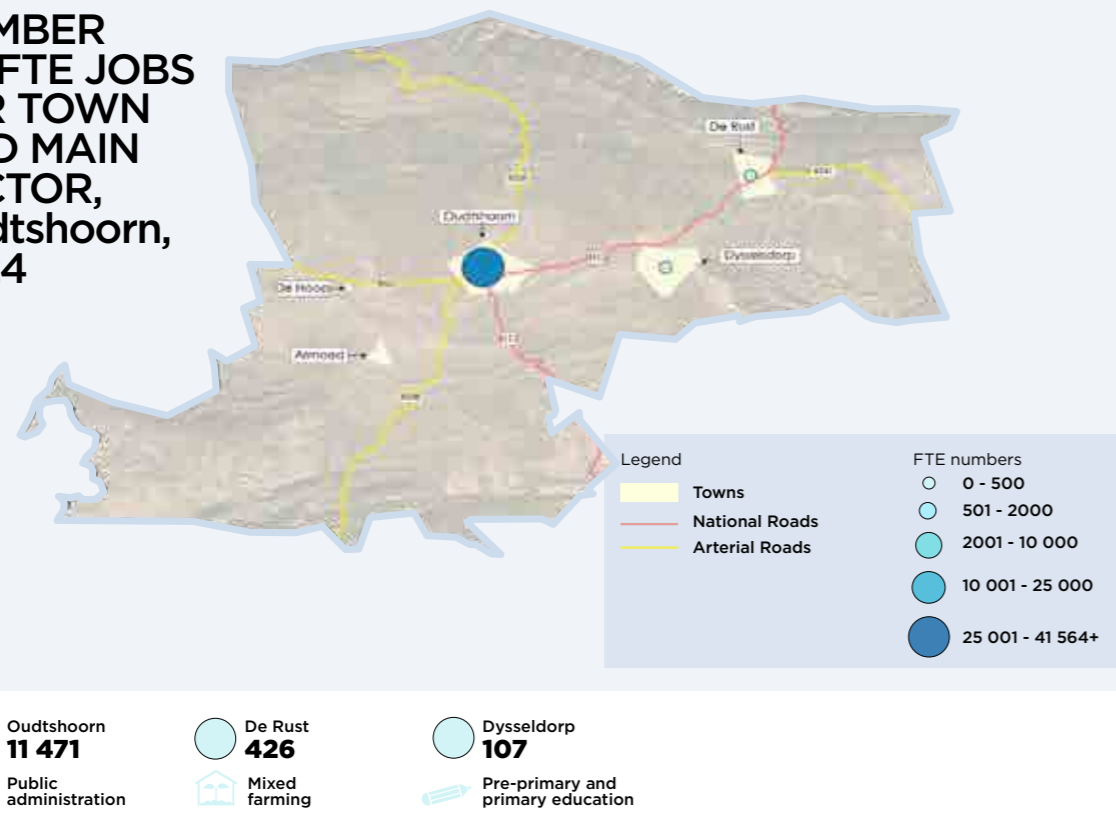
OUTTSHOORN, 2024 GDP AND EMPLOYMENT



Source: Quantec, 2025

MAP 3.7.1:

NUMBER OF FTE JOBS PER TOWN AND MAIN SECTOR, Oudtshoorn, 2024



Source: Nell, A. & Visagie, J. Spatial Tax Panel 2014 – 2024 (dataset). Version 5.1. National Treasury – Cities Support Programme and Human Sciences Research Council (SEAD-SA) 2025

The economy of the Oudtshoorn municipal area in 2024 presented a mixed inland structure shaped by agriculture, agro-processing, public administration, defence-related activity, tourism and local trade. The Oudtshoorn municipal area generated R9.0 billion in gross domestic product per region (GDPR) in 2024. The tertiary sector, contributing R5.8 billion, formed the largest part of the local economy, followed by the secondary sector at R2.6 billion and the primary sector at R559.8 million. This structure shows that the scope of the municipal economy extends beyond its agricultural base. The town of Oudtshoorn serves as a regional administrative and service hub, supported by national and Provincial government departments, the South African National Defence Force (SANDF), and a broad mix of financial, retail and personal services. The region has a long-established range of agro-processing activities, especially those connected to the ostrich value chain. This positions it as a specialised inland production centre that supplies both domestic and export markets.

A review of the manner in which economic activity is distributed shows that the town of Oudtshoorn accounts for the largest share of employment. De Rust is shaped by mixed farming, supported by livestock, horticulture and crop production along the foothills of the Swartberg. Dysveldorp, although smaller, has a labour market that leans towards community-based services, with pre-primary and primary education services among the key employers.

The total number of jobs stood at 29 707 in 2024, with overall employment declining by 1.4 per cent in the course of this year. Formal employment accounted for 80.6 per cent of total employment, while informal work made up the remaining 19.4 per cent, meaning that roughly

one-fifth of all jobs were outside the formal sector. Labour market indicators point to structural challenges: the labour force participation rate declined from 59.3 per cent in 2023 to 57.9 per cent in 2024, and the labour absorption rate fell from 46.0 per cent to 44.8 per cent. These outcomes are typical of an economy where the largest source of employment is public administration, defence and agriculture, sectors that tend to generate stable but limited numbers of new positions. Additionally, seasonal activities such as tourism and agriculture do not provide year-round opportunities, placing further pressure on labour participation and absorption.

Unemployment increased slightly between 2023 and 2024 (by 0.2 of a percentage point), while the share of working-age residents who are not economically active rose from 40.7 per cent to 42.1 per cent. This shift is consistent with an economy where many potential workers face barriers such as limited access to transport, seasonal fluctuations in agricultural and tourism activity, and relatively few entry-level opportunities in defence-related operations or government services.

The Tress Index, calculated at 47.7 in 2024, is forecast to rise to 48.4 in 2025, indicating an increasing dependence on a comparatively small group of sectors. Much of Oudtshoorn's output is driven by agriculture and agro-processing, general government, defence-related spending, tourism and local trade. Any disruptions in water availability, climate conditions, public sector budgeting cycles or visitor numbers therefore have a strong effect on the local economy. This is because extended droughts, water scarcity and climate-related pressures pose direct risks to agricultural production, local employment and the broader economic base.⁶⁸

GDPR growth is forecast at 0.2 per cent for 2025 and 1.1 per cent for 2026. The weak 2025 forecast aligns with anticipated pressure on agriculture that is expected to result from variable weather patterns, high irrigation and input costs, and ongoing water constraints.⁶⁹ Private investment in construction is expected to remain low, and household spending is likely to stay constrained in the current national interest rate environment. These factors together reduce the pace of economic expansion in the short term.⁷⁰

The slight improvement in GDPR growth projected for 2026 is supported by hopes of stabilisation in agricultural output as irrigation upgrades come online. A marginal recovery in household spending as interest rates ease is also expected to bolster growth during 2026, as is continued stability in core public sector functions based in the town of Oudtshoorn. The latter helps stabilise the municipal area during periods of weak national growth.



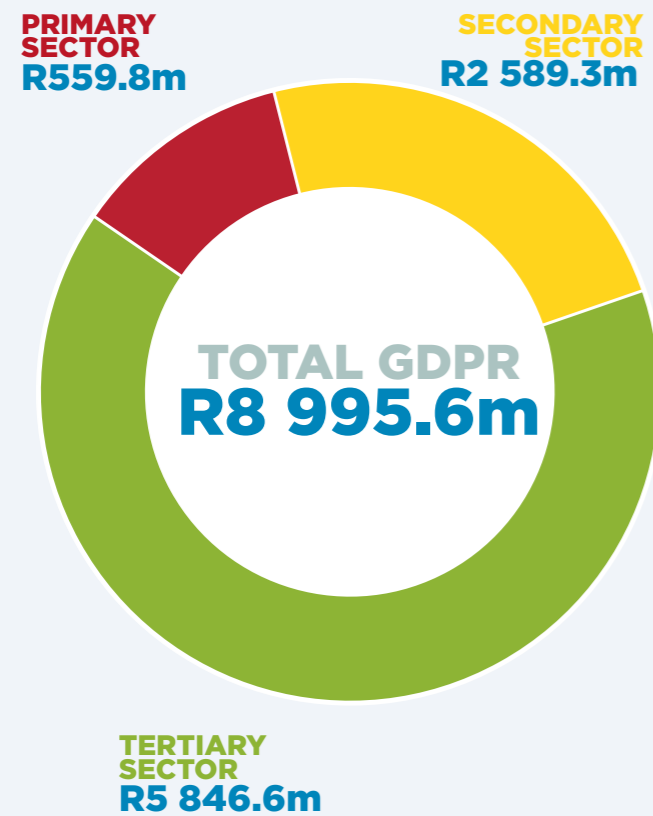
⁶⁸ (Oudtshoorn Municipality, 2024).

⁶⁹ (Western Cape Government, 2024).

⁷⁰ (The South African Reserve Bank, 2024).

Figure 3.7.1:

GDPR DISTRIBUTION (CURRENT PRICES), Oudtshoorn, 2024



PRIMARY SECTOR	
SECTOR	2024
Agriculture	R555.0m
Mining	R4.7m
TOTAL	R559.8m

SECONDARY SECTOR	
SECTOR	2024
Manufacturing	R1 784.3m
Electricity	R553.3m
Construction	R251.6m
TOTAL	R2 589.3m

TERTIARY SECTOR	
SECTOR	2024
Trade	R1 321.7m
Transport	R619.3m
Finance	R2 237.6m
General government	R642.3m
Personal services	R1 025.7m
TOTAL	R5 846.6m

Source: Quantec, 2025

The GDP distribution in 2024 shows the relative scale of the three main sectors of the Oudtshoorn municipal economy. The primary sector contributed the smallest share of total GDP (6.2 per cent), the secondary sector contributed 28.8 per cent, and the tertiary sector dominated with 65.0 per cent. This structure aligns with the nature of this inland economy, where agriculture and agro-processing remain important but are complemented by a strong service base and a sizeable public sector presence.

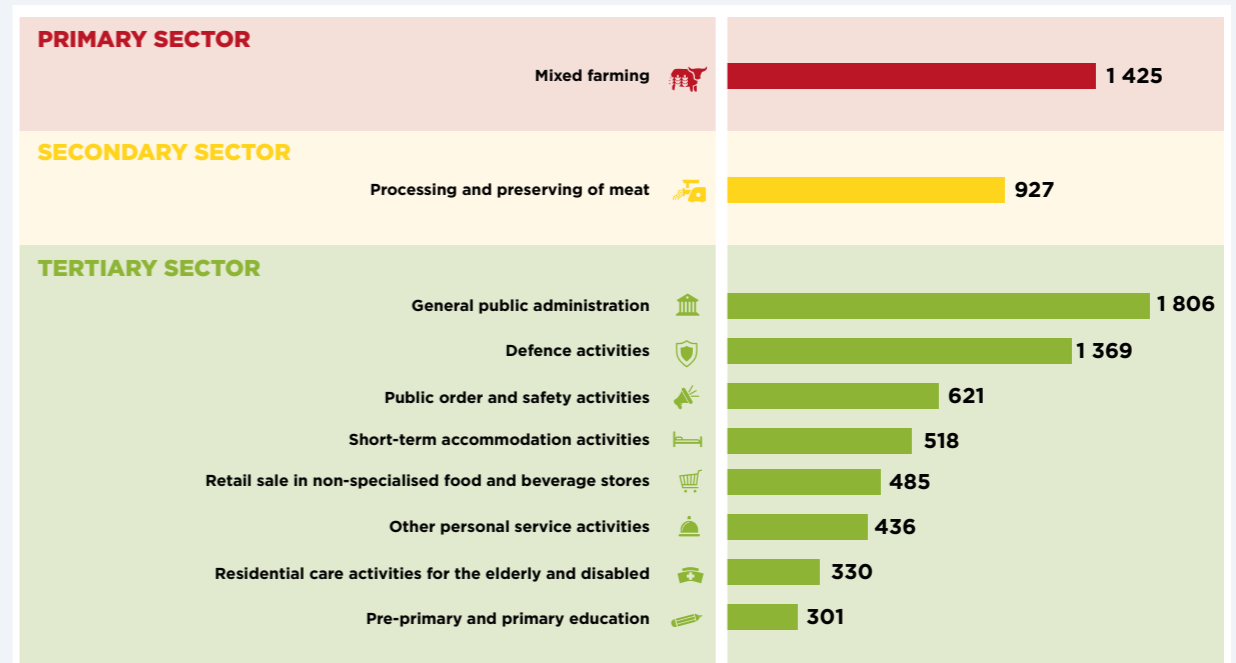
Within the tertiary sector, finance, at R2.2 billion total GDP, was the largest contributor. This points to the scale of banking, insurance, property finance and other financial services operating in the town of Oudtshoorn, the regional service centre. It also reflects the presence of a diverse consumer market linked to both urban and agricultural households. Trade contributed R1.3 billion, supported by retail activity that caters for surrounding rural settlements and the tourist market in and around the town. The contribution of personal services, at just over R1.0 billion, showed the extent of demand for education, recreation, health and community-support services, functions consistent with the administrative and service orientation of the municipal area. The output of general government, at R642.3 million, illustrates the importance of national, Provincial and municipal institutions in sustaining local economic activity.

Manufacturing, closely linked to the agro-processing base of the area, contributed R1.8 billion in 2024, making it the largest component of the secondary sector. Oudtshoorn’s long-standing ostrich value chain, encompassing the production of meat, leather and feathers, remains a key driver, supplemented by broader food processing and light manufacturing operations. Electricity, gas and water contributed R553.3 million, supported by the infrastructure needs of a water-stressed region that relies on irrigation, bulk water reticulation and essential services to support farming, households and processing facilities. Construction, at R251.6 million, remained relatively constrained, consistent with limited large-scale private development, affordability challenges and the limited commercial property cycle of the Oudtshoorn municipal area.

The primary sector was led almost entirely by agriculture. Although this subsector is smaller than services in terms of value added, it remains central to Oudtshoorn’s identity and export base. The agricultural mix includes ostrich farming, vegetable cultivation, fruit and nut production, and mixed livestock farming. The variety of agricultural activities provides some degree of protection against climatic variability, although periodic droughts, water shortages and high irrigation costs remain material constraints for producers in the Klein Karoo.⁷¹

Figure 3.7.2:

TOP 10 SECTORS BY NUMBER OF FTE JOBS Oudtshoorn, 2024



Source: Nell, A. & Visagie, J. Spatial Tax Panel 2014 – 2024 (dataset). Version 5.1. National Treasury – Cities Support Programme and Human Sciences Research Council (SEAD-SA) 2025

⁷¹ (Oudtshoorn Municipality, 2024).

The distribution of full-time equivalent (FTE) jobs in 2024 shows that employment in the Oudtshoorn municipal area is reliant on public services, agriculture, defence operations, agro-processing and tourism. The town of Oudtshoorn accounted for the largest share of these positions, as this locality accommodates government departments, policing and correctional services, and the SANDF. This explains why general public administration (1 806 jobs) and defence activities (1 369 jobs) were among the leading sources of employment in 2024. Mixed farming, with 1 425 jobs, highlights the continued importance of agriculture across rural areas of the region. Processing and preserving of meat (927 jobs) further demonstrated the scale of agro-processing, driven by the long-standing ostrich value chain that supports meat, leather and feather production for domestic and export markets.

Tourism and community-facing services contributed to additional employment across the municipal area. The jobs created in short-term accommodation (518 jobs) and retail in non-specialised food and beverage stores (485 jobs) highlight the importance to the local labour market of attractions such as the Cango Caves, wildlife ranches and outdoor recreation, which help maintain demand for hospitality and retail workers. The work opportunities provided by certain personal service activities (436 jobs) and residential care for the elderly and disabled (330 jobs) show the influence of demographic change and local service needs. In turn, the posts made available via pre-primary and primary education (301 jobs) show that this sector remains an important employer in settlements such as Dysselsdorp.

Overall, these employment patterns show that the Oudtshoorn municipal economy relies on a mix of public sector institutions, agriculture, agro-processing and tourism, with the town of Oudtshoorn functioning as the administrative and services centre and rural settlements contributing agricultural and community-based jobs.

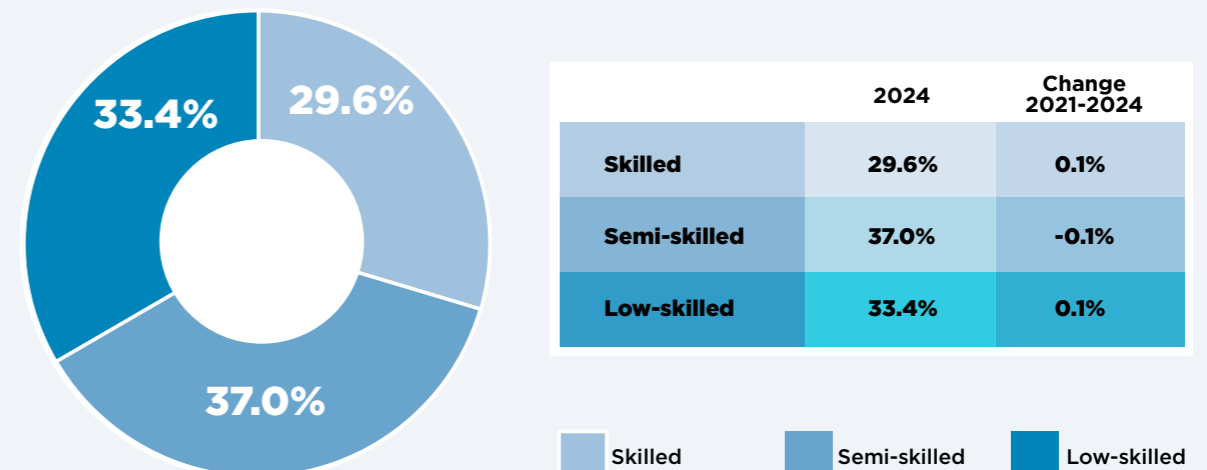
Youth employment in the Oudtshoorn municipal area is concentrated in sectors that provide accessible entry points into the labour market. The largest contributor in 2024 was defence activities (644 FTE jobs), reflecting the role of the SANDF base in the town of Oudtshoorn. The SANDF recruits young people through structured training programmes, offering formal pathways for entering the defence sector and accredited skills development. This creates stable employment opportunities, especially for the youth.

Mixed farming (407 jobs) remains another major source of employment for the youth across rural areas, supported by seasonal and semi-seasonal activities in ostrich, crop and livestock production. Operations for processing and preserving meat (354 jobs) offer additional posts linked to local agro-processing. This is particularly evident in the ostrich value chain, where young people take up roles ranging from managing plant operations to basic processing.

Youth participation in the workplace in 2024 was also visible in general public administration (337 jobs) and retail in non-specialised food and beverage stores (165 jobs). Both sectors are concentrated in the town of Oudtshoorn, where government services, retail centres and administrative offices are located. These sectors allow for younger workers to take on clerical, service and customer service roles. However, many of the sectors that employ the youth, especially retail, accommodation, mixed farming and meat processing, are affected by seasonal tourism cycles, fluctuations in agricultural output and variable demand throughout the year. As a result, youth employment across the municipal area often shifts between farming, retail, and hospitality, depending on seasonal conditions.

Figure 3.7.4:

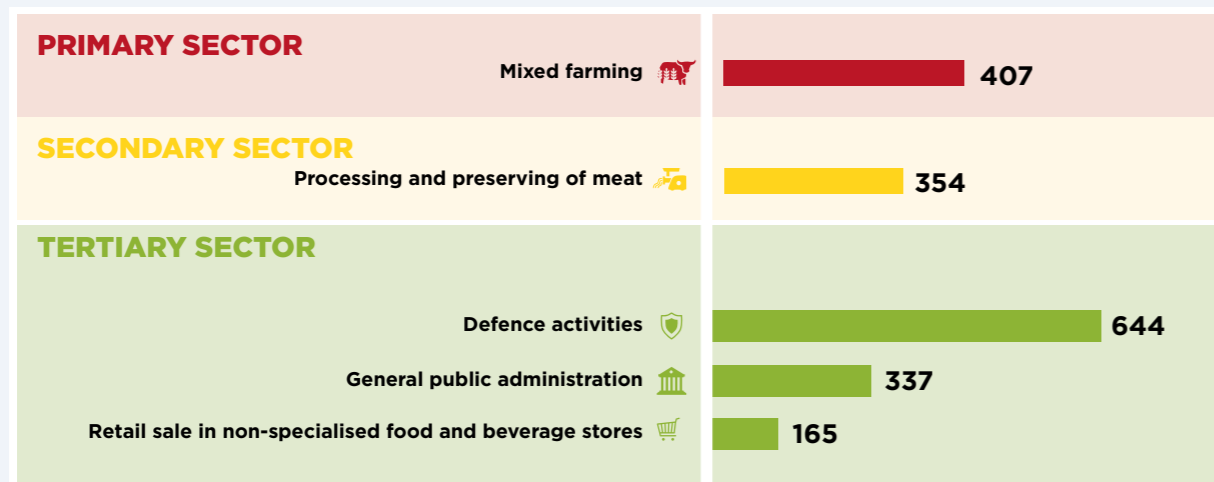
SKILLS DISTRIBUTION OUDTSHOORN, 2024



Source: Quantec, 2025

Figure 3.7.3:

TOP 5 SECTORS FOR YOUTH EMPLOYMENT Oudtshoorn, 2024



Source: Nell, A. & Visagie, J. Spatial Tax Panel 2014 – 2024 (dataset). Version 5.1. National Treasury – Cities Support Programme and Human Sciences Research Council (SEAD-SA) 2025

The skills profile of the Oudtshoorn municipal area in 2024 showed a workforce composed of 29.6 per cent skilled, 37.0 per cent semi-skilled, and 33.4 per cent low-skilled workers. There have been only small shifts in this distribution since 2021. This structure aligns with the economic base of the municipal area, where large-scale employment, such as that provided by general public administration, defence activities, mixed farming and meat processing, relies heavily on semi-skilled and low-skilled labour. Agriculture remains dominated by low-skilled roles, while meat processing has seen a rise in low-skilled positions (up by 0.9 of a percentage point since 2021). This was consistent with the expansion of basic processing functions in the ostrich value chain.

By contrast, finance and personal services recorded the strongest increases in skilled work from 2021 to 2024 (up by 2.0 and 1.5 percentage points, respectively). This was in line with the growing importance of financial services, healthcare, and community-based services in the town of Oudtshoorn. Formal institutions such as government departments, the police, correctional services and the defence training facilities also contributed to a stable demand for skilled and semi-skilled workers over this period. This explains the gradual rise in skilled employment within general government for the period of 2021 to 2024 (up by 0.7 of a percentage point).

Several industries recorded declines in semi-skilled roles between 2021 and 2024. Construction, trade and manufacturing each recorded reductions of 1.0 per cent in the share of semi-skilled workers. This corresponded with the weak construction cycle, affordability pressures and the limited scale of industrial expansion. The share of low-skilled work increased in construction, trade and transport, storage and communication, pointing to a shift towards basic labour functions rather than intermediate roles.

Informal employment also played a part in contributing to the skills profile over this period. Work in this sphere of the economy is concentrated in retail, personal services, small-scale agriculture and household services, sectors that mainly draw low-skilled and semi-skilled workers.

THE ECONOMIC ROLE AND GROWTH POTENTIAL OF THE TOWNSHIP ECONOMY

The township economy constitutes a vital yet under-recognised pillar of South Africa's economy. Township-based enterprises collectively contribute over R900.0 billion annually to the national gross domestic product, with the majority of activity occurring in informal and micro-enterprise segments that sustain household livelihoods and local circulation of income.

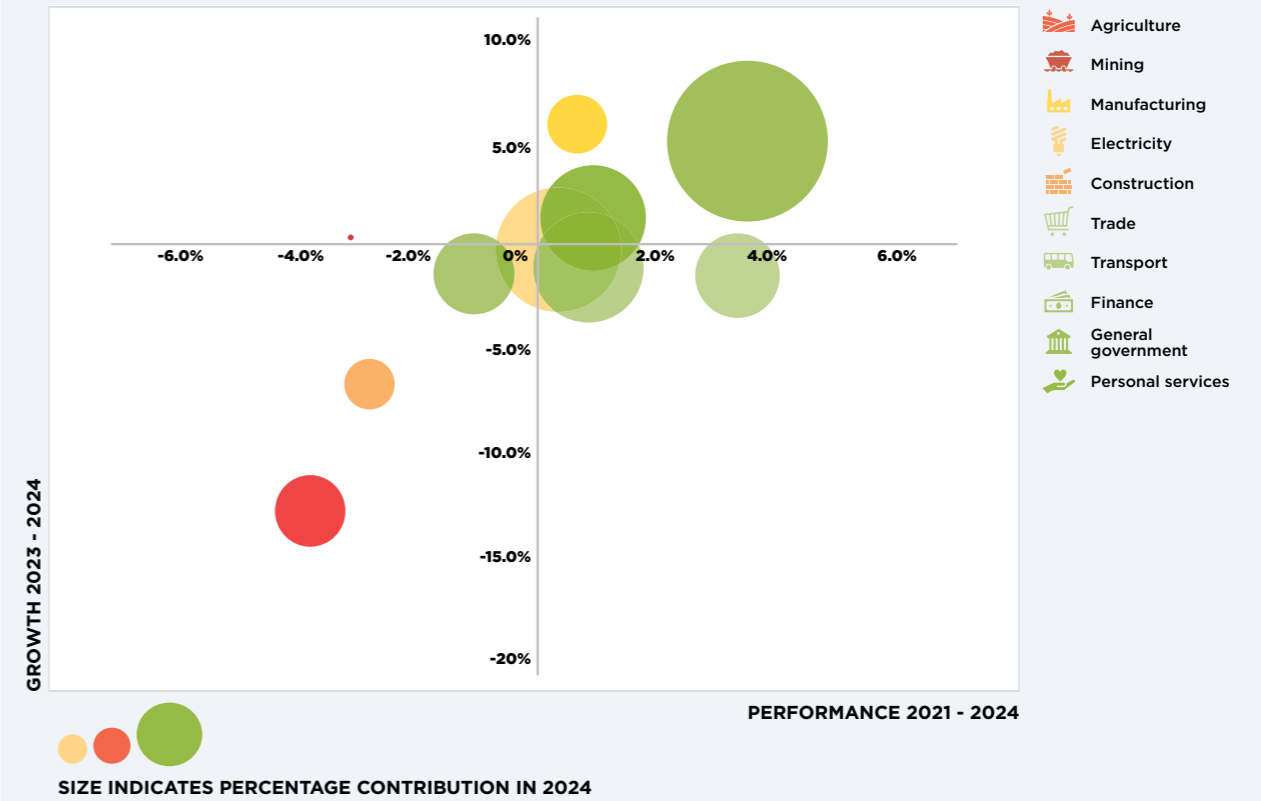
Within the Western Cape, there is a substantial number of entrepreneurs in township areas, who engage in retail, food services, logistics and personal care activities. However, limited access to infrastructure, finance and formal markets constrains growth potential, with approximately 80.0 per cent of businesses remaining unregistered.

Targeted local government interventions, including the upgrading of trading infrastructure, the simplification of regulatory and licensing processes, and the strengthening of digital and financial inclusion, are identified as key enablers for integrating township enterprises into wider municipal and regional value chains. Bolstering this segment of the economy can broaden Oudtshoorn's development base beyond agriculture and formal services, promote inclusive growth, and enhance the overall economic resilience of the municipal area.⁷²

⁷² (Standard Bank, 2025).

Figure 3.7.5:

GDPR PERFORMANCE PER SECTOR (CONSTANT PRICES), Oudtshoorn, 2021 - 2024



Source: Quantec, 2025

Between 2021 and 2024, agriculture experienced the biggest downturn (contracting by 3.6 per cent), followed by construction (2.7 per cent) and mining (3.0 per cent). Agriculture also posted the sharpest annual decline between 2023 and 2024 (12.7 per cent), which was consistent with the water-intensive nature of farming in the Klein Karoo and ongoing climate variability. Construction shrank by 6.7 per cent, the result of limited private sector development and affordability pressures in the local building market. Mining contributed almost nothing to GDP over this period and therefore had minimal influence on overall performance, even though it registered a small increase in 2024.

By contrast, several service-based industries achieved marginal growth. Finance, the largest single contributor to municipal GDP in 2024 (28.7 per cent), expanded by 4.9 per cent between 2023 and 2024. This was supported by sustained demand for financial services and insurance products, as well as public sector-linked expenditure concentrated in the town of Oudtshoorn. Electricity, gas and water also recorded an increase (5.7 per cent), partly due to higher service costs and infrastructure requirements. Manufacturing, the second-largest contributor to GDP in 2024 (17.4 per cent), registered 0.3 per cent growth over the 2023 to 2024 period, consistent with steady activity in meat and ostrich-related processing. Personal services also recorded moderate growth from 2023 to 2024 (1.2 per cent).

Trade, transport, storage and communications and general government all contributed to GDP growth in 2024. Although each of these sectors recorded slight annual declines, their contributions to the structure of the economy remained substantial, particularly those of trade (13.6 per cent) and personal services (12.6 per cent). These sectors continue to support a sizeable share of employment in the town of Oudtshoorn and play an important role in sustaining household consumption and service demand.

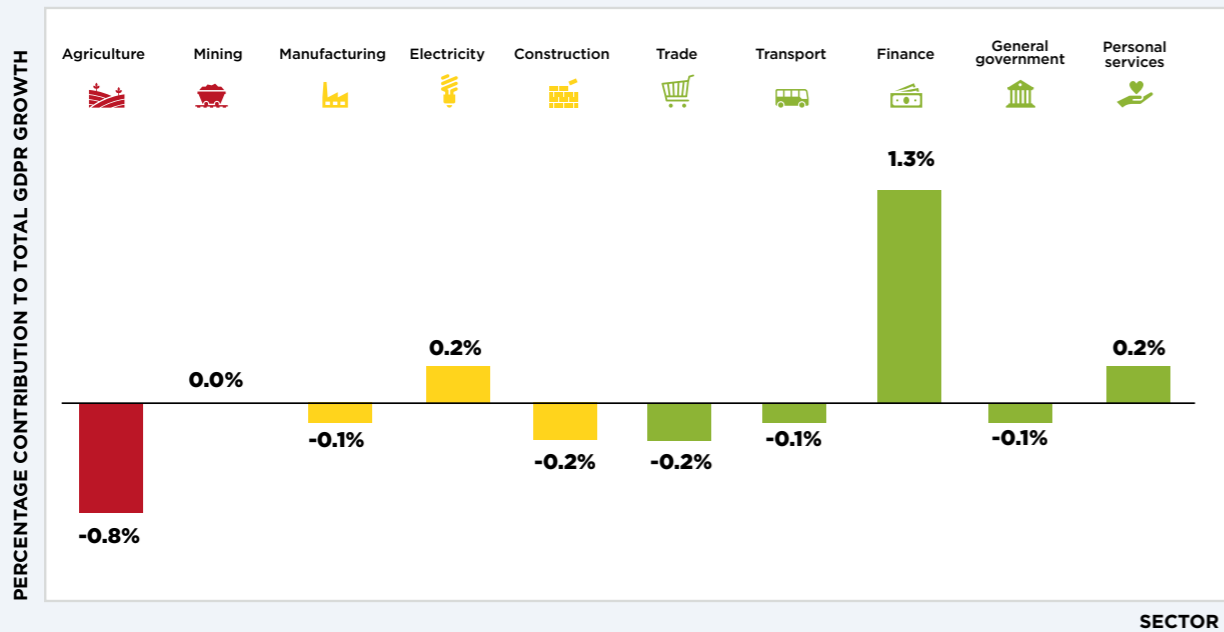
Electricity, gas and water (0.2 of a percentage point) and personal services (0.2 of a percentage point) also supported growth in 2024. The utilities sector benefited from tariff adjustments and sustained infrastructure requirements, while personal services expanded moderately in response to local demand for healthcare, care services and household-facing activities.

Agriculture reduced total GDP growth by 0.8 per cent in 2024, making it the largest drag on the municipal economy. This outcome arose from the sharp decline in agricultural output between 2023 and 2024, linked to lower production volumes across key farming activities and pressures in the broader agro-processing value chain during the period. Construction and trade also lowered overall growth (by 0.2 per cent in each instance), a consequence of affordability pressures, weaker household spending and a slowdown in building and commercial activity across the municipal area.

Many sectors – manufacturing, transport, storage and communication and general government – each lowered GDP growth by 0.1 per cent, indicating reduced activity in agro-processing, logistics and public sector operations during the year.

Figure 3.7.6:

SECTORAL CONTRIBUTION TO GDP GROWTH (CONSTANT PRICES), Oudtshoorn, 2024



Source: Quantec, 2025

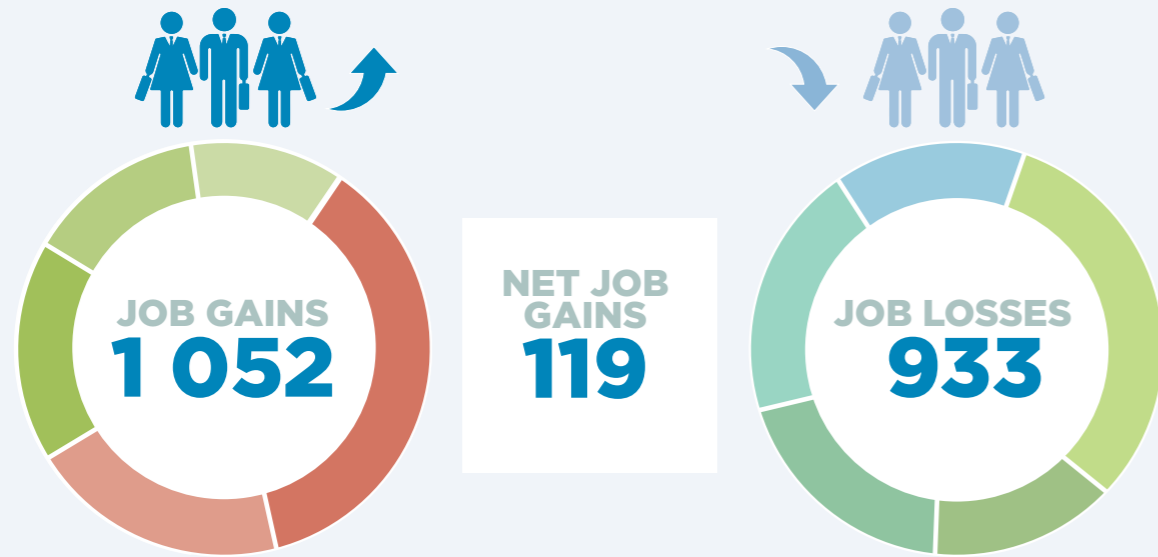
Analysis of sectoral contributions to the Oudtshoorn municipal economy in 2024 shows that overall GDP growth in this year (0.2 per cent) was driven by only a few sectors. Other sectors constrained economic expansion in 2024.

Finance made the largest positive contribution in 2024 at 1.3 per cent, consistent with its strong GDP base and the continued demand for financial, insurance and administrative services in the town of Oudtshoorn. This sector is closely linked to public sector employment, household financial products and regional service functions, which kept activity stable despite slow national growth.



Figure 3.7.7:

TOP 5 SECTORS FOR FORMAL JOB GAINS AND LOSSES, OUDTSHOORN, 2023 - 2024



P	Mixed farming	235	T	General public administration	-149
P	Growing of vegetables and melons, roots and tubers	81	T	Other credit granting	-48
T	Wholesale of household goods	61	T	Restaurants and mobile food service activities	-48
T	Other accommodation	60	T	Research and experimental development on natural sciences and engineering	-41
T	Other personal service activities	58	P	Growing of pome fruits and stone fruits	-40
O	Other	557	O	Other	-607

P PRIMARY SECTOR **S** SECONDARY SECTOR **T** TERTIARY SECTOR **O** OTHER

Source: Nell, A. & Visagie, J. Spatial Tax Panel 2014 – 2024 (dataset). Version 5.1. National Treasury – Cities Support Programme and Human Sciences Research Council (SEAD-SA) 2025

Employment changes between 2023 and 2024 highlighted the extent to which the Oudtshoorn municipal area is driven by its agricultural base, service functions in the town of Oudtshoorn, and the mixed performance seen across key sectors over this period. The municipal area recorded 1 052 job gains and 933 job losses, resulting in a net gain of 119 jobs between 2023 and 2024.

The largest increase in jobs was in mixed farming (235 jobs), consistent with the sector’s importance across rural parts of the region. These trends aligned with the shift in the skills profile, where semi-skilled and low-skilled roles remain dominant in agricultural and agro-processing work. Additional gains in the growing of vegetables and melons (81 jobs) indicated strengthened demand for locally produced food and demonstrated the role that horticulture continues to play in employment outside of the town of Oudtshoorn. Growth in the work available in the wholesale of household goods (61 jobs) indicates ongoing demand for everyday consumer goods. Tourism-

linked sectors also contributed, with certain types of accommodation generating 60 jobs. This subsector expanded in line with youth employment patterns concentrated in hospitality, while the number of posts provided by other personal services (58 jobs) grew alongside rising demand for household and community-facing services.

Job losses between 2023 and 2024 were concentrated in general public administration (149 jobs), which is notable given the sector’s size and importance in the town of Oudtshoorn. This reduction relates to changes in staffing needs over the year. Declines in certain forms of credit granting (48 jobs) and restaurant and mobile food services (48 jobs) corresponded with softer household spending, itself stemming from the downturn in trade and consumer-linked activity identified in the GDPR analysis. Losses in research and experimental development (41 jobs) probably reflect adjustments within specialised agencies operating in the area. A reduction in pome and stone fruit cultivation (40 jobs) points to pressure in specific agricultural subsectors, a trend also evident in the slow performance of the overall agriculture sector (as observed in the discussion on GDPR data).

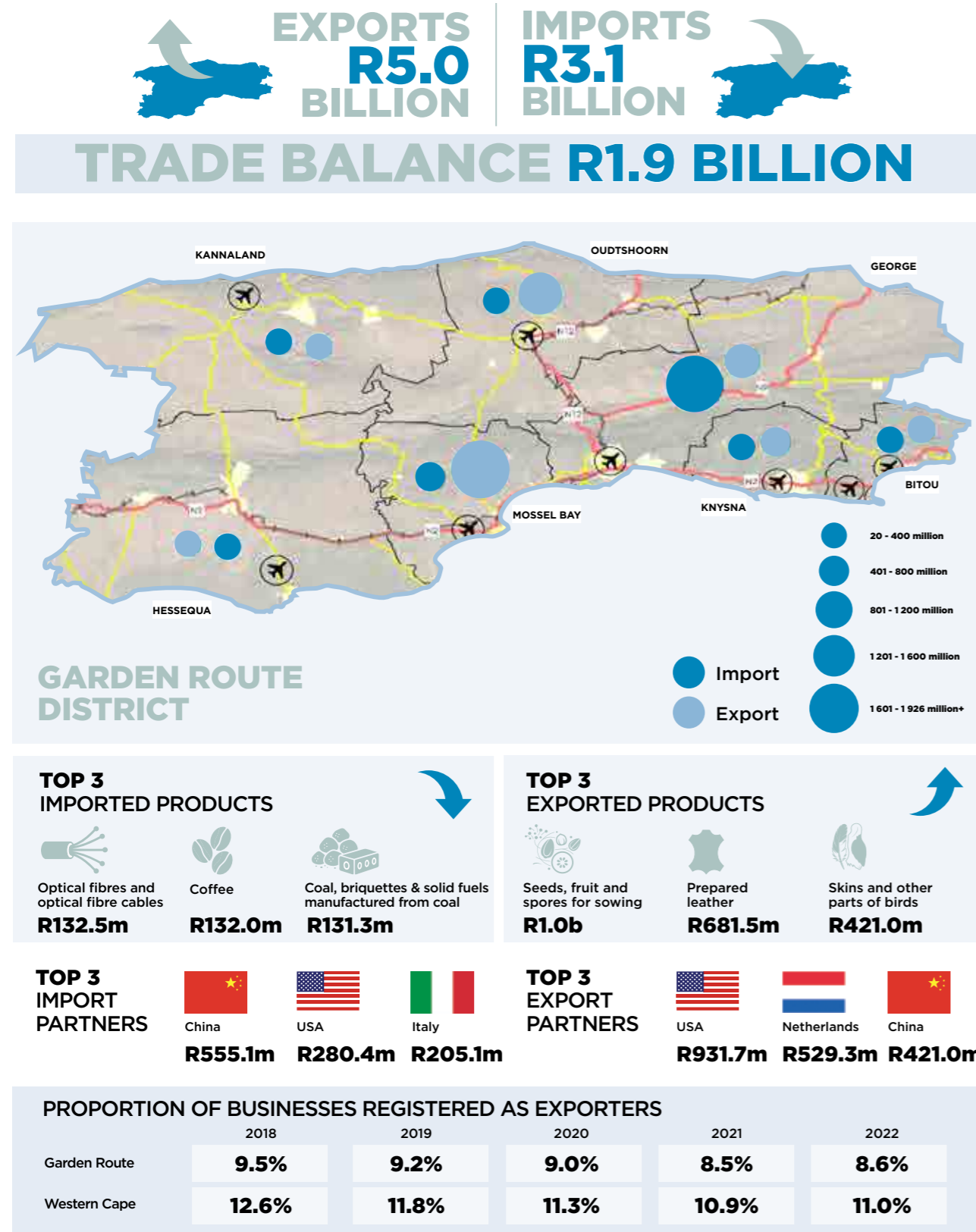
In sum, the pattern of gains and losses from 2023 to 2024 shows that employment growth was driven mainly by agriculture, tourism-linked services and household-facing activities. Contractions occurred in public administration, consumer services and selected scientific and agricultural subsectors. These shifts correspond closely with Oudtshoorn’s economic structure, skills distribution and the sectors where youth participation is most concentrated.



4. International trade profile

4.1.1 GARDEN ROUTE DISTRICT TRADE PROFILE

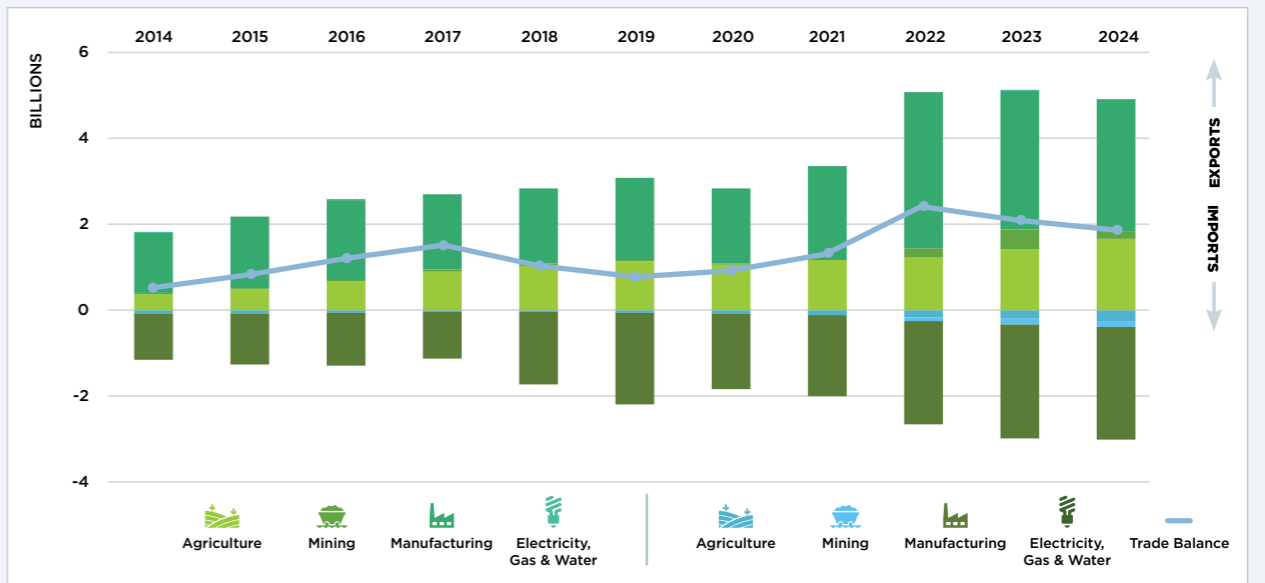
DIAGRAM 4.1.1: TRADE PROFILE, Garden Route, 2024



Source: Quantec, 2025

Figure 4.1.1:

TRADE BALANCE Garden Route, 2024



Source: Quantec, 2025

The GRD is an important part of the Western Cape’s international trade. While facilitating the export of goods from various regions through the Port of Mossel Bay, the GRD also directly produces significant export values. The diversity of its municipal areas allows for a wide range of exports, from fresh agricultural produce to processed or manufactured goods. These include, for instance, strawberries from George and citrus from Bitou, Hessequa and Mossel Bay, as well as leather from Oudtshoorn and yachts from Knysna.

International trade has consistently been an important component of GDP in the GRD. The District’s exports increased notably from 2020, reaching a value of over R4.0 billion in 2021. Simultaneously, the value of imports to the GRD decreased, contributing to a growing trade surplus for the district. Growth in exports came from both manufactured and agricultural goods, with some increases in mining exports as well.

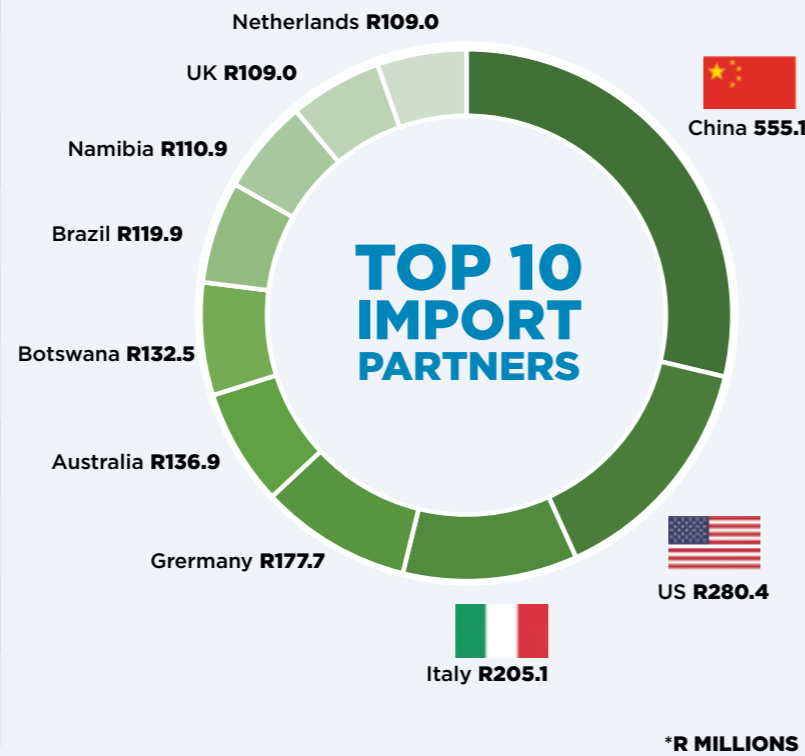
DIAGRAM 4.1.2.:

IMPORTS
Garden Route, 2024

TOTAL IMPORTS R3.1 BILLION

TOP 10 IMPORT PRODUCTS

Optical fibres and optical fibre cables	R132.5
Coffee	R132.0
Coal, briquettes and solid fuels manufactured from coal	R131.3
Telephone sets and communication apparatus	R129.6
Trunks, suitcases and other bags and cases	R116.2
Blood and immunological products	R111.6
Data processing machines	R94.6
Knitted or crocheted t-shirts and vests	R88.6
Hydrazine, hydroxylamine and other metal oxides, hydroxides and peroxides	R88.5
Aircraft and spacecraft, propellers, rotors and parts thereof	R83.3



Source: Quantec, 2025

While the GRD's exports are dominated by agricultural goods, imports to the district are largely manufactured products. Several significant imports in 2024 were related to telecommunications and data processing, including optical fibres and cables, telephone sets and data processing machines. The range of other imported goods reflects the diversity of the GRD economy, which requires a wide variety of inputs to support its activities.

China was the main source of imports to the GRD in 2024, supplying a range of manufactured goods to the district. These included bags and suitcases, footwear and bulldozers. The United States was the second-largest source of imports, primarily providing technological goods such as telephone sets and data processing machines.

DIAGRAM 4.1.3.:

EXPORTS
Garden Route, 2024

TOTAL EXPORTS R5.0 BILLION

TOP 10 EXPORT PRODUCTS

Seeds, fruit and spores for sowing	R1 022.6
Prepared leather	R681.5
Skins and other parts of birds	R421.0
Yachts, rowing boats and canoes	R271.6
Citrus fruit	R216.5
Pumice stone and other natural abrasives	R140.6
Insecticides, rodenticides, fungicides, herbicides, disinfectants and similar products	R123.7
Prepared or preserved meat, meat offal or blood	R100.1
Motor cars and other motor vehicles	R989.0
Apples, pears and quinces	R92.9



Source: Quantec, 2025

The exports from the GRD indicate the diversity of the local economy. The top export in 2024, by value, was vegetable seeds, of which Oudtshoorn is one of the world's key producers – specifically onion seed. Prepared leather, as well as skins and other parts of birds (feathers), reflect the high-value ostrich leather and feathers produced and processed in Oudtshoorn and Mossel Bay, which are sought after by fashion houses in Italy and France, among other buyers. Yachts and other small pleasure crafts are unique to Knysna, while citrus fruit is grown in several regions of the GRD, including Bitou, Hessequa and Mossel Bay.

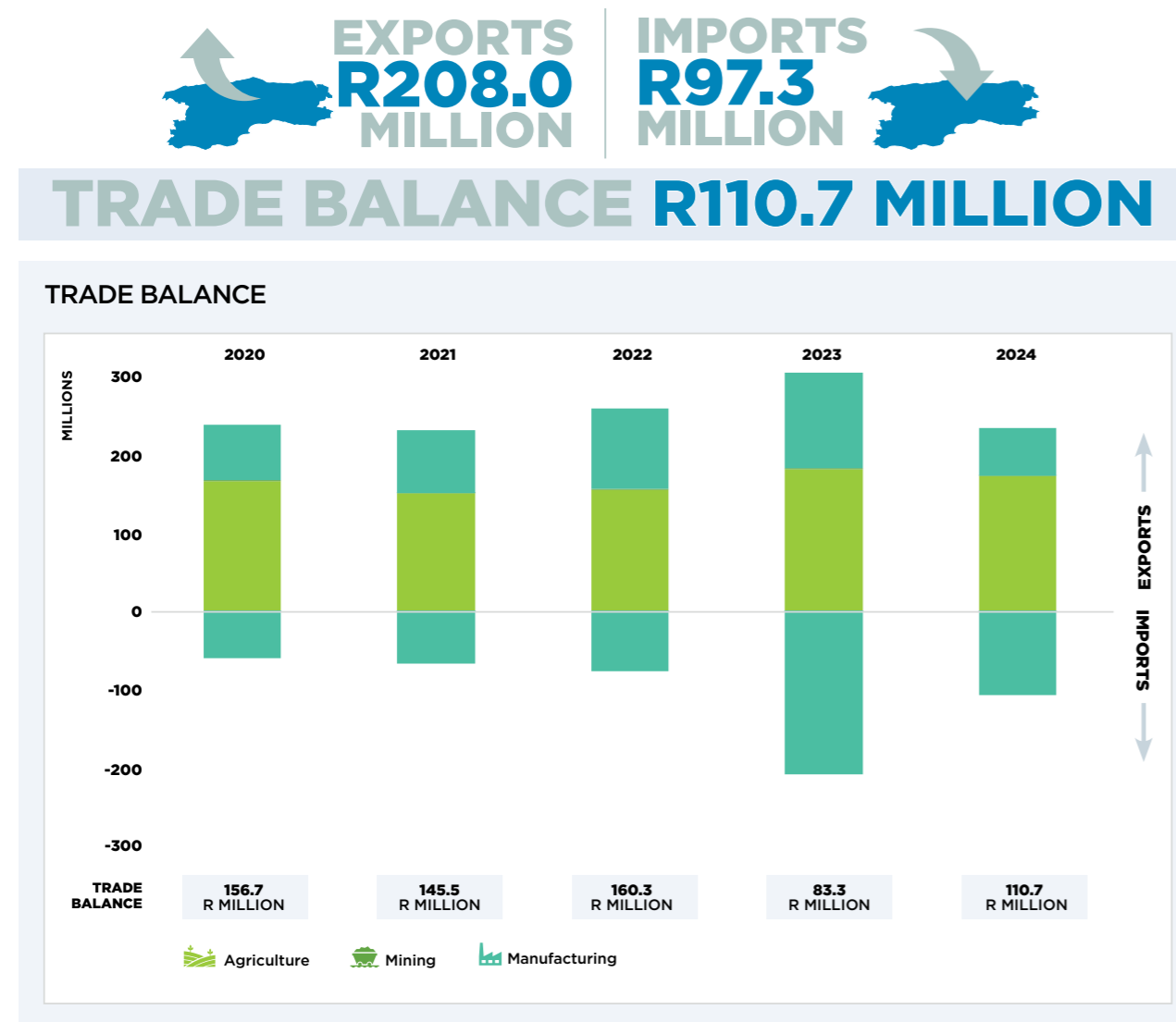
The United States was by far the largest destination for exports from the GRD in 2024. The main goods exported to the US market were ostrich leather, yachts, pumice stone and seeds. This indicates that the United States is a key market for several of the GRD's highest-value products, positioning it as a vital trading partner for the district.

The variety of the GRD's exports is illustrative of the district's economic richness and variety. The range of export goods, as well as export destinations, positions the district as well-insulated from fluctuations in any singular industry or export market. This underpins a robust local economy, with positive prospects for further expansion and diversification.

4.2 Municipal imports and exports

4.2.1 BITOU TRADE PROFILE

DIAGRAM 4.2.1: TRADE PROFILE, Bitou, 2024



	2018	2019	2020	2021	2022
Bitou	9.6%	9.0%	9.8%	8.5%	8.0%
Western Cape	12.6%	11.8%	11.3%	10.9%	11.0%

Sources: Quantec, 2025; Nell, A. & Visagie, J. Spatial Tax Panel 2014 – 2024 (dataset). Version 5.1. National Treasury – Cities Support Programme and Human Sciences Research Council (SEAD-SA), 2025

Despite being one of the smaller municipal areas in the GRD, Bitou plays an important role in the District’s international trade in relation to agricultural exports. The value of exports from the municipal area has consistently exceeded R200.0 million since 2020.

The main exports from Bitou are fresh apples and pears, for which the largest market is Bangladesh (R17.7 million), followed by Senegal (R8.1 million), Vietnam (R7.6 million) and Côte d’Ivoire (R7.1 million). These destinations distinguish Bitou from other pome fruit-producing regions in South Africa, which export largely to Europe and larger Asian markets. The diversity of the markets for South African apples and pears is positive, indicating the widespread reach of local agricultural produce.

Citrus is another key agricultural export of Bitou. Citrus exports from the municipal area went to a variety of destinations in 2024, including Russia (R7.3 million), the United Arab Emirates (R5.4 million), the Maldives (R3.7 million) and Oman (R3.2 million). The centrality of Russia as an export market carries risks due to ongoing geopolitical tensions resulting from the war in Ukraine.⁷³ However, as is the case for apples and pears, the diversity of export markets for Bitou citrus will largely insulate the industry from disruptions in any single part of the world.

THE PLETT WINELANDS AND WINE PRODUCTION

Plettenberg Bay and its surrounds are the site of South Africa’s smallest, easternmost and newest wine subregion. The mild temperatures and maritime climate of this area make it well-suited to cooler-climate wines, notably the Chardonnay, Sauvignon Blanc and Pinot Noir cultivars.⁷⁴ Additionally, the soils in the area have low alkalinity, which results in wines with very low sulphites, contributing to the distinctive character of wines from the area.

Encompassing 18 wine farms, the Plett Winelands prioritises quality over quantity. Wines from this region are produced in the Cap Classique style (the traditional champagne method) leading to the area being nicknamed the “Bubbly Route”.⁷⁵ While only a small share of wine exports originate in the Plett Winelands, the area nonetheless constitutes a unique and important part of South Africa’s wine landscape, with several farms having garnered international accolades.⁷⁶ This signals potential for further expansion into international markets, as the Plett Winelands has emerged as a hub of South Africa’s sparkling wine industry.

Bitou imports only manufactured goods. In 2024, the main import was prepared glues and adhesives, which came largely from the United States (R18.0 million). Weaving machines were also a notable import, originating exclusively from Germany (R16.7 million). This indicates the significance of the craft economy in Plettenberg Bay, where many woven goods are produced.⁷⁷

Overall, Bitou consistently exports more than it imports. Furthermore, exports and imports tend to increase at similar rates, leading to a fairly consistent trade surplus of about R100.0 million. Compared to the Western Cape as a whole, a lower proportion of businesses in Bitou are registered as exporters. This highlights the relative importance of the domestic market for the Bitou economy.

⁷³ (World Trade Organisation, 2023).

⁷⁴ (Vinerra, n.d.).

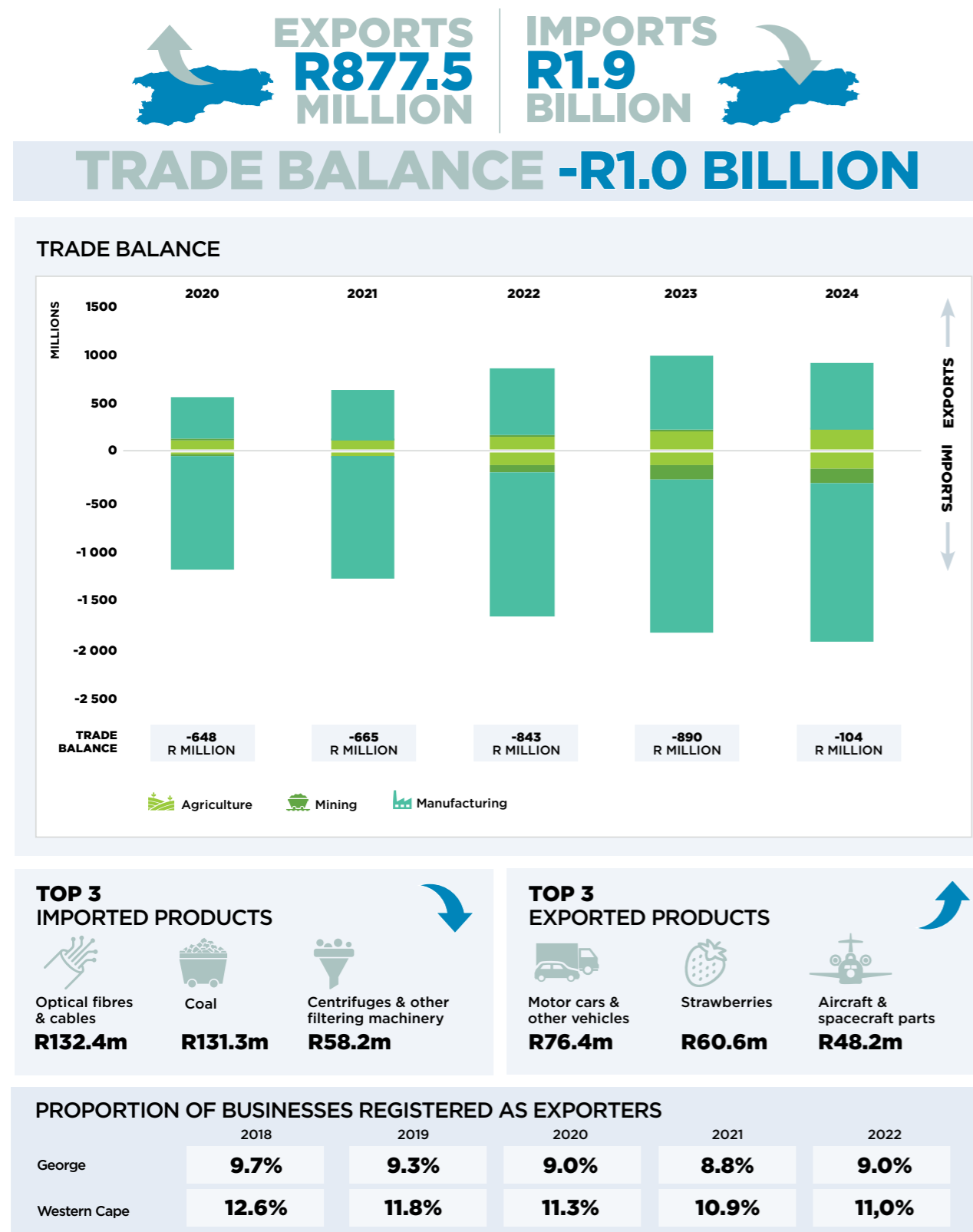
⁷⁵ (Plett Winelands, 2022).

⁷⁶ (Wesgro, 2023).

⁷⁷ (Plett Tourism, 2025).

4.2.2 GEORGE TRADE PROFILE

DIAGRAM 4.2.2: TRADE PROFILE, George, 2024



Sources: Quantec, 2025 and Nell, A & Visagie, J. Spatial Tax Panel 2014 – 2024 (dataset). Version 5.1. National Treasury – Cities Support Programme and Human Sciences Research Council (SEAD-SA) 2025

The George municipal area comprises the largest local economy within the GRD and is home to a variety of highly active economic sectors. George’s location along the N2 route between the major economic hubs of Gqeberha and Cape Town, as well as its regional airport and growing urban centre, makes it well-placed for international trade.

STRAWBERRIES

Strawberries (as well as other berries) have become an increasingly important product exported from the George municipal area over the past few years. The mild climates and well-draining soils provide the ideal environment for strawberries to be grown, with the season running from September to April.⁷⁸ Peak harvest typically occurs between October and December. This coincides with the onset of winter in the northern hemisphere, when fruit can largely only be grown in greenhouses.⁷⁹ This therefore creates higher demand, and exports from South Africa are well placed to respond to this. The main export markets for locally grown strawberries include the United Kingdom, Germany, the Netherlands and the United Arab Emirates (UAE).⁸⁰

In 2024, George accounted for almost half of the Garden Route’s imports.⁸¹ The leading imported products in 2024 by value were optical fibres and cables, accounting for a total value of R132.4 million. The majority of these were imported from Thailand, followed by the Philippines. This was closely followed by coal, with imports amounting to R131.3 million. Overall, manufactured goods dominate imports and have been the main factor driving the deterioration of George’s trade balance over the past decade. These include items such as water filtering and purifying machines (the third-most imported product in 2024), as well as forklifts and harvesting and threshing machines.⁸²

Between 2013 and 2018, the value of George’s imports ranged between R520.0 million and R680.0 million, fluctuating from year to year.⁸³ From 2019 onwards, however, the value of imports increased steadily, reaching approximately R755.0 million and rising further to R1.9 billion in 2024. Imports have thus more than doubled in value over the past seven years, while exports have grown slightly from approximately R500 million to R800 million. This has resulted in a notable decline in the trade balance, with George reaching a trade deficit of approximately R1.0 billion in 2024.

Manufacturing and agriculture form the bulk of George’s exports, with motor cars and strawberries being the two largest export products by value.⁸⁴ Motor cars are primarily exported to Kenya, and strawberries are largely exported to a range of countries in Europe and the Middle East. The major export destinations for George are other African countries, with Namibia, Kenya and Lesotho forming the three largest overall export markets.

⁷⁸ South African Strawberry Growers’ Association, 2021).

⁷⁹ (Eurofruit, 2021).

⁸⁰ (South African Strawberry Growers’ Association, 2023).

⁸¹ (Quantec, 2025).

⁸² (George Municipality Integrated Development Plan, 2022).

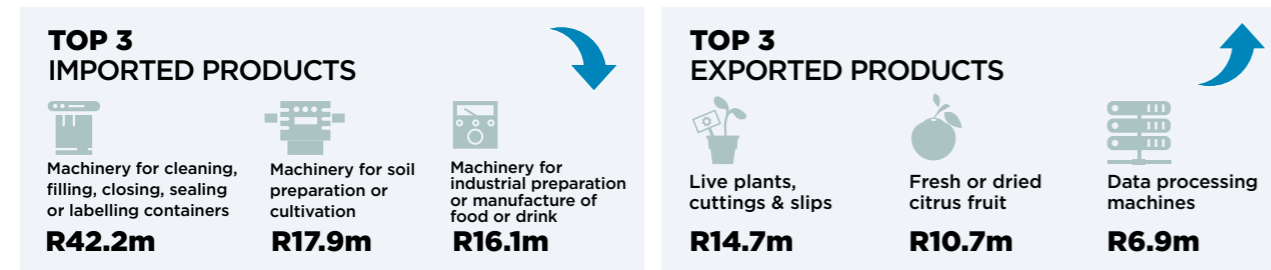
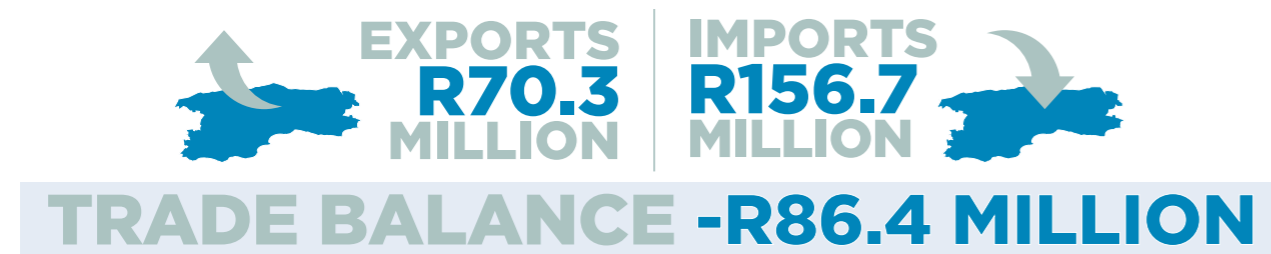
⁸³ (Quantec, 2025).

⁸⁴ (Quantec, 2025).

⁸⁵ (George Municipality Integrated Development Plan, 2022).

4.2.3 HESSEQUA TRADE PROFILE

DIAGRAM 4.2.3: TRADE PROFILE, Hessequa, 2024



PROPORTION OF BUSINESSES REGISTERED AS EXPORTERS		2018	2019	2020	2021	2022
Hessequa		8.2%	8.2%	8.1%	7.1%	8.5%
Western Cape		12.6%	11.8%	11.3%	10.9%	11.0%

Source: Quantec, 2025; Nell, A. & Visagie, J. Spatial Tax Panel 2014-2024 (dataset). Version 5.1. National Treasury - Cities Support Programme and Human Sciences Research Council (SEAD-SA) 2025

As one of the smaller municipal areas of the GRD, Hessequa does not play a large role in the international trade of the District. However, it contributes meaningfully to the region's output, particularly with regard to agricultural produce. While the main exports from the area continue to be agricultural goods, their share of total exports has declined since 2021 as the proportion of manufactured goods has increased.

The leading export from Hessequa in 2024 was live plants, including cuttings and slips, which were predominantly exported to the Netherlands (R6.8 million) and the United States (R5.9 million). This was followed by citrus, for which the largest export markets were Portugal (R6.8 million) and the Netherlands (R3.4 million).

The main imports to Hessequa in 2024 were machines of various types used in agriculture, agro-processing and packing, and food production. This indicates the importance of the agricultural sector to the local economy, as well as that of associated processing and manufacturing industries. The principal import was machinery for cleaning, filling, closing, sealing or labelling containers, which is used in the packaging of various locally produced food products and other agricultural goods.

CAPE ALOE

The aloe plant family has long been valued for its medicinal properties, including detoxifying, anti-inflammatory and antibacterial benefits. The *Aloe ferox*, or Cape Aloe, is particularly revered in this regard.⁸⁶

The plant grows throughout the Western and Eastern Cape, with a large concentration found around Albertinia. This is because the area's temperate climate and rocky landscape are well-suited to the hardy Cape Aloe. In fact, aloes in this area have been found to have 36.0 per cent higher amino acid content in their gel than plants grown elsewhere, underscoring the suitability of the Albertinia area for aloe production.⁸⁷ Due to the concentration of the plant in the area, Albertinia has become a centre of aloe production and processing. Currently, two factories in the town are dedicated to aloe extraction and the production of a range of natural wellness products.⁸⁸ Various kinds of aloe, such as Aloe Vera, are widely used around the world. However, the *Aloe ferox* has proven uniquely effective due to its higher levels of the bitter sap that is prized for its aloin content.

The existing aloe processing industry in Albertinia, combined with the region's suitability for the growing of the *Aloe ferox*, points to a significant opportunity for further expansion of aloe product offerings. In addition, existing products could be marketed to new potential markets across the world. As the plants are harvested in the wild, often on communal lands, there is also the prospect of economic opportunities for local residents. Due to high barriers to entry for traditional farming, these persons would otherwise be unable to partake in agricultural production.

⁸⁶ (Cites, 2019).

⁸⁷ (Garden Route and Klein Karoo, n.d.).

⁸⁸ (Explorers Garden Route, n.d.).

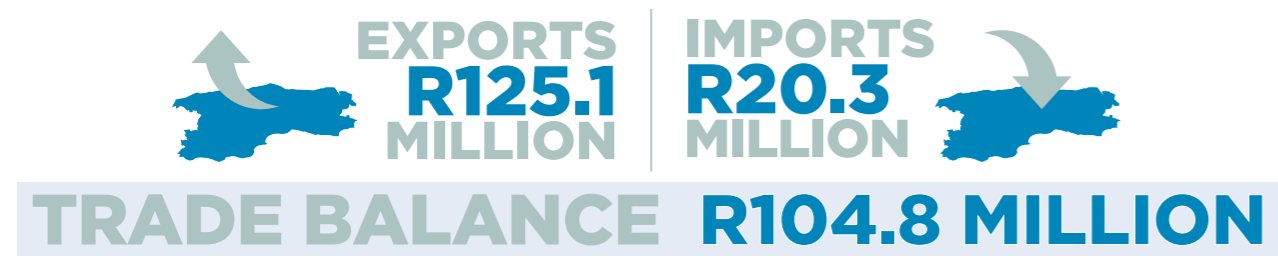
The value of imports into Hessequa has risen noticeably since 2020, with the largest increase occurring between 2023 to 2024. This implies a growing demand for the various types of machinery that are imported. As this equipment is used in agricultural and packaging processes, increased demand indicates positive developments in the local agricultural and agro-processing industries. However, while imports have increased significantly, exports have not grown by similar levels. This has led to an expansion of the trade deficit, which stood at R86.4 million in 2024.

As a relatively small municipal area, Hessequa is not particularly oriented towards participation in international trade. This is reflected in the proportion of businesses registered as exporters, which has been approximately 3.0 to 4.0 percentage points lower in Hessequa between 2018 and 2022 than in the Western Cape as a whole.



4.2.4 KANNALAND TRADE PROFILE

DIAGRAM 4.2.4: TRADE PROFILE, Kannaland, 2024



	2018	2019	2020	2021	2022
Kannaland	6.5%	7.0%	6.3%	6.6%	9.0%
Western Cape	12.6%	11.8%	11.3%	10.9%	11.0%

Source: Quantec, 2025; Nell, A. & Visagie, J. Spatial Tax Panel 2014-2024 (dataset). Version 5.1. National Treasury - Cities Support Programme and Human Sciences Research Council (SEAD-SA) 2025

Kannaland significantly increased its participation in international trade from 2022 to 2023, with the value of exports rising from approximately R20.0 million to over R100.0 million during this period. A large portion of these gains can be attributed to substantial increases in the value of exported dairy products, primarily milk and cream, as well as whey, cheese and curd, buttermilk, and butter.

The three leading export products of Kannaland in 2024 were all dairy products or by-products. This indicates the significance of the dairy industry within the agricultural sector of the municipal area. The markets for dairy exports from Kannaland were all located in Southern Africa. In 2024, milk and cream were primarily exported to Zambia (R66.8 million), which was also the case for whey (R14.6 million). Cheese and curd were mostly exported to Namibia (R8.3 million), followed by Zambia (R5.1 million).

The largest import by value in 2024 - preparations for use in animal feed - was also related to the dairy industry, given that animal feed is a vital input for the cattle farming required for dairy production. These preparations were imported from Belgium (R5.6 million) and the Netherlands (R4.3 million). Ethyl alcohol, spirits and liqueurs - the second-highest value import in 2024 - were also imported from the Netherlands (R3.3 million). The third-highest value import in 2024 was casein, which is a milk protein used in dairy products such as cheese and yoghurt. These further highlights the significance of the local dairy industry.

DAIRY PRODUCTION

The dairy industry is a significant component of South Africa's agricultural sector, contributing to employment, food security and GDP.⁸⁹ Price pressures and climate conditions have created challenges for the industry, leading to significant consolidation. Future prospects, however, appear to be improving, with maize prices expected to fall and demand for dairy products increasing.⁹⁰ Dairy farming takes place largely in coastal areas, where mild temperatures and sufficient rainfall allow for high-quality pastures. A significant portion of dairy production thus takes place in the Western Cape, with Kannaland being one of the primary production areas.

While most locally produced dairy is directed to the domestic market, exports of various dairy products constitute an important source of demand and income for the industry. Almost all of South Africa's dairy exports are sent to member states of the Southern African Development Community (SADC), with Botswana as the largest single market. For dairy products from Kannaland specifically, Zambia is the principal destination. Opportunities for South African dairy exports expanded in 2024 with the initiation of an agreement with China, which allows market access for key agricultural products from South Africa.⁹¹

The increase in dairy exports from Kannaland since 2023 indicates a positive trajectory for the local dairy industry, supporting prospects for further growth. This may create additional opportunities along the value chain, from the growing of animal feed crops to the production of dairy products such as cheese. Further opportunities for both domestic and export markets can be explored through the production of artisanal cheeses and other specialised dairy products.

⁸⁹ (Department of Agriculture, Land Reform and Rural Development, 2021).

⁹⁰ (Makgopa, 2025).

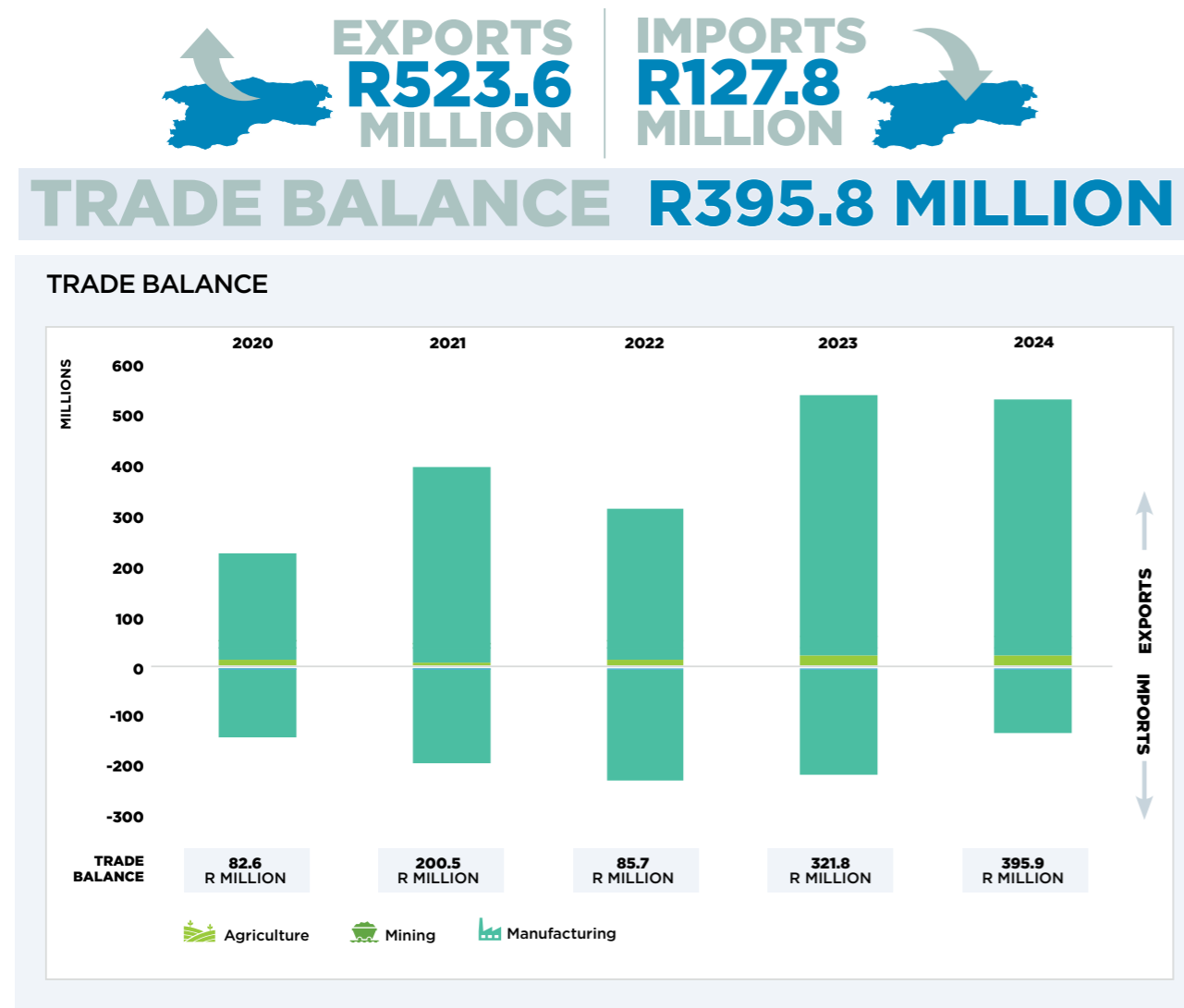
⁹¹ (Manoko, 2024).

The significant increase in exports from 2023, in addition to the decline in imports since 2020, led to a notable trade surplus in Kannaland in both 2023 and 2024. The proportion of businesses registered as exporters in the municipal area is fairly low, remaining between 6.0 per cent and 7.0 per cent from 2018 to 2021. However, an increase in 2022 - to 9.0 per cent of businesses - indicates a growth in the relative importance of exports to the local economy.



4.2.5 KNYSNA TRADE PROFILE

DIAGRAM 4.2.5: TRADE PROFILE, Knysna, 2024



<p>TOP 3 IMPORTED PRODUCTS</p> <ul style="list-style-type: none"> Furnace burners for liquid fuel: R28.0m Printing & copying machines: R20.5m Air or vacuum pumps, gas compressors & fans: R3.8m 	<p>TOP 3 EXPORTED PRODUCTS</p> <ul style="list-style-type: none"> Yachts, rowing boats & canoes: R266.1m Radiators & air heaters: R48.2m Petroleum jelly, paraffin wax & other mineral waxes: R46.0m
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	2018	2019	2020	2021	2022
Knysna	9.9%	9.6%	9.3%	8.9%	9.5%
Western Cape	12.6%	11.8%	11.3%	10.9%	11.0%

Sources: Quantec, 2025; Nell, A. & Visagie, J. Spatial Tax Panel 2014-2024 (dataset). Version 5.1. National Treasury – Cities Support Programme and Human Sciences Research Council (SEAD-SA) 2025

While the town of Knysna is not a major port, it nonetheless plays an important role in the international trade of the GRD. In particular, the town’s long-standing boatbuilding industry contributes to exports.

Boats produced by local boatbuilders include yachts and powerboats, many of which are custom-built and intended for export. The United States has emerged as the primary market for boat exports, receiving R190.4 million worth of the vessels in 2024. France was the second-largest market for these boats (R51.4 million), followed by Grenada (R17.1 million). Since customers for the boats tend to be private individuals or companies, the destinations to which the vessels are exported and the values thereof can fluctuate significantly. Trends from 2022-2024, however, point to a notable increase in demand, specifically from buyers in the United States.

BOATBUILDING

Boatbuilding has a long history in the town of Knysna, supported by the timber-rich forests of the area.⁹² Until recently, the industry was relatively small in scale. While it remains a specialised segment of the economy, with builders of bespoke boats focused on constructing yachts and powerboats, the value of the vessels exported has grown significantly over the past decade. From 2015 to 2019, the value of yachts and other pleasure craft exported from Knysna increased from R21.3 million to R71.8 million. In 2021, the value of such exports stood at R137.6 million. By 2024, this total had almost doubled. Indeed, South Africa is now recognised as the world’s second-largest builder of leisure catamarans after France.⁹³

While a significant component of boatbuilding occurs in Cape Town, Knysna is a key contributor to this achievement and the overall growth of the industry. This expansion – both in Knysna and across South Africa more broadly – indicates opportunities for further development. Existing boatbuilders could consider scaling up their activities, while the increased demand for small pleasure crafts is likely to generate prospects for new market entrants. The industry could thus support employment growth, further entrenching its value to the local economy.



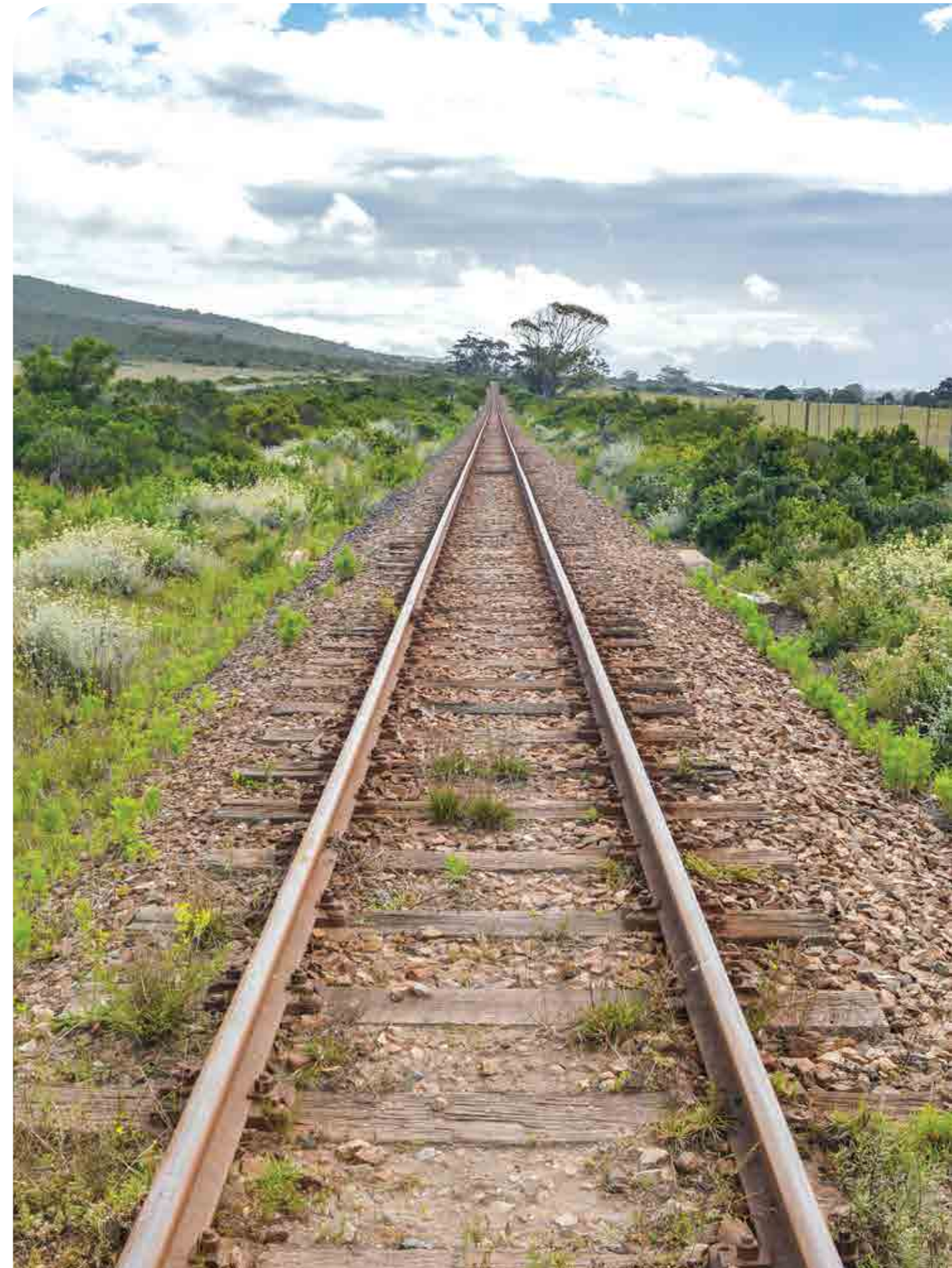
⁹² (Visit Knysna, n.d.).

⁹³ (Maritime Review Africa, 2024).

The other significant exports from Knysna are also manufactured goods. In 2024, radiators and heaters collectively constituted the second-largest export by value. These goods were exported exclusively to the United Kingdom (R48.2 million). Petroleum jelly, paraffin wax and other mineral waxes, which were sent to a variety of countries, made up the third-largest export in terms of value. The main markets for this category of items were Spain (R10.3 million), the United States (R9.2 million) and the Netherlands (R6.7 million).

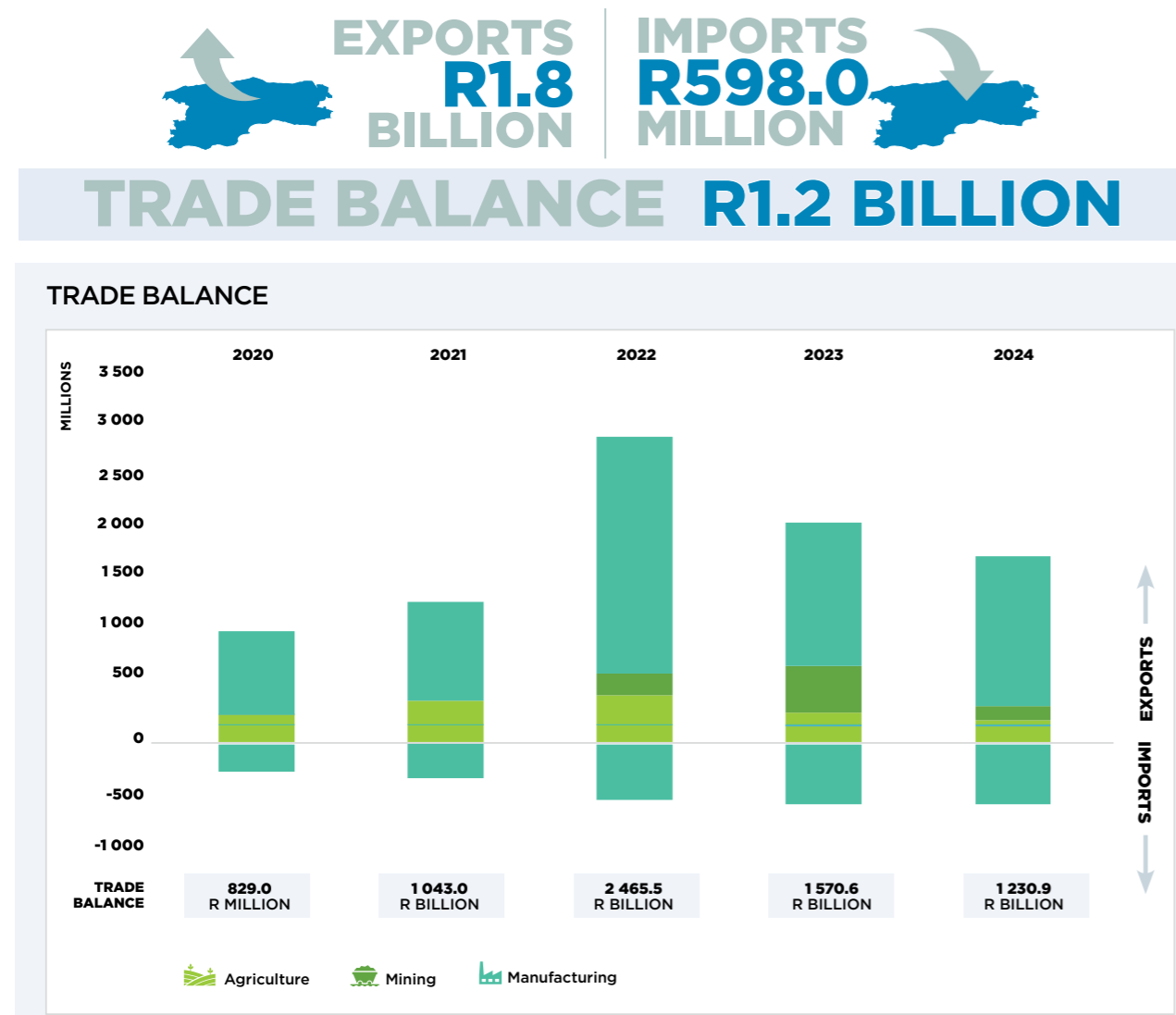
Imports to Knysna are also, to a large extent, manufactured goods. In 2024, the highest-value import was furnace burners, which were exclusively imported from the United Kingdom (R28.0 million). Printing and copying machines made up the second-largest import in terms of value and were primarily imported from the United Arab Emirates (R12.1 million).

The notable increase in exports since 2022, in addition to a slight decline in imports over the same period, resulted in the trade surplus for 2023 and 2024 being higher than the surpluses recorded in previous years. This indicates the increasing importance of international trade, especially exports, to the Knysna municipal area. The proportion of businesses in the region that are registered as exporters remained largely consistent from 2018 to 2022, fluctuating between 8.9 per cent and 9.9 per cent. This was approximately 2.0 percentage points lower than the proportion of registered exporters in the Western Cape overall.



4.2.6 MOSSEL BAY TRADE PROFILE

DIAGRAM 4.2.6: TRADE PROFILE, Mossel Bay, 2024



	2018	2019	2020	2021	2022
Mossel Bay	8.7%	8.3%	8.0%	6.9%	6.5%
Western Cape	12.6%	11.8%	11.3%	10.9%	11.0%

Sources: Quantec, 2025; Nell, A. & Visagie, J. Spatial Tax Panel 2014 – 2024 (dataset). Version 5.1. National Treasury – Cities Support Programme and Human Sciences Research Council (SEAD-SA), 2025

The Mossel Bay municipal area is a significant participant in international trade, due in part to the presence of the Port of Mossel Bay. In 2024, the port ranked 14th out of South Africa’s 37 ports in terms of import value. In addition to the presence of the port, which largely facilitates the export of goods from other municipal areas, specific export goods are also produced in Mossel Bay. The main products for export are ostrich leather and feathers. These are largely sourced from Oudtshoorn – the ostrich capital of the world – and processed or packaged in Mossel Bay, thereby forming a significant component of trade from the area.

In 2024, the main export markets for the leather produced in Mossel Bay were the United States (R240.1 million), France (R223.4 million) and Italy (R119.6 million). The second-highest export by value from Mossel Bay in 2024 was skins and other parts of birds, mainly ostrich feathers. China was by far the largest market for this export in 2024, receiving R172.9 million worth of the product. Smaller secondary markets were the United States (R17.8 million) and Italy (R17.2 million). The third-highest export value in 2024 was citrus, which was destined mainly for China (R72.9 million), India (R45.6 million) and Hong Kong (R20.1 million).

OSTRICH PRODUCTS

South Africa is the leading producer and exporter of ostrich products globally, accounting for approximately 75.0 per cent of the global market share.⁹⁴ Ostriches are valued for their meat, leather and feathers, with about 45.0 per cent of value derived from meat and leather, and the remaining 10.0 per cent of profit from the sale of feathers.⁹⁵ Ostriches thrive in drier climates, making the arid regions of Mossel Bay and Oudtshoorn well suited to breeding and farming the birds. The Western Cape is the centre of South Africa’s ostrich production, with approximately 77.0 per cent of registered export farms located in the province.

While Oudtshoorn is home to the highest concentration of ostriches, Mossel Bay forms an important part of the ostrich product value chain and is home to one of the main abattoirs and processing facilities. As a result, a significant component of ostrich product exports originates in Mossel Bay. Approximately 40.0 per cent of ostrich leather exports are destined for fashion houses in France and Italy, while feathers are mainly exported to China.⁹⁶ Ostrich meat represents a growing market, particularly in Europe, as it is considered a healthier red meat due to its low cholesterol and fat content.⁹⁷

Imports to Mossel Bay are largely comprised of manufactured goods. In 2024, the highest-value import was telephone sets, which were mostly imported from the United States (R60.2 million), Germany (R26.6 million) and the United Kingdom (R11.1 million). Data-processing machines – the second-highest-value import – were similarly sourced from the United States (R54.9 million), the Netherlands (R17.5 million) and the United Kingdom (R9.0 million). These trends indicate the importance of countries such as the United States and the United Kingdom as key suppliers of technological goods.

The value of exports from Mossel Bay has fluctuated significantly since 2021, with a particularly high export value recorded in 2022. The high value of exports in this year was not due to an increase in the export value of any single product, but rather a generally higher value of exports across a range of manufactured products. However, this trend did not carry through to 2023. Despite the presence of the port, a relatively low proportion of businesses in Mossel Bay are registered as exporters when compared with the share of the Western Cape overall.

⁹⁴ (Agribook.digital, 2025).

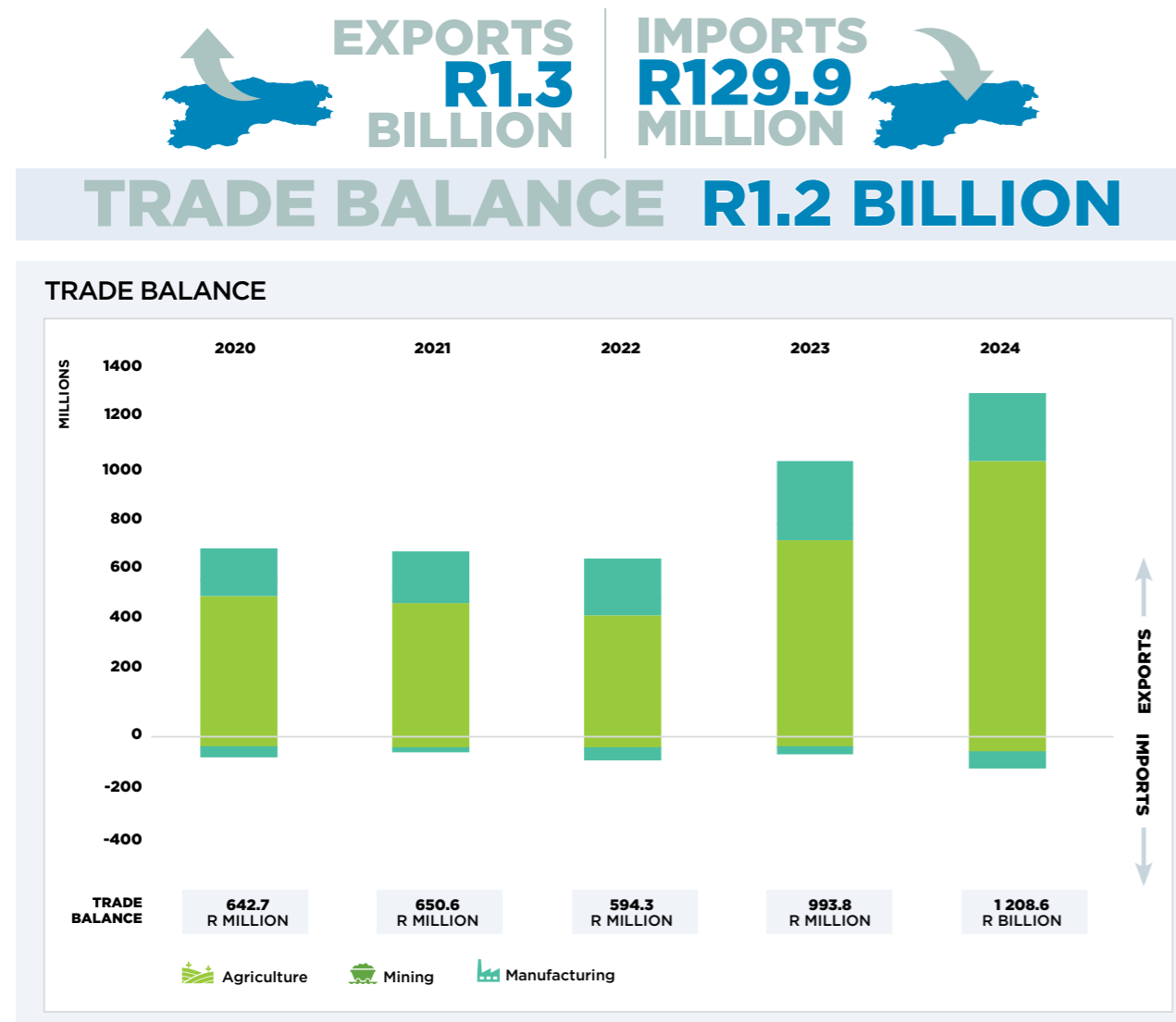
⁹⁶ (South African Government, 2022).

⁹⁵ (Department of Agriculture, Land Reform & Rural Development, 2021).

⁹⁷ (Ostrich Business Chamber, 2025).

4.2.7 OUDTSHOORN BAY TRADE PROFILE

DIAGRAM 4.2.7: TRADE PROFILE, OUDTSHOORN, 2024



	2018	2019	2020	2021	2022
OUDTSHOORN,	11.5%	11.3%	10.7%	11.0%	10.9%
Western Cape	12.6%	11.8%	11.3%	10.9%	11.0%

Sources: Quantec, 2025; Nell, A. & Visagie, J. Spatial Tax Panel 2014 – 2024 (dataset). Version 5.1. National Treasury – Cities Support Programme and Human Sciences Research Council (SEAD-SA), 2025

Oudtshoorn produces several goods that are key components of exports from the GRD. For instance, the municipal area is the main region in which ostriches are farmed. This allows for the processing of ostrich products such as leather and meat, which are then largely exported from Mossel Bay. In addition, Oudtshoorn also serves as a hub for vegetable seed multiplication and cleaning, which is the primary export commodity of the municipal area.

In 2024, vegetable seed exports from Oudtshoorn totalled R1.0 billion. The largest market for this commodity was the Netherlands (R396.0 million), followed by Japan (R173.9 million) and the United States (R139.3 million). While these countries were the main destinations for this category of exports, vegetable seeds from the municipal area are exported to a wide range of additional countries around the world.

The second-highest export by value from Oudtshoorn in 2024 was skins and other parts of birds, largely ostrich feathers. While Oudtshoorn is the source of most ostrich products exported from the Western Cape, many of these items are exported via Mossel Bay, where they are also processed. Ostrich feathers exported directly from Oudtshoorn in 2024 were destined mainly for China (R108.8 million), with Italy (R26.0 million) and the United States (R13.5 million) serving as supplementary markets.

VEGETABLE SEEDS

Oudtshoorn exports vegetable seeds to a significant value. Many – specifically onion seeds – are multiplied in the municipal area, while other varieties are grown and multiplied elsewhere before being sent to Oudtshoorn for cleaning and subsequent export. Oudtshoorn’s Klein Karoo climate – with low rainfall and rugged terrain – is ideal for the growing and multiplication of onions and onion seed.⁹⁸ Indeed, such large volumes onion seed are grown and exported from Oudtshoorn that it is estimated that approximately 4.0 billion people globally have eaten onions grown from seeds produced in the municipal area.⁹⁹

In addition to the onion seed grown and processed in this region, several companies have established their cleaning facilities in Oudtshoorn, cementing its role as the vegetable seed hub of South Africa.

⁹⁸ (Agriculture Portal, 2021).

⁹⁹ (Bergh, 2025).

Oudtshoorn imports fairly little. Most imports to the region are agricultural goods, including seeds for sowing as well as live sheep and goats. This indicates the importance of the agricultural sector to the local economy. In 2024, seeds were imported mainly from Australia (R19.2 million), the United States (R12.1 million) and Italy (R4.8 million). These were likely plant varieties that are otherwise not available in South Africa. The significant export of seeds from Oudtshoorn, however, positions it as a net exporter of this product. Olive oil was exclusively imported from Spain (R20.1 million), while live sheep and goats were imported from Namibia (R11.6 million).

Overall, the high value of exports from Oudtshoorn, in addition to the low level of imports, has delivered a significant trade surplus for the municipal area. The surplus grew notably in 2023 and 2024 due to the increased value of exports.

From 2018 to 2020, Oudtshoorn had a slightly lower proportion of businesses registered as exporters than the Western Cape as a whole. However, in 2021 and 2022, the proportions were almost identical. This increase, combined with the growth of exports from the municipal area, signals the rising importance of international trade to the local economy.



5. Tourism

The GRD stands out for being one of South Africa's most sought-after travel destinations, offering an exceptional mix of natural splendour, outdoor adventure and cultural experiences. The primary reasons for visiting the District relate to leisure and nature-based recreation, reflecting its diverse landscapes and well-developed tourism infrastructure. The region encompasses lush coastal forests and tranquil lagoons as well as fertile farmlands and ruggedly beautiful interior plains. This variety sets the stage for a range of visitor experiences, which include forest walks, hiking mountain trails, enjoying beachfront leisure and partaking in ecotourism experiences – all of which are available within a relatively compact area.

These attributes have earned the Garden Route global recognition, positioning it as a bucket-list destination for travellers seeking the quintessential South African road trip. More than a collection of towns, the Garden Route is a branded tourism corridor that showcases the country's hospitality, retail, adventure and cultural offerings. From whale watching and visiting wine estates to browsing farm stalls and frequenting boutique stays, the route features a range of operators and experiences that cater to every kind of traveller.

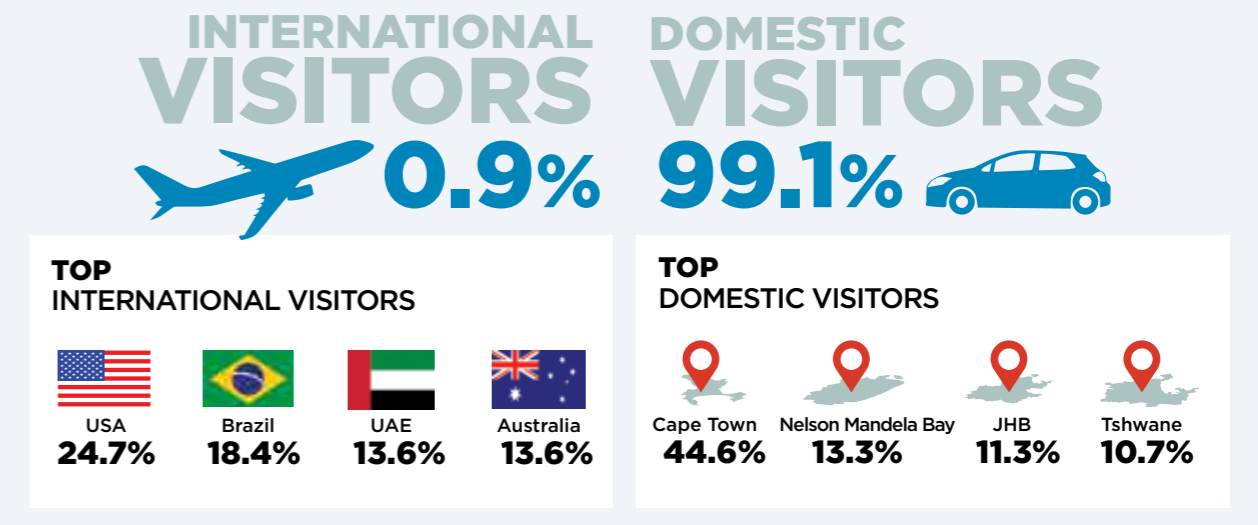
Internationally, the Garden Route has been recognised as one of the world's top 10 walking and scenic routes, and has strong appeal in American, South American and Middle Eastern markets. Its reputation as a safe, accessible and diverse travel corridor has put it on the itinerary of many inbound tourists, particularly those combining a visit to the City of Cape Town (the Cape Metro) with wildlife experiences in the Eastern Cape. Economically, the Garden Route is a vital tourism artery, supporting hundreds of small businesses, accommodation providers and activity operators. It continues to play a pivotal role in the regional tourism economy, effectively linking the Western Cape to the Eastern Cape.

The GRD's tourism appeal is rooted in its versatility, offering experiences that cater to a broad range of visitors. Visitors can explore marine reserves and national parks, discover local art galleries and craft markets, or savour the region's renowned hospitality by visiting wine estates, shopping at farm stalls and participating in culinary festivals. This diversity of activities is matched by an equally broad range of accommodation options, from luxury resorts to guest farms and eco-lodges, reflecting the GRD's reputation as a destination that blends comfort with sustainability. Nature and adventure tourism remain the core drivers of visitor demand, with activities such as zip-lining, paragliding, river rafting, golfing, game drives and cycling among the most popular.

5.1 Visitor trends

DIAGRAM 5.1.1:

VISITOR OVERVIEW GRD, 2024



Source: ROVE¹⁰⁰, 2025: cited by Wesgro, (2025). Garden Route & Klein Karoo Tourism Visitor Trends, 2024.)

In 2024, this rich mix of attractions drew a predominantly domestic audience, with 99.1 per cent of visitors originating within South Africa and only 0.9 per cent in international markets according to mobile location-based data insights published by ROVE. Among domestic visitors, the leading municipalities of origin were the Cape Metro (44.6 per cent), followed by the Nelson Mandela Bay Metropolitan Municipality (13.3 per cent) and the City of Johannesburg Metropolitan Municipality (11.3 per cent) (ROVE, 2025: cited by Wesgro, 2025). This demonstrates the District's strong pull as a leisure destination accessible to urban residents. The top international source markets captured by the mobile location-based dataset over the period were the United States (24.7 per cent), Brazil (18.4 per cent) and the United Arab Emirates (13.6 per cent), indicating a mix of long-haul and emerging markets. Located at the border between the Garden Route District and the Tsitsikamma region, the Bloukrans Bridge has become a major draw for adventure tourists, offering the world's highest commercial bungee jump at 216 metres.

Within the District, George stands out for its blend of leisure and natural beauty. Home to three of South Africa's finest golf courses – including one designed by golfing legend Gary Player, which has hosted numerous international tournaments – it is celebrated for being one of the country's premier golfing destinations. Yet George's appeal stretches far beyond the greens. The surrounding Outeniqua Mountains invite visitors to explore hiking and mountain biking trails, while a short drive leads to some of the region's most inviting swimming beaches – notably Victoria Bay, the golden sands of Wilderness, and Herolds Bay. George is also ideal for hop growing due to its mild climate, and visitors can explore hop farms and local craft breweries to learn about the beer-making process from start to finish.

¹⁰⁰ Mobile location-based data insights published by ROVE were used by Wesgro to compile the Garden Route & Klein Karoo Tourism Visitor Trends report for the period January to December 2024. Mobile location data is geo- or spatial data from smartphones. It is important to note that mobile location data serves as a sample and does not represent 100% of visitors, and it should not be treated as such. Like any sampling method, it can be subject to biases or lack of volume. It is important to consider the key factors influencing the international sample counts including but not limited to: Data Source Variability; Data Collection and Processing Variability; and Mobile Use Variability. The international sample counts derived from the mobile location-based dataset should not be compared to secondary data sources (including SA Tourism, StatsSA).

The District showcases a range of specialised tourism experiences that enhance its year-round appeal. Stargazing tourism thrives in the Oudtshoorn and the Klein Karoo, where the semi-arid climate and low level of light pollution offer ideal conditions for astronomical observation. Seasonal events and dedicated viewing spots attract both domestic and international visitors seeking clear night skies and tranquil landscapes. Whale watching remains a cornerstone attraction in coastal towns such as Mossel Bay, Wilderness and Plettenberg Bay, where sightings of southern right and humpback whales draw thousands of visitors between June and November. Water sports, including kayaking, sailing, surfing and scuba diving, are most prominent in Knysna, Sedgefield and Plettenberg Bay, where calm lagoons, rivers and open beaches provide plentiful opportunities for such activities in all seasons. These activities, paired with the region’s growing adventure tourism market, reinforce the GRD’s position as a diverse, experience-rich destination within the Western Cape.

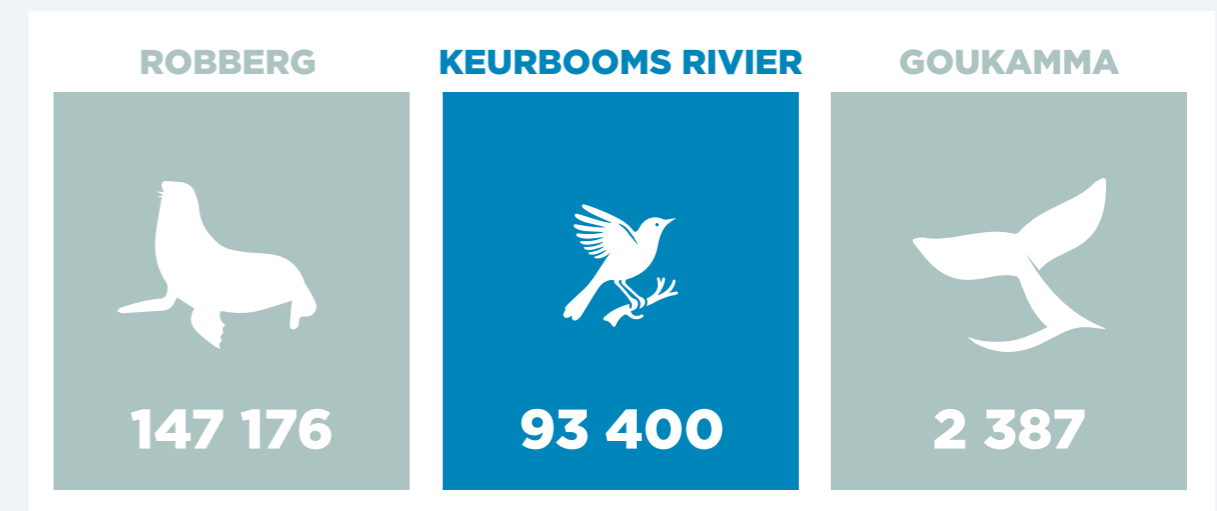
Among the District’s most iconic and internationally recognised specialised attractions, the Cango Caves, located in the foothills of the Swartberg Mountains, stand out as South Africa’s oldest known tourist attraction and a significant geological site. Formed over 20 million years ago, this extensive limestone cave system features intricate stalactite formations and large chambers. Guided tours through the caves are available that range from easy walks to more adventurous routes. Recognised as Africa’s largest show cave system and one of the Seven Wonders of Southern Africa, the Cango Caves attract about 250 000 visitors annually. In June 2023, the site recorded a 42.0 per cent year-on-year increase in visitor numbers and was thus ranked among the top five fastest-growing attractions in the country. More than half of all visitors are international, with 60.0 per cent coming from Europe and Britain and a growing share from Southeast Asia. This upward trend reflects continued interest in heritage and nature-based tourism, reinforcing the site’s vital role within the Western Cape’s inland tourism economy.

Seasonality shapes travel patterns throughout the GRD, most notably in Hessequa, the site of the annual aloe bloom. This is one of the region’s most distinctive natural spectacles, with towns such as Heidelberg, Albertinia and Riversdale drawing visitors each winter when the hills and valleys of the surrounding areas come alive with vibrant orange and gold hues. Albertinia, known as the “Home of the Aloe”, offers aloe-related tours and community-driven initiatives and is also the location of aloe product factories. These initiatives highlight the economic and medicinal value of the plant to this corner of the District. The seasonal spectacle not only enhances the region’s scenic appeal but also reinforces Hessequa’s commitment to sustainable, nature-based tourism. Through this commitment, conservation, local enterprise and authentic rural experiences are linked for the greater benefit of all.

Across the GRD, nature-based tourism continues to show strong momentum. Between 2023 and 2024, the three major nature reserves of the District, Robberg, Keurbooms River and Goukamma, recorded a collective increase in visitor numbers of 58 685. From a total of 184 278 in 2023, the number rose to 242 963 in 2024 – constituting an impressive 32.0 per cent growth (ROVE, 2025: cited by Wesgro 2025).

Figure 5.1.2:

CAPE NATURE RESERVE VISITOR NUMBERS GARDEN ROUTE DISTRICT, 2024

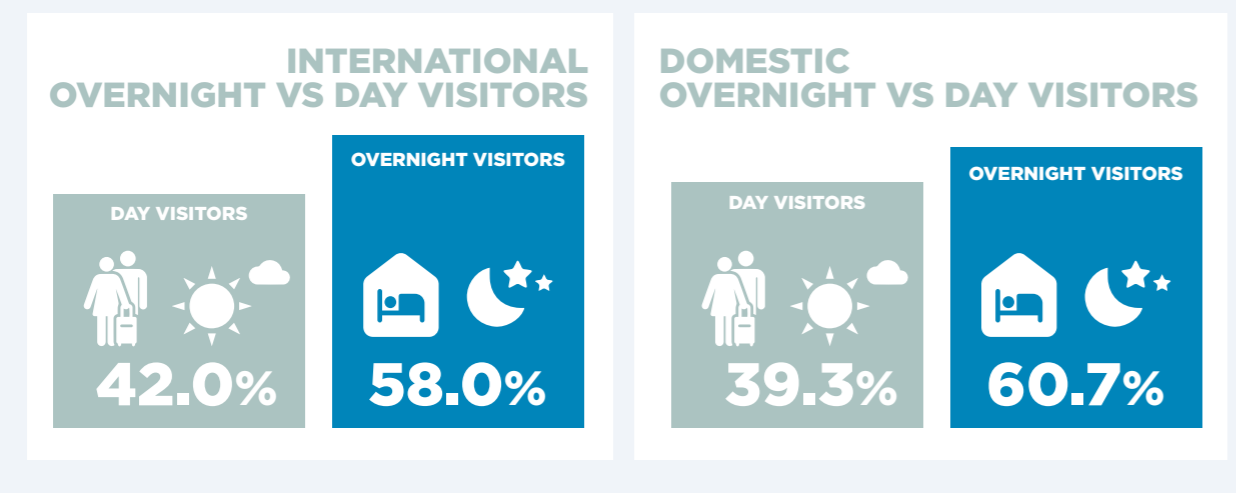


Source: (ROVE, 2025: cited by Wesgro, (2025). Garden Route & Klein Karoo Tourism Visitor Trends, 2024.)

This upward trend mirrors the broader performance of the GRD, where tourism has shown steady recovery and renewed momentum since tourism activity began to recover following the pandemic-related downturn. Passenger movements through George Airport, the region’s primary gateway, have also increased, underscoring improved accessibility and heightened travel demand. The Airports Company South Africa (ACSA) has embarked on a R310 million project to expand and refurbish the existing George Airport terminal. Currently, the airport can accommodate 900 000 passengers per year, but that figure will increase to two million by September 2029. Together, these developments point to a strong rebound in outdoor and ecotourism, supported by both a resurgence in domestic travel and sustained international interest in South Africa’s coastal and conservation destinations.

Figure 5.1.1:

OVERNIGHT VISITORS GARDEN ROUTE DISTRICT, 2024



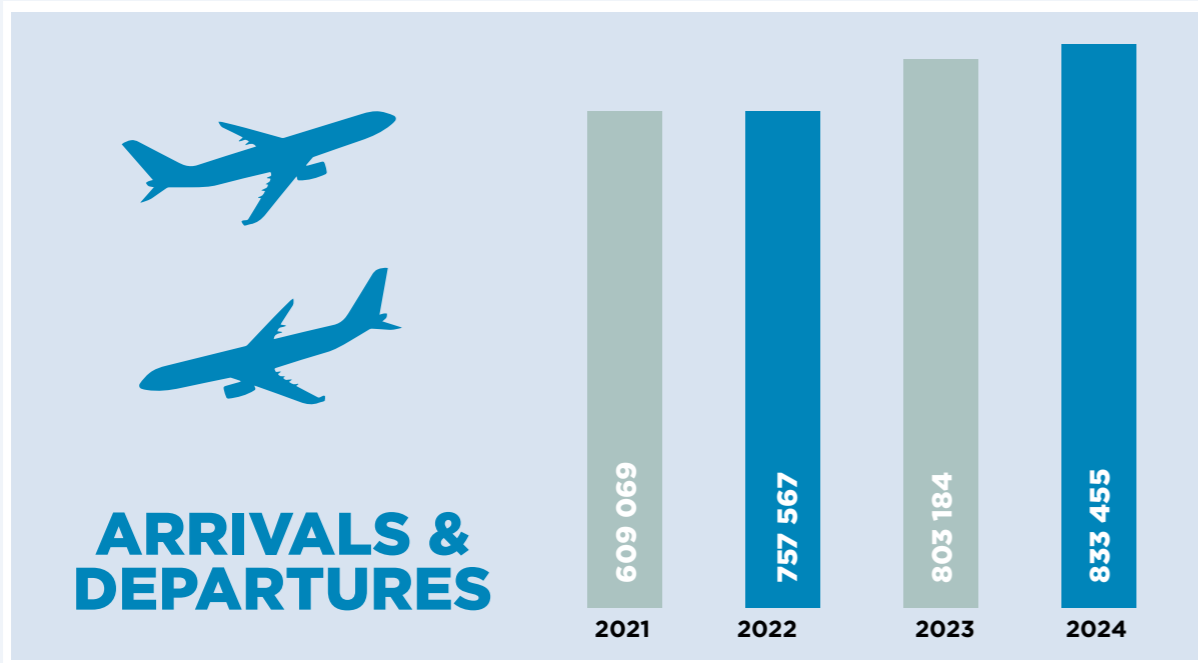
Source: (ROVE, 2025: cited by Wesgro, (2025). Garden Route & Klein Karoo Tourism Visitor Trends, 2024.)

The Port of Mossel Bay plays an increasingly important role in the regional tourism economy, with rising cruise activity highlighting its value as a gateway to the Garden Route and surrounding areas. After being granted Port of Entry Status in 2022, cruise ship arrivals grew steadily, reaching 22 vessels and more than 16 000 passengers in the latest season.¹⁰¹ Although most ships currently anchor offshore and ferry passengers to land, a new dedicated cruise reception facility set for completion in early 2025 will allow the port to process larger passenger volumes and deliver a smoother visitor experience. These developments position Mossel Bay as a growing tourism node, strengthening the flow of domestic and international visitors into the Garden Route and supporting local businesses and attractions.

Visitor behaviour patterns reveal the District’s accessibility for short leisure trips as well as its popularity for weekend and holiday getaways. Among domestic visitors, 60.7 per cent stayed overnight in 2024, while 39.3 per cent were day visitors. Similarly, 58.0 per cent of international visitors spent at least one night in the area compared to the 42.0 per cent who visited for the day. This balance suggests that while the GRD attracts significant day-trip activity, particularly from nearby urban centres, its natural attractions, coastal towns and diverse tourism offerings continue to encourage multi-day travel experiences among both local and international markets.

Figure 5.1.3:

GEORGE AIRPORT PASSENGER MOVEMENT, Garden Route District, 2024

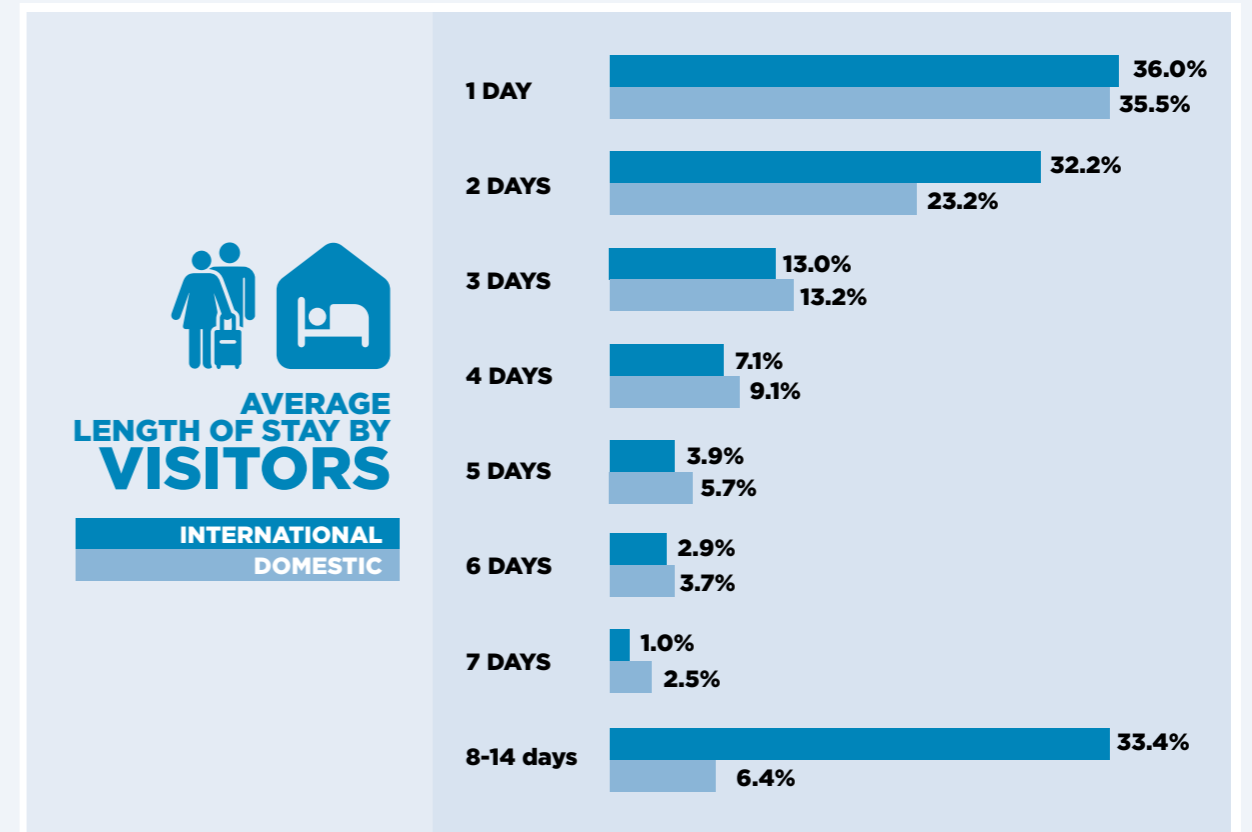


Source: (ROVE, 2025: cited by Wesgro, (2025). Garden Route & Klein Karoo Tourism Visitor Trends, 2024.)

Passenger movement through George Airport showed steady growth between 2021 and 2024, rising from 609 069 passengers to 833 455. This upward trend reflects a strong post-pandemic recovery and the airport’s increasing significance as a key regional transport hub. The consistent rise in passenger volumes highlights renewed confidence in domestic air travel and underscores the airport’s importance in connecting the GRD with major South African cities such as Cape Town, Johannesburg and Durban. Beyond its transport function, George Airport plays a vital role in supporting the tourism and business sectors of the Southern Cape. It facilitates access to major destinations, including Mossel Bay, Knysna, Plettenberg Bay and Oudtshoorn, enabling both leisure and corporate travel. As the only commercial airport between Cape Town and Gqeberha (Port Elizabeth), it serves as a critical gateway to the Garden Route, underpinning regional economic growth, tourism development and investment mobility.

Figure 5.1.4:

AVERAGE LENGTH OF STAY BY VISITORS, Garden Route District, 2024



REPEAT VISITORS

INTERNATIONAL VISITORS
28.0%

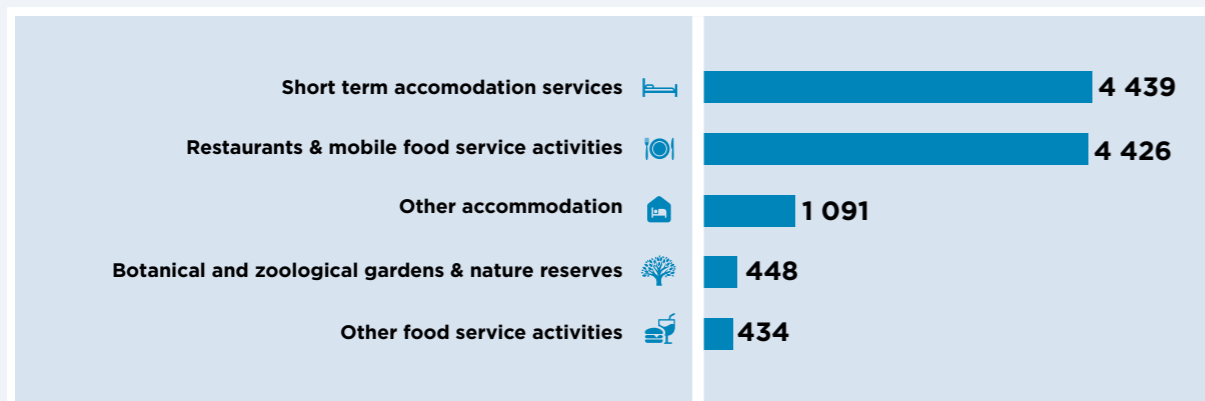
DOMESTIC VISITORS
29.2%

Source: (ROVE, 2025: cited by Wesgro, (2025). Garden Route & Klein Karoo Tourism Visitor Trends, 2024.)

Among international visitors, 36.0 per cent spent only one day in the District in 2024, often as part of a broader travel itinerary that took them from the Cape Metro to the Eastern Cape. In addition, 32.2 per cent stayed for 2 days and 13.0 per cent for three days. Notably, 33.4 per cent of international visitors remained for 8 to 14 days, reflecting the GRD's strong appeal for extended leisure and nature-based holidays linked to ecotourism, adventure and self-drive experiences. By contrast, domestic visitors showed a stronger preference for short trips, with 34.5 per cent staying in the region for one day and 23.2 per cent staying for two days. This underscores the prevalence of day and weekend travel, which is driven by the proximity of the GRD to other locations in the Western Cape and in neighbouring provinces. Only 6.4 per cent of domestic travellers stayed for between 8 and 14 days, confirming that domestic tourism is primarily short-stay and convenience-oriented, often centred on family breaks, business trips or quick leisure getaways (ROVE, 2025: cited by Wesgro 2025).

Figure 5.1.5:

TOP 5 SECTORS FOR EMPLOYMENT IN TOURISM RELATED ACTIVITIES Garden Route, 2024



Source: Nell, A. & Visagie, J. *Spatial Tax Panel 2014 – 2024 (dataset). Version 5.1. National Treasury – Cities Support Programme and Human Sciences Research Council (SEAD-SA) 2025*

The data shows that short-term accommodation activities and restaurants and mobile food services are the largest sources of full-time equivalent employment within the tourism and supporting sectors. Together, these two categories accounted for the majority of tourism-related jobs in 2024, underscoring the strong reliance of the local tourism economy on hospitality and visitor services. Jobs were also provided by other accommodation types (e.g. guesthouses, lodges and farm-stay accommodation), showing the importance of this part of the tourist industry in generating employment.

Overall, the employment profile points to a tourism economy that is driven primarily by accommodation and food services, with nature-based and supporting activities providing valuable secondary employment that enhances the region's broader tourism offering.

The GRD and Klein Karoo have become increasingly popular locations for film, television and commercial productions, as they are ideally positioned – offering a wide variety of locations that provide filmmakers with authentic and versatile backdrops. In turn, visitors eager to experience

the landscapes seen on screen will also travel to the GRD, highlighting the diverse ways in which film has the potential to benefit this District.

Employment in the film industry within the GRD and Klein Karoo is characterised by project-based and indirect job creation, rather than large permanent employment figures. Film, television and commercial productions generate short- to medium-term employment for a wide range of local skills, including location scouts, production assistants, set builders, caterers, drivers, accommodation providers, security personnel and creative professionals. This creates valuable income opportunities, particularly during filming periods, and supports small businesses across the District.

Beyond direct production work, the film industry also stimulates employment in tourism and hospitality, as productions rely heavily on local accommodation, food services and transport. As screen exposure encourages visitors to explore the landscapes featured in films, employment benefits extend further into tour guiding, hospitality and visitor services. While the film sector itself may remain relatively specialised and seasonal, its multiplier effect strengthens overall employment and contributes to economic diversification in the GRD.

Mossel Bay gained international recognition in 2025 when its promotional film *Route 12* was selected as a finalist and awarded two Silver Awards at the International Tourism Film Festival Africa, placing it among the top entries from more than 440 submissions worldwide. This achievement highlights the region's growing presence in global film tourism and showcases the innovative storytelling used to promote its twelve diverse tourism areas. The accolades strengthen Mossel Bay's visibility on the world stage and support its efforts to attract new domestic and international visitors.¹⁰¹

The GRD has adopted a proactive approach to promoting and supporting the film industry in the region. It is one of the few areas of the Province that has a dedicated film commission and a film policy framework. Both seek to formalise and streamline permitting processes while positioning the District as “film-friendly”.

The film industry is closely linked to tourism, hospitality and destination marketing, serving as both a promotional tool and an economic driver. The film servicing sector, in particular, plays a vital role in attracting foreign investment and stimulating local economic activity, this through job creation and the use of local goods and services.

Films shot on location in the GRD include the following: *Born to Win*, *Klein Karoo*, *Knysna*, *Faan se Trein*, *Fiela se Kind*, *The Breed*, *Lord of War*, *Tomb Raider*, *Pad na Jou Hart*, *Abraham*, and *Die Spook van Uniondale*.

TV series filmed in the District include: *Bear Grylls: Mission Survive (Season 2)*, *The Bachelor Finland (Seasons 1 and 2)*, *Black Sails*, *Crusoe*, *Troy (Fall of the City)*, *Padlang*, *First Man*, and *Snuffelsmous*.

¹⁰¹ (Garden Route Info, 2025).



Garden route & Klein Karoo tourism trends 2024

Unless otherwise stated, tourism indicators are sourced from **Garden Route & Klein Karoo Tourism Visitor Trends 2024**, published by Wesgro. The full report can be accessed using the QR code. The report is based on tourism destination insights from ROVE. This is a mobile location-based data insight dashboard, which through the use of geo- or spatial data from smartphones, is designed to uncover actionable insights about tourist visitation patterns, tourist origin markets, location affinity, times and duration of visits, and tourist demographics.

The report details insights from the dashboard pertaining to the Garden Route & Klein Karoo for the period January to December 2024.

It is important to note that mobile location-based data provides a snapshot based on one data point and does not represent 100% of visitors. This dataset therefore provides only a partial representation of tourism activity in the Garden Route & Klein Karoo district. Triangulation with additional tourism data sources is required for a more representative view.

6. Investments

The GRD has a service-driven economy that is anchored by tourism, logistics and finance, and supported by a diverse business base and strong local trade activity. While GDP performance shows steady expansion in the tertiary sector, employment remains uneven. Furthermore, industries in the primary and secondary sectors face structural pressures linked to water scarcity, ageing infrastructure and limited industrial capacity. This chapter explores how public and private investment respond to these conditions through budgeted capital expenditure, provincial project allocations, gross fixed capital formation and fixed capital stock renewal. In doing so, it identifies key strengths, constraints and emerging opportunities that should be explored if the GRD is to sustain long-term competitiveness and growth.

6.1 Public sector investments

Public sector investment in the GRD concerns how local, district and provincial governments mobilise capital to sustain, renew and expand the region's social and economic infrastructure base. This section examines the District's budgeted capital expenditure alongside that of the Western Cape Government (WCG), highlighting how roads, clinics, schools, housing projects and municipal infrastructure are collectively positioned to support service delivery and strengthen the region's development trajectory. From initiatives that address the growing urban pressures of George and Mossel Bay to those aimed at meeting the rural service demands of Kannaland, Hessequa and Oudtshoorn, these investments reflect a deliberate and place-specific effort to maintain core assets, enhance mobility, and catalyse economic growth across the District's diverse settlements.



TABLE 6.1.1:

BUDGETED CAPITAL EXPENDITURE, Garden Route District, 2025/26

DESCRIPTION (R'000)	GEORGE	BITOU	HESSEQUA	KANNALAND	KNYSNA	MOSSEL BAY	OUUDTS-HOORN	GARDEN ROUTE DISTRICT
MUNICIPAL GOVERNANCE & ADMINISTRATION	R40 896.0	R2 904.0	R16 417.0	R0.0	R2 179.0	R8 976.0	R3 800.0	R350.0
COMMUNITY AND PUBLIC SAFETY	R30 082.0	R9 695.0	R7 982.0	R0.0	R19 618.0	R32 120.0	R17 450.0	R3 000.0
COMMUNITY AND SOCIAL SERVICES	R3 660.0	R0.0	R1 002.0	R0.0	R1 213.0	R3 936.0	R100.0	R0.0
SPORT AND RECREATION	R6 230.0	R7 700.0	R3 550.0	R0.0	R742.0	R12 754.0	R13 200.0	R0.0
PUBLIC SAFETY	R15 752.0	R1 995.0	R1 183.0	R0.0	R8 462.0	R6 579.0	R2 000.0	R500.0
HOUSING (NOT HUMAN SETTLEMENTS)	R840.0	R0.0	R2 246.0	R0.0	R9 200.0	R8 850.0	R2 150.0	R0.0
HEALTH	R3 600.0	R0.0	R0.0	R0.0	R0.0	R0.0	R0.0	R0.0
ECONOMIC & ENVIRONMENTAL SERVICES	R197 041.0	R37 819.0	R34 927.0	R0.0	R39 155.0	R37 333.0	R15 494.0	R0.0
PLANNING AND DEVELOPMENT	R11 212.0	R50.0	R47.0	R0.0	R500.0	R7 050.0	R50.0	R0.0
ROAD TRANSPORT	R185 828.0	R37 769.0	R34 386.0	R0.0	R38 655.0	R24 553.0	R15 444.0	R0.0
ENVIRONMENTAL PROTECTION	R0.0	R0.0	R494.0	R0.0	R0.0	R5 730.0	R0.0	R0.0
TRADING SERVICES	R638 998.0	R131 490.0	R127 831.0	R13 720.0	R111 631.0	R324 498.0	R44 775.0	R105 571.0
ENERGY SOURCES	R140 552.0	R30 399.0	R78 821.0	R2 966.0	R15 495.0	R166 295.0	R7 243.0	R0.0
WATER MANAGEMENT	R232 825.0	R54 263.0	R21 900.0	R1 217.0	R64 135.0	R74 135.0	R33 731.0	R0.0
WASTE WATER MANAGEMENT	R243 771.0	R39 727.0	R18 530.0	R9 536.0	R21 800.0	R79 066.0	R2 000.0	R0.0
WASTE MANAGEMENT	R21 850.0	R7 100.0	R8 580.0	R0.0	R10 200.0	R5 000.0	R1 800.0	R105 571.0
OTHER	R0.0	R0.0	R470.0	R0.0	R0.0	R0.0	R0.0	R0.0
TOTAL CAPITAL EXPENDITURE	R907 018.0	R181 908.0	R187 628.0	R13 720.0	R172 584.0	R402 928.0	R81 519.0	R108 921.0
TOTAL EXPENDITURE AS % OF GDP	4.9%	5.4%	4.7%	1.1%	3.4%	5.1%	1.4%	0.2%

Source: Western Cape Provincial Treasury, 2025

For the 2025/26 budgeted capital expenditure period, the municipalities of the GRD collectively budgeted R1.96 billion in capital expenditure, with investment patterns shaped by rapid population growth, tourism pressures and ageing service infrastructure. The GRD's R108.9 million allocation is dominated by waste management (R105.6 million), which supports projects such as the regional landfill compliance upgrades and the expansion of transfer-station infrastructure across Mossel Bay, Knysna and George.

George drives the largest capital programme (R907.0 million), which is centred on wastewater expansion, bulk water reinforcement and major road upgrades that accommodate fast-growing residential and commercial nodes. Mossel Bay's R402.9 million allocation focuses on water security and energy network upgrades that support its petrochemical, logistics and coastal tourism economy. Knysna's R172.6 million programme prioritises water and wastewater resilience, CBD road renewal and targeted electricity upgrades in growth areas.

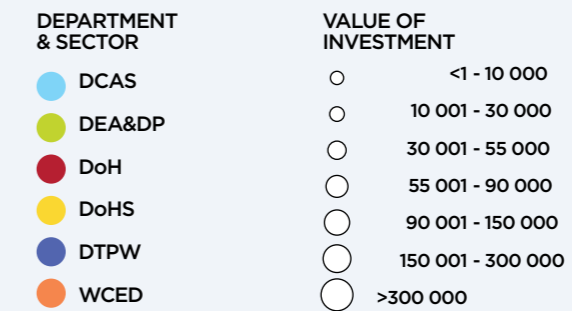
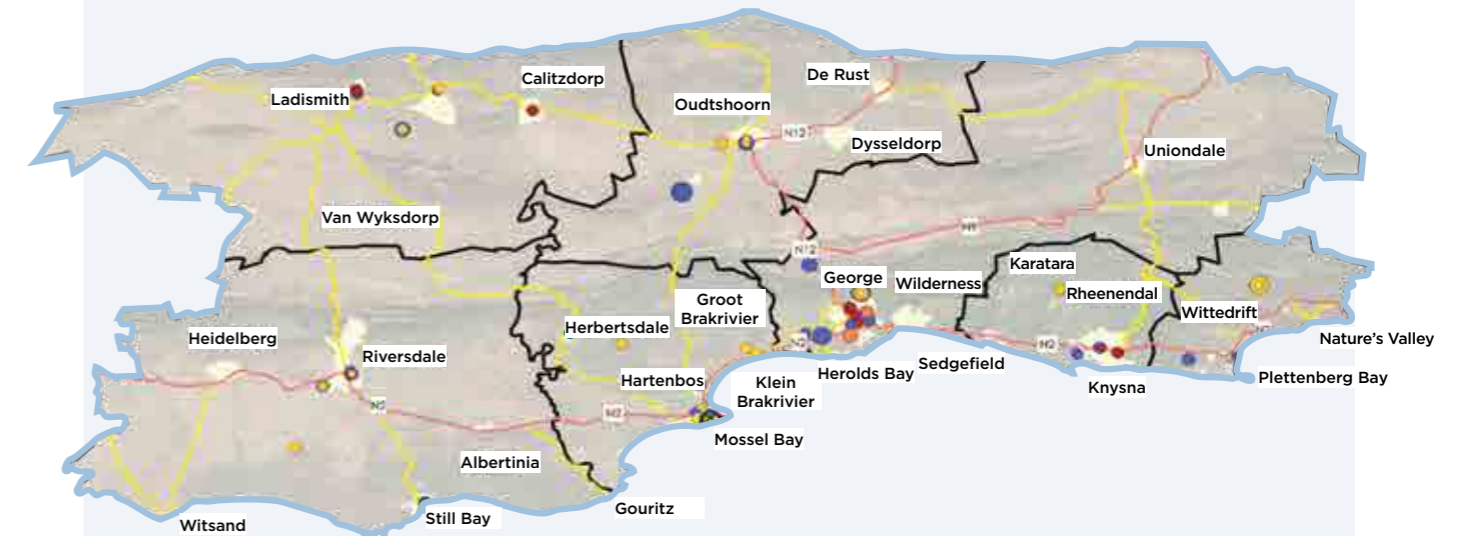
Bitou’s R181.9 million capital plan strengthens water and sanitation capacity, N2-linked mobility, and community infrastructure – in response to strong population growth and seasonal visitor surges. Hessequa allocates R187.6 million to wastewater upgrades, rural connector routes and small-town service reliability, supporting its agriculture- and tourism-based economy. Oudtshoorn’s R81.5 million programme reinforces drought-prone water systems, rural access routes and wastewater improvements. Kannaland’s constrained R13.7 million budget maintains essential water and electricity infrastructure in a financially distressed environment.

Across the District, capital expenditure demonstrates a pragmatic investment model aligned with the unique economic roles of each municipal area. George, Mossel Bay and Bitou channel large-scale investment into growth-enabling infrastructure, while Knysna, Oudtshoorn, Hessequa and Kannaland focus on maintaining essential services and strengthening resilience in tourism, agriculture and rural communities. The combined programme secures the foundations of the regional economy by reinforcing water, wastewater, energy and transport systems that underpin productivity, mobility and inclusive growth across one of the Western Cape’s most diverse and rapidly evolving regions.



MAP 6.1.1:

TOTAL DEPARTMENTAL MTEF INFRASTRUCTURE BUDGET AND NUMBER OF PROJECTS, GARDEN ROUTE, 2025-2028



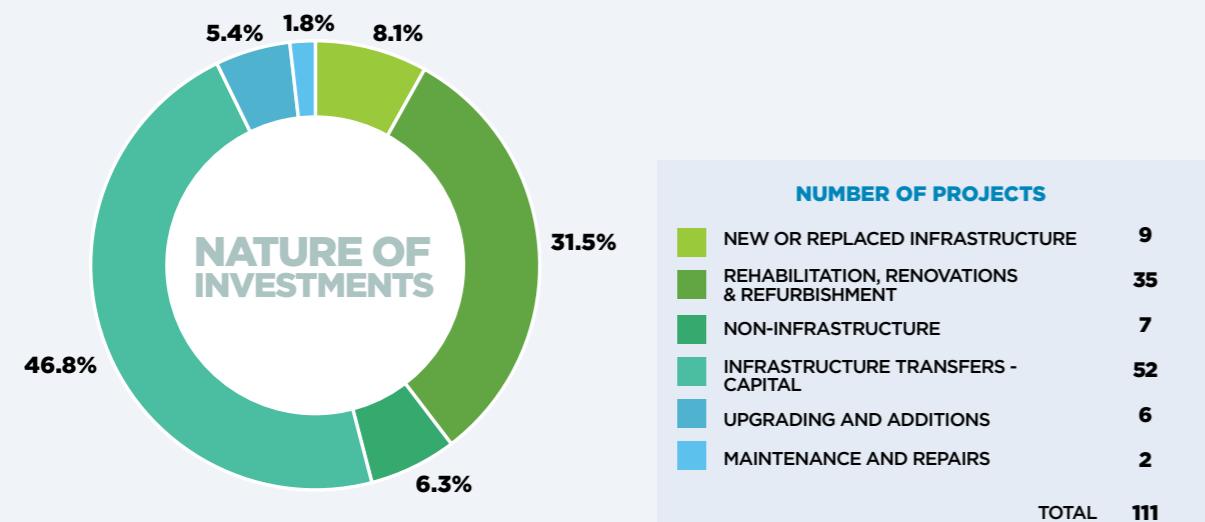
DEPARTMENTAL INVESTMENT PER SECTOR	NO. OF PROJECTS	MTEF 1 2025/26 (R'000)	MTEF 2 2026/27 (R'000)	MTEF 3 2027/28 (R'000)	MTEF total (R'000)
Human settlements (Department of Human Settlements, DoHS)	52	R370 460.0	R139 785.0	R246 881.0	R757 126.0
Transport (Department of Transport and Public Works, DTPW)	36	R689 109.0	R448 496.0	R501 075.0	R1 638 680.0
Health (Department of Health and Wellness, DoHW)	18	R73 432.0	R35 825.0	R40 598.0	R149 855.0
Education (Western Cape Education Department, WCED)	3	R20 000.0	R105 000.0	R50 000.0	R175 000.0
Public Works (DTPW)	2	R10 380.0	R25 000.0	R12 500.0	R47 880.0
TOTAL	111	R1 163 381.0	R754 106.0	R851 054.0	R2 768 541.0

Source: Department of Environmental Affairs and Development Planning, 2025

Between 2025/26 and 2027/28, the WCG will channel an estimated R2.7 billion into the GRD through 111 provincial projects, reflecting the region's growing strategic importance as a rapidly urbanising coastal economy with significant mobility, service delivery and rural infrastructure pressures. The average project value of R24.9 million indicates a portfolio dominated by medium-scale upgrades, particularly road rehabilitation, incremental housing delivery and essential facility modernisation. The Department of Transport and Public Works leads the investment profile, with its R45.5 million average project value driven by major rehabilitation programmes across the George–Oudtshoorn–Knysna–Mossel Bay corridor.

Figure 6.1.1:

NATURE OF INVESTMENTS GARDEN ROUTE, 2025 – 2028



Source: Department of Environmental Affairs and Development Planning, 2025

The George municipal area is receiving the largest commitment (of R954.4 million). The investment includes 26 projects that are concentrated on transport (R429.8 million) and human settlements (R235.2 million) sectors, alongside major education and health upgrades. Flagship investments such as the Outeniqua Wastewater Treatment Works expansion, the C1047.5 Maalgate River Bridge, the George West Bypass upgrades, and large-scale Thembalethu and Syferfontein housing phases reinforce George's role as the District's administrative and economic anchor.

The Mossel Bay municipal area has secured R420.2 million for 22 projects, which are dominated by transport (R280.9 million). This highlights the strategic importance of the N2 corridor, as well as logistics position and coastal tourism pressures. Human settlements investments – including New Rest, Spekboom and Wolwedans – total R119.2 million and are complemented by health upgrades and major transport projects such as the C964.2 Hartenbos-Mossel Bay upgrade and the C1298 Mossel Bay-Oudtshoorn link. Oudtshoorn is receiving R554.6 million for 12 projects, one of the highest average allocations per project due to extensive road maintenance and reseal programmes (R520.5 million). These investments support rural mobility across a large agricultural hinterland. Smaller allocations strengthen Bongoletu, Grootkop and Dysselsdorp housing, with one project directed by Public Works to upgrades for the Shared Services Building.

The Knysna municipal area is benefitting from R108.4 million, which is being allocated to 10 projects. These projects are dominated by R72.9 million allocated to human settlements, including Sedgefield Infill, Khayaletu Bungalows and Vision (459). Health investments (R32.0 million) include the replacement of the Knysna Forensic Pathology laboratory (FPL) and the Hornlee Clinic, while modest transport upgrades are maintaining key regional access routes in a settlement characterised by land scarcity and infrastructure strain. Bitou is receiving R292.7 million for 10 projects, led by R185.7 million for human settlements and R107.0 million for transport. Major road upgrades on the C1290, C1215 and C1290 Provincial Roads Maintenance Grant (PRMG) routes strengthen mobility for Plettenberg Bay, while projects in New Horizons, Kwanokuthula and Kranshoek advance ongoing spatial restructuring.

The Hessequa municipal area's R283.4 million allocation, to be distributed across 19 projects, is strongly rural, with transport expenditure (R212.5 million) concentrated on the Riversdale-Ladismith route and N2-Witsand connection. Human settlement upgrades across Stilbaai, Melkhoutfontein, Heidelberg and Albertinia address service backlogs in dispersed communities with limited local fiscal capacity. The Kannaland municipal area has secured R154.9 million that is being dedicated to 12 projects. Transport upgrades along the C1296 Ladismith-Calitzdorp corridor (R84.5 million) support the local agricultural economy, while human settlement projects in Zoar, Ladismith and Calitzdorp total R53.5 million. Health investments focus on essential clinic and hospital refurbishments. Despite its small scale, the portfolio of this municipal area remains catalytic for a geographically isolated region facing persistent service constraints.

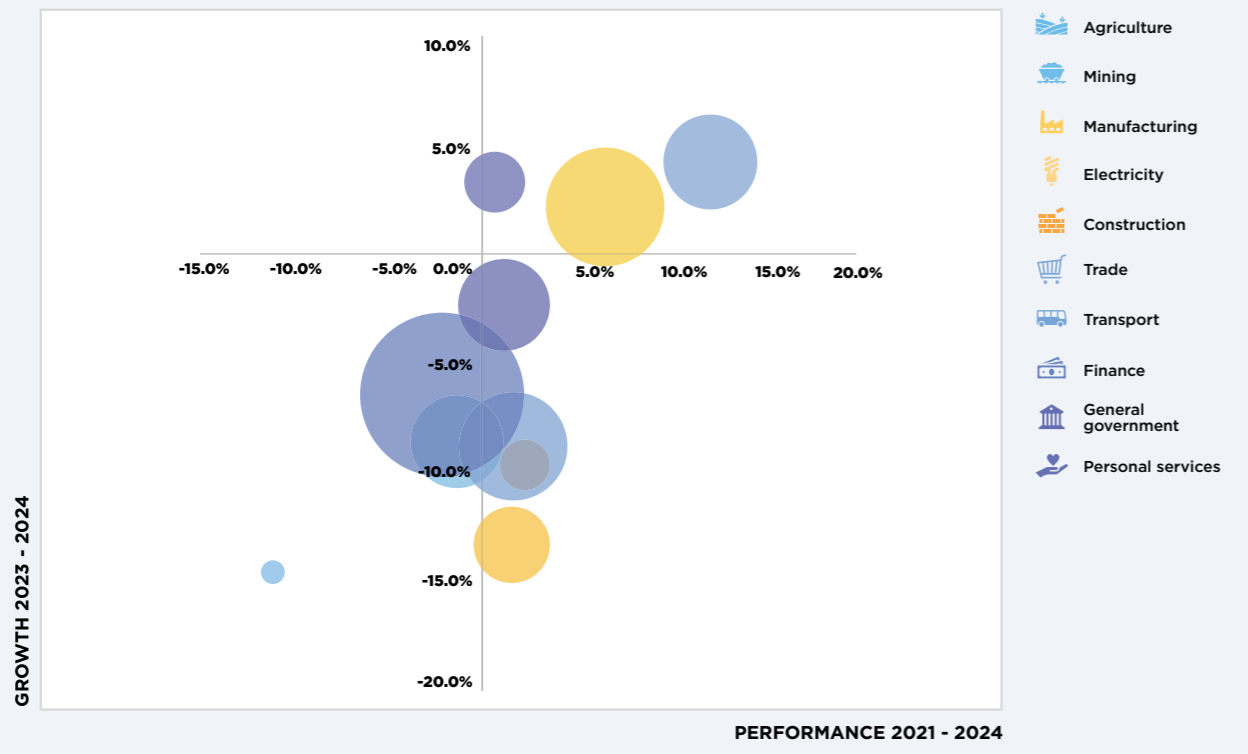
Overall, the 2025/26 to 2027/28 Provincial investment pipeline is intended to strengthen the GRD's core infrastructure systems and support both fast-growing urban centres and rural towns with long-standing service pressures. George and Mossel Bay are receiving the largest allocations due to their economic scale and strategic connectivity roles. Investments across the remaining municipal areas prioritise road rehabilitation, human settlement upgrading, health-facility renewal and wastewater improvements – all critical to sustaining mobility, service reliability and tourism- and agriculture-based economies. The distribution of projects reflects the District's spatial diversity, balancing growth-enabling infrastructure with essential upgrades in smaller, fiscally constrained municipalities.

6.2 Private sector investments

Private sector investment in the GRD is evaluated through gross fixed capital formation (GFCF) and fixed capital stock (FCS) growth relative to GDP, which together show whether new productive assets are added and whether capital renewal is keeping pace with economic output. Analysing GFCF and FCS performance at District and municipal-areas level, alongside a review of recent private development projects, highlights where investment is clustered, which sectors sustain asset renewal, and how private capital reinforces long-term economic competitiveness across the GRD.

Figure 6.2.1:

GROSS FIXED CAPITAL FORMATION (CONSTANT PRICES), Garden Route District, 2021 – 2024



Source: Quantec, 2025

Between 2021 and 2024, private sector investment in the GRD grew at an average annual rate of 1.5 per cent before contracting by 4.9 per cent in 2024, when total gross fixed capital formation (GFCF)¹⁰² reached R10.5 billion. The dominant contributors to capital formation in 2024 were finance (29.5 per cent), manufacturing (15.4 per cent), transport, storage and communication (12.9 per cent) and trade (9.7 per cent) sectors. Together, these sectors underpin an economy structurally driven by tourism, logistics, agro-processing and real estate services.

The George municipal area, the District's largest investment location, which developed by 1.5 per cent annually between 2021 and 2024 before declining by 5.3 per cent in 2024. Investment remains dominated by finance (29.5 per cent), transport, storage and communication (21.0 per cent), manufacturing (16.7 per cent) and trade (9.3 per cent). This profile mirrors George's role as the District's services base, administrative centre and logistics hub. Capital formation aligns with high population growth, the substantial GDP contribution of the area, and its diversified employment structure, especially in business services and retail. Private investment projects – such as commercial expansion around the Pacaltsdorp, Herolds Bay and Kraaibosch estates and upgrades linked to George Airport logistics expansions and platforms – reinforce ongoing value creation in finance and transport.^{103, 104, 105}

¹⁰² GFCF refers to the development of assets used in bolstering production or generating higher levels of income.

¹⁰³ (Cape Town ETC, 2025).

¹⁰⁴ (George Herald, 2025).

¹⁰⁵ (Daily Tourism Update, 2025).

The Mossel Bay municipal area had the second-largest investment growth trend in 2024. GFCF developed marginally between 2021 and 2024 (by 0.6 per cent annually) before declining by 5.3 per cent in 2024. Finance dominated capital formation at 34.9 per cent, followed by manufacturing (16.1 per cent), transport, storage and communication (13.1 per cent) and trade (9.7 per cent). This reflects a structurally strong private real estate market supporting tourism, petrochemical activities and logistics linked to the N2 and port precinct. A slowdown in construction and electricity investment may limit the area's ability to expand industrial platforms, which are essential for long-term competitiveness in energy and marine-linked logistics.

The Knysna municipal area's GFCF grew at 1.5 per cent a year between 2021 and 2024 before contracting by 3.8 per cent in 2024. Finance contributed 48.5 per cent of capital formation in 2024, demonstrating the influence of coastal property markets, high-value residential investment and commercial tourism purchases. Trade and transport, storage and communication jointly contributed more than 33.0 per cent, while manufacturing accounted for 18.5 per cent. This is consistent with Knysna's employment profile, which is dominated by tourism, small business services and construction supply chains. Private investment remains concentrated in infrastructure renewal around the Knysna Waterfront, Thesen Islands and Central Business District (CBD) hospitality improvements.¹⁰⁶ Investment fundamentals remain strong, but limited construction and energy capital formation, coupled with declining agriculture investment, highlight risk in long-term productive capacity.

The Hessequa municipal area's GFCF increased by 1.6 per cent annually between 2021 and 2024 before declining by 5.0 per cent in 2024. The Hessequa municipal area's GFCF increased by 1.6 per cent annually between 2021 and 2024 before declining by 5.0 per cent in 2024. Finance (28.9 per cent), transport, storage and communication (18.3 per cent) and manufacturing (17.5 per cent) drive capital formation, supported by stable property and agro-processing activity in rural coastal settlements such as Riversdale, Stilbaai and Heidelberg. Investment patterns reflect Hessequa's tradeable agricultural base and its tourism economy, which is centred on nature-based assets and retirement living. Incremental tourism investment in accommodation facilities and coastal development has maintained steady private capital inflows, although construction and electricity investment remain subdued and may constrain long-term structural diversification.

The Bitou municipal area recorded a GFCF growth of 2.7 per cent annually between 2021 and 2024 before contracting by 3.0 per cent in 2024. Finance (34.5 per cent), trade (11.1 per cent) and manufacturing (10.3 per cent) were the dominant contributors. This mirrors the dependence of local GDP on tourism and high-value residential property and hospitality services, particularly around Plettenberg Bay. Private construction of mixed-use and accommodation projects at Lookout Beach and coastal infill developments is sustaining productive assets.^{107, 108, 109} However, transport, energy and agri-linked manufacturing investment remains weak. The area's exposure to seasonality, logistics inefficiencies and rising property demand indicates a structural need for deeper investment in supporting infrastructure.

The Oudtshoorn municipal area's recorded a GFCF of R874.0 million in 2024, which grew by 2.1 per cent annually between 2021 and 2024 before contracting by 4.7 per cent in 2024. Finance (41.0 per cent), manufacturing (29.7 per cent) and transport, storage and communication (16.9 per cent), supported by ongoing investment in ostrich industry processing, tourism infrastructure and property development in remote areas. This reinforces tourism accommodation around De Rust, Schoemanshoek and the

¹⁰⁶ (Knysna-Plett Herald, 2024).

¹⁰⁷ (Plett Tourism, 2024).

¹⁰⁸ (Bitou Municipality, 2024).

¹⁰⁹ (Knysna-Plett Herald, 2024).

Klein Karoo hot spring route, which continues to reinforce local capital formation. Limited construction and electricity investment highlight long-term capacity constraints that may reduce incentives for further private industrial investment unless supported by improved municipal enabling infrastructure.

The Kannaland municipal area, the smallest investment value of the District, grew by 1.6 per cent between 2021 and 2024 before declining by 5.9 per cent in 2024. Finance (7.1 per cent), manufacturing (4.5 per cent) and transport, storage and communication (5.1 per cent) sectors remained modest but stable contributors, consistent with Kannaland's small agricultural base. Investment in dairy processing and agri-linked logistics has supported productive capacity. However, low levels of construction and electricity investment contribute to weak infrastructure readiness. Long-term competitiveness will depend on the availability of serviced land, a reliable energy and water supply and revitalisation of rural tourism product offerings.

At a district level, the GFCF structure reveals a capital-intensive service economy with geographically varied investment performance. Areas with high population growth and diversified employment bases, particularly George, Mossel Bay and Knysna, exhibit large GFCF footprints centred on finance, tourism, trade and logistics. Smaller rural areas such as Kannaland and Hessequa maintain steady but weaker capital formation, which is linked primarily to agri-production. Although the District has several emerging private investment initiatives, it is evident that construction and energy underinvestment are structural weaknesses across all municipal areas.

Between 2021 and 2024, the GRD recorded an average annual FCS growth rate of 1.0 per cent, compared with GDPR growth of 2.6 per cent.¹¹⁰ This is a ratio of roughly 1:2.6. This indicates that economic output expanded more than twice as fast as the rate of asset accumulation, an investment pattern that points to efficient utilisation of existing productive capacity but also subdued new capital formation. The divergence reflects a regional economy increasingly driven by tourism, logistics, trade, services and agro-processing productivity rather than large-scale private fixed investment or industrial expansion.

Kannaland recorded the strongest FCS performance, which averaged 1.5 per cent annually between 2021 and 2024 compared with GDPR growth of 2.4 per cent (a ratio of 1:1.6). Its fixed capital stock of R2.76 billion (the value in 2024) reflects steady reinvestment in dairy processing, irrigated agriculture, small-scale logistics and rural tourism. The close alignment between FCS and GDPR points to a gradually strengthening, investment-responsive rural economy.

Oudtshoorn followed, with FCS growth of 1.3 per cent and GDPR growth of 2.4 per cent (a ratio of 1:1.8). The fixed capital stock in the area, valued at R13.12 billion in 2024, is supported by investment in ostrich farming, agri-processing, irrigation and tourism infrastructure. Output is rising faster than capital formation due to strong services and public sector activity, yet productive assets remain well utilised, supporting gradual diversification.

George recorded FCS growth of 0.7 per cent against GDPR growth of 2.8 per cent during this period (a ratio of 1:4.0). With a capital stock of R36.70 billion in 2024, this municipal area remains anchored in finance, real estate, retail, transport and construction services. Output growth is increasingly driven by service sector productivity and population growth, highlighting the need for renewed private investment in residential, commercial, industrial and logistics assets.

Bitou recorded FCS growth of 0.5 per cent and GDPR growth of 3.1 per cent from 2021 to 2024 (a ratio of 1:6.2). Its R7.47 billion capital stock is concentrated in tourism property, hospitality assets and high-value residential development. Output growth reflects tourism recovery, property services and trade, while limited capital renewal underscores the need for modernised tourism infrastructure and more diversified investment.

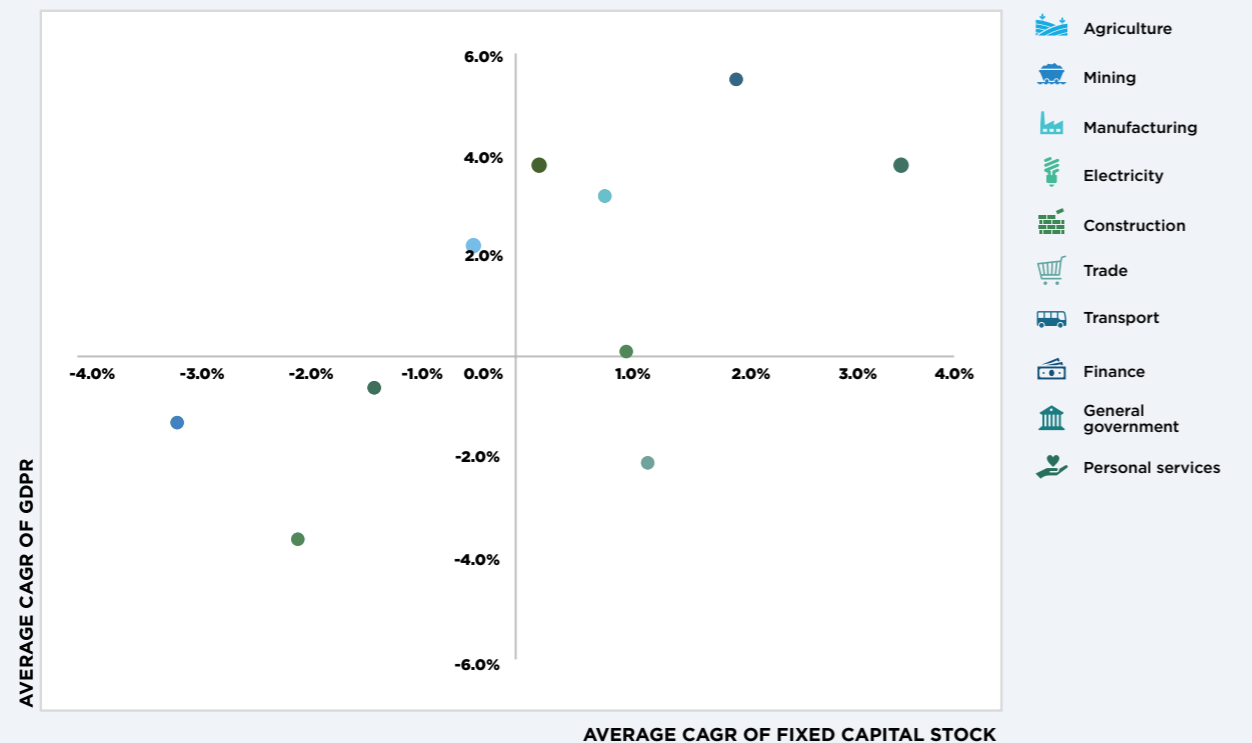
Hessequa posted FCS growth of 0.4 per cent and GDPR growth of 2.7 per cent for this period (a ratio of 1:6.8). The fixed capital stock of R8.02 billion in 2024 reflects steady investment in agriculture, hospitality, retirement living and coastal tourism. Output growth – driven by trade, finance and personal services – signals rising pressure on existing infrastructure, indicating a need for deeper reinvestment in agri-value chains, logistics and serviced land.

Mossel Bay recorded the weakest FCS performance for the 2021 to 2024 period at 0.1 per cent against a GDPR growth of 2.4 per cent (a ratio of 1:24.0). With R16.15 billion in fixed capital, the economy of this area remains focused on petrochemicals, logistics, residential property and tourism. Stagnant capital formation suggests limited private investment, with growth coming instead from services and municipal infrastructure optimisation. This raise concerns over future capacity.

¹¹⁰ CAGR: Compound annual growth rate represents the smoothed average annual growth rate over a period, allowing for consistent comparison across sectors and timeframes.

Figure 6.2.2:

FIXED CAPITAL STOCK AND GDPR ANNUAL GROWTH (CONSTANT PRICES), Garden Route District, 2021 - 2024



Source: Quantec, 2025

Knysna experienced a declining FCS growth rate (by 0.4 per cent), even though GDPR grew by 2.2 per cent in 2024. Its R11.35 billion capital stock shows strain from under-maintained tourism assets, ageing infrastructure and slow property development. Output is being driven by small enterprise services and hospitality rather than new investment, signalling emerging structural constraints without accelerated private reinvestment.

At the District level, an overall fixed capital to GDPR ratio of 1:2.6 confirms that economic output is expanding much faster than the renewal or expansion of physical assets. However, several foundational economic sectors including agriculture, manufacturing and construction, showed weak or negative capital formation between 2021 and 2024, consistent with the District's employment and trade profile. This raises a medium-term risk of undercapitalisation, especially in areas where infrastructure ageing, drought exposure and rising service pressures are evident. Continued competitiveness across the GRD will depend on reinvigorating private sector capital formation in agro-industrial systems, serviced land development, commercial logistics, renewable energy and tourism infrastructure.

In the GRD, the relationship between investment and employment is shaped by a service-led economy in which GDPR growth has increasingly outpaced job creation and capital renewal. Public investment in bulk infrastructure, roads, housing and utilities has generated short-term employment during construction phases, particularly in construction, engineering and local supply chains, but these gains have not translated into sustained net job growth, as reflected in the district-wide employment decline recorded in 2024. Longer-term employment impacts are therefore dependent on the operational effects of investment, where improved water security, transport connectivity, energy reliability and serviced land enable labour-absorbing sectors to expand. This is especially relevant for agriculture and agro-processing in Hessequa, Oudtshoorn and Kannaland, and for tourism, trade and logistics in George, Mossel Bay, Knysna and Bitou. These sectors exhibit high employment location quotients and remain the district's primary sources of work. In a context of constrained employment growth, capital investment that directly strengthens these employment-intensive sectors is more likely to support durable job creation than projects that primarily raise output without expanding labour demand.

6.3 Comparative advantages

Across the GRD, comparative advantages are shaped by diverse economic bases and investment patterns. George functions as the regional anchor, driven by strong finance, logistics, retail and industrial activity along the N2. Mossel Bay benefits from petrochemical and energy infrastructure supported by a resilient coastal tourism economy. Bitou and Knysna remain tourism-led areas, bolstered by hospitality investment and lifestyle-driven property development. Oudtshoorn's strengths reflect its agro-processing and Karoo tourism traditions, while Hessequa combines diversified agriculture with emerging retirement, recreation and logistics niches. Kannaland, although the smallest and most rural, shows targeted opportunities in dairy processing, irrigated agriculture and heritage tourism. Overall, the District's comparative advantages are concentrated in tourism and agri-industrial value chains supported by logistics and commercial services, with George and Mossel Bay acting as key economic centres.

TABLE 6.3.1: ECONOMIC NEEDS AND OPPORTUNITIES, Garden Route District, 2025

Key strengths	Needs and constraints	Economic opportunities
George		
<ul style="list-style-type: none"> Regional economic anchor with the largest and most diversified GDPR base in the District. Strong logistics and mobility advantages (N2, N9 and airport connectivity). Highest concentration of private GFCF across the finance, manufacturing, trade and logistics sectors. Established industrial and warehousing platforms, especially around Pacaltsdorp, Thembalethu and airport precincts (such as George Airport). 	<ul style="list-style-type: none"> Rapid urbanisation driving bulk water and wastewater capacity pressures. Congestion along key corridors and limited serviced industrial land. Electricity supply vulnerabilities and strain on municipal infrastructure systems. Planning and governance capacity challenges related to growth management. 	<ul style="list-style-type: none"> Logistics, warehousing and freight consolidation along the N2 corridor. Renewable energy generation and storage hubs. Mixed-use and light industrial development nodes on serviced land. Regional agro-logistics and distribution centre expansion.
Bitou		
<ul style="list-style-type: none"> Premium tourism economy anchored by Plettenberg Bay. Strong private investments in trade, hospitality, residential development and recreation. Stable GFCF performance in manufacturing, construction and personal services. Rising renewable energy and ecotourism initiatives. 	<ul style="list-style-type: none"> High peak-season pressure on water and wastewater systems. Limited industrial land and infrastructure for formal business expansion. Dependence on tourism cycles and coastal property markets. Environmental sensitivity with regard to estuarine and coastal landscapes. 	<ul style="list-style-type: none"> Eco-resort and adventure-tourism developments. Mixed-use commercial nodes along N2 connector. Marine and recreational tourism infrastructure upgrades. Retirement housing, leisure estates and hospitality expansion.
Hessequa		
<ul style="list-style-type: none"> Diverse primary agricultural base (dairy, horticulture, grain). Increasing leisure, retirement and lifestyle property demand. Stable GFCF performance in transport, trade and personal services. Coastal settlements with tourism potential (Stilbaai, Witsand, Heidelberg). 	<ul style="list-style-type: none"> Low economic density and limited industrial diversification. Small town infrastructure service gaps. Rural connectivity and broadband limitations. Municipal fiscal constraints. 	<ul style="list-style-type: none"> Climate-smart regenerative agriculture and value-added processing. N2 logistics and roadside commercial nodes. Retirement and health service precincts. Coastal ecotourism and small town hospitality development.
Kannaland		
<ul style="list-style-type: none"> Rural agricultural platform anchored in dairy, irrigation and niche agri-products. Heritage and Route 62 tourism advantages. Gradually improving tertiary sector investment profile. Increased local food-processing potential. 	<ul style="list-style-type: none"> Very limited capital budgets and investment scale. Bulk service constraints (electricity, water storage, pipelines). Investor confidence challenges due to slow infrastructure turnaround. Small and dispersed population base. 	<ul style="list-style-type: none"> Micro agro-processing (cheese, yoghurt, dried fruit, boutique products). Agri-tourism and heritage tourism on Route 62. Solar minigrid projects for agricultural clusters. Branding and value chain projects for place-based agricultural products.

Key strengths	Needs and constraints	Economic opportunities
Knysna		
<ul style="list-style-type: none"> • Mature tourism, hospitality and maritime base, with strong visitor spending. • Growing financial and personal services activity in GFCF. • Coastal lifestyle migration strengthening local demand. • Established small-scale forestry and wood products manufacturing. 	<ul style="list-style-type: none"> • Ageing bulk services, especially wastewater and lagoon-edge infrastructure. • Declining real private investment in fixed capital formation. • Land scarcity and constrained development rights around the estuary. • Environmental risk (fire, flooding, estuary pollution). 	<ul style="list-style-type: none"> • Tourism precinct renewal and lagoon waterfront redevelopment. • Coastal heritage and nature-based real estate development. • Small-scale manufacturing clusters (wood products, eco-design). • Wellness tourism and retirement estates.
Mossel Bay		
<ul style="list-style-type: none"> • Petrochemical energy hub anchored by PetroSA and offshore gas assets. • Strong marine logistics, tourism and coastal real estate base. • Stable private sectors in finance, transport and hospitality. • Strategic positioning along the national N2 logistics route. • Development of a regional waste management facility 	<ul style="list-style-type: none"> • Limited new private capital formation and stagnant GFCF in key sectors. • Ageing wastewater, bulk water and energy systems. • Seasonal population surges creating service delivery pressures. • Fragmented linkages between industrial areas and tourism nodes. 	<ul style="list-style-type: none"> • Offshore gas redevelopment and downstream energy clustering. • Maritime repair, desalination and tank storage services. • Tourism corridor development (Mossel Bay-Hartenbos-Groot Brakrivier). • Retirement-linked and mixed-use residential precincts. • Expansion of a circular and waste economy, supporting labour-absorbing operations and participation
Oudtshoorn		
<ul style="list-style-type: none"> • Agri-processing centre with ostrich, leather and irrigation-linked enterprises. • Strategic location along Route 62 tourism corridor. • Strong government and finance sector share in GFCF. • Expanding tourism around the Cango region and Karoo heritage assets. 	<ul style="list-style-type: none"> • Persistent drought and water security limitations. • Infrastructure maintenance backlogs on rural connector roads. • Limited industrial diversification and skills shortages. • Ageing tourism and public facilities, requiring upgrades. 	<ul style="list-style-type: none"> • Expansion of agri-industrial processing (meat, leather, packaging). • Heritage-based tourism, eco-lodges and route tourism experiences. • Solar and renewable energy generation projects in rural areas. • Local logistics depots serving agricultural value chains.
GRD		
<ul style="list-style-type: none"> • Strong tourism, agri-industrial and services base. • Strategic N2/N9 logistics spine connecting coastal and inland economies. • Active private development market in retail, residential and mixed-use property. • Diversified economic structure, with high visitor economy exposure. 	<ul style="list-style-type: none"> • Mismatch between fast-growing GDP output and slower capital formation. • Bulk infrastructure backlogs (water, electricity, wastewater). • Climate and environmental risks (drought, coastal erosion, fire). • Spatial fragmentation between coastal nodes and rural hinterland. 	<ul style="list-style-type: none"> • Integrated logistics and freight projects along N2/N9 corridors. • Climate-resilient water systems (reuse, desalination, wastewater upgrades). • Tourism plant modernisation and coastal infrastructure renewal. • Renewable energy partnerships and battery storage at District scale. • Multi-municipal-serviced industrial precinct strategies.

Investment patterns across the GRD show the economy of this District to be one in transition: steady GDP growth and strong performance in tourism, finance, logistics and personal services continue to drive output and employment, yet capital formation remains modest and uneven. An analysis of budgeted municipal expenditure, provincial allocations, GFCF and FCS growth across municipal areas indicates that the GRD economy is expanding faster in service output than in productive asset renewal, particularly in strategic sectors such as manufacturing, agriculture and construction. While this trend reflects efficient utilisation of existing infrastructure, it also reveals emerging capacity constraints that could limit the District's ability to absorb growth, unlock new development opportunities and maintain service reliability over the medium term.

Public sector investment is focused on water, sanitation, wastewater treatment, road rehabilitation and transport connectivity. These allocations stabilise the essential service backbone of the regional economy. This is particularly the case in high-growth areas such as George, Mossel Bay and Bitou, where population pressures, seasonal tourism flows and land-use change generate significant service demand. Smaller municipal areas - Knysna, Hessequa, Kannaland and Oudtshoorn - prioritise essential asset renewal, climate risk resilience and rural service maintenance, reflecting fiscal constraints and fewer large-scale investment opportunities. Provincial commitments reinforce these priorities, with a strong emphasis on transport corridors, housing delivery, health facility refurbishment and school infrastructure in underserved settlements.

Private investment, although diverse, shows slower capital accumulation in sectors with high economic relevance. GFCF trends reveal contractions in agriculture, construction and electricity/water infrastructure, driven by drought exposure, rising input costs and uncertain development conditions. By contrast, trade, finance and personal services continue to receive steady reinvestment, reinforcing the District's shift toward tourism, urban services and consumer-driven growth. Fixed capital stock performance highlights similar pressures: economic output is outperforming physical asset renewal across most municipal areas, signalling a structural risk of undercapitalisation.

Looking ahead, the District must adopt a more deliberate and balanced investment strategy. Priority actions include stimulating private GFCF in agro-industrial systems, ensuring that serviced commercial and industrial land is made available in secondary nodes, and supporting catalytic tourism infrastructure. Mixed public-private financing will be essential to upgrading wastewater, energy and logistics systems. Strengthening land use approvals, infrastructure planning and investment promotion will help convert identified growth opportunities into real economic activity.

7. Concluding remarks

The GRD remains a service-led regional economy in which economic growth, trade, tourism and investment are closely interconnected. The District continues to generate value through finance, trade, logistics and tourism-linked services, supported by its strategic coastal location, strong regional transport connectivity and established tourism assets. Economic activity is concentrated in a small number of centres, particularly George and Mossel Bay, which act as the primary drivers of employment, trade and investment, while smaller municipal areas contribute through specialised roles linked to agriculture, tourism, lifestyle property markets and rural services.

Alongside positive GDP performance and a strengthening trade position driven largely by agricultural and manufactured exports, employment creation is being shaped by broader economic conditions. While cost pressures and infrastructure demands influence hiring patterns, these dynamics also highlight areas where targeted investment and improved service reliability can unlock further job creation, particularly in the primary and secondary sectors. The informal economy and small-scale enterprise activity already play an important role in absorbing labour, especially among younger and lower-skilled workers, pointing to clear opportunities for expanding youth employment through tourism, retail and personal services. The District's comparative advantages in agriculture, tourism and construction remain evident at national level, confirming their importance to long-term economic performance. With focused public and private investment, stronger value chain development and continued support for labour-intensive activities, the GRD is well positioned to translate economic growth into broader participation and a more balanced growth path over time.



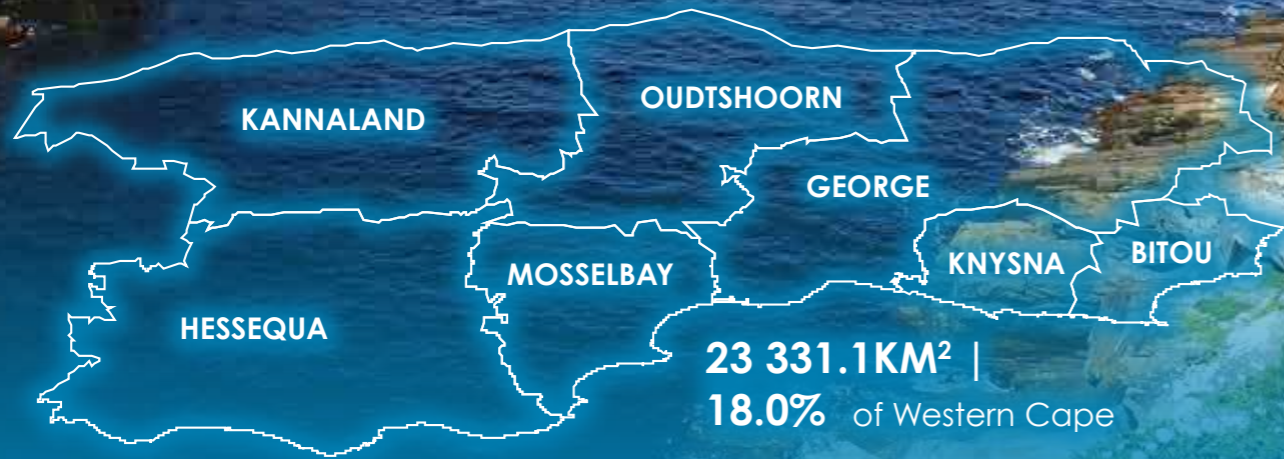


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**GARDEN ROUTE
DISTRICT:
At a Glance**



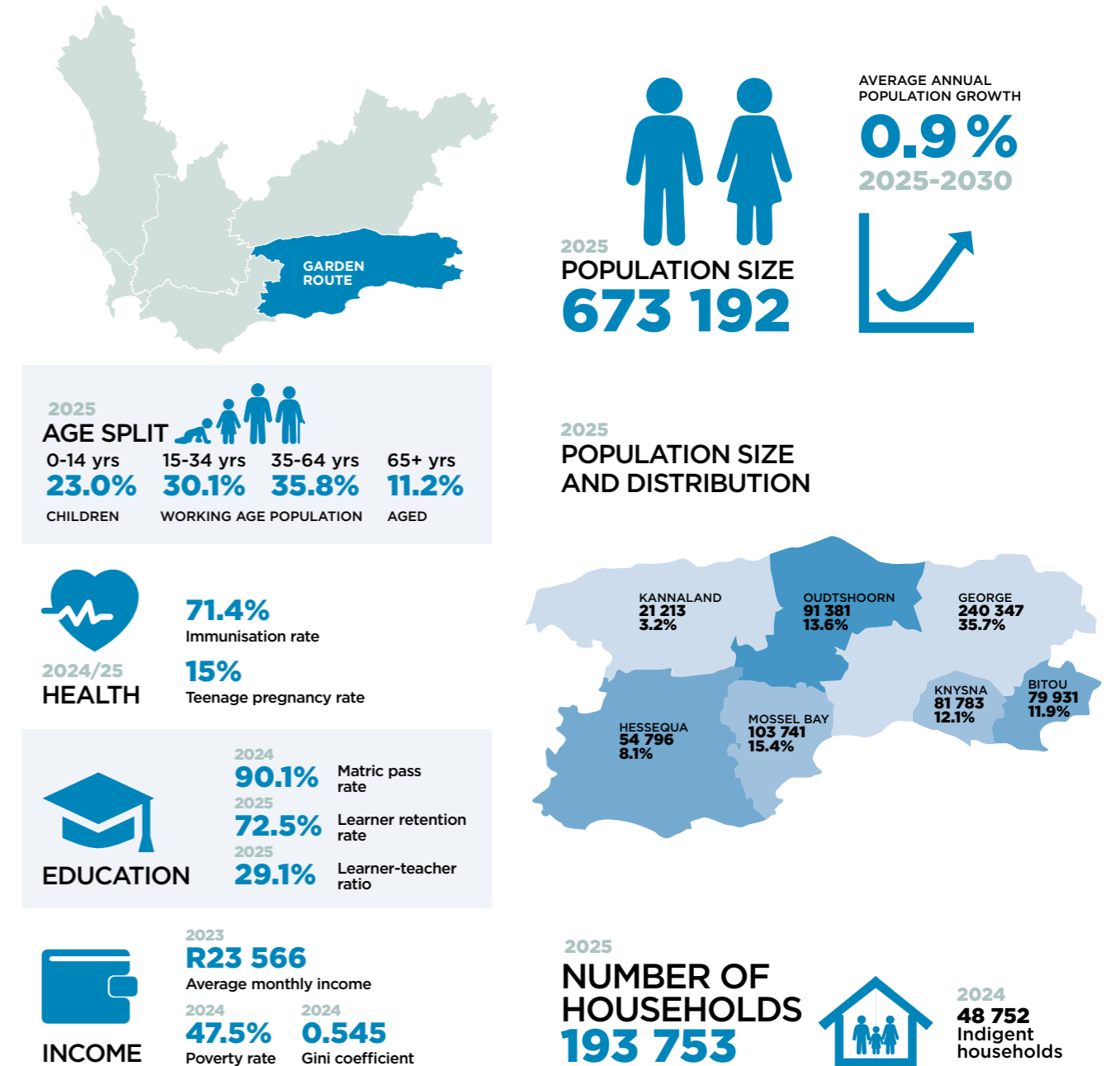
1. GARDEN ROUTE

Regional safety and wellbeing

This section provides a comprehensive analysis of the socioeconomic trends shaping the Garden Route District. It begins with a district-level overview of key indicators, notably those relating to population dynamics, income trends, housing needs and the provision of basic services. In addition, a nuanced assessment of healthcare, education and crime statistics is provided that offers insights into the overall wellbeing and development prospects of the region. The section concludes with detailed profiles of the seven municipal areas that make up the District. Each profile contains an in-depth exploration of socioeconomic metrics, highlighting the characteristics of these areas and the challenges that they face.

1.1 Demographics

DIAGRAM 1.1: POPULATION SIZE AND CONTRIBUTION TO GRD POPULATION, 2024



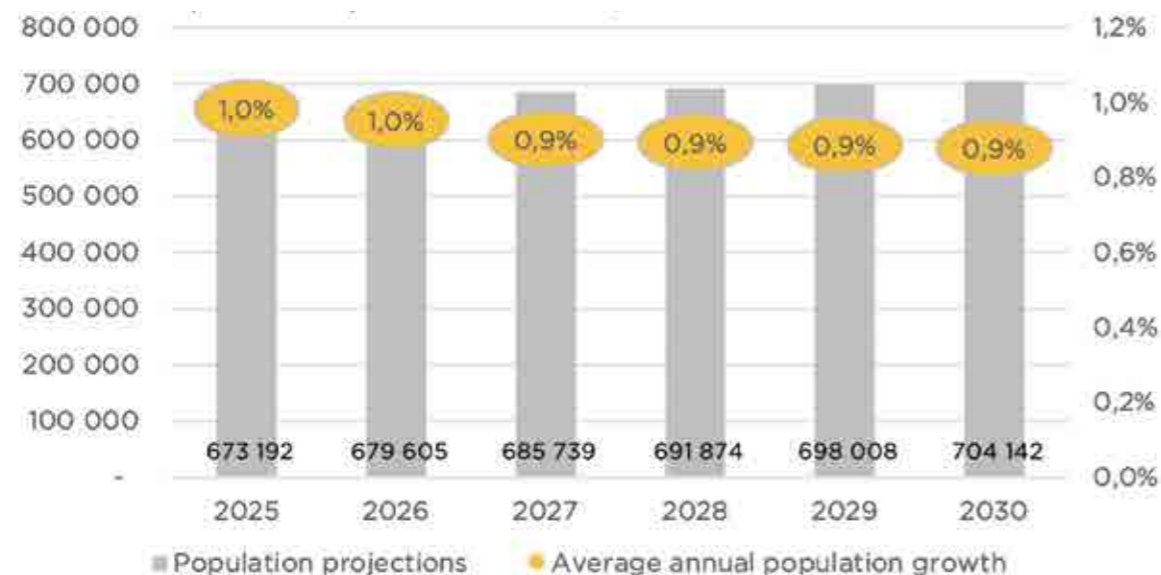
Source: Nell, A. & Visagie, J. Spatial Tax Panel 2014 – 2024 (dataset). Version 5.1. National Treasury – Cities Support Programme and Human Sciences Research Council (SEAD-SA) 2025

An understanding of population dynamics is critical in municipal planning, as it allows for the equitable provision of public services. Population size, household growth, age structure and migration patterns directly impact the demand for infrastructure, housing, education, healthcare and social services. In rapidly expanding economic hubs such as the Garden Route District (GRD), monitoring these trends enables policymakers to anticipate service delivery needs, allocate resources efficiently and design interventions that promote both social wellbeing and economic resilience.

1.1.1 Population and household dynamics

In 2025, the GRD was home to an estimated 673 192 individuals (8.8 per cent of the Western Cape population), with the number of households put at 193 753. This made the GRD the third-most populated region of the Province, a ranking that can be attributed to its position as a growing economic and administrative hub. Projections based on the Mid-year population estimates of the Western Cape Government Provincial Population Unit (MYPEPPU2025.2), released in October 2025, indicate that the population of the GRD will grow by an average annual rate of 0.9 per cent from 2025 to 2030, mostly as a result of in-migration.

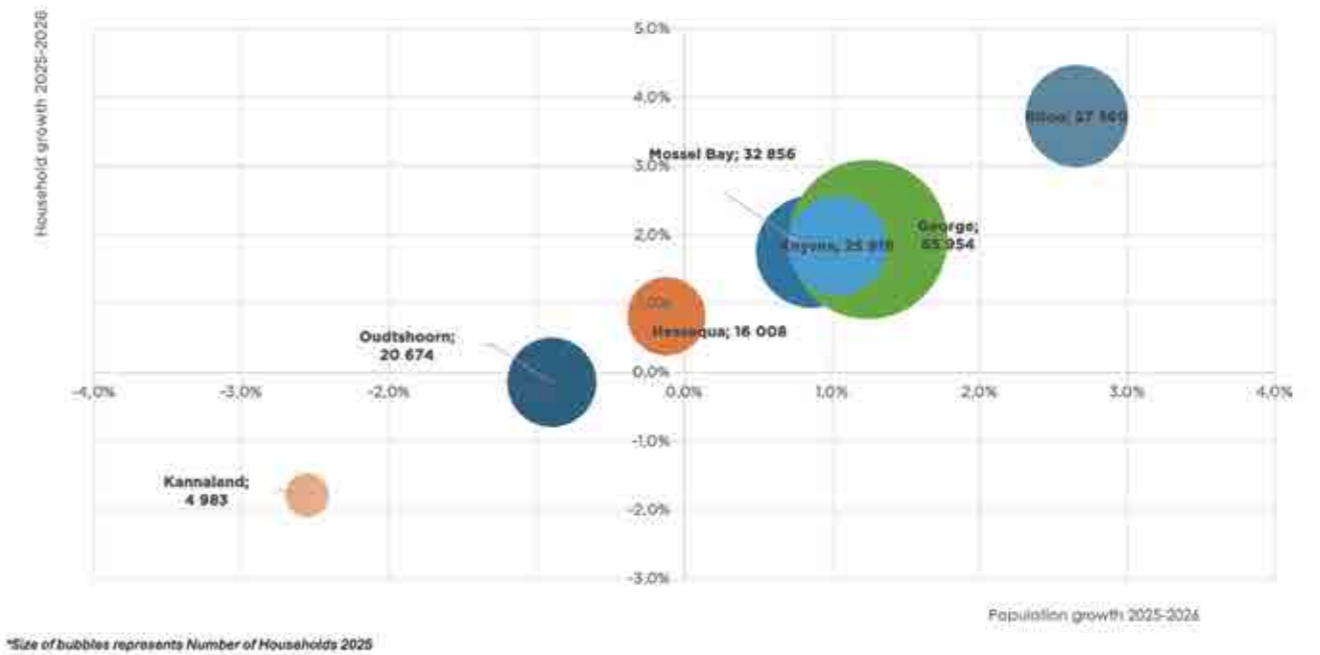
Figure 1.1.1:
POPULATION PROJECTIONS AND GROWTH, Garden Route District, 2025 - 2030



Source: MYPE 2025

The GRD has an expansive land area of 23 331.1 km² and a population density of 29.1 persons per km² (2025 estimate). The District offers a kaleidoscope of contrasts, encompassing both coastal municipal areas that are highly urbanised (George, Knysna, Mossel Bay and Bitou) and relatively largely rural municipal areas characterised by extensive agricultural activity (Kannaland, Hessequa and Oudtshoorn).

Figure 1.1.2:
POPULATION AND HOUSEHOLD GROWTH, Garden Route District, 2025



Source: MYPE, 2021 and MYPEPPU, 2025

Residents and newcomers gravitate to George and Mossel Bay, drawn by employment opportunities, social amenities and superior connectivity. Accordingly, both areas show solid projected growth for population and households, indicating a continuation of their role as the urban and economic hubs of the District. However, Bitou continues to record the strongest population and household growth of the seven municipal areas that make up the GRD. The population of this area is anticipated to increase by 2.7 per cent from 2025 to 2026, while household growth is projected at 3.7 per cent. This signals sustained in-migration along the N2 entry corridor to the Western Cape.

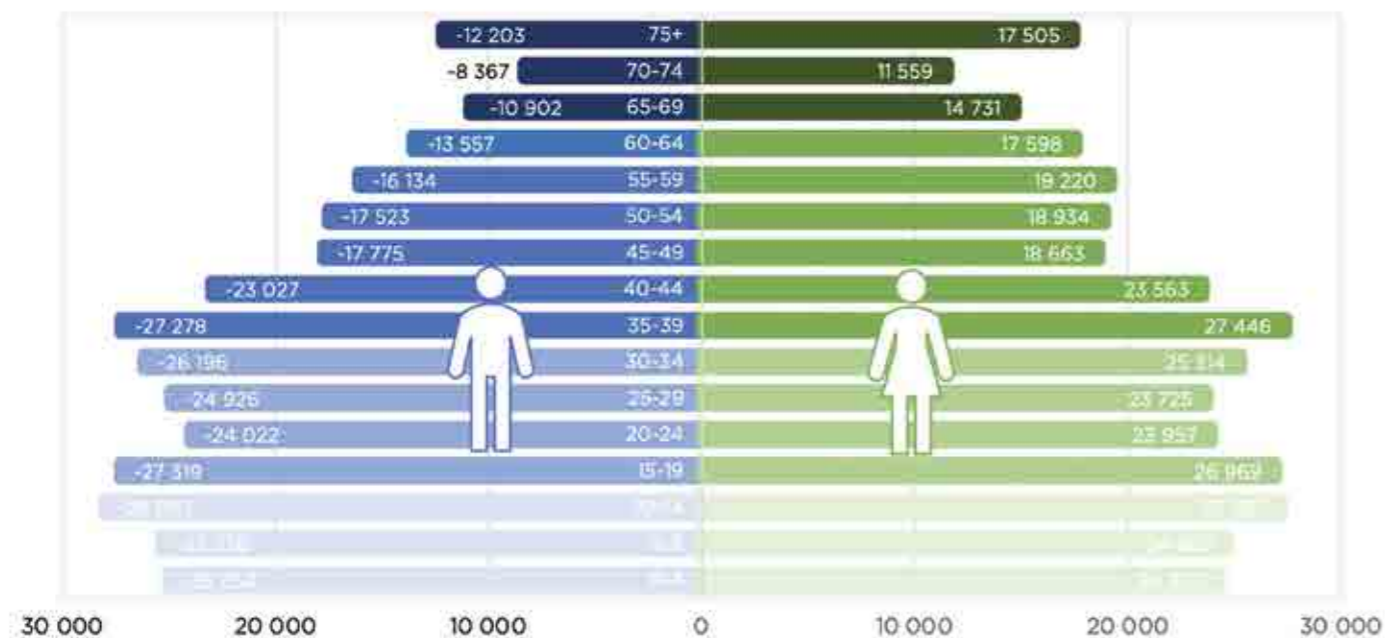
By contrast, the population and household totals of Kannaland and Oudtshoorn are projected to decline over this period. The anticipated contraction is particularly marked in Kannaland, where the population is expected to be reduced by 2.6 per cent and the number of households by 1.8 per cent, signalling ongoing economic challenges.

Over the past decade (2015 to 2025), household growth rates have outpaced population growth in the GRD municipal areas, causing the average household size of the District to decrease from 3.8 persons in 2015 to 3.5 in 2025. This shift has driven sustained housing demand, particularly in high-growth nodes along the N2 corridor, where migration and urban expansion continue to place pressure on infrastructure and residential development. These trends are expected to continue, with expansion in the number of households forecast to surpass overall population growth from 2025 to 2026.

It is noteworthy that the number of households recorded during Census 2022 exceeds the number used in calculating the Local Government Equitable Share for each of the District’s municipal areas (excluding Bitou). This signifies a higher-than-projected rise in the household total over the period of 2011 to 2022. A divergence in household numbers is also evident when comparing the total used in the MYPE for 2025 and the count from Census 2022. This has implications for municipal service provision and the development of related infrastructure.

1.1.2 Gender, age and race dynamics

Figure 1.1.3:
POPULATION PYRAMID, Garden Route District, 2025



Source: MYPE, 2025

Further analysis of the demographic composition of the GRD shows that in 2025, 65.9 per cent of residents fell within the economically active age group, i.e. the group comprising persons aged 15 to 64 years. The presence of a substantial working-age population in the District is of particular significance, as an adequate supply of such residents is key to sustaining the GRD's position as a burgeoning economic hub. The overall population distribution leaned in favour of females (51.3 per cent of the total), a consequence of women outliving men. However, there was a notable surplus of males within the four age brackets spanning 15 to 34 years. This indicates that economically driven in-migration to the GRD is male-dominated.

It is also noteworthy that almost a quarter of the District's population (23.0 per cent) was aged 14 years or less. This shows a relatively high level of dependence on the working-age cohort of the GRD, and indicates that there will be a growing demand for educational resources and jobs in the District over the next 5 to 15 years. The presence of a sizeable elderly population (11.2 per cent of the total) demonstrates the extent to which this scenic region has become an attractive destination for retirement.

Insights derived from scrutinising the age distribution patterns of a district are instrumental in municipal planning, particularly for ensuring that there is sufficient housing and that government services meet the needs of particular age groups. An analysis of how demographic trends are playing out at a municipal level is provided in the municipal profiles that follow.

1.2 Health and wellness

South Africa's healthcare system, a central pillar of the nation's human capital and economic productivity, comprises both public and private providers. Public health facilities play a critical role in ensuring equitable access to healthcare for the broader population, while the private sector caters to those with the means to afford additional services. The public healthcare system operates on a referral model, providing primary care through clinics and directing complex cases to district and regional hospitals. Access to high-quality healthcare not only improves wellbeing and life expectancy but also reduces productivity losses and supports socioeconomic development.

1.2.1 Healthcare facilities and patient loads

In 2023, only 15.7 per cent of South Africans had access to medical aid, underscoring the importance of public facilities in delivering essential healthcare services to the population. There are currently 40 fixed primary healthcare facilities in the GRD along with 35 mobile/satellite clinics, six district hospitals and one regional hospital.

At the time of this report, residents of the District also had access to 69 antiretroviral therapy (ART) sites and 74 tuberculosis (TB) clinics, which enhance the availability of ART and TB services. With a growing number of ART and TB patients registered for treatment in the region, as explored in the local government socioeconomic profiles, such services are especially necessary.

The availability of ambulances enhances the reach of emergency medical services across the GRD. In the 2025 fiscal year, 29 provincial ambulances were operating in the District, supplemented by additional units from private service providers.

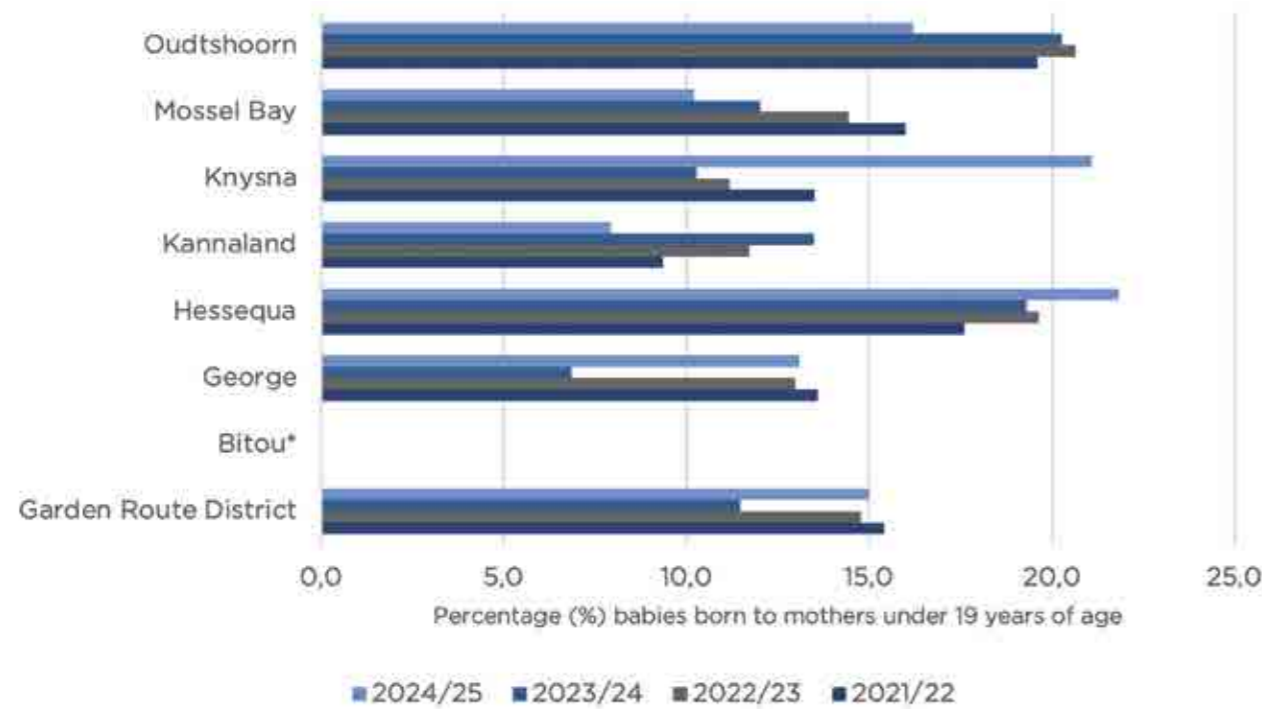
1.2.2 Maternal and child health

Maternal and child health is an important aspect of public health, encompassing the wellbeing of women during pregnancy, childbirth and the postnatal period as well as the health and development of infants and young children. In South Africa, key issues affecting maternal and child health include high rates of teenage pregnancy, the high prevalence of pregnancy termination, and ongoing challenges related to low birth weight, child malnutrition and immunisation coverage. These factors not only influence health outcomes for mothers and children, but are themselves a product of broader social and economic dynamics that shape reproductive choices, nutrition and access to healthcare.

1.2.3 Teenage pregnancy and pregnancy termination

The incidence of teenage pregnancy in the GRD declined from 2021/22 to 2023/24, falling from 1 367 deliveries (15.4 per cent of total deliveries) to 1 057 deliveries (11.5 per cent). However, this downward trend was reversed in 2024/25, when teenage deliveries increased to 1 229 (15.0 per cent of total births), a rate that was noticeably higher than the Provincial share for the same period (11.9 per cent). The rise in teenage pregnancy during 2024/25 was accompanied by an increase in pregnancy terminations, the number growing from 1 028 in 2023/24 to 1 064 in 2024/25. Unplanned pregnancies among adolescents have significant implications for both individual and broader socioeconomic wellbeing. These developments underscore the need to strengthen family planning programmes and reproductive health support services in the GRD.

Figure 1.2.1:
DELIVERY RATE TO WOMEN UNDER 19 YEARS, Garden Route District, 2021/22-2024/25



Source: Western Cape Department of Health and Wellness, 2025

* The Bitou municipal area does not have any hospitals therefore no birth related services are offered or reported on.

From 2023/24 to 2024/25, the GRD experienced an uptick in teenage pregnancies, driven by increased teenage pregnancy rates in the Knysna, George and Hessequa municipal areas. In 2024/25, Hessequa recorded the highest prevalence of the District, accounting for 21.1 per cent of all deliveries to teenage mothers. This municipal area has shown an upward trend since 2021/22, except for a slight decline in 2023/24. Conversely, Mossel Bay and Kannaland recorded the lowest rates for this period, both showing a decline in teenage pregnancies from 2021/22.

The underlying drivers of the increases in certain municipal areas remain unclear. An improved understanding of these causes is essential for ensuring targeted reproductive health interventions that respond effectively to the socioeconomic conditions which contribute to unplanned pregnancies.

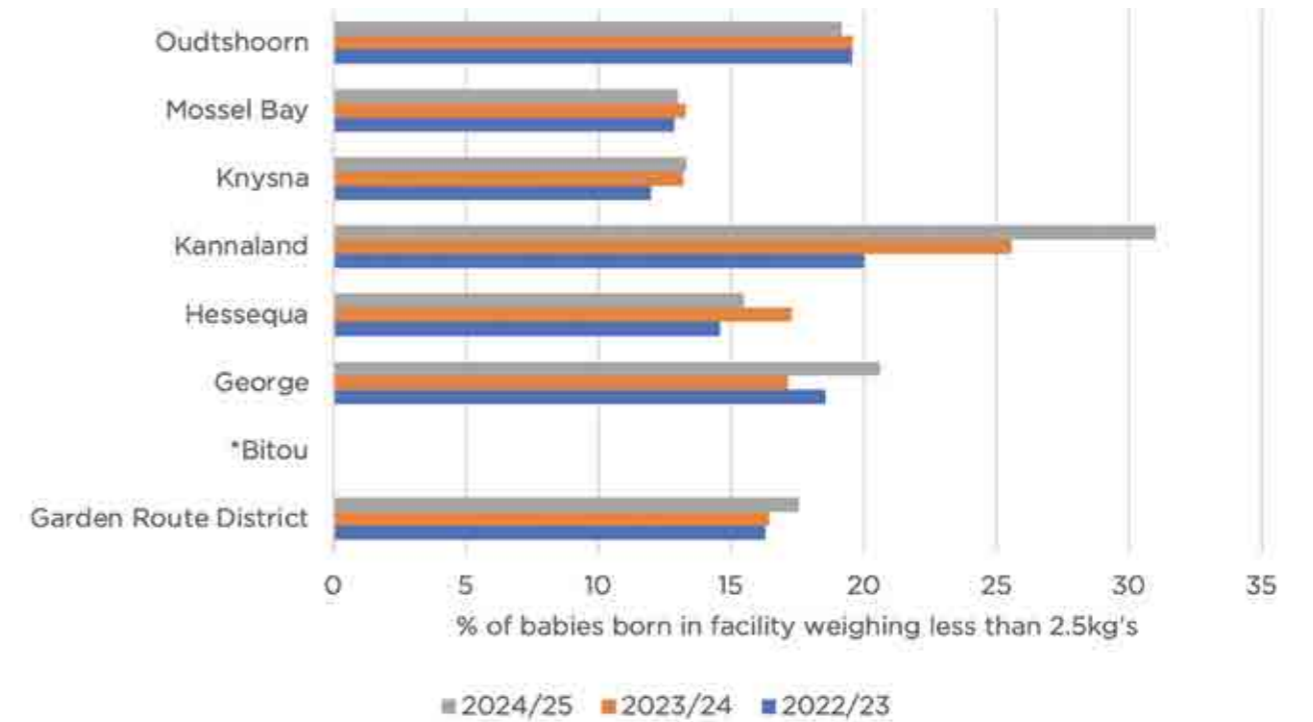
Teenage pregnancy is calculated as the percentage of babies born to mothers under the age of 19. Teenage pregnancy is almost always unplanned. Consequently, when young parents are placed in the position of having to care for a child, they can find themselves woefully unprepared for the challenges that this brings. This is especially the case if they do not have family members who can assist them or social support.

1.2.4 Low birth weight

The health of a mother greatly affects the growth and development of her baby during pregnancy and infancy. Birth weight is an indicator of both foetal and maternal wellbeing. If the mother is

under-nourished, otherwise in poor health, or very young or very old, there is a greater chance of pregnancy- or labour-related complications, including the baby being born with a low birth weight. The incidence of low birth weight in the GRD increased from 2022/23 to 2024/25, rising from 16.3 per cent of babies born in a facility to 17.6 per cent. Low birth weight is of particular concern in the Kannaland municipal area, where it spiked from 20.0 per cent to 31.0 per cent over this period. Mossel Bay and Knysna have fewer instances of babies born with low birth weight, although rates in both municipal areas increased from 2022/23 to 2024/25.

Figure 1.2.2:
LOW BIRTH WEIGHT, Garden Route District, 2022/23 - 2024/25



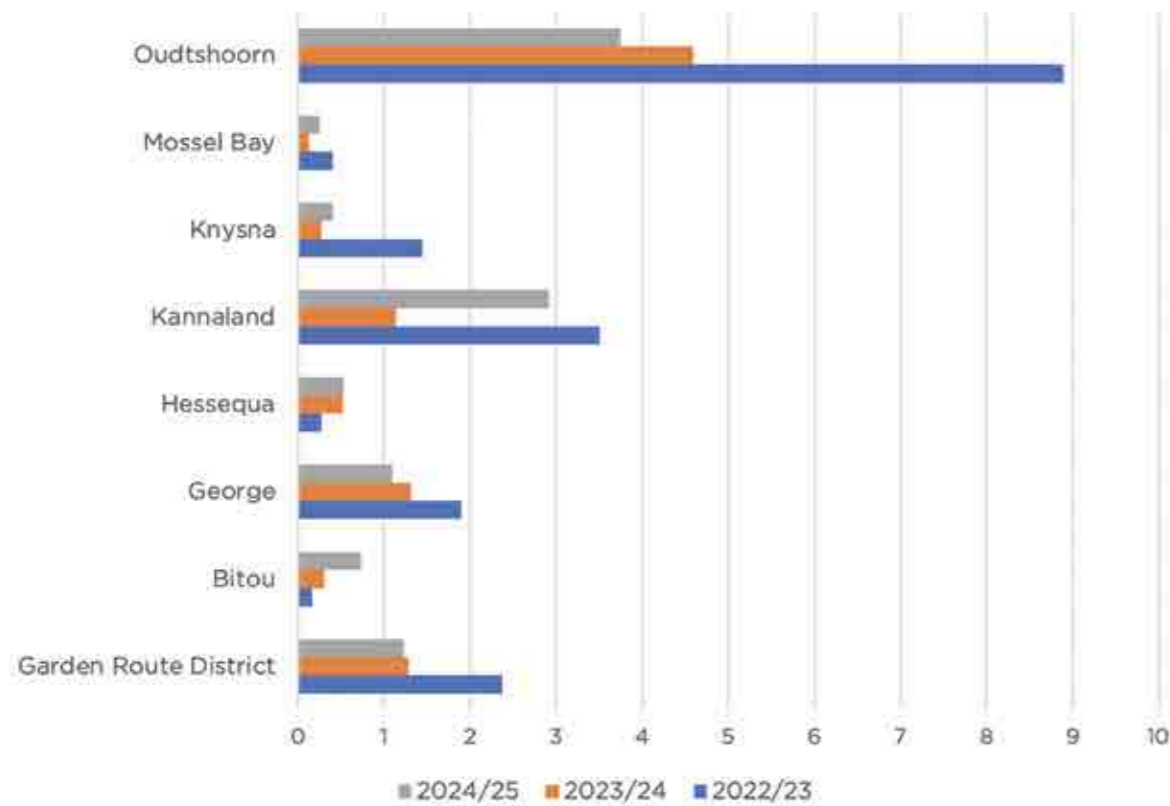
Source: Western Cape Department of Health and Wellness, 2025

* The Bitou municipal area does not have any hospitals therefore no birth related services are offered or reported on.

The low birth weight rate is the percentage of all babies who are born alive in a facility and weigh less than 2 500 g at birth. Low birth weight is associated with a range of short- and long-term difficulties.

1.2.5 Malnutrition

Figure 1.2.3:
SEVERE ACUTE MALNUTRITION, Garden Route District, 2022/23 - 2024/25



Source: Western Cape Department of Health and Wellness, 2025

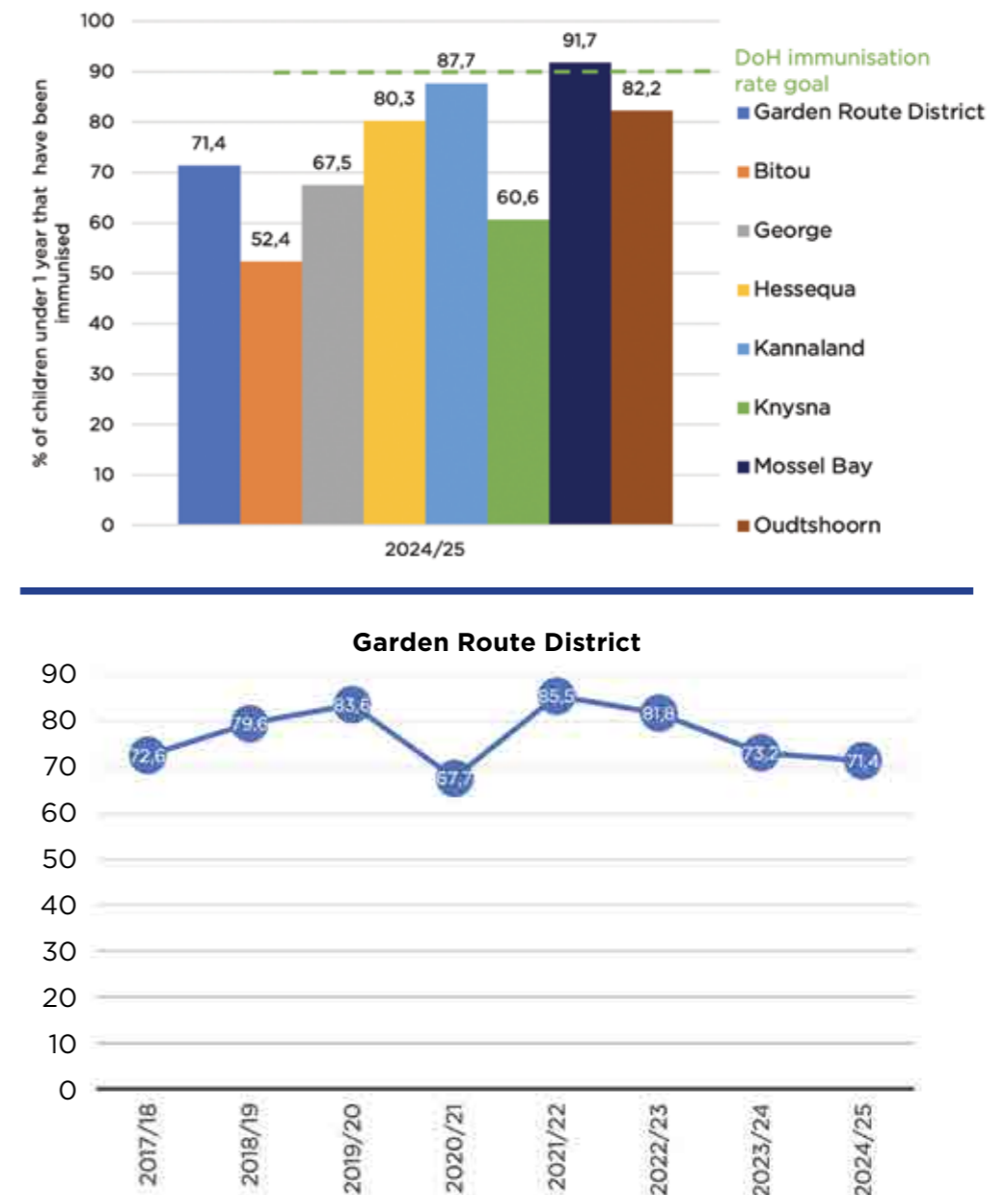
Despite reductions in poverty and the implementation of government feeding schemes and social support, there are still challenges with ensuring adequate household access to nourishing food in the GRD. These difficulties are evident in the ongoing prevalence of malnutrition among children. On a positive note, however, the rate of severe acute malnutrition among children declined between 2022/23 and 2024/25, indicating gradual progress in child nutrition outcomes and the effectiveness of public health interventions. Improving household access to the right kind and quantity of food – while consolidating existing nutrition gains – continues to be a key priority in the District, particularly in Kannaland and Oudtshoorn, where malnutrition rates remain comparatively high. Sustained socioeconomic and food security measures will therefore be critical in the years to come.

The severe acute malnutrition rate is the number of malnourished children under five years of age per 100 000 people in a given year.

Malnutrition may refer to either under-nutrition (an individual not receiving adequate amounts of nutrients) or over-nutrition (an individual receiving excessive amounts of nutrients).

1.2.6 Immunisation

Figure 1.2.4:
IMMUNISATION RATE, Garden Route District, 2017/18 - 2024/25



Source: Western Cape Department of Health and Wellness, 2025

In 2024/25, 8 145 children under the age of one were immunised in the GRD. This translates to a coverage rate of 71.4 per cent, which marks a decline from the 85.5 per cent recorded in 2021/22. The reduction places a greater proportion of young children (i.e. the rising share of those who are unvaccinated) at risk of contracting preventable diseases.

The Department of Health and Wellness has implemented awareness campaigns and local catch-up initiatives to address vaccine hesitancy and low immunisation coverage in the region. The GRD has yet to meet the target set by the National Department of Health (DoH), namely having 90.0 per cent of children under one vaccinated annually. Targeted interventions are required in Bitou and Knysna, where the lowest immunisation rates were observed during 2024/25. With a

vaccination rate of 91.7 per cent for this period, Mossel Bay was the only municipal area to have met the DoH target. Together with its strong performance across other health indicators, this achievement reveals that there is effective health service delivery within the municipal area.

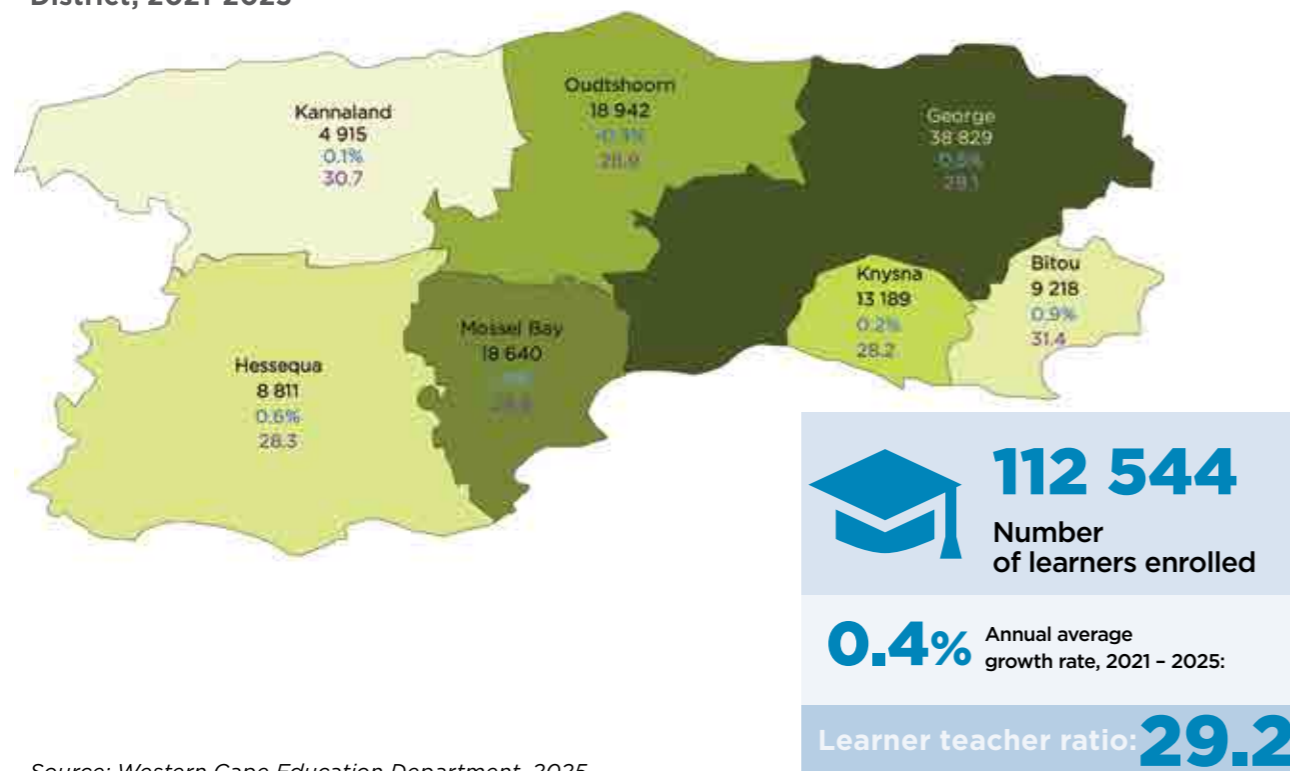
The immunisation rate is calculated as the number of children immunised per total number of children less than one year of age. Immunisation protects both adults and children against preventable infectious diseases. Low immunisation rates speak to the need for parents to understand the critical importance of immunisation.

1.3 Education

1.3.1 Education resources

Education and skills development play a vital role in shaping the socioeconomic landscape of the GRD. They empower the population and significantly impact the development and human resource capacity of the local economy. The Western Cape Education Department is committed to ensuring access to education for the children of the District, which has 171 schools. Currently, 79.5 per cent of these institutions operate as no-fee schools, providing a vital service in a region where, at the time of the 2021 General Household Survey, 24.0 per cent of learners cited financial constraints as their primary reason for dropping out of school. A total of 88 schools have libraries. Such facilities are of particular importance to the disadvantaged learners of the GRD, as they create an enriched learning environment that supports academic achievement, fosters a love of reading, and prepares students for a lifetime of learning.

Diagram 1.3.1: LEARNER ENROLMENT AND LEARNER-TEACHER RATIO, Garden Route District, 2021-2025



Source: Western Cape Education Department, 2025

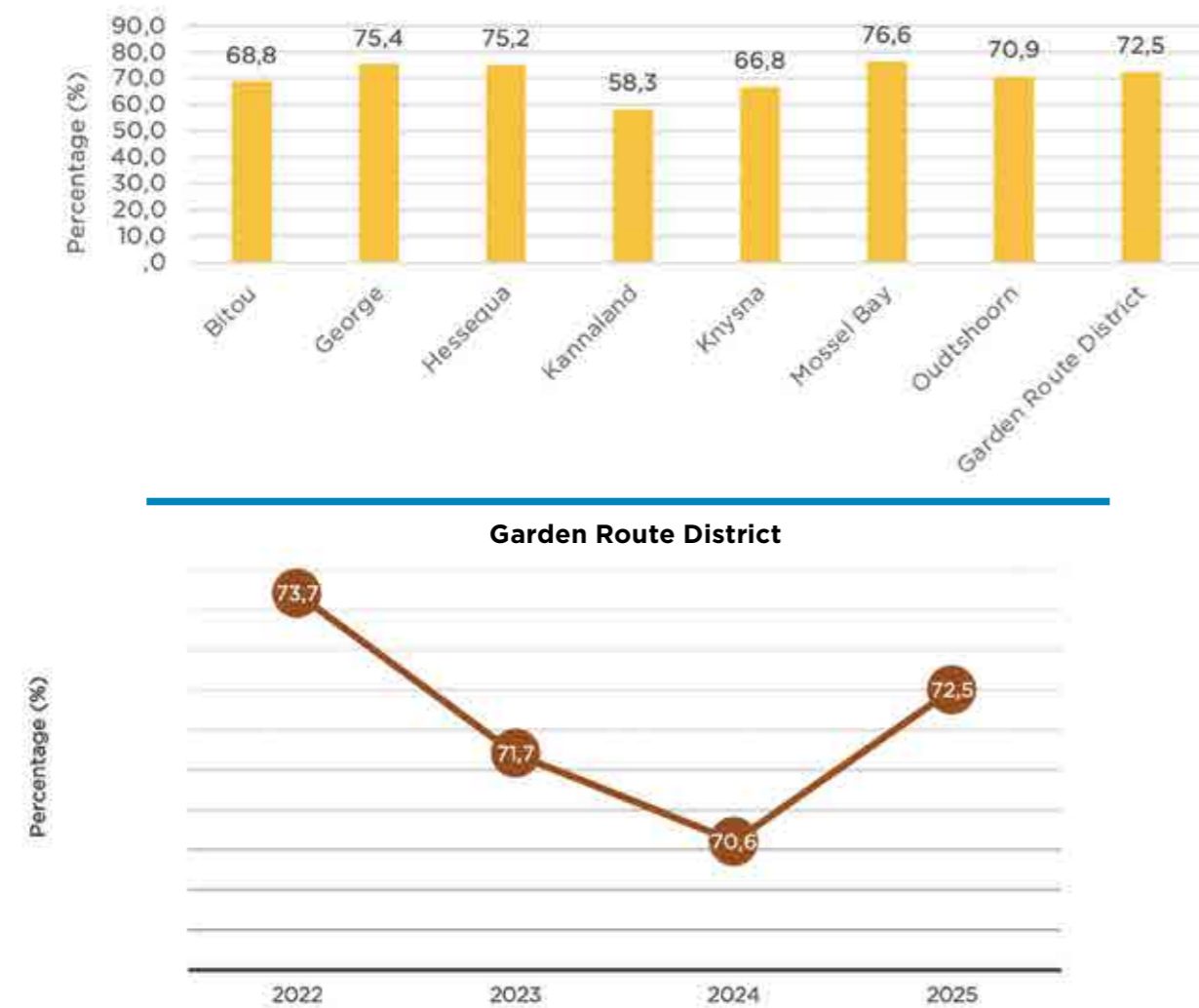
Ensuring that school-aged children have access to education is vital for meeting future skills demands in a growing economic hub. A well-educated and productive population is central to improving overall quality of life. In 2025, 112 544 learners were registered in the GRD – stemming from its large population base. Learner enrolment grew by an annual average of 0.4 per cent between 2021 and 2025, resulting in an overall increase of 1 934 pupils. This growth aligns with the expansion of the working-age population in the GRD, which is driven by the search for employment opportunities and improved economic prospects. Families relocating to the region for work often have children of school-age, further boosting enrolment numbers. Oudtshoorn was the only municipal area to exhibit declining learner enrolment rates from 2021 to 2025, a reflection of its shrinking population.

Encouragingly, the increase in registered learners has been matched by a rise in the number of teachers in the GRD. There has even been a reduction in the learner-teacher ratio. This fell from 29.8 in 2021 to 29.2 in 2025, meaning that the District ratio is now less than the Provincial average. Learner-teacher ratios in the various municipal areas remain within an acceptable range. However, higher ratios in Bitou and Kannaland place additional pressure on educators, limiting the attention that can be given to individual pupils and potentially affecting learning outcomes. In a context where certain schools have fewer resources and educational inequalities are already evident, large class sizes may further compromise the quality of teaching. This highlights the continued need for investment in both educational infrastructure and teaching capacity in efforts to ensure equitable, high-quality learning across the District.



1.3.2 Retention rates

Figure 1.3.1:
GRADE 10 to 12 LEARNER RETENTION RATE, Garden Route District, 2022 - 2025



Source: Western Cape Education Department, 2025

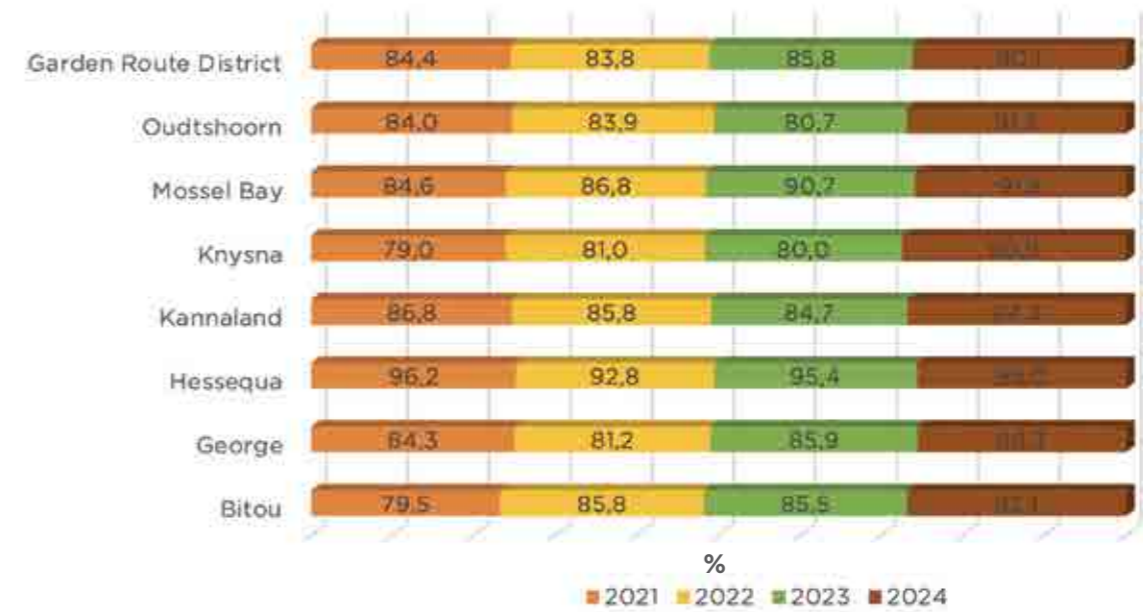
The GRD had a learner retention rate of 72.5 per cent in 2025, slightly less than the provincial rate of 73.1 per cent. Learner retention rates vary across the District, with economic centres such as Mossel Bay and George having higher rates than relatively rural municipal areas such as Kannaland. This discrepancy may stem from the greater availability of economic incentives for completing schooling in the two coastal hubs.

It is noteworthy that the learner retention rate of the GRD was on a downward trajectory from 2022 to 2024, although an improvement was observed in 2025. To enhance the future economic potential of the region, efforts to keep children in school must be bolstered.

Several factors contribute to learners failing to matriculate. These include economic hardship, social challenges (e.g. teenage pregnancy), overcrowded classrooms and personal circumstances that hinder academic engagement. Addressing these issues requires a coordinated, community-driven approach that strengthens support systems and fosters an inclusive environment where all learners have the opportunity to succeed.

1.3.3 Education outcomes

Figure 1.3.2:
MATRIC PASS RATE, Garden Route District, 2021 - 2024



Source: Western Cape Education Department, 2025

Along with having the second-highest Grade 10 to 12 retention rate of the Western Cape regions in 2025, the GRD recorded the highest matric pass rate for the year: 90.1 per cent. This was a significant improvement on the 83.9 per cent pass rate achieved in 2022. Except for George, all of the municipal areas recorded matric pass rates exceeding 90.0 per cent. While more learners are staying in school for longer in George, many may not be receiving the academic and psychosocial support needed to succeed in matric. Targeted interventions are therefore essential. These include remedial tutoring, mentorship programmes, psychosocial support and differentiated teaching strategies that address diverse learning needs. Such efforts can help ensure that retention leads to successful matriculation.

With a growing demand for skilled labour in the GRD, matric certificates and higher education qualifications are increasingly important in lifting families out of poverty and driving local economic development. Encouragingly, census data from 2011 and 2022 show a decline in the proportion of people over 20 years of age in the District who have no schooling (down to 2.4 per cent from 3.7 per cent). The data also indicates a modest increase in the share of those with higher education (up to 13.7 per cent from 10.6 per cent), signalling gradual progress towards a more educated and productive workforce.

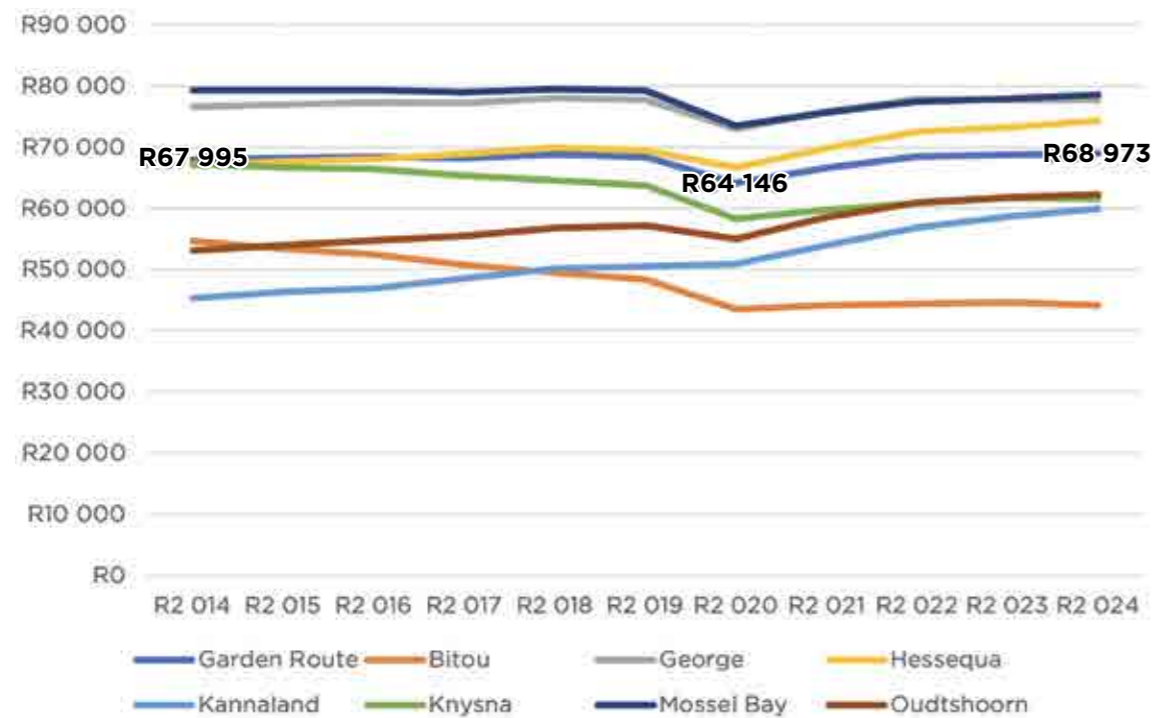
1.4 Poverty, Income & Inequality

In the GRD, the story of income is one of contrasts: while some households experience rising prosperity, others face persistent financial strain. This analysis examines gross domestic product per region (GDPR) on a per capita basis to assess overall economic activity, and the Gini coefficient to determine the extent of income inequality. Consideration is also given to the matter of poverty, showing how economic deprivation intersects with broader income patterns and illustrating the inequalities that shape everyday life in the District.

1.4.1 Income inequality

Between 2014 and 2024, economic growth in the GRD outpaced population growth, resulting in a modest overall increase in GDP per capita of 1.4 per cent. This trend highlights gradual improvements in living standards and economic wellbeing within the District. GDP per capita in 2015 constant prices was R67 994 in 2014, but dropped to R64 145 during the COVID-19 pandemic in 2020. It later rebounded, reaching R68 972 in 2024. Despite this recovery, the GRD's GDP per capita in 2024 remained below the Western Cape total of R80 071, indicating scope for further economic expansion and productivity gains.

Figure 1.4.1:
GDP PER CAPITA, Garden Route District, 2014 - 2024

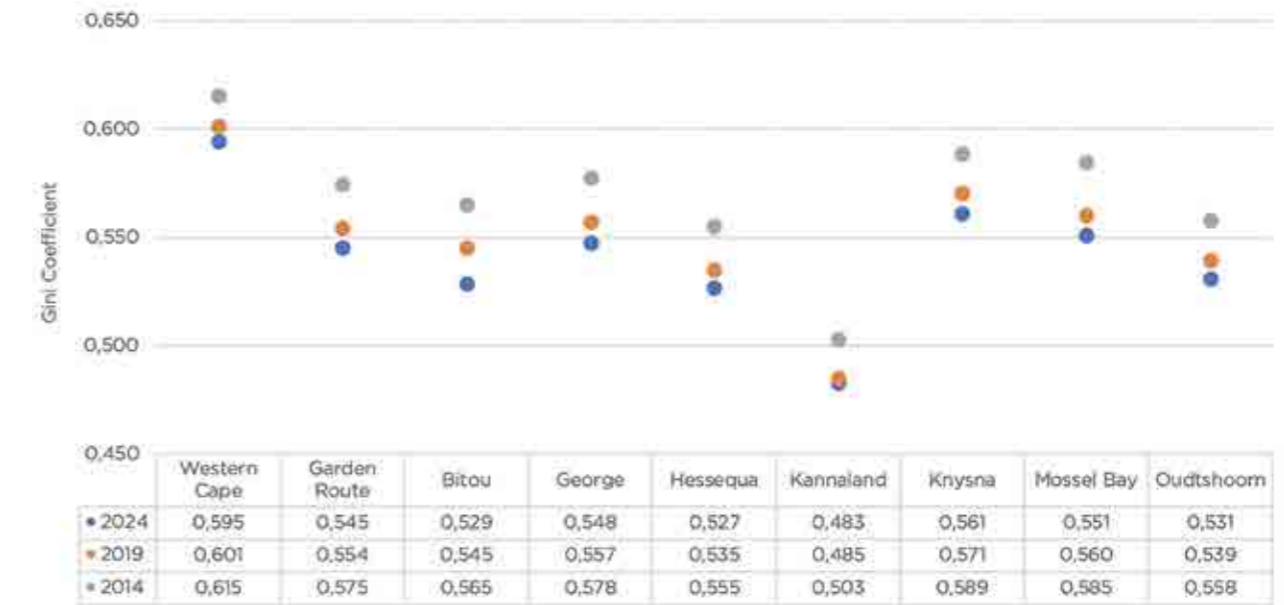


Source: Own calculations from Quantec (2025) and MYPEPPU 2025.2

It is important to note that the distribution of GDP per capita in the GRD is uneven. As the region's primary economic hubs, Mossel Bay and George recorded the two highest levels of per capita GDP among the seven municipal areas of the District over the 2014 to 2024 period. Along with Hessequa, they also reported levels above the District per capita GDP. By contrast, the remaining municipal areas lagged, with Bitou registering the lowest per capita GDP - an outcome largely the result of population growth outpacing economic expansion in this area. Persistent disparities remain evident. A relatively small proportion of residents benefit from higher income levels, while many others continue to face financial hardship in an environment marked by inflationary pressures and unemployment.

The level of inequality in South Africa is among the highest in the world as measured by the Gini coefficient. Inequality stems from unequal access to opportunities as well as regional disparities, which manifest through skewed income distribution. The National Development Plan 2030 (NDP) has set a target for reducing income inequality in South Africa - namely, lowering the Gini coefficient from 0.700 (the figure recorded in 2010) to 0.600 by 2030.

Figure 1.4.2:
GINI COEFFICIENT, Garden Route District, 2014 - 2024



Source: Quantec, 2025

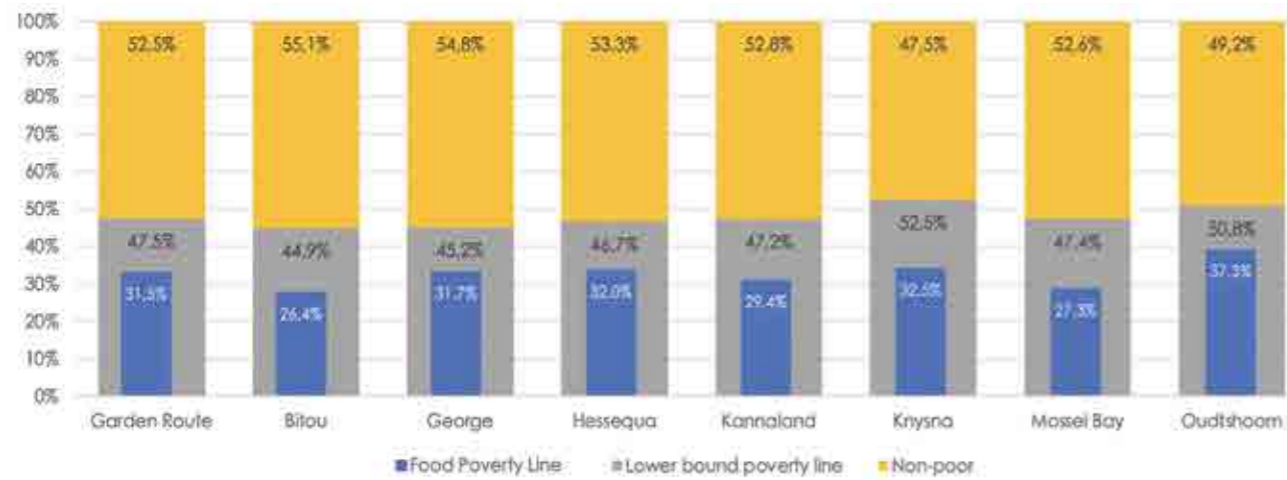
The GRD has already achieved the NDP target for inequality reduction, recording a Gini coefficient of 0.545 in 2024. The District ratio for this year was also lower than the Western Cape average of 0.595. Nonetheless, inequality in the GRD remains elevated by international standards. Notably, there is a pronounced income gap between affluent households along the coast and persons who have well-remunerated positions, and lower-earning rural farm workers and residents of informal settlements. Income inequality is also evident as regards the coloured and black African demographic groups, with some households having built wealth even as others have yet to escape the poverty trap.

Fortunately, income inequality in the GRD has declined consistently over the past 10 years, falling from 0.575 in 2014 to 0.554 in 2019. As noted above, there was subsequently a further reduction - to 0.545 - in 2024. This shows improved income distribution within the region.

The Gini coefficient is a measure of income inequality. It is a number between 0 and 1, where 0 corresponds to perfect equality (everyone has the same income) and 1 corresponds to perfect inequality (one person has all the income, and everyone else has none). While the Gini coefficient is widely used, other metrics are also available to assess the gap between wealthy and poor, each providing a different perspective on the economic conditions of a society.

1.4.2 Poverty

Figure 1.4.3:
POVERTY HEADCOUNT RATE, Garden Route District, 2024



Source: Quantec, 2025

The national poverty lines were calculated using a cost-of-basic-needs approach that links welfare to the consumption of goods and services. The lines address both food and non-food components of household consumption expenditure.

- Food poverty line – R796 (in May 2024 prices) per person per month. This refers to the amount of money that an individual will need to afford the minimum required daily energy intake. The food poverty line is commonly referred to as the “extreme” poverty line.
- Lower-bound poverty line – R1 109 (in May 2024 prices) per person per month. This refers to the food poverty line plus the average amount required for non-food items of households whose total expenditure is equal to the food poverty line.
- Upper-bound poverty line – R1 634 (in May 2024 prices) per person per month. This refers to the food poverty line plus the average amount required for non-food items of households whose food expenditure is equal to the food poverty line.

In 2024, an estimated 47.5 per cent of the District’s population lived below the lower-bound poverty line (LBPL). Of these, 31.5 per cent were unable to meet the cost of an adequate supply of food – as defined by the food poverty line (FPL) – while a further 16.0 per cent could meet their food needs but not afford basic non-food necessities. Overall, poverty levels have declined since 2020, when 51.6 per cent of GRD residents lived below the LBPL, although a marginal increase occurred between 2023 (47.3 per cent) and 2024 (47.5 per cent). Despite performing better in 2024 than the Province (53.3 per cent of the population below the LBPL), the GRD faces significant challenges in dealing a decisive blow to poverty – particularly in Knysna (52.5 per cent below the LBPL) and Oudtshoorn (50.8 per cent). Rates in these two municipal areas are noticeably higher than those in other parts of the District.

The numerous impacts of poverty – lower life expectancy, malnutrition, food insecurity, vulnerability to crime and substance abuse, limited educational attainment and inadequate living conditions – underscore the urgent need for sustained interventions in this regard. Income support through social grants, municipal indigent support and free services from the Western Cape Government (such as healthcare and education) play a vital role in cushioning vulnerable households, also supporting the GRD in its efforts to meet the NDP’s goal of eradicating poverty by 2030.

The non-poor segment of the population accounts for 52.5 per cent of residents, suggesting that just over half of those living in the GRD can meet both basic and non-basic needs. With almost half the population facing financial constraints, however, there is clearly a substantial need for continued efforts to expand economic inclusion, enhance food security and move more households above the poverty threshold over time.

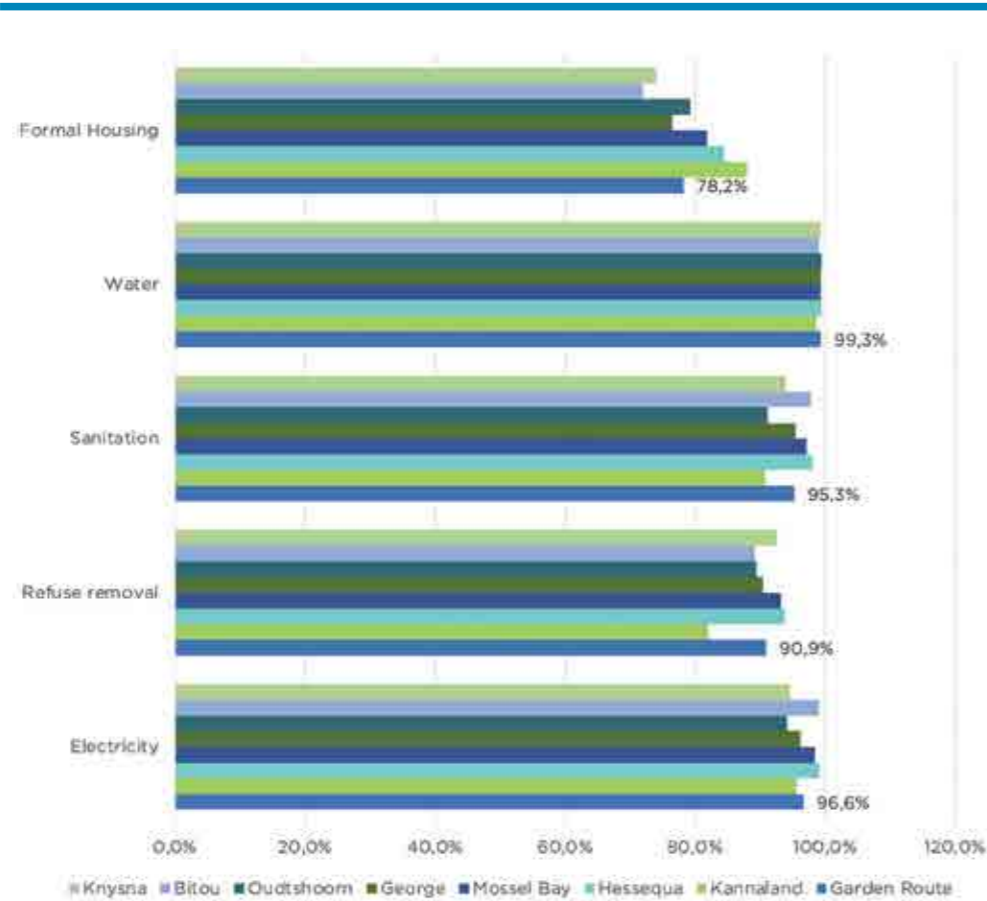
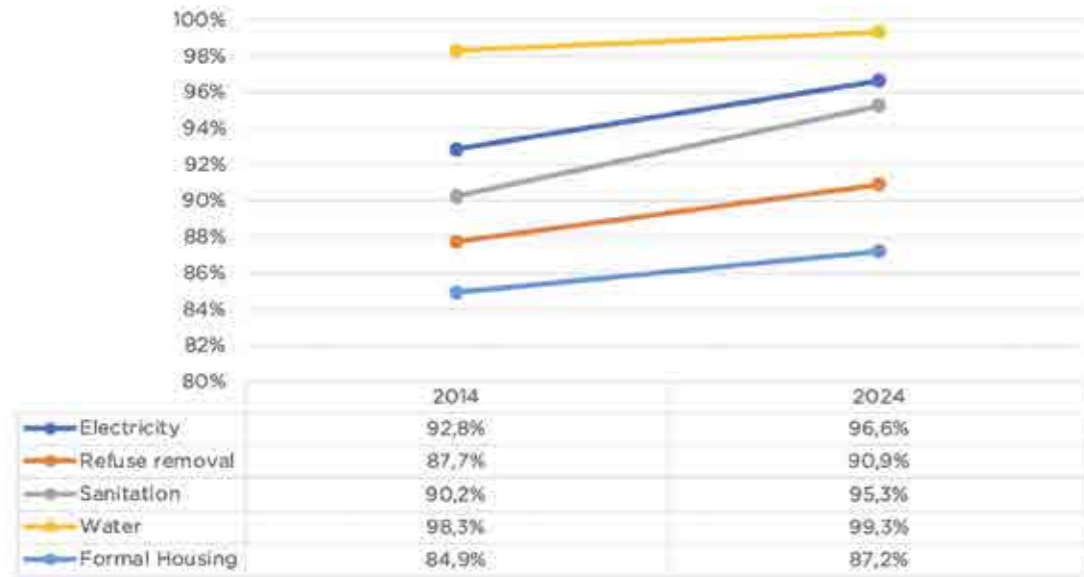
1.5 Basic service delivery

Under the Constitution of the Republic of South Africa, every citizen has the right to adequate housing, and the state must employ reasonable legislative and other measures, within available resources, to progressively realise this right. Access to housing encompasses essential services such as the provision of clean water, basic sanitation, safe energy sources and waste removal, ensuring that households maintain a decent standard of living. This section considers the extent to which access to formal housing and basic services has been achieved.¹¹¹



¹¹¹ While Census 2022 provides the most recent official data for housing types and access to basic services, this report uses Quantec’s modelled estimates in this regard. The latter are regularly updated.

Figure 1.5.1:
ACCESS TO BASIC SERVICES, Garden Route District, 2014 - 2024



Source: Quantec, 2025

In 2024, there were approximately 190 263 households in the GRD. Over the past decade, the District has demonstrated consistent progress in the provision of basic services, evidence of strengthened municipal capacity and sustained infrastructure investment. These improvements have occurred despite ongoing population growth and rising demand for housing and essential services.

Between 2014 and 2024, access to electricity increased from 92.8 per cent to 96.6 per cent of households, sanitation from 90.2 per cent to 95.3 per cent, and piped water from 98.3 per cent to 99.3 per cent. These gains signal enhanced service reliability and improved living standards across the region. Growth in the provision of refuse removal services was more modest, the rate rising from 87.7 per cent of households to 90.9 per cent. Access to formal housing increased incrementally, expanding from 84.9 per cent of households to 87.2 per cent.

These trends suggest steady progress in urban planning and residential development, although persistent gaps remain, particularly in waste management and housing provision. In 2024, the District achieved near-universal access to core utilities across the municipal areas. However, the access to refuse removal services remains uneven, notably in Kannaland where coverage stood at 82 per cent of households 2024. This is indicative of service delivery challenges in rural municipalities.

Access to formal housing also varied spatially, with Knysna and Bitou reporting below-average coverage at 81.7 per cent and 82.3 per cent of households, respectively. These disparities highlight the need for geographically targeted interventions to address infrastructure deficits and housing constraints.

TABLE 1.5.1: WESTERN CAPE HOUSING DEMAND DATABASE, Garden Route District, 2022 - 2025

MUNICIPALITY	Housing demand	% of total households	Annual average growth rate
	2025	2025	2022 - 2025
George	20 977	31.8%	4.1%
Hessequa	6 106	38.1%	5.4%
Kannaland	3 626	72.8%	3.0%
Knysna	9 656	37.3%	3.2%
Bitou	9 120	33.3%	1.2%
Mossel Bay	11 005	33.5%	-0.7%
Oudtshoorn	12 127	58.7%	3.2%
Garden Route	72 617	37.5%	2.7%

Source: Western Cape Department of Infrastructure, 2025

By 2025, 72 617 households in the GRD had registered for state housing support, 37.5 per cent of all households in the District. The highest concentration of demand was observed in Kannaland, where 72.8 per cent of households were registered, followed by Oudtshoorn (58.7 per cent). This is indicative of acute housing pressures in smaller, largely rural municipalities.

George, the largest urban centre, accounted for nearly a third of the GRD's total demand for housing assistance, with 20 977 households registered in 2025 and an average annual growth in registration of 4.1 per cent from 2022 to 2025. Hessequa experienced the fastest growth in demand for housing assistance (5.4 per cent per annum), suggesting rising affordability constraints and limited housing delivery capacity.

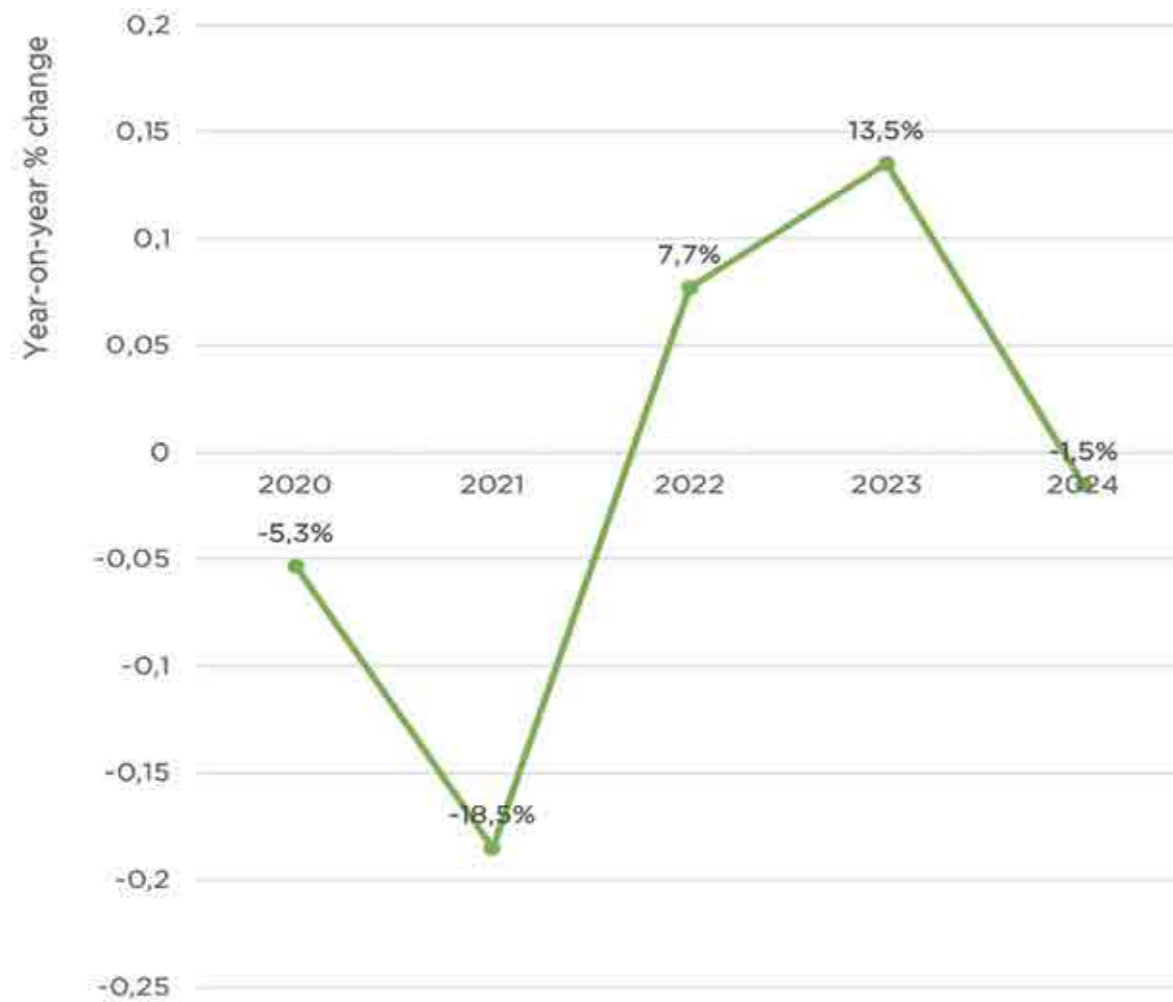
Mossel Bay was the only municipal area to record a decline in registrations, which fell by an average of 0.7 per cent per annum over the 2022 to 2025 period. This trend may reflect improved housing provision or more accurate data validation and updates. Overall, the steady growth in housing demand across most municipal areas underscores the persistent challenge of aligning housing supply with demographic and economic pressures.

The rapid expansion of informal settlements – particularly during the COVID-19 pandemic – has further strained municipal resources, complicating efforts to extend infrastructure to peripheral and underserved areas. Nonetheless, the overall improvement in basic service indicators over the past decade points to a reduction in historical backlogs and a positive trajectory in socioeconomic development across the GRD. The size of the housing waiting list underscores the need for expanded delivery mechanisms. Greater participation by the private sector alongside targeted public investment will be essential for meeting the evolving needs of vulnerable populations and ensuring inclusive urban development across the District.

1.6 Safety and Security

High levels of poverty and inequality in the Province have given rise to elevated crime levels, necessitating the development of the Western Cape Safety Plan. In it, the Western Cape Government signals its intent to ensure that the Province is a place where all people feel secure and can live free from fear. The GRD shares this goal, as it has not been spared the safety concerns present elsewhere in the Province.

Figure 1.6.1:
TRENDS IN SERIOUS CRIMES, Garden Route District, 2020 – 2024



Source: Quantec, 2025

The GRD has experienced noticeable shifts in crime dynamics over the past five years, reflecting a complex interplay between socioeconomic conditions, law enforcement capacity and post-pandemic recovery pressures. Overall, the total number of serious crimes fell from 43 354 cases in 2019 to 40 268 in 2024, representing a net decrease of 7.1 per cent. However, this period was characterised by fluctuations in the number of serious crimes reported: the total dropped sharply (by 18.5 per cent) in 2021 – largely due to COVID-19 restrictions on movement and social activity – but subsequently rebounded as normal economic and social patterns resumed. The moderate decline in serious crime, which decreased by 2.0 per cent between 2023 and 2024, suggests a stabilisation of crime levels. However, continued vigilance and community safety interventions remain vital.

TABLE 1.6.2: CRIME PER 100 000 PEOPLE, Garden Route District, 2024

CRIME CATEGORY	Garden Route District	George	Hessequa	Kannaland	Knysna	Bitou	Mossel Bay	Oudtshoorn
Murder	33	37	13	49	20	15	60	28
Sexual offences	139	156	104	255	145	106	99	159
Common assault	798	750	844	1327	835	397	961	893
Malicious damage to property	397	375	272	438	500	259	429	509
Burglary at residential premises	526	451	569	562	601	473	686	487
Commercial crime	392	371	346	182	410	295	635	315
Drug-related crime	1 085	1 007	1 651	1 448	779	599	1 141	1 487
Driving under the influence of alcohol or drugs	259	233	253	273	406	172	399	114

Source: Own calculations from Quantec (2025) and Mid-year population estimates (2025)

An analysis of disaggregated data reveals that drug-related offences, common assault and property-related crimes continue to dominate the GRD's crime profile. Drug-related offences – encompassing the possession or use of illegal substances as well as the trafficking in such substances – constituted the most prevalent crime in 2024, with 1 085 cases per 100 000 people reported in the course of this year. This underscores ongoing challenges linked to substance abuse and the illicit trade thereof. The problem of crime associated with drugs is particularly acute in Kannaland (1 448 cases in 2024) and Oudtshoorn (1 487 cases), where limited economic opportunities and high youth unemployment exacerbate vulnerability to drug-related activity. Driving under the influence of alcohol or drugs, for which there were 259 cases per 100 000 people

reported in 2024, raises significant concerns for road safety and contributes to preventable loss of life, injury and property damage.

Common assault, defined as the use of force or violence against another person without causing serious bodily harm, is similarly widespread (798 cases per 100 000 people in 2024). Knysna (1 327 cases) and Oudtshoorn (893 cases) reported the highest rates of such assault, highlighting the persistence of interpersonal and domestic tensions within communities. Although murder occurs less frequently (33 cases per 100 000 people in 2024), it has severe social and community-level consequences. The underlying causes of murder are multifaceted, with gang-related violence, domestic and interpersonal disputes, substance abuse, poverty, inequality and easy access to firearms all contributing significantly to the incidence of murder in the District.

Property crimes such as burglary at residential premises and malicious damage to property continue to undermine safety and contribute to household vulnerability. Mossel Bay and Knysna recorded the highest burglary rates in 2024 (686 cases and 601 cases per 100 000 people, respectively), while Oudtshoorn and Knysna led regarding malicious property damage. Oudtshoorn recorded 509 cases per 100 000 people of this form of crime in 2024, and Knysna, 500 cases. These trends point to a link between urban pressures, social instability and localised crime dynamics.

Sexual offences – including rape, sex work, producing or distributing child pornography, public indecency and human trafficking – remain a major social concern, with the GRD recording 139 cases per 100 000 people in 2024. The rate of sexual offences in the GRD is indicative of a nationwide problem that has seen South Africa become one of the five countries with the highest reported incidence of rape globally. Kannaland (49 cases per 100 000 people in 2024) and Knysna (255 cases) exhibited particularly elevated rates of sexual offences, underscoring the urgent need for intensified prevention of gender-based violence and survivor support initiatives. Commercial crime, involving theft, fraud or dishonesty committed against businesses, also presents a growing challenge. Between 2022 and 2024, commercial crime rose from 257 cases per 100 000 people to 392 cases, with Mossel Bay (635 cases) recording the highest incidence of such crime. Commercial crimes directly affect business confidence and disproportionately impact small, medium and micro enterprises. If unaddressed, they risk triggering a cycle of economic stagnation, job losses and further social vulnerability.

Serious crime undermines both individual wellbeing and economic potential. It deters investment, limits tourism and business activity, and necessitates increased public expenditure on policing, healthcare and social welfare. At a household level, exposure to persistent crime generates trauma, weakens trust in institutions and drives the out-migration of skilled individuals. While the GRD has made moderate progress in reducing serious crime since 2019, stubbornly high rates of drug-related offences and interpersonal violence highlight the need for integrated, cross-sectoral strategies. Strengthened community policing, substance abuse prevention and collaborative social development initiatives are essential to fostering safer, more cohesive, and economically resilient communities across the District.

1.7 Conclusion

Spanning no less than 23 331 km², the GRD is a kaleidoscope of contrasts. The District encompasses the ever-popular coastlines of the Hessequa, Mossel Bay, George, Knysna and Bitou municipal areas, internationally renowned ostrich farms and the breathtaking Swartberg mountains of the Oudtshoorn municipal area. The rural expanse of the Kannaland municipal area, well known for its dairies and wineries, adds another facet to the region's appeal.

As a growing economic hub within the Western Cape, the GRD faces the dynamic challenges associated with an expanding population, notably amplified demands for housing, municipal services, and essential government functions like education and healthcare provision. In the face of these pressures, diligent efforts have been undertaken to expand services so as to accommodate the needs of the burgeoning population. This has made the District an appealing destination for residents, workers and prospective investors.

Economic resurgence has contributed to reduced poverty rates in the GRD. This improvement, in turn, has resulted in lower rates of severe acute malnutrition among children. Nevertheless, it remains imperative to address the persistent issue of elevated inequality in the District, as this presents a threat to safety and security. The recent declines in inequality have manifested in reduced instances of serious crimes since 2019. However, rising rates of commercial crime have a negative impact on business in the region. The continued promotion of public safety is of paramount importance for both the GRD Municipality and the Western Cape Government.

Notable progress in education has enhanced the region's capacity to meet the increasing demand for skilled labour in the tertiary sector. Improvements in matric pass rates and learner retention, partly driven by declining teenage pregnancy rates, reflect positive developments in human capital formation. However, the prevalence of low wages and a high concentration of low-skilled labour, coupled with the rising demand for skilled professionals, underscore the ongoing need for targeted skills development initiatives to support sustainable economic growth and workforce competitiveness.

To address the developmental challenges outlined above and further enhance the wellbeing of GRD residents, it is imperative to have sustained collaboration between the GRD Municipality, other tiers of government, and the private sector.



991.9KM² |
4.3% of the Garden Route

2.1 BITOU

Municipal safety and wellbeing

This section delves into the social trends that shape the identity of the Bitou municipal area. Population dynamics, income, housing needs and essential services are reviewed, and a nuanced examination provided of healthcare, education and crime metrics. Overall the section offers a comprehensive view of community wellbeing and future prospects, showing the interplay of social and economic undercurrents in the municipal area.

2.1.1 Demographics

Understanding population dynamics is critical for effective municipal planning and the equitable provision of public services. Population size, household growth, age structure and migration patterns directly influence the demand for infrastructure, housing, education, healthcare and social services. Monitoring socioeconomic trends in Bitou is essential for protecting rural livelihoods, guiding development decisions, and ensuring long-term resilience in a small-town economy dependent on agriculture and seasonal tourism.

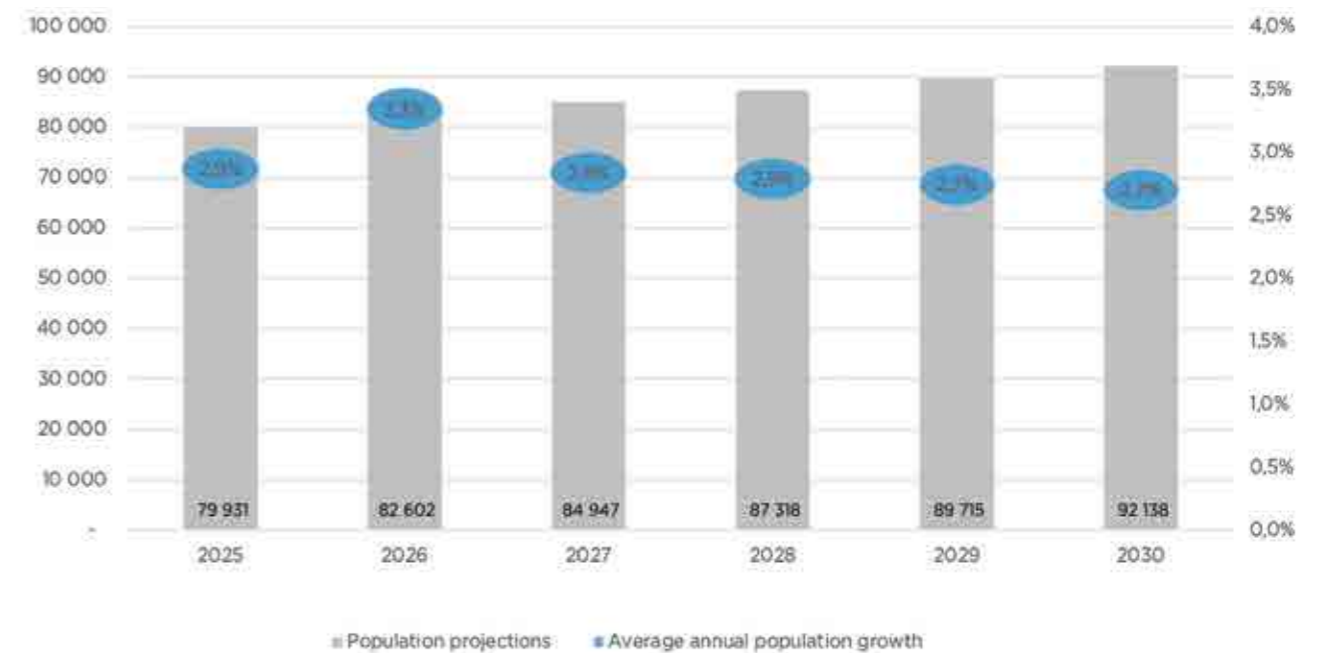
Population and Household Growth

Bitou, with an estimated population of approximately 77 702 in 2024, is the fifth-largest municipal area of the Garden Route District (GRD). Its sustained and rapid population growth continues to place increasing pressure on the provision of housing, infrastructure and basic municipal services.

The municipal area is characterised by an exceptionally attractive natural environment and a well-established tourism brand driven by the region’s coastline, forested landscape and outdoor recreation offerings. These natural assets underpin a strong trade and accommodation sector that plays a pivotal role in the local economy.

Bitou also has relatively high levels of access to essential services, including water and electricity provision, when compared to many other municipal areas. This positions the area favourably from a developmental perspective, although continued growth necessitates proactive planning to ensure infrastructure keeps pace with rising demand.

Figure 2.1.1:
POPULATION GROWTH, Bitou, 2025 - 2030

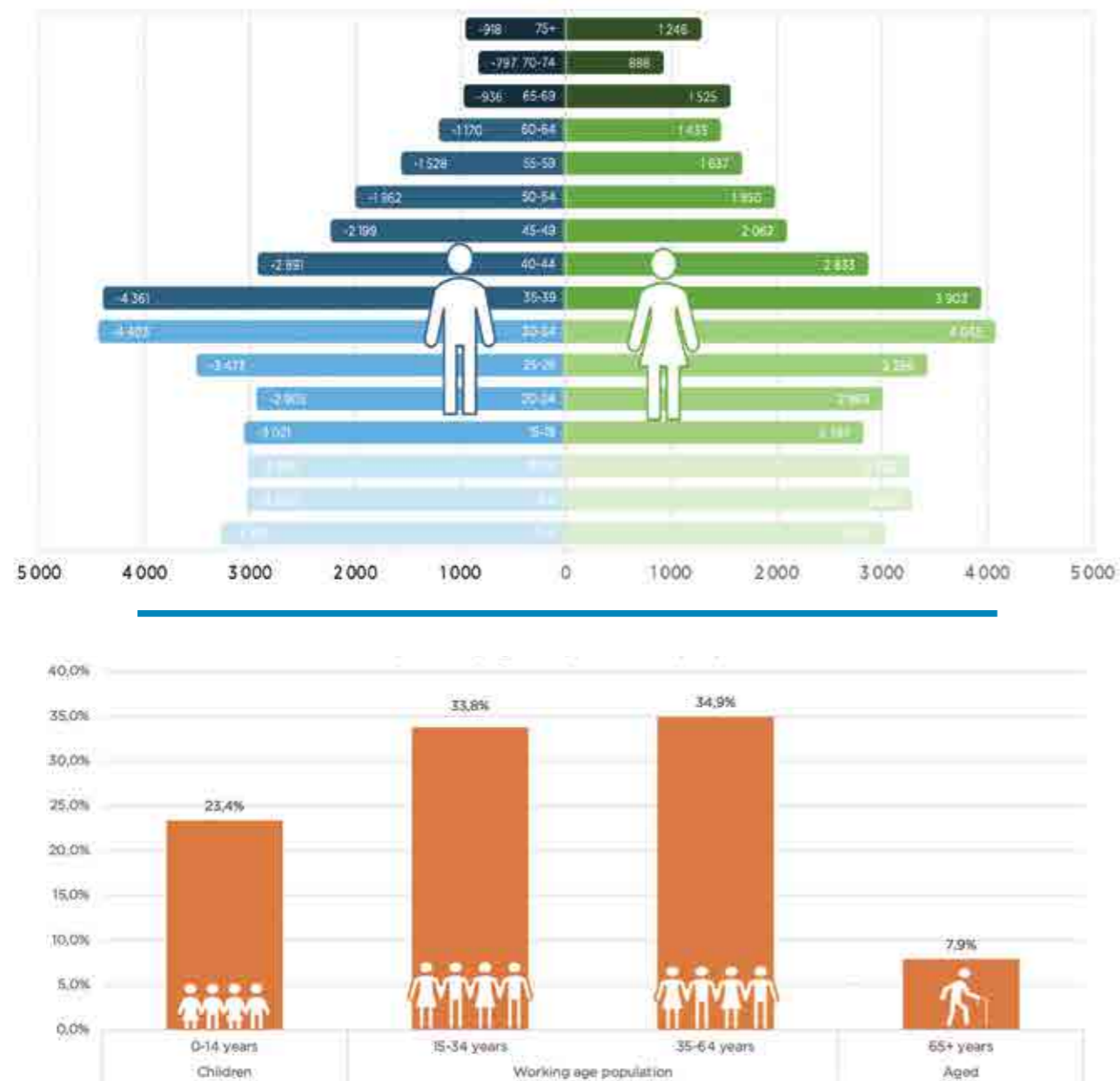


Sources: MYPEPPU, 2025.2

Figure 2.1.1 shows the sustained upward trajectory of Bitou’s population that occurred from 2025 to 2030, when the number of residents of this area rose from 79 931 to 92 138. This represented an increase of 12 207 residents over the five-year period. The rate of growth is expected to moderate between 2026 and 2029/30, falling from 3.3 per cent to 2.7 per cent. Nonetheless, population expansion in Bitou is anticipated to remain well above the Provincial population growth trend, positioning Bitou as one of the fastest-growing municipal areas of the GRD and the Western Cape. In the event that Bitou’s projected growth generates a growing consumer base, workforce expansion and increased municipal revenue, it will represent an opportunity for development. However, without proactive investment and diversification, the municipal area risks a future defined by housing stress, service delivery backlogs and entrenched inequality.

Gender, Age and Race Dynamics

Figure 2.1.2:
POPULATION PYRAMID, Bitou, 2025



Source: MYPEPPU, 2025.2

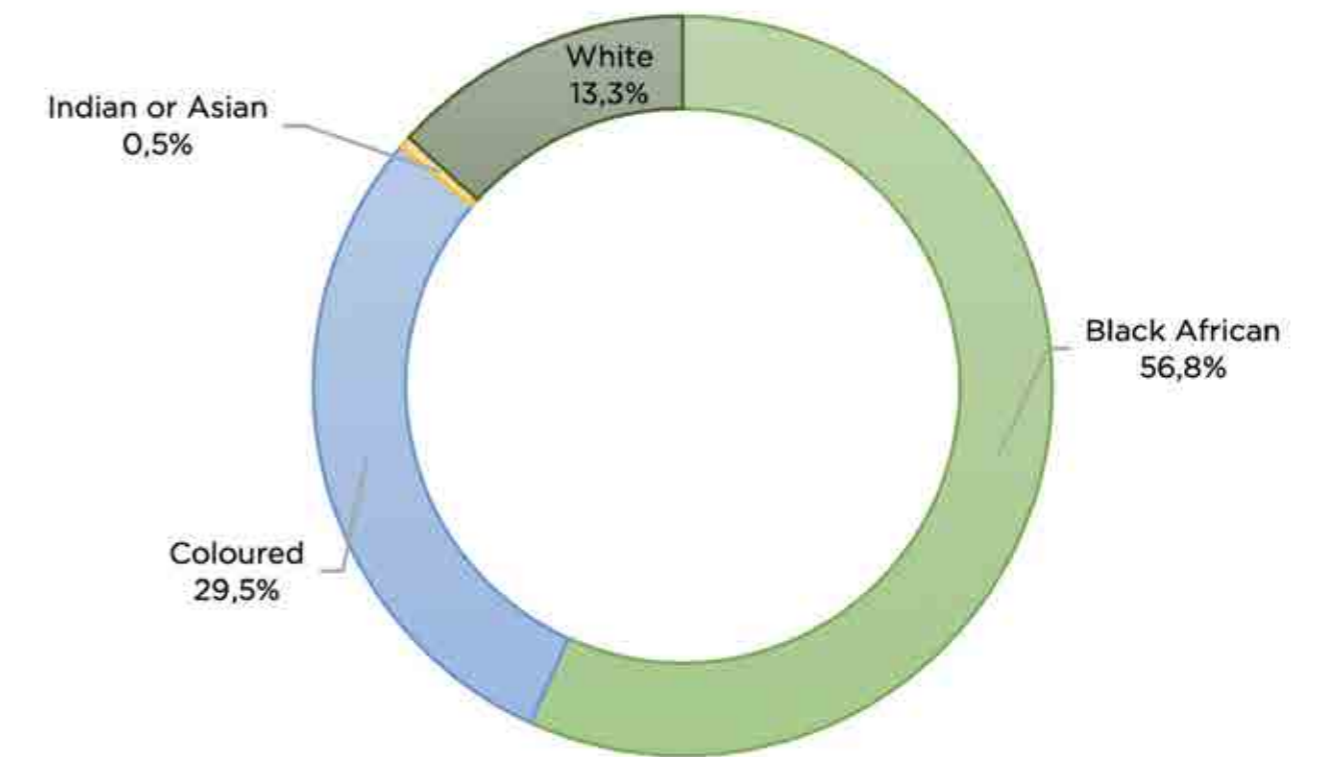
The age structure of Bitou is strongly weighted towards persons of working age (i.e. those aged 15 to 64 years), who accounted for 68.7 per cent of residents in 2024. This offers a potential demographic dividend, as a large labour force can stimulate economic growth. However, to realise this benefit, local economic expansion must keep pace with labour supply. This is particularly the case in a municipal area with a service-dominated and seasonal tourism economy, and where youth unemployment remains elevated.

Children aged 0 to 14 years accounted for 23.4 per cent of the municipal population in 2024, indicating sustained future demand for education infrastructure, childhood health services and, eventually, youth employment opportunities. Conversely, the population aged 65 and above (7.9 per cent) is relatively small but growing, a trend tied partly to the in-migration of retirees drawn to the coastal environment. Over time, this will place additional pressure on health, transport and social care services.

The population pyramid provided in Figure 2.1.2 shows a broad youth base and strong representation in the 25 to 44 age bands. This signals ongoing economic migration, especially among working-age men, who appear more numerous in several key wage-earning age cohorts.

Race dynamics, depicted in Figure 2.1.3, indicate a black African majority population and a significant coloured and white minority mix. Historical settlement patterns and employment segmentation mean growth can reinforce spatial inequality. This is particularly the case where lower-income black African households are concentrated in dense and informal settlements, while higher-income residents benefit more from tourism-driven growth.

Figure 2.1.3:
RACIAL COMPOSITION, Bitou, 2024



Source: Quantec, 2025

2.1.2 Health and wellness

South Africa's healthcare system, comprising both public and private providers, forms a critical pillar of the nation's human capital and economic productivity. Public health facilities, supported by government funding, play a central role in ensuring equitable access to healthcare for the broader population, while the private sector caters to those with the means to afford additional services. The public healthcare system operates on a referral model, providing primary care through clinics and escalating more complex cases to district and regional hospitals. Access to high-quality healthcare enhances overall wellbeing and life expectancy, strengthens the labour force, mitigates productivity losses, and underpins sustainable socioeconomic development.

Access to Health Facilities

In 2023, only 15.7 per cent of South Africans had access to medical aid, highlighting the critical role of public healthcare services in meeting the needs of most of the population. In the Bitou municipal area, healthcare provision is primarily supported by the public sector, with a limited network of facilities serving dispersed rural communities.

Bitou's primary healthcare system is anchored by four fixed clinics, which provide essential day-to-day health services to local communities. These facilities are complemented by two mobile or satellite clinics, improving accessibility for residents in remote or underserved areas who might otherwise face significant barriers to care.

However, the municipal area has no district or regional hospital within its boundaries. This places reliance on higher-level facilities located outside of Bitou, which can increase travel time and associated costs for patients requiring specialised or emergency care. Strengthening referral pathways and emergency medical services therefore remains critical to ensuring equitable and timely access to comprehensive healthcare for all residents.

In 2024/25 residents of the municipal area had access to seven antiretroviral therapy (ART) sites and six tuberculosis (TB) clinics, enhancing the availability of critical TB and ART services for households. This is especially necessary given the rising number of ART patients registered for treatment within Bitou.

Enhancing the quantity of functioning ambulances contributes to expanding the reach of emergency medical services across the municipal area. In 2024/25, the area had three Provincial ambulances, translating to 0.46 ambulances per 10 000 residents. It should be noted that this figure pertains exclusively to Provincial ambulances and does not include those of private service providers.

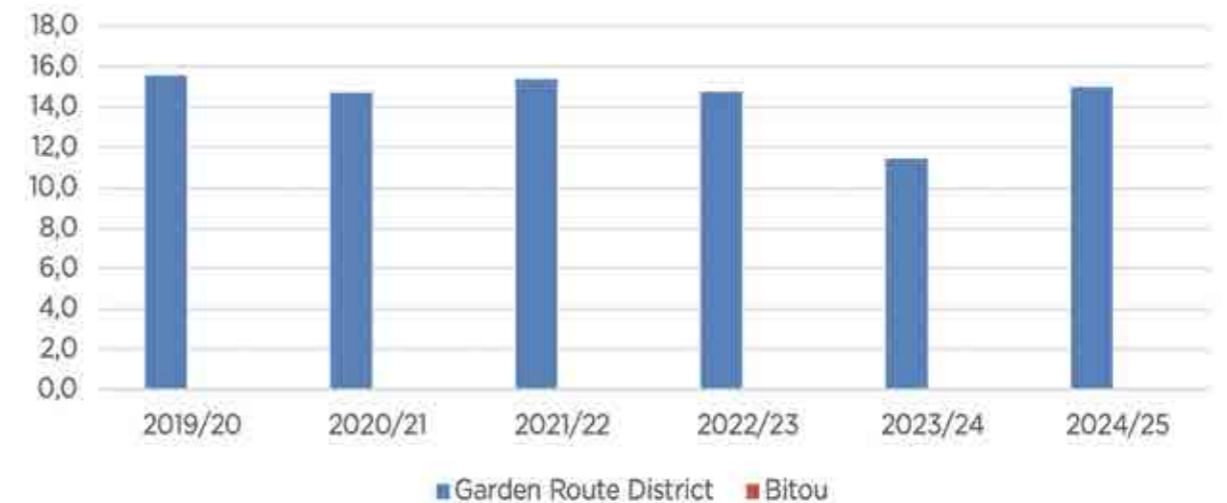
Maternal and Child Health

Maternal health is a critical aspect of public health, encompassing the wellbeing of women during pregnancy, childbirth and the postnatal period. In South Africa, key issues influencing maternal health include high rates of teenage pregnancy, the prevalence of termination of pregnancy and ongoing challenges related to maternal mortality. These factors not only affect the health outcomes of women and infants but also reflect broader social and economic dynamics that shape access to healthcare and reproductive choices.

Teenage pregnancy

The recorded proportion of births to females under 19 years of age in Bitou remained at 0.0 per cent between 2019/20 and 2024/25. At face value, this suggests extremely low rates of teenage pregnancy. However, it may also indicate a lack of facilities, as births take place at facilities outside of the municipal area and are therefore captured within the health statistics of other areas.

Figure 2.1.4:
DELIVERY RATE TO WOMEN UNDER 19 YEARS, Bitou, 2019/20– 2024/25



Source: Western Cape Department of Health and Wellness, 2025

Teenage pregnancy is calculated as the percentage of babies born to mothers under the age of 19 in a given year.

Teenage pregnancy is almost always unplanned. Consequently, when young parents are placed in the position of having to care for a child, they can find themselves woefully unprepared for the challenges that this brings. This is especially the case if they do not have family members who can assist them or social support.

Termination of Pregnancy

TABLE 2.1.1: TERMINATION OF PREGNANCY RATE, Bitou, 2019/20 – 2024/25

MUNICIPALITY	Termination of Pregnancy Rate						
	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25
Garden Route	0.6	0.6	0.5	0.6	0.7	0.6	0.6
Bitou	0.0	0.0	0.1	0.2	0.2	0.2	0.2

Source: Western Cape Department of Health and Wellness, 2025

The termination of pregnancy rate in Bitou has remained consistently lower than the overall rate for the GRD in all reporting years. While the District recorded rates between 0.5 per cent and 0.7 per cent over the 2018/19 to 2024/25 period, Bitou's rates ranged from 0.0 per cent to 0.2 per cent, indicating significantly fewer recorded terminations. While low rates may appear positive at face value, they may also mask unmet needs in reproductive healthcare and highlight the importance of ensuring accessible, confidential and safe reproductive services within the municipal area.

The termination of pregnancy rate is calculated as the number of women who undergo terminations as a proportion of females aged 15 to 44 years in a given year.

Government hospitals designated private doctors and gynaecologists, and non-profit providers offer safe and legal termination of pregnancy. To obtain a free abortion, the request must be made at a primary healthcare clinic. At the clinic, the pregnancy will be confirmed, counselling provided, an appointment made with a facility where the procedure can be performed, and a referral letter provided for this facility.

Maternal and Neonatal Mortality

Maternal mortality surged during the worst of the pandemic years, as the severe acute respiratory syndrome coronavirus 2 (SARS-CoV-2) was a contributory cause of such mortality. Death rates have since stabilised. The maternal mortality ratio of the GRD was impacted by these developments.

TABLE 2.1.2: MATERNAL DEATHS PER 100 000 LIVE BIRTHS, Bitou, 2019/20 – 2024/25

MUNICIPALITY	Maternal Mortality Ratio						
	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25
Garden Route	54.8	31.7	115.4	53.7	68.5	70.2	46.3
Bitou	0.0	0.0	0.0	0.0	0.0	0.0	0.0

Source: Western Cape Department of Health and Wellness, 2025

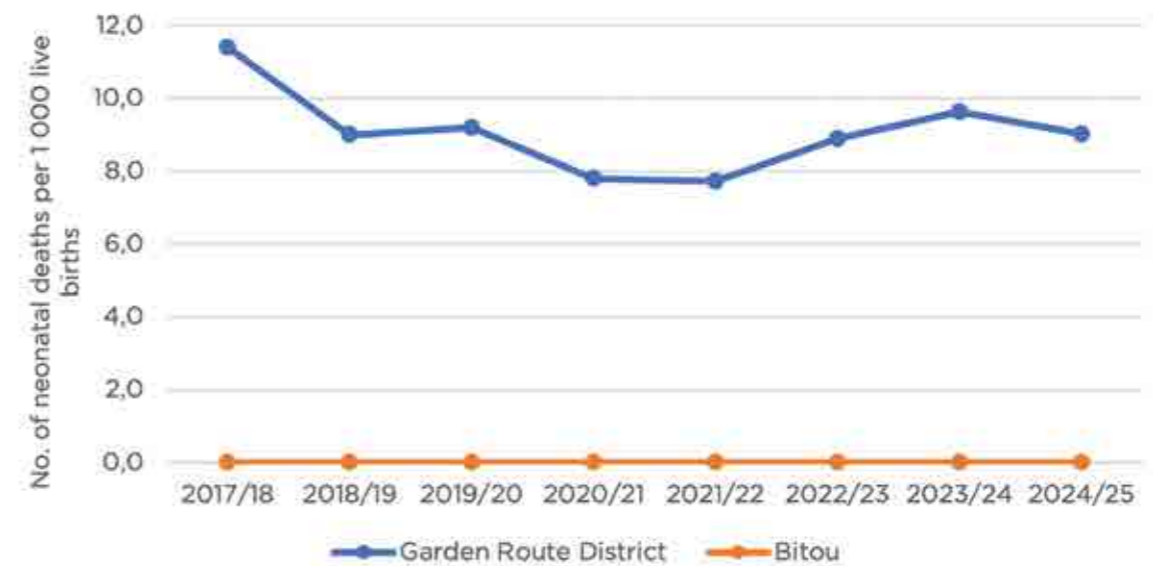
Bitou reported a maternal mortality ratio of zero in all years of the 2018/19 to 2024/25 period. Again, this may be indicative of a lack of facilities, as births take place at facilities outside of the municipal area and therefore are captured in the health statistics of other areas.

The maternal mortality rate is the number of maternal deaths per 100 000 live births in public health facilities* in a given year.

Maternal death is death that occurs in the course of a pregnancy, during childbirth or the puerperium, or within 42 days of termination of pregnancy. This is irrespective of the duration and site of pregnancy and irrespective of the cause of death (obstetric or non-obstetric).

* Private facilities do not report data on live births routinely or completely.

Figure 2.1.5: Neonatal Mortality Rate, Bitou, 2019/20- 2024/25



Source: Western Cape Department of Health and Wellness, 2025

From 2019/20 to 2024/25, Bitou consistently recorded a neonatal mortality rate of zero. However, the broader GRD experienced persistent neonatal mortality (in the range of 8 to 10 deaths per 1 000 live births). At face value, this suggests strong primary maternal and neonatal care within Bitou, including effective antenatal support, skilled birth attendance and early postnatal services. However, the apparent absence of neonatal deaths should be interpreted cautiously. As Bitou does not have a district or regional hospital, many high-risk pregnancies and neonatal complications are referred to health facilities located outside the municipal area. Any neonatal deaths that occur at these referral facilities are statistically attributed to the receiving municipality, not to Bitou. Therefore, the data probably under-represents the true burden of neonatal risk for Bitou residents.

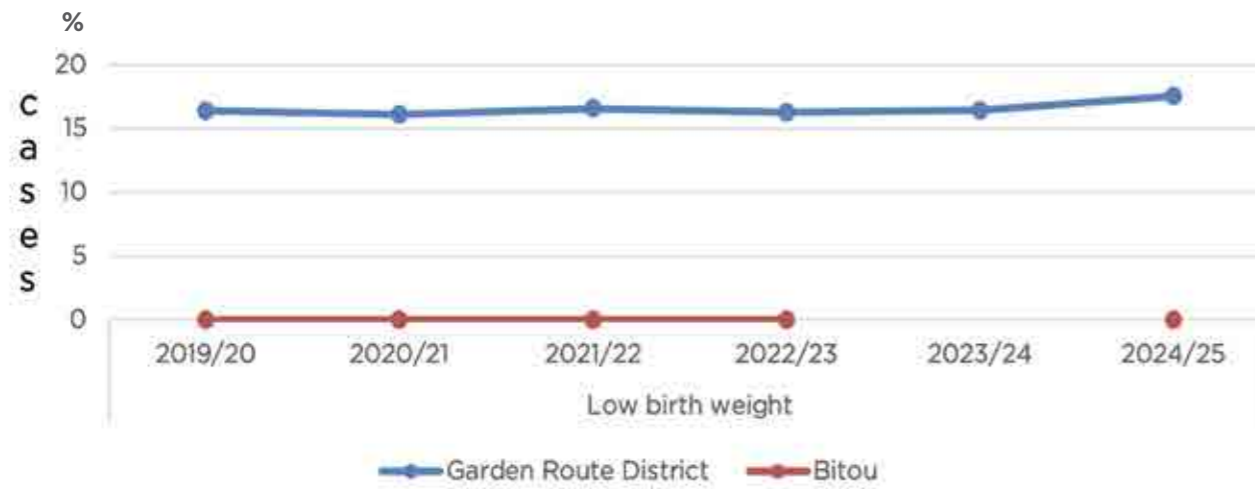
The neonatal mortality rate is the number of neonates that die before reaching 28 days of age per 1 000 live births in a given year.

The first 28 days of life (i.e. the neonatal period) constitute the most vulnerable time for a child's survival. The Province set a target for 2019 of 6.0 neonatal deaths per 1 000 live births.

Low Birth Weight

Throughout the 2019/20 to 2024/25 period, Bitou consistently recorded a 0.0 per cent incidence of low birth weight. This was atypical when compared to the GRD average of about 17.0 per cent to 18.0 per cent. Again, this may indicate a lack of facilities in the municipal area, as births take place at facilities outside of Bitou and are therefore captured in the health statistics of other areas.

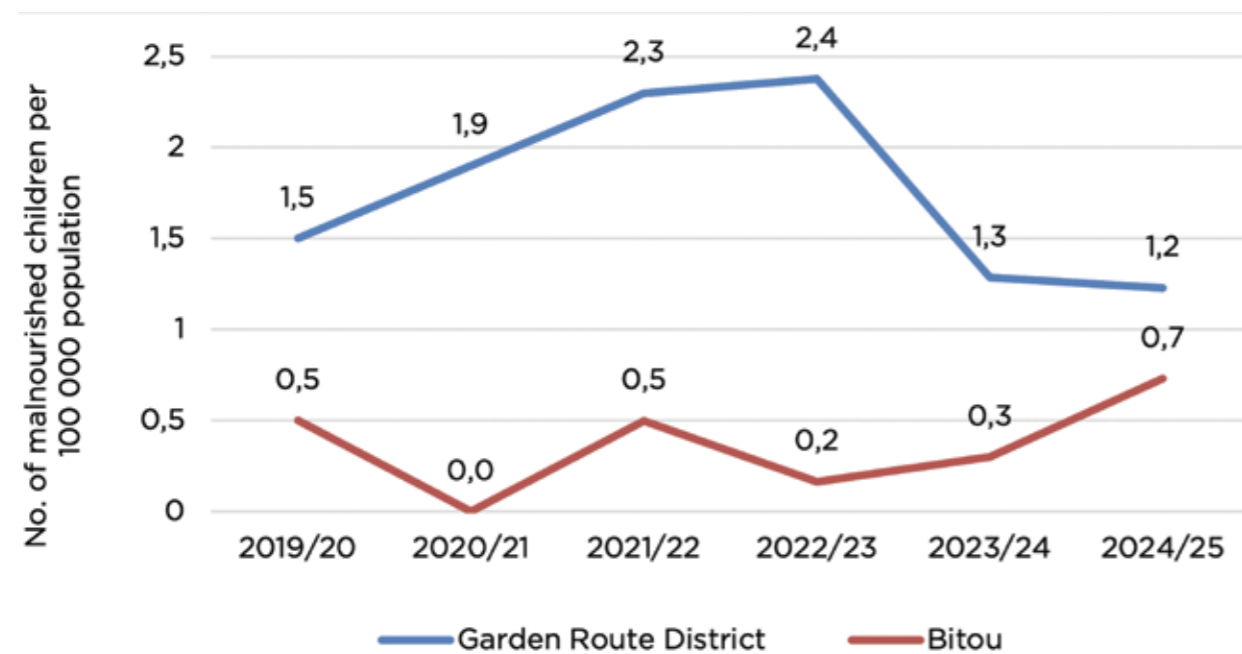
Figure 2.1.6:
LOW BIRTH WEIGHT, Bitou, 2019/20 - 2024/25



Source: Western Cape Department of Health and Wellness, 2025

Malnutrition

Figure 2.1.7:
MALNUTRITION, Bitou, 2019/20 - 2024/25



Source: Western Cape Department of Health and Wellness, 2025

Over the 2019/20 to 2024/25 period, Bitou recorded consistently low rates of reported malnutrition, which fluctuated between 0.0 cases and 0.7 cases per 100 000 residents. This outcome appears favourable compared to the higher rate of the GRD (peaking at about 2.4 cases in 2022/23).

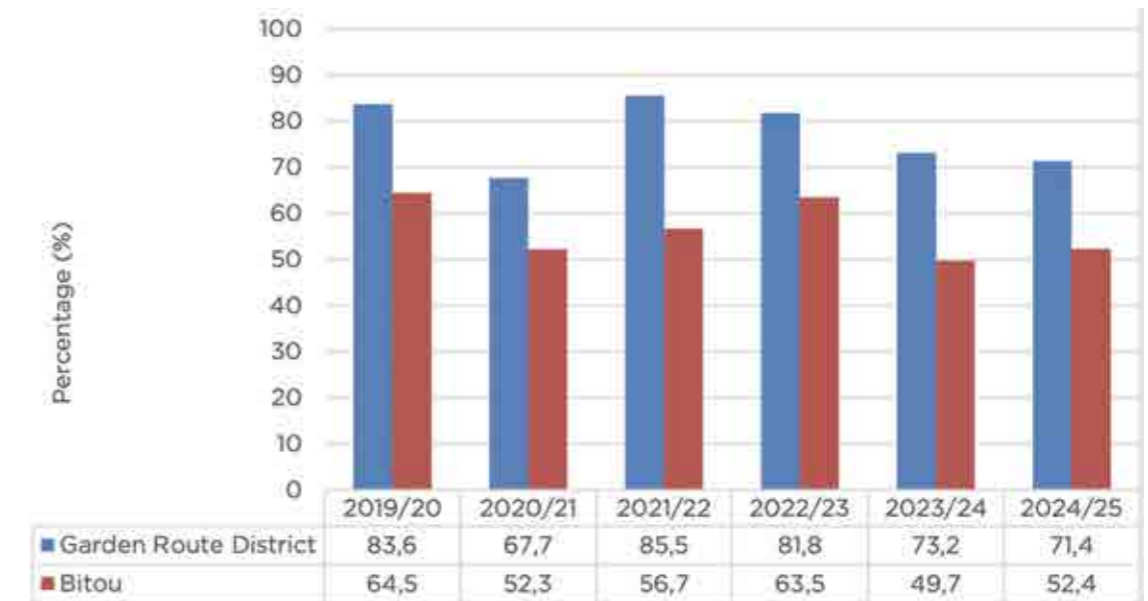
The sudden movement from 0.5 cases to 0.0 cases from 2019/20 to 2020/21 – then back to 0.5 cases in 2021/22 – suggests possible gaps in case detection, screening coverage and community referral pathways rather than a true elimination of child malnutrition. Given the socioeconomic realities in Bitou, pockets of poverty, food insecurity, informal settlements and reliance on seasonal tourism-linked income, malnutrition prevalence is potentially under-reported.

The severe acute malnutrition rate is the number of malnourished children under five years of age per 100 000 people in a given year.

Malnutrition may refer to either under-nutrition (an individual not receiving adequate amounts of nutrients) or over-nutrition (an individual receiving excessive amounts of nutrients).

Immunisation

Figure 2.1.8:
IMMUNISATION RATE, Bitou, 2019/20 - 2024/25



Source: Western Cape Department of Health and Wellness, 2025

Immunisation coverage in Bitou remained significantly below the GRD average throughout the 2019/20 to 2024/25 period. While coverage in the District fluctuated between 67.0 per cent and 86.0 per cent of children less than one year of age, the rate in Bitou ranged between 49.0 per cent and 65.0 per cent, reflecting persistent systemic barriers to universal vaccine access.

The immunisation rate is the number of children immunised, in a given year, per total number of children less than one year of age.

Immunisation protects both adults and children against preventable infectious diseases. Low immunisation rates speak to the need for parents to understand the critical importance of immunisation.

Burden of Disease

HIV and AIDS

TABLE 2.1.3: TOTAL REGISTERED PATIENTS ON ART, Bitou, 2019/20 – 2024/25

MUNICIPALITY	Total registered patients receiving ART					
	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25
Garden Route	25 738	26 996	27 825	29 858	30 984	31 833
Bitou	3 435	3 502	3 677	3 855	4 012	4 193

Source: Western Cape Department of Health and Wellness, 2025

Bitou experienced a consistent upward trajectory in the number of registered patients on ART between 2019/20 and 2024/25, the total rising from 3 435 to a projected 4 193.

This represents growth of approximately 22.0 per cent over the period in question, an outcome that was broadly aligned with the rising trend across the GRD. The increase probably reflects a combination of improved HIV testing and case discovery, greater linkage to care and retention (supported by differentiated service delivery models), and migration and inward labour mobility – particularly in response to operations of the tourism and construction sectors. It also reflects longer life expectancy for people living with HIV, increasing cumulative caseloads. However, the steady increase may also indicate ongoing transmission, especially within vulnerable socioeconomic groups.

Tuberculosis

TABLE 2.1.4: TOTAL REGISTERED TB PATIENTS, Bitou, 2019/20 – 2024/25

MUNICIPALITY	Number of TB patients registered on Treatment					
	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25
Garden Route	4 732	4 676	4 941	5 259	5 207	5 390
Bitou	320	305	357	392	371	399

Source: Western Cape Department of Health and Wellness, 2025

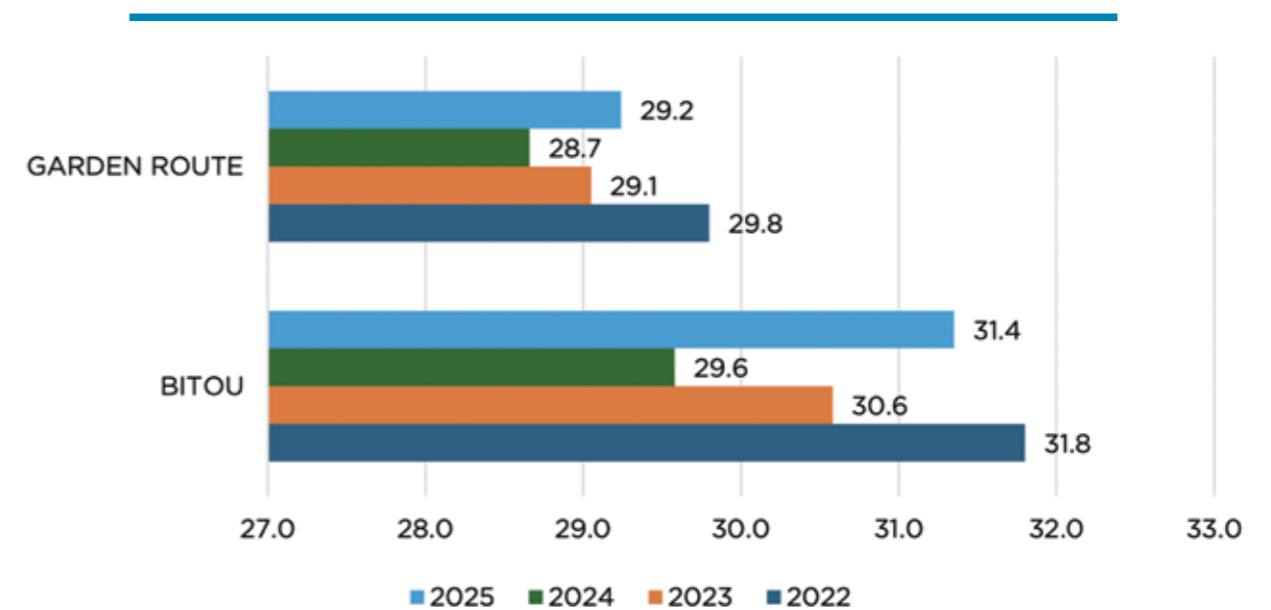
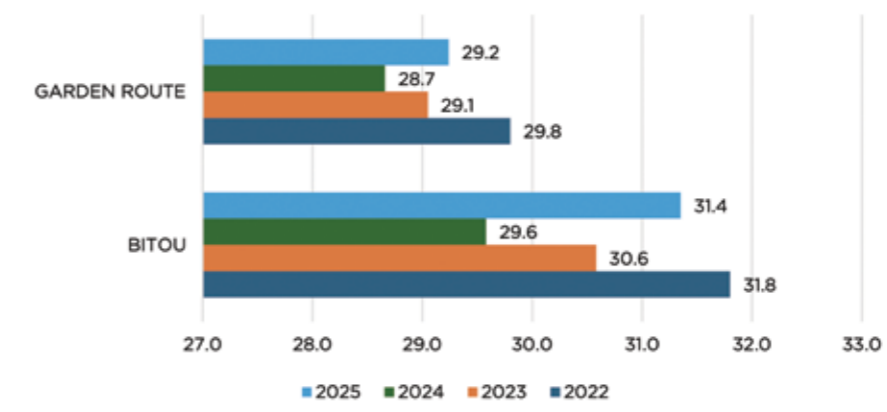
Bitou also showed a gradual upward trend in the number of registered TB patients on treatment – during the reference period, with this total rising from 320 in 2019/20 to an estimated 399 in 2024/25 (a net increase of about 25.0 per cent). This aligns with the broader rise in the TB patient load across the GRD, suggesting ongoing transmission and a sustained disease burden in the municipal area. The slight decrease between 2022/23 and 2023/24 may be linked to the effects of the COVID-19 pandemic, which opened the door to under-diagnosis and delayed care, reduced patient follow-up, a decrease in health-seeking behaviour, and reclassification of patients not successfully linked to treatment. TB prevalence is strongly associated with overcrowded living conditions, the prevalence of informal settlements, and poverty, all of which characterise parts of the Bitou municipal area.

2.1.3 Education

Education Resources

Education and skills development play a vital role in shaping the future socioeconomic landscape of the municipal area. They empower the population and significantly impact the local economy's development and human resource capacity. The Western Cape Education Department is committed to this cause, ensuring access to education for the children of the municipal area through the availability of 11 schools. More than 80.0 per cent of these facilities (81.8 per cent) operate as no-fee schools. This is a positive factor, given that in 2021, a substantial 24.0 per cent of learners nationally cited financial constraints as their primary reason for dropping out of school.

Figure 2.1.9: LEARNER ENROLMENT AND LEARNER-TEACHER RATIO, Bitou, 2021 - 2025



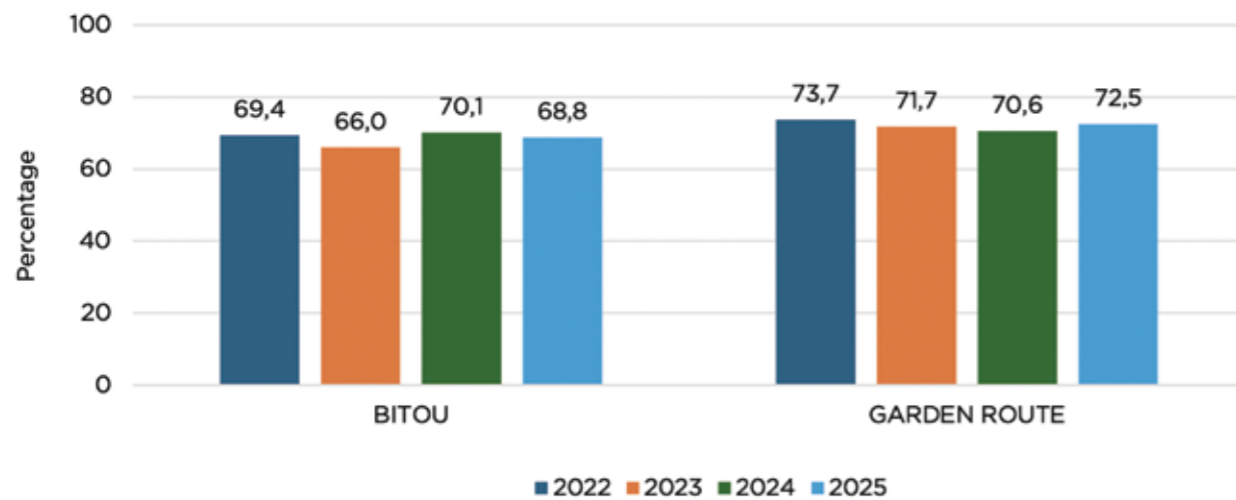
Source: Western Cape Education Department, 2025

Learner enrolment in Bitou has shown a consistent upward trend, rising from 8 890 learners in 2021 to a projected 9 218 in 2025. This sustained growth signals increasing population inflows, household formation and demand for schooling, particularly in areas linked to the tourism and construction economy. While growth reflects a relatively youthful demographic and positive migration into Bitou, it also intensifies pressure on education infrastructure, staff and support services.

Bitou’s learner-teacher ratio remained higher than the GRD average across the 2021 to 2025 period. The ratio fluctuated between 29.6 learners and 31.8 learners per teacher, while the District ratio was recorded at 28.7 to 29.8. Ratios above 30:1 are typically associated with reduced individualised learning support, classroom overcrowding, teacher workload strain and burnout risks, and compromised learning outcomes, especially for pupils in early grades and vulnerable learners.

Retention Rates

Figure 2.1.10:
GRADE 10-12 LEARNER RETENTION RATE, Bitou, 2022 - 2025



Source: Western Cape Education Department, 2025

Bitou’s Grade 10 to Grade 12 learner retention rate remained below the GRD average consistently over the 2022 to 2025 period. Retention fluctuated between 66.0 per cent and 70.1 per cent of learners, indicating a persistent risk of learner dropout. This challenge is most pronounced in the senior phase, when increasing academic pressure, ongoing socioeconomic hardship, and limited systemic capacity to support at-risk learners continue to undermine matric completion.

While some improvement was seen in 2024 (70.1 per cent), this was not sustained into 2025 (68.8 per cent), suggesting that gains remain fragile and dependent on continued intervention.

Education Outcomes

Figure 2.1.11:
MATRIC PASS RATE, Bitou, 2021 - 2024



Source: Western Cape Education Department, 2025

Bitou’s matric pass rate showed a steady and sustained improvement over the 2021 to 2024 period, rising from 79.5 per cent in 2021 to 92.1 per cent in 2024. In 2024, Bitou outperformed the GRD average (90.1 per cent), signalling notable progress in senior phase academic outcomes. This upward trajectory reflects improved teaching quality and school leadership, strengthened intermediate support programmes and exam preparation, and gains in learner commitment despite socioeconomic pressures.

However, the improvement must be interpreted alongside lower Grade 10 to 12 retention, as the pass rate may mask dropout-related exclusion within the system.

2.1.4 Poverty, Income & Inequality

In Bitou, the income landscape is defined by stark contrasts. On one hand, a segment of households benefit from growing economic opportunities linked to tourism, construction and services. On the other hand, many residents continue to struggle with insecure employment, low wages and limited access to asset-building opportunities. This analysis begins by assessing the gross domestic product per region (GDPR) per capita to understand the overall economic activity generated within the municipal area. It then examines the Gini coefficient, which reveals income inequality and highlights how unevenly the benefits of growth are shared.

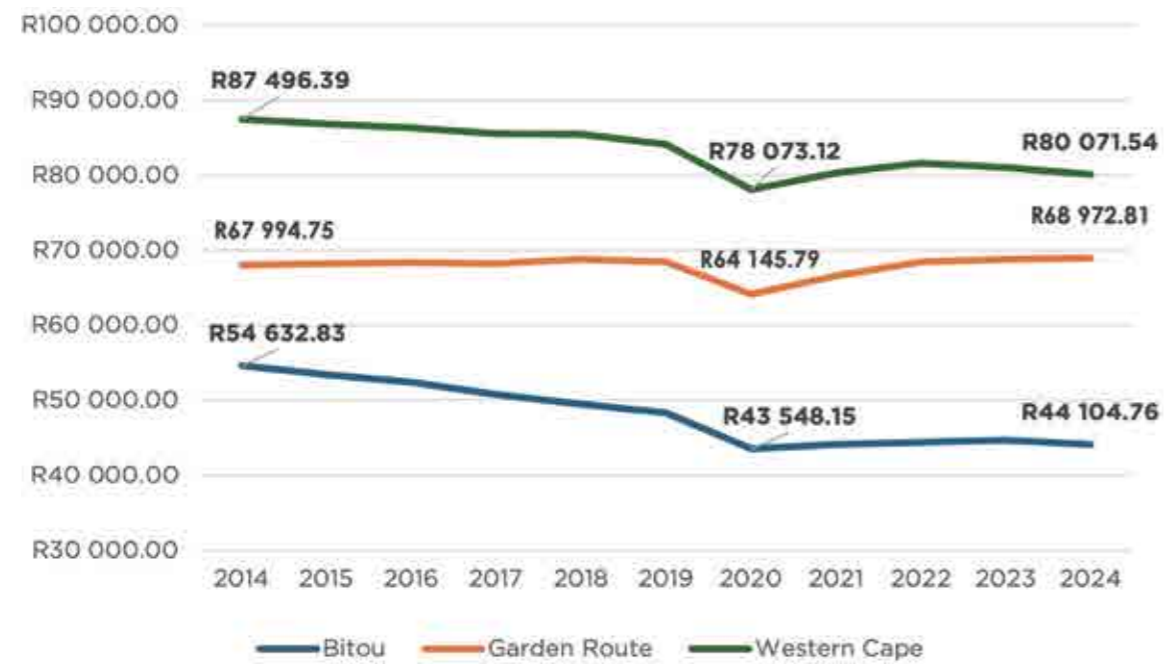
Drawing on tax data from the South African Revenue Service (SARS), the narrative explores median income levels, the distribution of earnings across different income brackets, and the profile of individuals contributing to the tax base. This provides valuable insights into who participates fully in the formal economy and who remains on the margins.

Finally, the discussion turns to poverty dynamics, illustrating how economic hardship aligns with wider patterns of inequality and continues to shape the lived reality of many households in Bitou (particularly those in informal settlements and lower-income neighbourhoods). Together, these indicators present a nuanced picture of a municipal economy where prosperity and vulnerability coexist, and where inclusive development remains a critical priority.

Income Inequality

Over the 2014 to 2024 period, Bitou’s GDP per capita declined sharply, falling from about R54 633 in 2014 to a projected R44 105 in 2024. This downward trajectory is concerning and reflects reduced real economic value generated per resident. The steepest drop occurred between 2019 and 2020, coinciding with the pandemic-driven collapse of tourism and related activities on which Bitou’s local economy largely depends.

Figure 2.1.12:
GDP PER CAPITA, Bitou, 2014 – 2024

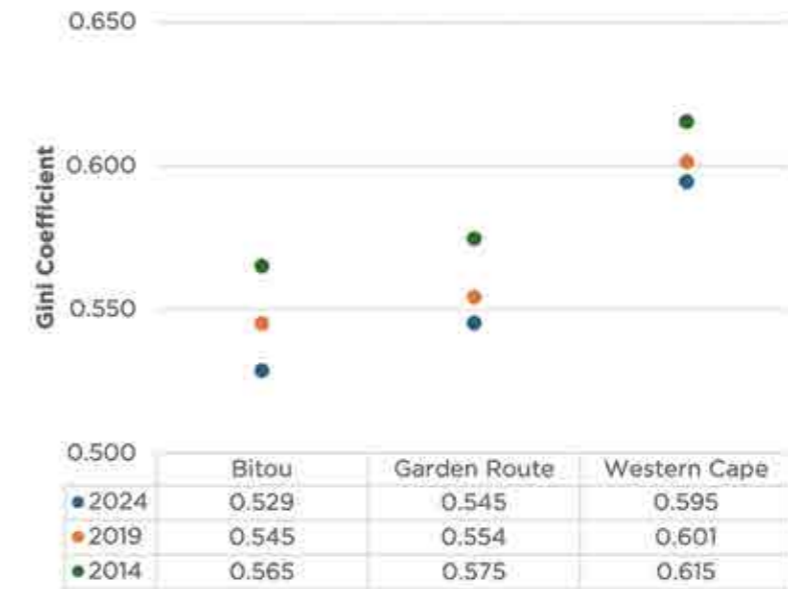


Source: Own calculations from Quantec, 2025 and MYPEPPU, 2025.2

The GRD recorded a higher and more stable GDP per capita (R68 973) than the Bitou municipal area (R44 105) in 2024, having made a better recovery from the COVID-19 pandemic than Bitou. The Western Cape GDP per capita remained substantially higher than the GRD in this year (approximately R80 072), reflecting a more diversified and resilient economic base.

This widening gap points to persistent structural weaknesses within Bitou’s economy, particularly the dominance of low-productivity sectors and seasonal labour patterns as well as limited industrial diversification.

Figure 2.1.13:
GINI INDEX, Bitou, 2014 – 2024



Source: Quantec, 2025

The Gini coefficient in Bitou declined from 0.565 in 2014 to 0.529 in 2024, reflecting reduced income inequality. This was a notable step in the area’s economic progress, especially considering the rapid population growth that occurred during this period. Similar trends in the GRD and Western Cape indicate broader structural shifts rather than local anomalies. Furthermore, Bitou consistently outperforms its regional counterparts, maintaining lower inequality levels than both the GRD and the Western Cape every year. In 2024, Bitou’s Gini coefficient was 0.016 points lower than the District average and 0.066 points below the provincial figure, underscoring its relatively even distribution of household incomes.

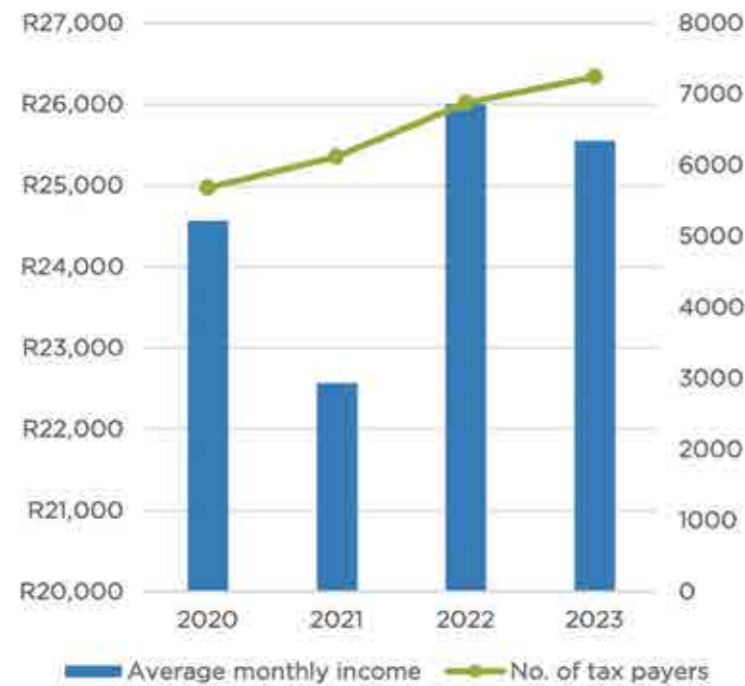
The continuation of improvement into 2024 suggests recovery in the tourism and service sectors, the stabilising of low-income households through redistribution policies and indigent support, and improvement in access to basic services – all factors that reduce non-income deprivation.

The Gini coefficient is a measure of income inequality. It is a number between 0 and 1, where 0 corresponds to perfect equality (everyone has the same income) and 1 corresponds to perfect inequality (one person has all the income, and everyone else has none). While the Gini coefficient is widely used, other metrics are also available to assess the gap between wealthy and poor, each providing a different perspective on the economic conditions of a society.

Income Patterns

A closer look at SARS income tax data reveals how inequality translates into everyday realities. Figure 2.1.14 shows a strong recovery after COVID-related disruptions. The sharp drop in income recorded in 2021 reflects the loss of earnings during lockdown, particularly in tourism and hospitality. From 2022 onwards, both income levels and the number of taxpayers surpassed pre-pandemic figures, indicating employment revival and possible migration of skilled workers into the area.

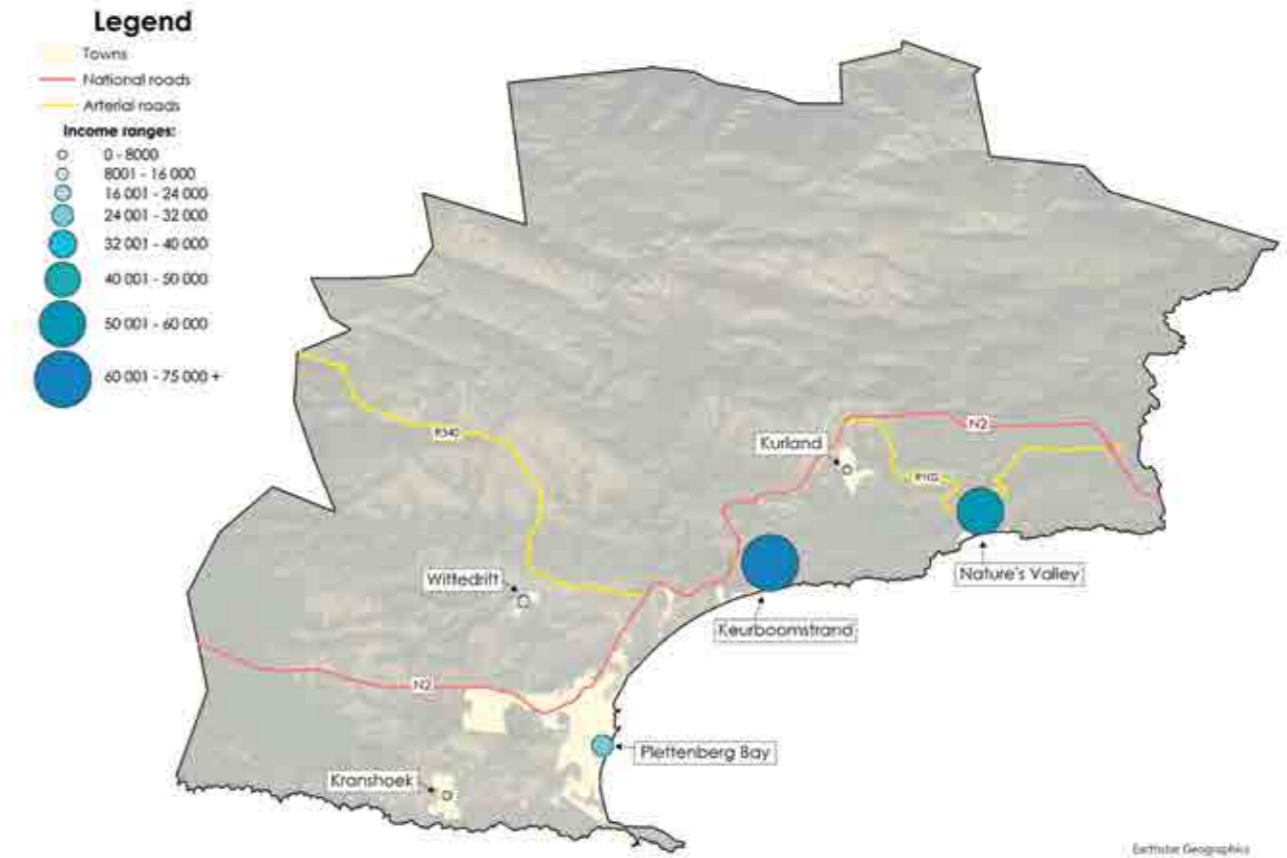
Figure 2.1.14:
INDIVIDUAL TAXPAYERS AND TAXABLE INCOME, Bitou, 2020 - 2023



Sources: Quantec, 2025

The 1 400 taxpayers added between 2020 and 2023 (amounting to growth of more than 23.0 per cent) suggests higher formal employment absorption, increased economic participation by previously informal workers, and attraction of semi-skilled and skilled labour due to residential and tourism-driven growth. Despite rebounds, the 2023 average income remained just above 2020 levels, with real income probably being lower due to inflation. The slow growth in average monthly income indicates wage suppression among lower-income workers, high sensitivity of incomes to tourism and seasonal labour cycles, and pressure on living standards despite employment gains.

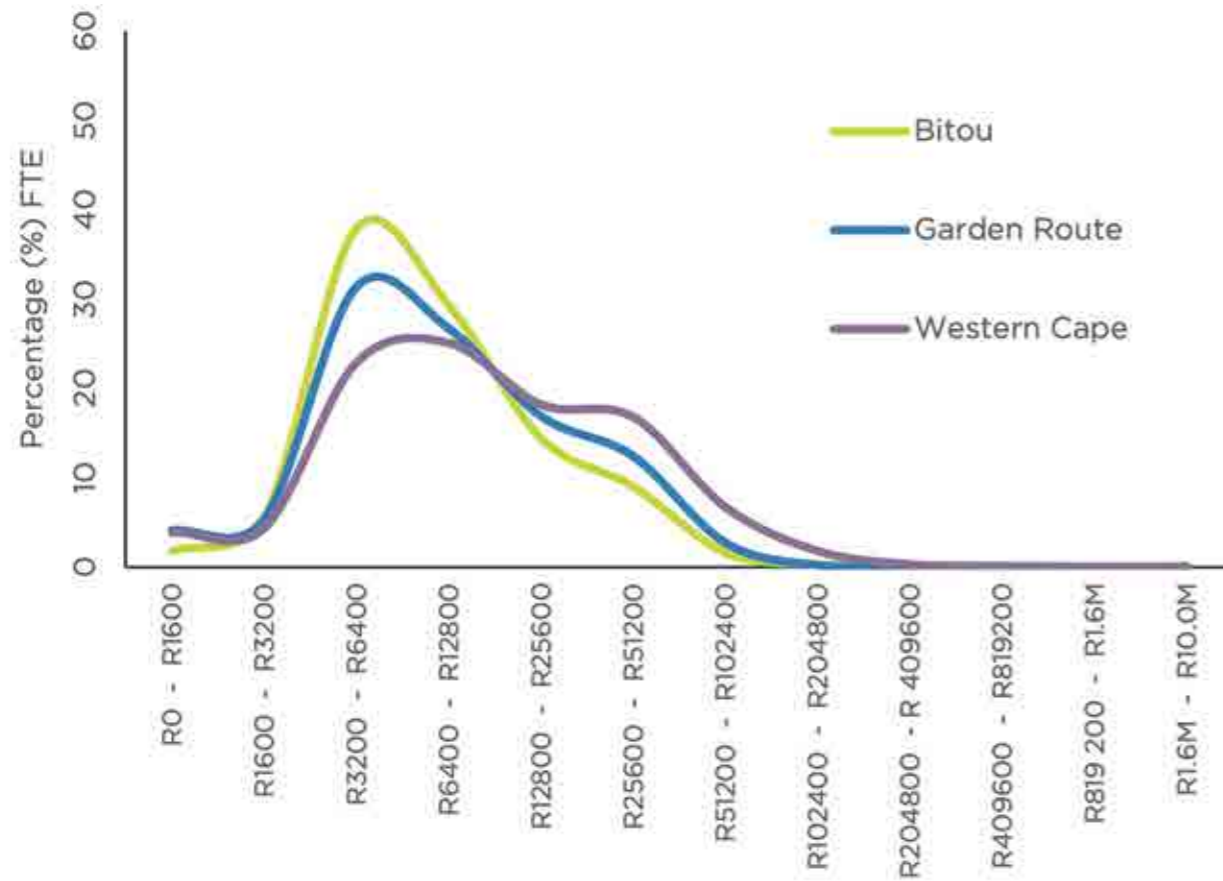
MAP 2.1.1: AVERAGE MONTHLY INCOME PER TOWN, Bitou, 2024



Source: Western Cape Department of the Premier, 2025

In Bitou, median incomes decline sharply as distance increases from the coastal economic hubs. The coastal areas capture wealth linked to tourism, hospitality, high-end property markets and remote-work migration. Inland and peri-urban areas remain structurally disadvantaged, reflecting historical settlement patterns. The affluent services-driven coastal economy co-exists with the low-wage labour reserve supporting it. New higher-income residents (remote workers, retirees) increase property prices and living costs, especially in Plettenberg Bay. This concentration of wealth intensifies displacement risk for low- and middle-income households, raises transport costs for workers commuting from more affordable areas, and increases informal housing around economic nodes. High seasonal employment volatility widens household income instability in lower-income areas.

Figure 2.1.15:
WAGE DISTRIBUTION, Bitou, 2024



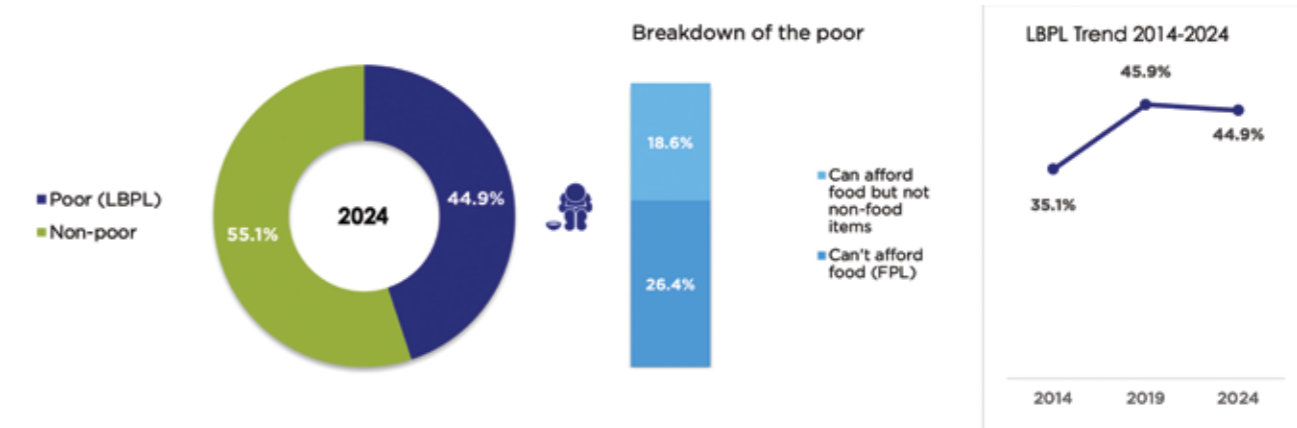
No. of FTE per income category	118	374	2 537	1 961	965	600	105	17	13	4	2	4
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Source: Spatial Tax Data, 2025

Bitou’s wage distribution is heavily concentrated at the lower end of the income spectrum, with more than 45.0 per cent of workers earning below R6 400 per month and almost 75.0 per cent earning less than R12 800. This reflects the dominance of tourism-related employment. The small proportion of high-income earners and a narrow middle class highlight spatial and socioeconomic inequality, a situation that limits consumer purchasing power and economic diversification. Without targeted interventions to expand skilled employment opportunities and improve age progression, income vulnerability and service affordability challenges will remain deeply entrenched.

Poverty

Figure 2.1.16:
POVERTY HEADCOUNT RATE, Bitou, 2014 – 2024



Source: Quantec, 2025

In 2024, poverty in Bitou continued to affect a significant portion of the population, with 44.9 per cent living below the lower-bound poverty line (LBPL) and over a quarter of residents unable to consistently afford basic food needs. Although there was a slight improvement after the COVID-19 shock, poverty levels remain far above 2014 levels, indicating a worrying long-term deterioration. The persistence of poverty reflects Bitou’s reliance on low-wage, seasonal employment; high living costs; and spatial inequality. Without targeted and sustained interventions aimed at inclusive job creation and affordability relief, household vulnerability and socioeconomic pressure will continue to constrain the development potential of this municipal area.

The national poverty lines were calculated using a cost-of-basic-needs approach that links welfare to the consumption of goods and services. The lines address both food and non-food components of household consumption expenditure.

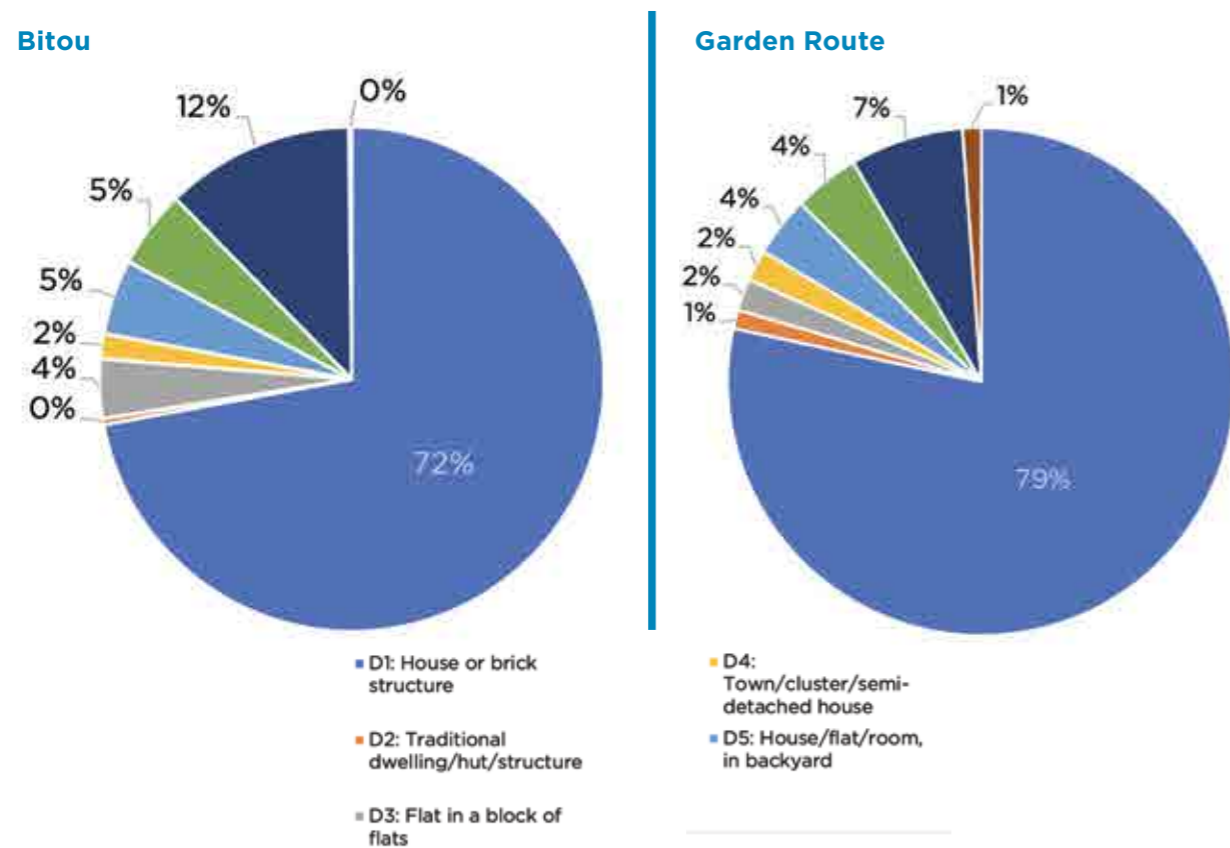
- Food poverty line – R796 (in May 2024 prices) per person per month. This refers to the amount of money that an individual will need to afford the minimum required daily energy intake. The food poverty line is commonly referred to as the “extreme” poverty line.
- Lower-bound poverty line – R1 109 (in May 2024 prices) per person per month. This refers to the food poverty line plus the average amount required for non-food items of households whose total expenditure is equal to the food poverty line.
- Upper-bound poverty line – R1 634 (in May 2024 prices) per person per month. This refers to the food poverty line plus the average amount required for non-food items of households whose food expenditure is equal to the food poverty line.

2.1.5 Basic service delivery

The Constitution of the Republic of South Africa provides every citizen with the right to access adequate housing, and the state must employ reasonable legislative and other measures, within available resources, to progressively realise this right. Access to housing encompasses essential services such as the provision of clean water, basic sanitation, safe energy sources and waste removal, ensuring that households maintain a decent standard of living. This section considers the extent to which this has been achieved.¹¹²

Housing and Household Services

Figure 2.1.17:
HOUSING TYPES, Bitou, 2024



Source: Quantec, 2025

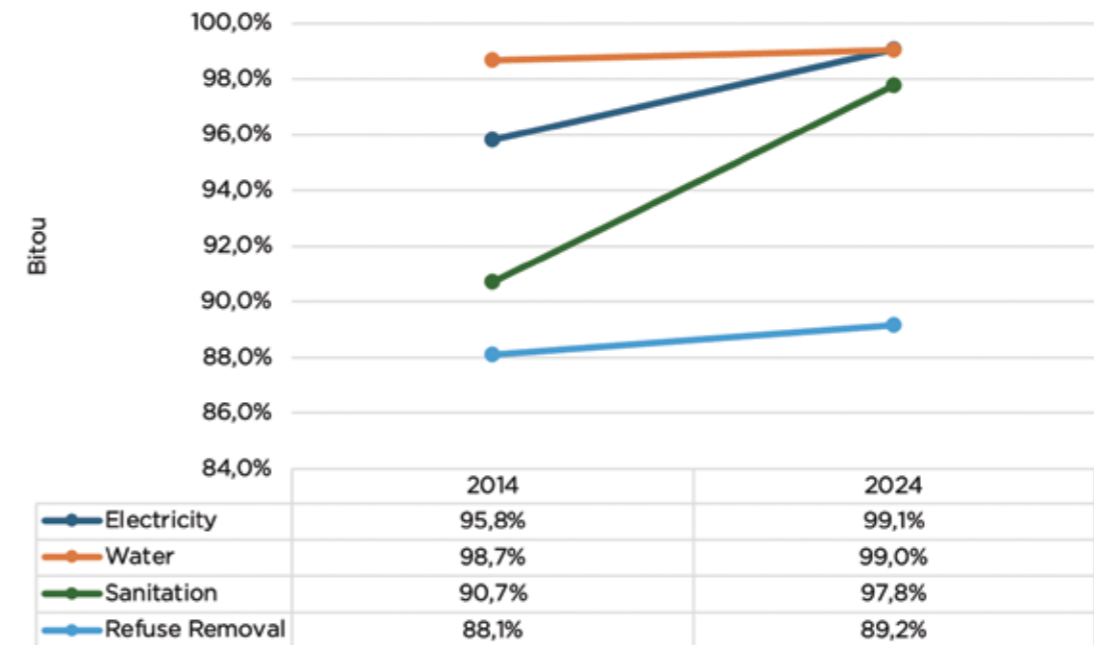
In 2024, the Bitou municipal area, home to an estimated 26 330 households, recorded 82.3 per cent of households living in formal dwellings.¹¹³ This total was slightly above the GRD average of 86.0 per cent. The remaining households were distributed across other housing types: 5.0 per cent lived in informal dwellings/shacks in a backyard, 12.1 per cent in informal dwellings/shacks not in backyard, 0.4 per cent in traditional dwellings, and 0.2 per cent in other or unspecified housing types.

¹¹² While the 2022 Census provides the most recent official data, this report uses Quantec’s modelled estimates, which offer more recent and regularly updated figures. Information on indigent households was sourced from the Western Cape Department of Local Government.

¹¹³ (MYPE, 2021).

The high proportion of informal housing reveals persistent affordability pressures, spatial inequality and pressure on land supply near economic hubs. A limited stock of middle-density housing constrains upward mobility for working households, while ongoing in-migration linked to the tourism economy risks further growth of informal settlements. Sustained investment in well-located, affordable and incremental housing solutions remains essential to supporting inclusive economic development and improving household resilience.

Figure 2.1.18:
ACCESS TO BASIC SERVICES, Bitou, 2014 - 2024

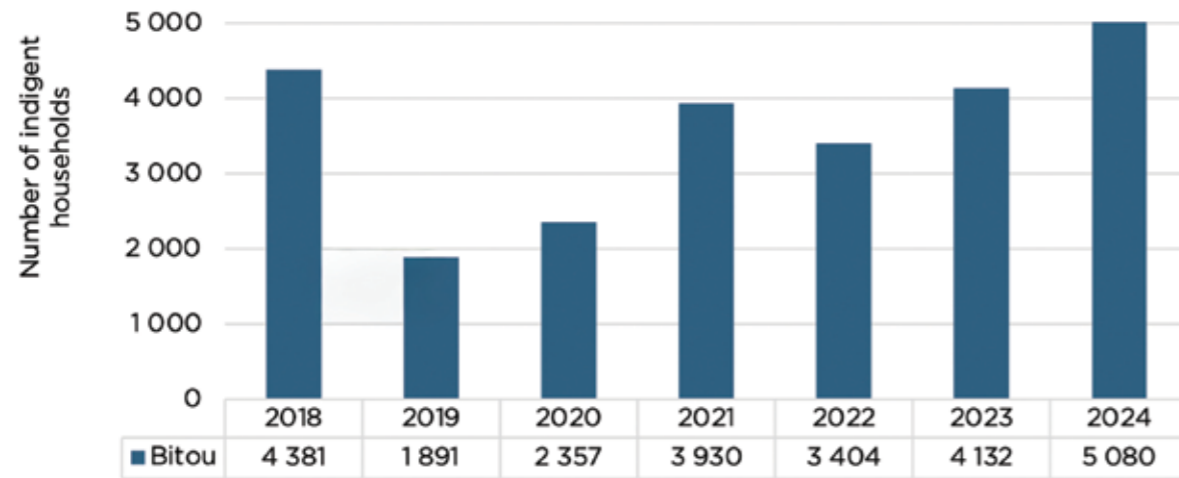


Source: Quantec, 2025

Bitou continues to perform strongly in providing basic services, with electricity, water and sanitation access nearing universal coverage and exceeding GRD averages in most categories. Major gains in sanitation provision since 2014 reflect targeted infrastructure investment and improved municipal delivery capacity. However, persistent underperformance in refuse removal, particularly in informal and rapidly expanding settlements, poses ongoing environmental and public health risks. Addressing these inequalities is essential for consolidating service delivery achievements and supporting inclusive socioeconomic development, especially within a tourism-driven local economy that relies heavily on a clean and safe environment.

Free Basic Services

Figure 2.1.19:
INDIGENT HOUSEHOLDS, Bitou, 2018 - 2024



Source: Western Cape Department of Local Government, 2025

The number of indigent households in Bitou has increased markedly, rising from 1 891 in 2019 to 5 080 in 2024. It now exceeds pre-COVID levels and marked the highest level of household vulnerability recorded from 2018 to 2024. This trend reflects ongoing economic hardship, pressure from in-migration, and rising living costs, factors that continue to affect low-income households despite broader economic recovery. Growing indigence places upward pressure on the budgets for free basic services while heightening service payment risks and informal settlement growth. Strengthening targeted social support and economic inclusion programmes is essential for protecting vulnerable households and mitigating risks to municipal financial sustainability.



2.1.6 Safety and security

High rates of poverty and inequality have given rise to elevated crime levels, necessitating the development of the Western Cape Safety Plan. In it, the Western Cape Government expresses a vision to ensure that the Province is a place where all people feel secure and can live free from fear. Bitou shares this goal, as it is not spared the safety concerns present throughout the Province and GRD.

TABLE 2.1.5: CRIME PER 100 000 PEOPLE, Bitou, 2022 - 2024

CRIME CATEGORY	Actual Numbers			Trend	Crime per 100 000 Population	
	2022	2023	2024		Bitou	Garden Route
Murder	17	13	12	↑	15	33
Sexual Offences	76	78	82	↓	106	139
Common assault	354	307	309	↓	397	798
Malicious damage to property	262	233	201	↓	259	397
Burglary at residential premises	440	478	367	↑	473	526
Commercial crime	165	195	229	↓	295	392
Drug-related crime	324	411	465	↑	599	1085
Driving under the influence of alcohol or drugs	61	126	134	↑	172	259

Source: Own calculations from Quantec 2025; MYPEPPU data, 2025

Bitou has a complex crime profile: the rates of several violent crimes are falling even as the incidences of substance-related and economic crimes are rising, signalling persistent socioeconomic challenges.

Bitou’s crime profile shows moderate improvements in key violent crime categories, notably murder, common assault and malicious property damage. However, increasing levels of sexual offences, drug-related crime, commercial fraud and driving under the influence indicate deepening challenges. The rise in economic crimes and residential burglary poses growing risks to local business confidence and tourism. Strengthening crime prevention partnerships, addressing substance abuse drivers, and implementing targeted safety interventions in high-risk areas are essential to sustaining public safety and protecting social and economic wellbeing.

Analysis of crime statistics for Bitou indicates violent crime reductions, which demonstrates the impact of positive enforcement and social initiatives. However, crime linked to poverty, drugs and alcohol is escalating, which is a sign of socioeconomic strain. Property and commercial crimes threaten local economic resilience and tourism.

2.1.7 Conclusion

Bitou is a fast-growing municipal area with a strong natural and tourism-driven economic base, an expanding working-age population, and improving education outcomes. Steady population growth presents a significant opportunity for economic expansion, increased consumer demand, and a growing municipal revenue base. However, it also intensifies pressure on infrastructure, housing, and service delivery systems that are already strained by rapid in-migration and widening affordability constraints.

Access to healthcare is improving through strengthened primary care networks and the expansion of ART and TB services, though the absence of a district hospital, gaps in maternal and child health data, and low immunisation coverage highlight risks in system capacity and reporting accuracy. Education gains are evident in the rising matric pass rate, but persistent dropping out at senior levels and higher learner-teacher ratios signal vulnerability among youth in lower-income communities.

Bitou's local economy remains highly sensitive to external shocks, particularly those affecting tourism and low-wage labour markets. While inequality has gradually declined, poverty levels remain elevated. In addition, the number of indigent households has increased sharply, reflecting ongoing socioeconomic distress. Wage data confirms that a large share of the workforce is confined to low-income employment, reinforcing spatial inequality as working households locate further from economic opportunity.

The municipal area performs well in the provision of basic services and has achieved near-universal access to water, energy and sanitation. However, backlogs in refuse removal and formal housing continue to grow in informal and rapidly densifying areas. Safety concerns persist, with the number of drug-related, commercial and alcohol-related crimes rising. This poses risks to community wellbeing and tourism confidence despite improvements in certain violent crime categories.

Overall, Bitou stands at a strategic crossroads. It benefits from strong population growth, improving educational outcomes and a valuable natural environment, but remains challenged by structural poverty, rising vulnerability, a narrow economic base, and service delivery pressures. To ensure an inclusive, resilient development trajectory, the municipal area must prioritise affordable housing, youth skills and employment, substance-abuse prevention, improved health system coverage, and targeted investment in infrastructure aligned with growth hotspots. Strengthened social partnerships and proactive planning will be essential to ensuring that Bitou's economic opportunities translate into shared prosperity for all residents



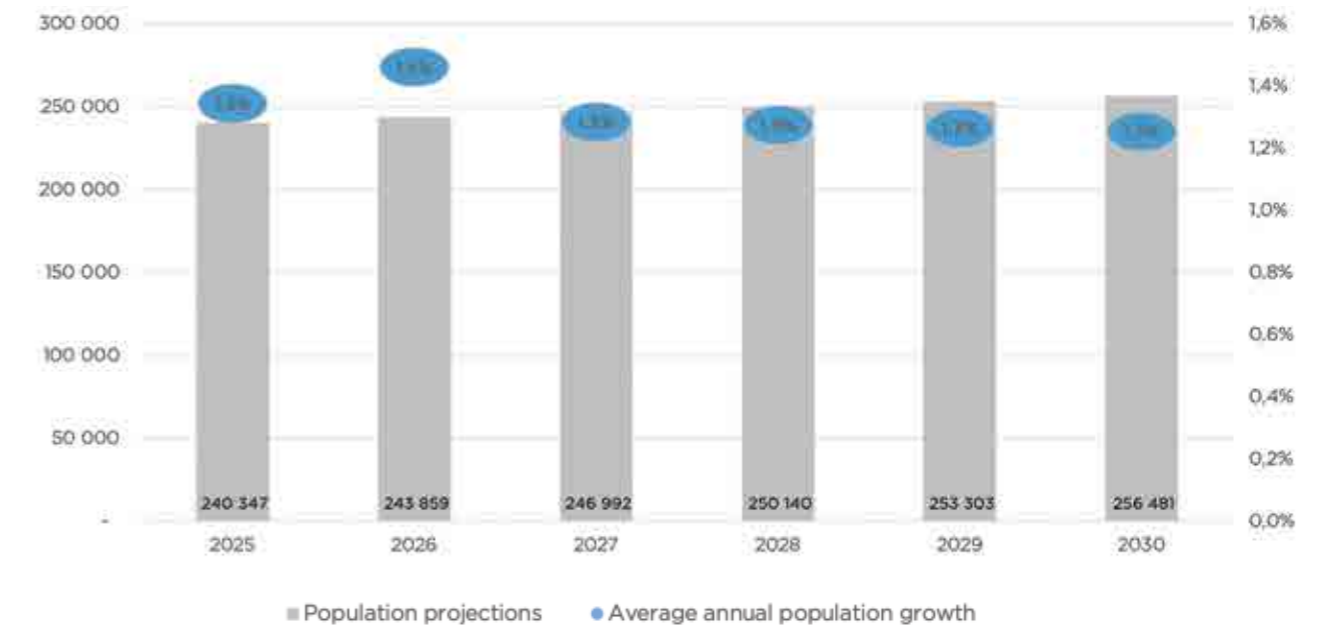
2.2.1 Demographics

An understanding of population dynamics is critical as it allows for effective municipal planning and the equitable provision of public services. Population size, household growth, age structure and migration patterns directly impact and influence the demand for infrastructure, housing, education, healthcare and social services. In rapidly expanding economic hubs such as the George municipal area, monitoring these trends enables policymakers to anticipate service delivery needs, allocate resources efficiently, and design interventions that promote both social wellbeing and economic resilience.

Population and household growth

In 2024, George was home to 240 347 individuals, making it the most populated of the seven municipal areas that constitute the Garden Route District (GRD). This demographic prominence can be attributed to its pivotal role as the administrative and economic hub of the GRD. Notably, George is the second-fastest expanding municipal jurisdiction of the District.

Figure 2.2.1:
POPULATION GROWTH, George, 2025 - 2030



Source: MYPEPPU, 2025.2

Projections in terms of the Mid-year population estimates of the Western Cape Government (WCG) Provincial Population Unit (MYPEPPU2025.2), released in October 2025, suggest that the population of the George municipal area will experience an average annual growth rate of 1.3 per cent during the 2025 to 2030 period, predominantly as a result of in-migration to this locale.

The number of households in the municipal area in 2025 was estimated at 65 954, giving an average household size of 3.5 persons. George thus has the third-largest average household size of the GRD municipal areas. However, a surge of single working-age individuals relocating to George and the trend towards smaller families are anticipated to reduce this average over the coming years, with the expansion of households forecast to surpass the growth of the overall population.

5 191.0KM² |
22.2% of the
Garden Route

GEORGE

George

2.2 GEORGE

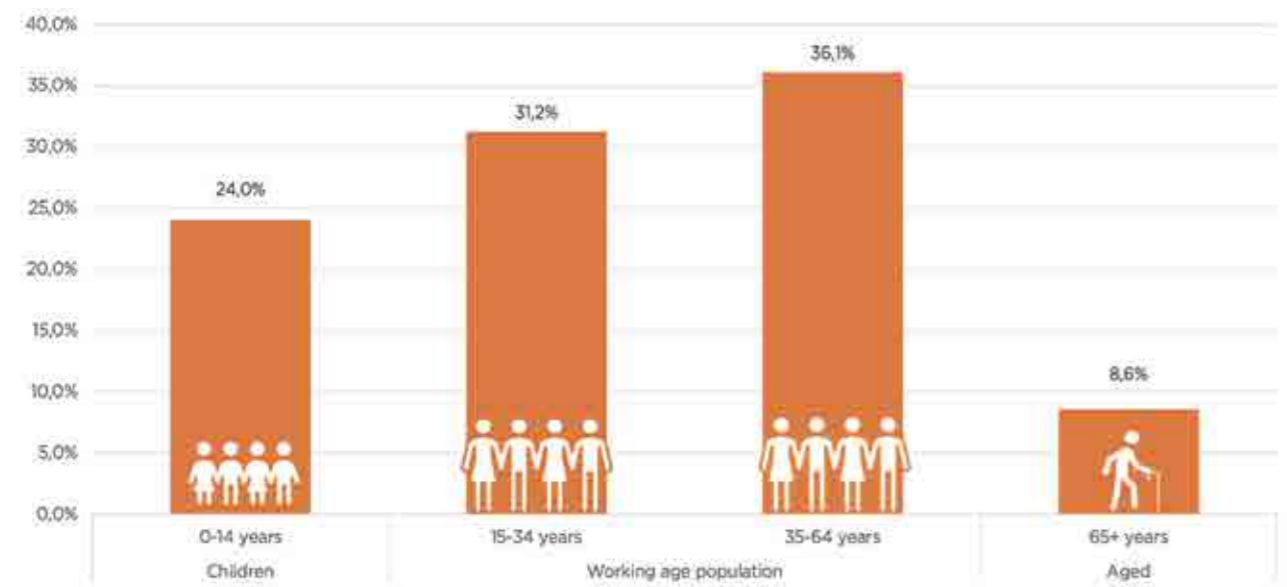
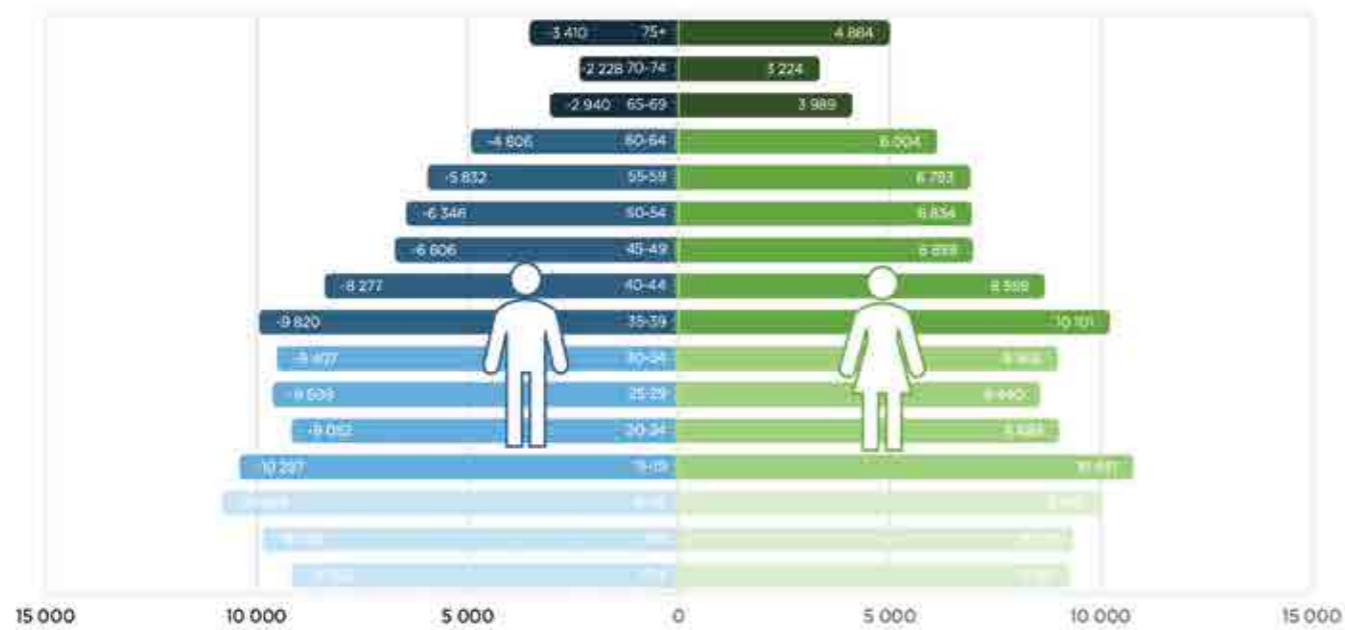
Municipal safety and wellbeing

This section examines the social trends that shape the identity of the George municipal area. Population dynamics, income trend, housing needs and basic service delivery are reviewed, and a nuanced examination provided of healthcare, education and crime metrics. Overall, the section offers a comprehensive view of community wellbeing and prospects, showing the interplay of social and economic undercurrents in the municipal area.

It is noteworthy that the number of households recorded during Census 2022 exceeds the count used in the Local Government Equitable Share calculations by 18.4 per cent, signifying a higher-than-projected rise in the number of households from 2011 to 2022. The divergence, also evident when comparing the MYPE and Census 2022 figures, has significant implications for the provision of municipal services and associated infrastructure.

Gender, Age and Race Dynamics

Figure 2.2.2:
POPULATION PYRAMID, George, 2025



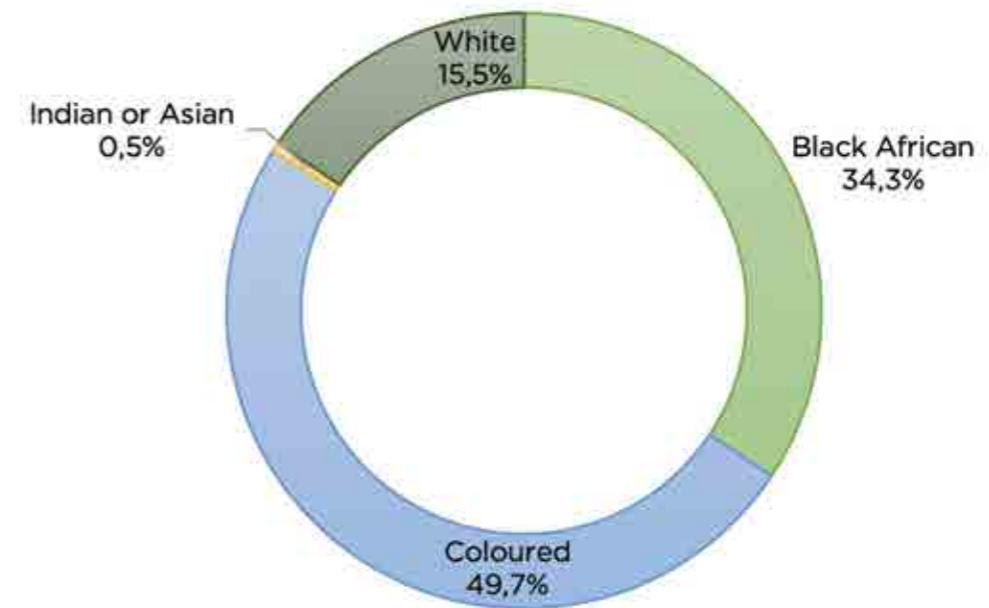
Source: MYPEPPU, 2025.2

Further analysis of the demographic composition of the George municipal area reveals that in 2024, 67.3 per cent of residents fell into the economically active age group (15 to 64 years). The presence of a large working-age population within this burgeoning economic hub is of particular significance, as it indicates that the area possesses a substantial labour force that is potentially capable of driving economic productivity, supporting local industries, and sustaining long-term socioeconomic development. While the share of women in the overall population (50.9 per cent) was slightly larger than that of men, men notably outnumbered women in the 20 to 34 years age bracket. This indicates that there has been an influx of working-age males into George, probably individuals in pursuit of employment opportunities.

Almost a quarter of the population (24.0 per cent) was less than 14 years of age. This sizeable youth contingent suggests that there will be a rising demand for educational resources and an increased number of job seekers within the George municipal area over the next three to fifteen years. Additionally, a comparatively large elderly population, constituting 8.6 per cent of the total, signifies that the area is an attractive destination for retirement, with other scenic locales in the GRD also proving to be sought after among retirees.

The dependency ratio is anticipated to decline from 48.4 per cent in 2025 to 47.8 per cent in 2030. This is because the size of the working-age cohort is increasing at a faster rate than that of the child and aged population groups, a trend stimulated by in-migration to the municipal area. Insights derived from the age distribution patterns described above are instrumental for municipal planning, particularly concerning the availability of housing and government services tailored to meet the diverse needs of distinct age groups.

Figure 2.3:
RACIAL COMPOSITION, George, 2024



Source: Quantec, 2025

Coloureds made up the largest share of the George population in 2024 (49.7 per cent), followed by black Africans (34.3 per cent) and whites (15.5 per cent). Persons of Indian or Asian descent account for only 0.5 per cent of the population.

The George municipal area is 5 191 km² in size, and spans the Southern Cape and Little Karoo regions of the Western Cape. In 2024, it had a population density of 46.3 persons per km², a figure that is expected to rise to 47.7 by 2026. Residents gravitate to the town of George, drawn by the economic opportunities, social amenities and connectivity advantages that it offers. Thembaletu is the most densely populated township, having experienced a growth of informal settlements as a result of in-migration to the municipal area.

The demographic insights presented above highlight the evolving composition and distribution of George’s population, revealing opportunities and pressures regarding municipal service delivery. A growing working-age population coupled with substantial youth and elderly cohorts underscores the need for targeted education, employment, healthcare and social support services. In addition, shifts in household size and density patterns have direct implications for housing, sanitation and urban planning. Integrating these population trends into strategic planning is essential in ensuring that the George municipal area can sustainably support its residents while maintaining economic vitality and social equity.

2.2.2 Health and wellness

South Africa’s healthcare system comprises both public and private providers, forming a critical pillar of the nation’s human capital and economic productivity. Public health facilities, supported by government funding, play a central role in ensuring equitable access to healthcare by the broader population, while the private sector caters to those with the means to afford additional services. The public healthcare system operates on a referral model, providing primary care through clinics and escalating complex cases to district and regional hospitals. Access to high-quality healthcare not only improves wellbeing and life expectancy but also strengthens the labour force, reduces productivity losses and supports sustainable socioeconomic development.

The Western Cape, home to a dynamic and diverse population, continues to grapple with complex health and wellness challenges, which are amplified by persistent fiscal constraints and widening socioeconomic disparities. In this context, delivering responsive, high-quality health and wellness services is non-negotiable, remaining both a Constitutional imperative and a cornerstone of inclusive, sustainable development.

Access to health facilities

In 2023, only 15.7 per cent of South Africans had access to medical aid, underscoring the importance of public facilities in delivering essential primary healthcare services to the population. There are currently 10 fixed primary healthcare facilities in the George municipal area along with four mobile/satellite clinics, a district hospital and a regional hospital.

At the time of this report, residents of the area also had access to 17 antiretroviral therapy (ART) sites and 17 tuberculosis (TB) clinics, which enhanced the availability of critical ART and TB services. With a rising number of ART patients registered for treatment in the municipal area, such services are especially necessary.

Increasing the number of functioning ambulances contributes to expanding the reach of emergency medical services across the municipal area. Despite the rising demand for such services, the number of ambulances has declined in recent years. In the 2025 fiscal year, the

area had 8 provincial ambulances, translating to 0.27 ambulances per 10 000 residents. It should be noted that this figure pertains exclusively to Provincial ambulances and does not include the vehicles of private service providers.

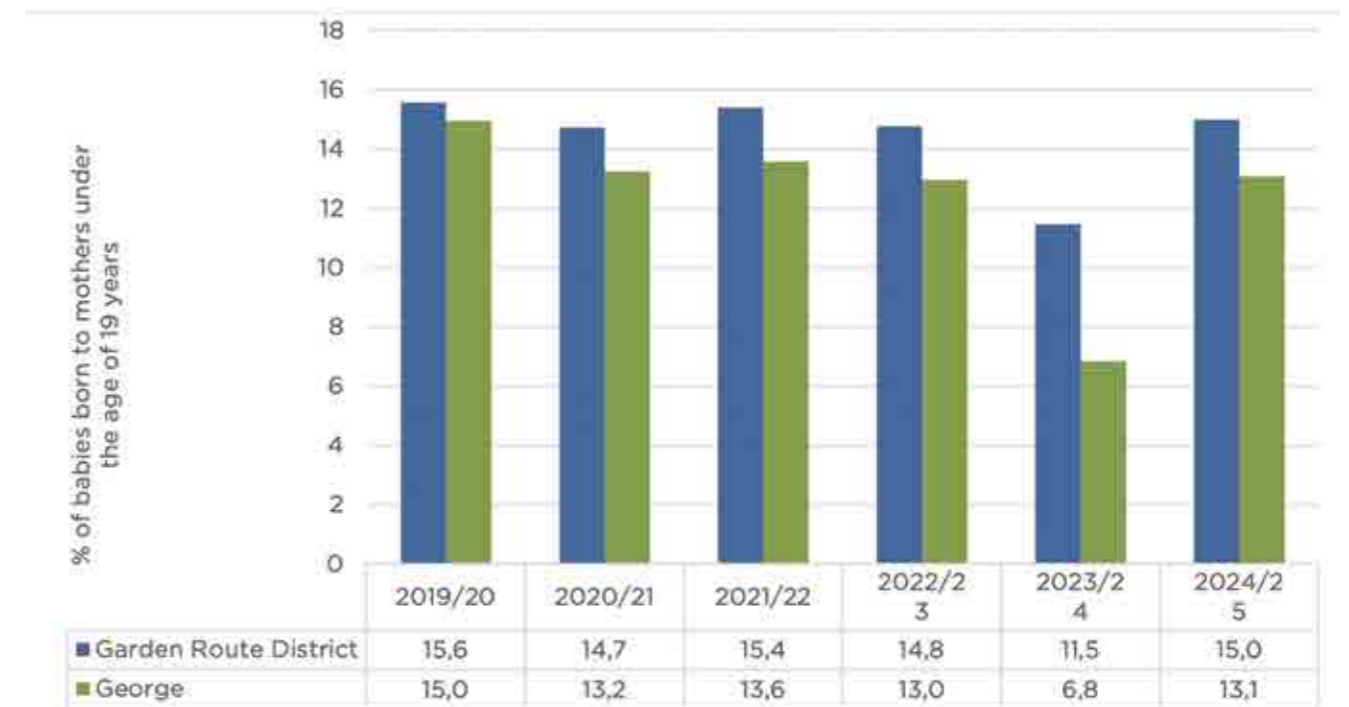
Maternal and Child Health

Maternal health is a critical aspect of public health, encompassing the wellbeing of women during pregnancy, childbirth and the postnatal period. In South Africa, key issues affecting maternal health include high rates of teenage pregnancy, the prevalence of termination of pregnancy and ongoing challenges related to maternal mortality. These factors not only impact the health outcomes of women and infants but also reflect broader social and economic dynamics that shape reproductive choices and access to healthcare.

Teenage pregnancy

In the George municipal area, the proportion of live births to females under 19 years of age declined from 15.0 per cent in 2019/20 (526 births) to 6.8 per cent in 2023/24 (271 births), marking a positive development in efforts to address teenage pregnancy. However, this trend was reversed in 2024/25, when the share of live births to teenagers rose to 13.1 per cent (425 births). Despite this increase, the municipal rate has consistently remained below the District average, which reached 15.0 per cent in 2024/25.

Figure 2.2.4:
DELIVERY RATE TO WOMEN UNDER 19 YEARS, George, 2019/20 – 2024/25



Source: Western Cape Department of Health and Wellness, 2025

The spike in teenage pregnancies in 2024/25 suggests that there is a need for expanded family planning initiatives and support services, including access to safe pregnancy terminations within the George municipal area and greater GRD.

Teenage pregnancy is calculated as the percentage of babies born to mothers under the age of 19 years in a given year.

Teenage pregnancy is almost always unplanned. Consequently, when young parents are placed in the position of having to care for a child, they can find themselves woefully unprepared for the challenges that this brings. This is especially the case if they do not have family members who can assist them or social support.

Termination of Pregnancy

The termination of pregnancy rate remained steady at 1.2 per cent from 2022/23 to 2024/25, while the total number of cases rose slightly from 2023/24 to 2024/25 (increasing from 696 to 700). This persistently high rate – double the District rate of 0.6 per cent – may indicate the combined influence of ongoing socioeconomic and reproductive health challenges alongside comparatively greater access to termination services and lower levels of social stigma relative to other areas of the District. Understanding these dynamics is important for ensuring targeted reproductive health interventions, improving access to family planning services, and addressing the underlying socioeconomic factors that contribute to unplanned pregnancies and maternal health risks.

TABLE 2.2.1: TERMINATION OF PREGNANCY RATE, George, 2019/20 – 2024/25

MUNICIPALITY	Termination of Pregnancy Rate (%)					
	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25
Garden Route	0.6	0.5	0.6	0.7	0.6	0.6
George	1.1	0.9	1.0	1.2	1.2	1.2

Source: Western Cape Department of Health and Wellness, 2025

The termination of pregnancy rate is calculated as the number of women who undergo terminations as a proportion of females aged 15 to 44 years in a given year.

Government hospitals designated private doctors and gynaecologists, and non-profit providers offer safe and legal termination of pregnancy. To obtain a free abortion, the request must be made at a primary healthcare clinic. At the clinic, the pregnancy will be confirmed, counselling provided, an appointment made with a facility where the procedure can be performed, and a referral letter provided for this facility.

Maternal and neonatal mortality

There was an acute increase in maternal mortality during the worst of the pandemic years, as the severe acute respiratory syndrome coronavirus 2 (SARS-CoV-2) was a contributory cause of maternal mortality. However, rates have since stabilised. The maternal mortality ratio of the George municipal area was impacted by these developments.

TABLE 2.2.2: MATERNAL DEATHS PER 100 000 LIVE BIRTHS, George, 2019/20 – 2024/25

MUNICIPALITY	Maternal Mortality Ratio					
	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25
Garden Route	31.7	115.4	53.7	68.5	70.2	46.3
George	82.2	220.1	115.8	94.1	123.0	119.3

Source: Western Cape Department of Health and Wellness, 2025

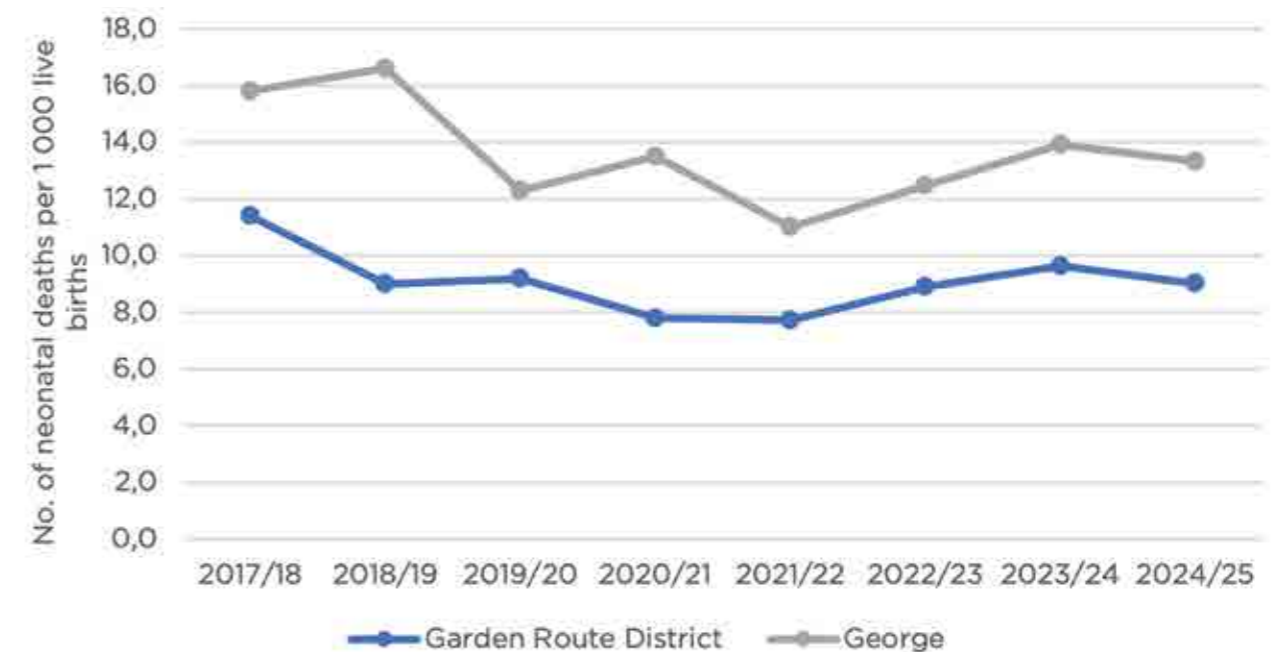
With four maternal deaths and 43 babies dying before reaching 28 days of life during 2024/25, George has a maternal and neonatal mortality rate that is among the highest in the Province. This is a concerning development, emphasising the need for improved antenatal and postnatal care. Awareness and education campaigns conducted by the Department of Health and Wellness (DoHW) encourage pregnant women to seek early antenatal care during pregnancy and to attend postnatal visits in order to identify risks to mother and child as early as possible.

The maternal mortality rate is the number of maternal deaths per 100 000 live births in public health facilities* in a given year.

Maternal death is death that occurs in the course of a pregnancy, during childbirth or the puerperium, or within 42 days of termination of pregnancy. This is irrespective of the duration and site of pregnancy and irrespective of the cause of death (obstetric or non-obstetric).

* Private facilities do not report data on live births routinely or completely.

Figure 2.2.5: NEONATAL MORTALITY RATE, George, 2019/20 - 2024/25



Source: Western Cape Department of Health and Wellness, 2025

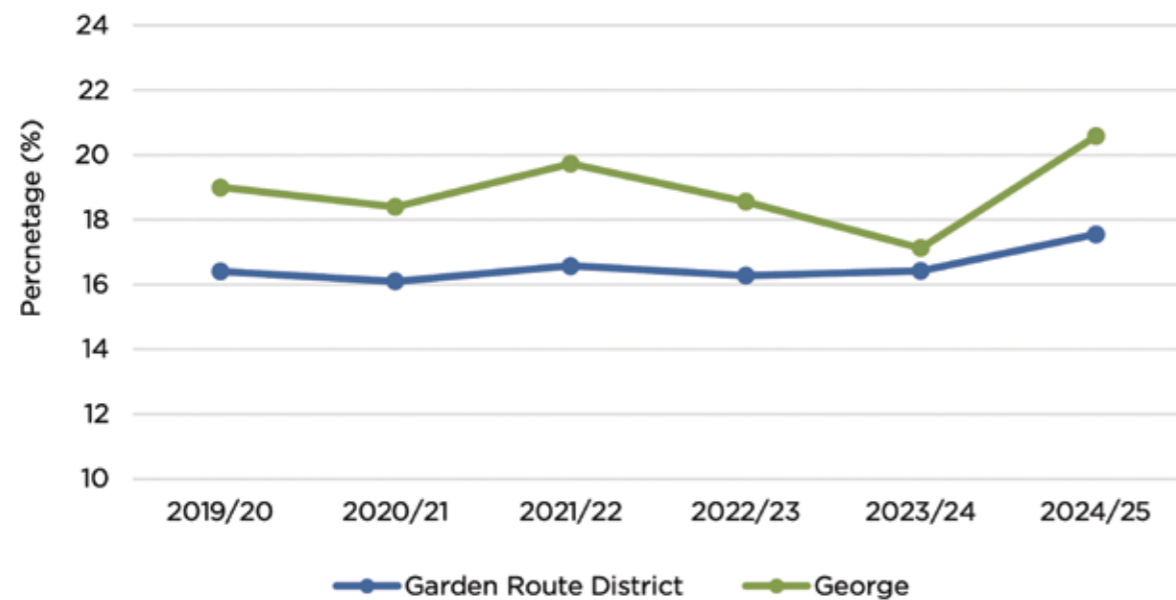
The neonatal mortality rate is the number of neonates that die before reaching 28 days of age per 1 000 live births in a given year.

The first 28 days of life (i.e. the neonatal period) constitute the most vulnerable time for a child's survival. The Province set a target for 2019 of 6.0 neonatal deaths per 1 000 live births.

Low birth weight

The health and nutritional status of a mother greatly influences the growth and development of her baby during pregnancy and infancy. Birth weight is an indicator of both foetal growth and maternal wellbeing. If the mother is under-nourished, in poor health, or very young or very old, there is a greater chance of pregnancy- or labour-related complications, including the baby being born with a low birth weight. The incidence of low birth weight in the George municipal area increased from 2023/24 to 2024/25, rising from 17.1 per cent of babies born in a facility to 20.6 per cent. The problem of low birth weight is less pronounced within the broader GRD, which had a rate (17.6 per cent) in 2024/25.

Figure 2.2.6:
LOW BIRTH WEIGHT, George, 2019/20 - 2024/25



Source: Western Cape Department of Health and Wellness, 2025

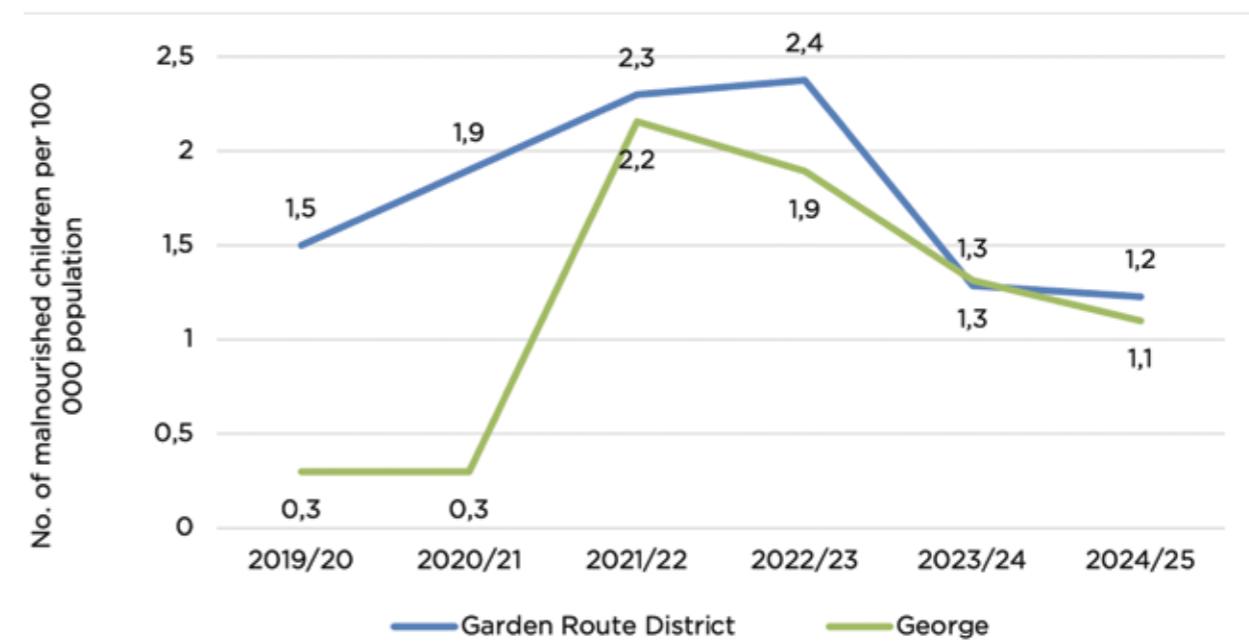
The low birth weight rate is the percentage of all babies, in a given year, who are born alive in a facility and weigh less than 2 500 g at birth.

Low birth weight is associated with a range of short- and long-term difficulties.

Malnutrition

The prevalence of malnourished children under the age of five in the George municipal area (per 100 000 individuals), particularly those experiencing severe acute malnutrition, declined between 2021/22 and 2024/25. However, levels have not yet returned to pre-pandemic norms. The downward trend indicates gradual progress in child nutrition and public health interventions. While reductions in poverty and the implementation of government feeding schemes have contributed to this marginal improvement, significant challenges persist. These relate to ensuring household access to adequate and nutritious food, highlighting the need for sustained socioeconomic and food security measures.

Figure 2.2.7:
MALNUTRITION, George, 2019/20 - 2024/25



Source: Western Cape Department of Health and Wellness, 2025

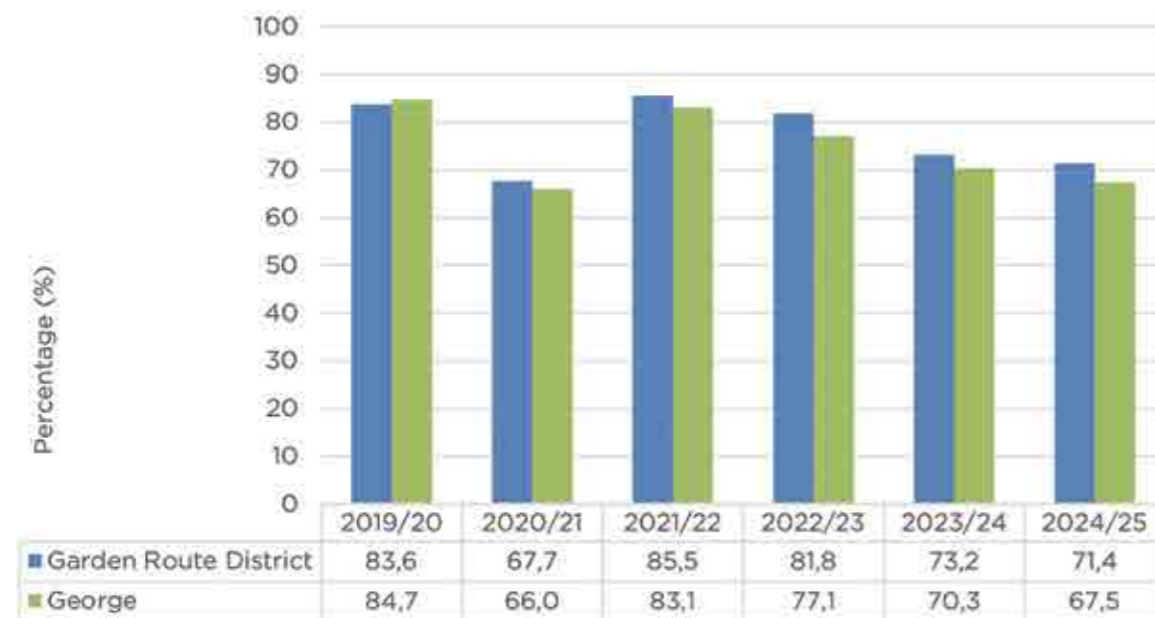
The severe acute malnutrition rate is the number of malnourished children under five years of age per 100 000 people in a given year.

Malnutrition may refer to either under-nutrition (an individual not receiving adequate amounts of nutrients) or over-nutrition (an individual receiving excessive amounts of nutrients).

Immunisation

In 2024/25, 2 735 children under the age of one were immunised in the George municipal area, representing a coverage rate of 67.5 per cent – down from 84.7 per cent in 2019/20. This decline places a greater proportion of young children at risk of preventable illnesses. Evidence suggests that rising vaccine hesitancy, partly driven by the anti-vaccine sentiment that emerged during the COVID-19 pandemic, has affected child immunisation rates. The DoHW has implemented targeted awareness campaigns and local catch-up initiatives to address this challenge.

Figure 2.2.8:
IMMUNISATION RATE, George, 2019/20 - 2024/25



Source: Western Cape Department of Health and Wellness, 2025

The immunisation rate is the number of children immunised, in a given year, per total number of children less than one year of age.

Immunisation protects both adults and children against preventable infectious diseases. Low immunisation rates speak to the need for parents to understand the critical importance of immunisation.

Burden of disease

HIV and AIDS

TABLE 2.2.3: TOTAL REGISTERED PATIENTS ON ART, George, 2019/20 - 2024/25

MUNICIPALITY	Total registered patients receiving ART					
	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25
Garden Route	25 738	26 996	27 825	29 858	30 984	31 833
George	9 468	9 959	10 175	10 978	11 562	11 921

Source: Western Cape Department of Health and Wellness, 2025

In the George municipal area, the number of patients registered for ART grew consistently over the 2019/20 to 2024/25 period. However, the number of new patients commencing ART declined from 2022/23 to 2024/25, falling from 933 to 770, indicating a reduction in treatment uptake. This decline is a positive development, particularly as the number of treatment sites in the municipal area has remained constant at 17. It suggests improved management and prevention outcomes regarding HIV and AIDS.

Tuberculosis

TABLE 2.2.4: TOTAL REGISTERED TB PATIENTS, George, 2019/20 - 2024/25

MUNICIPALITY	Number of TB patients registered on treatment					
	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25
Garden Route	4 732	4 676	4 941	5 259	5 207	5 390
George	1 517	1 532	1 624	1 914	1 952	1 941

Source: Western Cape Department of Health and Wellness, 2025

While the number of TB patients registered for treatment grew considerably from 2019/20 to 2024/25, rising from 1 517 to 1 941, the reduction in treatment sites from 18 to 17 over this period raises concerns about capacity. If capacity is stretched, the quality of care and accessibility of TB treatment by patients may be impacted. A provincial TB recovery plan that guides TB interventions until 2028 was released in 2023.

The DoHW has adopted a health ecosystem approach to enhance the coordination and sharing of critical, yet often limited, resources across geographic areas and levels of care. This approach seeks both to strengthen healthcare service delivery and to address the broader social determinants of health, recognising that improved health outcomes require a whole-of-government and whole-of-society response.

The Department continues to operate within a polycrisis context characterised by fiscal constraints, climate volatility, digital risks and increasing service pressures. Guided by the Global Risks Report 2024, issued by the World Economic Forum, and Western Cape-specific stress factors, the DoHW has implemented a system-oriented and adaptive risk strategy to build resilience and sustainability in the health sector.

Within this framework, the George Municipality plays a vital role by providing access to clean drinking water, sanitation and refuse removal as well as by ensuring effective air quality management. A healthy population serves as a cornerstone of economic productivity and sustainable growth in the municipal area.

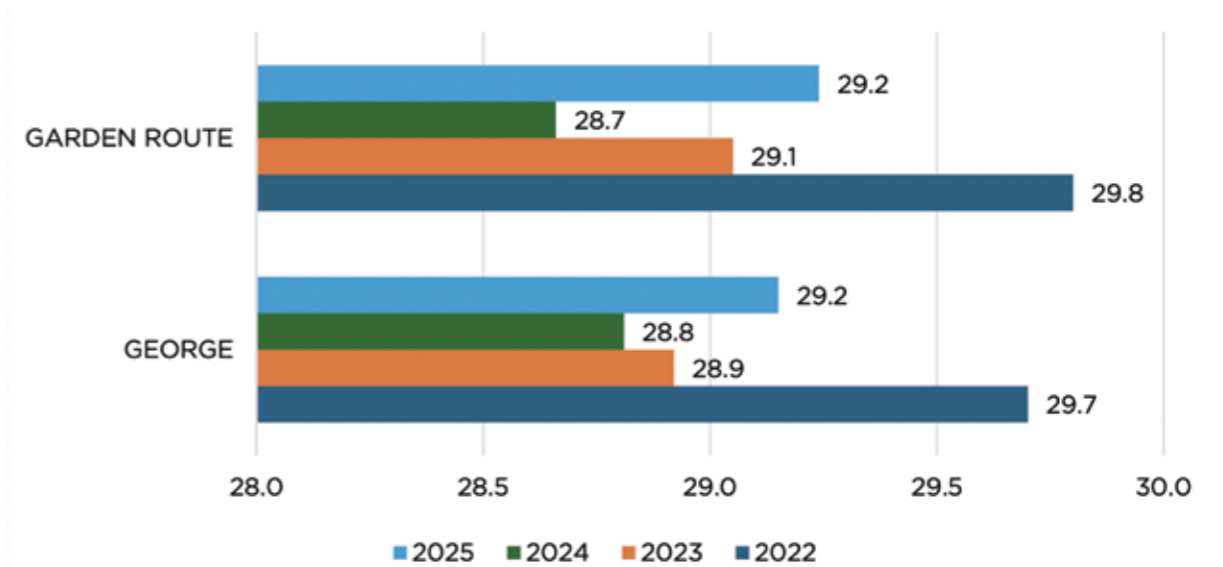
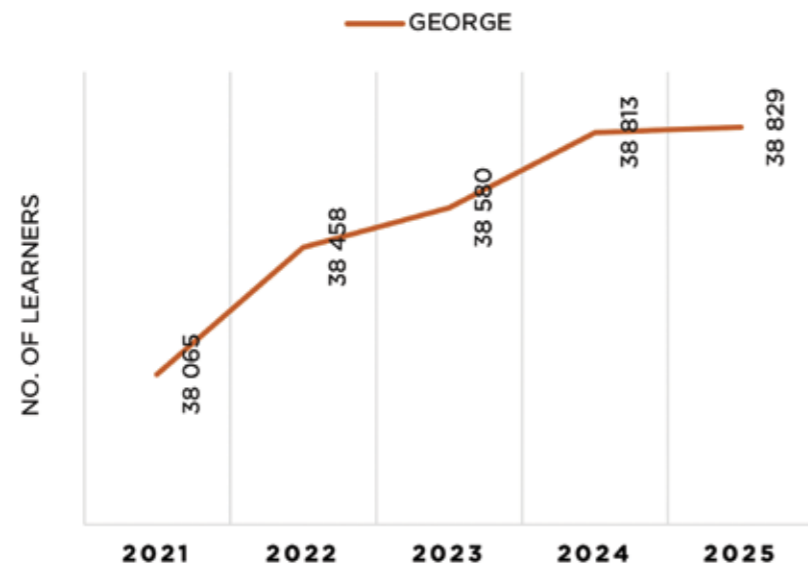
2.2.3 EDUCATION

Education resources

Education and skills development play a vital role in shaping the socioeconomic landscape of the municipal area. They empower the population and significantly impact the development and human resource capacity of the local economy. The Western Cape Education Department is committed to ensuring access to education for the children of the George municipal area, where there are currently 50 schools. Nearly three-quarters of these schools (74.0 per cent) operate as no-fee schools. This is a positive situation, given that in 2021 a substantial share of learners (24.0 per cent) cited financial constraints as their primary reason for dropping out of school.

A trend towards urban sprawl in the municipal area is leading to encroachments on land zoned for school developments, and there is also a lag in the construction of schools. This affects the future availability of schools situated in proximity to a growing population. Additionally, it is noteworthy that there is a preference for schools situated in the central business district. This has led to a situation where there is insufficient space available to meet demand in this municipal area.

Figure 2.2.9:
LEARNER ENROLMENT AND LEARNER-TEACHER RATIO, George, 2021 - 2025



Source: Western Cape Education Department, 2025

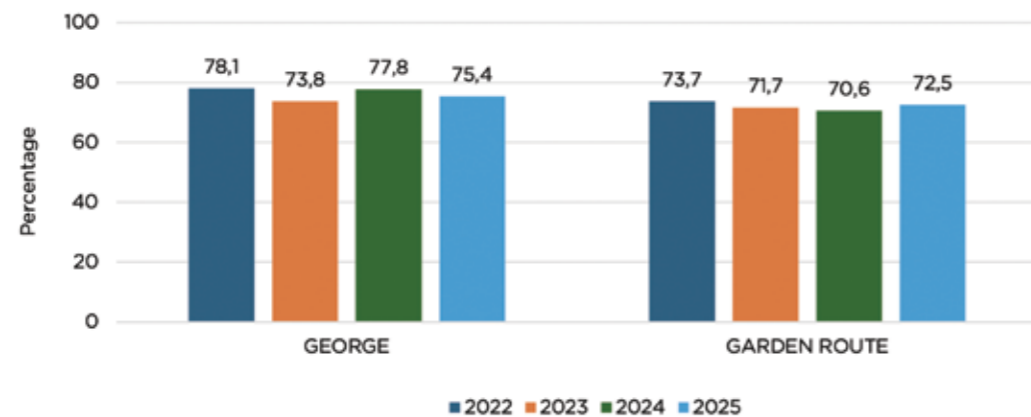
In 2023, the George municipal area had the highest number of enrolled learners within the GRD, a natural consequence of its relatively larger population size. It has experienced notable growth in learner enrolment, witnessing an increase of 764 pupils (2.0 per cent) between 2021 and 2025. This expansion is attributed to the concurrent growth of the working-age population in the locality, a phenomenon driven by the availability of employment opportunities and enhanced economic prospects. Typically, families relocating to the area for employment often include school-age children, thereby amplifying the enrolment of learners. Fortunately, the influx of learners has been accompanied by an increase in the number of teachers, resulting in a reduction in the learner-teacher ratio (LTR) from 2022 to 2024. A slight increase in the LTR was observed in 2025, when it rose to 29.2. However, the ratio remains on par with the District average.

The George LTR is considered to be within an acceptable range. It should be noted, though, that higher ratios can place pressure on teachers, limiting the amount of attention given to individual pupils and potentially undermining learning outcomes. Larger class sizes also risk reinforcing educational inequalities, as schools with fewer resources may struggle to maintain teaching standards. This underscores the importance of sustained investment in both infrastructure and teaching capacity for ensuring equitable, high-quality education.

Retention rates

The Grade 10 to 12 retention rate in the George municipal area is the second-highest in the Western Cape after that of Stellenbosch. This suggests that learners in George are relatively motivated to complete their schooling, potentially because of better access to higher-income job opportunities than is the case in rural areas as well as better socioeconomic circumstances.

Figure 2.2.10:
GRADE 10 TO 12 LEARNER RETENTION RATE, George, 2022 - 2025



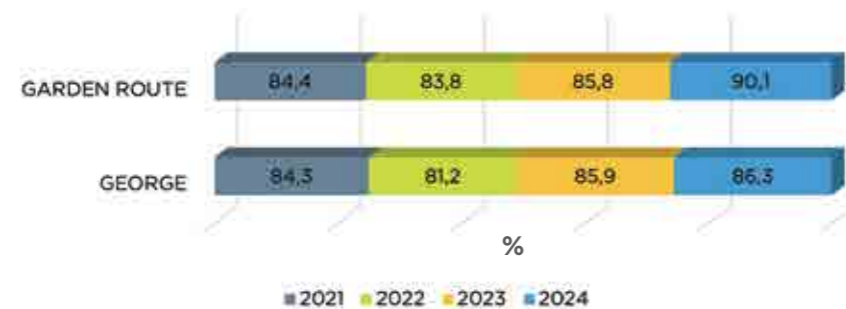
Source: Western Cape Education Department, 2025

However, the retention rate has shown volatility in recent years – declining to 73.8 per cent in 2023, rising to 77.8 per cent in 2024 and then dropping again (to 75.4 per cent) in 2025. George continues to outperform the broader GRD, which recorded consecutive declines in the retention rate between 2022 and 2024, albeit with an improvement to 72.5 per cent in 2025. Nevertheless, the Grade 10 to 12 dropout rate of 24.5 per cent remains a concern.

Several factors contribute to learners dropping out of school, including economic hardships such as poverty and unemployment, social challenges like teenage pregnancy, overcrowded classrooms, and personal circumstances that hinder academic engagement. Addressing these issues requires a coordinated, community-driven approach that strengthens support systems and fosters an inclusive environment where all learners have the opportunity to succeed.

Education outcomes

Figure 2.2.11:
MATRIC PASS RATE, George, 2021 - 2024



Source: Western Cape Education Department, 2025

Despite having the second-highest Grade 10 to 12 retention rate in the Western Cape, the George municipal area recorded the lowest matric pass rate in the District in 2024 (86.3 per cent). However, this represented a steady improvement from the 81.2 per cent achieved in 2022. While more learners are staying in school longer in George, many may not be receiving the academic and psychosocial support needed to succeed in matric.

Municipal areas with lower retention rates often report higher pass rates. This is because learners in these regions who face challenges tend to drop out, leaving behind a more academically prepared cohort. To close this gap, targeted interventions are essential. These include remedial tutoring, mentorship programmes, psychosocial support and differentiated teaching strategies that address diverse learning needs. These efforts can help ensure that retention leads to successful matriculation.

With a growing demand in the area for skilled labour, matric certificates and higher education qualifications are increasingly important in lifting families out of poverty and driving local economic development. Encouragingly, census data from 2011 and 2022 shows a decline in the proportion of people over 20 without schooling (down to 2.4 per cent from 3.9 per cent). It also indicates a modest increase in the share of those with higher education (up to 13.9 per cent from 11.3 per cent), signaling gradual progress towards a more educated and productive workforce.

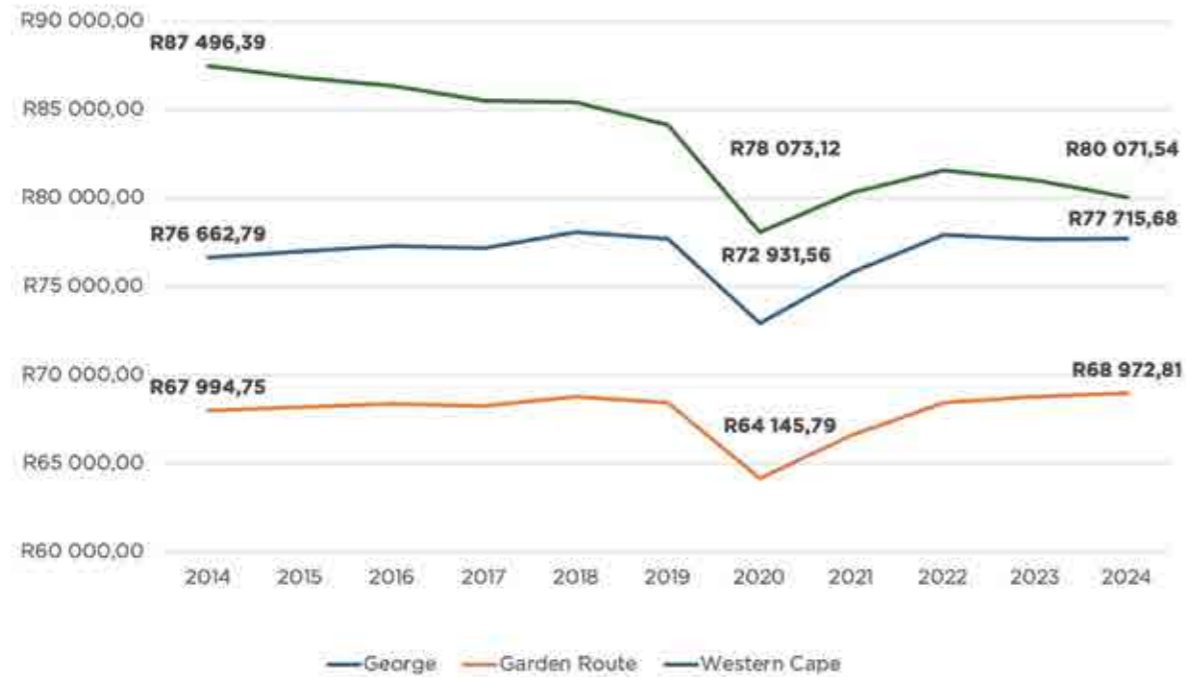
2.2.4 Poverty, income & inequality

In the George municipal economy, the story of income is one of contrasts: while some households experience rising prosperity, others face persistent financial strain. This analysis examines gross domestic product per region (GDPR) per capita to assess overall economic activity and the Gini coefficient to determine the extent of income inequality. A review of tax data gathered by the South African Revenue Service (SARS) provides insight into median incomes, patterns of income distribution, and the number of contributors to the tax system. Consideration is also given to the matter of poverty, showing how economic deprivation intersects with broader income patterns and illustrating the inequalities that shape everyday life in George.

Income inequality

Between 2014 and 2024, the regional population grew at an average annual rate of 1.3 per cent, slightly outpacing the economic growth rate (1.5 per cent on average per year). As a result, GDPR per capita (i.e. per person) increased modestly over this period, rising by 1.4 per cent overall. This reflected improved living standards and economic wellbeing in the George municipal area. GDPR per capita stood at R76 662 in 2014, dipping to R72 931 during the 2020 COVID-19 pandemic. It subsequently recovered, reaching R77 716 by 2024. In that year, George's GDPR per capita exceeded the District average of R68 972 but remained below the Western Cape average of R80 071. This highlights potential areas for further economic growth

Figure 2.2.12:
GDPR PER CAPITA, George, 2014 - 2024

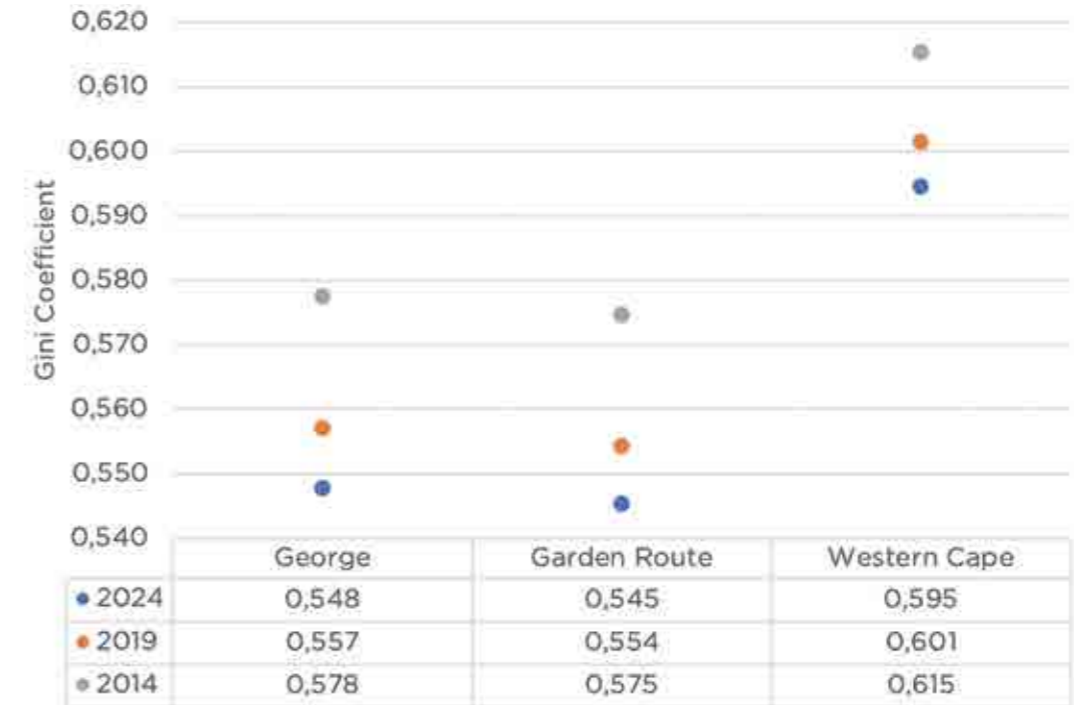


Source: Own calculations from Quantec, 2025 and MYPEPPU, 2025.2

It is imperative to acknowledge that the distribution of GDP per capita within the George municipal area is not uniform. Disparities prevail, with a small segment of the population enjoying affluence while others grapple with financial challenges in an economic landscape characterised by inflation and unemployment.

The level of inequality in South Africa is among the highest in the world as measured by the Gini coefficient. This stems from unequal access to opportunities as well as regional disparities that manifest through skewed income distribution. The National Development Plan 2030 (NDP) has set a target for reducing income inequality in South Africa - namely, lowering the Gini coefficient from 0.700 (the figure recorded in 2010) to 0.600 by 2030.

Figure 2.2.13:
GINI COEFFICIENT, George, 2014 - 2024



Source: Quantec, 2025

The George municipal area has already met the NDP goal, recording a coefficient of 0.548 in 2024. Nonetheless, income distribution in the area remains among the most unequal in the District and the Province. This reflects the discrepancy between persons with well-remunerated jobs in George and rural farm workers in areas such as George Rural, Haarlem and Uniondale, whose incomes are considerably lower. Discrepancies are also evident between affluent households living along the coast and those in the numerous informal settlements in the municipal area.

Income inequality is also more pronounced between persons in the coloured demographic group and black Africans. While some coloured black households have built wealth, others have yet to escape the poverty trap. Fortunately, income inequality in the George municipal area has declined consistently over the past ten years, falling from 0.578 in 2014 to 0.557 in 2019, then to 0.548 in 2024. This shows improved income distribution within the municipal area.

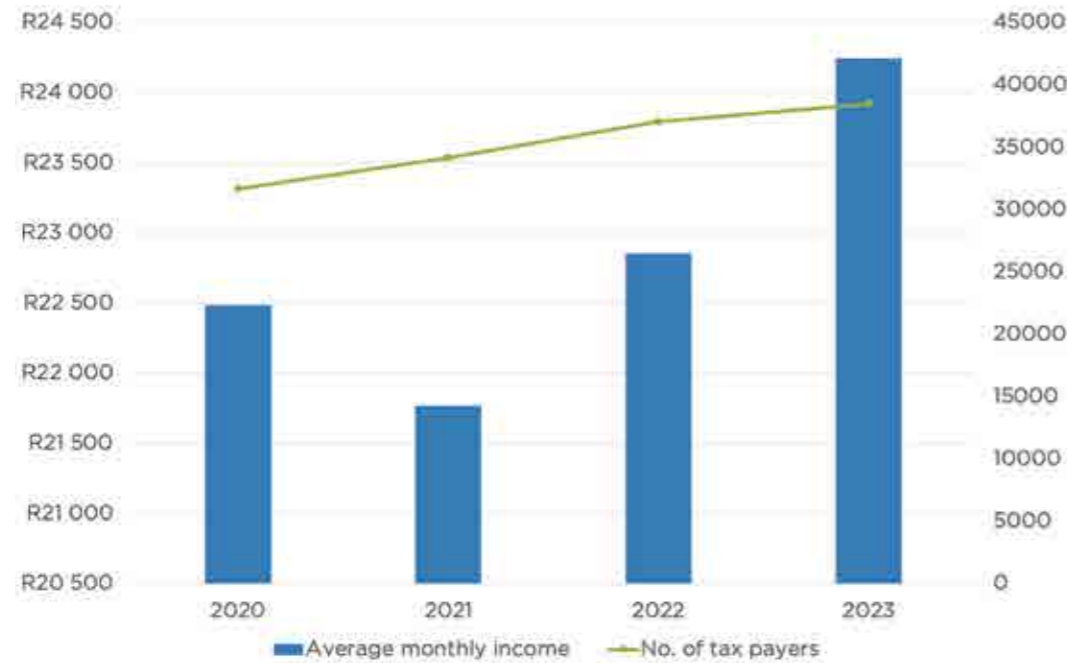
Income inequality is a measure of the uneven distribution of income within a population. It is a critical economic and social indicator that reflects the gap between the wealthy and the poor. Various metrics are used to assess income inequality, each providing a different perspective on the economic conditions of a society.

The Gini coefficient is one of the most widely used measures of income inequality. It is a number between 0 and 1, where 0 corresponds to perfect equality (everyone has the same income) and 1 corresponds to perfect inequality (one person has all the income, and everyone else has none).

Income patterns

A closer look at SARS income tax data reveals how inequality translates into everyday realities.

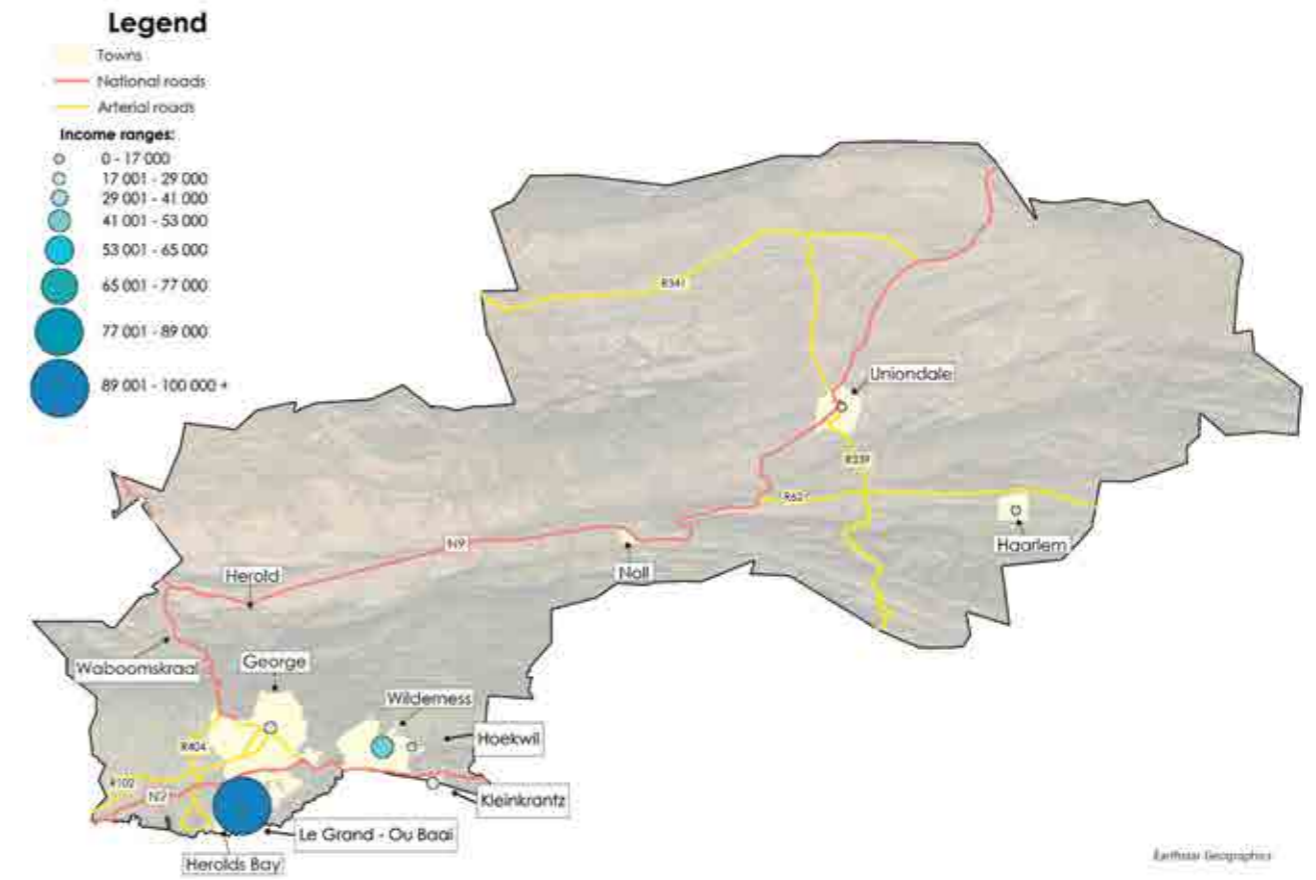
Figure 2.2.14:
INDIVIDUAL TAXPAYERS AND TAXABLE INCOME, George, 2020 - 2023



Sources: Quantec, 2025

In 2023, George had 38 446 registered taxpayers, a strong increase from the 31 631 recorded in 2020, representing an average annual growth rate of 6.7 per cent. About 24.1 per cent of the working-age population contributed to the tax base, a figure that was slightly lower than the District average (24.3 per cent) but higher than the Western Cape average (23.2 per cent). This relatively high share of taxpayers signals growing participation in the formal economy, improved employment stability and greater fiscal capacity for inclusive development.

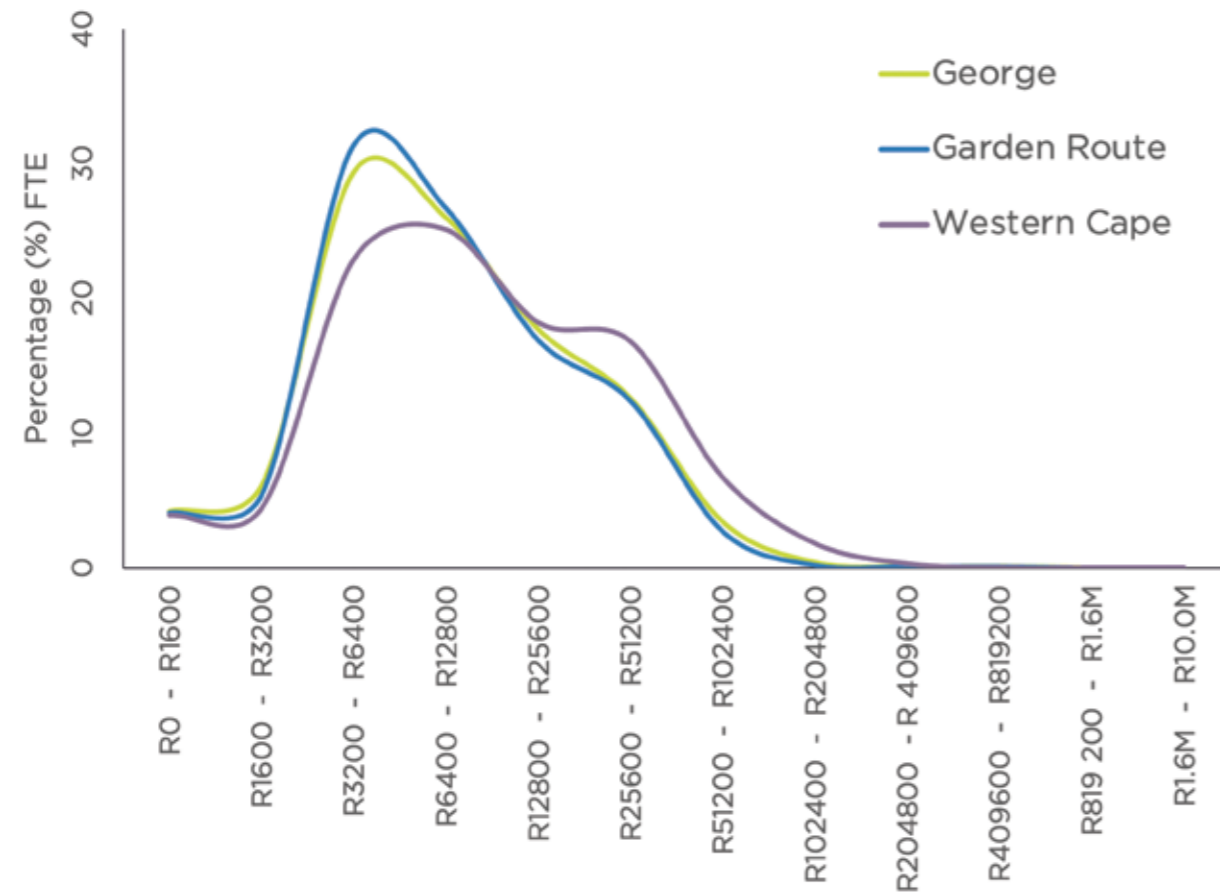
MAP 2.2.1: AVERAGE MONTHLY INCOME PER TOWN, George, 2024



Source: Derived from Geo Terra Image (GTI), Neighbourhood Lifestyle Index (NLI) & CSIR Settlement Footprint, 2025



Figure 2.2.15:
WAGE DISTRIBUTION, George, 2024



No. of FTE per income category	1 939	2 788	13 467	11 937	8 112	5 772	1 537	182	45	29	8	19
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Source: Spatial Tax Data, 2025

As the administrative capital of the GRD, George hosts several government offices, leading to the town having a higher share of skilled professionals (and thus more higher-income earners than other municipal areas of this District). In 2024, about 17.7 per cent of workers earned between R12 800 and R25 600 per month, while 12.6 per cent earned between R25 600 and R51 200. These skilled professionals contribute significantly to the local economy. Within the municipal area, average monthly incomes are higher in coastal towns such as Oubaai and Wilderness, while more rural towns (e.g. Uniondale, Haarlem and Hoekwil) report lower earnings. The average monthly income in the town of George ranges between R17 459 and R24 291.

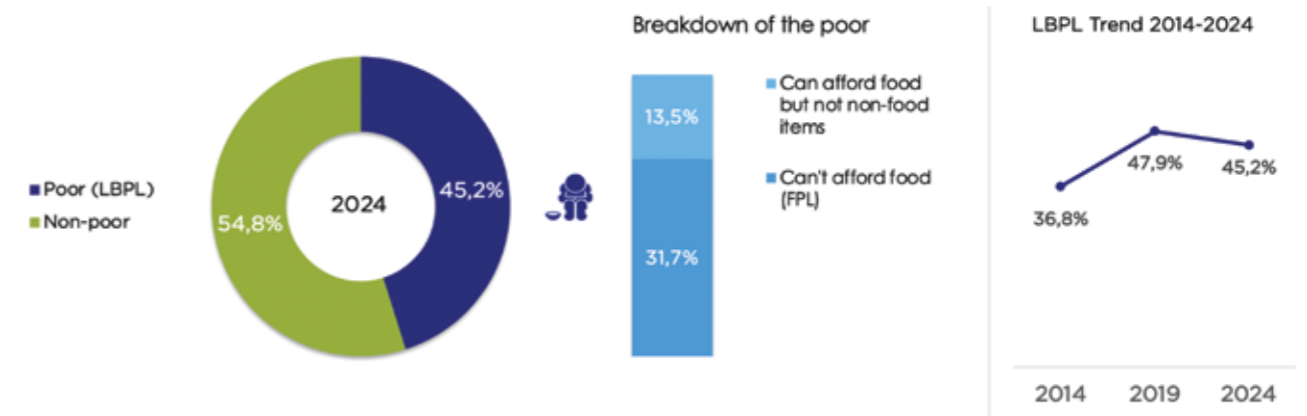
That said, income disparities remain stark. In 2024, nearly a third of taxpayers (29.4 per cent) earned close to the minimum wage (R3 200 to R6 400), and 66.0 per cent of residents earned below R12 800 per month. This limited purchasing power constrains local consumption and dampens growth with regard to retail, the services industry and small businesses. The predominance of lower incomes also challenges municipal revenue generation, limiting income from rates and service charges while increasing the demand for social support and basic

infrastructure. Addressing these structural imbalances requires a strategic focus on inclusive economic growth, job creation, and support for small and medium enterprises. Such initiatives are key to enhancing livelihoods and strengthening municipal sustainability.

Poverty

In 2024, 45.2 per cent of the municipal population lived below the lower-bound poverty line (LBPL). In addition, 31.7 per cent were unable to afford food – as represented by the food poverty line (FPL) – while 13.5 per cent were able to meet food needs but not non-food needs. Although this reflects an improvement from the 2019 peak of 47.9 per cent, poverty levels remain considerably higher than in 2014 (36.8 per cent).

Figure 2.2.16:
POVERTY HEADCOUNT RATE, George, 2014 - 2024



Source: Quantec, 2025

While the George municipal area performs better than the District with regard to the poverty rate, the scale of poverty in the area is still concerning. The numerous impacts of poverty – lower life expectancy, malnutrition, food insecurity, vulnerability to crime and substance abuse, limited educational attainment and inadequate living conditions – underscore the urgent need for sustained interventions. In alignment with the NDP’s goal of eradicating poverty by 2030, income support through social grants, municipal indigent policies, and free services from the Western Cape Government (WCG) such as healthcare and education play a vital role in cushioning vulnerable households.

The non-poor segment of the population accounted for 54.8 per cent of the population in 2024, suggesting that just over half of George residents can meet both basic and non-basic needs. However, the overall trend of poverty highlights the need for continued efforts in the drive to expand economic inclusion, enhance food security and move more households above the poverty threshold over time.

The national poverty lines were calculated using a cost-of-basic-needs approach that links welfare to the consumption of goods and services. The lines address both food and non-food components of household consumption expenditure.

- **Food poverty line** – R796 (in May 2024 prices) per person per month. This refers to the amount of money that an individual will need to afford the minimum required daily energy intake. This is also commonly referred to as the “extreme” poverty line.
- **Lower-bound poverty line** – R1 109 (in May 2024 prices) per person per month. This refers to the food poverty line plus the average amount derived from non-food items of households whose total expenditure is equal to the food poverty line.
- **Upper-bound poverty line** – R1 634 (in May 2024 prices) per person per month. This refers to the food poverty line plus the average amount derived from non-food items of households whose food expenditure is equal to the food poverty line.

2.2.5 Basic service delivery

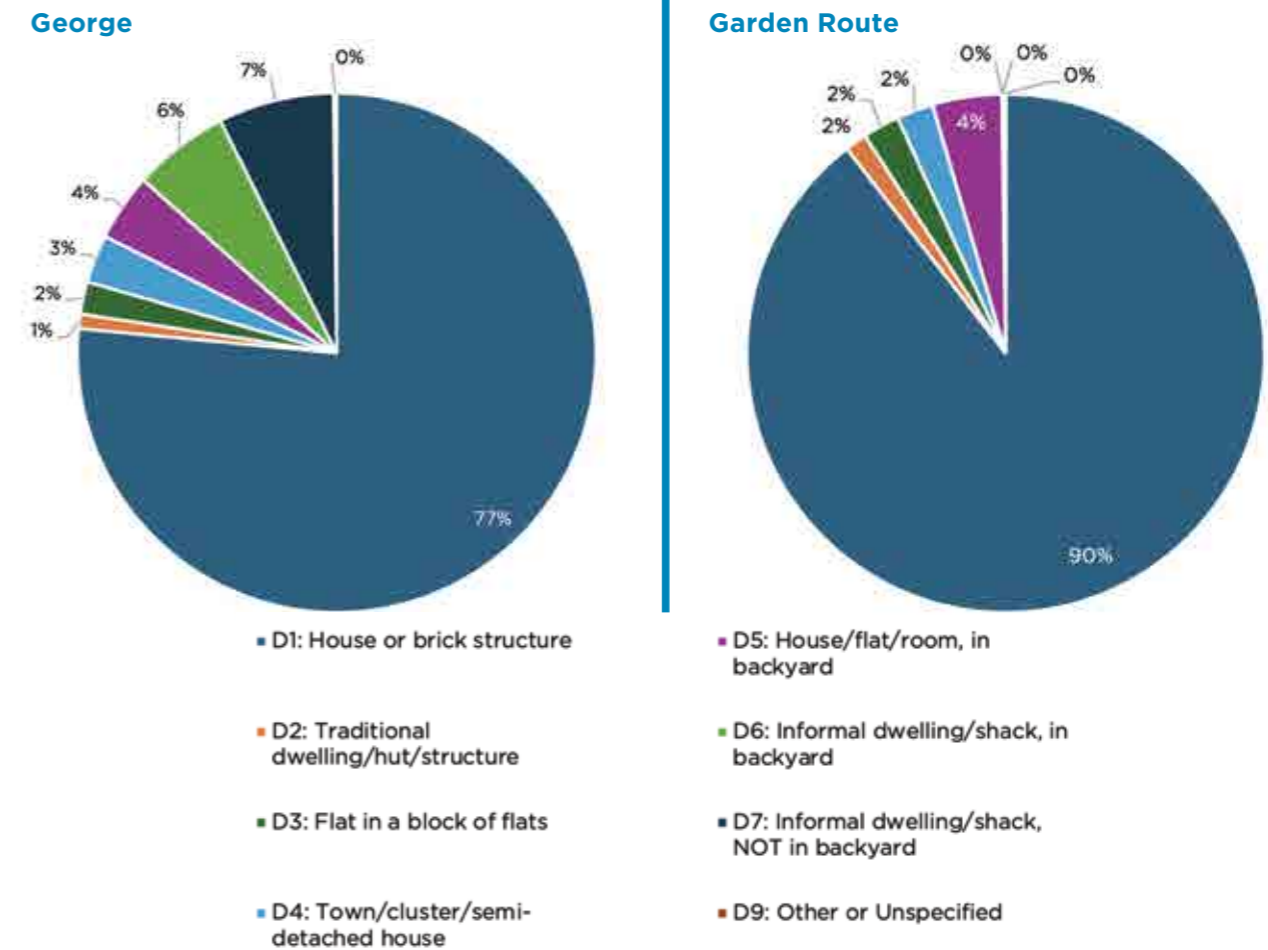
Under the Constitution of the Republic of South Africa, every citizen has the right to adequate housing, and the state must employ reasonable legislative and other measures, within available resources, to progressively realise this right. Access to housing encompasses essential services such as the provision of clean water, basic sanitation, safe energy sources and waste removal, ensuring that households maintain a decent standard of living. This section considers the extent to which access to formal housing and basic services has been achieved.¹¹⁴

Housing and household services

In 2024, the George municipal area was home to an estimated 64 634 households.¹¹⁵ Of these, 85.7 per cent occupied formal dwellings, slightly below the GRD average of 86.0 per cent. The remaining households were distributed across other housing types. Just over a tenth of households (13.2 per cent, up from 12.2 per cent in 2023) occupied informal dwellings, with the increase in this share largely due to population growth and limited affordable housing. In addition, 0.9 per cent of households occupied traditional dwellings, while 0.2 per cent occupied other forms of residence or unspecified housing types.

In addition, 0.9 per cent occupied traditional dwellings, while 0.2 per cent occupied other or unspecified housing types.

Figure 2.2.17:
HOUSING TYPES, George, 2024



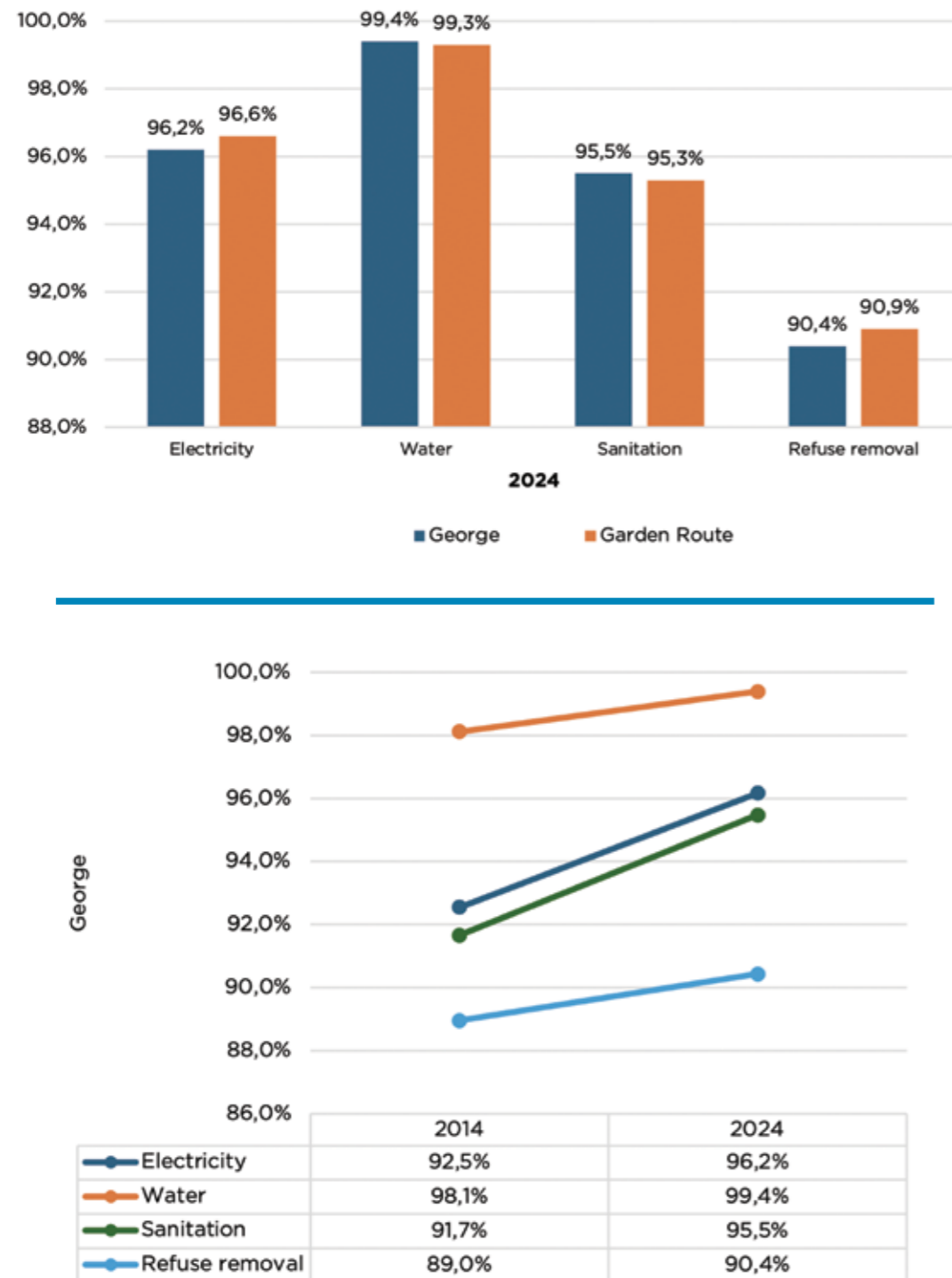
Source: Quantec, 2025

While state-led housing initiatives have provided units to meet the needs of low-income households, demand remains high: by 2025, 20 977 households were registered on the Western Cape Housing Demand Database, up from 18 592 in 2022. This reflected an average annual increase of 4.1 per cent over the period in question. These dynamics underscore the ongoing need for expanded and improved housing provision by both the public and private sectors to enhance living conditions for vulnerable households within the municipal area.

¹¹⁴ While Census 2022 provides the most recent official data for housing types and access to basic services, this report uses Quantec’s modelled estimates in this regard. The latter offer more recent and regularly updated figures. Information on indigent households was sourced from the Western Cape Department of Local Government.

¹¹⁵ (MYPE, 2021).

Figure 2.2.18:
ACCESS TO BASIC SERVICES, George, 2014 - 2024



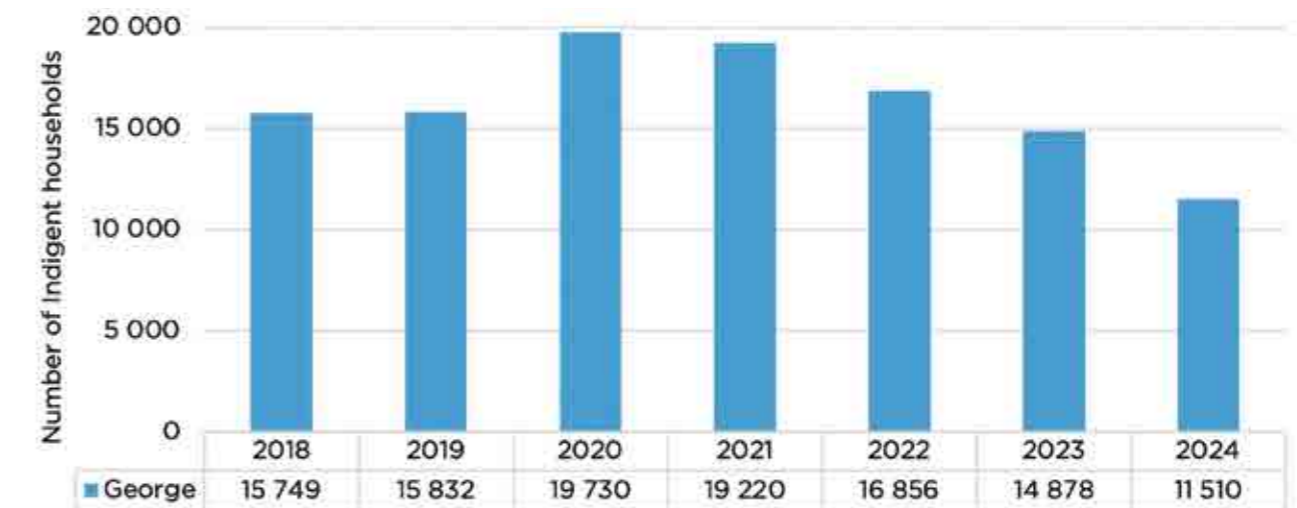
Source: Quantec, 2025

Levels of access to basic services exceeded those for formal housing in George in 2024. Specifically, 99.4 per cent of households had access to piped water (within a dwelling or yard, or via a communal tap or neighbour's tap). In addition, 96.2 per cent had access to electricity (including generators) for lighting, 95.5 per cent had access to a flush or chemical toilet or ventilated pit latrine, and 90.3 per cent received weekly refuse removal by the local authority.

While access to water and sanitation was comparatively high, the municipal area had below-average access to refuse removal and electricity compared with the District average. These gaps highlight the challenges of keeping pace with the growing demand for services, particularly in extending infrastructure to rural farmlands and informal settlements. The rapid increase in informal housing during the COVID-19 pandemic further intensified these pressures. Nevertheless, access to all four basic service categories has improved over the past decade, reflecting reduced service delivery backlogs despite population growth and contributing positively to the overall quality of life in the municipal area.

Free basic services

Figure 2.2.19:
INDIGENT HOUSEHOLDS, George, 2018 - 2024



Source: Western Cape Department of Local Government, 2025

Municipalities provide a package of free basic services to households that are financially vulnerable and struggle to pay for services. The George Municipality's rebates and allowances for the indigent are among the highest in the Province.

There was a significant surge in registered indigent households in 2020, attributable to the adverse economic impact of COVID-19. The pandemic resulted in income losses that impeded households' capacity to cover municipal service expenses. As poverty rates fell from 2020 to 2024, there was an average annual decline of 12.6 per cent in households registered for indigent support, with the number of indigent households registered ultimately falling to levels well below those of the pre-COVID period.

This reduction suggests a positive shift. It should be noted that the Municipality has implemented a phased approach to applying revised definitions of the policy on indigence since its approval, starting in the 2022/23 financial year. The policy shift, along with stringent validations of indigence and the requirement to reapply for support annually, has also contributed to the decline.

The high poverty rates in the municipal area raise questions about whether all vulnerable households are being adequately captured in the indigent register. This shows the importance of ongoing monitoring to ensure that those most in need continue to benefit from essential services.

2.2.6 Safety and security

High levels of poverty and inequality in the Province have given rise to elevated crime levels, necessitating the development of the Western Cape Safety Plan. In it, the WCG signals its intent to ensure that the Province is a place where all people feel secure and can live free from fear. The George Municipality shares this goal, as the municipal area has not been spared the safety concerns present throughout the Province and GRD.

TABLE 2.2.5: CRIMES PER 100 000 PEOPLE, George, 2022 - 2024

CRIME CATEGORY	Actual Numbers			Trend	Crime per 100 000 Population	
	2022	2023	2024		George	Garden Route
Murder	85	103	88	↓	37	33
Sexual Offences	406	363	370	↑	156	139
Common assault	1 589	1 736	1 778	↑	750	798
Malicious damage to property	945	957	889	↓	375	397
Burglary at residential premises	1 251	1 252	1 070	↓	451	526
Commercial crime	571	742	881	↑	371	392
Drug-related crime	1 605	2 223	2 389	↑	1 007	1 085
Driving under the influence of alcohol or drugs	326	583	552	↓	233	259

Source: Own calculations from Quantec, 2025 and MYPEPPU, 2025.2

Crime levels in the George municipal area increased from 2022 to 2024. The primary contributing factors to crime in the area and the greater GRD include high unemployment rates, drug and alcohol abuse, instances of domestic violence, repeat offences by unrehabilitated and released prisoners, the seasonal influx of labourers, and social tensions and discrimination. Matters are compounded by the absence of surveillance cameras in high-risk areas and inadequate lighting.

Compared to the GRD, the George municipal area has elevated occurrences of contact crimes such as murder and sexual offences. However, the GRD contends with higher crime rates across all other categories of crime. It is essential to acknowledge that the incidence of occurrences in these other categories, including drug-related offences, burglaries and commercial crimes, is exacerbated by poverty levels, which are more pronounced in other municipal areas relative to George. 2.2.21 Murder is defined as the unlawful and intentional killing of another person. In 2024, 88 murders were reported in the George municipal area, most of which were attributed to gangsterism. The George community regularly speaks out against gang-related violence, which has proved stubbornly resistant to efforts aimed at combating it. Similarly, common assault (assault that involves the use of force or violence against another person without causing serious bodily harm) is at elevated levels, with 1 778 cases reported in 2024. Gangsterism, substance abuse and gender-based violence are contributing factors for common assault.

South Africa is among the top five countries in the world for reports of rape. George is no exception, also experiencing high rates of sexual crime, with 370 cases of sexual offences reported in the municipal area in 2024 – down from 363 in 2023. The offences included alleged instances of rape, sex work, pornography, public indecency and human trafficking. It should be noted that many sexual offences go unreported.

In 2024, there were 2 389 reports of drug-related crimes, which concern a situation where the perpetrator is found to be in possession of, under the influence of, or selling illegal drugs. This marked a substantial rise from the level of substance abuse in 2022. In addition, there were 552 reports in 2024 of persons driving under the influence of drugs or alcohol (where the driver of a vehicle is found to be over the legal blood alcohol limit). Alcohol use is a leading factor in road traffic crashes. Furthermore, substance abuse places a burden on healthcare and police services, disrupts families, and takes a significant social and economic toll on communities.

For example, substance abuse, along with poverty, is a significant factor in residential burglaries (the unlawful entry of a residential structure with the intent to commit a crime, usually a theft). In 2024, 1 070 cases of residential burglaries were reported in the George municipal area. From 2022 to 2024, the area recorded a rise in commercial crimes (theft, fraud or dishonesty committed against a business by an employee that results in the business suffering financial loss). This form of crime often results from employees seeking an easy way of maintaining their standard of living or enriching themselves. In addition, 889 cases of malicious damage to property were reported. This crime severely impacts local businesses, especially small, medium and micro enterprises. Failure to curb such damage can lead to a vicious cycle of declining economic activity and joblessness that further exacerbates poverty and gives rise to other crimes across the District.

The WCG's vision prioritises safety, reflecting a strong commitment to curbing crime and creating secure, resilient communities across the province.¹¹⁶

¹¹⁶ Western Cape Government Provincial Strategic Plan (PSP) 2025-2030

2.2.7 Conclusion

George, a coastal municipal area nestled between picturesque hills and the Indian Ocean, is a distinctive and promising locale. As a growing economic hub within the GRD, the George municipal area faces the dynamic challenges of an expanding population, something that gives rise to amplified demands for housing, municipal services, education and healthcare. In the face of these challenges, there have been successes in expanding the range of services required to accommodate the burgeoning population, making the area an appealing destination for residents, workers and prospective investors.

The recovering municipal economy has exerted a favourable influence on the unemployment rate, poverty rate and proportion of households registered as indigent. These improvements have, in turn, contributed to lower rates of child malnutrition.

Nevertheless, it remains imperative to address the persistent issue of elevated inequality within the municipal area, as this lays the ground for escalating crime rates – compromising safety and security in George. The incidence of contact crimes such as murders, sexual offences and common assaults is of particular concern. In sum, the promotion of safety and security requires prioritisation by both the Municipality and the WCG.

Significant strides have been made in education, signalling positive prospects meeting the surging demand for skilled individuals in the expanding tertiary sector of the municipal economy. Learner retention rates have, however, declined, partly as a result of a surge in teenage pregnancies.

To address the developmental challenges outlined above effectively and further enhance the wellbeing of municipal area residents, sustained collaboration between the Municipality, other tiers of government and the private sector is imperative.





2.3 HESSEQUA

Municipal safety and wellbeing

This section delves into the social trends that shape the identity of the Hessequa municipal area. Population dynamics, income, housing needs and essential services are reviewed, and a nuanced examination provided of healthcare, education and crime metrics. Overall the section offers a comprehensive view of community wellbeing and future prospects, showing the interplay of social and economic undercurrents in the municipal area.

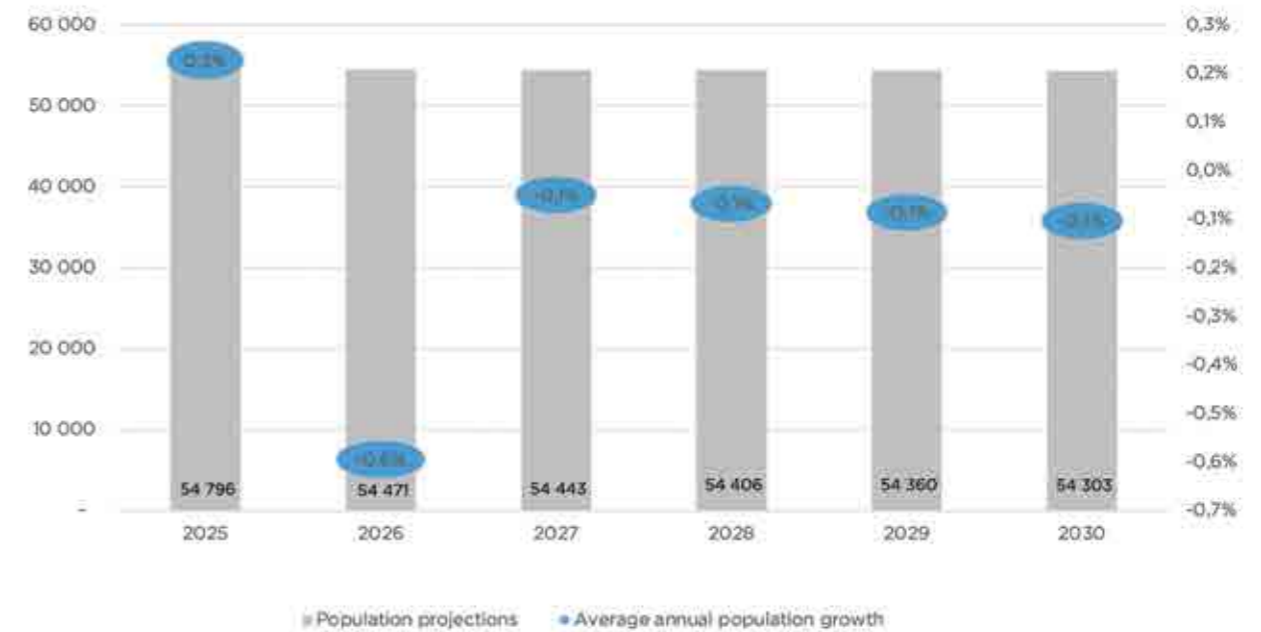
2.3.1 Demographics

Understanding population dynamics is critical for effective municipal planning and the equitable provision of public services. Population size, household growth, age structure and migration patterns directly influence the demand for infrastructure, housing, education, healthcare and social services. Monitoring socioeconomic trends in Hessequa is essential for the protection of rural livelihoods, to guide development decisions, and ensure long-term resilience in a small-town economy dependent on agriculture and seasonal tourism.

Population and Household Growth

Hessequa, with an estimated population of 54 657 in 2024, is one of the smaller municipal areas of the Garden Route District (GRD), exceeding only Kannaland in size. This comparatively modest population size has implications for the economic base, service delivery capacity and planning priorities of the area.

Figure 2.3.1:
POPULATION GROWTH, Hessequa, 2025 - 2030



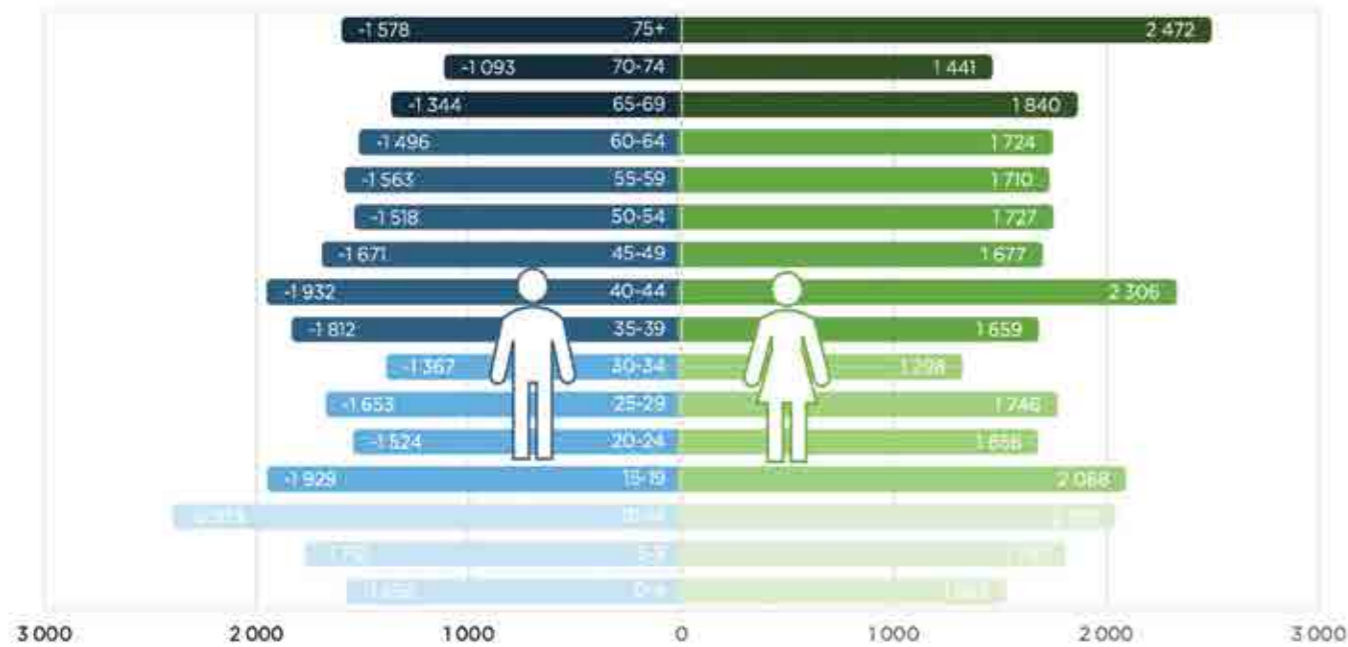
Sources: MYPEPPU, 2025.2

Hessequa's population projections for 2025 to 2030 indicate a trend of stagnation and gradual decline, reflecting limited demographic growth. In 2025, a slight increase of 0.3 per cent was observed. However, it is anticipated that there will be negative growth from 2026 onwards, with annual declines of 0.1 per cent to 0.6 per cent projected. The total population is set to decrease marginally from 54 796 in 2025 to 54 303 in 2030.

This pattern suggests low levels of in-migration, an ageing population, or out-migration of working-age residents, all of which may constrain the labour force, economic vibrancy and future service demand of the municipal area. It highlights the need for strategies to attract investment, retain youth, and stimulate local development to reverse potential long-term demographic decline.

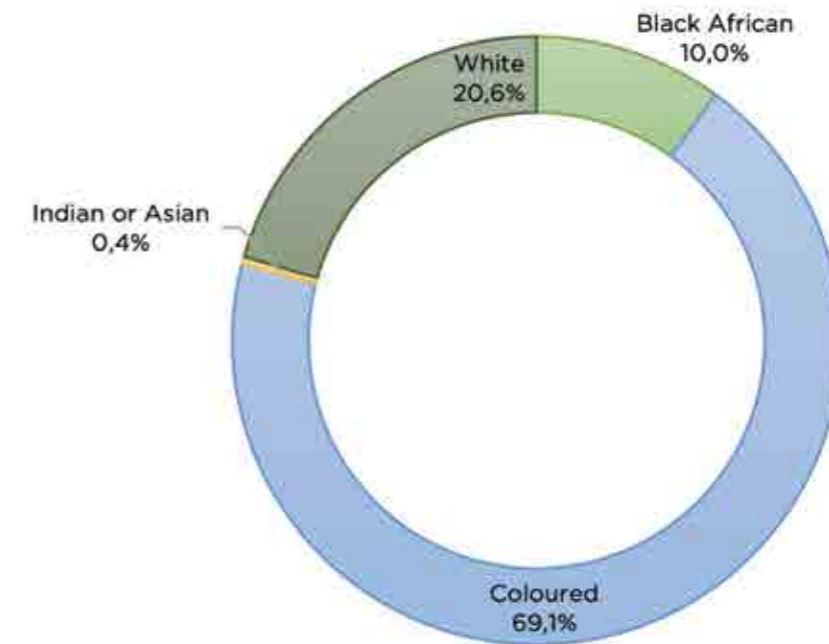
Gender, Age and Race Dynamics

Figure 2.3.2:
POPULATION PYRAMID, Hessequa, 2025



Concerning gender dynamics, the population of the older age cohorts was slightly skewed towards females. Women outnumbered men in these instances, particularly from age 60 onwards, reflecting longer life expectancy among females. This may increase demand for age-related services such as chronic healthcare, pension support and assisted living. The lower representation of young working-age males suggests possible out-migration for employment, which could constrain the local labour force and economic productivity.

Figure 2.3.3:
RACIAL COMPOSITION, Hessequa, 2024



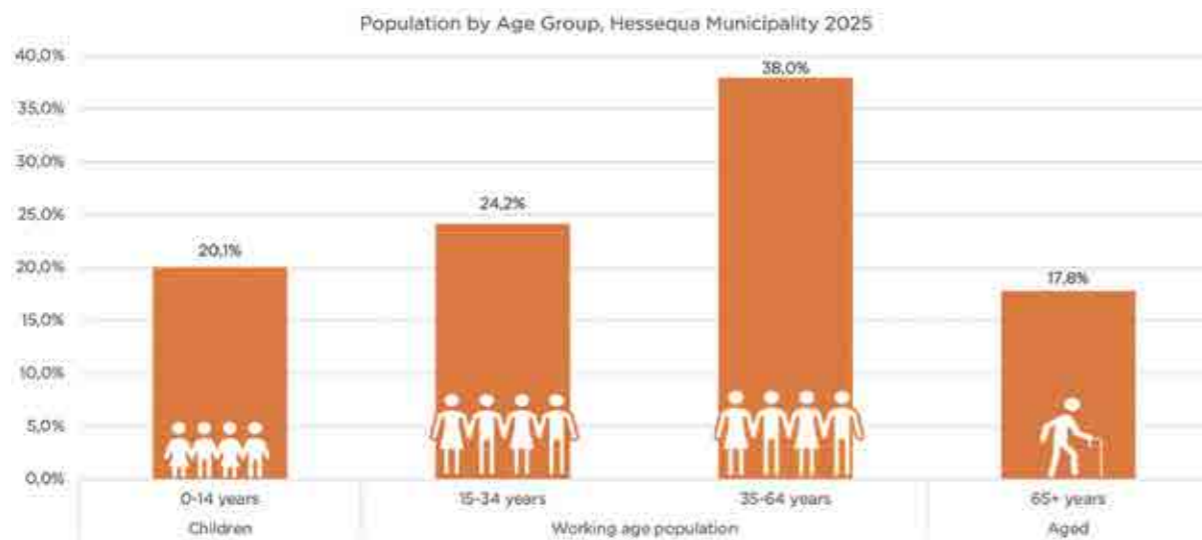
Source: Quantec, 2025

Hessequa's racial composition in 2024 was characterised by a predominantly coloured population alongside a smaller but generally more economically established white community. This points to long-standing socioeconomic disparities. The gradual increase in the black African population further contributes to the growing demand for housing, services and employment opportunities.

These factors underscore the importance of development interventions aimed at expanding skills, improving access to economic opportunities and strengthening basic service delivery. Addressing these needs in a balanced and inclusive manner will be essential to supporting sustainable social and economic advancement across all communities in the municipal area.

2.3.2 Health and Wellness

South Africa's healthcare system comprises both public and private providers, forming a critical pillar of the nation's human capital and economic productivity. Public health facilities, supported by government funding, play a central role in ensuring equitable access to healthcare for the broader population. The private sector caters to those with the means to afford additional services.



Source: MYPEPPU, 2025.2

Hessequa's 2025 population structure reflected an ageing and demographically constrained municipal area, something that has significant socioeconomic implications. The age distribution was dominated by the working-age population (15 to 64 years) at 38.0 per cent, followed by youth and young adults (15 to 34 years) at 24.2 per cent. Children (0 to 14 years) constituted 20.1 per cent of the population, and older adults (65 years and older) accounted for 17.8 per cent. The combination of a relatively large older population and a smaller youth cohort suggests constrained demographic renewal and probable future strain on healthcare and social support systems.

The public healthcare system operates on a referral model, providing primary care through clinics and escalating complex cases to district and regional hospitals. Access to high-quality healthcare not only improves wellbeing and life expectancy but also strengthens the labour force, reduces productivity losses, and supports sustainable socioeconomic development.

Access to Health Facilities

In 2023, only 15.7 per cent of South Africans had access to medical aid, highlighting the critical role of public healthcare services in meeting the needs of most of the population. In the Hessequa municipal area, healthcare provision is primarily supported by the public sector, with a limited network of facilities serving dispersed rural communities.

Hessequa has three fixed primary healthcare clinics, which provide essential day-to-day medical services. These are supplemented by six mobile or satellite clinics, ensuring outreach to remote settlements where residents may otherwise face significant barriers to care. Additionally, the area is supported by a district hospital that offers comprehensive services such as emergency care and basic inpatient treatment. No regional hospital is located within Hessequa, meaning that residents requiring specialised or advanced medical care must travel to facilities outside the municipal area.

Hessequa residents also had access to six antiretroviral therapy (ART) sites and eight tuberculosis (TB) clinics in 2024/25, further enhancing the availability of critical TB and ART services for households. This is especially necessary given the rising number of ART patients registered for treatment within the municipal area.

Increasing the number of functioning ambulances contributes to expanding the reach of emergency medical services across Hessequa. In the 2022 fiscal year, the area had a single Provincial ambulance. It should be noted that this figure pertains exclusively to Provincial ambulances and does not include private service providers.

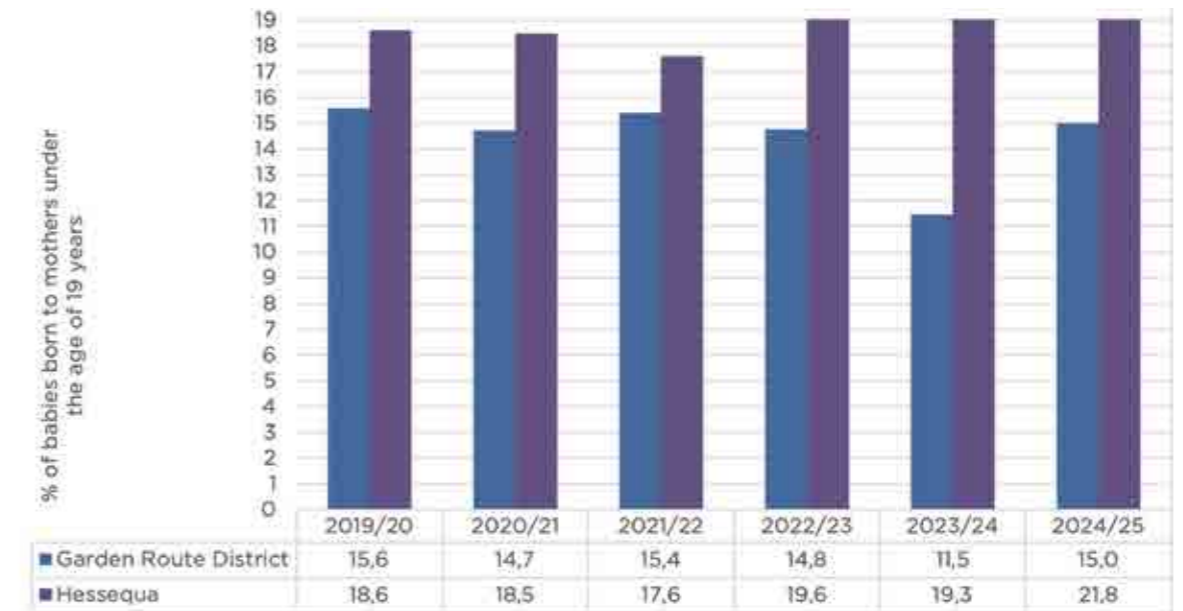
Maternal and Child Health

Maternal health is a critical aspect of public health, encompassing the wellbeing of women during pregnancy, childbirth and the postnatal period. In South Africa, key issues affecting maternal health include high rates of teenage pregnancy, the prevalence of termination of pregnancy, and ongoing challenges related to maternal mortality. These factors not only impact the health outcomes of women and infants but also mirror broader socioeconomic conditions that determine access to healthcare and reproductive decision-making.

Teenage pregnancy

Within the Hessequa municipal area, the proportion of births to females under 19 years of age declined from 15.6 per cent in 2019/20 to 11.5 per cent in 2023/24, representing a drop of 271 births. This marked a positive development in reducing teenage pregnancy. However, this trend was reversed in 2024/25, with teenage pregnancies rising to 15.0 per cent (471 births). Despite this increase, the municipal rate has consistently remained below the District average, which reached 15.0 per cent in 2024/25.

Figure 2.3.4:
DELIVERY RATE TO WOMEN UNDER 19 YEARS, Hessequa, 2019/20 - 2024/25



Source: Western Cape Department of Health and Wellness, 2025

The spike in teenage pregnancies reflects a need for expanded family planning initiatives and support services within the municipal area and greater GRD, as unplanned pregnancies pose a risk to the future quality of life of teenagers. The persistence of teenage pregnancy is closely linked to demand for termination of pregnancy services.

Teenage pregnancy is calculated as the percentage of babies born to mothers under the age of 19 in a given year.

Teenage pregnancy is almost always unplanned. Consequently, when young parents are placed in the position of having to care for a child, they can find themselves woefully unprepared for the challenges that this brings. This is especially the case if they do not have family members who can assist them or social support.

Termination of Pregnancy

The termination of pregnancy rate in Hessequa remained consistently lower than the overall rate of the GRD in the reporting years (2019/20 to 2024/25). While the District recorded rates between 0.5 per cent and 0.7 per cent, Hessequa’s rates ranged from 0.0 per cent to 0.2 per cent, indicating significantly fewer recorded terminations. While low rates appear positive at face value, they may also mask unmet need in reproductive healthcare. This underscores the importance of ensuring accessible, confidential and safe reproductive services within the municipal area.

TABLE 2.3.1: TERMINATION OF PREGNANCY RATE, Hessequa, 2019/20 – 2024/2

MUNICIPALITY	Termination of Pregnancy Rate					
	2019/2020	2020/2021	2021/22	2022/23	2023/24	2024/25
Garden Route	0.6	0.5	0.6	0.7	0.6	0.6
Hessequa	0.1	0.0	0.0	0.2	0.2	0.1

Source: Western Cape Department of Health and Wellness, 2025

The termination of pregnancy rate is calculated as the number of women who undergo terminations as a proportion of females aged 15 to 44 years in a given year.

Government hospitals designated private doctors and gynaecologists, and non-profit providers offer safe and legal termination of pregnancy. To obtain a free abortion, the request must be made at a primary healthcare clinic. At the clinic, the pregnancy will be confirmed, counselling provided, an appointment made with a facility where the procedure can be performed, and a referral letter provided for this facility.

Maternal and Neonatal Mortality

During the worst of the pandemic years there was an acute increase in maternal mortality, as the Severe Acute Respiratory Syndrome Coronavirus 2 (SARS-CoV-2) was a contributory cause of maternal mortality. However, death rates have since stabilised. The maternal mortality ratio of the Hessequa municipal area was impacted by these developments.

TABLE 2.3.2: MATERNAL DEATHS PER 100 000 LIVE BIRTHS, Hessequa, 2019/20 – 2024/25

MUNICIPALITY	Maternal Mortality Ratio					
	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25
Garden Route	31.7	115.4	53.7	68.5	70.2	46.3
Hessequa	0.0	0.0	0.0	0.0	173.6	0.0

Source: Western Cape Department of Health and Wellness, 2025

Hessequa’s maternal mortality ratio is highly volatile due to the municipal area having a small population and limited birth numbers. As a result of these factors, an isolated incident in 2023/24 caused an abnormal spike in the ratio. While most years reflect no reported maternal deaths,

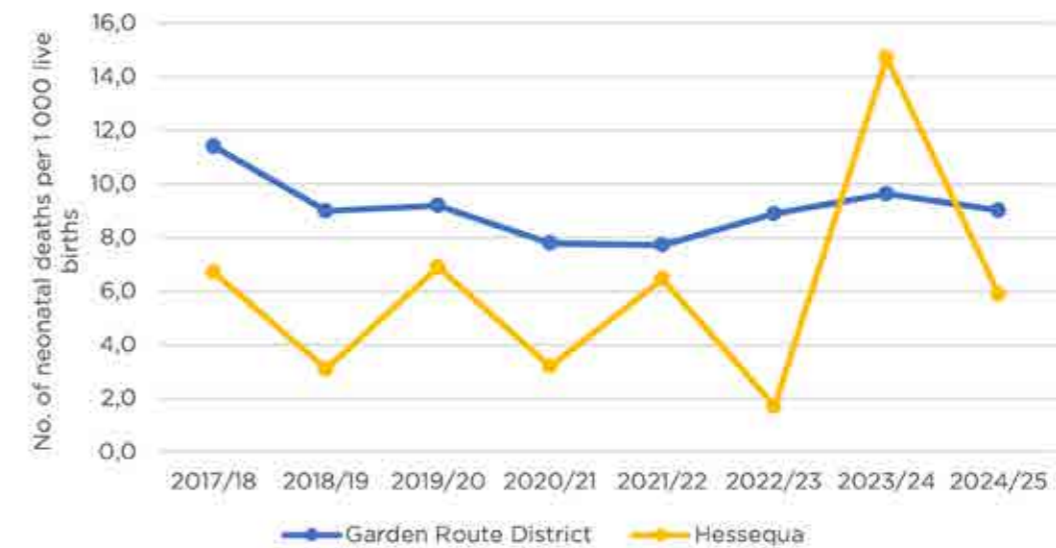
there is nonetheless a need for robust maternal care, reliable reporting systems, and access to emergency obstetric services to prevent avoidable maternal fatalities.

The maternal mortality rate is the number of maternal deaths per 100 000 live births in public health facilities* in a given year.

Maternal death is death that occurs in the course of a pregnancy, during childbirth or the puerperium, or within 42 days of termination of pregnancy. This is irrespective of the duration and site of pregnancy and irrespective of the cause of death (obstetric or non-obstetric).

* Private facilities do not report data on live births routinely or completely.

Figure 2.3.5: NEONATAL MORTALITY RATE, Hessequa, 2019/20- 2024/25



Source: Western Cape Department of Health and Wellness, 2025

The neonatal mortality rate of Hessequa fluctuated over the period of 2019/20 to 2024/25 compared to the relatively stable trend of the GRD. While the District rate remained at about 8.0 to 10.0 deaths per 1 000 live births over the 2019/20 to 2024/25 period, Hessequa’s rate was significantly higher and more volatile, peaking sharply in 2023/24 before again declining. The elevated neonatal mortality rate of the municipal area – 14.7 deaths per 1 000 lives births in 2023/24, dropping to 5.9 deaths in 2024/25 -- signals pressing challenges in maternal and neonatal healthcare. Resulting from rural service limitations and socioeconomic vulnerability, these challenges underscore the need for improved emergency care, strengthened antenatal and postnatal services, and targeted social interventions to protect infant health and break cycles of deprivation.

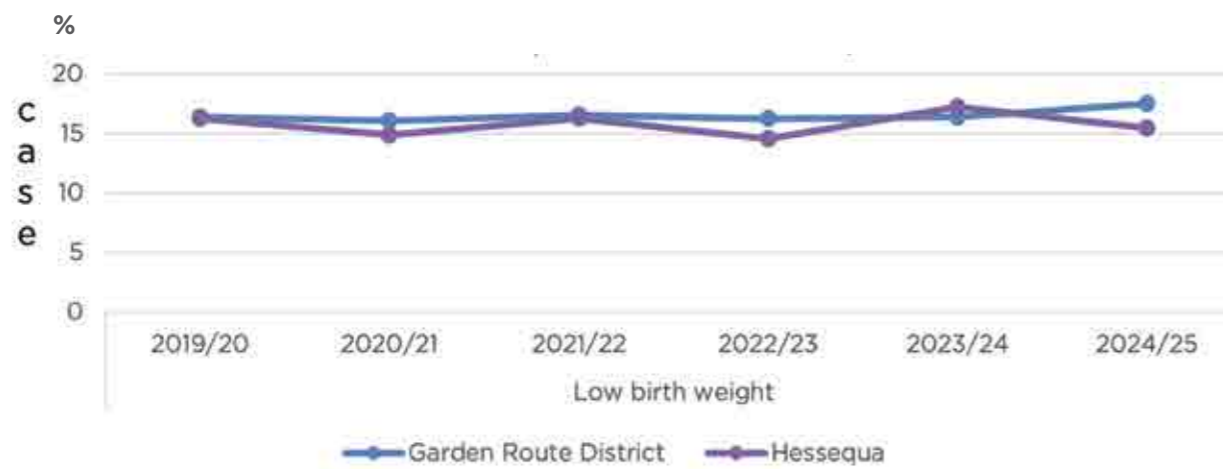
The neonatal mortality rate is the number of neonates that die before reaching 28 days of age per 1 000 live births in a given year.

The first 28 days of life (i.e. the neonatal period) constitute the most vulnerable time for a child’s survival. The Province set a target for 2019 of 6.0 neonatal deaths per 1 000 live births.

Low birth weight

Regarding low birth weight, the number of cases in Hessequa remained relatively stable over the 2019/20 to 2024/25 period, aligning closely with GRD averages. However, slight fluctuations occurred, including a marginal dip in 2022/23 followed by an increase in 2023/24. The rate stabilised again in 2024/25. While Hessequa does not exhibit extreme volatility in this matter, the persistence of low birth weight cases reflects underlying socioeconomic and health system challenges, underscoring the need for stronger antenatal care, improved nutrition support, and targeted interventions to break long-term cycles of poverty and promote healthier early childhood outcomes.

Figure 2.3.6:
LOW BIRTH WEIGHT, HESSEQUA, 2019/20 - 2024/25



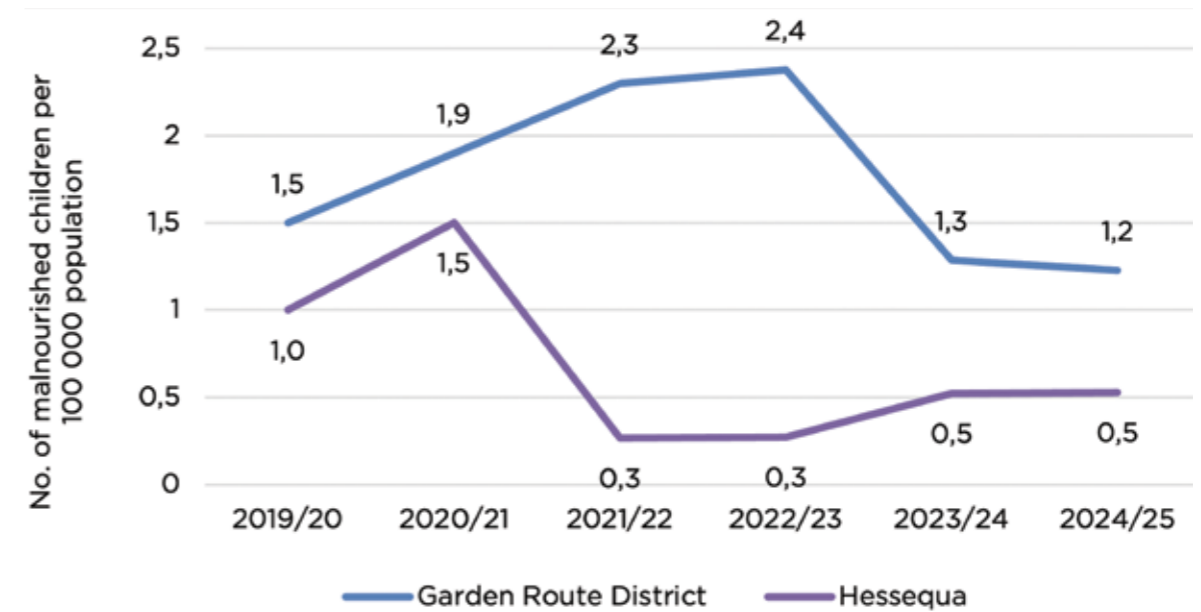
Source: Western Cape Department of Health and Wellness, 2025

The low birth weight rate is the percentage of all babies, in a given year, who are born alive in a facility and weigh less than 2 500 g at birth.

Malnutrition

The rate of malnutrition in Hessequa was low and stable from 2019 to 2024/25, especially when compared to that of the wider GRD (which exhibited higher and fluctuating rates). After peaking in 2020/21, Hessequa’s malnutrition rate declined sharply and remained low from 2021/22 onwards, with only a slight increase in recent years. That said, the persistence of cases highlights ongoing socioeconomic vulnerabilities, particularly among poor rural households. Sustained investment in food security, early childhood nutrition, and poverty alleviation remains vital to preventing long-term developmental impacts.

Figure 2.3.7:
MALNUTRITION, Hessequa, 2019/20 - 2024/25



Source: Western Cape Department of Health and Wellness, 2025

Expressed as the number of malnourished children under five years per 100 000 people. Malnutrition (either under- or over-nutrition) refers to the condition whereby an individual does not receive adequate amounts or receives excessive amounts of nutrients.

Immunisation

Immunisation coverage in Hessequa consistently exceeded that of the broader GRD in the reference period (2019/20 to 2024/25). While both Hessequa and the District maintained relatively high vaccination uptake, Hessequa performed better, achieving rates that were generally above 85.0 per cent. This was particularly the case in 2019/20 and 2021/22, when coverage peaked. By contrast, the GRD showed more fluctuation, with notable declines in 2020/21 and 2023/24. While immunisation in Hessequa has been consistently high, recent declines signal emerging challenges that must be addressed to maintain herd immunity and protect child health, particularly in rural and low-income communities.

Figure 2.3.8:
IMMUNISATION RATE, Hessequa, 2019/20 - 2024/25



Source: Western Cape Department of Health and Wellness, 2025

The immunisation rate is the number of children immunised, in a given year, per total number of children less than one year of age.

Immunisation protects both adults and children against preventable infectious diseases. Low immunisation rates speak to the need for parents to understand the critical importance of immunisation.

Burden of Disease

HIV and AIDS

TABLE 2.3.3: TOTAL REGISTERED PATIENTS ON ART, Hessequa, 2019/20 - 2024/25

MUNICIPALITY	Total registered patients receiving ART					
	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25
Garden Route	25 738	26 996	27 825	29 858	30 984	31 833
Hessequa	929	934	1 016	1 149	1 275	1 314

Source: Western Cape Department of Health and Wellness, 2025

The number of registered patients receiving ART in Hessequa has steadily increased, rising from 929 in 2019/20 to 1 314 in 2024/25. This upward trend reflects improved HIV diagnosis, expanded treatment access, and intensified efforts to retain patients in long-term care. Although Hessequa's patient numbers are significantly lower than those of the broader GRD due to its smaller population size, the growth rate of ART uptake in the municipal area, is notable.

Tuberculosis

TABLE 2.3.4: TOTAL REGISTERED TB PATIENTS, Hessequa, 2019/20 - 2024/25

MUNICIPALITY	Number of TB patients registered on Treatment					
	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25
Garden Route	4 732	4 676	4 941	5 259	5 207	5 390
Hessequa	409	355	399	404	348	346

Source: Western Cape Department of Health and Wellness, 2025

The number of TB patients registered for treatment in Hessequa fluctuated between 2019/20 and 2024/25, but the overall trend was one of decline. Patient numbers decreased from 409 in 2019/20 to 346 in 2024/25, with minor increases in certain years, but a clear reduction after 2022/23. This contrasts with the GRD, where TB treatment numbers increased steadily over the same period.

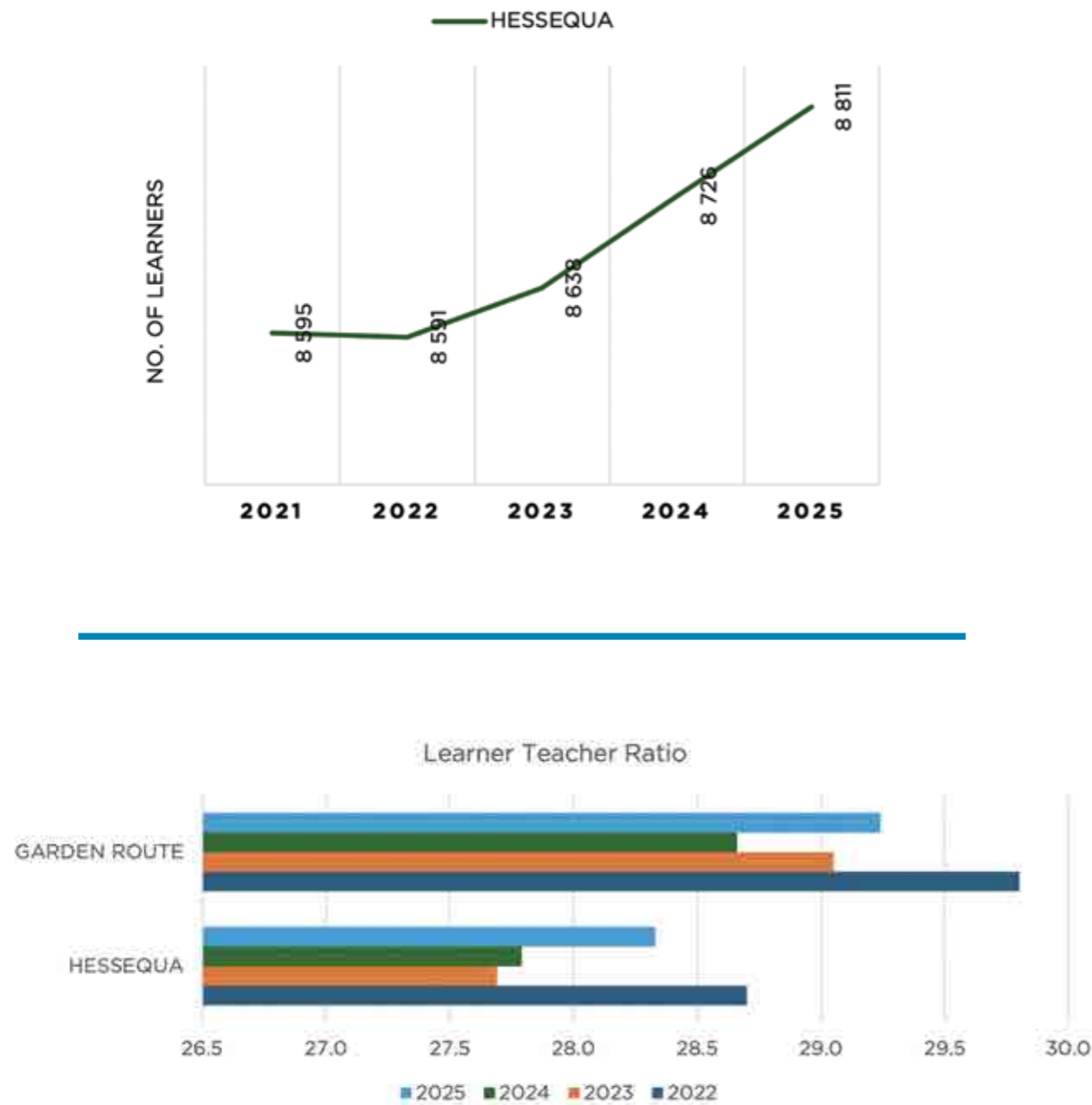
Hessequa's declining TB treatment numbers suggest progress in disease management but also raise concerns about underdiagnosis and inadequate access to care in rural settings. While a lower number of registered patients may indicate improved health outcomes, persistent socioeconomic factors such as poverty and limited healthcare access continue to pose risks. Sustained investment in screening, community outreach and nutritional support is essential to ensuring that TB control remains effective and inclusive.

2.3.3 Education

Education Resources

Education and skills development play a vital role in shaping the future socioeconomic landscape of Hessequa. They empower the population and significantly impact the local economy's development and human resource capacity. The Western Cape Education Department is committed to this cause, ensuring access to education for the children of the municipal area through the provision of 50 schools. Nearly three-quarters (74.0 per cent) of these schools operate as no-fee schools. This is positive, given that in 2021 a substantial 24.0 per cent of learners nationally cited financial constraints as their primary reason for dropping out of school.

Figure 2.3.9:
LEARNER ENROLMENT AND LEARNER TEACHER RATIO, Hessequa, 2021 - 2025



Source: Western Cape Education Department, 2025

Learner enrolment in Hessequa remained relatively stable over the 2021 to 2025 period, fluctuating between 8 500 and 8 800 learners. While this indicates demographic stability, it also reflects limited population growth and a maturing community profile. These factors are characteristic of rural municipalities with ageing populations and net youth out-migration.

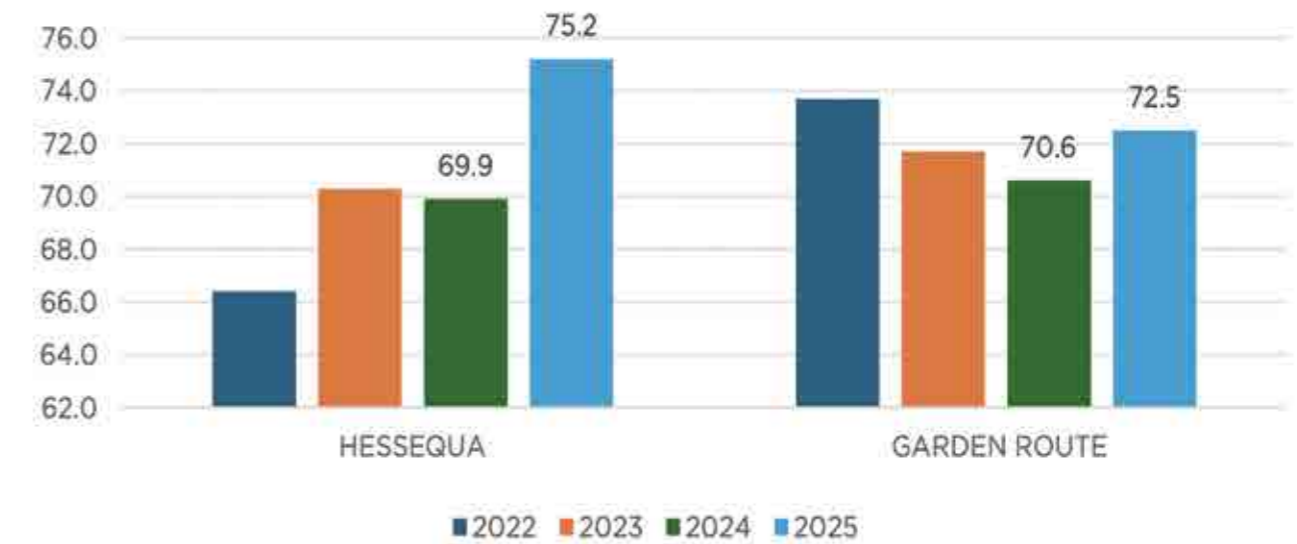
The stable learner enrolment masks an underlying socioeconomic concern. The absence of growing school-aged populations signals a shrinking economic base and challenges in retaining young families. While education conditions are adequate, long-term socioeconomic sustainability will depend on Hessequa’s ability to stimulate local opportunity, retain youth and attract working-age households.

The learner-teacher ratio (LTR) in Hessequa has gradually improved, hovering around 27.7 to 28.7 learners per teacher over the 2021 to 2025 period. This compared favourably with the GRD average of approximately 28.7 to 29.8 learners per teacher. A lower LTR suggests relatively manageable classroom sizes, which is generally a requirement for high-quality teaching and learner support. However, the stagnant and low LTR may also point to stagnant demand rather than deliberate investment, signalling the lack of expansion in the education systems may be a function of low economic growth and out-migration.

Retention Rates

The learner retention rate of Hessequa in 2025 was slightly higher than the retention rate of the GRD. This suggests that learners in the municipal area are more motivated to complete school than pupils in largely rural areas, probably due to having greater access to higher-income job opportunities as well as better socioeconomic circumstances.

Figure 2.3.10:
GRADE 10 TO 12 LEARNER RETENTION RATE, Hessequa, 2022 - 2025



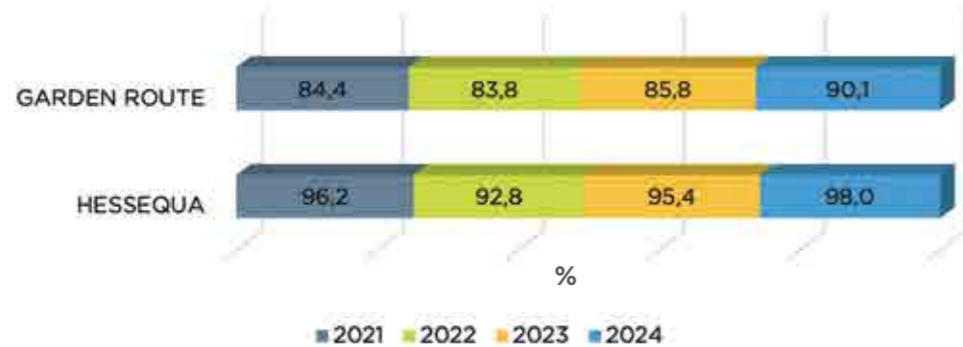
Source: Western Cape Education Department, 2025

Hessequa’s learner retention rate has improved substantially, reflecting growing educational stability and stronger learner support. Although historically below the GRD average, recent gains signal progress in keeping learners within the school system. This upward trend is critical for long-term socioeconomic development, as it strengthens human capital and reduces the risks associated with dropping out. Sustaining this momentum will require continued investment in support services and pathways that connect schooling with future employment and skills opportunities.

The gap observed in earlier years highlights vulnerabilities such as household economic pressures, limited access to post-school opportunities, and socioeconomic factors that may compel learners to leave school prematurely for employment or informal income activities. Addressing this issue requires a coordinated, community-driven approach that strengthens support systems and fosters an inclusive environment, one where all learners have the opportunity to succeed.

Education Outcomes

Figure 2.3.11:
MATRIC PASS RATE, Hessequa, 2021 - 2024



Source: Western Cape Education Department, 2025

Hessequa consistently outperformed the wider GRD in matric pass rates over the reference period. While the District showed gradual improvement – the GRD pass rate rising from approximately 84.4 per cent in 2021 to 90.1 per cent in 2024 – Hessequa achieved significantly higher outcomes. From 2021 to 2024, the matric pass rate of the municipal area rose from 96.2 per cent to 98.0 per cent. This impressive performance points to a strong local schooling system characterised by effective teaching, strong community-school relationships and disciplined learner environments.

However, these high pass rates must be interpreted within Hessequa’s broader demographic and socioeconomic context. As one of the smaller municipal areas of the GRD and having a relatively low learner enrolment, Hessequa benefits from more contained school populations, the latter allowing for better learner support and monitoring. At the same time, the area faces challenges such as limited access to post-school opportunities, scarce tertiary education pathways, and outward migration of successful youth.

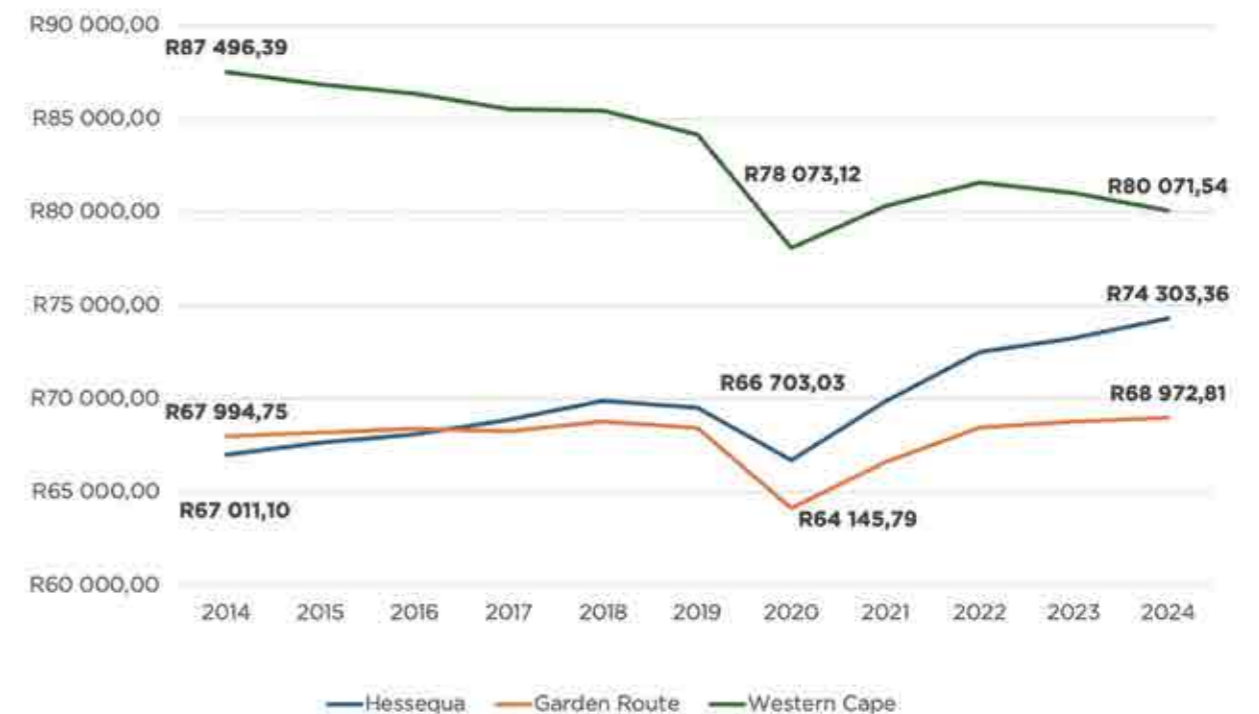
2.3.4 Poverty, income & inequality

In Hessequa, the story of income is one of contrasts: while some households experience rising prosperity, others face persistent financial strain. This analysis examines gross domestic product per region (GDPR) per capita as a measure of overall economic activity, and the Gini coefficient to consider income inequality. A review of tax data from the South African Revenue Service (SARS) provides insight into median incomes, patterns of income distribution and the number of contributors to the tax system. The discussion then assesses poverty levels, showing how economic deprivation intersects with broader income patterns and illustrating the inequalities that shape everyday life in Hessequa.

Income Inequality

Between 2014 and 2024, the municipal population grew at an average annual rate of 1.3 per cent. This expansion slightly outpaced economic growth, which averaged 1.5 per cent per year. As a result, per capita GDPR (i.e. GDPR per person) increased modestly, rising by 1.4 per cent over this period and allowing for improved living standards and economic wellbeing in the Hessequa municipal area. GDPR per capita was R67 011.10 in 2014, dipped to R66 703.00 in 2020 during the COVID-19 pandemic, and recovered to R74 303.36 by 2024. In that year, Hessequa’s GDPR per capita exceeded the District average of R68 972.81 but remained below the Western Cape average of R80 071.54, highlighting potential areas for growth.

Figure 2.3.12:
GDPR PER CAPITA, Hessequa, 2014 - 2024

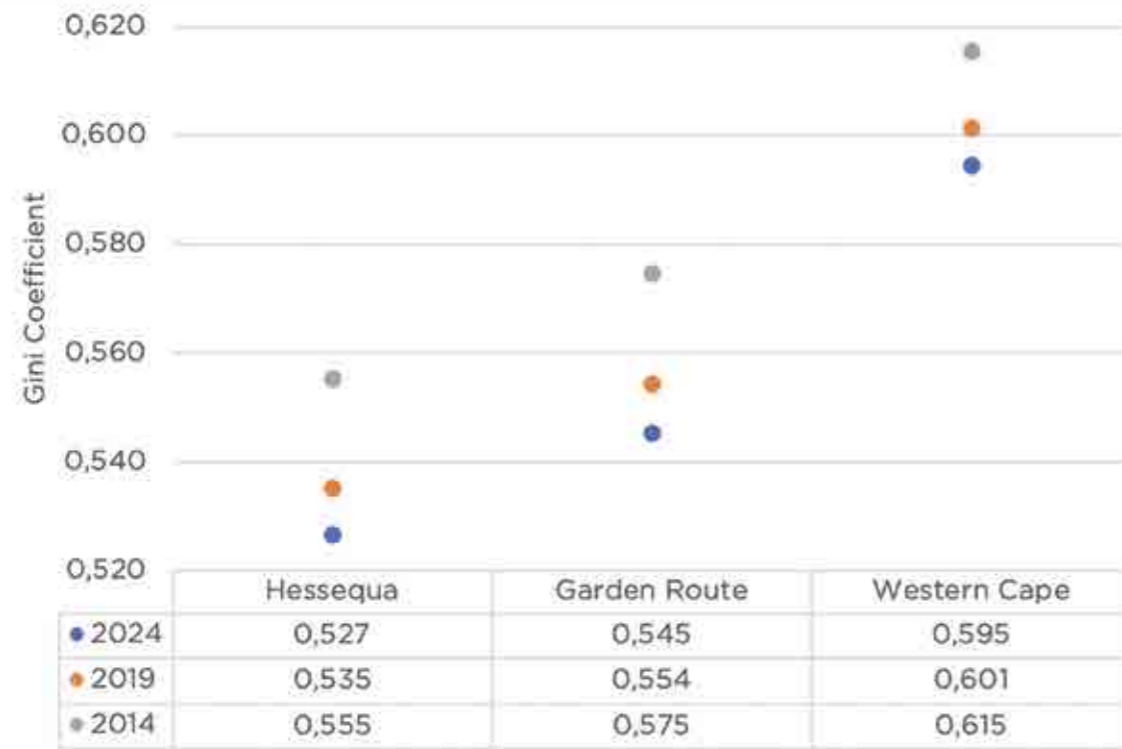


Source: Own calculations from Quantec (2025) and MYPEPPU 2025.2

It is important to acknowledge that the distribution of GDPR per capita in Hessequa is not uniform. Disparities prevail, with a segment of the population enjoying affluence while other residents grapple with financial challenges in an economic landscape characterised by inflation and unemployment.

South Africa has one of the highest levels of inequality worldwide as measured by the Gini index. Inequality manifests through a skewed income distribution, unequal access to opportunities, and regional disparities. The National Development Plan 2030 (NDP) has set a target for reducing income inequality in South Africa – namely, lowering the Gini coefficient from 0.700 (the figure recorded in 2010) to 0.600 by 2030.

Figure 2.3.13:
GINI COEFFICIENT, Hessequa, 2014 - 2024



Source: Quantec, 2025

The Gini index trends show that Hessequa consistently exhibits lower income inequality compared to both the GRD and the Western Cape. From 2014 to 2024, Hessequa’s Gini coefficient declined from 0.555 to 0.527, reflecting gradual progress in reducing inequality. By contrast, the ratio of the GRD decreased from 0.575 to 0.545. The Western Cape remained the most unequal, its Gini coefficient only declining from 0.615 to 0.595 over the same period.

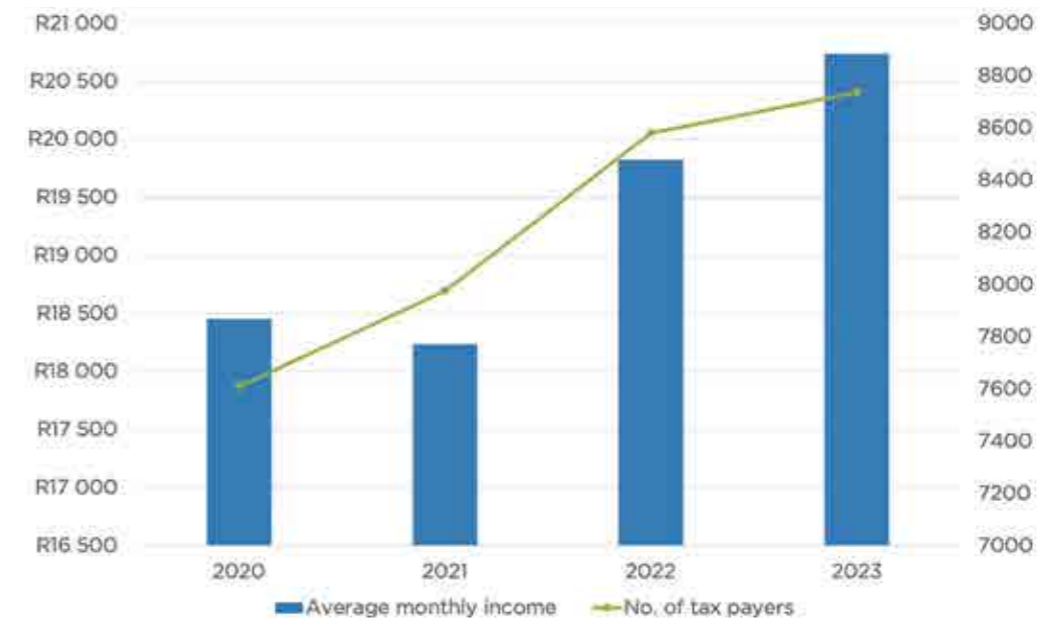
Hessequa’s comparatively lower Gini Index indicates a more equitable distribution of income, and is probably linked to its smaller, rural economy having limited extremes of wealth and poverty. However, this does not imply the absence of socioeconomic hardship. Instead, it reflects a more uniform socioeconomic reality, where poverty may be widespread but is less polarised. Lower inequality here is rooted not in prosperity, but in the absence of major economic hubs or high-income enclaves that typically drive sharp disparities.

The Gini coefficient is a measure of income inequality. It is a number between 0 and 1, where 0 corresponds to perfect equality (everyone has the same income) and 1 corresponds to perfect inequality (one person has all the income, and everyone else has none). While the Gini coefficient is widely used, other metrics are also available to assess the gap between wealthy and poor, each providing a different perspective on the economic conditions of a society.

Income Patterns

A closer look at SARS income tax data reveals how inequality translates into everyday realities.

Figure 2.3.14:
INDIVIDUAL TAXPAYERS AND TAXABLE INCOME, Hessequa, 2020-2023

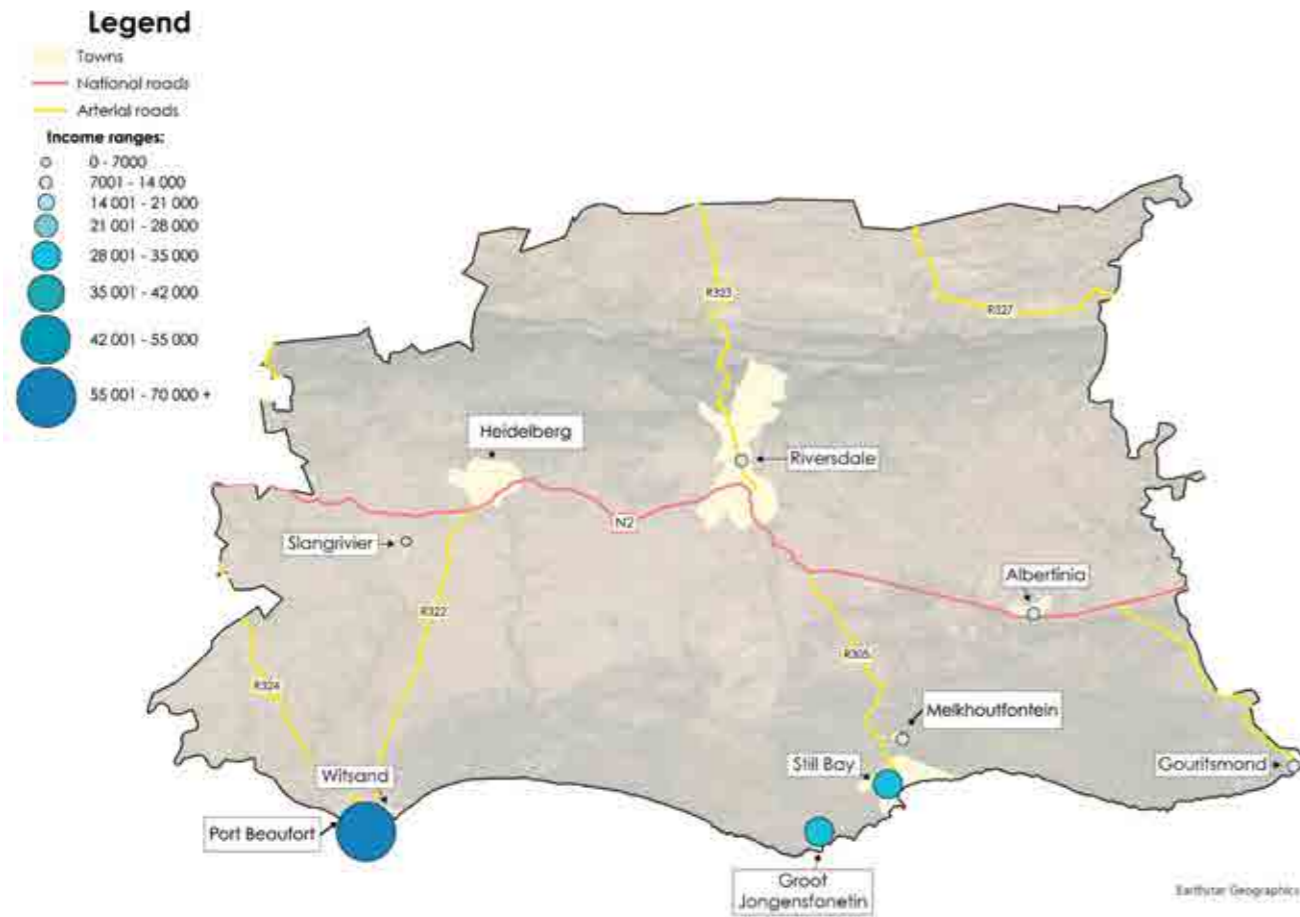


Sources: Quantec, 2025

Hessequa’s tax landscape strengthened between 2020 and 2023, and was marked by rising average taxable incomes and an expanding taxpayer base. Following a minor income dip in 2021, the municipal area experienced a strong recovery, with average incomes climbing above R20 000 per month by 2023. The growing number of registered taxpayers signals improved formal employment and economic inclusion. While these trends reflect a maturing local economy and enhanced revenue potential, they also underscore the need to ensure that income gains keep pace with inflation and service delivery demands.



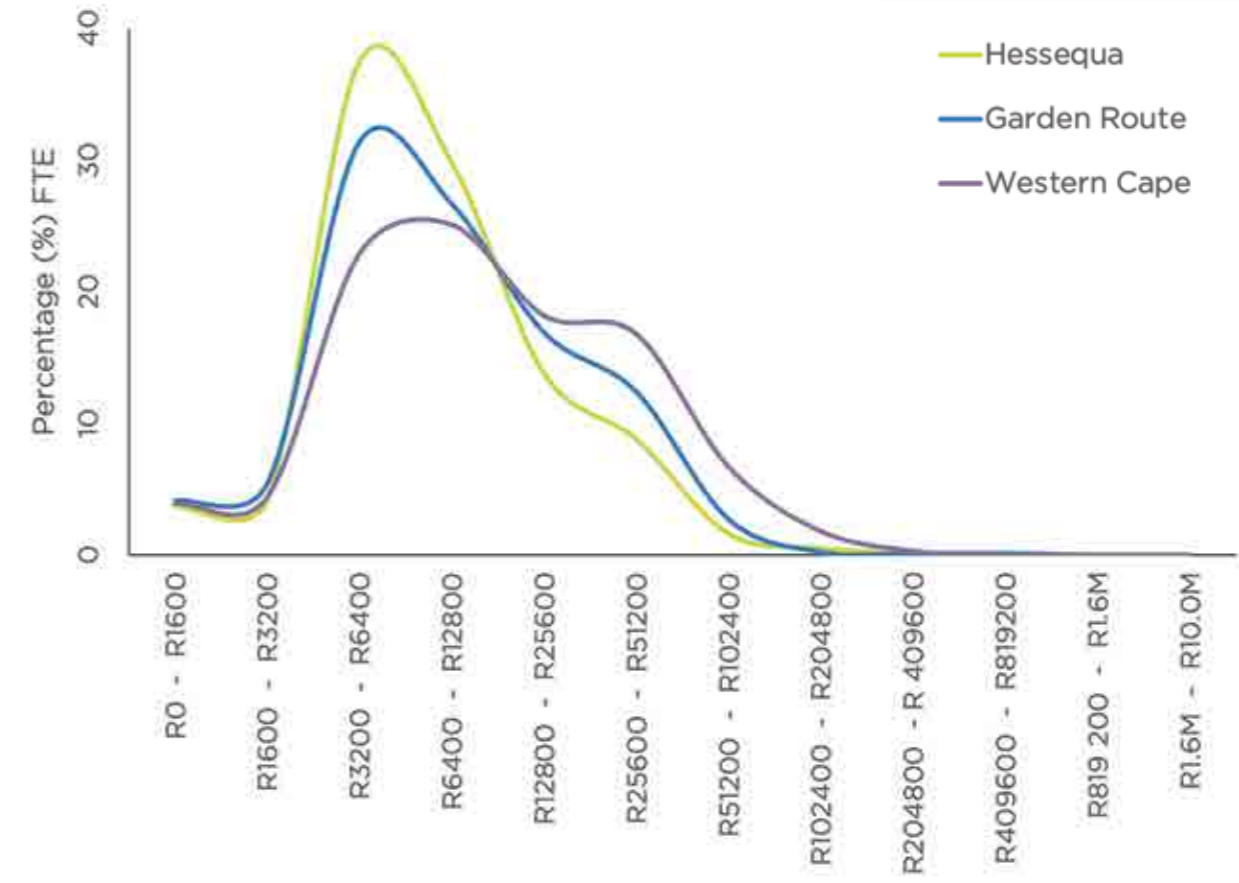
MAP 2.3.1: AVERAGE MONTHLY INCOME PER TOWN, Hessequa, 2024



Source: Western Cape Department of the Premier, 2025

Hessequa exhibits a highly polarised income landscape, where affluent coastal enclaves such as Still Bay, Port Beaufort and Groot Jongensfontein contrast sharply with low-income settlements like Slangrivier and Melkhoutfontein. While tourism and property investment drive high household incomes in luxury coastal areas, core towns such as Riversdale and Albertinia reflect modest employment-based wages. Persistent poverty in rural settlements underscores the need for inclusive development strategies. The socioeconomic profile of Hessequa is thus defined by structural inequality, seasonal economies and uneven access to opportunity, with spatially targeted interventions required to balance growth with social justice.

Figure 2.3.15: WAGE DISTRIBUTION, Hessequa, 2024



Income Category	No. of FTE per income category
R0 - R1600	200
R1600 - R3200	231
R3200 - R6400	2 042
R6400 - R12800	1 623
R12800 - R25600	753
R25600 - R51200	480
R51200 - R102400	88
R102400 - R204800	28
R204800 - R 409600	3
R409600 - R819200	1
R819 200 - R1.6M	2
R1.6M - R10.0M	

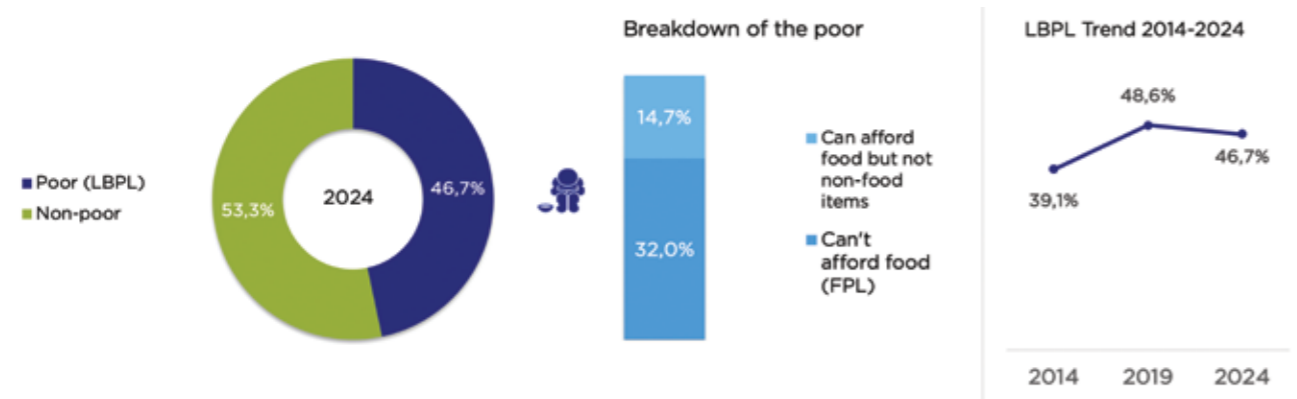
Source: Spatial Tax Data, 2025

Hessequa’s wage profile is impacted by the presence of a dominant low-income workforce, with nearly three-quarters of earners bringing home less than R12 800 per month. The middle-income group remains modest, while high-income earners constitute a negligible share of the local economy. Compared to District and provincial benchmarks, Hessequa shows deeper income concentration at the lower end of the spectrum, reflecting its dependence on low-wage and seasonal industries. This income structure constrains household resilience, limits local demand expansion and narrows the municipal revenue base – underscoring the need for targeted local economic development, skills enhancement and diversification to foster inclusive growth.

Poverty

In 2024, 53.3 per cent of the municipal population lived below the lower-bound poverty line (LBPL). Almost a third of residents – 32.0 per cent – were unable to afford food in terms of the food poverty line (FPL), while 14.7 per cent were able to meet food needs but not non-food needs. Although this reflects an improvement from the 2019 peak of 48.6 per cent, poverty levels remain considerably higher than in 2014 (39.1 per cent).

Figure 2.3.16:
POVERTY HEADCOUNT RATE, Hessequa, 2014 – 2024



Source: Quantec, 2025

Nearly half of Hessequa’s population lives below the LBPL, highlighting the municipal area’s entrenched structural inequality and reliance on low-income, seasonal employment. While wealthier coastal communities elevate overall averages, deep poverty persists in rural and historically marginalised settlements. This imbalance undermines inclusive growth, constrains household resilience and limits municipal revenue capacity. Addressing poverty in Hessequa thus requires integrated strategies that expand local economic opportunities, improve access to education and mobility, and strengthen social protection systems to break the cycle of deprivation.

The national poverty lines were calculated using a cost-of-basic-needs approach that links welfare to the consumption of goods and services. The lines address both food and non-food components of household consumption expenditure.

- Food poverty line – R796 (in May 2024 prices) per person per month. This refers to the amount of money that an individual will need to afford the minimum required daily energy intake. The food poverty line is commonly referred to as the “extreme” poverty line.
- Lower-bound poverty line – R1109 (in May 2024 prices) per person per month. This refers to the food poverty line plus the average amount required for non-food items of households whose total expenditure is equal to the food poverty line.
- Upper-bound poverty line – R1 634 (in May 2024 prices) per person per month. This refers to the food poverty line plus the average amount required for non-food items of households whose food expenditure is equal to the food poverty line.

2.3.5 Basic service delivery

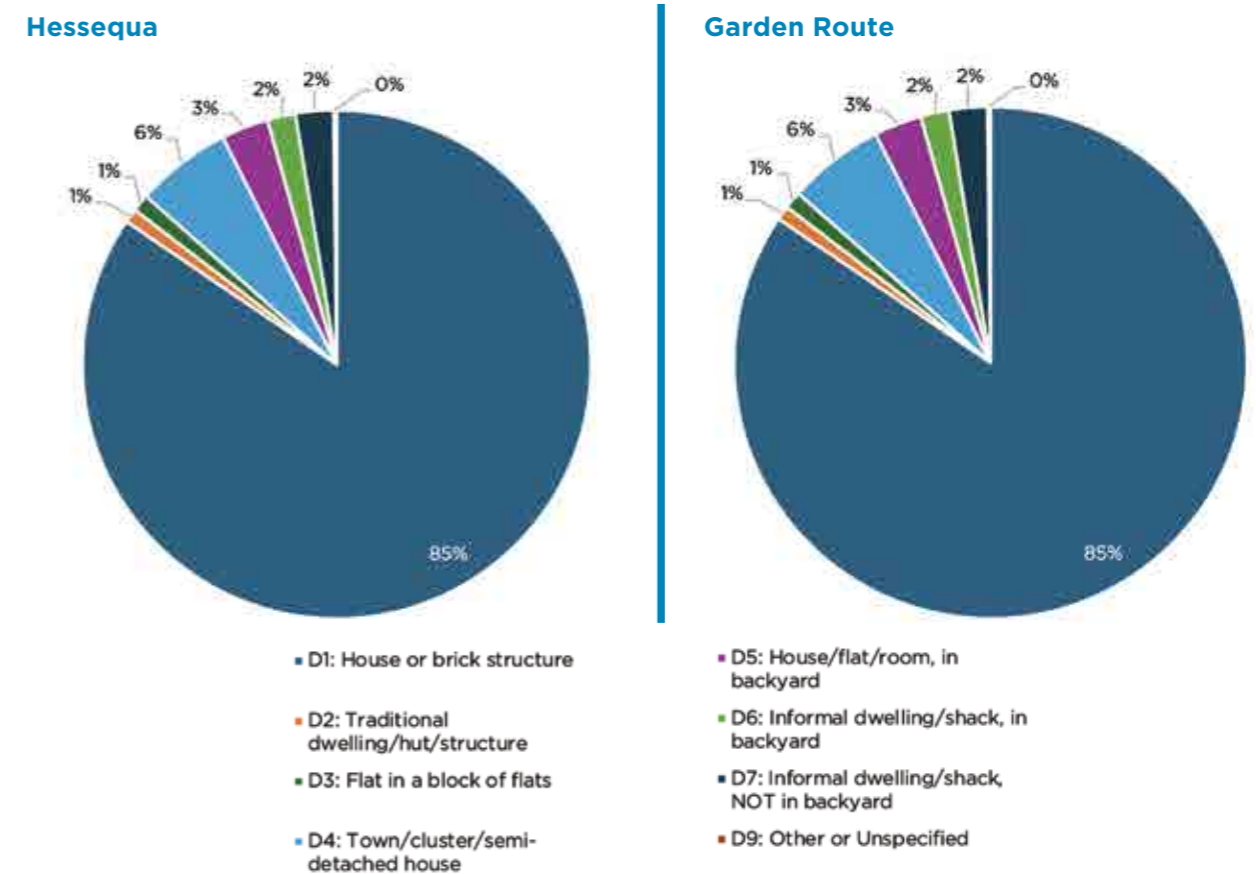
The Constitution of the Republic of South Africa provides every citizen with the right to access adequate housing, and the state must employ reasonable legislative and other measures, within available resources, to progressively realise this right. Access to housing encompasses essential services such as the provision of clean water, basic sanitation, safe energy sources and waste removal, ensuring that households maintain a decent standard of living. This section considers the extent to which this has been achieved.

Housing and Household Services

In 2024, the Hessequa municipal area included an estimated 15 874 households, 85.0 per cent of which lived in formal dwellings.¹¹⁷ This was slightly above the GRD average of 78.2 per cent. The remaining households were distributed across other housing types. Primarily due to population growth and limited affordable housing, 4.2 per cent lived in informal dwellings or shacks in a backyard, and 7.2 per cent in informal dwellings or shacks not in a backyard.

Furthermore, 0.9 per cent occupied traditional dwellings, while 0.2 per cent resided in other forms of residence or unspecified housing types.

Figure 2.3.17:
HOUSING TYPES, Hessequa, 2024

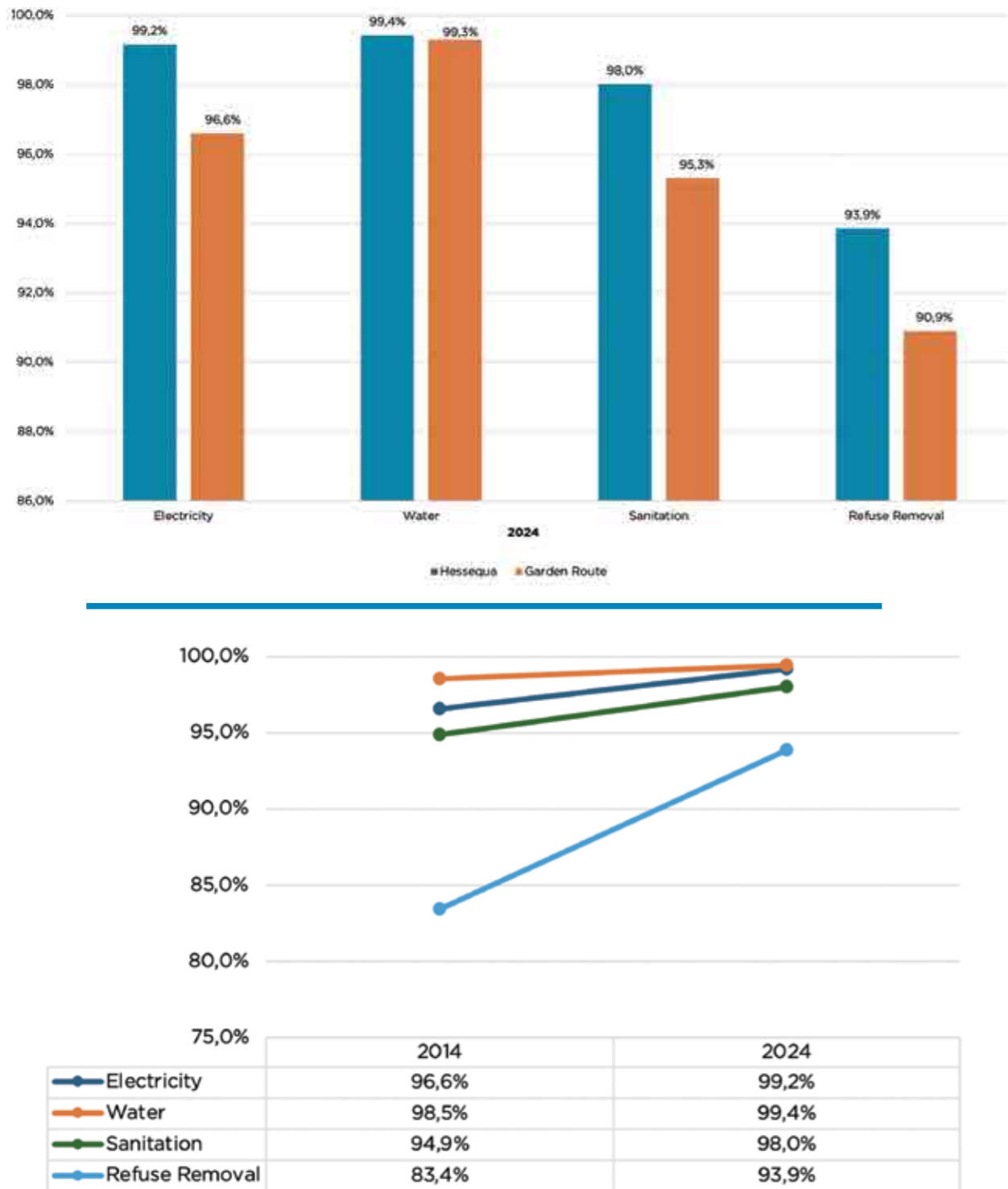


Source: Quantec, 2025

Hessequa’s housing profile is dominated by formal dwellings, reflecting a relatively stable and well-serviced municipal area compared to the broader GRD. However, the persistence of informal and backyard housing in specific towns signals underlying affordability constraints and income inequality. The low share of traditional and informal dwellings underscores the urban character of the municipal area. However, it also highlights the need for continued investment in affordable housing, tenure security and spatial integration in the effort to ensure inclusive human settlement development across all communities.

¹¹⁷ (MYPE, 2021).

Figure 2.3.18:
ACCESS TO BASIC SERVICES, Hessequa, 2014 - 2024



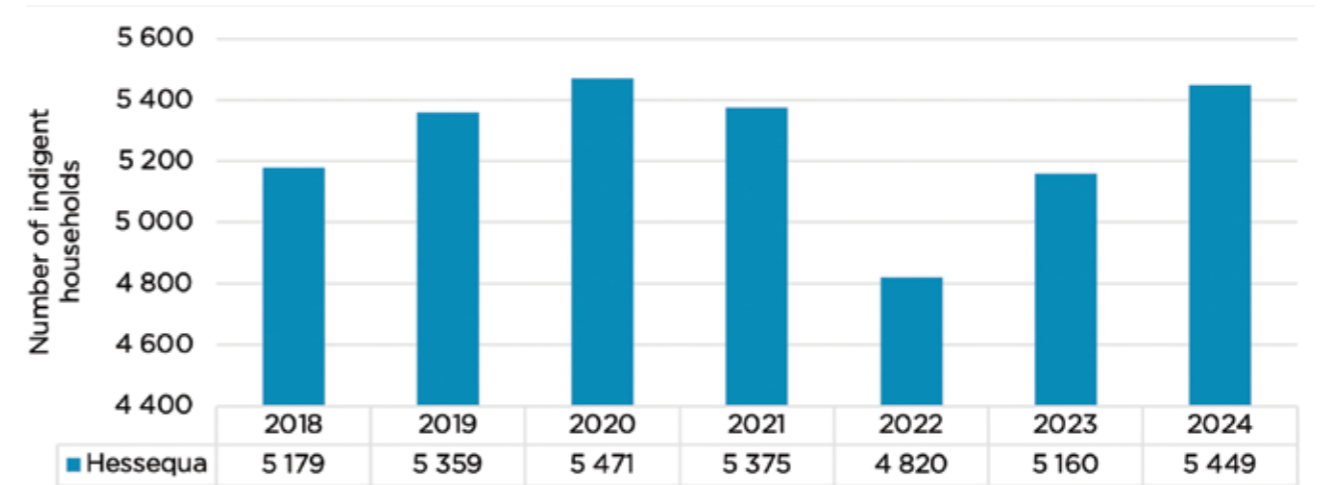
Source: Quantec, 2025

Hessequa has achieved near-universal access to electricity, water and sanitation services, outperforming the GRD average across all basic service indicators. Over the past decade, access levels have steadily improved, with the most significant progress made in refuse removal coverage. These outcomes reflect sound municipal management, investment in infrastructure, and successful housing formalisation.

However, persistent service backlogs in poorer and rural settlements underscore spatial inequality, while sustainability concerns related to infrastructure upkeep and resource availability remain. Maintaining service quality and ensuring equitable access will be central to preserving Hessequa’s strong socioeconomic performance over the long term.

Free Basic Services

Figure 2.3.19:
INDIGENT HOUSEHOLDS, Hessequa, 2018 - 2024



Source: Western Cape Department of Local Government, 2025

The number of indigent households receiving free basic services in Hessequa remained relatively stable between 2018 and 2024, averaging about 5 300. Fluctuations reflected broader economic conditions, with the number of registered indigent households peaking during the COVID-19 period and rising again amid renewed cost-of-living pressures in 2024. This trend reflected persistent household vulnerability despite relatively strong municipal service coverage and overall economic stability. The Free Basic Services programme continues to safeguard social equity and access to essential utilities. However, it also signals the ongoing challenge in this municipal area of balancing social protection with fiscal sustainability in a context of structural poverty and limited local economic expansion.

2.3.6 Safety and security

High levels of poverty and inequality have given rise to elevated crime levels, necessitating the development of the Western Cape Safety Plan. In it, the Western Cape Government (WCG) expresses a vision to ensure that the Province is a place where all people feel secure and can live free from fear. Hessequa shares this goal, as the region is not spared from the safety concerns present throughout the Province and GRD.

TABLE 2.3.5: CRIME PER 100 000 PEOPLE, Hessequa, 2022 - 2024

CRIME CATEGORY	Actual Numbers			Trend	Crime per 100 000 Population	
	2022	2023	2024		Hessequa	Garden Route
Murder	14	11	7	↓	13	33
Sexual Offences	31	29	57	↑	104	139
Common assault	492	466	461	↔	844	798
Malicious damage to property	192	179	149	↓	272	397
Burglary at residential premises	315	332	311	↓	569	526
Commercial crime	130	208	189	↓	346	392
Drug-related crime	580	801	903	↑	1651	1085
Driving under the influence of alcohol or drugs	81	120	138	↑	253	259

Source: Own calculations from Quantec, (2025); and MYPEPPU (2025.2) data

Crime trends in Hessequa between 2022 and 2024 revealed a declining number of violent and property-related offences but a rise in social and substance abuse-related crimes. The municipal area maintained a relatively low murder rate compared to the District average, reflecting effective community safety efforts. However, the surge in drug-related and sexual offences underscored deep-seated social vulnerabilities linked to unemployment, youth marginalisation and substance dependency. These dynamics highlight a dual reality: while Hessequa remains one of the safer municipal areas of the GRD, persistent social distress and behavioural crime demand integrated socioeconomic interventions that focus on prevention, rehabilitation and community empowerment.

There was a significant 50.0 per cent reduction in murders during the reference period, suggesting improved community safety and policing visibility. Hessequa's murder rate (13 cases per 100 000 people in 2024) was well below the GRD average (33 cases per 100 000 people), indicating relative social stability.

The number of sexual offences rose sharply in 2024 after a year in which the total had fallen, the increase possibly due to improved reporting, awareness campaigns and/or post-pandemic social pressures. This requires targeted social and victim support interventions.

There was a slight but consistent decline in common assault. However, this offence remained the most prevalent violent crime, reflecting domestic and interpersonal tensions tied to alcohol abuse and socioeconomic strain.

In terms of burglary at residential premises, a stable but high incidence was observed. This indicated persistent opportunistic crime that was probably linked to unemployment and poverty pressures. The rate of burglaries at residential premises was slightly higher than that of the GRD, pointing to ongoing socioeconomic vulnerability.

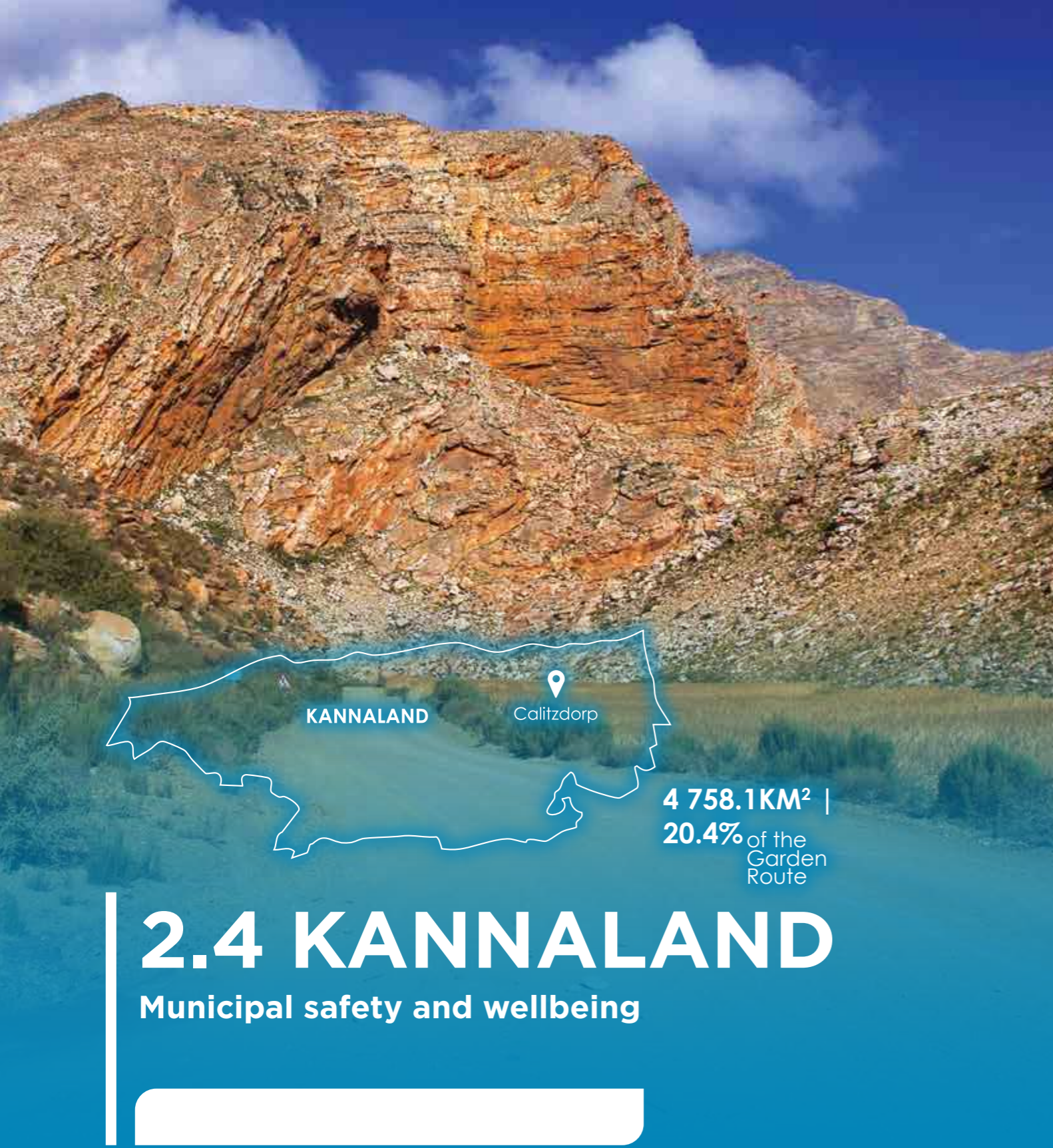
Consistent with national increases in cyber and fraud-related cases, there was a rise in commercial crime. This reflected growing digital engagement and possibly insufficient business-level security awareness.

2.3.7 Conclusion

Hessequa is a small, predominantly rural municipal area with a stagnating and ageing population, modest household growth and signs of youth out-migration. While this tempers growth in demand for what goods and services, it also diminishes the local labour pool and consumer base. The income profile is polarised, with a large share of low-wage workers: coastal enclaves display high household incomes, but most earners bring home less than R12 800 per month. Furthermore, about 45.0 per cent of residents remain poor, constraining resilience and the municipal revenue base. Despite these headwinds, housing and service access is strong: formal housing dominates, and electricity, water and sanitation access are near-universal. However affordability pressures keep approximately 5 300 households dependent on free basic services.

Health outcomes are mixed. Service coverage is broad, with residents of Hessequa having access to clinics as well as ART and TB sites. The immunisation rate is comparatively high, and TB treatment numbers are declining. However maternal and neonatal indicators are volatile, ambulance coverage is thin, and teenage pregnancy has ticked up - pointing to access gaps in emergency obstetrics. Education performance is a bright spot, with the municipal area recording stable enrolments, improved retention and excellent matric results. That said, limited post-school pathways risk accelerating youth out-migration. Safety levels are comparatively good (the region has experienced lower murder and assault rates in recent years), but drug-related crime, driving under the influence, and sexual offences are rising, signalling social stress.





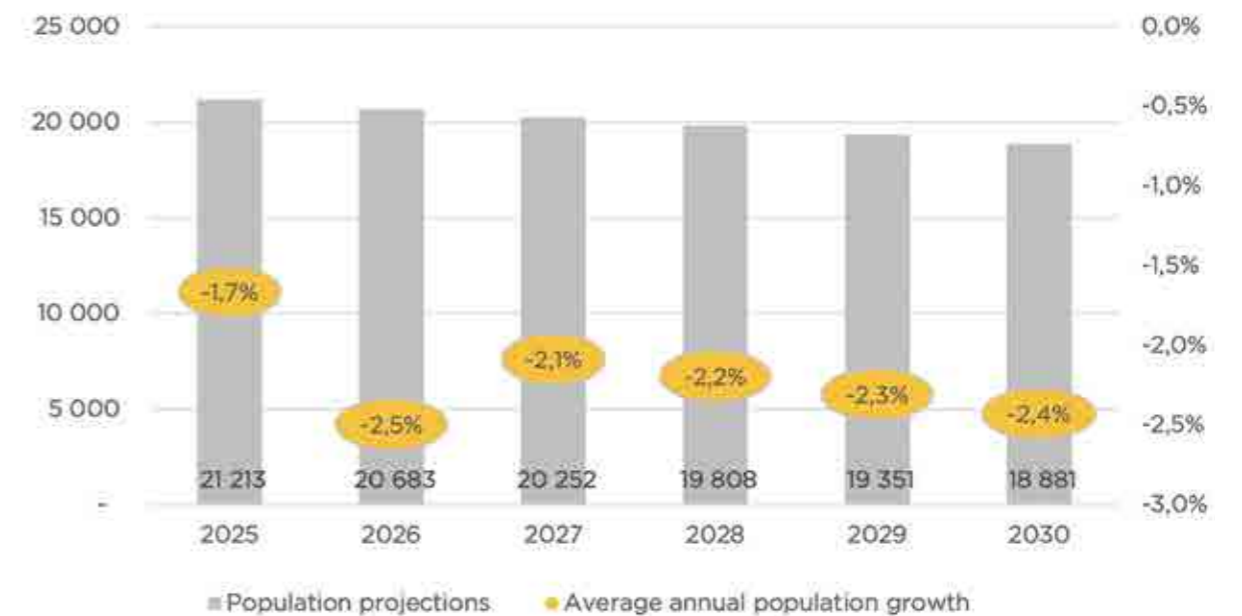
2.4.1 Demographics

An understanding of population dynamics is critical, as it allows for effective municipal planning and the equitable provision of public services. Population size, household growth, age structure and migration patterns directly impact and influence the demand for infrastructure, housing, education, healthcare and social services. Monitoring these trends enables policymakers to anticipate service delivery needs, allocate resources efficiently, and design interventions that promote both social wellbeing and economic resilience.

Population and household growth

The Kannaland municipal area spans 4 758 km² and is located along the R62 in a remote, scenic part of the Garden Route District (GRD). In 2025, Kannaland was home to 21 213 residents, making it the least-populated municipality of the District, despite accounting for 20.4 per cent of the total GRD land area. With a population density of just 4.5 people per km², Kannaland is both the least urbanised and most sparsely populated municipal area of the region. Its strong agricultural base reflects a predominantly rural character, with farming serving as the main source of employment.

Figure 2.4.1:
POPULATION GROWTH, Kannaland, 2025 - 2030



Source: MYPEPPU, 2025.2¹¹⁸

Projections in terms of the Mid-year population estimates (MYPE) by the Western Cape Government (WCG) Provincial Population Unit released in October 2025 suggest that the population of the Kannaland municipal area will experience a decline of 2.3 per cent on average per annum over the 2025 to 2030 period, predominantly as a result of outmigration from this locale into more developed regions.

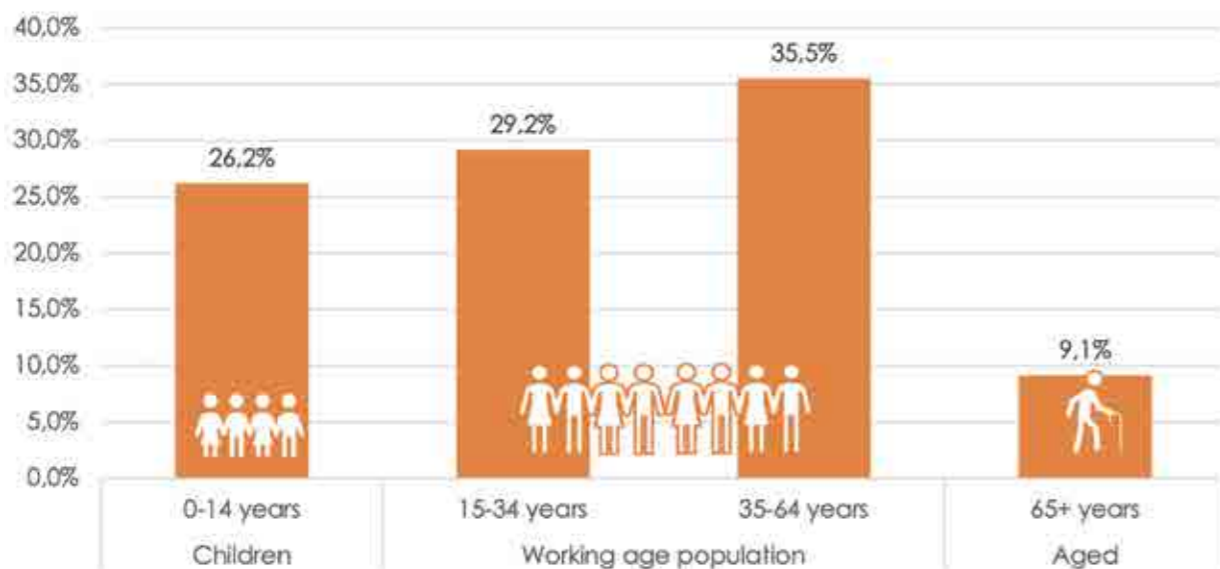
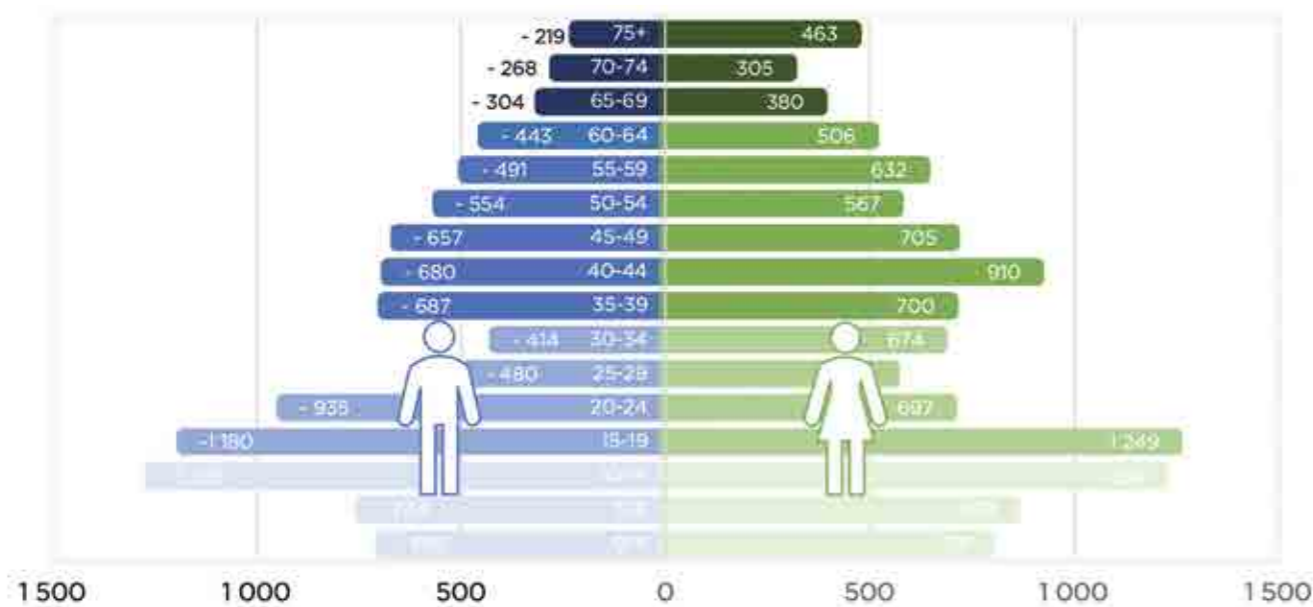
¹¹⁸ Provincial, district and local municipality population estimates by sex and age (2002-2034) based on StatsSA MYPE base year 2025 released in October 2025 and LM MYPE series 2021

This section examines the social trends that shape the identity of the Kannaland municipal area. Population dynamics, income trend, housing needs and basic service delivery are reviewed, and a nuanced examination provided of healthcare, education and crime metrics. Overall, the section offers a comprehensive view of community wellbeing and prospects, showing the interplay of social and economic undercurrents in the municipal area.

In 2025, the Kannaland municipal area was estimated to have 4 983 households, with an average household size of 4.3 persons. The relatively large household sizes in this municipal area reflect the high levels of poverty in the area, as many individuals are unable to afford independent living arrangements. It should be noted that the number of households recorded in Census 2022 exceeds that used in the Local Government Equitable Share (LGES) calculations by 31.3 per cent, indicating a significantly higher-than-projected increase in households between 2011 and 2022. This divergence, also evident when comparing the MYPEPPU 2025.2 and census data, has important implications for municipal service provision and infrastructure planning. Given the high proportion of indigent households, it also poses implications for the Municipality’s revenue base.

Gender, Age and Race Dynamics

Figure 2.4.2:
POPULATION PYRAMID, Kannaland, 2025

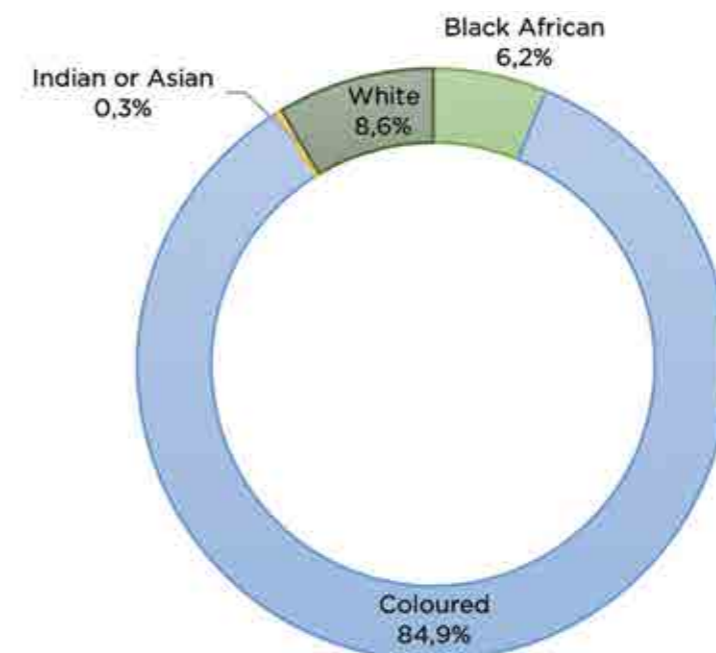


Source: MYPEPPU, 2025.2

A detailed analysis of Kannaland’s demographic profile for 2025 shows that approximately 64.7 per cent of residents fell within the economically active age group (15 to 64 years). The population distribution skewed toward females from age 25 upwards. This reflected the out-migration of working-age males, probably in search of employment opportunities elsewhere. About 26.2 per cent of the population was younger than 14 years, contributing to a high dependency ratio and signalling rising demand for educational resources and future job opportunities. In addition, 9.1 per cent of the population was aged 65 and older, suggesting that Kannaland, as with much of the GRD, has become an increasingly desirable location for retirees.

These demographic dynamics have direct implications for municipal planning, particularly in the provision of adequate housing, education, healthcare, and social services to meet the needs of a diverse age structure. Sustained employment creation is essential for retaining the working-age population and strengthening local economic growth.

Figure 2.4.3:
RACIAL COMPOSITION, Kannaland, 2024



Source: Quantec, 2025

The population profile of the Kannaland municipal area is highly homogeneous, with the coloured community forming the overwhelming majority at 84.9 per cent (2024 figures), and shaping much of the municipal area’s social and cultural character. The white population accounted for 8.6 per cent of residents, making it the second-largest group, followed by the black African population at 6.2 per cent. The latter has a relatively small presence compared to the number of black Africans in more urbanised parts of the Province. The Indian or Asian population accounted for just 0.3 per cent of the population, indicating a very minor demographic footprint.

Overall, the distribution shows limited diversification, consistent with Kannaland’s rural character, agricultural base and historically rooted settlement patterns. The insights outlined above illustrate the demographic and social realities shaping Kannaland’s development trajectory. A declining working-age population, coupled with sizeable youth and elderly cohorts, underscores the need for inclusive, age-responsive municipal planning. Addressing these trends strategically will help ensure sustainable growth, economic resilience and equitable service delivery within the municipal area.

2.4.2 Health and wellness

South Africa's healthcare system comprises both public and private providers, forming a critical pillar of the nation's human capital and economic productivity. Public health facilities, supported by government funding, play a central role in ensuring equitable access to healthcare by the broader population, while the private sector caters to those with the means to afford additional services. The public healthcare system operates on a referral model, providing primary care through clinics and escalating more complex cases to district and regional hospitals. Access to high-quality healthcare not only improves wellbeing and life expectancy but also strengthens the labour force, reduces productivity losses and supports sustainable socioeconomic development.

The Western Cape, home to a dynamic and diverse population, continues to grapple with complex health and wellness challenges, which are amplified by persistent fiscal constraints and widening socioeconomic disparities. In this context, delivering responsive, high-quality health and wellness services is non-negotiable. It remains a Constitutional imperative and a cornerstone of inclusive, sustainable development.

Access to health facilities

In 2023, only 15.7 per cent of South Africans had access to a medical aid, underscoring the importance of public facilities in delivering essential primary healthcare services to the population. There are currently four fixed primary healthcare facilities in the Kannaland municipal area, along with five mobile/satellite clinics and a district hospital.

At the time of this report, residents of the area also had access to five antiretroviral therapy (ART) sites and seven tuberculosis (TB) clinics, which enhance the availability of critical ART and TB services. With a rising number of ART and TB patients registered for treatment in the municipal area, such services are essential.

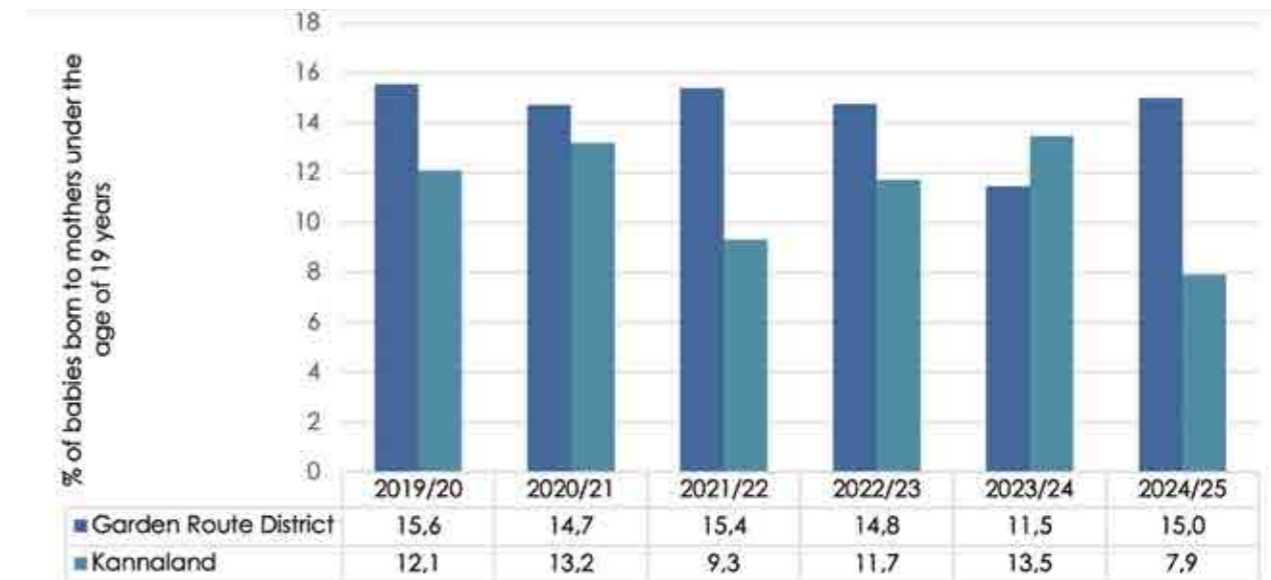
Increasing the number of functioning ambulances contributes to expanding the reach of emergency medical services across the municipal area. In the 2025 fiscal year, the area had four provincial ambulances, translating to 1.25 ambulances per 10 000 residents. It should be noted that this figure pertains exclusively to provincial ambulances and does not include the vehicles of private service providers.

Maternal and child health

Maternal health is a critical aspect of public health, encompassing the wellbeing of women during pregnancy, childbirth and the postnatal period. In South Africa, key issues affecting maternal health include high rates of teenage pregnancy, the prevalence of termination of pregnancy and ongoing challenges related to maternal mortality. These factors not only impact the health outcomes of women and infants but also reflect broader social and economic dynamics that shape reproductive choices and access to healthcare.

Teenage pregnancy

Figure 2.4.4:
DELIVERY RATE TO WOMEN UNDER 19, Kannaland, 2019/20 – 2024/25



Source: Western Cape Department of Health and Wellness, 2025

In the Kannaland municipal area, the proportion of live births to females under 19 years of age declined from 12.1 per cent in 2019/20 (15 births) to 7.9 per cent in 2024/25 (8 births), marking a positive development in efforts to address teenage pregnancy. The municipal rate has consistently remained below the District average, which reached 15.0 per cent in 2024/25.

Teenage pregnancy is calculated as the percentage of babies born to mothers under the age of 19 in a given year.

Teenage pregnancy is almost always unplanned. Consequently, when young parents are placed in the position of having to care for a child, they can find themselves woefully unprepared for the challenges that this brings. This is especially the case if they do not have family members who can assist them or social support.

Termination of Pregnancy

TABLE 2.4.1: TERMINATION OF PREGNANCY RATE, Kannaland, 2019/20 – 2024/25

MUNICIPALITY	Termination of Pregnancy Rate					
	2019/2020	2020/2021	2021/22	2022/23	2023/24	2024/25
Garden Route	0.6	0.5	0.6	0.7	0.6	0.6
Kannaland	0.0	0.0	0.0	0.0	0.0	0.0

Source: Western Cape Department of Health and Wellness, 2025

The termination of pregnancy rate in the Kannaland municipal area remained constant at 0.0 per cent between 2019/20 and 2024/25, indicating that no procedures were recorded during this period.

The absence of reported cases may reflect limited availability of such services within the municipal area, a lack of demand, or the fact that some procedures occur outside formal healthcare systems and are therefore not captured in official records. Understanding these factors is essential for crafting targeted reproductive health interventions, enhancing access to family planning services, and addressing the broader socioeconomic determinants that contribute to unplanned pregnancies and maternal health vulnerabilities.

The termination of pregnancy rate is calculated as the number of women who undergo terminations as a proportion of females aged 15 to 44 years in a given year.

Government hospitals, designated private doctors and gynaecologists, and non-profit providers offer safe and legal termination of pregnancy. To obtain a free abortion, the request must be made at a primary healthcare clinic. At the clinic, the pregnancy will be confirmed, counselling provided, an appointment made with a facility where the procedure can be performed, and a referral letter provided for this facility.

Maternal and neonatal mortality

TABLE 2.4.2: MATERNAL DEATHS PER 100 000 LIVE BIRTHS, Kannaland, 2019/20 - 2024/25

MUNICIPALITY	Maternal Mortality Ratio					
	2019/2020	2020/2021	2021/22	2022/23	2023/24	2024/25
Garden Route	31.7	115.4	53.7	68.5	70.2	46.3
Kannaland	0.0	0.0	0.0	0.0	0.0	0.0

Source: Western Cape Department of Health and Wellness, 2025

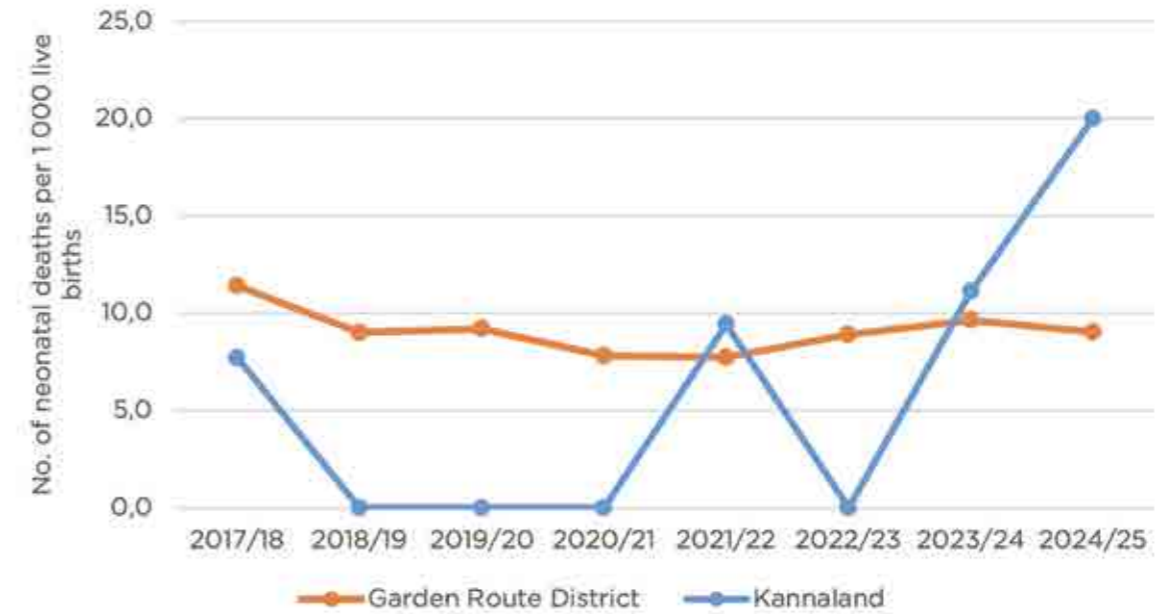
Similarly, no maternal deaths were reported in the Kannaland municipal area over the 2019/20 to 2024/25 period. The absence of recorded maternal deaths points to effective antenatal and maternal health services.

The maternal mortality rate is the number of maternal deaths per 100 000 live births in public health facilities* in a given year.

Maternal death is death that occurs in the course of a pregnancy, during childbirth or the puerperium, or within 42 days of termination of pregnancy. This is irrespective of the duration and site of pregnancy and irrespective of the cause of death (obstetric or non-obstetric).

* Private facilities do not report data on live births routinely or completely.

Figure 2.4.5: NEONATAL MORTALITY RATE, Kannaland, 2019/20 - 2024/25



Source: Western Cape Department of Health and Wellness, 2025

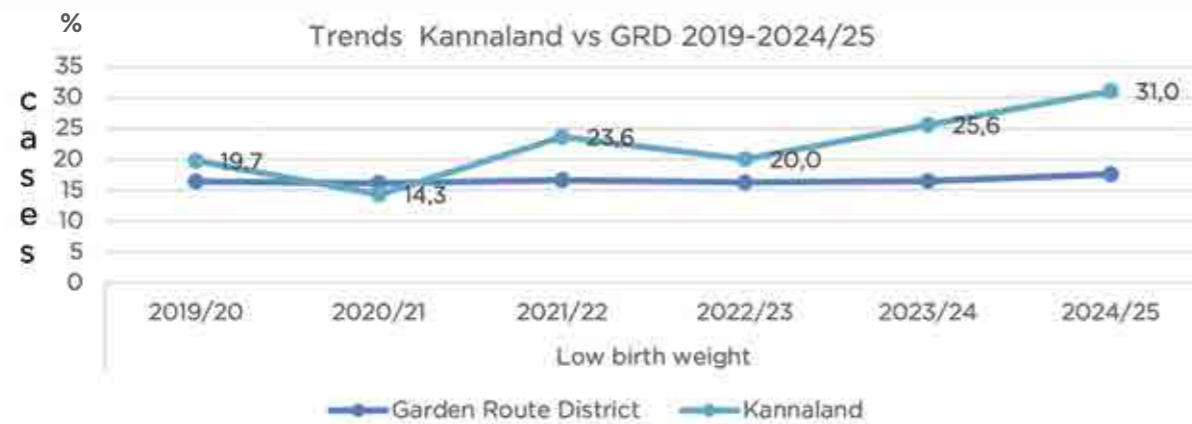
Unfortunately, two babies died before reaching 28 days of life during 2024/25. The neonatal mortality rate of the municipal area (20 deaths per 1 000 live births) was therefore higher than the District rate for the year (9 deaths per 1 000 live births). Awareness and education campaigns conducted by the Department of Health and Wellness (DoHW) encourage pregnant women to seek early antenatal care during pregnancy and to attend postnatal visits to identify risks to mother and child as early as possible. Such interventions help to prevent avoidable maternal and neonatal deaths.

The neonatal mortality rate is the number of neonates that die before reaching 28 days of age per 1 000 live births in a given year.

The first 28 days of life (i.e. the neonatal period) constitute the most vulnerable time for a child's survival. The Province set a target for 2019 of 6.0 neonatal deaths per 1 000 live births.

Low birth weight

Figure 2.4.6:
LOW BIRTH WEIGHT, KANNALAND, 2019/20 - 2024/25



Source: Western Cape Department of Health and Wellness, 2025

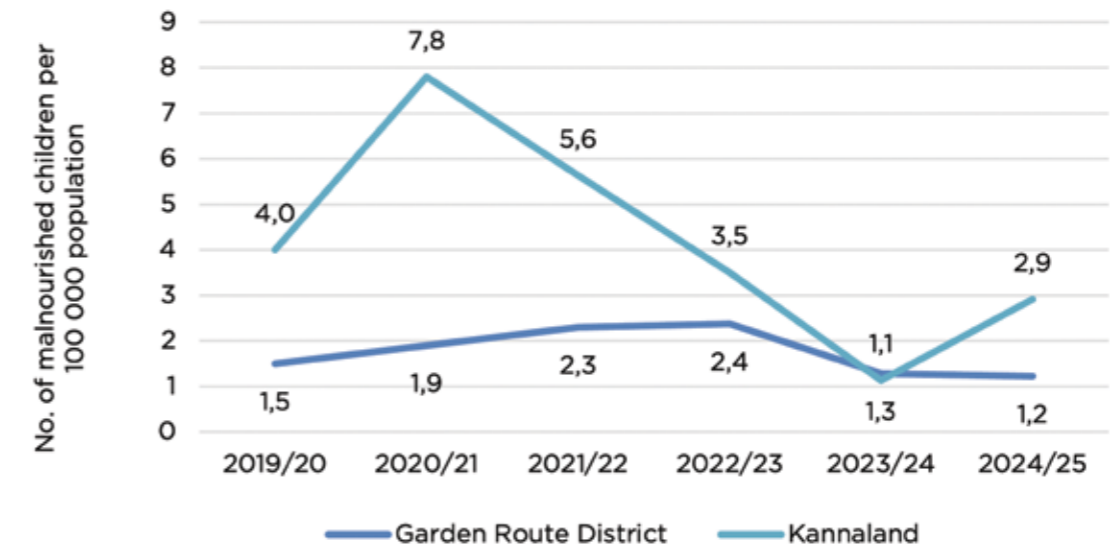
Maternal health and nutrition are critical determinants of birth outcomes, with birth weight serving as a key indicator of both foetal development and maternal wellbeing. In Kannaland, the incidence of low birth weight (defined as less than 2 500 g at birth) has risen markedly, increasing from 25.6 per cent in 2023/24 to 31.0 per cent in 2024/25. This positions the area as having the third-highest rate in the Western Cape. The upward trend signals heightened vulnerability among expectant mothers, potentially linked to poor nutritional status, limited access to antenatal care, and socioeconomic stressors. In contrast, the broader GRD recorded the significantly lower rate of 17.6 per cent in 2024/25. The elevated prevalence in Kannaland implies a need for targeted maternal health interventions, including improved nutritional support, expanded access to primary healthcare, and community-based education programmes. Strengthening these services is essential for mitigating adverse birth outcomes and reducing long-term developmental risks among infants in high-incidence areas.

The low birth weight rate is the percentage of all babies, in a given year, who are born alive in a facility and weigh less than 2 500g at birth.

Low birth weight is associated with a range of short- and long-term difficulties.

Malnutrition

Figure 2.4.7:
MALNUTRITION, KANNALAND, 2019/20 - 2024/25



Source: Western Cape Department of Health and Wellness, 2025

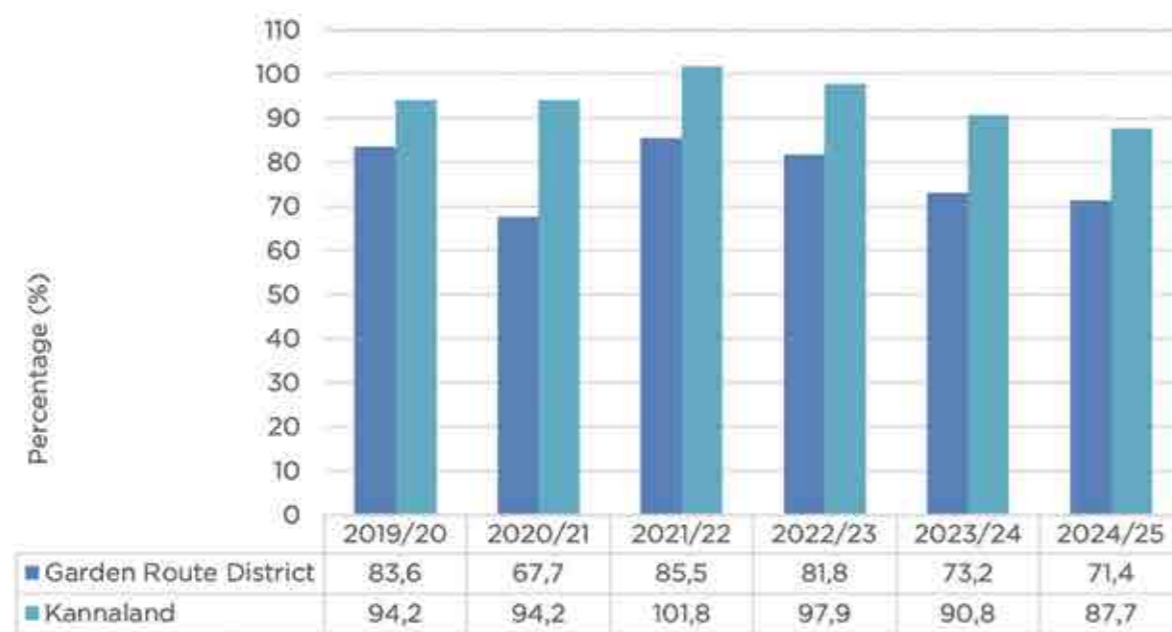
The prevalence of malnutrition among children under five in Kannaland dropped sharply from 2020/21 to 2023/24, falling from a peak of 7.8 children per 100 000 to 1.1 per 100 000. The rate subsequently rose slightly (to 2.9) in 2024/25. Despite this uptick, rates remain below pre-pandemic levels. The trend suggests a gradual improvement in child nutrition and public health interventions. While reductions in poverty and the expansion of government feeding schemes have supported this progress, significant challenges persist in ensuring household access to adequate and nutritious food. This underscores the need for sustained socioeconomic and food security measures.

The severe acute malnutrition rate is the number of malnourished children under five years of age per 100 000 people in a given year.

Malnutrition may refer to either under-nutrition (an individual not receiving adequate amounts of nutrients) or over-nutrition (an individual receiving excessive amounts of nutrients).

Immunisation

Figure 2.4.8:
IMMUNISATION RATE, Kannaland, 2019/20 - 2024/25



Source: Western Cape Department of Health and Wellness, 2025

In 2024/25, Kannaland recorded the immunisation of 347 children under the age of one, reflecting a coverage rate of 87.7 per cent. While this exceeded the GRD average of 71.4 per cent, it fell short of the DoHW Provincial target of 90.0 per cent. The decline from a peak of 101.8 per cent in 2021/22 to current levels signals a concerning downward trend in early childhood immunisation. This reduction increases the vulnerability of infants to preventable diseases and undermines public health resilience.

Emerging evidence attributes the decline in part to growing vaccine hesitancy, a tendency influenced by misinformation and anti-vaccine sentiment during the COVID-19 pandemic. In response, the DoHW has launched targeted awareness campaigns and localised catch-up programmes. To restore and sustain optimal immunisation coverage, further investment in community engagement, health education, and trust-building initiatives is recommended, particularly in areas showing early signs of declining uptake.

The immunisation rate is the number of children immunised, in a given year, per total number of children less than one year of age.

Immunisation protects both adults and children against preventable infectious diseases. Low immunisation rates speak to the need for parents to understand the critical importance of immunisation.

Burden of disease

HIV and AIDS

TABLE 2.4.3: TOTAL REGISTERED PATIENTS ON ART, Kannaland, 2019/20 - 2024/25

MUNICIPALITY	Total registered patients receiving ART					
	2019/2020	2020/2021	2021/22	2022/23	2023/24	2024/25
Garden Route	25 738	26 996	27 825	29 858	30 984	31 833
Kannaland	712	726	778	784	745	774

Source: Western Cape Department of Health and Wellness, 2025

Between 2019/20 and 2024/25, the number of patients receiving ART in the GRD increased steadily from 25 738 to 31 833, indicating improved treatment access and programme reach. In contrast, Kannaland's ART enrolment remained relatively flat, increasing marginally from 712 to 774 over the same period. A temporary decline in 2023/24 suggests possible challenges in patient retention or service continuity. The slower growth in Kannaland underscores the need for strengthened local health systems and targeted outreach efforts. Addressing these gaps is essential to ensuring equitable HIV care across all municipalities.

Tuberculosis

TABLE 2.4.4: TOTAL REGISTERED TB PATIENTS, Kannaland, 2019/20 - 2024/25

MUNICIPALITY	Number of TB patients registered for treatment					
	2019/2020	2020/2021	2021/22	2022/23	2023/24	2024/25
Garden Route	4 732	4 676	4 941	5 259	5 207	5 390
Kannaland	254	229	223	237	203	294

Source: Western Cape Department of Health and Wellness, 2025

Between 2019/20 and 2024/25, Kannaland registered fluctuating numbers of TB patients, with the total declining from 254 to 203 before rising sharply to 294 in 2024/25. This recent increase, the highest in six years, contrasts with the more stable upward trend observed across the GRD. While the spike may reflect improved case detection, it also signals potential public health concerns that require closer investigation. Strengthening TB screening, treatment adherence and community health outreach will be critical to reversing this trend. Targeted interventions are crucial for reducing transmission and enhancing long-term health outcomes in the municipal area. A provincial TB recovery plan, guiding TB interventions until 2028, was released for adoption by health services in 2023.

The DoHW has adopted a health ecosystem approach to enhance the coordination and sharing of critical, yet often limited, resources across geographic areas and levels of care. This approach seeks both to strengthen healthcare service delivery and to address the broader social determinants of health, recognising that improved health outcomes require a whole-of-government and whole-of-society response.

Within this framework, the Kannaland Municipality plays a vital role by providing access to clean drinking water, sanitation and refuse removal as well as by ensuring effective air quality management. A healthy population, in turn, serves as a cornerstone of economic productivity and sustainable growth in the municipal area.

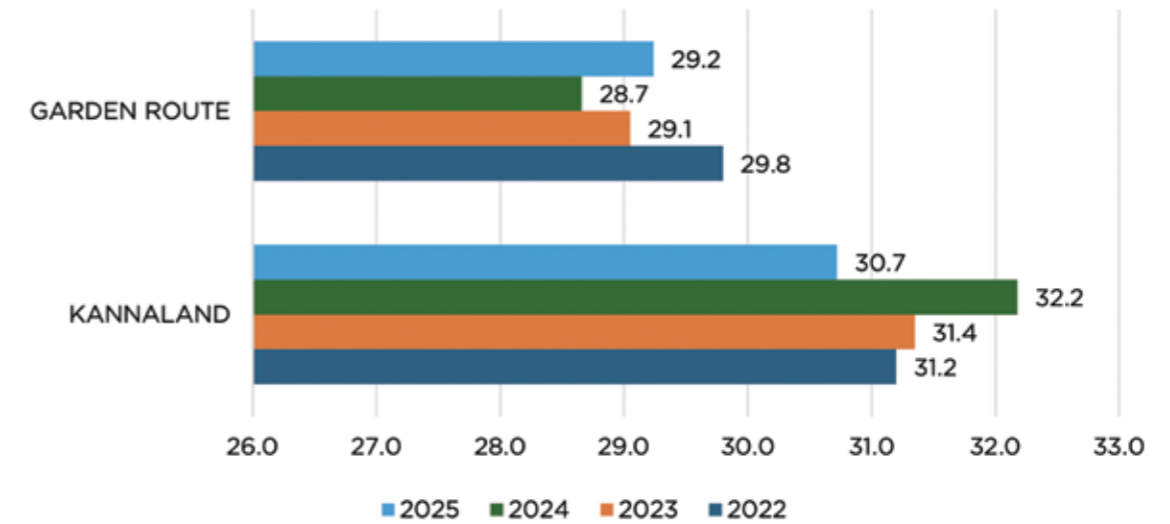
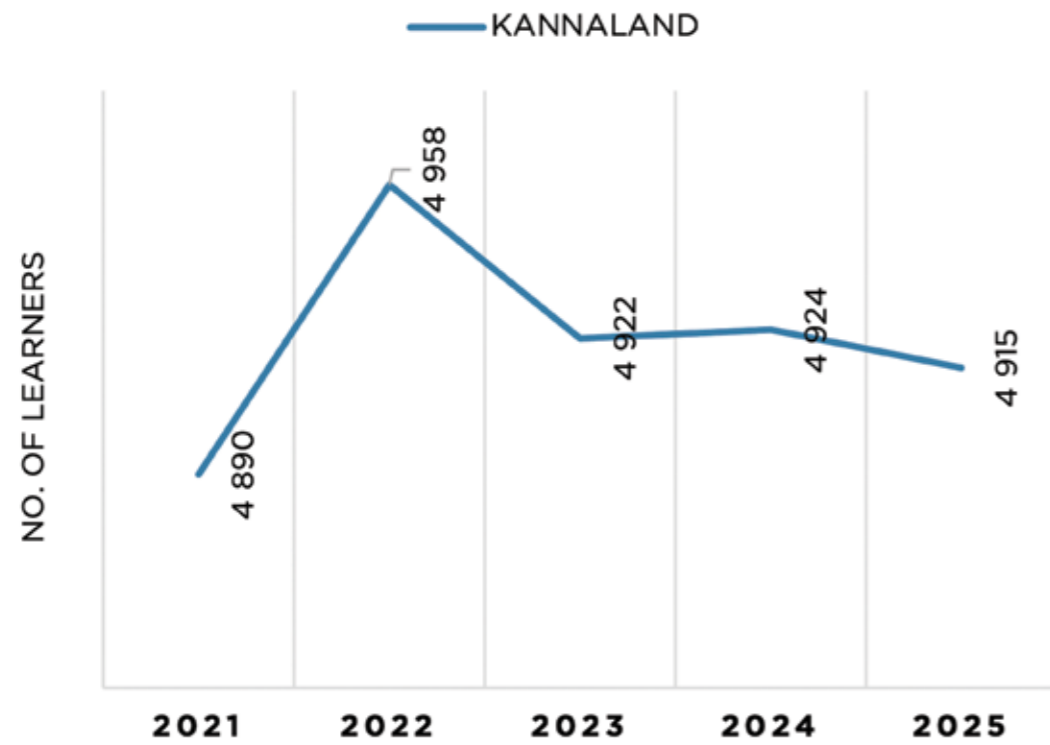
2.4.3 Education

Education resources

Education and skills development play a vital role in shaping the socioeconomic landscape of Kannaland. They empower the population and significantly impact the growth and human resource capacity of the local economy. The Western Cape Education Department (WCED) is committed to ensuring access to education for children in the the municipal area, which currently has 14 schools.

Of these schools, 92.9 per cent operate as no-fee schools. This is positive, given that a substantial 24.0 per cent of learners in the 2021 General Household Survey cited financial constraints as their primary reason for dropping out of school. The drop-out rate may be worse in Kannaland due to the low income prevalent in this municipal area, which is characterised by agricultural activities. Seven schools have libraries. This is particularly important for disadvantaged learners in the municipal area, as libraries create an enriched learning environment that supports academic achievement, fosters a love of reading, and prepares students for a lifetime of learning.

Figure 2.4.9:
LEARNER ENROLMENT AND LEARNER-TEACHER RATIO, Kannaland, 2021 - 2025

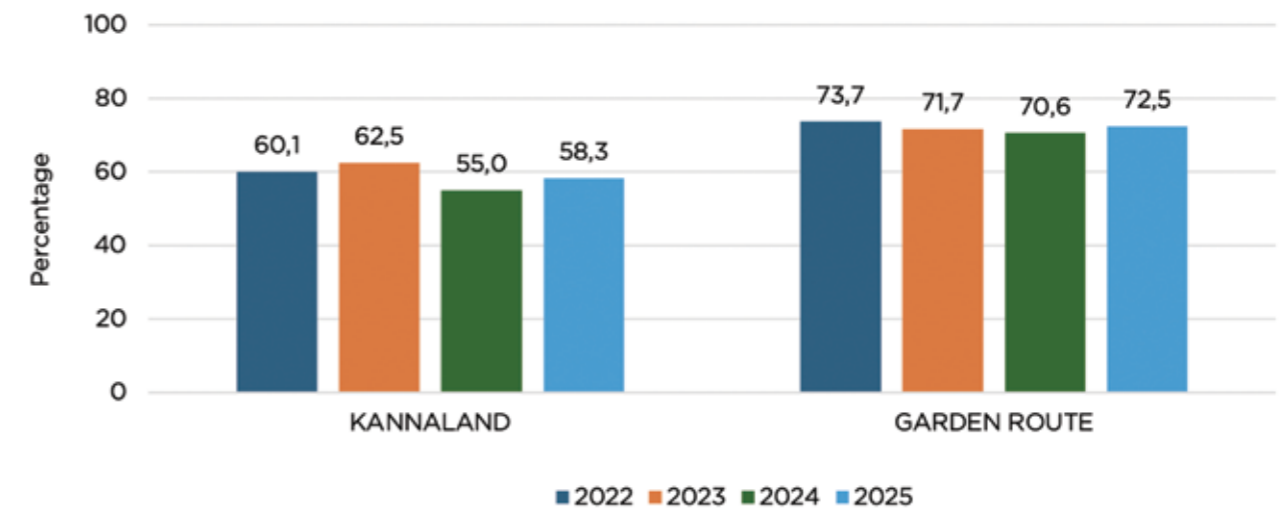


Source: Western Cape Education Department, 2025

In 2025, the Kannaland municipal area recorded the lowest learner enrolment in the GRD, primarily due to its relatively small and declining population. Between 2024 and 2025, enrolment fell by nine pupils, yet the learner-teacher ratio rose to 30.7:1. The rising learner-teacher ratio is reflective of a decline in teachers employed in the municipal area. This ratio exceeded both the Provincial and District averages; however, Kannaland is still below the thresholds deemed acceptable for public high schools (35:1) and primary schools (40:1). Nonetheless, elevated ratios can strain teaching capacity, reduce individual learner support and negatively impact educational outcomes. Larger class sizes may also exacerbate inequalities, particularly in under-resourced schools. These dynamics highlight the need for continued investment in educational infrastructure and staffing to promote equitable, high-quality learning environments across the the municipal area.

Retention rates

Figure 2.4.10:
GRADE 10 TO 12 LEARNER RETENTION RATE, Kannaland, 2022 - 2025



Source: Western Cape Education Department, 2025

Kannaland’s Grade 10 to 12 retention rates show persistent underperformance compared to those of the GRD. Figures fluctuated between 55.0 per cent and 62.5 per cent from 2022 to 2025, while the regional benchmark remained stable above 70.0 per cent. After a modest improvement in 2023, Kannaland experienced a sharp decline in 2024, followed by a partial recovery in 2025. Despite this recovery, learner retention rates remained, on average, 14.0 percentage points below the GRD average. This volatility suggests localised challenges, highlighting the need for targeted interventions to improve retention and close the equity gap within the District.

Several factors contribute to drop-out rates, including economic hardships such as poverty and unemployment, social challenges like teenage pregnancy, limited local opportunities that discourage further education, and personal circumstances that reduce academic engagement. Addressing this issue requires a coordinated, community-led approach that strengthens support systems and fosters an inclusive environment where every learner has a fair opportunity to succeed.

Education outcomes

Figure 2.4.11:
MATRIC PASS RATE, Kannaland, 2021 - 2024



Source: Western Cape Education Department, 2025

Despite Kannaland’s low rate of learner retention, matric pass rates have remained consistently high. The pass rate rose from 86.8 per cent in 2021 to an impressive 94.3 per cent in 2024, outperforming the GRD rate for most of the reference period. This contrast suggests that while fewer learners reach Grade 12, those who do are achieving strong academic outcomes. However, these dynamics raise equity concerns, as high pass rates mask the underlying challenge of significant learner attrition. The latter undermines broader educational access and long-term socioeconomic mobility within the municipal area.

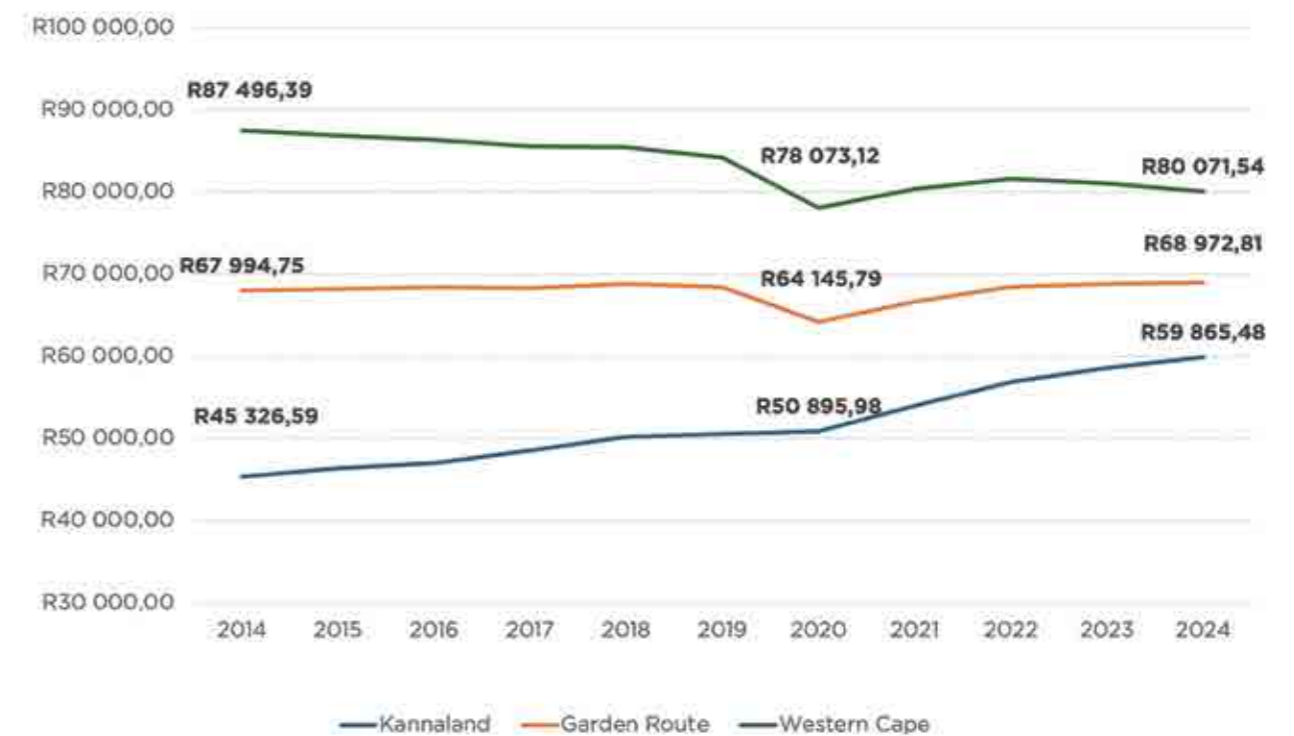
The growing demand for skilled labour in Kannaland underscores the critical role of matric completion and tertiary qualifications in reducing poverty and fostering local economic growth. Encouragingly, census data reflects progress in educational attainment: the share of individuals over 20 years without schooling declined from 6.0 per cent in 2011 to 3.2 per cent in 2022, while the proportion those with higher education increased from 4.2 per cent to 6.0 per cent over the same period. These trends, though modest, signal a gradual shift towards a more educated and productive workforce, which is essential for improving household incomes and supporting sustainable regional development.

2.4.4 Poverty, income & inequality

In Kannaland, the story of income is one of contrasts. While some households experience rising prosperity, others face persistent financial strain. This analysis examines gross domestic product per region (GDPR) per capita to assess overall economic activity and the Gini coefficient to determine the extent of income inequality. A review of tax data gathered by the South African Revenue Service (SARS) provides insight into median incomes, patterns of income distribution and the number of contributors to the tax system. Consideration is also given to the matter of poverty, showing how economic deprivation intersects with broader income patterns and illustrating the inequalities that shape everyday life in the municipal area.

Income inequality

Figure 2.4.12:
GDPR PER CAPITA, Kannaland, 2014 - 2024



Source: Own calculations from Quantec (2025) and MYPEPPU 2025.2

Between 2014 and 2024, Kannaland’s economic growth outpaced population expansion. This resulted in a substantial increase in GDPR per capita of 32.1 per cent, compared to a marginal 1.4 per cent growth for the broader GRD. The improvement reflects rising living standards and enhances economic wellbeing within the municipality. GDPR per capita grew from R45 327 in 2014 to R59 865 in 2024, indicating a positive momentum. However, this growth stemmed from a relatively low base and remained significantly below the averages for both the District and the Western Cape. The above data highlight the need for strategies to accelerate inclusive economic development and realise the untapped potential of the region.

It is imperative to acknowledge that the distribution of GDP per capita within the Kannaland municipal area is not uniform. Disparities prevail, with a small segment of the population enjoying affluence while other residents grapple with financial challenges in an economic landscape characterised by inflation and unemployment.

The level of inequality in South Africa is among the highest in the world, as measured by the Gini coefficient. Inequality stems from unequal access to opportunities as well as from regional disparities, which manifest through skewed income distribution. The National Development Plan 2030 (NDP) has set a target for reducing income inequality in South Africa, specifically lowering the Gini coefficient from 0.700 (the figure recorded in 2010) to 0.600 by 2030.

Figure 2.4.13:
GINI COEFFICIENT, Kannaland, 2014 - 2024



Source: Quantec, 2025

Kannaland has already achieved the NDP target, recording a Gini coefficient of 0.483 in 2024. This positions the municipal area as being among those with the most equitable income distributions in the District. However, when considered alongside Kannaland’s relatively low GDP per capita, the coefficient suggests that most households continue to face constrained economic opportunities and limited resources.

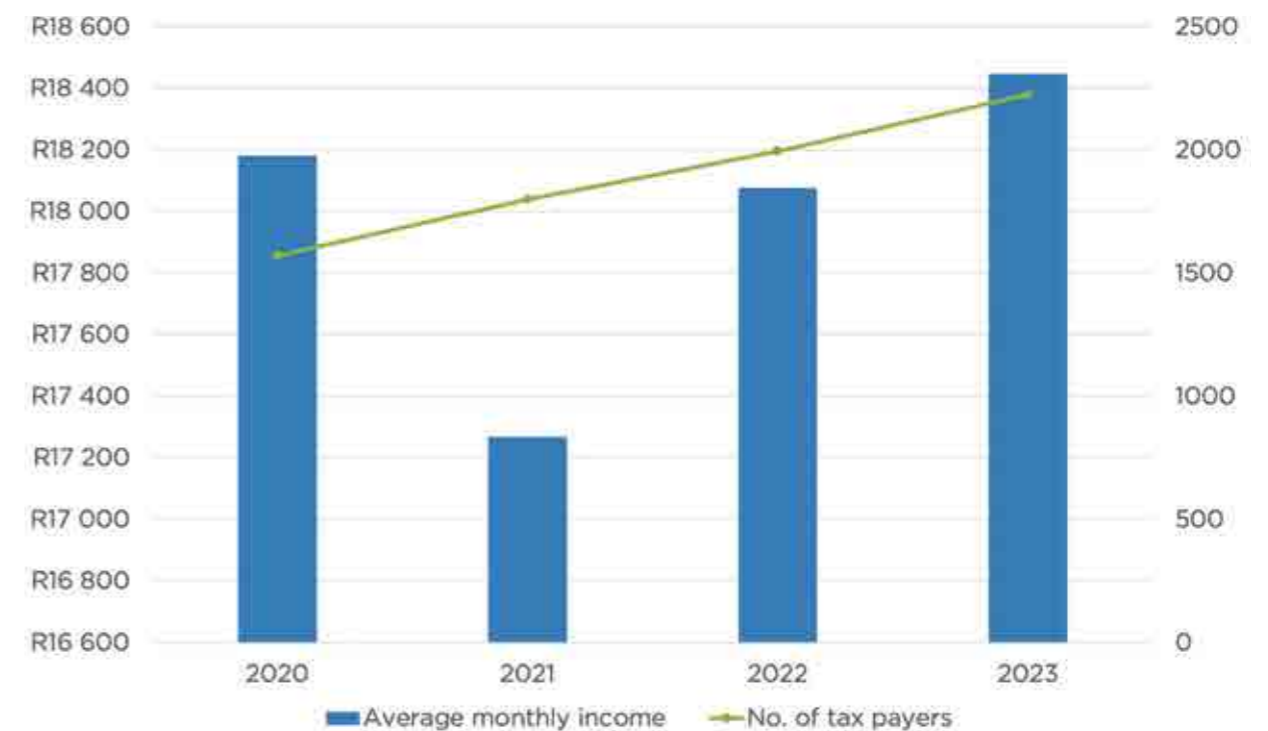
By international standards, income inequality remains elevated, reflecting disparities between higher-paid employment in Ladismith, driven by manufacturing and tourism, and the lower earnings of agricultural workers in smaller towns such as Calitzdorp, Van Wyksdorp and Zoar. Encouragingly, income inequality has declined steadily over the past decade, improving from 0.503 in 2014 to 0.485 in 2019, and further to 0.483 in 2024. This signals progress towards more inclusive economic distribution.

The Gini coefficient is a measure of income inequality. It is a number between 0 and 1, where 0 corresponds to perfect equality (everyone has the same income) and 1 corresponds to perfect inequality (one person has all the income, and everyone else has none). While the Gini coefficient is widely used, other metrics are also available to assess the gap between wealthy and poor, each providing a different perspective on the economic conditions of a society.

Income patterns

A closer look at SARS income tax data reveals how inequality translates into everyday realities.

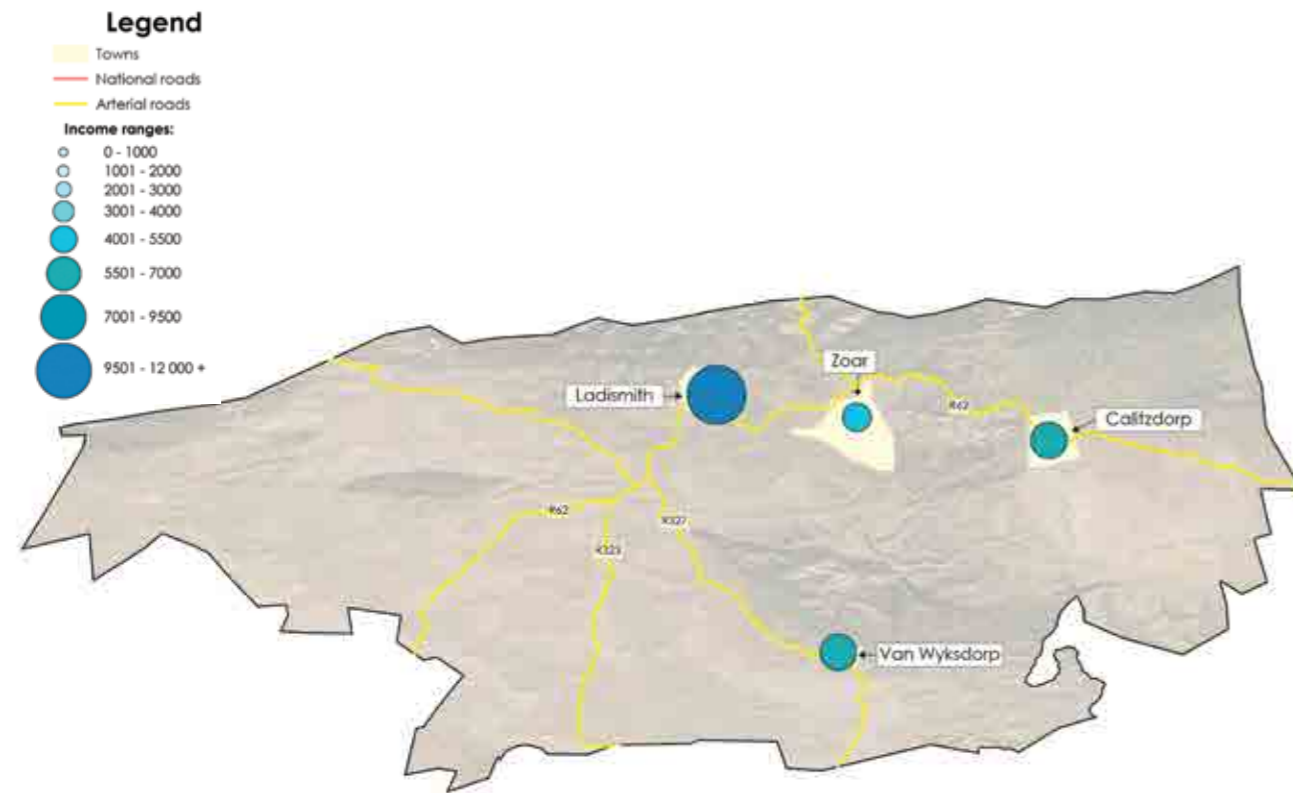
Figure 2.4.14:
INDIVIDUAL TAXPAYERS AND TAXABLE INCOME, Kannaland, 2020 - 2023



Source: Quantec (2025)

Between 2020 and 2023, Kannaland recorded steady growth in the number of taxpayers, which increased from 1 572 in 2020 to 2 227 in 2023. This points to an expanding formal employment base. However, the growth stems from a small base: in 2023, only 16.0 per cent of the working-age population earned a taxable income, compared to 24.3 per cent in the GRD. The average monthly income has shown volatility, declining from R18 182 in 2020 to R17 269 in 2021 (probably due to pandemic-related disruptions) before recovering to R18 448 in 2023. While incomes have rebounded, the rise is modest relative to the sharp increase in taxpayers, suggesting that employment growth is concentrated in lower-paying jobs. This trend highlights the need for strategies that expand employment opportunities while improving wage quality to strengthen household resilience and drive local economic development.

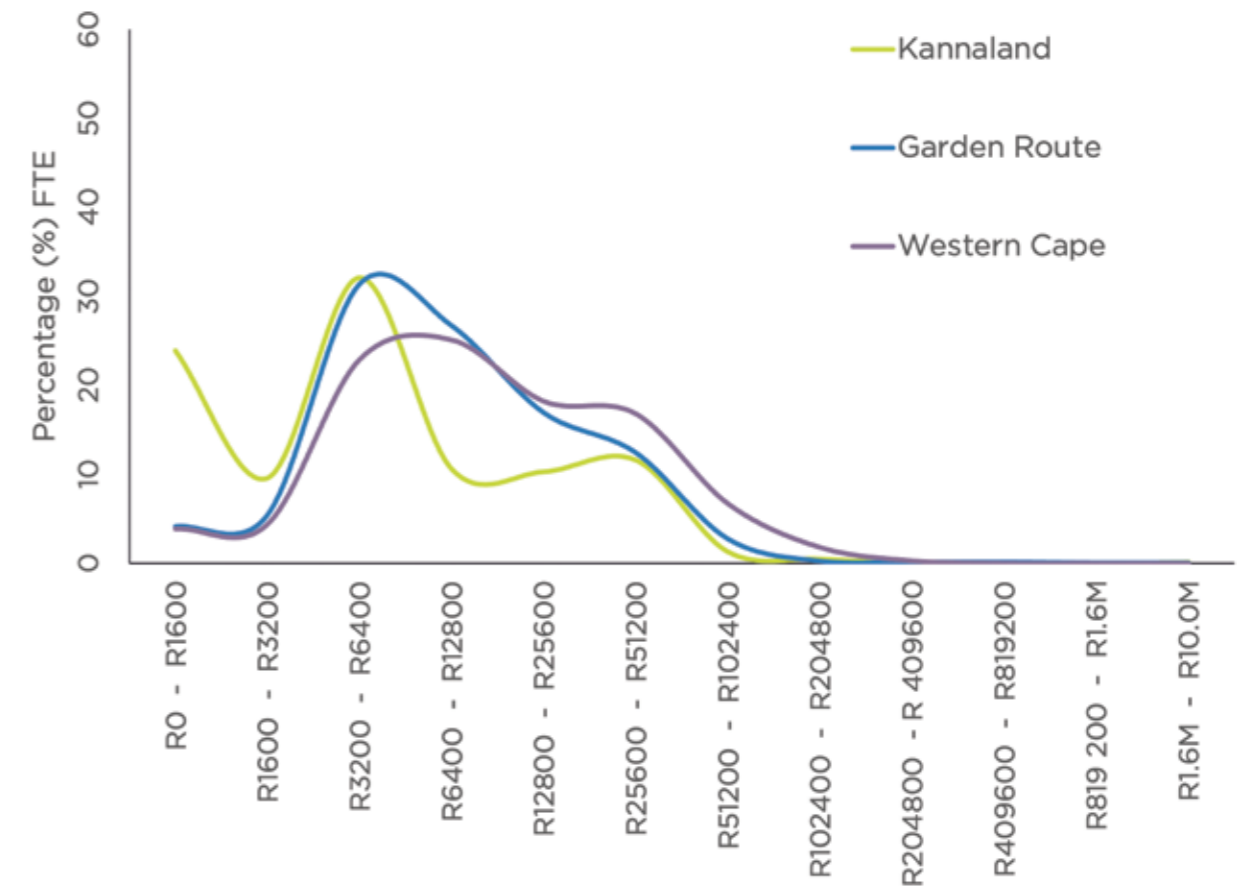
MAP 2.4.1: AVERAGE MONTHLY INCOME PER TOWN, Kannaland, 2024



Source: Western Cape Department of the Premier



Figure 2.4.15: WAGE DISTRIBUTION, Kannaland, 2024



Income Category	No. of FTE per income category
R0 - R1600	453
R1600 - R3200	181
R3200 - R6400	608
R6400 - R12800	200
R12800 - R25600	196
R25600 - R51200	220
R51200 - R102400	25
R102400 - R204800	9
R204800 - R409600	2
R409600 - R819200	0
R819200 - R1.6M	0
R1.6M - R10.0M	1

Source: Spatial Tax Data, 2025

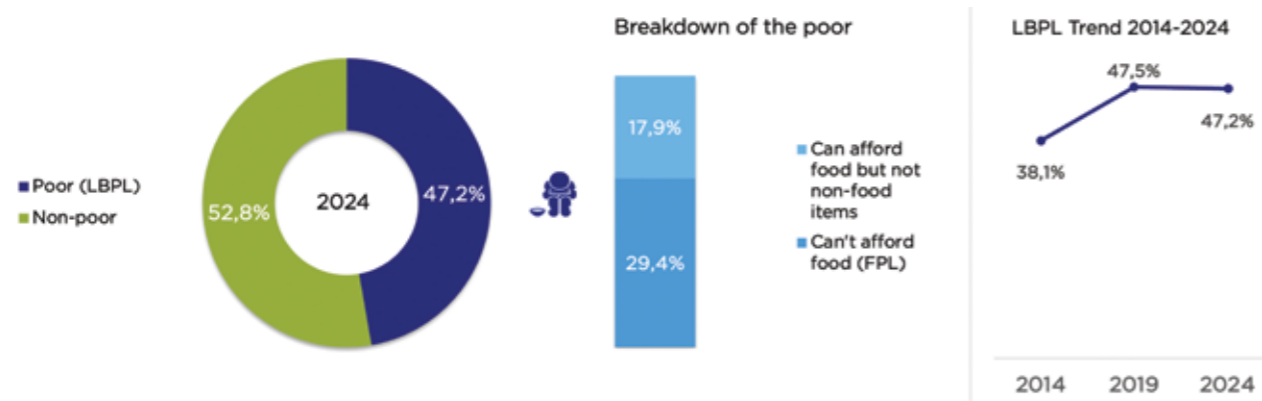
Kannaland’s income distribution reveals stark disparities across towns and income brackets. Ladismith, the economic hub of the municipal area, recorded the highest average monthly household income in 2024 (R11 918). This amount was nearly double the income of Calitzdorp (R6 937) and more than twice those of Zoar (R4 919) and Van Wyksdorp (R5 625), underscoring spatial inequality.

Employment data shows a strong concentration in lower income categories, with 23.9 per cent of full-time workers earning below R1 600 in 2024. Furthermore, 32.1 per cent earned between R3 200 and R6 400, close to minimum wage levels. Overall, 98.0 per cent of workers earned less than R51 200 per month in this year, indicating a highly skewed income profile.

This predominance of lower incomes challenges municipal revenue generation, as it limits income from property rates and service charges while increasing demand for social support and basic infrastructure. These dynamics underscore the urgent need for economic diversification and skills development to expand access to higher-paying employment, reduce poverty, and strengthen municipal financial sustainability.

Poverty

Figure 2.4.16:
POVERTY HEADCOUNT RATE, Kannaland, 2014 – 2024



Source: Quantec, 2025

In 2024, 47.2 per cent of the municipal population lived below the lower-bound poverty line (LBPL). In addition, 29.4 per cent were unable to afford food as represented by the food poverty line (FPL), while 17.9 per cent were able to meet food needs but not non-food needs. Although this reflected an improvement from the 2019 peak of 47.5 per cent, poverty levels remain considerably higher than in 2014 (38.1 per cent).

In 2024, Kannaland recorded a lower poverty rate (47.2 per cent) than the GRD (53.3 per cent) and the Western Cape (53.3 per cent). Nonetheless, the scale of poverty in the municipal area remains significant, with many households facing its adverse effects. These include reduced life expectancy, food insecurity, malnutrition, limited educational attainment, and exposure to crime and substance abuse. The NDP has set a goal of eradicating poverty by 2030, highlighting the need for income support measures such as social grants and municipal indigent policies as well as free provincial services like healthcare and education. These are critical for cushioning vulnerable households. The non-poor segment of residents accounts for 52.8 per cent of the Kannaland population, indicating that just over half of those living in the area can meet both basic and non-basic needs. However, persistent poverty trends underscore the need for sustained efforts to expand economic inclusion, improve food security, and lift more households above the poverty threshold over time.

The national poverty lines were calculated using a cost-of-basic-needs approach that links welfare to the consumption of goods and services. The lines address both food and non-food components of household consumption expenditure.

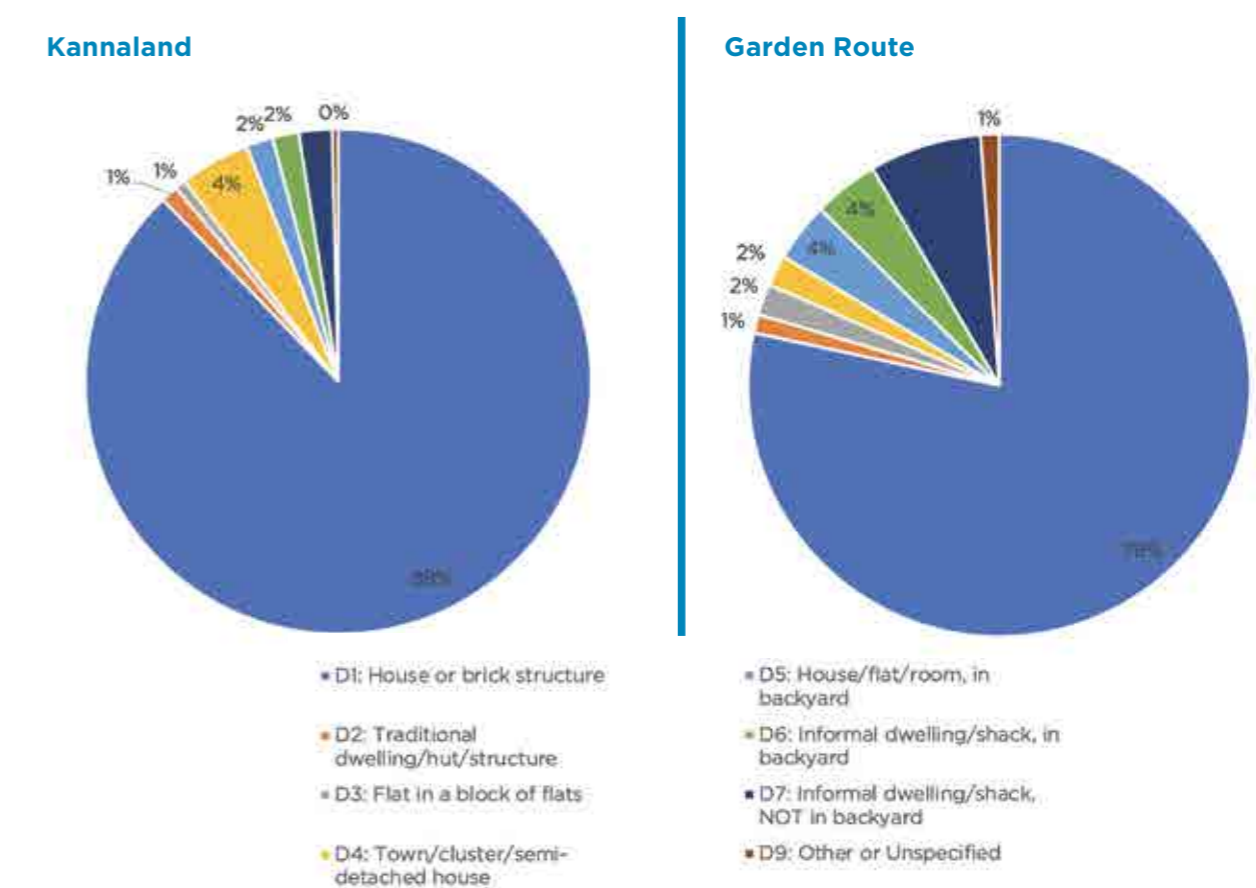
- Food poverty line - R796 (in May 2024 prices) per person per month. This refers to the amount of money that an individual will need to afford the minimum required daily energy intake. This is also commonly referred to as the “extreme” poverty line.
- Lower-bound poverty line - R1109 (in May 2024 prices) per person per month. This refers to the food poverty line plus the average amount derived from non-food items of households whose total expenditure is equal to the food poverty line.
- Upper-bound poverty line - R1 634 (in May 2024 prices) per person per month. This refers to the food poverty line plus the average amount derived from non-food items of households whose food expenditure is equal to the food poverty line.

2.4.5 Basic service delivery

Under the Constitution of the Republic of South Africa, 1996, every citizen has the right to adequate housing, and the state must employ reasonable legislative and other measures, within available resources, to progressively realise this right. Access to housing encompasses essential services such as the provision of clean water, basic sanitation, safe energy sources and waste removal, ensuring that households maintain a decent standard of living. This section considers the extent to which access to formal housing and basic services has been achieved.¹¹⁹

Housing and household services

Figure 2.4.17:
HOUSING TYPES, Kannaland, 2024



Source: Quantec, 2025

In 2024, Kannaland was home to an estimated 5 065 households. Of these, 94.7 per cent occupied formal dwellings, slightly below the GRD average of 86.0 per cent. Informal dwellings are present in the municipal area, but are less prevalent than in the GRD. In 2024, 1.7 per cent of households occupied informal dwellings located in backyards, and 2.1 per cent informal dwellings that were not in backyards. At the District level, these shares were 4.2 per cent and 7.2 per cent, respectively. This suggests that while Kannaland faces challenges with informal

¹¹⁹ While Census 2022 provides the most recent official data for housing types and access to basic services, this report uses Quantec’s modelled estimates in this regard. The latter offer more recent and regularly updated figures. Information on indigent households was sourced from the Western Cape Department of Local Government.

housing, the scale is smaller than the regional norm. Continued investment in affordable housing and infrastructure is essential for maintaining this advantage and addressing those pockets of informality that remain, particularly in rural settlements.

State-led housing initiatives have delivered units to meet the needs of low-income households, yet housing demand remains high. In 2025, 72.8 per cent of households in Kannaland were registered on the Western Cape Housing Demand Database, compared to 37.5 per cent at the District level. As of 2025, 3 626 households were registered on the Database, a total that had grown at an average annual rate of 3.0 per cent between 2022 and 2025. This persistent demand underscores the need for expanded and improved housing provision by both the public and private sectors to address shortages and improve living conditions for vulnerable households within the municipal area.

Figure 2.4.18:
ACCESS TO BASIC SERVICES, Kannaland, 2014 - 2024



Source: Quantec, 2025

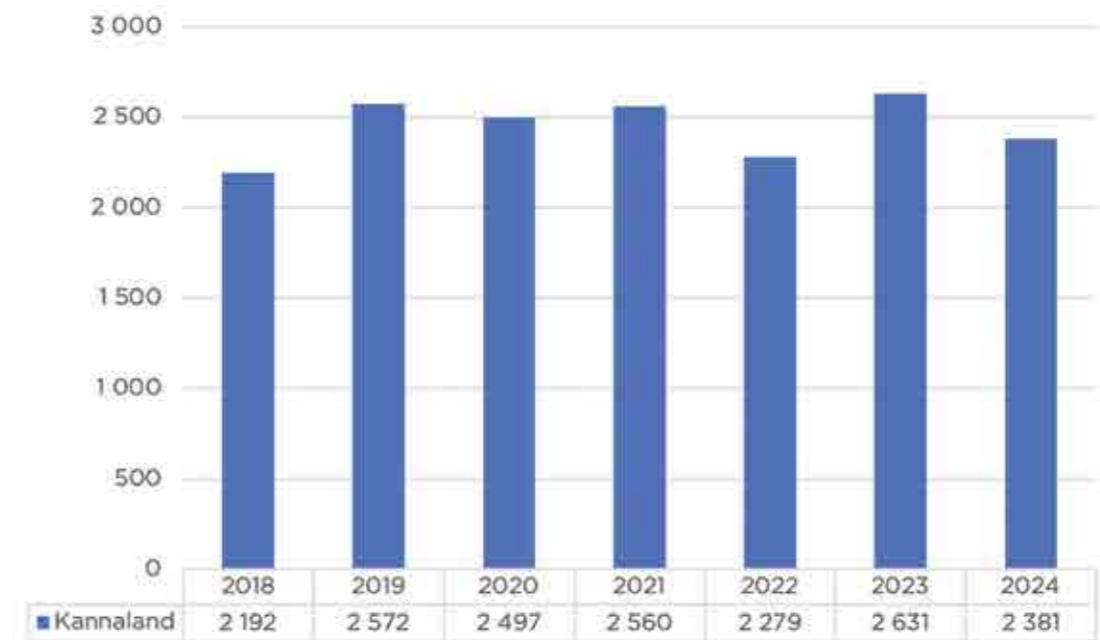
In 2024, Kannaland demonstrated relatively strong access to basic services, yet notable gaps persist compared to the GRD averages. Water provision in 2024 was nearly universal at 98.6 per cent, and electricity access stood at 95.6 per cent, only marginally below the District benchmark. Sanitation coverage lagged at 90.9 per cent compared to 95.3 per cent regionally. The most significant shortfall was in refuse removal, where Kannaland recorded 82.0 per cent, substantially lower than the District's 90.9 per cent.

Despite the slow growth of the Kannaland population, the Municipality made strides in reducing basic service delivery backlogs from 2014 to 2024. It achieved 2.0 per cent to 3.5 per cent increases in access levels over this period for sanitation, electricity and water. Refuse removal, in turn, saw the most significant rise in access levels, which increased from 70.7 per cent in 2014 to 82.0 per cent in 2025. It should be noted, however, that the expansion in removal occurred off of a low base, and that there remains significant room for improvement. The rural and remote nature of the municipal area makes the rollout of services costly.

Disparities between the district and Kannaland levels of access to basic services underscore infrastructure and service delivery challenges, particularly in waste management and sanitation for the municipal area. Such challenges necessitate targeted investment to ensure equitable living standards and promote sustainable development throughout Kannaland.

Free basic services

Figure 2.4.19:
INDIGENT HOUSEHOLDS, Kannaland, 2018 - 2024



Source: Western Cape Department of Local Government, 2025

Municipalities provide free basic services to financially vulnerable households that cannot afford service payments. Under Kannaland's 2025/26 Indigent Policy, a household qualifies for such services if its combined gross monthly income - excluding pay as you earn (PAYE) and the Unemployment Insurance Fund (UIF) - does not exceed R6 500. In 2024, 47.0 per cent of households were registered as indigent, which aligned closely with the poverty rate of 47.5 per cent.

The number of indigent households has fluctuated over the past seven years, peaking at 2 631 in 2023 before declining to 2 381 in 2024. This followed earlier highs of 2 572 in 2019 and 2 560 in 2021. Despite these variations, the figures remain substantial, indicating persistent poverty and reliance on Municipal support. The indigence programme plays a critical role in providing free basic services such as water, electricity, sanitation and refuse removal, helping to cushion vulnerable households in the face of socioeconomic hardship. However, sustained demand underscores the need for long-term strategies to reduce dependency through job creation, skills development and inclusive economic growth.

2.4.6 Safety and security

High levels of poverty and inequality in the Province have given rise to elevated crime levels, necessitating the development of the Western Cape Safety Plan. In it, the WCG signals its intent to ensure that the Province is a place where all people feel secure and can live free from fear. Kannaland shares this goal, as it has not been spared the safety concerns present throughout the Province and GRD.

TABLE 2.4.5: CRIME, Kannaland, 2022 – 2024

CRIME CATEGORY	Actual Numbers			Trend	Crime per 100 000 Population	
	2022	2023	2024		Kannaland	Garden Route
Murder	5	3	11	↑	49	33
Sexual Offences	47	31	55	↓	255	139
Common assault	307	309	286	↓	1327	798
Malicious damage to property	105	112	95	↓	438	397
Burglary at residential premises	124	165	121	↓	562	526
Commercial crime	24	33	39	↑	182	392
Drug-related crime	374	344	312	↓	1448	1085
Driving under the influence of alcohol or drugs	92	55	59	↑	273	259

Source: Own calculations from Quantec (2025) and MYPEPPU 2025.2

High levels of poverty and inequality continue to drive crime in Kannaland, posing a significant challenge to achieving the “Safe Communities” strategic objective outlined in the 2022-2027 Integrated Development Plan. In 2024, Kannaland recorded one of the highest crime rates per 100 000 population in the GRD, with violent and contact crimes remaining a significant concern. Murder cases rose sharply to 11, up from 3 cases in 2023, resulting in a rate of 49 cases per 100 000. This exceeded the District average of 33 cases. Sexual offences, including rape, sex work, pornography, public indecency and human trafficking, increased to 55 cases. This total translated to 255 cases per 100 000 residents, nearly double the regional benchmark and reflecting persistent gender-based violence. Common assault remains widespread, with 286 cases in 2024 and a rate of 1 327 cases per 100 000 residents. As such, the assault rate far exceeded the district average of 798 cases.

Property-related crimes such as burglary at residential premises (121 cases) and malicious damage to property (95 cases) continue to undermine household security and business confidence. Economic hardship has contributed to a rise in commercial crime, which climbed to 39 cases. Drug-related crime, though declining from 374 cases in 2022 to 312 in 2024, still reflects entrenched substance abuse – with a rate of 1 448 cases per 100,000. This total was among the highest in the region. Driving under the influence remains a concern, with 59 cases reported, posing a risk to road safety.

These patterns have profound socioeconomic implications. Violent crime erodes community trust and deters investment, while substance abuse imposes high costs on healthcare and policing. Addressing these challenges requires integrated interventions, including enhanced community policing and surveillance in high-risk areas, gender-based violence prevention and victim support programmes, expanded substance abuse rehabilitation and youth outreach initiatives, and economic development strategies to reduce poverty-driven crime through skills training and job creation. A safer Kannaland is critical to realising the WCG’s vision of creating secure, resilient communities across the Province.

2.4.7 Conclusion

Kannaland has a unique socioeconomic profile shaped by its rural character and demographic trends. With a population of just over 21 000 in 2025 and a projected demographic decline over the next five years, the area faces challenges linked to out-migration and limited employment opportunities. Yet, these dynamics also present an opportunity to reposition Kannaland as a niche hub for agro-processing, tourism and small-scale manufacturing, leveraging its strong agricultural base and scenic location along the R62.

Social indicators show encouraging progress in several areas. Maternal health outcomes are positive, with no maternal deaths recorded over the past five years and a steady decline in teenage pregnancy. Education performance is equally noteworthy, with matric pass rates (among the highest in the District) rising to 94.3 per cent in 2024 – this despite persistent challenges in learner retention. These achievements demonstrate resilience and provide a foundation for targeted interventions to close remaining gaps.

Basic service delivery has improved steadily over the past decade, with nearly universal access to water and strong electricity coverage. While sanitation and refuse removal still lag behind District averages, the upward trend signals progress and offers scope for further investment in waste management infrastructure. Similarly, housing demand remains high, underscoring the potential for innovative public-private partnerships to accelerate delivery and improve living conditions.

Health and safety remain areas of concern, with rising TB cases, declining immunisation coverage and elevated crime rates, particularly concerning gender-based violence. Addressing these issues will require integrated strategies that combine health outreach, community policing and social support with economic development initiatives to break the cycle of poverty and vulnerability.

Overall, Kannaland’s trajectory inspires cautious optimism. While structural challenges persist, the area’s strong educational outcomes, improved service delivery and agricultural potential provide a platform for inclusive growth. Strategic investments in infrastructure, human capital and economic diversification – coupled with collaborative governance – can transform these challenges into opportunities, ensuring a more resilient and prosperous future for the community.

2.5.1 Demographics

Understanding population dynamics is critical for effective municipal planning and the equitable provision of public services. Population size, household growth, age structure and migration patterns directly influence the demand for infrastructure, housing, education, healthcare and social services. Monitoring socioeconomic trends in the Knysna municipal area is essential for protecting rural livelihoods, guiding development decisions, and ensuring long-term resilience in a small-town economy dependent on agriculture and seasonal tourism.

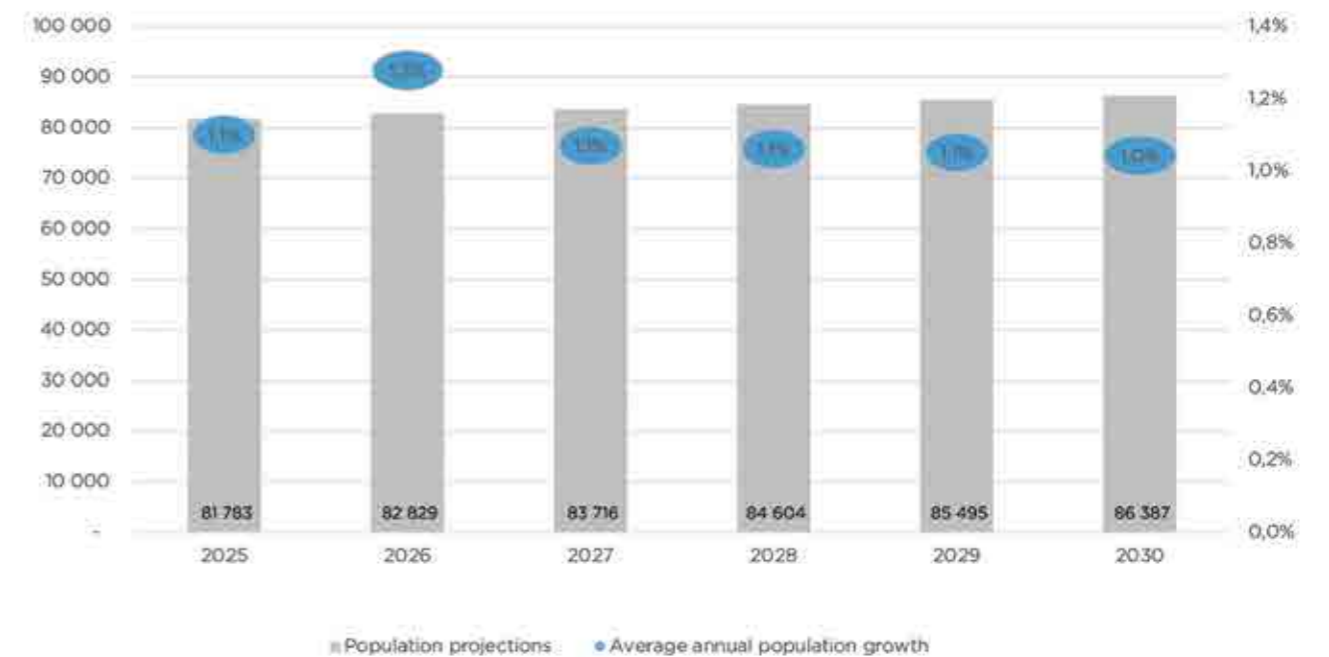
Population and Household Growth

With an estimated population of approximately 81 783 in 2025, Knysna is the fifth-largest municipal area of the Garden Route District (GRD). Its sustained and rapid population growth continues to place increasing pressure on the provision of housing, infrastructure and basic municipal services.

The municipal area is characterised by an exceptionally attractive natural environment and a well-established tourism brand, supported by the coastline, forested landscapes and outdoor recreation offerings of the region. These natural assets underpin a strong trade and accommodation sector that plays a pivotal role in the local economy.

Knysna also demonstrates relatively high levels of access to essential services, including water and electricity, when compared to many other municipal areas. This positions the Knysna favourably from a developmental perspective, although continued growth necessitates proactive planning to ensure infrastructure keeps pace with rising demand.

Figure 2.5.1:
POPULATION GROWTH, Knysna, 2025 - 2030



Source: MYPEPPU, 2025.2



2.5 KNYSNA

Municipal safety and wellbeing

This section delves into the social trends that shape the identity of the Knysna municipal area. Population dynamics, income, housing needs and essential services are reviewed with a nuanced examination of healthcare, education and crime metrics. Overall, it provides a comprehensive view of community wellbeing and future prospects, showing the interplay of social and economic undercurrents in the Municipality.

The population of the Knysna municipal area is projected to increase moderately from 81 783 in 2025 to 86 387 in 2030, representing a cumulative expansion of approximately 5.6 per cent over the five-year period. Annual rates are anticipated to fluctuate between 1.0 per cent and 1.3 per cent, with a slight peak expected in 2026 before growth tapers to about 1.0 per cent by 2030.

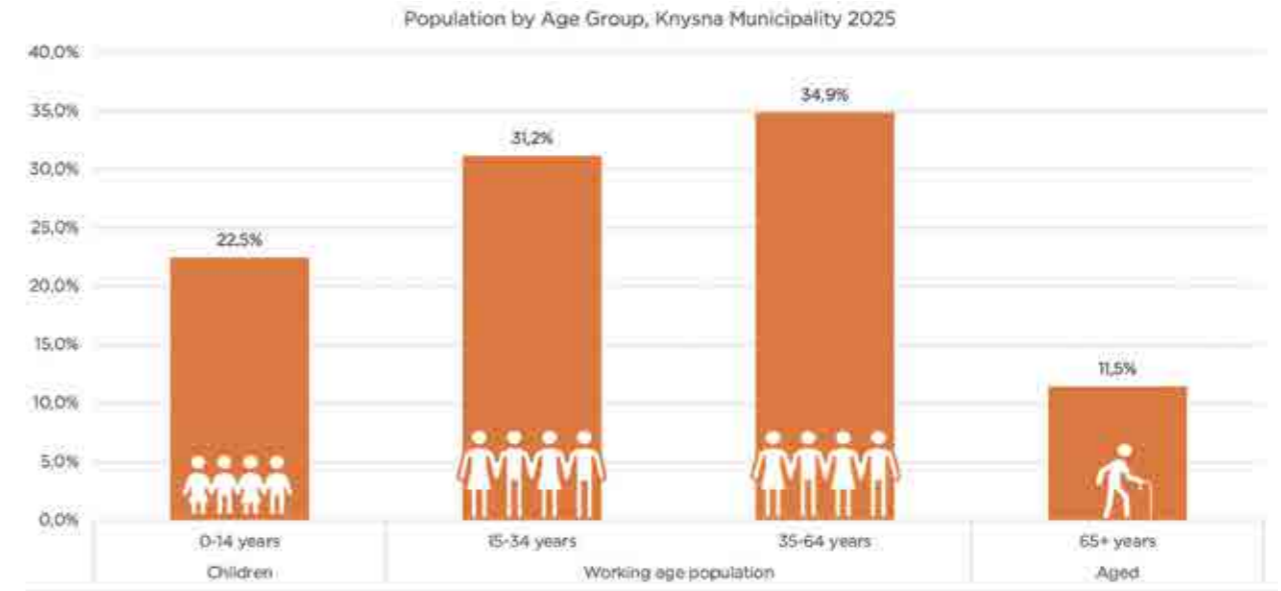
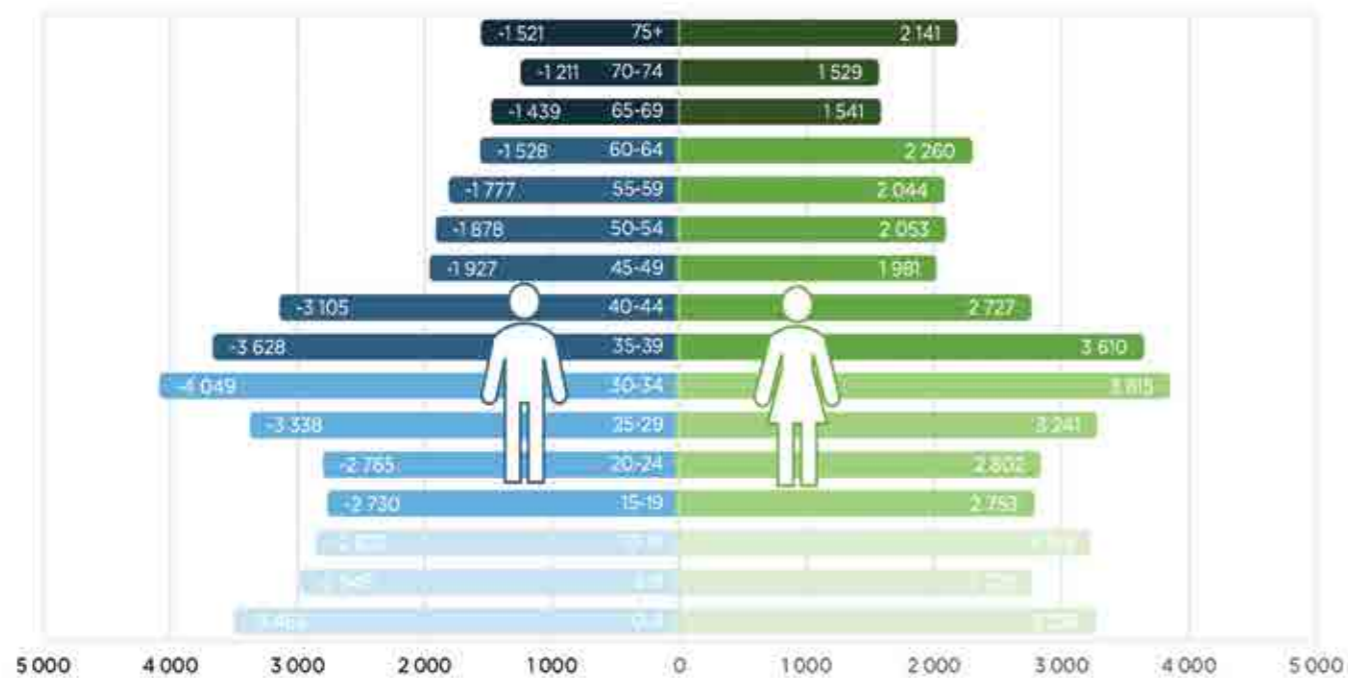
The expected slowdown in growth signals a stabilising demographic profile, possibly linked to constraints in land availability, escalating property prices and limited expansion of economic opportunities. While population increases remain manageable relative to service delivery capacity, Knysna must still ensure that infrastructure investment keeps pace with incremental demand, particularly regarding the provision of water, sanitation, waste management and electricity distribution systems (which already face increasing strain).

From a socioeconomic standpoint, the sustained rise in households will heighten pressure on human settlements, especially affordable housing markets. This pressure is amplified by Knysna’s tourism-driven economy and spatial inequality. Migration, often driven by both low-income job seekers and higher-income retirees, may deepen income disparities and complicate long-term workforce planning. Additional implications include increased demand for health and education facilities, public transport and environmental management, given Knysna’s constrained coastal forest setting and ecological sensitivities.

Overall, the projections reinforce the need for proactive spatial planning, targeted investment in social infrastructure, and economic diversification to support a growing population while safeguarding environmental assets and promoting inclusive development.

Gender, Age and Race Dynamics

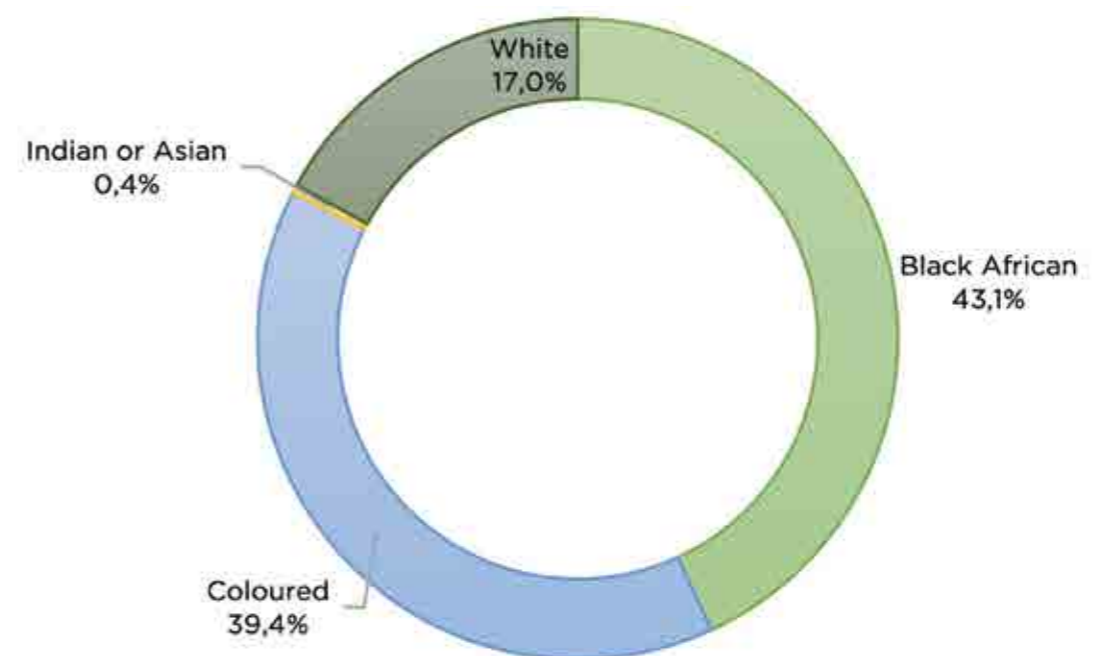
Figure 2.5.2:
POPULATION PYRAMID, Knysna, 2025



Source: MYPEPPU, 2025.2

The population pyramid of the Knysna municipal area reflects a service-oriented economy with a strong working-age dominance and a notable share of youth and older adults. Gender asymmetry across older cohorts and a growing aged population highlight the role of Knysna as both a labour and retirement destination. These dynamics reinforce spatial inequalities, drive ongoing pressure for affordable housing, and necessitate targeted skills development to unlock economic inclusion. Strategic social infrastructure planning is required to meet rising education and health demands while ensuring that growth sectors generate sustainable and dignified livelihoods.

Figure 2.5.3:
RACIAL COMPOSITION, Knysna, 2024



Source: Quantec, 2025

The Knysna municipal area's population reflects a diverse community characterised by differing socioeconomic circumstances. While some groups experience greater access to economic opportunities and inhabit higher-value residential areas, others face constrained living conditions and limited access to resources. These disparities underscore the need for targeted interventions in housing provision, skills development and inclusive tourism. Ideally, such initiatives will promote shared growth and ensure that Knysna's development benefits all residents equitably.

2.5.2 Health and Wellness

South Africa's healthcare system comprises both public and private providers, forming a critical pillar of the nation's human capital and economic productivity. Public health facilities, supported by government funding, play a central role in ensuring equitable access to healthcare for the broader population. The private sector caters to those with the means to afford additional services.

The public healthcare system operates on a referral model, providing primary care through clinics and escalating more complex cases to district and regional hospitals. Access to high-quality healthcare not only improves wellbeing and life expectancy but also strengthens the labour force, reduces productivity losses and supports sustainable socioeconomic development.

Access to Health Facilities

In 2023, only 15.7 per cent of South Africans had access to medical aid, highlighting the critical role of public healthcare services in meeting the needs of most of the population. In the Knysna municipal area, healthcare provision is primarily supported by the public sector, with a limited network of facilities serving dispersed rural communities.

Knysna's primary healthcare system is anchored by four fixed clinics, which provide essential day-to-day health services to local communities. These facilities are complemented by four mobile or satellite clinics, improving accessibility for residents in more remote or underserved areas who might otherwise face significant barriers to care.

However, the municipal area includes only one District hospital, and there is no regional hospital in the area. This places reliance on higher-level facilities located outside Knysna, which can increase travel time and associated costs for patients requiring specialised or emergency care. Strengthening referral pathways and emergency medical services thus remains critical to ensuring equitable and timely access to comprehensive healthcare for all residents.

Knysna residents also had access to six antiretroviral therapy (ART) sites and nine tuberculosis (TB) clinics in 2024/25, further enhancing the availability of critical TB and ART services in the municipal area. This is especially necessary given the rising number of ART patients registered for treatment within the region.

Emergency services in Knysna form part of the Western Cape Government's Emergency Medical Services (EMS), which operates under the Department of Health and Wellness. In 2025, the municipal area was served by two ambulances, which translated to 0.2 ambulances per 10 000 people.

Maternal and Child Health

Maternal health is a critical aspect of public health, encompassing the wellbeing of women during pregnancy, childbirth and the postnatal period. In South Africa, key issues affecting maternal health include high rates of teenage pregnancy, the prevalence of termination of pregnancy, and ongoing challenges related to maternal mortality. These factors not only affect the health outcomes of women and infants but also reflect broader social and economic dynamics that shape access to healthcare and reproductive choices.

Teenage pregnancy

Figure 2.5.4:
DELIVERY RATE TO WOMEN UNDER 19 YEARS, Knysna, 2019/20 - 2024/25



Source: Western Cape Department of Health and Wellness, 2025

Teenage pregnancy in the Knysna municipal area remained below the GRD average between 2019/20 and 2023/24 but escalated sharply to 21.1 per cent in 2024/25. This translated to 325 deliveries out of 1 542 in 2024/25. The significant increase points to deepening socioeconomic vulnerabilities among girls and young women, including poor access to sexual and reproductive health services and heightened exposure to gender-based risks. The rise is likely to intensify the drop-out rate, demand for health services, and long-term poverty cycles. Targeted prevention, youth empowerment interventions and strengthened community-level support are essential for reversing the trend and protecting developmental outcomes.

Teenage pregnancy is calculated as the percentage of babies born to mothers under the age of 19 in a given year.

Teenage pregnancy is almost always unplanned. Consequently, when young parents are placed in the position of having to care for a child, they can find themselves woefully unprepared for the challenges that this brings. This is especially the case if they do not have family members who can assist them or social support.

Termination of Pregnancy

TABLE 2.5.1: TERMINATION OF PREGNANCY RATE, Knysna, 2019/20 – 2024/25

MUNICIPALITY	Termination of Pregnancy Rate					
	2019/2020	2020/2021	2021/22	2022/23	2023/24	2024/25
Garden Route	0.6	0.5	0.6	0.7	0.6	0.6
Knysna	0.7	0.6	0.7	0.7	0.5	0.6

Source: Western Cape Department of Health and Wellness, 2025

Knysna’s termination of pregnancy ratio has remained broadly aligned with that of the GRD over the past five years, fluctuating between 0.6 per cent and 0.7 per cent before dipping to 0.5 per cent in 2023/24. These variations point to ongoing challenges in preventing unplanned pregnancies, particularly among young women facing socioeconomic constraints and limited access to sexual health services. The data highlights the continued need for accessible reproductive health services, targeted youth-focused interventions, and supportive psychosocial programmes to reduce the health and socioeconomic burden of unplanned pregnancy within the municipal area.

Maternal and Neonatal Mortality

The maternal mortality ratio in the Knysna municipal area fluctuated significantly over the past five years, with notable spikes during 2020/21 and 2021/22. These coincided with the COVID-19 pandemic and associated service disruptions. Encouragingly, no maternal deaths were recorded in 2019/20, 2023/24 and 2024/25, reflecting strengthened obstetric care and referral systems. However, the volatility in the data and emerging risk factors -particularly rising teenage pregnancy and social vulnerability -highlight the need for sustained maternal health investment, community outreach and consistent quality of care to prevent avoidable maternal deaths.

TABLE 2.5.2: MATERNAL DEATHS PER 100 000 LIVE BIRTHS, Knysna, 2019/20 – 2024/25

MUNICIPALITY	Maternal Mortality Ratio					
	2019/2020	2020/2021	2021/22	2022/23	2023/24	2024/25
Garden Route	31.7	115.4	53.7	68.5	70.2	46.3
Knysna	0.0	114.5	59.2	58.1	0.0	0.0

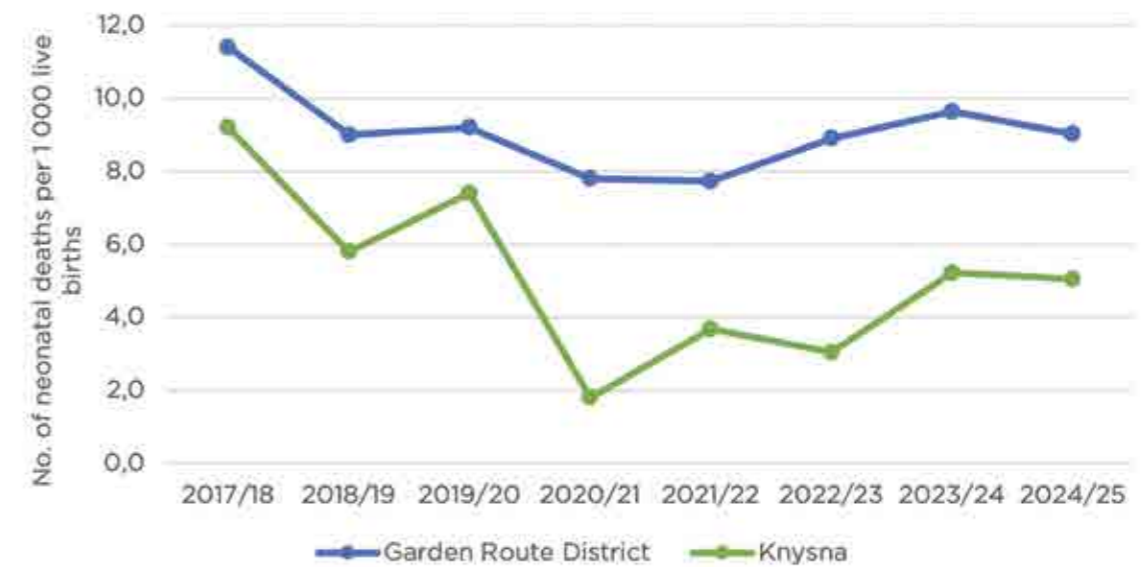
Source: Western Cape Department of Health and Wellness, 2025

The maternal mortality rate is the number of maternal deaths per 100 000 live births in public health facilities* in a given year.

Maternal death is death that occurs in the course of a pregnancy, during childbirth or the puerperium, or within 42 days of termination of pregnancy. This is irrespective of the duration and site of pregnancy and irrespective of the cause of death (obstetric or non-obstetric).

* Private facilities do not report data on live births routinely or completely.

Figure 2.5.5: NEONATAL MORTALITY RATE, Knysna, 2019/20- 2024/25



Source: Western Cape Department of Health and Wellness, 2025

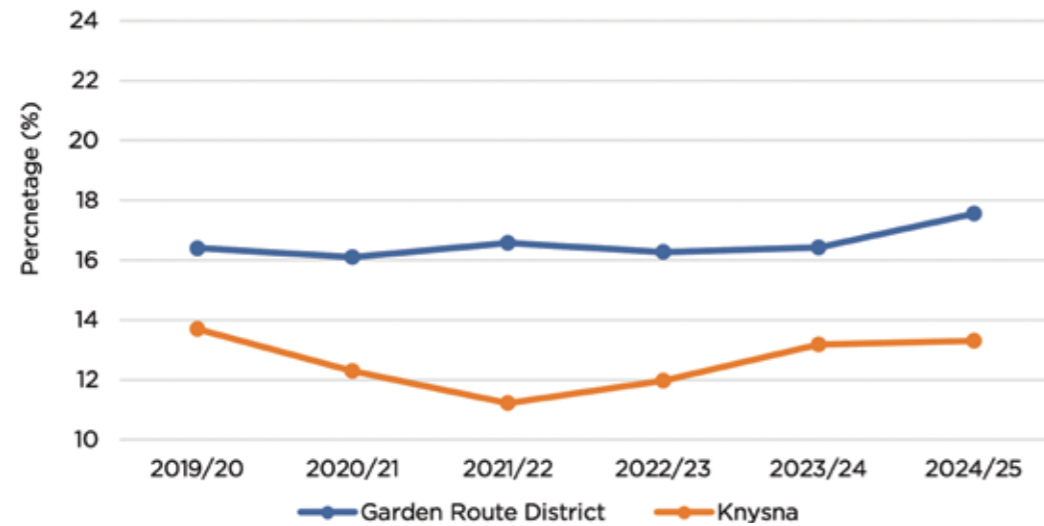
Neonatal mortality in Knysna has remained consistently higher than the GRD average over the past five years, despite a temporary improvement in 2020/21. The rate increased steadily from 2021/22 onwards, peaking in 2023/24 before showing a slight decline in 2024/25. This trend highlights persistent vulnerabilities in maternal and newborn care, particularly for poorer households where late antenatal booking, limited emergency access and higher-risk teenage pregnancies are prevalent. Improved prenatal monitoring, neonatal care capacity, and targeted community health interventions are essential to reduce avoidable newborn deaths and improve developmental outcomes within the municipal area.

The neonatal mortality rate is the number of neonates that die before reaching 28 days of age per 1 000 live births in a given year.

The first 28 days of life (i.e. the neonatal period) constitute the most vulnerable time for a child’s survival. The Province set a target for 2019 of 6.0 neonatal deaths per 1 000 live births.

Low birth weight

Figure 2.5.6:
LOW BIRTH WEIGHT, Knysna, 2019/20 - 2024/25

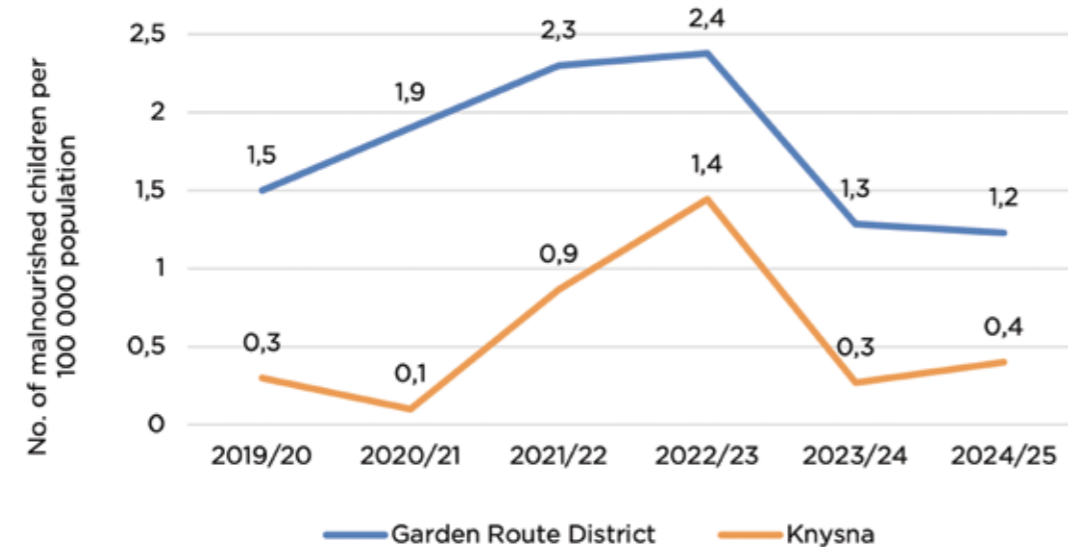


Source: Western Cape Department of Health and Wellness, 2025

The incidence of low birth weight in the Knysna municipal area improved between 2019/20 and 2021/22, reflecting gains in antenatal care and maternal wellbeing. However, the indicator rose again over the last three years, aligning with increased teenage pregnancy and continuing socioeconomic pressures among vulnerable households. Although Knysna consistently outperforms the GRD average, the upward trend signals heightened risks for neonatal mortality and long-term child development outcomes. Strengthened maternal nutrition support, youth-focused reproductive health services and early antenatal intervention are essential for reversing emerging vulnerabilities.

Malnutrition

Figure 2.5.7:
MALNUTRITION, KNYSNA, 2019/20 - 2024/25



Source: Western Cape Department of Health and Wellness, 2025

The malnutrition rate in Knysna remains significantly lower than the GRD average. However, the indicator showed a pronounced increase between 2021/22 and 2022/23, reflecting heightened food insecurity and limited access to services during the post-pandemic recovery period. While rates in the municipal area have since stabilised at lower levels, persistent socioeconomic vulnerabilities, particularly in low-income settlements, continue to place infants at risk of poor nutritional outcomes. Targeted maternal and child nutrition programmes, strengthened early childhood development support, and improved food security initiatives are critical to sustaining recent gains and preventing long-term developmental impacts.

The severe acute malnutrition rate is the number of malnourished children under five years of age per 100 000 people in a given year.

Malnutrition may refer to either under-nutrition (an individual not receiving adequate amounts of nutrients) or over-nutrition (an individual receiving excessive amounts of nutrients).

Immunisation

Figure 2.5.8:
IMMUNISATION RATE, Knysna, 2019/20 - 2024/25



Source: Western Cape Department of Health and Wellness, 2025

The immunisation rate in the Knysna municipal area exhibited significant volatility over the 2019/20 to 2024/25 period, declining well below the GRD average and falling short of the coverage required to maintain herd immunity. The most recent rate (60.6 per cent) signalled growing service delivery challenges and socioeconomic barriers affecting access to primary healthcare, particularly in informal and low-income communities. Strengthened outreach services, community mobilisation and improved immunisation tracking are critical to preventing vaccine-preventable disease outbreaks and safeguarding child health outcomes in Knysna.

The immunisation rate is the number of children immunised, in a given year, per total number of children less than one year of age.

Immunisation protects both adults and children against preventable infectious diseases. Low immunisation rates speak to the need for parents to understand the critical importance of immunisation.

Burden of Disease

HIV and AIDS

TABLE 2.5.3: TOTAL REGISTERED PATIENTS ON ART, Knysna, 2019/20 – 2024/25

MUNICIPALITY	Total registered patients receiving ART					
	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25
Garden Route	25 738	26 996	27 825	29 858	30 984	31 833
Knysna	4 265	4 624	4 975	5 219	5 353	5 533

Source: Western Cape Department of Health and Wellness, 2025

The number of patients receiving ART in Knysna has risen steadily, increasing from 4 265 in 2019/20 to 5 533 in 2024/25. This reflects sustained access to treatment and strong programme retention. Although annual growth has slowed since 2022, the trend nonetheless indicates programme maturity and improved viral suppression. Continued investment in community outreach, adherence support and youth-focused prevention remains critical to maintaining progress and reducing new infections, particularly in low-income and high-risk areas of the municipal area.

Tuberculosis

TABLE 2.5.4: TOTAL REGISTERED TB PATIENTS, Knysna, 2019/20 – 2024/25

MUNICIPALITY	Number of TB patients registered for treatment					
	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25
Garden Route	4 732	4 676	4 941	5 259	5 207	5 390
Knysna	641	583	599	592	586	592

Source: Western Cape Department of Health and Wellness, 2025

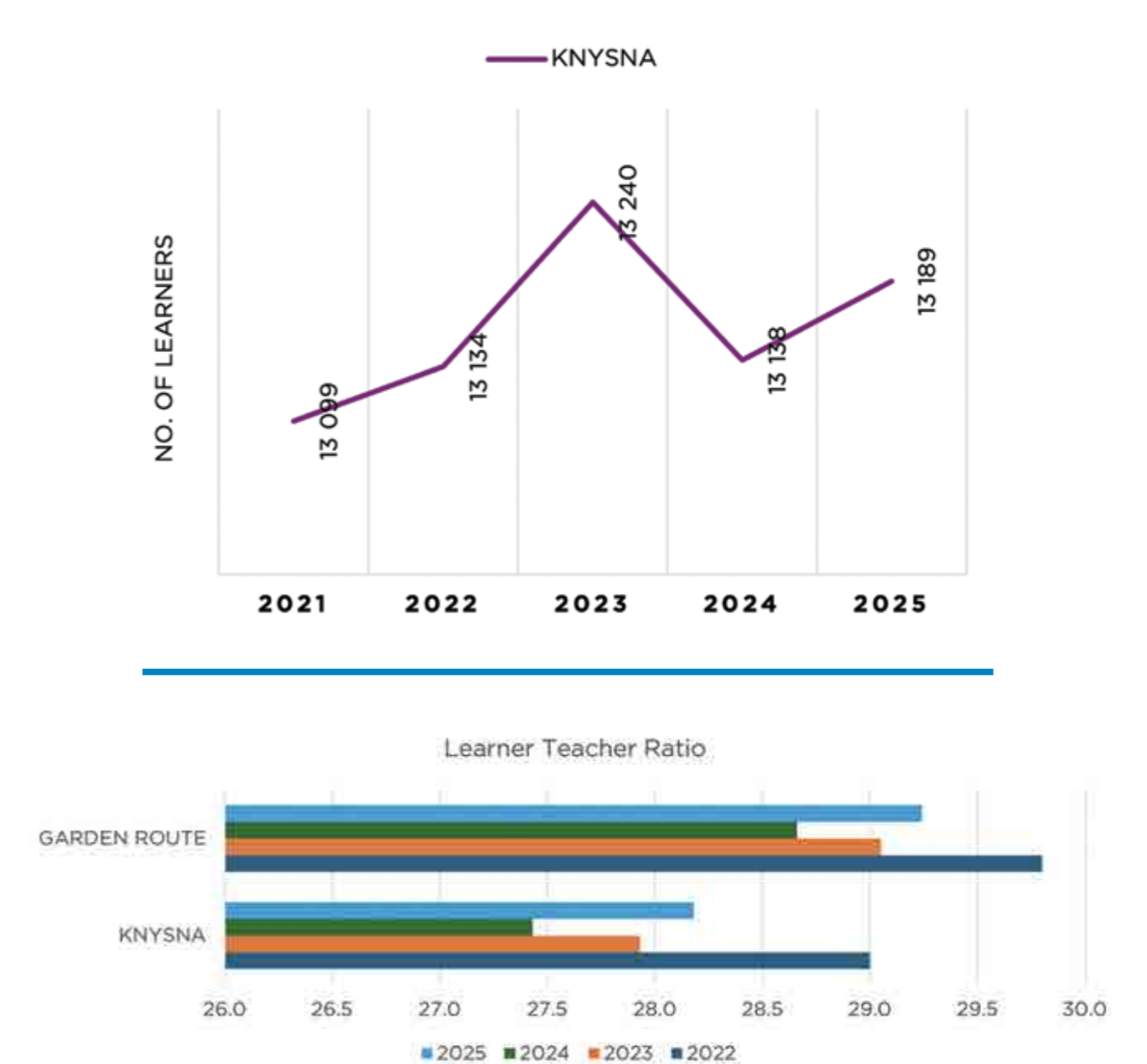
The number of registered TB patients in the Knysna municipal area has gradually declined, falling from 641 in 2019/20 to 592 in 2024/25. This indicates progress in TB control and the positive impact of strengthened HIV treatment coverage. However, the persistence of cases and Knysna’s reduced share of District totals point to possible under-detection in vulnerable communities and continued endemic transmission linked to poverty, overcrowding and nutritional challenges. Enhanced community screening, integrated TB/HIV services and targeted interventions in high-risk areas are essential to preventing resurgence and supporting a healthier, more productive population.

2.5.3 Education

Education Resources

Education and skills development play a vital role in shaping the future socioeconomic landscape of Knysna. They empower the population and significantly impact the local economy’s development as well as its human resource capacity. The Western Cape Education Department (WCED) is committed to this cause, ensuring access to education for the children of the municipal area through the availability of 19 schools. In total, 84.2 per cent of schools in the region operate as no-fee schools. This is positive, given that in 2021, a substantial 24.0 per cent of learners nationally cited financial constraints as their primary reason for dropping out.

Figure 2.5.9: LEARNER ENROLMENT AND LEARNER TEACHER RATIO, Knysna, 2021 - 2025

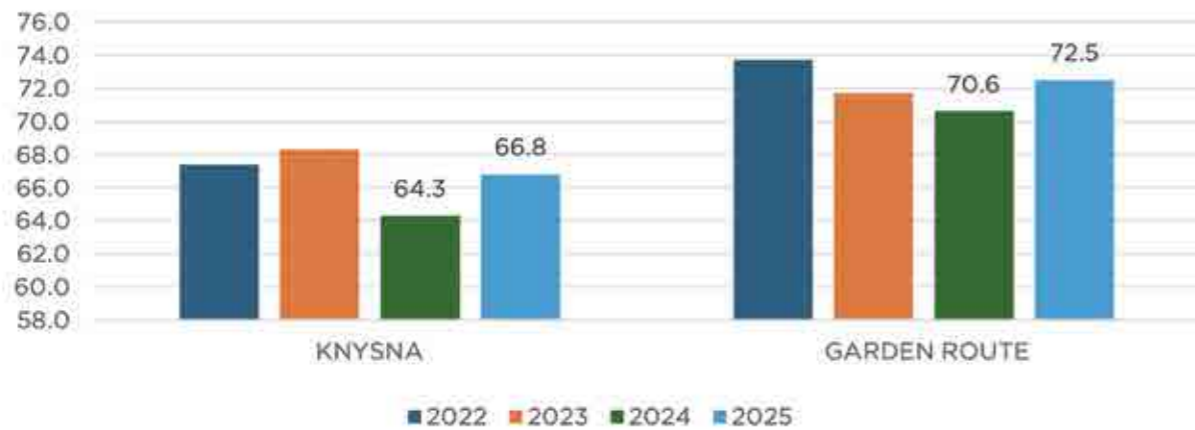


Source: Western Cape Education Department, 2025

Learner enrolment in Knysna has shown modest growth since 2021, aligned with household in-migration and post-COVID recovery. However, a dip in 2024 reflected the area’s economic pressures and population mobility. The learner-teacher ratio (LTR) of the municipal area remains slightly lower than the GRD average; however, recent increases suggest growing classroom pressure in specific areas. Continued investment in teaching resources, school infrastructure and spatial planning alignment is essential to maintaining high-quality education outcomes and supporting equitable learner development across Knysna.

Retention Rates

Figure 2.5.10:
GRADE 10 TO 12 LEARNER RETENTION RATE, Knysna, 2022 - 2025

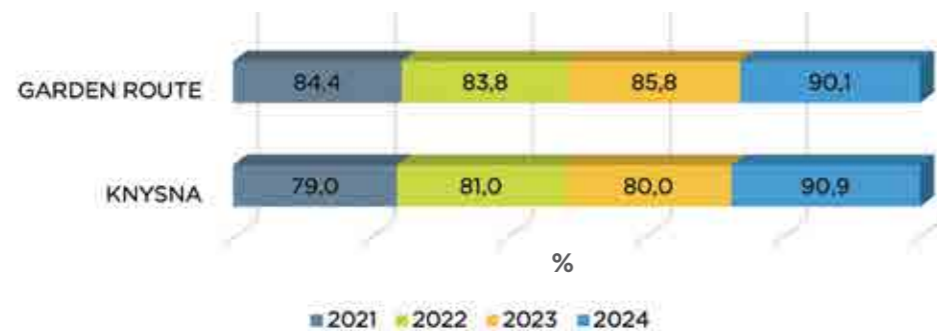


Source: Western Cape Education Department, 2025

Learner retention rates in Knysna consistently remain below the GRD average, indicating persistent challenges in keeping learners engaged in the school system. The decline to 64.3 per cent in 2024 reflected the continuing effects of socioeconomic pressure, teenage pregnancy and learning losses among vulnerable communities, although a moderate recovery was visible in 2025. Strengthened psychosocial support, targeted re-engagement strategies and measures to mitigate economic barriers to education are essential to improving retention and safeguarding Knysna’s future skills pipeline.

Education Outcomes

Figure 2.5.11:
MATRIC PASS RATE, Knysna, 2021 - 2024



Source: Western Cape Education Department, 2025

Matric pass rates in the Knysna municipal area improved significantly over the period of 2021 to 2024, rising from 79.0 per cent to 90.9 per cent and surpassing the GRD average in 2024. While the recent gains reflect strengthened teaching support and recovery from COVID-19 learning disruptions, disparities persist across schools, with socioeconomic barriers continuing to affect learner outcomes in poorer communities. To ensure inclusive growth, improvements in matric performance must be matched with targeted interventions to address drop-out rates and expand post-school opportunities for all learners.

2.5.4 Poverty, income & inequality

In Knysna, the income landscape is defined by stark contrasts. On one hand, a portion of households benefit from growing economic opportunities linked to tourism, construction and services. On the other hand, many residents continue to struggle with insecure employment, low wages and limited access to opportunities for asset building. This analysis begins by assessing gross domestic product per region (GDPR) per capita to understand the overall level of economic activity generated within the municipal area. It then examines the Gini coefficient, which reveals the depth of income inequality in the region and highlights how unevenly the benefits of growth are shared.

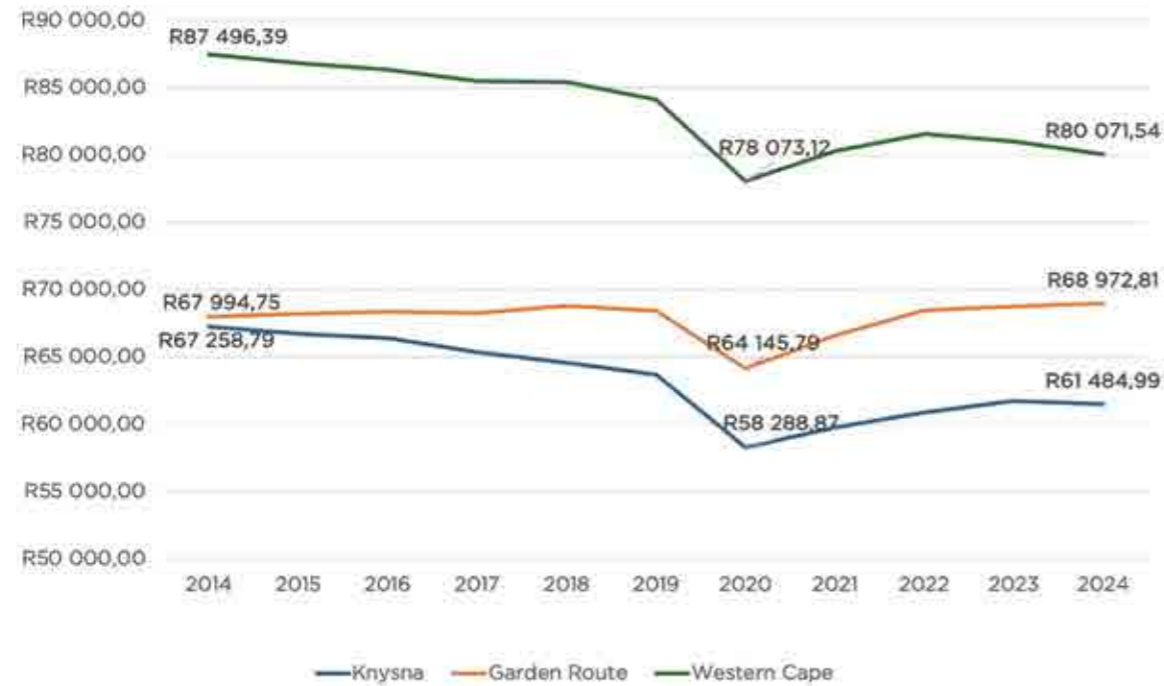
Drawing on tax data from the South African Revenue Service (SARS), the narrative explores median income levels, the distribution of earnings across different income brackets and the profile of individuals contributing to the tax base. This provides valuable insight into who participates fully in the formal economy and who remains on the margins.

Finally, the discussion turns to poverty dynamics. This illustrates how economic hardship aligns with wider patterns of inequality and continues to shape the lived reality of many households in Knysna, particularly those in informal settlements and lower-income neighbourhoods. Together, these indicators present a nuanced picture of a municipal economy where prosperity and vulnerability coexist, and where inclusive economic development remains a critical priority.



Income Inequality

Figure 2.5.12:
GDPR PER CAPITA, Knysna, 2014 - 2024



Source: Own calculations from Quantec, 2025 and MYPEPPU, 2025.2

Knysna’s GDP per capita has declined over the past decade, falling from R67 259 in 2014 to R61 485 in 2024. Furthermore, it has consistently remained below both the GRD and Western Cape benchmarks. The municipal area was severely affected by the COVID-19 economic downturn, with only a partial and relatively slow recovery thereafter. Persistent reliance on seasonal tourism and limited economic diversification continue to constrain household income growth and widen socioeconomic inequality. Strengthened efforts to build a more resilient and inclusive local economy are essential for improving income levels, creating sustainable employment and bolstering municipal revenues.

The GRD maintains a higher and more stable GDP per capita (about R68 973 in 2024), having recovered more effectively post-COVID-19. The Western Cape remains substantially higher, at approximately R80 072 in 2024, reflecting a more diversified and resilient economic base.

Figure 2.5.13:
GINI COEFFICIENT, Knysna, 2014 - 2024



Source: Quantec, 2025

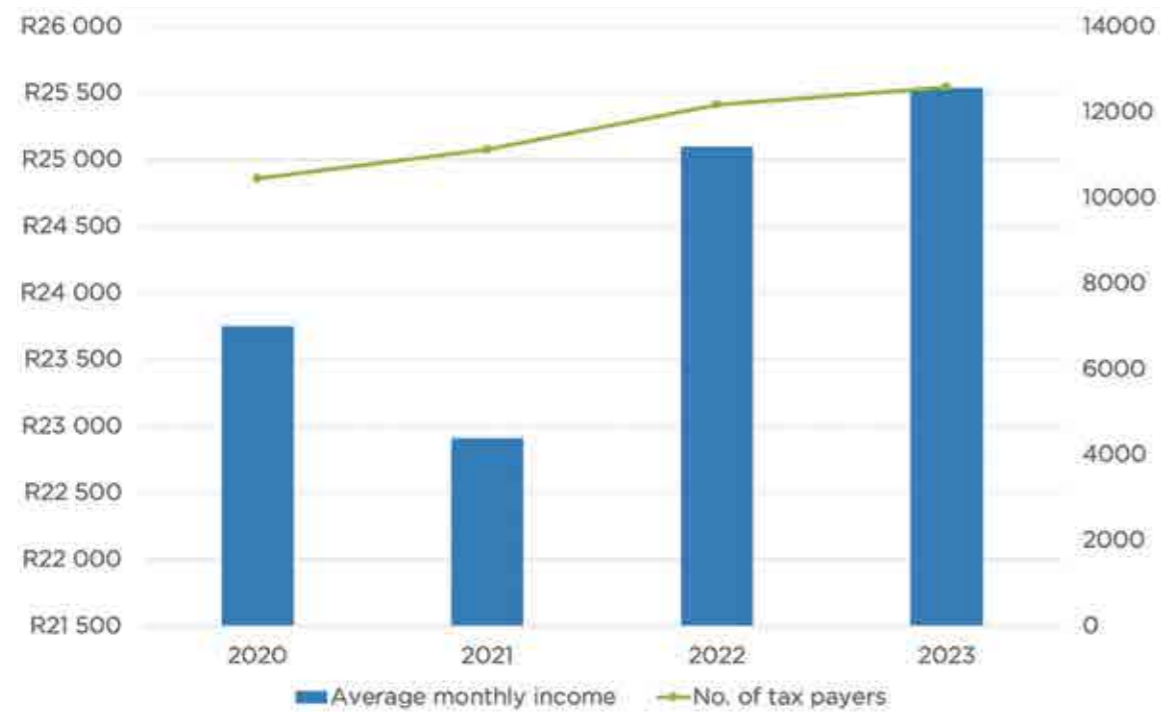
The Gini coefficient of the Knysna municipal area has shown a gradual improvement, decreasing from 0.589 in 2014 to 0.561 in 2024. This indicates a modest reduction in inequality over the decade. However, inequality remains high and above the GRD average. Disparities stem from Knysna’s dual economy, where strong tourism- and property-driven sectors contrast sharply with low-wage informal and service employment. Persistent spatial and income inequities continue to constrain inclusive economic development and widen social vulnerability. Further progress will require targeted interventions to address structural inequality through skills development, affordable housing and stronger township economic participation.

The Gini coefficient is a measure of income inequality. It is a number between 0 and 1, where 0 corresponds to perfect equality (everyone has the same income) and 1 corresponds to perfect inequality (one person has all the income, and everyone else has none). While the Gini coefficient is widely used, other metrics are also available to assess the gap between wealthy and poor, each providing a different perspective on the economic conditions of a society.

Income Patterns

A closer look at SARS income tax data reveals how inequality translates into everyday realities. Figure 2.5.14 shows a strong recovery after COVID-19 disruptions. The sharp drop in 2021 income reflects the loss of earnings during the lockdown, particularly in the tourism and hospitality sectors. Since 2022, both income levels and the number of taxpayers have surpassed pre-pandemic figures, indicating a revival of employment and the possible migration of skilled workers into the municipal area.

Figure 2.5.14:
INDIVIDUAL TAXPAYERS AND TAXABLE INCOME, Knysna, 2020-2023



Source: Quantec, National Treasury, 2025

Knysna experienced steady growth in both the number of registered taxpayers and average taxable income between 2020 and 2023. This suggests a strengthening formal economy and continued in-migration of higher-earning households, particularly as the post-pandemic recovery boosted tourism and employment in the service sector. However, these gains primarily benefit a relatively narrow income segment, while many lower-income households remain excluded from formal employment and wage growth. Even though Knysna’s fiscal base is improving, supporting revenue generation and infrastructure investment, socioeconomic inequality persists. Managing affordability pressures, housing availability and labour market inclusivity will remain critical to ensuring that economic recovery translates into broad-based socioeconomic benefits.

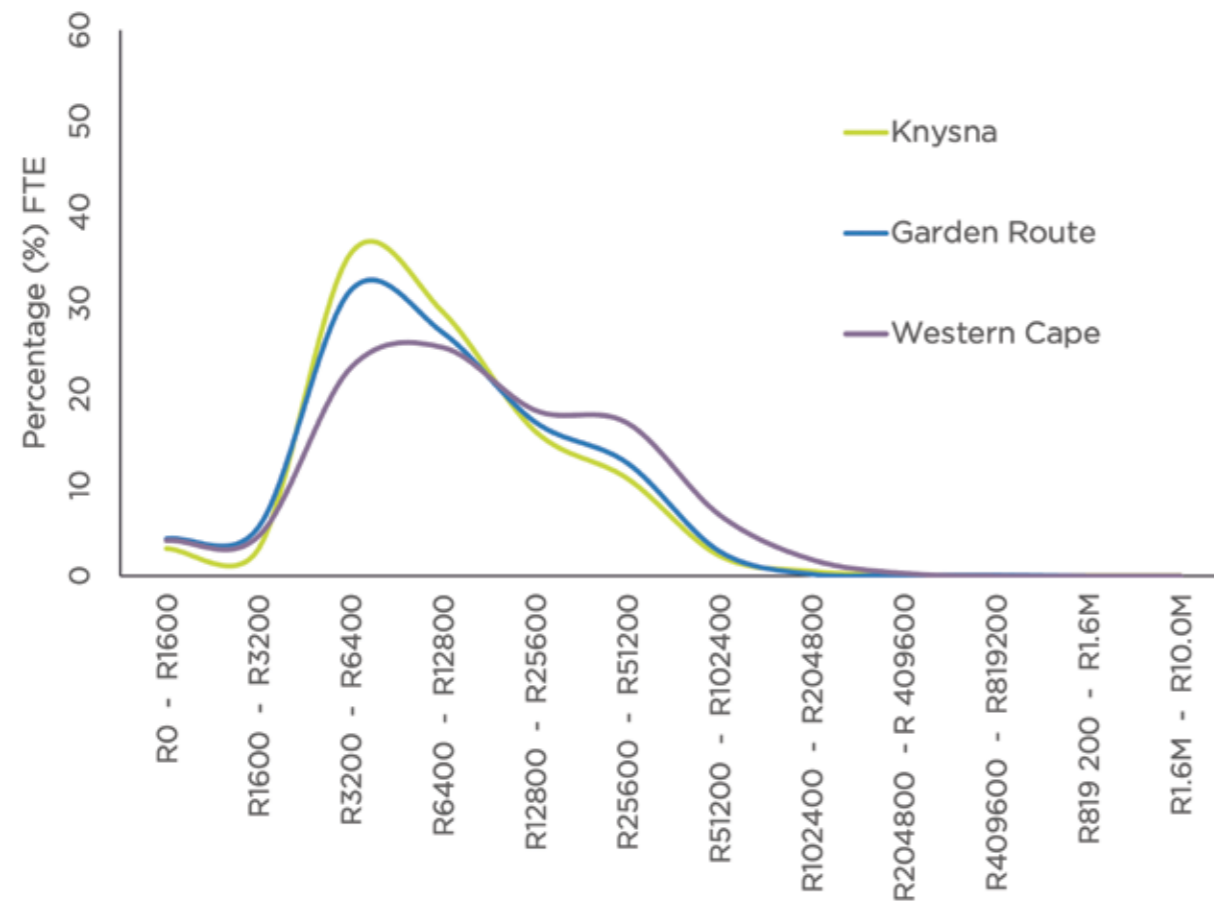
MAP 2.5.1: MEDIAN INCOME PER TOWN, Knysna, 2024



Source: Western Cape Department of the Premier, 2025

Median income levels in the Knysna municipal area reflect a clear spatial divide. Higher-income households are clustered along the southern coastal belt, where tourism, property investment and formal employment opportunities are concentrated. In contrast, rural and inland settlements such as Rheenendal and Karatara continue to experience lower median income levels and limited access to employment opportunities and services. These disparities reflect Knysna’s dual economy, which combines a strong, consumption-driven coastal economy with low-wage labour markets in peripheral settlements. While high-income areas provide a stable revenue base for the Municipality, lower-income communities remain vulnerable to shocks and reliant on subsidised services. They are also at risk of further marginalisation if spatial inequality is not addressed through integrated land-use planning, accessible transport and inclusive local economic development initiatives.

Figure 2.5.15:
WAGE DISTRIBUTION, Knysna, 2024



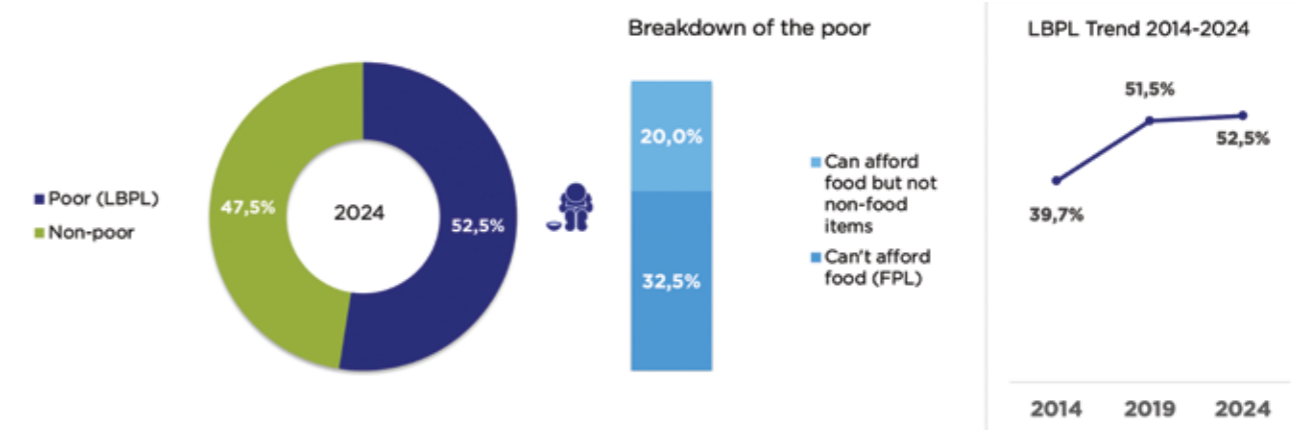
No. of FTE per income category	R0 - R1600	R1600 - R3200	R3200 - R6400	R6400 - R12800	R12800 - R25600	R25600 - R51200	R51200 - R102400	R102400 - R204800	R204800 - R409600	R409600 - R819200	R819 200 - R1.6M	R1.6M - R10.0M
	356	358	4 236	3 456	1 895	1 276	260	62	12	2	2	3

Source: Spatial Tax Data, 2025

Knysna's wage distribution is heavily concentrated in the low-income brackets, with nearly three-quarters of the workforce earning less than R12 800 per month. This reflects the municipal area's dependence on a tourism-driven service economy characterised by low wages, seasonal employment and skills mismatches. While a small portion of the workforce participates in middle-to-high-income markets, the share remains below District and Provincial averages, limiting social mobility and fiscal resilience. These disparities contribute to widening spatial inequality, increased pressure on subsidised services and vulnerability to external economic shocks. Addressing inclusive growth, skills development, and diversification of the local economy will be critical to expanding earnings potential and improving socioeconomic outcomes.

Poverty

Figure 2.5.16:
POVERTY HEADCOUNT RATE, Knysna, 2014 - 2024



Source: Quantec, 2025

The national poverty lines were calculated using a cost-of-basic-needs approach that links welfare to the consumption of goods and services. The lines address both food and non-food components of household consumption expenditure.

- Food poverty line - R796 (in May 2024 prices) per person per month. This refers to the amount of money that an individual will need to afford the minimum required daily energy intake. The food poverty line is commonly referred to as the "extreme" poverty line.
- Lower-bound poverty line - R1 109 (in May 2024 prices) per person per month. This refers to the food poverty line plus the average amount required for non-food items of households whose total expenditure is equal to the food poverty line.
- Upper-bound poverty line - R1 634 (in May 2024 prices) per person per month. This refers to the food poverty line plus the average amount required for non-food items of households whose food expenditure is equal to the food poverty line.

In 2024, more than half of Knysna's population (52.5 per cent) lived below the lower-bound poverty line (LBPL), reflecting deep and persistent socioeconomic vulnerability. Notably, 32.5 per cent of residents were in extreme poverty, meaning that they struggled to afford adequate food. This highlights the significant nutritional and social risks that prevail in the municipal area.

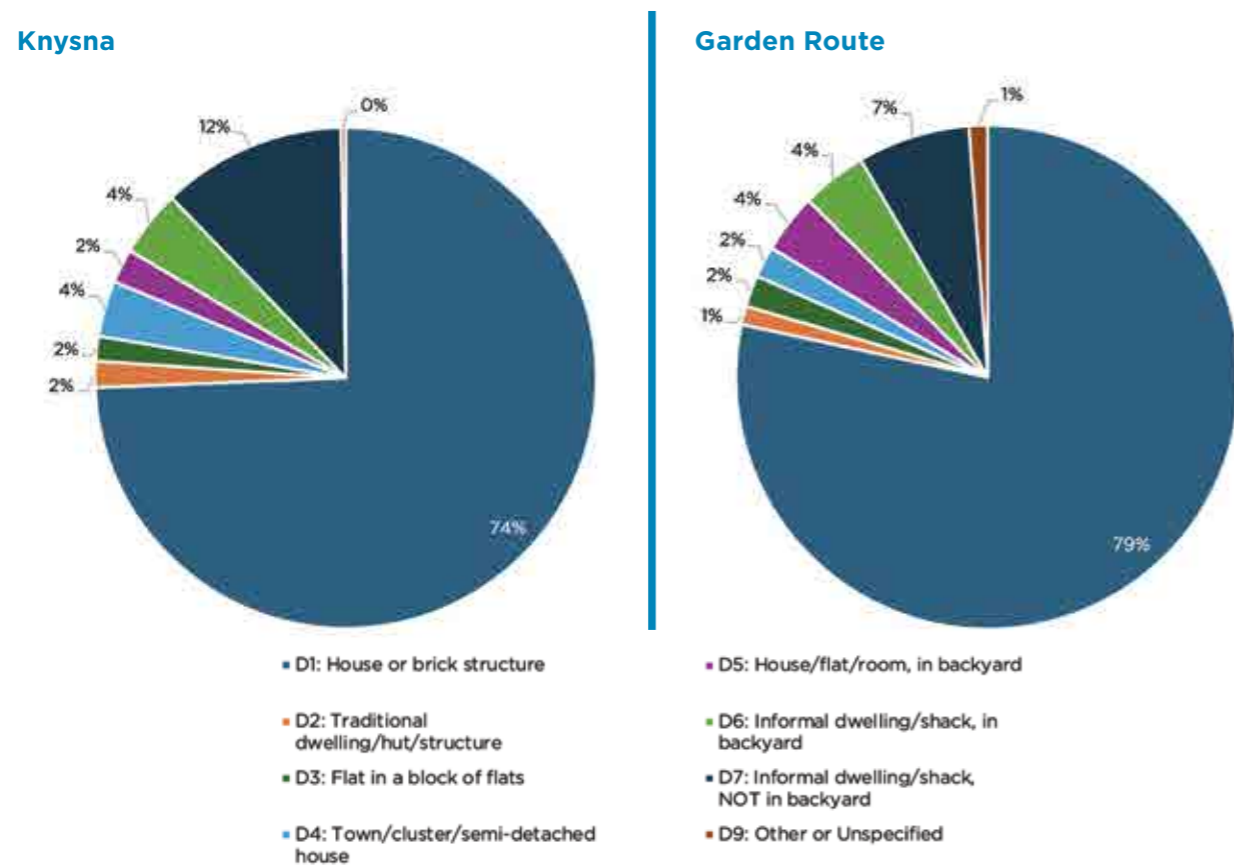
Poverty levels have increased by more than 12.0 percentage points over the past decade, suggesting that local economic gains, particularly in the tourism and services sectors, are not translating into broad-based improvements in household livelihoods. The scale and persistence of poverty place a growing strain on municipal services, accelerate the expansion of informal settlements and reinforce spatial inequality. Strengthening skills development, expanding access to economic opportunities, and reducing household living costs will be essential to supporting more inclusive growth in Knysna.

2.5.5 Basic service delivery

The Constitution of the Republic of South Africa provides every citizen with the right to access adequate housing, and the state must employ reasonable legislative and other measures, within available resources, to progressively realise this right. Access to housing encompasses the provision of essential services such as clean water, basic sanitation, safe energy sources and waste removal, ensuring that households maintain a decent standard of living. This section considers the extent to which this has been achieved.¹²⁰

Housing and Household Services

Figure 2.5.17:
HOUSING TYPES, Knysna, 2024



Source: Quantec, 2025

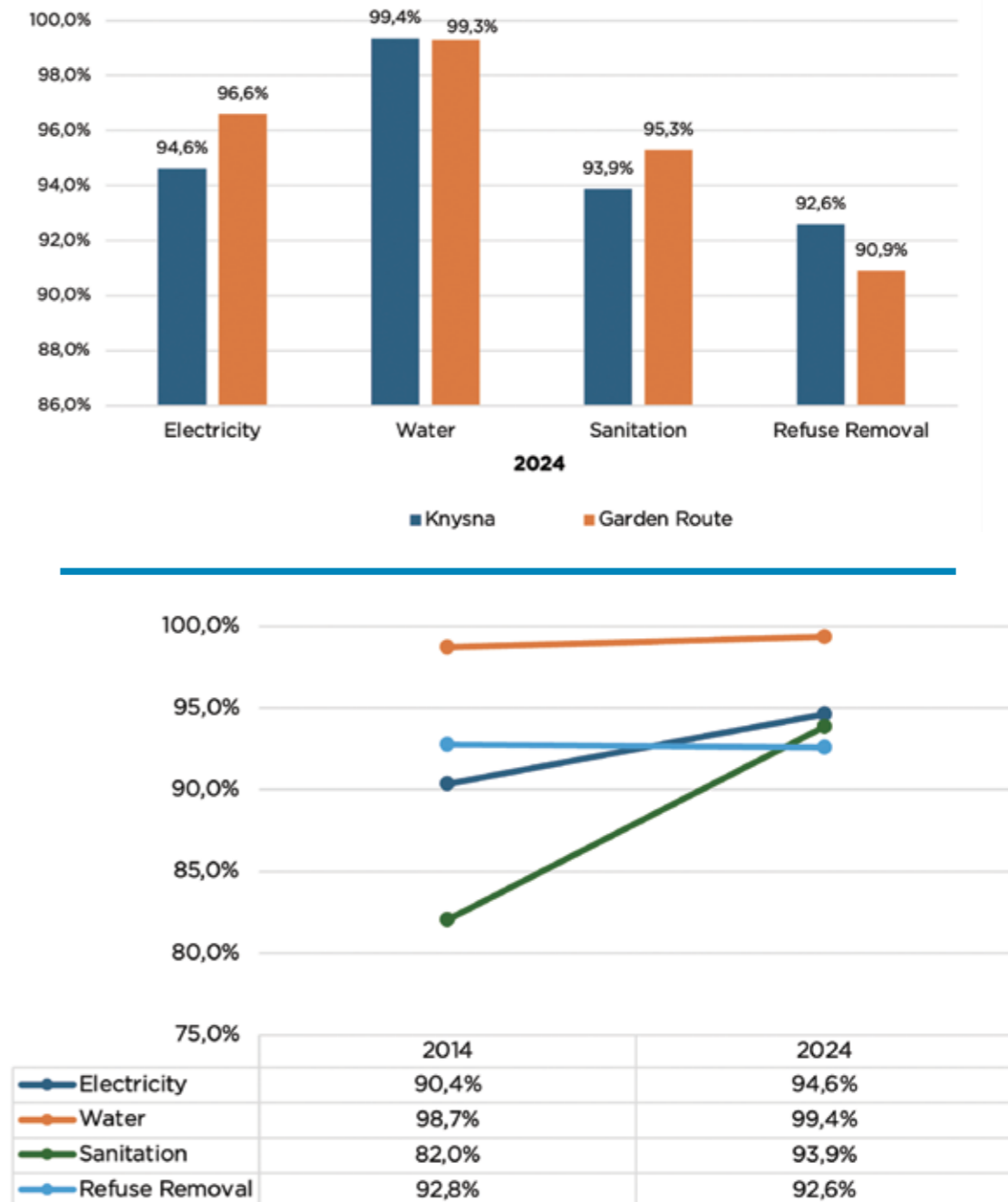
In 2024, the Knysna municipal area included an estimated 25 420 households, 74.0 per cent of which lived in formal dwellings.¹²¹ This was slightly below the GRD average of 79.0 per cent. The remaining households were distributed across other housing types. Primarily due to population growth and limited affordable housing, 4.0 per cent lived in informal dwellings or shacks in a backyard, and 12.0 per cent in informal dwellings or shacks not in a backyard. In addition, 0.9 per cent occupied traditional dwellings, while 2.0 per cent lived in other forms of residence or unspecified housing types.

¹²⁰ While the 2022 Census provides the most recent official data, this report uses Quantec’s modelled estimates, which offer more recent and regularly updated figures. Information on indigent households was sourced from the Western Cape Department of Local Government.

¹²¹ (MYPE, 2021).

The housing profile of the municipal area reflects a mixed socioeconomic environment where formal housing dominates, but with a noticeably higher proportion of informal dwellings outside backyards relative to the GRD average. This signals affordability constraints, underserved communities, and spatial inequality driven by limited land availability and a tourism-oriented local economy that inflates property values. While Knysna shows slightly greater diversification in formal housing types, the continued expansion of informal settlements places increased pressure on municipal services and heightens exposure to disaster risks. Addressing these housing challenges will require targeted upgrading programmes, improved access to affordable rentals, and proactive human settlement planning aligned with the municipal area’s topographical and environmental constraints.

Figure 2.5.18:
ACCESS TO BASIC SERVICES, Knysna, 2014 - 2024



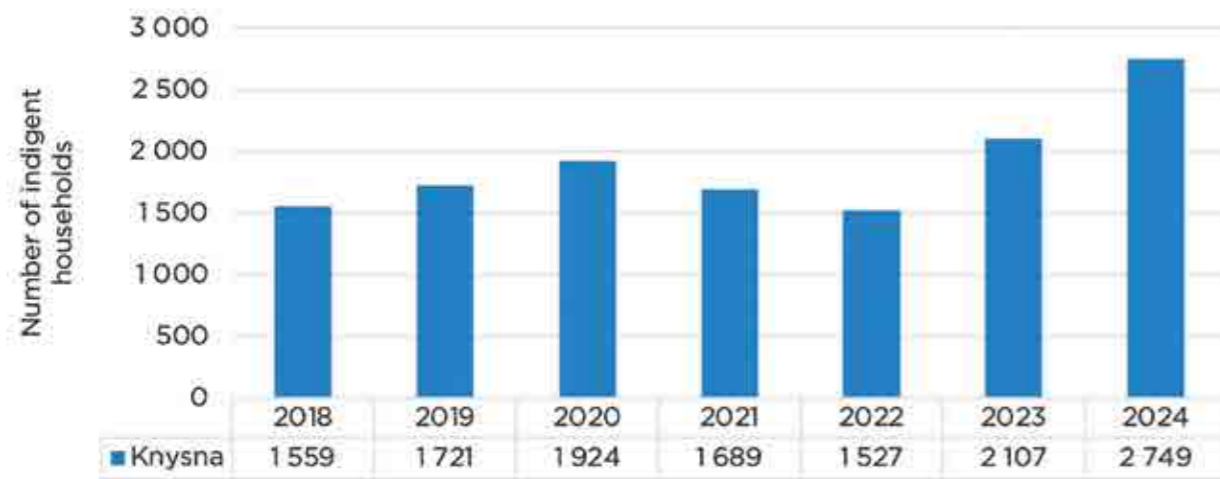
Source: Quantec, 2025

Over the past decade, Knysna has maintained high levels of access to water, effective refuse removal, and overall improved sanitation, reflecting sustained investment in essential infrastructure. However, ongoing urbanisation and the expansion of informal settlements have slowed improvements in electricity access and continue to constrain sanitation upgrades in high-density low-income communities.

The municipal area generally matches or exceeds GRD averages. However, persistent spatial disparities in service access underscore the importance of targeted municipal interventions to support more inclusive and climate-resilient growth.

Free Basic Services

Figure 2.5.19:
INDIGENT HOUSEHOLDS, Knysna, 2018 - 2024



Source: Western Cape Department of Local Government, 2025

The number of indigent households in Knysna has increased significantly since 2018, with growth accelerating sharply between 2023 and 2024. A 76.0 per cent rise over the seven-year period from 2018 to 2024 highlights deepening household vulnerability driven by volatility in the tourism sector, rising living costs, and limited access to affordable housing and employment opportunities. This expanding indigent base places additional pressure on the Municipality's capacity to sustain free basic services and maintain revenue performance, particularly in areas already affected by spatial inequality and informal development. Knysna's growing demand for social support underscores the urgency of targeted economic-inclusion measures, labour market interventions and strengthened human-settlement planning to counter entrenched poverty and vulnerability.

2.5.6 Safety and security

High levels of poverty and inequality have given rise to elevated crime levels, necessitating the development of the Western Cape Safety Plan. In it, the Western Cape Government (WCG) expresses a vision to ensure that the Province is a place where all people feel secure and can live free from fear. Knysna shares this goal, as it is not spared the safety concerns present throughout the Province and GRD.

TABLE 2.5.5: CRIME PER 100 000 PEOPLE, Knysna, 2022 - 2024

CRIME CATEGORY	Actual Numbers			Trend	Crime per 100 000 Population	
	2022	2023	2024		Knysna	Garden Route
Murder	17	15	16	↑	20	33
Sexual Offences	162	109	117	↑	145	139
Common assault	558	564	676	↑	835	798
Malicious damage to property	359	346	404	↑	500	397
Burglary at residential premises	546	474	486	↓	601	526
Commercial crime	212	276	331	↑	410	392
Drug-related crime	788	715	631	↓	779	1 085
Driving under the influence of alcohol or drugs	129	271	328	↑	406	259

Source: Own calculations from Quantec, 2025 and MYPEPPU, 2025.2

Crime in the Knysna municipal area reflects significant interpersonal violence and rising property-related criminal activity, mainly driven by alcohol abuse, informal settlement stress and economic insecurity. While murder rates remain below the GRD average, high rates of common assault, malicious damage to property, and sexual offences reveal underlying social vulnerability and gender-based violence concerns.

Continued increases in commercial crime and drinking-and-driving incidents signal challenges within Knysna's tourism-driven economy, while persistent burglary places pressure on community trust and perceptions of safety. Strengthening crime prevention partnerships, improving access to social services and expanding economic-inclusion programmes are critical to reducing community-level risks and supporting local resilience.

Although the murder rate in the Knysna municipal area remains below the GRD average, the absence of a sustained downward trend points to persistent violence hotspots. These incidents are largely concentrated in socially marginalised communities, suggesting strong links to alcohol misuse, gang-related dynamics, and household conflict. Given the relatively low absolute numbers, the reported figures may also mask under-detection or misclassification of violent crimes.

Sexual offence rates exceed the District average, signalling an elevated risk of gender-based violence within the municipal area. Underreporting is highly likely, implying that the actual prevalence of sexual violence may be significantly higher than recorded figures suggest. These offences are closely associated with overcrowding, poverty, psychosocial stress, and limited access to survivor support and protection services.

Common assault remains one of the highest-volume crime categories in the municipal area and occurs at levels exceeding district averages. The prevalence of this crime is largely driven by interpersonal violence, high levels of alcohol consumption, particularly in informal drinking establishments, and broader social instability. This pattern indicates weaknesses in community-level conflict mediation mechanisms and shortcomings in alcohol licensing enforcement.

Incidents of malicious damage to property are substantially higher than GRD levels, reflecting heightened community frustration, neighbourhood conflict, and, in some cases, service delivery-related grievances. This category frequently co-occurs with assault-related offences, reinforcing its association with broader patterns of social disorder. As such, it is symptomatic of weakening community cohesion and shifting financial burdens onto already vulnerable households and small businesses.

Residential burglary levels remain high relative to the District average, reflecting the municipal area's pronounced socioeconomic duality. This duality is characterised by the coexistence of affluent holiday homes alongside communities with high levels of youth unemployment and limited skills development. The seasonal nature of the tourism economy creates opportunity-rich periods for break-ins, particularly during peak visitor months. These risks are further amplified by inadequate public lighting, fragmented settlement patterns, and low levels of both natural and formal surveillance.

Commercial crime has increased sharply and is closely linked to Knysna's tourism-oriented service economy. The prevalence of scams and card fraud points to vulnerabilities in digital security systems and the presence of transient populations. Small and informal enterprises are disproportionately affected, undermining local business sustainability and economic resilience. Drug-related crime rates are lower than the district average; however, this may reflect shifting enforcement priorities rather than a reduction in drug availability or use. Informal distribution networks remain entrenched within low-income settlements, where drug activity is strongly associated with youth vulnerability, school dropout rates, and gang involvement.

Driving under the influence offences are alarmingly high and well above district rates, indicating a local culture in which excessive alcohol consumption has become normalised. These offences are closely linked to nighttime tourism-related activity and entertainment precincts. The resulting road safety risks are particularly acute along the N2 and key tourist corridors. While enforcement efforts appear to be improving, sustained behavioural change remains limited.

2.5.7 Conclusion

Knysna's population is stable but growing (rising from 81 783 in 2025 to 86 400 in 2030). Growth is increasingly constrained by land scarcity and housing costs, but continues to increase pressure on bulk services and social infrastructure. The in-migration of low-income job seekers and higher-income retirees widens spatial and income divides.

Public health facilities carry the load. The teenage pregnancy rate spiked to 21.1 per cent in 2024/25, while the immunisation rate (60.6 per cent) was well below the herd immunity threshold. The incidence of maternal mortality from 2023/24 to 2024/25 was zero, but neonatal mortality remained above the GRD average. The rate of low birth weight has edged up. ART coverage is increasing, while TB caseloads are trending downwards. Even so, detection and referral in vulnerable areas require strengthening.

Learner enrolment has risen. The matric pass rate at 90.9 per cent recorded in 2024, is now above the GRD. However, the Grade 10 to 12 retention fell to 64.0 per cent in 2024 (making a partial recovery in 2025). This signalled socioeconomic strain, the effects of teenage pregnancy, and mobility challenges. Classroom pressure is emerging in specific localities.

GDPR per capita declined from R67 259 in 2014 to R61 485 in 2024, and lags both District and Provincial per capita output. Inequality has eased only slightly and remains high, with a Gini coefficient of 0.561 recorded in 2024. Wages clustered below R12 800 per month in 2024, and 52.5 per cent of residents lived below the LBPL (32.5 per cent in extreme poverty). The number of indigent households increased by 76.0 per cent from 2018 to 2024, intensifying demand for free basic services and straining municipal finances.

Access remained high in 2024, with water provision at 99.4 per cent of households, sanitation at 93.9 per cent, electricity at 94.6 per cent, and refuse removal at 92.6 per cent. However, informal settlement growth and challenging topography slow electrification and sanitation upgrades. Housing is 74.0 per cent formal, with a notably high 12.0 per cent of households living in informal dwellings (not in backyards). This elevates disaster and environmental risk, raising lifecycle service costs.

Crime is dominated by interpersonal violence and alcohol-related harm. Common assault, sexual offences and malicious damage to property exceed GRD crime rates. The rate of burglary remains elevated. The incidence of driving under the influence is very high. The murder rate is below the GRD murder rate, but remains stable.

Taken together, these trends highlight both the pressures and the potential within the Knysna municipal area. Population growth, service delivery constraints, income inequality, education and health challenges, housing pressures, and crime are interconnected issues that require integrated responses. At the same time, the municipality's natural assets, tourism-driven economy, and existing community and institutional capacity provide a strong foundation for interventions that promote inclusive growth, improved quality of life, and resilience. Collaborative action by government, communities, civil society, and the private sector will be critical to addressing current pressures while harnessing these strengths to create a more equitable and sustainable future.

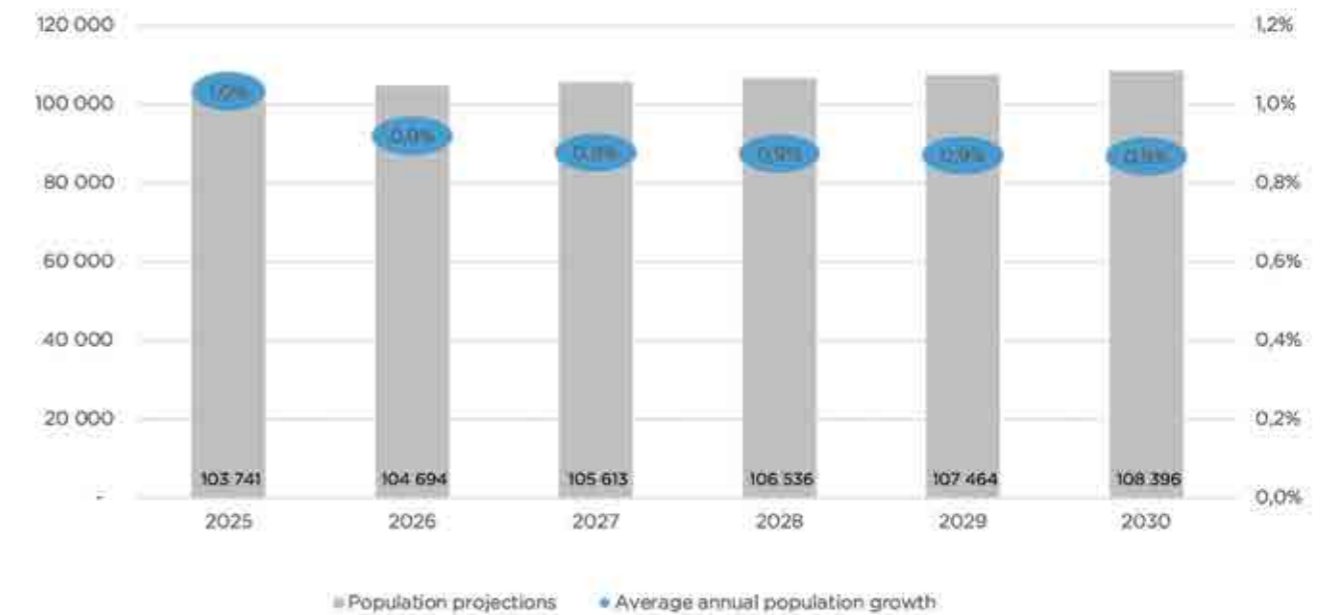
2.6.1 Demographics

Understanding population dynamics is critical for effective municipal planning and the equitable provision of public services. Population size, household growth, age structure and migration patterns directly influence the demand for infrastructure, housing, education, healthcare and social services. Monitoring socioeconomic trends in Mossel Bay is essential to protect rural livelihoods, guide development decisions and ensure long-term resilience in a developing economy.

Population and household growth

The Mossel Bay municipality area, with an estimated population of 103 741 in 2025, is the second largest within the Garden Route District (GRD) after George Municipality. This underscores its role as a regional economic driver with significant service delivery capacity and evolving urban-coastal character. Its challenge lies in balancing economic expansion and migration pressures with inclusive development.

Figure 2.6.1:
POPULATION GROWTH, Mossel Bay, 2025 – 2030



Source: MYPEPPU, 2025.2

Mossel Bay's population is projected to grow modestly but consistently—around 1 per cent annually to 2030—reflecting economic vitality and ongoing in-migration linked to employment and lifestyle appeal. This trend reinforces its position as a regional growth centre within the GRD, with a stable base for planning and service delivery. However, the Municipality must manage the spatial and social pressures of gradual urban expansion by promoting inclusive housing, equitable infrastructure investment, and local job creation to ensure that demographic growth strengthens, rather than strains, socioeconomic resilience.

2.6 MOSSEL BAY

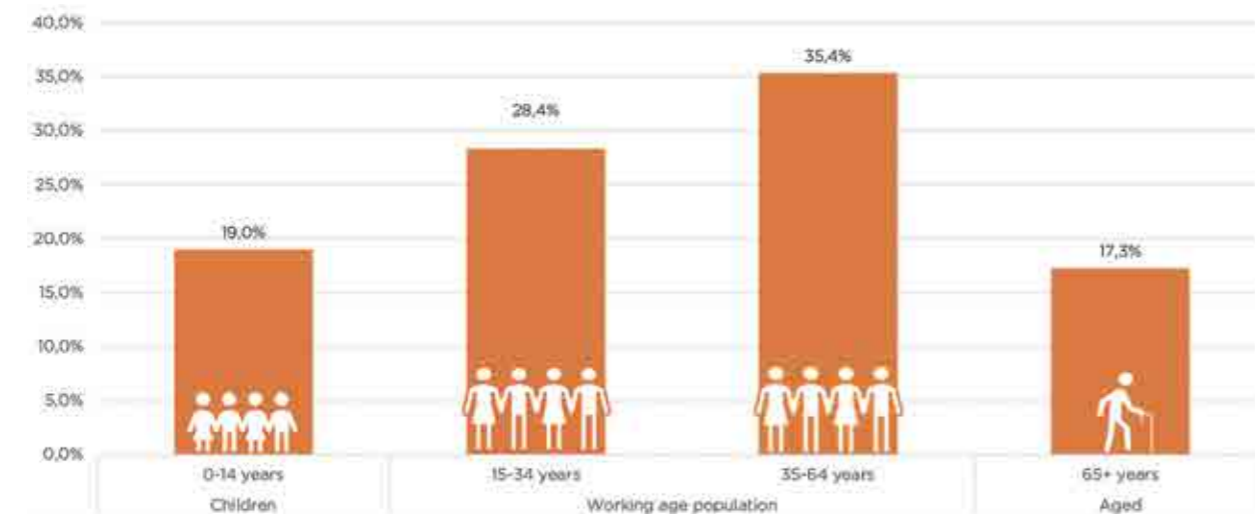
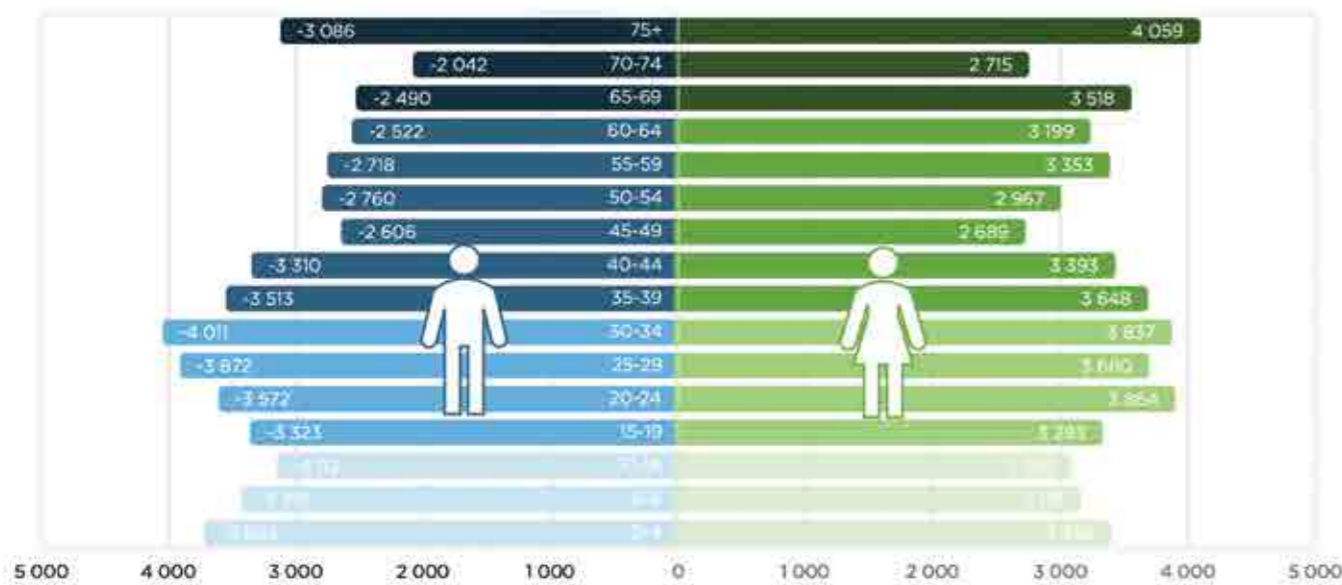
Municipal safety and wellbeing

This section examines the social trends that shape the identity of the Mossel Bay municipal area. Population dynamics, income trend, housing needs and basic service delivery are reviewed, and a nuanced assessment of healthcare, education and crime metrics is provided. Overall, the section gives a comprehensive view of community wellbeing and prospects, showing the interplay of social and economic undercurrents in the municipal area.

Mossel Bay’s 2025 age structure reflects a robust working-age population alongside a growing elderly cohort, marking a shift toward demographic maturity. While the strong labour base supports economic vitality, ageing trends will increasingly shape service demand, particularly in healthcare and social support. Sustaining socioeconomic resilience will require policies that retain youth, expand employment pathways, and prepare for an ageing society, ensuring balanced and inclusive development across generations.

Gender, Age and Race Dynamics

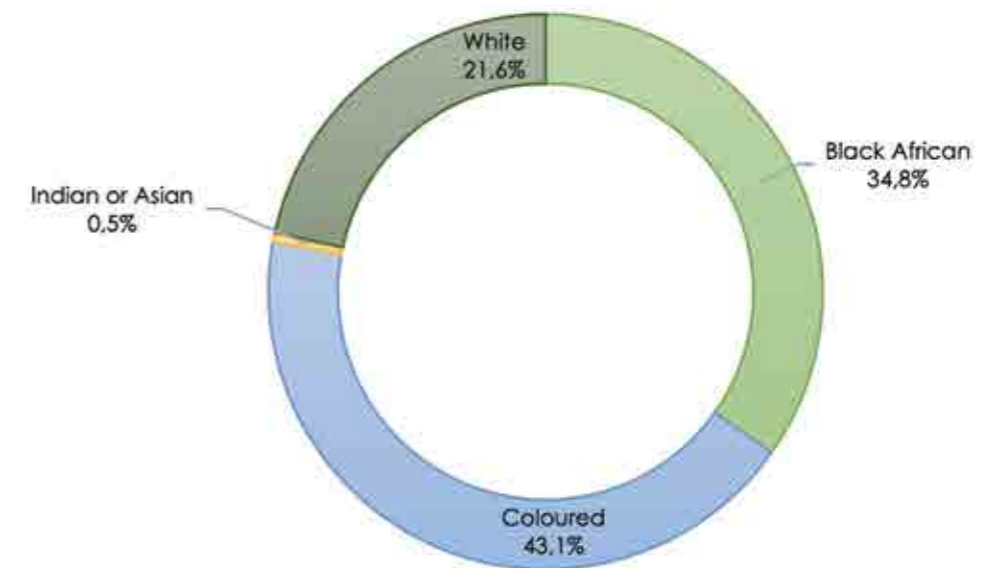
Figure 2.6.2:
POPULATION PYRAMID, Mossel Bay, 2025



Source: MYPEPPU, 2025.2

The Mossel Bay municipal area’s 2025 age profile reflects a mature and economically active population, with 63.8 per cent in the working-age bracket and a growing elderly share of 17.3 per cent. While this structure supports a strong labour base, the municipal area faces a gradual ageing transition that will reshape social and economic priorities. To strengthen resilience, efforts should focus on stimulating youth employment, expanding health and care services, and planning inclusively for an ageing but still productive population.

Figure 2.6.3:
RACIAL COMPOSITION, Mossel Bay, 2024



Source: Quantec, 2025

The municipal population is racially diverse but economically divided, with coloured (43.1 per cent) and black African (34.8 per cent) residents forming the majority labour base, while white households (21.6 per cent) dominate higher-income and property-owning segments. This mix reflects opportunity and inequality: a growing, youthful workforce alongside persistent spatial and economic divides. Achieving balanced development will depend on inclusive growth, equitable service delivery, and skills empowerment to bridge historical disparities and strengthen social cohesion.

Population Density

Population density, defined as the number of individuals per unit area, is determined by various economic, social, connectivity and accessibility factors. Analysing population density allows municipalities to efficiently plan services, allocate budgets and manage environmental risks. In 2024, Mossel Bay’s population density was 53.0 persons per km². This figure serves as a benchmark for comparing municipal areas within the GRD and plays a critical role in shaping regional development strategies.

The implications of this population density are significant for economic planning. A lower density may suggest opportunities for targeted investment in infrastructure and services to support growth. Understanding density patterns can help Municipalities anticipate demand for housing, transportation and public services. Policymakers must leverage these insights to create sustainable and effective development plans that accommodate the population’s evolving needs while mitigating potential environmental impacts.

2.6.2 Health and Wellness

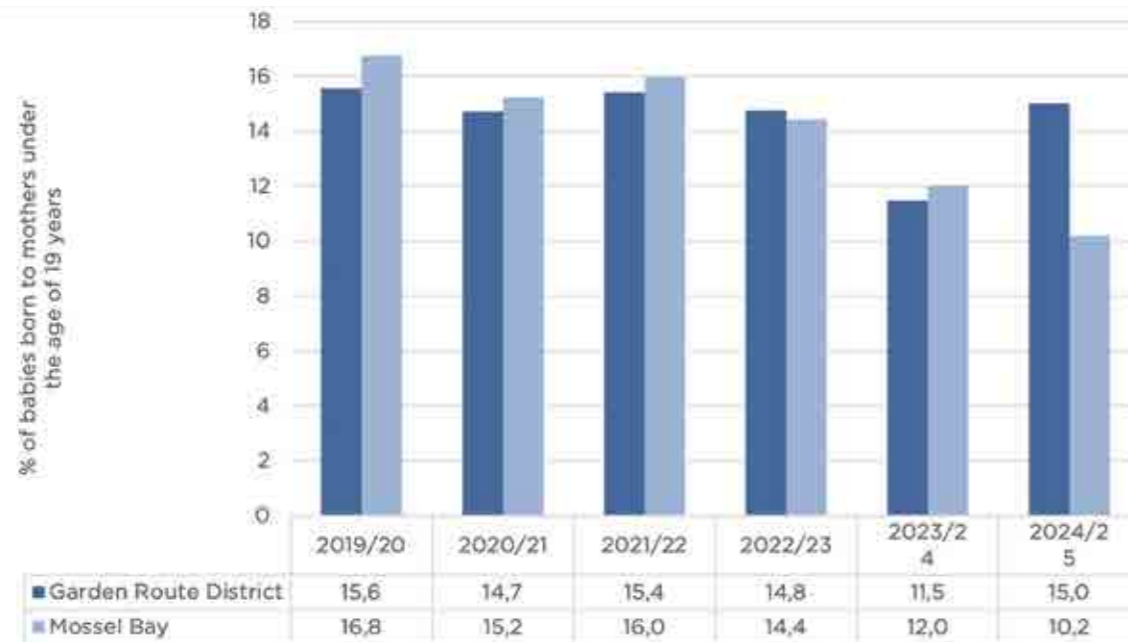
The wellbeing of a population plays a crucial role in driving economic performance, primarily through its impact on labour productivity. An aspect that has immense potential for promoting labour force participation is the advancement of women’s health.¹²¹

Health Care Facilities

The GRD has a moderately developed healthcare system, anchored by 40 public health care (PHC) facilities, six District hospitals and one regional hospital that is located in George – making George the health hub of the District. By contrast, the Mossel Bay municipal area has only five fixed clinics and one District hospital, and relies heavily on 11 mobile facilities. This is despite rapid population growth and an increasing number of indigent households. This available number of health care facilities is indicative of a mismatch between demand and supply, thus risking overcrowding, and leading to dependence on the regional hospital in George. For sustainable socioeconomic development, Mossel Bay requires expanded fixed healthcare infrastructure and stronger municipal-provincial planning integration to meet rising health service demand.

Maternal Health

Figure 2.6.4:
DELIVERY RATE TO WOMEN UNDER 19 YEARS, Mossel Bay, 2019/20 – 2024/25



Source: Western Cape Department of Health and Wellness, 2025

High numbers of teenage deliveries perpetuate cycles of poverty, increase the drop-out rate, and lead to low labour force participation, especially among young women. The reduction in Mossel Bay’s teenage delivery rate that occurred since 2022/23 is encouraging, as it lessens strain on social and health systems while improving long-term socioeconomic prospects.

Between 2019/20 and 2021/22, teenage delivery rates in the Mossel Bay municipal area were consistently high (ranging from 15.2 per cent to 16.8 per cent), exceeding the GRD average. From 2022/23 onwards, the area experienced a sharp and sustained decline in teenage pregnancies,

which fell to 10.2 per cent by 2024/25. This was possibly the result of successful interventions regarding family planning and social programmes. The GRD teenage delivery rate also improved, dropping to 11.5 per cent in 2023/24. However, the District subsequently saw an uptick in teenage pregnancies, with deliveries rising to 14 per cent in 2024/25.

Overall, Mossel Bay has transitioned from being a hotspot for teenage deliveries to outperforming the District, highlighting the positive impact of targeted health and education interventions. Ongoing reproductive health and youth-focused programmes are critical for sustaining these gains, especially given the GRD’s rebound in 2024/25.

Teenage pregnancy is calculated as the percentage of babies born to mothers under the age of 19 in a given year.

Teenage pregnancy is almost always unplanned. Consequently, when young parents are placed in the position of having to care for a child, they can find themselves woefully unprepared for the challenges that this brings. This is especially the case if they do not have family members who can assist them or social support.

TABLE 2.6.1: TERMINATION OF PREGNANCY RATE, Mossel Bay, 2019/20-2024/25

MUNICIPALITY	Termination of Pregnancy Rate					
	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25
Garden Route	0.6	0.5	0.6	0.7	0.6	0.6
Mossel Bay	0.6	0.6	0.6	0.6	0.5	0.5

Source: Western Cape Department of Health and Wellness, 2025

From 2019/20 to 2024/25, the termination of pregnancy rate of the Mossel Bay municipal area remained stable at 0.5 per cent to 0.6 per cent of females aged 15 to 44 years. The Mossel Bay termination of pregnancy rate is the same as or slightly below the GRD average of 0.6 per cent. This reflected a moderate utilisation of services compared with higher rates of pregnancy terminations in George and lower reported levels in Oudtshoorn and Bitou. While Mossel Bay’s stability indicates balanced access to services, the persistence of teenage pregnancy points to gaps in prevention and reproductive health education. Sustained investment in contraceptive access, youth-friendly services, and awareness programmes is essential for addressing the underlying drivers of unplanned pregnancy.

The termination of pregnancy rate is calculated as the number of women who undergo terminations as a proportion of females aged 15 to 44 years in a given year.

Government hospitals, designated private doctors and gynaecologists, and non-profit providers offer safe and legal termination of pregnancy. To obtain a free abortion, the request must be made at a primary healthcare clinic. At the clinic, the pregnancy will be confirmed, counselling provided, an appointment made with a facility where the procedure can be performed, and a referral letter provided for this facility.

Maternal Mortality Rate

TABLE 2.6.2: MATERNAL DEATHS PER 100 000 LIVE BIRTHS, Mossel Bay, 2019/20 – 2024/25

MUNICIPALITY	Maternal Mortality Ratio						
	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25
Garden Route	54.8	31.7	115.4	53.7	68.5	70.2	46.3
Mossel Bay	0.0	0.0	0.0	0.0	143.9	75.8	0.0

Source: Western Cape Department of Health and Wellness, 2025

Mossel Bay recorded no maternal deaths from 2018/19 to 2021/22. However, in 2022/23, the maternal mortality ratio of the municipal area spiked sharply to 143.9 deaths per 100 000 live births, more than double the GRD average. This outcome may have been caused by an isolated case.

Although the maternal mortality rate improved to 75.8 deaths per 100 000 live births in 2023/24 and was recorded at 0.0 in 2024/25, these fluctuations highlight vulnerabilities in local maternal healthcare. Compared to the District, which consistently shows instability with high mortality, Mossel Bay generally performs better. However, it experienced a critical lapse maternal mortalities from 2022/23 to 2023/24. Sustained investment in emergency obstetric care, skilled birth attendance and referral systems is essential for stabilising maternal outcomes.

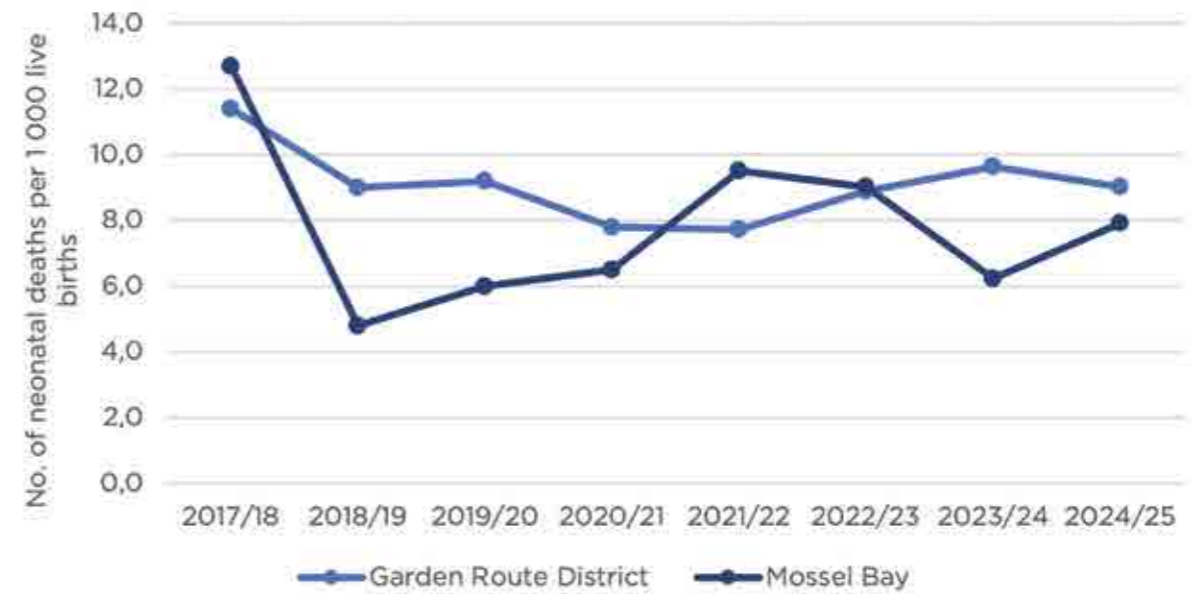
The maternal mortality rate is the number of maternal deaths per 100 000 live births in public health facilities* in a given year.

Maternal death is death that occurs in the course of a pregnancy, during childbirth or the puerperium, or within 42 days of termination of pregnancy. This is irrespective of the duration and site of pregnancy and irrespective of the cause of death (obstetric or non-obstetric).

* Private facilities do not report data on live births routinely or completely.

Neonatal Mortality Rate

Figure 2.6.5: NEONATAL MORTALITY RATE, Mossel Bay, 2019/20-2024/25



Source: Western Cape Department of Health and Wellness, 2025

Between 2019/20 and 2024/25, neonatal mortality in Mossel Bay remained volatile and consistently above the GRD average, peaking sharply at about 60 neonatal deaths per 1 000 live births in 2023/24 before dropping slightly in 2024/25. High levels of neonatal mortality undermine child survival goals and reflect gaps in antenatal, intrapartum and postnatal care. The District average fluctuated around 25 neonatal deaths per 1 000 live births to 30 over the 2019/20 to 2024/25 period. Compared to other municipal areas, Mossel Bay performs worse than George and Knysna, but better than Oudtshoorn. This highlights systemic weaknesses in the area’s maternal and neonatal care capacity and reliance on referrals as well as the need for stronger specialised newborn care services, better referral systems and community-based maternal health interventions.

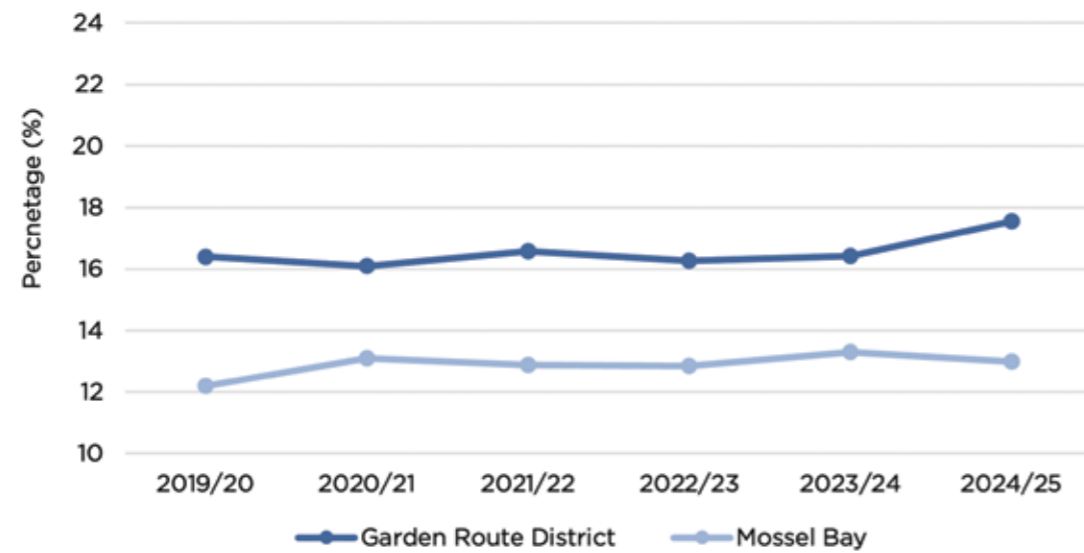
The neonatal mortality rate is the number of neonates that die before reaching 28 days of age per 1 000 live births in a given year.

The first 28 days of life (i.e. the neonatal period) constitute the most vulnerable time for a child’s survival. The Province set a target for 2019 of 6.0 neonatal deaths per 1 000 live births.

Low birth weight

A mother’s health and nutritional status greatly influences the growth and development of her baby during pregnancy and infancy. Birth weight is an indicator of both foetal growth and maternal wellbeing. If the mother is undernourished, in poor health, and/or very young or very old, there is a greater chance of pregnancy or labour-related complications. The latter include the baby being born with a low birth weight.

Figure 2.6.6:
LOW BIRTH WEIGHT, Mossel Bay, 2019/20-2024/25



Source: Western Cape Department of Health and Wellness, 2025

From 2019/20 to 2024/25, the number of cases of low birth weight in the Mossel Bay municipal area rose from 12 per cent of babies born alive to 13 per cent. These rates were lower than those of the GRD (which increased from 16 per cent to 18 per cent).

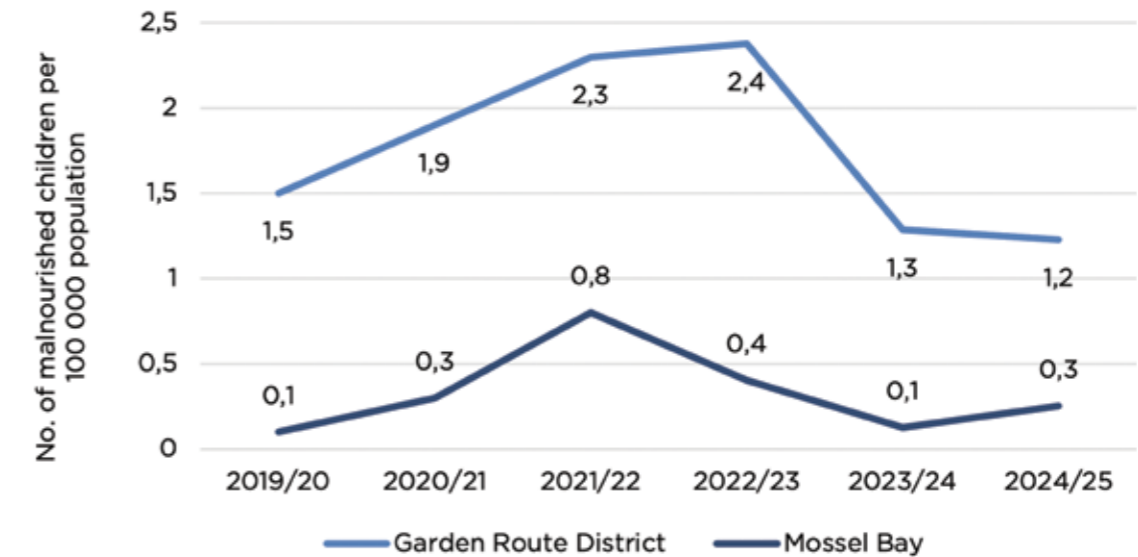
While instances of low birth weight in Mossel Bay have not been increasing relative to District rate, there has been marginal long-term improvement. Overall, GRD showed a slight upward tendency in the instances of babies born with low birth weight by 2024/25. While Mossel Bay holds steady between 12 per cent and 13 per cent, it faces risks if maternal nutrition, antenatal care and adolescent pregnancy challenges are not addressed.

The low birth weight rate is the percentage of all babies, in a given year, who are born alive in a facility and weigh less than 2 500 g at birth.

Low birth weight is associated with a range of short- and long-term difficulties.

Malnutrition

Figure 2.6.7:
MALNUTRITION, MOSSEL BAY, 2019/2020 -2024/25



Source: Western Cape Department of Health and Wellness, 2025

Malnutrition in the GRD affects certain groups disproportionately. Mossel Bay shows consistently low and stable rates of severe acute malnutrition, reflecting better food security and service access. By contrast, Oudtshoorn and Kannaland face persistently high malnutrition burdens, which drive the District average upwards and expose deep socioeconomic disparities. This pattern highlights the need for targeted district-level interventions to address vulnerable areas while sustaining the gains in areas like Mossel Bay.

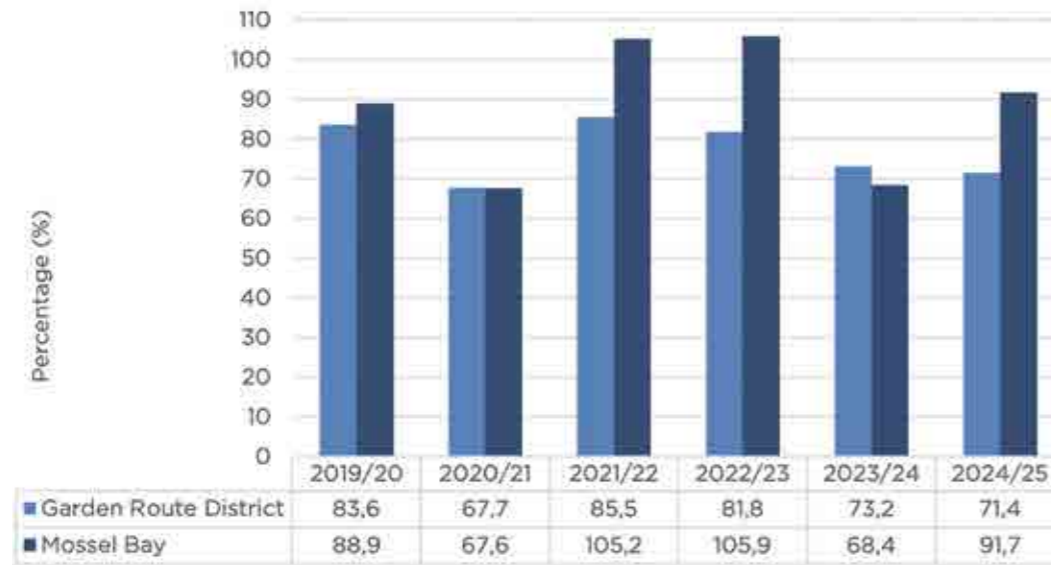
The severe acute malnutrition rate is the number of malnourished children under five years of age per 100 000 people in a given year.

Malnutrition may refer to either under-nutrition (an individual not receiving adequate amounts of nutrients) or over-nutrition (an individual receiving excessive amounts of nutrients).

Immunisation

Immunisation coverage in the Mossel Bay municipal area has consistently been higher than the GRD average (especially in 2021/22 and 2022/23), often meeting or surpassing the 90.0 per cent Provincial target set by the Western Cape Department of Health and Wellness. The performance of the District has been weaker, with declines in 2020/21 and again from 2022/23 to 2024/25. The declining immunisation rate suggests systemic challenges in sustaining high coverage. Mossel Bay's positive outcomes point to better programme resilience and service delivery, while the District requires a renewed focus on catch-up campaigns, outreach, and equity in access to close gaps across municipal areas.

Figure 2.6.8:
IMMUNISATION RATE, Mossel Bay, 2019/20 - 2024/25



Source: Western Cape Department of Health and Wellness, 2025

Burden of Disease

HIV and Aids

Mossel Bay has shown a steady increase in the number of antiretroviral therapy (ART) patients, which has grown by 20.0 per cent since 2019/20. That said, the pace of expansion has been slightly below the District’s average growth rate. Unlike with the GRD, Mossel Bay’s expansion of ART clinics (which increased from 14 to 17 over the 2019/20 to 2024/25 period) has kept pace with demand, resulting in better patient-to-clinic ratios and improved accessibility. The District, for its part, has faced a growing caseload without a corresponding expansion in facilities since 2022/23, highlighting the risks of overburdened services. Mossel Bay’s relatively balanced approach underscores a more substantial alignment between patient growth and service capacity.

TABLE 2.6.3: TOTAL REGISTERED PATIENTS ON ART, Mossel Bay, 2019/20-2024/25

MUNICIPALITY	Total registered patients receiving ART					
	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25
Garden Route	25 738	26 996	27 825	29 858	30 984	31 833
Mossel Bay	4 979	5 326	5 243	5 838	5 977	5 987

Source: Western Cape Department of Health and Wellness, 2025

Tuberculosis

TABLE 2.5.4: TOTAL REGISTERED TB PATIENTS, Mossel Bay, 2019/20 - 2024/25

MUNICIPALITY	Number of TB patients registered for treatment					
	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25
Garden Route	4 732	4 676	4 941	5 259	5 207	5 390
Mossel Bay	703	749	775	763	857	852

Source: Western Cape Department of Health and Wellness, 2025

The Mossel Bay municipal area has seen a 21.0 per cent rise in tuberculosis (TB) patients on treatment since 2019/20, with the total growing faster than the GRD’s 14.0 per cent increase. Despite fluctuations in clinic numbers, Mossel Bay maintains a favourable patient-to-clinic ratio, one that is generally better than the District average and which supports improved service accessibility. A temporary reduction in clinics in 2023/24 coincided with a peak in patient numbers, highlighting the risks of service instability. Overall, Mossel Bay performs well relative to the District, but requires consistent clinic capacity to manage growing TB caseloads effectively.

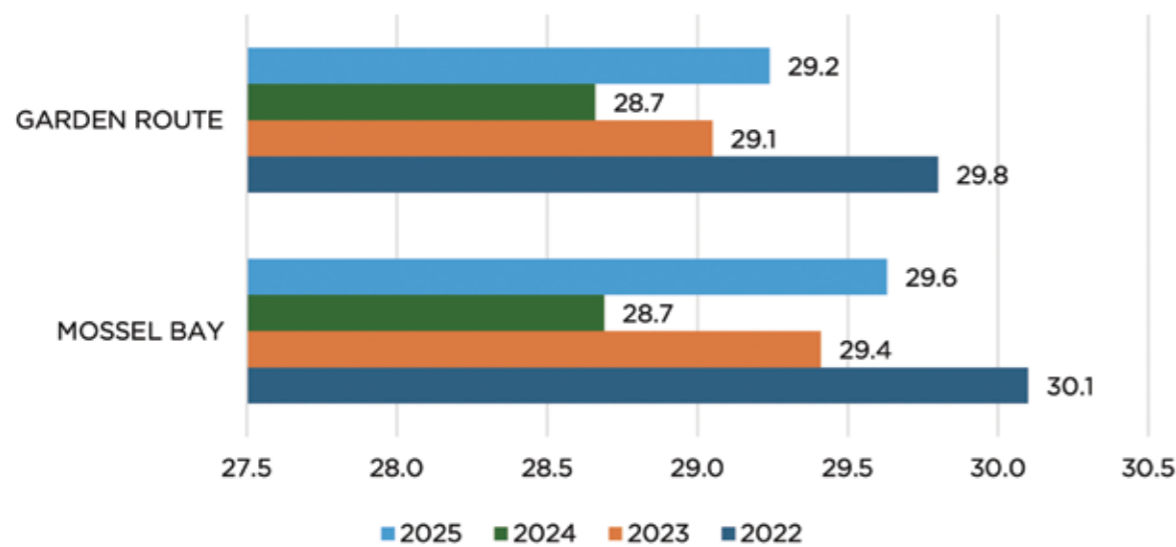
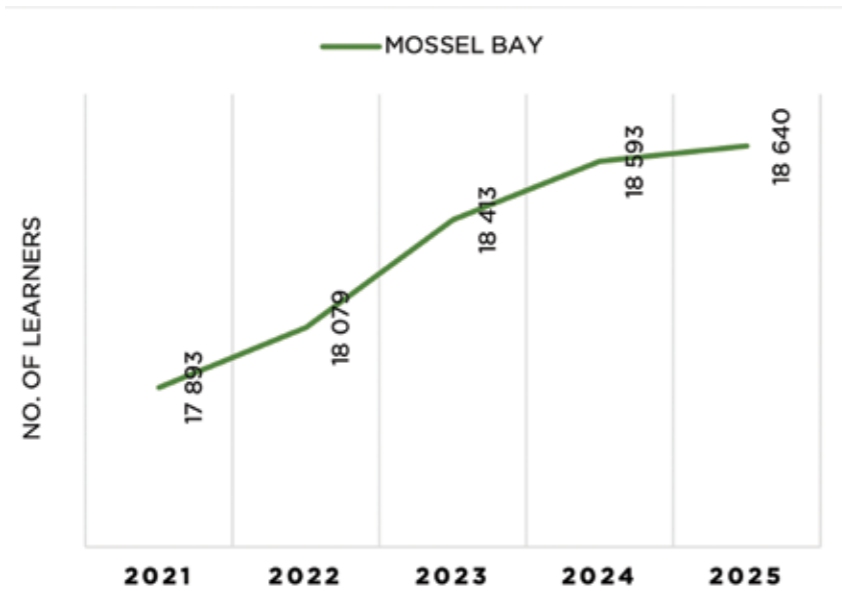


2.6.3 Education

The socioeconomic impact of education within municipal areas is profound and multifaceted, touching various aspects of community development and individual wellbeing. High-quality education equips individuals with essential skills, knowledge and critical thinking abilities, empowering them to participate meaningfully in the local economy. As the educational attainment level rises within a municipal area, there is a corresponding increase in employment opportunities and higher earning potential for residents. Additionally, an educated workforce attracts investments and industries, fostering economic growth and stability. Education also plays a pivotal role in reducing poverty and promoting social equity by breaking the cycle of intergenerational poverty.

Learner enrolment

Figure 2.6.9:
LEARNER ENROLMENT AND LEARNER-TEACHER RATIO, Mossel Bay, 2021 - 2025



Source: Western Cape Education Department, 2025

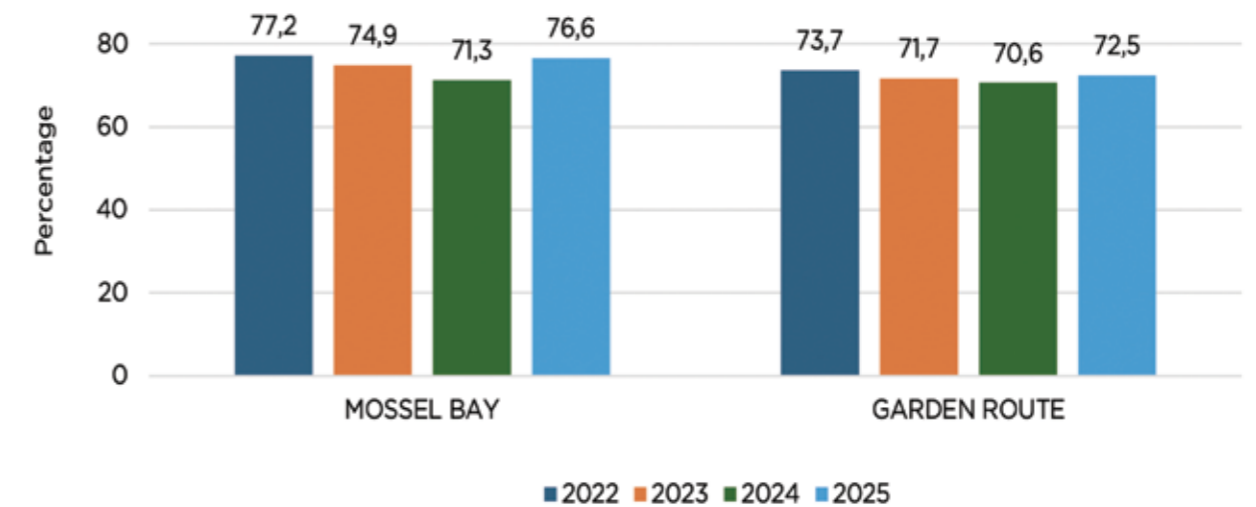
Enrolment in the Mossel Bay municipal area has grown steadily, rising from 17 893 learners in 2021 to 18 640 in 2025. This marked an increase of 4.2 per cent over the five-year period. However, growth in learner enrolment within the GRD overall was slower, with the learner total expanding by 1.7 per cent over the same time frame. This suggests that Mossel Bay is experiencing stronger population growth than the District, possibly from in-migration linked to urbanisation, industry, and/or perceived service advantages. Rising learner numbers in the area indicate an expanding youth population, which will increase pressure on education provision (i.e. schools, classrooms and teachers)

Between 2022 and 2025, the learner-teacher ratios (LTR) in the Mossel Bay municipal area and the GRD improved initially but worsened again by 2025. Mossel Bay started with a higher ratio (over 30:1) than the District average, reflecting localised teaching pressures. While both regions benefited from improvements from 2023 to 2024, the increase in 2025 suggests that teacher recruitment and resource allocation have not kept pace with rising enrolments. This poses risks for education quality and learner retention if not addressed through sustained investment in teaching capacity.

A growing school-aged population can be a demographic dividend if high-quality education and skills development are supported. However, it can also reinforce unemployment and poverty cycles if not managed effectively. Compared to education developments in the broader District, the faster enrolment growth in the Mossel Bay municipal area points to continued migration to urban areas, probably due to job opportunities in tourism, services and industry. This creates unequal development pressures, with urban municipal areas like Mossel Bay bearing higher social infrastructure demands than smaller rural municipalities. Increased enrolment reflects higher future demand for secondary and tertiary education, skills development and ultimately jobs. If the economy does not expand in line with this growing educated youth base, unemployment and social discontent could rise, undermining socioeconomic stability.

Learner Retention Rate

Figure 2.6.10:
GRADE 10 TO 12 LEARNER RETENTION RATE, Mossel Bay, 2022 - 2025



Source: Western Cape Education Department, 2025

From 2022 to 2025, learner retention rates in the Mossel Bay municipal area were consistently higher than the GRD average. However, both regions saw mid-period declines in 2023 to 2024. The learner retention rate of Mossel Bay dropped sharply over this period, but rebounded strongly to near-peak levels in 2025. The GRD showed a steadier but weaker performance, with only partial recovery by 2025. Overall, the Mossel Bay municipal area demonstrates relatively high levels of educational resilience, while the GRD faces broader systemic challenges in sustaining learner retention.

Education outcomes

Figure 2.6.11:
MATRIC PASS RATE, Mossel Bay, 2021 - 2024



Source: Western Cape Education Department, 2025

From 2021 to 2024, the Mossel Bay municipal area and the GRD recorded improved matric pass outcomes. However, the upward trajectory in Mossel Bay was stronger and more consistent than that of the District. The matric pass rate of Mossel Bay rose from 84.6 per cent in 2021 to 91.8 per cent in 2024, while the GRD increased from 84.4 per cent to 90.1 per cent over the same period. Mossel Bay’s performance indicates more effective interventions and resilience, positioning it as a leading performer in the District, while the GRD shows improvement despite mid-period setbacks. The rates in both regions now exceed 90.0 per cent. This reflects a strong education system, with positive implications for workforce readiness and socioeconomic development.

2.6.4 Poverty, income & inequality

In the Mossel Bay municipal area, the income story is one of contrasts. While some households experience rising prosperity, others face persistent financial strain. This analysis examines gross domestic product per region (GDPR) per capita as a measure of overall economic activity, also considering the Gini coefficient to highlight the extent of income inequality. A review of tax data from the South African Revenue Service(SARS) provides insight into median incomes, patterns of income distribution and the number of contributors to the tax system. The discussion then tackles poverty, showing how economic deprivation intersects with broader income patterns and illustrating the inequalities that shape everyday life in Mossel Bay.

Income Inequality

Figure 2.6.12 :
GDPR PER CAPITA, Mossel Bay, 2014 - 2024



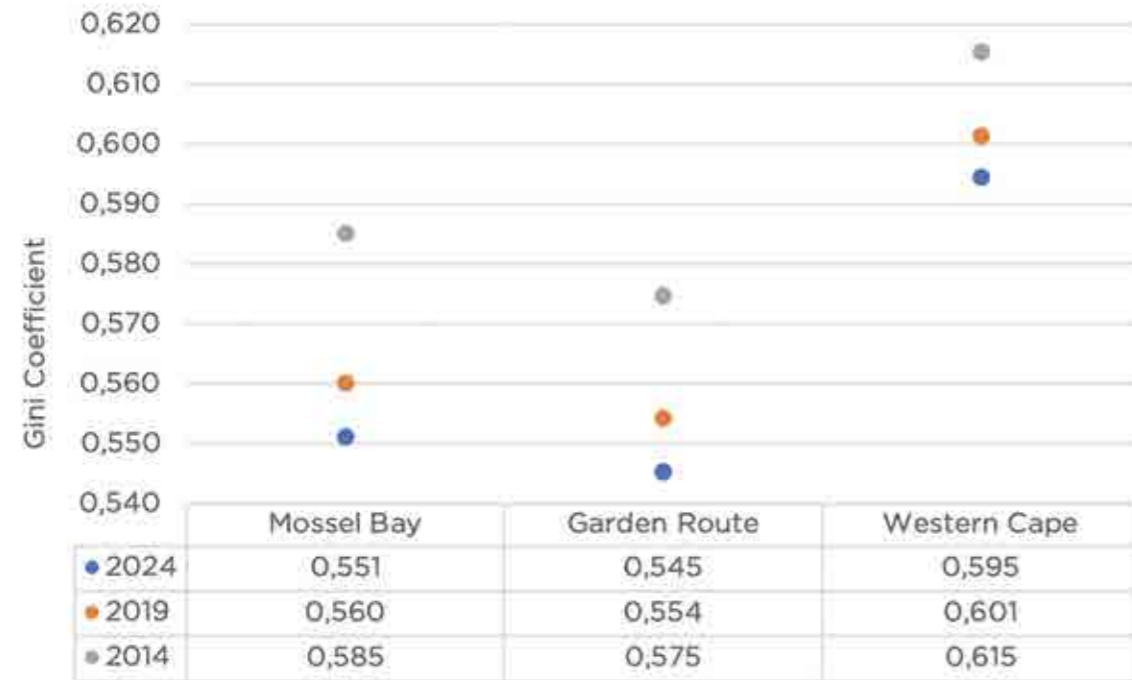
Source: Own calculations from Quantec, 2025 and MYPEPPU, 2025.2

The per capita GDPR of the Mossel Bay municipal area is higher than the GRD average and close to Western Cape levels, highlighting its strong industrial economy. However, output benefits are not being evenly distributed across households. The GRD lags, reflecting weaker economic structures and a reliance on tourism and agriculture. The Western Cape remains the wealthiest of the three regions overall, although its vulnerability to external shocks (such as COVID-19) is evident. In short, Mossel Bay shows relative economic strength but persistent inequality, the GRD reflects district disparities, and the Western Cape balances higher output with structural vulnerabilities.

South Africa has one of the world’s highest levels of inequality as measured by the Gini coefficient. Inequality manifests itself through a skewed income distribution, unequal access to opportunities, and regional disparities.

The National Development Plan 2030 (NDP) has set a target for reducing income inequality in South Africa – namely, lowering the Gini coefficient from 0.700 (the figure recorded in 2010) to 0.600 by 2030.

Figure 2.6.13:
GINI COEFFICIENT, Mossel Bay, 2014 – 2024



Source: Quantec, 2025

Income inequality declined steadily in the Mossel Bay municipal area, the GRD and the Western Cape between 2014 and 2024. The GRD recorded the lowest Gini coefficient in 2024 (0.545), followed by Mossel Bay (0.551). The Western Cape had the highest level of inequality of the three regions in that year (0.595).

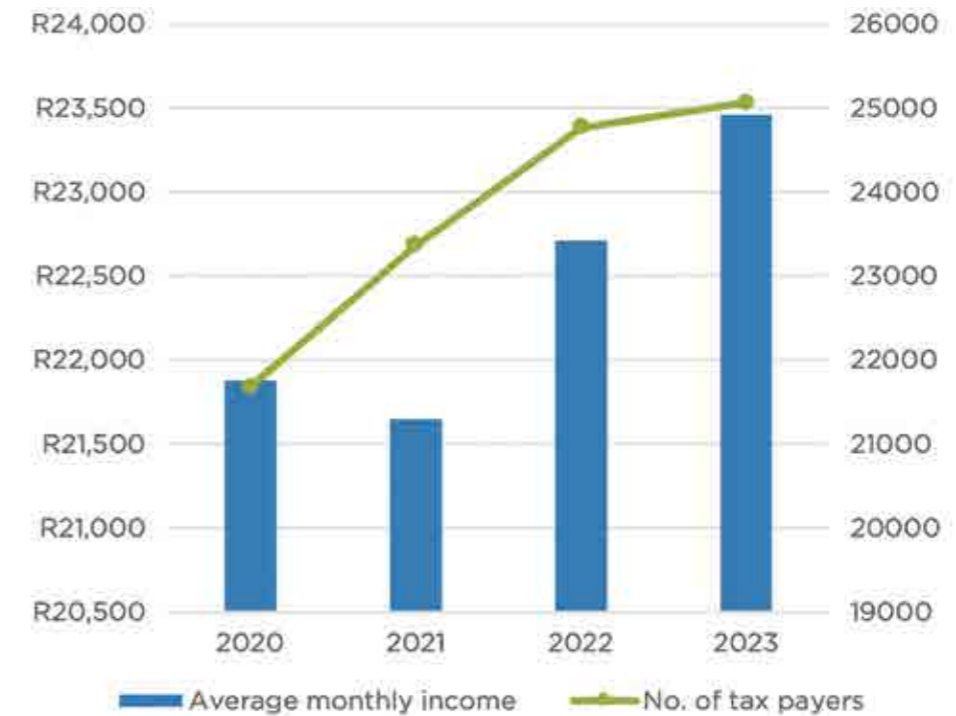
The overall trend indicates a gradual but uneven reduction in inequality, with Provincial disparities remaining entrenched.

The Gini coefficient is a measure of income inequality. It is a number between 0 and 1, where 0 corresponds to perfect equality (everyone has the same income) and 1 corresponds to perfect inequality (one person has all the income, and everyone else has none). While the Gini coefficient is widely used, other metrics are also available to assess the gap between wealthy and poor, each providing a different perspective on the economic conditions of a society.

Income Patterns

A closer look at income data reveals how inequality translates into everyday realities.

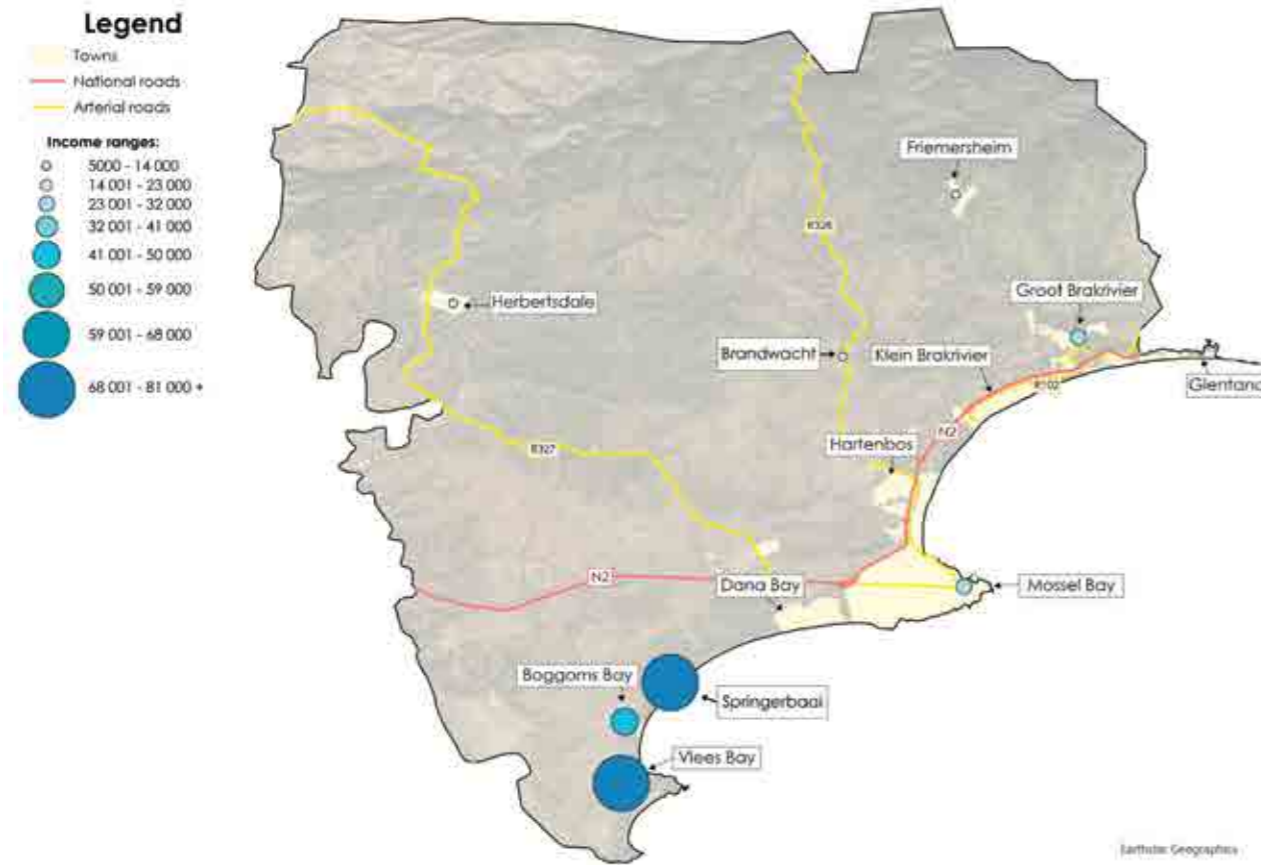
Figure 2.6.14:
INDIVIDUAL TAXPAYERS AND TAXABLE INCOME, Mossel Bay, 2020-2023



Source: Quantec, National Treasury, 2025

Between 2020 and 2023, the Mossel Bay municipal area recorded rising taxable incomes (up 9.0 per cent) and an expanding tax base (up 16.0 per cent). This reflected a relatively strong post-pandemic recovery, formal employment growth and greater fiscal resilience. While average incomes are improving, the rapid growth in taxpayer numbers suggests many new entrants to lower- to middle-income brackets, pointing to gradual but uneven socioeconomic progress. The trend signals economic strengthening, better household stability and potential reductions in inequality. However, income disparities remain a structural challenge.

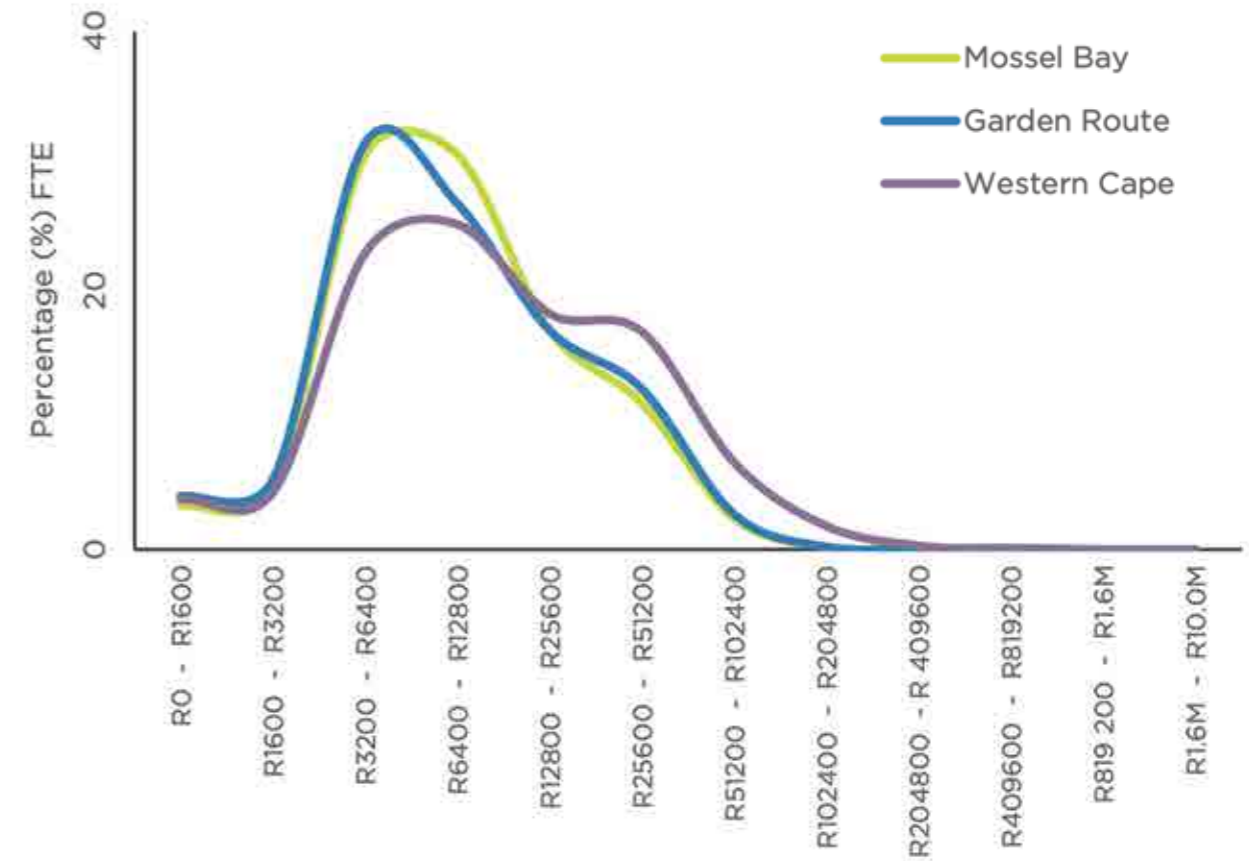
MAP 2.6.1: AVERAGE MONTHLY INCOME PER TOWN, Mossel Bay, 2024



Source: Western Cape Department of the Premier, 2025



Figure 2.6.15: WAGE DISTRIBUTION, Mossel Bay, 2024



Income Category	No. of FTE per income category
R0 - R1600	625
R1600 - R3200	865
R3200 - R6400	5 683
R6400 - R12800	5 683
R12800 - R25600	3 156
R25600 - R51200	2 100
R51200 - R102400	442
R102400 - R204800	33
R204800 - R 409600	27
R409600 - R819200	16
R819 200 - R1.6M	2
R1.6M - R10.0M	4

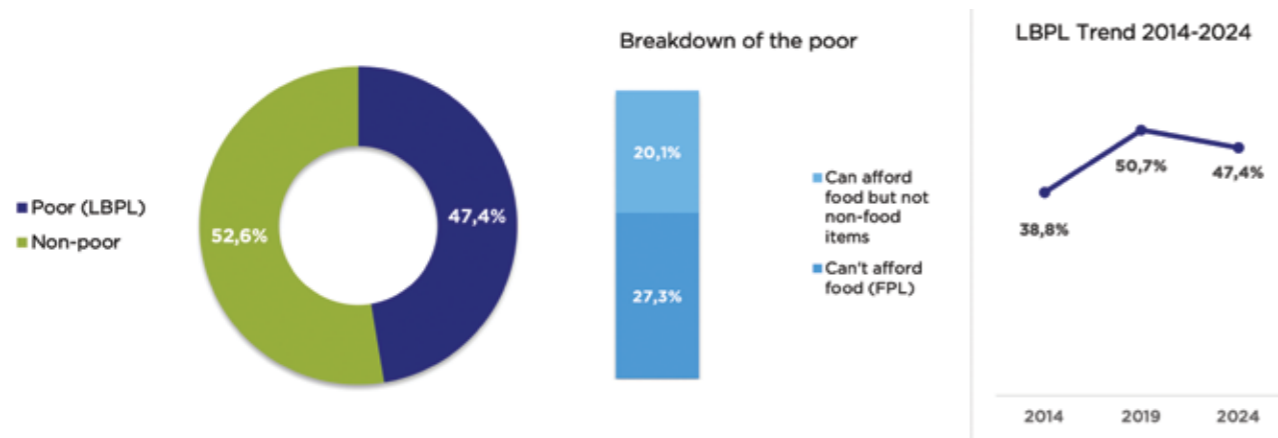
Source: Spatial Tax Data, 2025

Wage distribution in the Mossel Bay municipal area is heavily concentrated in the R3 200 to R6 400 bracket, reflecting reliance on low-paying sectors. While Mossel Bay fares slightly better than the Provincial average in middle-income representation, it has fewer high-income earners and a narrow middle class, limiting social mobility. This structure reinforces persistent inequality and poverty risks, despite gradual improvements. Addressing income inequality requires skills development, industrial diversification, and expansion of higher-paying jobs to shift more workers into the middle- and upper-income brackets.

Poverty

In 2024, 45.2 per cent of the municipal population lived below the lower-bound poverty line (LBPL); 31.7 per cent were unable to afford food, while 13.5 per cent were able to meet food but not non-food needs. Although this reflected an improvement from the 2019 peak of 47.9 per cent, poverty levels remain considerably higher than in 2014 (36.8 per cent).

Figure 2.6.16:
POVERTY HEADCOUNT RATE, Mossel Bay, 2014 - 2024



Source: Quantec, 2025

In 2024, 47.4 per cent of the population of the Mossel Bay municipal area was poor and living below the lower bound poverty line, with 27.3 per cent experiencing extreme food poverty. Although poverty has decreased from its 2019 peak (50.7 per cent), it remains higher than in 2014 (38.8 per cent), showing limited long-term progress. The persistence of poverty reflects food insecurity and the inability to afford essential non-food items. Poverty in Mossel Bay remains a structural challenge requiring targeted food security, social protection and inclusive economic development interventions.

The national poverty lines were calculated using a cost-of-basic-needs approach that links welfare to the consumption of goods and services. The lines address both food and non-food components of household consumption expenditure.

- Food poverty line - R796 (in May 2024 prices) per person per month. This refers to the amount of money that an individual will need to afford the minimum required daily energy intake. The food poverty line is commonly referred to as the "extreme" poverty line.
- Lower-bound poverty line - R1109 (in May 2024 prices) per person per month. This refers to the food poverty line plus the average amount required for non-food items of households whose total expenditure is equal to the food poverty line.
- Upper-bound poverty line - R1 634 (in May 2024 prices) per person per month. This refers to the food poverty line plus the average amount required for non-food items of households whose food expenditure is equal to the food poverty line.

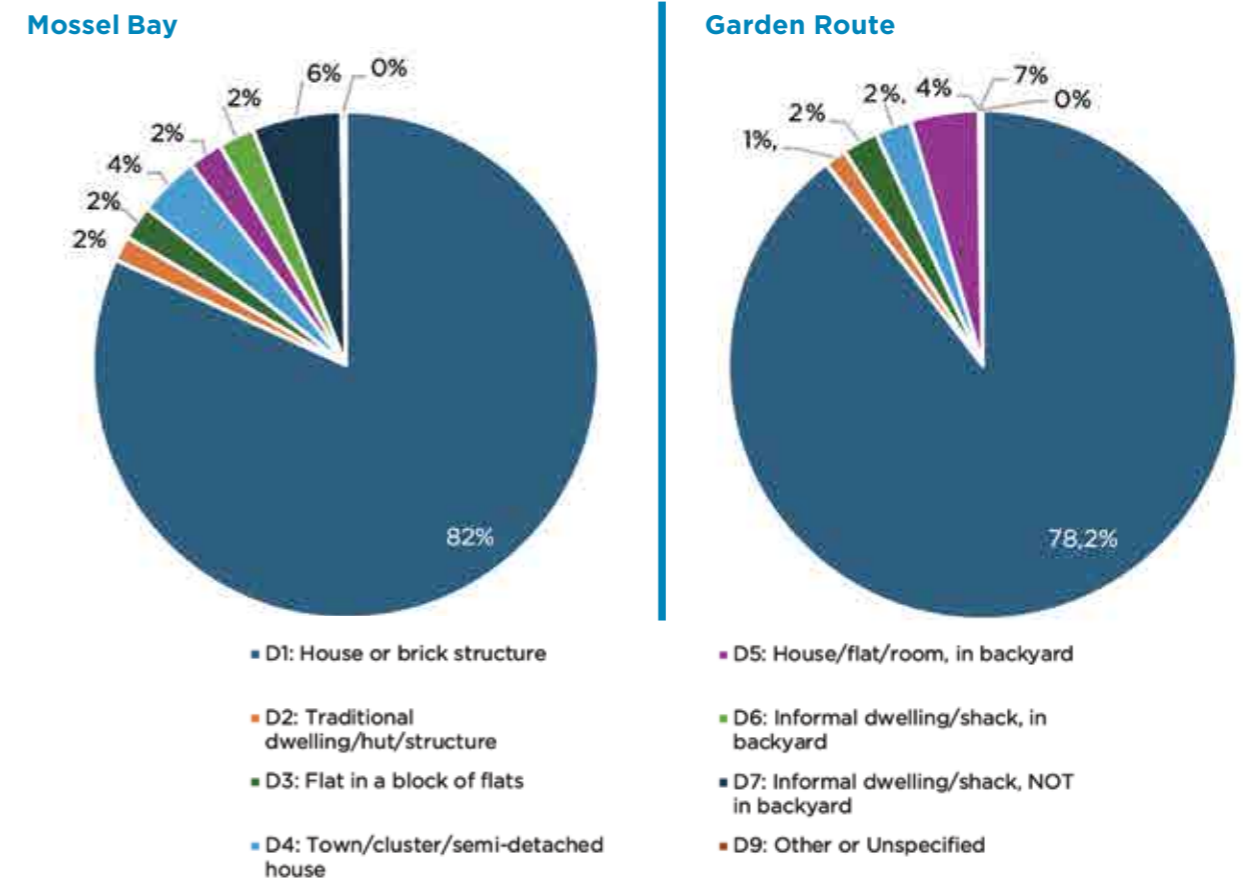
2.6.5 Basic Services Delivery

The Constitution of the Republic of South Africa guarantees every citizen the right to access adequate housing. It obliges the state to take reasonable legislative and other measures, within available resources, to progressively realise this right. Access to adequate housing extends beyond shelter to include essential services such as the provision of clean water, basic sanitation, reliable energy sources and waste removal -fundamental components of a decent standard of living.

This analysis assesses the extent to which this Constitutional commitment has been realised, drawing on the most recent data from Quantec Research (for 2025). Insights on the provision of free basic services were obtained from the Western Cape Department of Local Government, which provides key information about the delivery of essential services and the overall state of housing across the country.

Housing types and living conditions

Figure 2.6.17:
HOUSING TYPES, Mossel Bay, 2014 - 2024



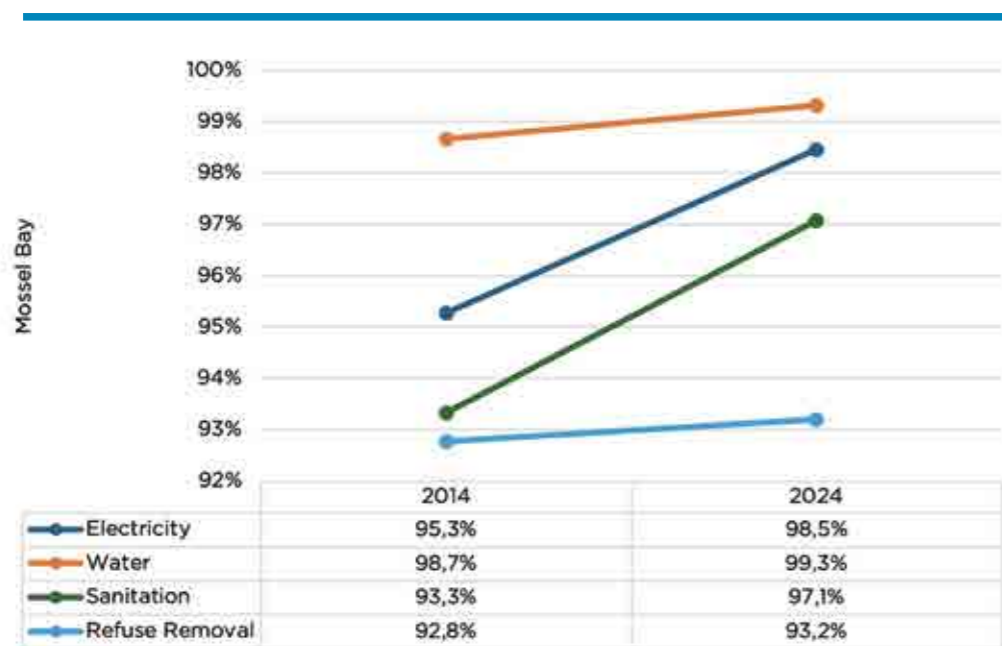
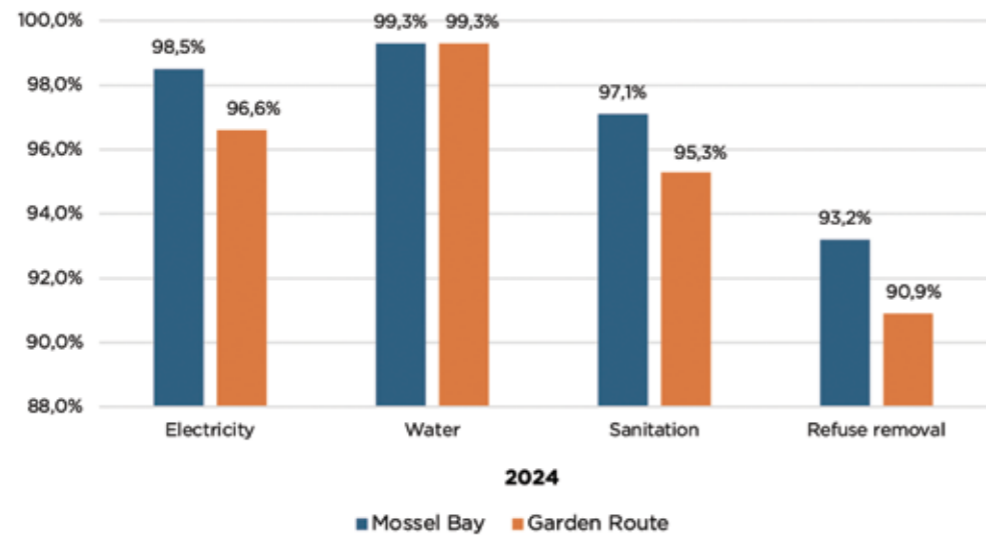
Source: Quantec, 2025

The data shows that most households in both the Mossel Bay municipal area (82.0 per cent) and the GRD (78.2 per cent) reside in formal brick structures, indicating relatively good access to formal housing compared to many other municipal areas of South Africa. This suggests progress in achieving the Constitutional goal of adequate housing and reflects effective municipal and Provincial housing interventions over time.

However, the persistence of informal dwellings, backyard structures and traditional huts, albeit to a limited extent, signals ongoing challenges related to housing affordability, urbanisation pressures, and inequality in access to well-located, serviced land.

The prevalence of backyard and informal dwellings points to income inequality and a shortage of affordable rental housing. Informal dwellings often lack secure tenure and adequate access to basic services, heightening vulnerability to health and environmental risks. Continued housing expansion in peripheral areas may contribute to urban sprawl, increasing transport costs and limiting access to jobs and social amenities. The presence of informal dwellings (occupied by about 4.2 per cent of households) and backyard rooms (7.2 per cent) underscores the District's persistent housing shortages and affordability constraints. This, in turn, implies ongoing in-migration from rural areas to urban centres such as George, Knysna and Mossel Bay, which places pressure on municipal housing programmes and basic infrastructure.

Figure 2.6.18:
ACCESS TO BASIC SERVICES, Mossel Bay, 2014 - 2024



Source: Quantec 2025

Electricity access has improved steadily, increasing from about 95.0 per cent of households in 2014 to just over 98.0 per cent by 2024. The growth is consistent and demonstrates effective infrastructure expansion. However, a plateauing trend after 2020 suggests that the Mossel Bay municipal area is approaching universal coverage, with remaining challenges probably linked to supplying power to informal settlements or infrastructure constraints.

The basic service for which the highest level of access has been achieved is water provision: roughly 98.5 per cent of households had access to water in 2014, a figure that rose to nearly 99.5 per cent by 2024.

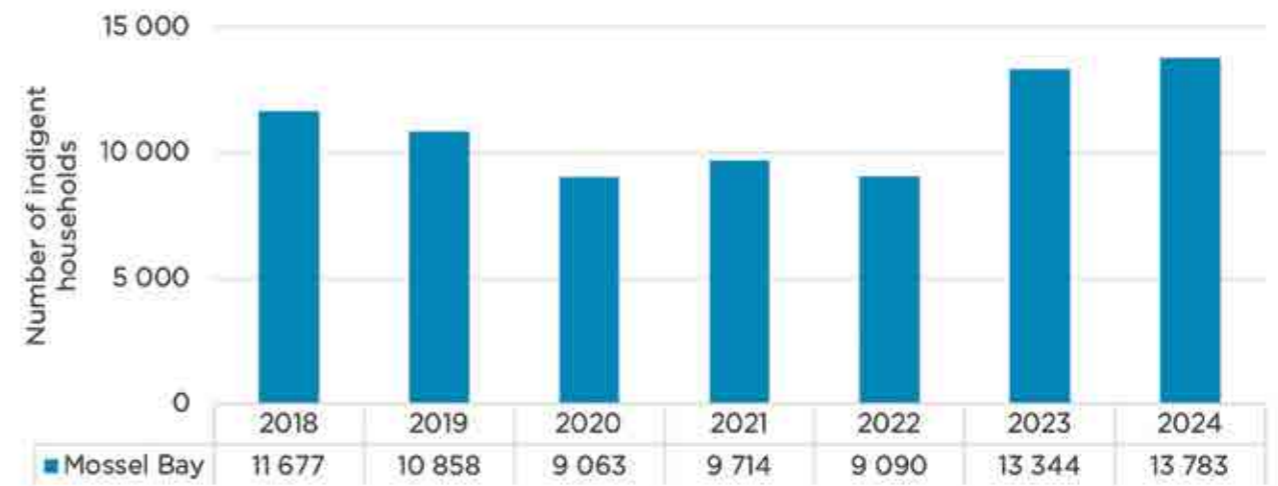
This indicates near-universal coverage and strong municipal prioritisation. The marginal gains over the period in question show that the system has matured, with limited room for further expansion but a need instead for sustainability and maintenance.

Sanitation provision improved significantly, with the rate of access rising from about 93.5 per cent of households in 2014 to approximately 97.0 per cent by 2024. This points to deliberate investment in sanitation infrastructure, particularly between 2014 and 2019. The slower growth thereafter probably reflects the higher cost and complexity of reaching remaining underserved households.

Refuse removal coverage remains the least dynamic of what the basic services. Access to the service has only improved marginally, increasing from about 92.5 per cent of households in 2014 to just over 93.0 per cent in 2024. This stagnation highlights persistent challenges in extending refuse removal services to all households, possibly due to the difficulties of catering for informal settlements, budget constraints or logistical barriers in remote areas.

Free basic services

Figure 2.6.19:
INDIGENT HOUSEHOLDS, Mossel Bay, 2018 - 2024



Source: Quantec 2025

The upward trend in what households registered as indigents highlights deepening poverty in the Mossel Bay municipal area. High levels of indigence undermine household resilience, reduce disposable income and limit community participation in the formal economy. Mossel Bay has strong tourism, fishing and petrochemical industries, but many households remain excluded from stable employment opportunities. This mismatch perpetuates reliance on state support.

The provision of free basic services (water, sanitation, electricity and refuse removal) ensures minimum living standards and reduces the risk of humanitarian crises. However, it may also entrench long-term dependency if not linked to economic empowerment programmes.

On the positive side, access to basic services on the part of indigent households mitigates unrest, improves health outcomes and stabilises communities, laying the foundation for future economic inclusion. A growing indigent register directly escalates municipal expenditure on subsidies for basic services. This reduces the Municipality's ability to fund infrastructure development, economic growth initiatives or service upgrades.

Indigent households contribute little or no revenue to municipal coffers. As the indigent share rises, cross-subsidisation by paying consumers must increase. However, this may trigger affordability concerns for the middle-income base. Persistent growth in indigent numbers risks structural fiscal imbalances if grant allocations from the national and Provincial governments do not keep pace.

2.6.6 Safety and Security

The crime data for the Mossel Bay municipal area reveals a mixed safety profile, with progress in reducing the rates of certain categories of property crime but persistent or rising levels in incidences of substance-related and violent offences. The patterns point to both effective law enforcement in certain areas and growing social challenges linked to substance abuse and economic stress.

FIGURE 2.6.5: CRIME, Mossel Bay, 2022 - 2024

CRIME CATEGORY	Actual Numbers			Trend	Crime per 100 000 Population	
	2022	2023	2024		Mossel Bay	Garden Route
Murder	53	43	62	↑	60	33
Sexual Offences	101	102	101	↔	99	139
Common assault	939	1 005	987	↓	961	798
Malicious damage to property	402	472	441	↓	429	397
Burglary at residential premises	611	786	705	↓	686	526
Commercial crime	385	487	652	↑	635	392
Drug-related crime	594	1101	1172	↑	1141	1085
Driving under the influence of alcohol or drugs	356	560	410	↓	399	259

Source: Own calculations based on Quantec, 2025 and MYPEPPU, 2025.2

Mossel Bay's crime landscape from 2022 to 2024 showed improvements in certain property-related offences but worsening trends regarding substance-related and violent crimes. High rates of drug-related offences and assaults indicate deep social challenges linked to unemployment and inequality. While law enforcement remains robust, sustainable safety outcomes require integrated socioeconomic interventions. These include youth programmes, substance abuse prevention, and community policing partnerships to strengthen social stability and resilience.

From 2022 to 2024, the number of murder cases increased from 43 to 62 following a previous decline in the total. This translated to 60 incidents per 100 000 people, almost double the GRD average (33 cases). This uptick has prompted renewed concern about violent crime and social tensions.

The number of sexual offences remained stable at about 100 cases per year from 2022 to 2024. Mossel Bay's rate of such offences (99 cases per 100 000 residents) was lower than the district average (139 cases), indicating relatively effective policing and victim support interventions. Persistently high levels of common assault (nearly 1 000 cases reported annually from 2022 to 2024.) underscore ongoing domestic and interpersonal violence, which is often tied to alcohol misuse and socioeconomic stressors. Mossel Bay's rate of such assault (961 cases per 100 000 residents) exceeded the District average (798 cases).

The incidence of malicious damage to property fluctuated slightly between 2022 and 2024, with a marginal decline being recorded in 2024. The rate for the Mossel Bay municipal area (429 cases per 100 000 residents) aligned closely with the GRD average, indicating unresolved community conflict and vandalism issues.

The rate of burglaries at residential premises in the Mossel Bay municipal area peaked in 2023 but eased slightly in 2024 to 686 cases per 100 000 residents. That said, the rate in the municipal area in 2024 remained well above the District average (526 cases), reflecting ongoing challenges with property-related security and socioeconomic inequality.

The rate of commercial crime rose sharply from 2022 to 2024, increasing from 385 cases to 652. This was consistent with national cyber and financial fraud trends, highlighting the need for digital and business security interventions.

Drug-related crime increased dramatically between 2022 and 2024, with the number of cases rising from 594 to 1 172, reaching 1 141 cases per 100 000 people. This position it as one of the highest rates in the District. This indicates a deepening substance abuse problem, which is often the result of youth unemployment and social deprivation.

The number of cases that involved driving under the influence (DUI) peaked in 2023, declining to 410 cases in 2024. The DUI rate of Mossel Bay in 2024 (399 cases per 100 000 people) remained above the District average (259 cases), suggesting sustained risky behaviour despite law enforcement efforts.

2.6.7 Conclusion

The Mossel Bay municipal area is a key economic and demographic hub within the GRD, characterised by steady population growth, a strong working-age base, and ongoing urban expansion driven by migration and employment opportunities. The population of the area is projected to grow modestly, expanding by about 1.0 per cent annually from 2026 to 2030. This reflects economic vitality and sustained in-migration – but also poses challenges for inclusive housing, infrastructure and social cohesion. The demographic maturity of this municipal area, which is characterised by an ageing population and a diversified racial composition, underscores the need for balanced social planning, youth employment stimulation, and expanded health and social care capacity.

Health indicators show notable progress but persistent inequalities. Teenage pregnancy rates have declined significantly, reflecting successful youth health interventions. Yet, volatility in maternal and neonatal mortality exposes gaps in local healthcare capacity and the need for sustained investment in obstetric and newborn services. Strong ART and TB treatment coverage highlights Mossel Bay's robust public health system, though expanding demand continues to pressure available facilities.

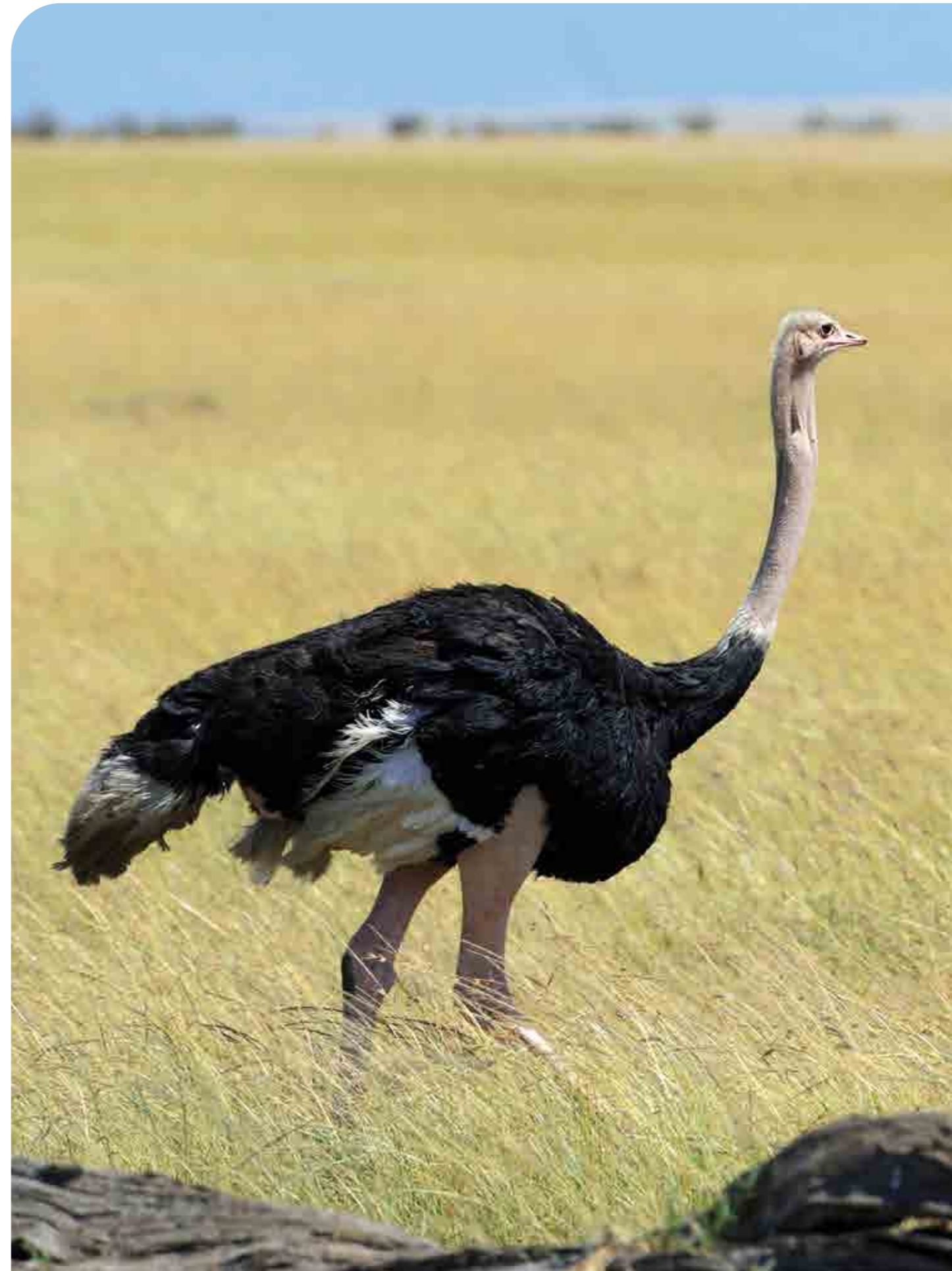
Mossel Bay outperforms the broader District in education, achieving rising enrolment, improved matric pass rates and strong learner retention. However, learner-teacher ratios remain under pressure. These gains enhance the human capital of the municipal area and heighten expectations for post-school opportunities and job creation.

Economically, the municipal area demonstrates relative prosperity within the District, something supported by the industrial, petrochemical and tourism sectors. GDP per capita is above the District average, and income inequality has gradually declined. However, the economy remains dualistic – prosperous in parts yet constrained by widespread low-income employment and structural poverty. Nearly half the population remains below the lower-bound poverty line, underscoring the importance of inclusive growth, local enterprise development, and social protection to reduce vulnerability and strengthen resilience.

Crime patterns reveal a landscape in which the record concerning safety is mixed. While property crimes show moderate improvement, the numbers of violent and substance-related offences, particularly drug-related crimes, are rising. This reflects deeper social and behavioural challenges. Sustainable safety outcomes will require integrated socioeconomic interventions, including youth empowerment, substance abuse prevention and community policing.

Mossel Bay's housing and basic services performance is among the strongest in the GRD with near-universal access to water, electricity and sanitation. However, modest growth in refuse removal coverage and a rising number of indigent households point to ongoing affordability pressures and the need for fiscal sustainability. As the indigent register expands, the Municipality must balance social protection with economic inclusion to prevent structural dependency.

Overall, Mossel Bay's socioeconomic profile portrays a diverse, dynamic and economically significant municipal area that combines strong growth fundamentals with deep-rooted inequality and social pressures. To sustain inclusive development, Mossel Bay must continue investing in youth employment, spatial integration, affordable housing, healthcare, and education quality, all while maintaining prudent financial management. Through coordinated municipal, Provincial and private sector collaboration, this municipal area can consolidate its role as a regional growth engine and advance a more equitable and resilient local economy for the benefit of all residents.



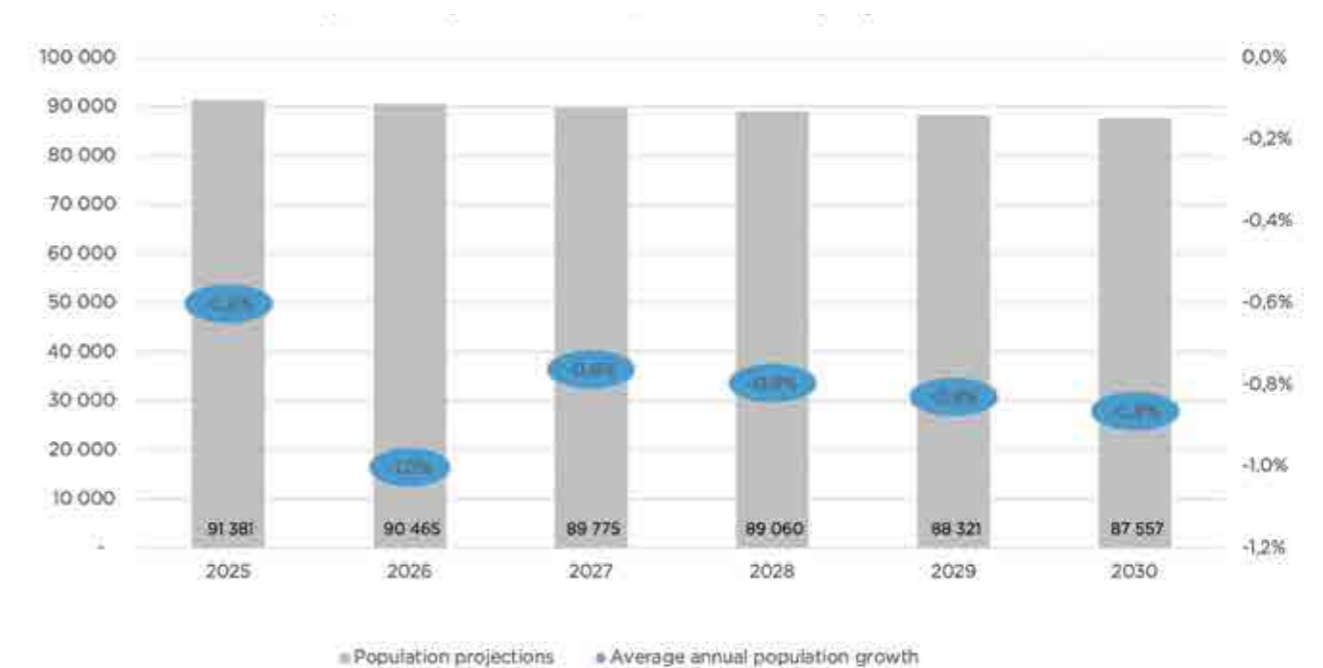
2.7.5 Demographics

Understanding population dynamics is critical for effective municipal planning and the equitable provision of public services. Population size, household growth, age structure and migration patterns influence the demand for infrastructure, housing, education, healthcare and social services. Monitoring these trends enables policymakers to anticipate service needs, allocate resources efficiently, and design interventions that promote social wellbeing and economic resilience.

Population and Household Growth

In 2025, Oudtshoorn was home to approximately 91 381 individuals, making it the third-most populated municipal area of the Garden Route District (GRD). This demographic prominence can be attributed to the municipal economy, which is historically anchored in ostrich farming and tourism. The area also serves as a key agricultural and cultural hub within the semi-arid Klein Karoo.

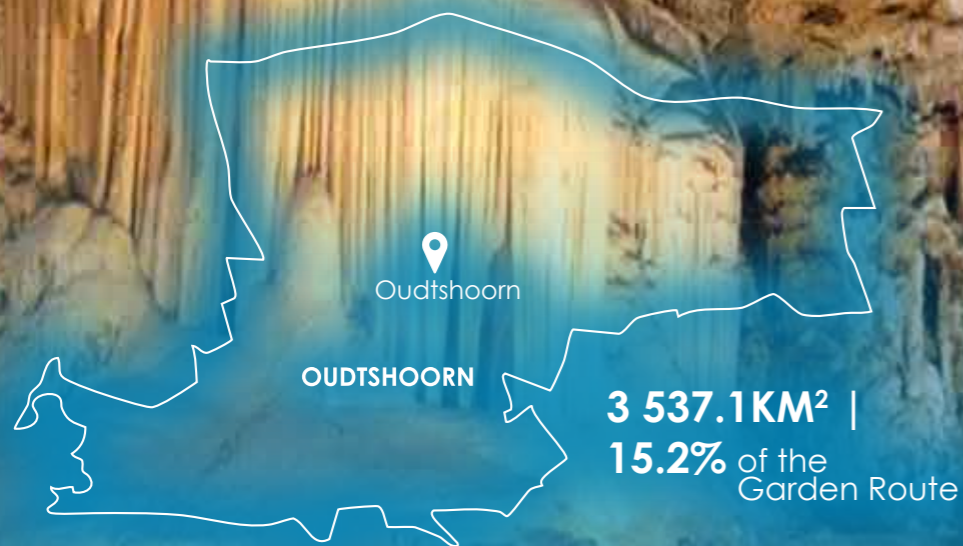
Figure 2.7.1:
POPULATION GROWTH, Oudtshoorn, 2025 - 2030



Source: MYPEPPU, 2025.

Projections in terms of MYPEPPU 2025.2 suggest that the population of the Oudtshoorn municipal area will experience an average annual decline of 0.6 per cent to 0.9 per cent during the 2025 to 2030 period, predominantly driven by out-migration from this locale.

Recording an estimated 20 674 households in 2025, the area has an average household size of 4.4 persons, which is significantly larger than the District average of 3.6. With the notable levels of poverty in this municipal area (the highest in the District), the large average household size may stem from the challenge that individuals face in affording separate living arrangements. Multiple family members, therefore, form part of a single household.



2.7 OUDTSHOORN

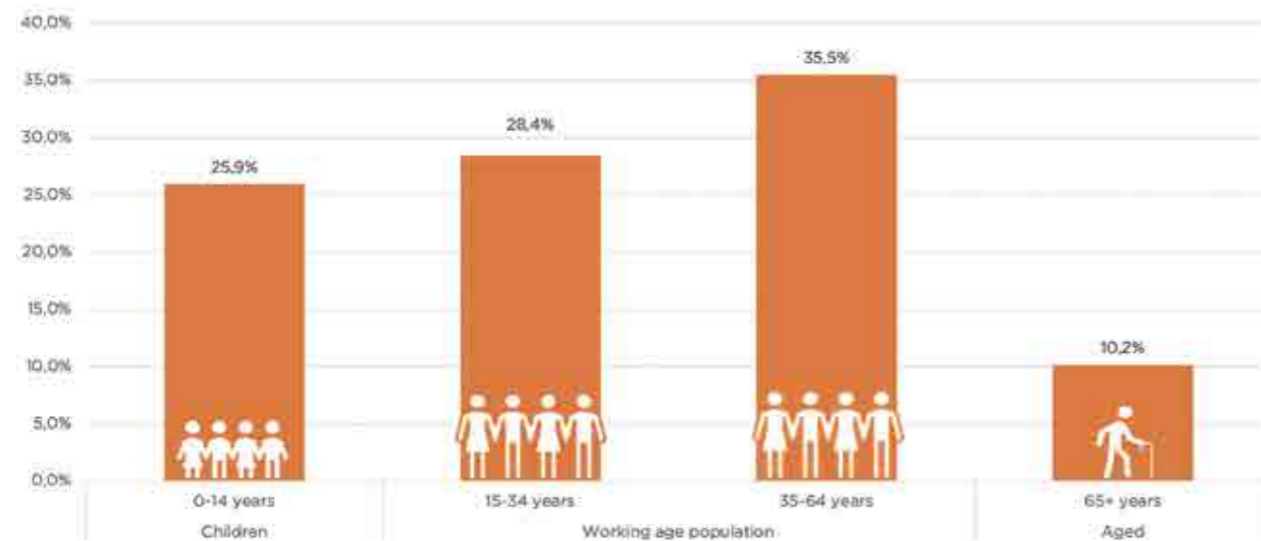
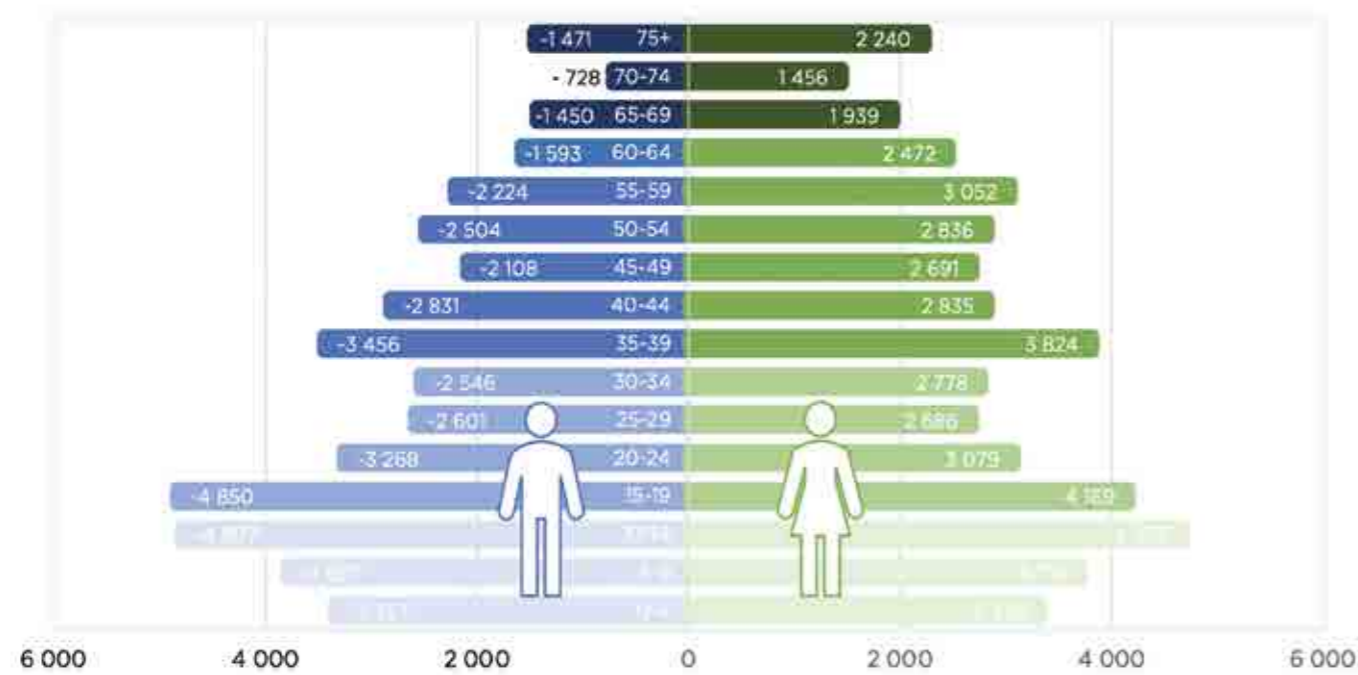
Municipal safety and wellbeing

This section delves into the social trends that shape the identity of the Oudtshoorn municipal area. Population dynamics, income, housing needs and essential services are reviewed with a nuanced examination of healthcare, education and crime metrics. Overall this section provides a comprehensive view of community wellbeing and future prospects, showing the interplay of social and economic undercurrents in the Municipality.

It is noteworthy that the number of households recorded during Census 2022 exceeds the count utilised in the Local Government Equitable Share calculations by 25.4 per cent. This signifies a higher-than-projected rise in households over the period of 2011 to 2022. The divergence, also evident when comparing the MYPE MYPEPPU 2025.2 and census figures, has implications for providing municipal services and the requisite infrastructure.

Gender, Age and Race Dynamics

Figure 2.7.2:
POPULATION PYRAMID, Oudtshoorn, 2025

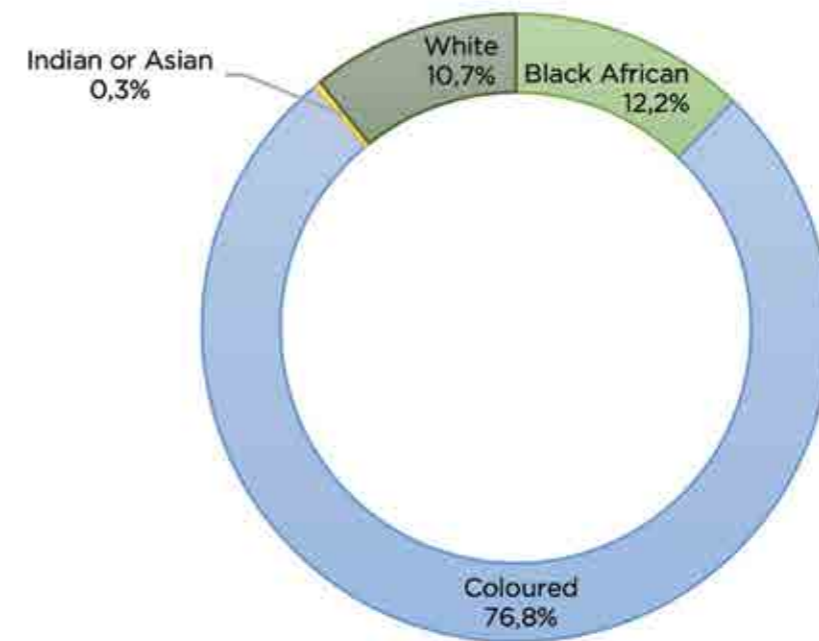


Source: Western Cape Provincial Population Unit, 2025

Analysis of the Oudtshoorn population reveals that in 2025, 63.9 per cent of residents fell within the economically active age group (comprising persons aged 15 to 64 years). A substantial working-age population is of particular significance in driving a municipal economy. While the overall population distribution leaned slightly in favour of females (52.3 per cent), there was a notable surplus of males in the 0 to 19 years age bracket, indicative of an outflow of working-age males from the municipal area. Departures of persons in the 20 to 34 years age bracket probably come in the pursuit of employment opportunities.

Persons aged less than 14 years accounted for 25.9 per cent of the population. This sizeable youth contingent underscores a mounting demand for educational resources and future employment prospects within the Oudtshoorn municipal area. Additionally, a sizeable elderly population, constituting 10.2 per cent of the total, signifies that the area is an attractive destination for retirement, a pattern observed across the scenic expanse of the GRD. The dependency ratio is anticipated to decline from 56.5 in 2025 to 56.1 in 2030 as the working-age cohort increases faster than the child and aged population groups. The insights derived from these age distribution patterns are instrumental for municipal planning, particularly concerning the availability of housing and government services tailored to meet the diverse needs of distinct age groups.

Figure 2.7.3:
RACIAL COMPOSITION, Oudtshoorn, 2024



Source: Quantec, 2025

The most prominent racial group in the municipal area in 2024 was the coloured population (76.8 per cent of the total population), followed by the black African population (12.2 per cent) and the white population (10.7 per cent). The Indian or Asian demographic group accounted for merely 0.3 per cent of the municipal population.

The Oudtshoorn municipal area spans 3 537 km² and encompasses the Southern Cape and Little Karoo regions of the Western Cape. In 2025, it had a population density of 25.2 persons per km². Residents gravitate towards the town of Oudtshoorn, drawn by the economic opportunities, social amenities and connectivity advantages that it offers.

The demographic insights presented above highlight the evolving composition of Oudtshoorn's population, revealing opportunities and pressures for municipal service delivery. A growing working-age population, coupled with substantial youth and elderly cohorts, underscores the need for targeted education, employment, healthcare and social support services. In addition, household size shifts directly affect planning for housing, sanitation and urban development. Integrating these population trends into strategic planning is essential to ensuring that the municipal area can sustainably support residents while maintaining economic vitality and social equity.

2.7.6 Health

South Africa's healthcare system comprises both public and private providers, forming a critical pillar of the nation's human capital and economic productivity. Public health facilities, supported by government funding, play a central role in ensuring equitable access to healthcare for the broader population, while the private sector caters to those with the means to afford additional services. The public healthcare system operates on a referral model, providing primary care through clinics and escalating complex cases to district and regional hospitals. Access to high-quality healthcare improves wellbeing and life expectancy, strengthens the labour force, reduces productivity losses and supports sustainable socioeconomic development.

Access to Health Facilities

In 2023, a mere 15.7 per cent of the South African population had access to medical aid, underscoring the significance of government healthcare facilities in delivering essential primary healthcare services to the majority of the country's residents. Within the Oudtshoorn municipal area, there are five fixed primary healthcare facilities. Additionally, there are three mobile/satellite clinics along with one district hospital and a regional hospital.

Residents of the municipal area have access to 11 antiretroviral therapy (ART) sites and 11 tuberculosis (TB) clinics, which enhance the availability of critical TB and ART services. This is especially necessary given the rising number of ART patients registered for treatment within the municipal area.

Increasing the number of functioning ambulances contributes to expanding the reach of emergency medical services across the municipal area. In the 2025 fiscal year, the area had five Provincial ambulances, translating to 0.4 ambulances per 10 000 residents. It should be noted that this figure pertains exclusively to Provincial ambulances and does not include the vehicles of private service providers.

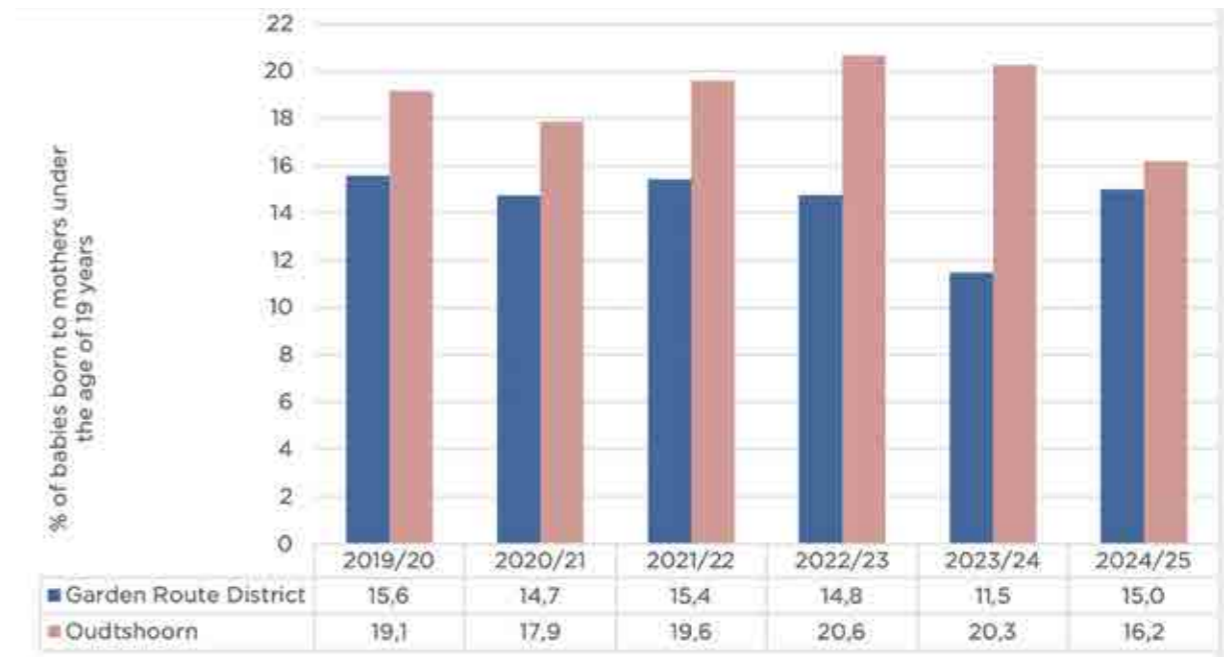
Maternal and Child Health

Maternal health is a critical aspect of public health, encompassing the wellbeing of women during pregnancy, childbirth and the postnatal period. In South Africa, key issues influencing maternal health include high rates of teenage pregnancy, the prevalence of termination of pregnancy, and ongoing challenges related to maternal mortality. These factors affect the health outcomes of women and infants and reflect broader social and economic dynamics that shape access to healthcare and reproductive choices.

Teenage pregnancy

Within the Oudtshoorn municipal area, the proportion of births to females under 19 years of age declined from 19.1 per cent in 2019/20 to 16.2 per cent in 2024/25, marking a positive development in efforts to address teenage pregnancies.

Figure 2.7.4:
DELIVERY RATE TO WOMEN UNDER 19 YEARS, Oudtshoorn, 2019/20 – 2024/25



Source: Western Cape Department of Health and Wellness, 2025

Despite the drop in teenage pregnancies, the teenage pregnancy rate remains greater than the District average of 15.0 per cent in 2024/25. This reflects a need for expanded family planning initiatives and support services within the municipal area, as unplanned pregnancies pose a risk to the future quality of life of teenagers. The persistence of teenage pregnancies is closely linked to the need for termination of pregnancy services.

Teenage pregnancy is calculated as the percentage of babies born to mothers under the age of 19 in a given year.

Teenage pregnancy is almost always unplanned. Consequently, when young parents are placed in the position of having to care for a child, they can find themselves woefully unprepared for the challenges that this brings. This is especially the case if they do not have family members who can assist them or social support.

Termination of Pregnancy

The termination of pregnancy rate also declined steadily from 2019/20 to 2024/25, falling from 0.4 per cent to 0.2 per cent. The total number of cases was reduced significantly from 117 in 2019/20 to 57 in 2024/25. Understanding these dynamics is essential for developing targeted reproductive health interventions, improving access to family planning services, and addressing the underlying socioeconomic factors that contribute to unplanned pregnancies and maternal health risks.

TABLE 2.7.1: TERMINATION OF PREGNANCY RATE, Oudtshoorn, 2019/20 - 2024/25

MUNICIPALITY	Termination of Pregnancy Rate (%)					
	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25
Garden Route	0.6	0.5	0.6	0.7	0.6	0.6
Oudtshoorn	0.4	0.5	0.3	0.2	0.3	0.2

Source: Western Cape Department of Health and Wellness, 2025

The termination of pregnancy rate is calculated as the number of women who undergo terminations as a proportion of females aged 15 to 44 years in a given year.

Government hospitals designated private doctors and gynaecologists, and non-profit providers offer safe and legal termination of pregnancy. To obtain a free abortion, the request must be made at a primary healthcare clinic. At the clinic, the pregnancy will be confirmed, counselling provided, an appointment made with a facility where the procedure can be performed, and a referral letter provided for this facility.

Maternal and Neonatal Mortality

There was an acute increase in maternal mortality during the worst of the pandemic years, as the severe acute respiratory syndrome coronavirus 2 (SARS-CoV-2) was a contributory cause of maternal deaths. However, the maternal mortality ratio has stabilised. These changes impact the maternal mortality ratio.

TABLE 2.7.2: MATERNAL DEATHS PER 100 000 LIVE BIRTHS, Oudtshoorn, 2019/20 - 2024/25

MUNICIPALITY	Maternal Mortality Ratio					
	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25
Garden Route	31.7	115.4	53.7	68.5	70.2	46.3
Oudtshoorn	0.0	51.5	0.0	0.0	0.0	0.0

Source: Western Cape Department of Health and Wellness, 2025

With no maternal deaths during 2024/25, Oudtshoorn has maternal mortality and neonatal mortality rates that are among the lowest in the Province. There is, however, room for

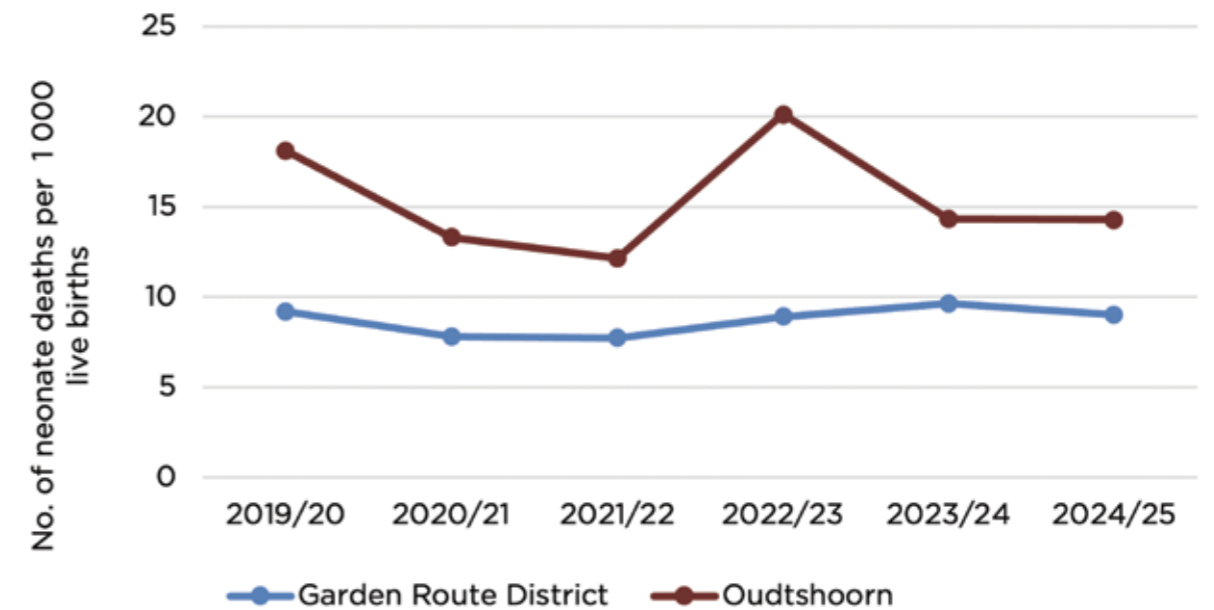
improvement in terms of neonatal mortality, as eight babies died before reaching 28 days of life during this period. This translates to a neonatal mortality rate of 5.3 neonatal deaths per 1 000 live births. Awareness and education campaigns conducted by the Western Cape Department of Health and Wellness (DoHW) continue to encourage pregnant women to seek antenatal care early in pregnancy and to attend postnatal visits to identify risks to the mother and child as soon as possible.

The maternal mortality rate is the number of maternal deaths per 100 000 live births in public health facilities* in a given year.

Maternal death is death that occurs in the course of a pregnancy, during childbirth or the puerperium, or within 42 days of termination of pregnancy. This is irrespective of the duration and site of pregnancy and irrespective of the cause of death (obstetric or non-obstetric).

* Private facilities do not report data on live births routinely or completely.

Figure 2.7.5: NEONATAL MORTALITY RATE, Oudtshoorn, 2019/20 - 2024/25



Source: Western Cape Department of Health and Wellness, 2025

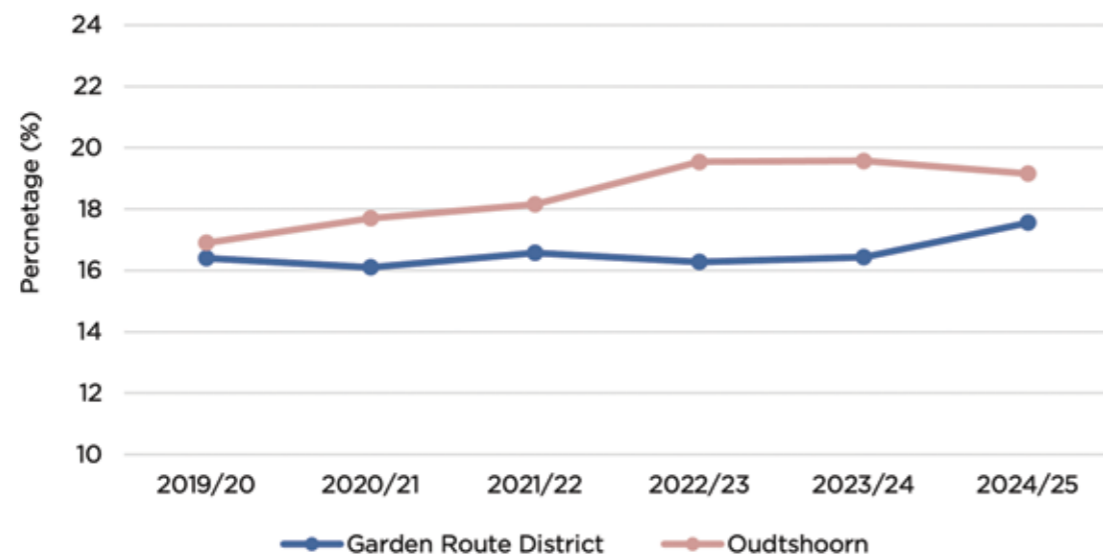
The neonatal mortality rate is the number of neonates that die before reaching 28 days of age per 1 000 live births in a given year.

The first 28 days of life (i.e. the neonatal period) constitute the most vulnerable time for a child's survival. The Province set a target for 2019 of 6.0 neonatal deaths per 1 000 live births.

Low birth weight

A mother’s health and nutritional status greatly influence the growth and development of her baby during pregnancy and infancy. Birth weight is an indicator of both foetal growth and maternal wellbeing. If the mother is undernourished, in poor health, or very young or very old, there is a greater chance of pregnancy or labour-related complications, including the baby being born with a low birth weight. The rate of low birth weight in the Oudtshoorn municipal area has declined, decreasing from 19.6 per cent in 2023/24 to 19.2 per cent in 2024/25. Even so, the 2024/25 figure was above the 17.6 per cent recorded in the GRD overall during this period as regards low birth weight.

Figure 2.7.6:
LOW BIRTH WEIGHT, Oudtshoorn, 2019/20 - 2024/25



Source: Western Cape Department of Health and Wellness, 2025

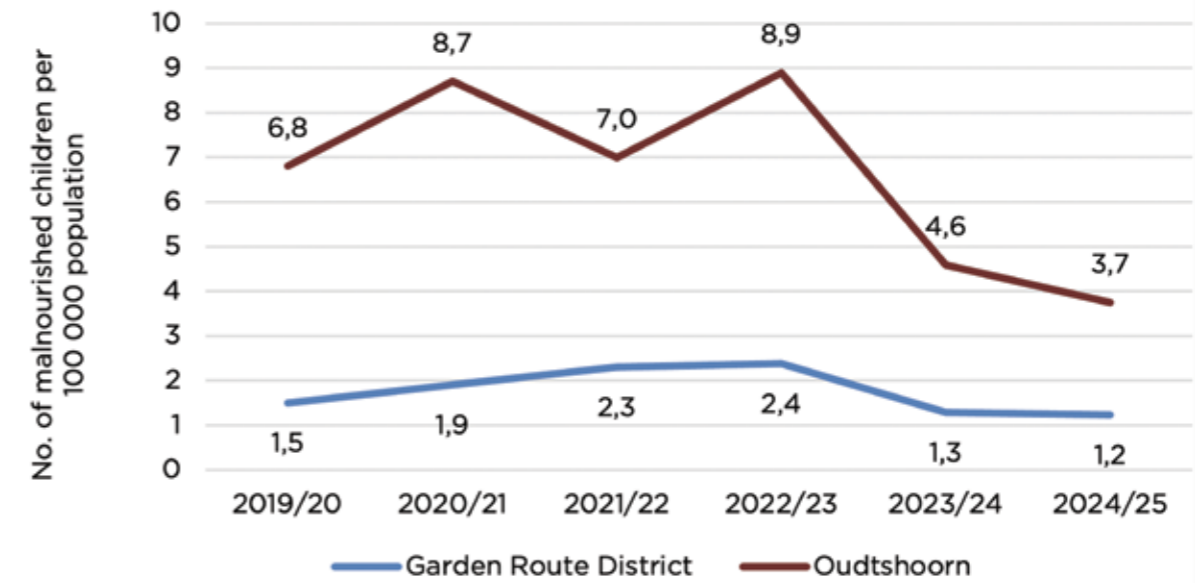
Percentage of all babies born in facility that weighed less than 2 500 g. Low birth weight is associated with a range of both short and long-term consequences.

Malnutrition

The prevalence of malnourished children under the age of five in the Oudtshoorn municipal area declined between 2022/23 and 2024/25, with the number of cases falling from 67 cases per 100 000 residents to 29 cases. This caused the malnutrition rate in the area to drop from 8.9 per cent to 3.7 per cent.

The downward trend indicates progress in child nutrition and public health interventions. While reductions in poverty and implementing government feeding schemes have contributed to this significant improvement, challenges persist regarding household access to adequate and nutritious food. This highlights the need for sustained socioeconomic and food security measures.

Figure 2.7.7:
MALNUTRITION, Oudtshoorn, 2019/20 - 2024/25



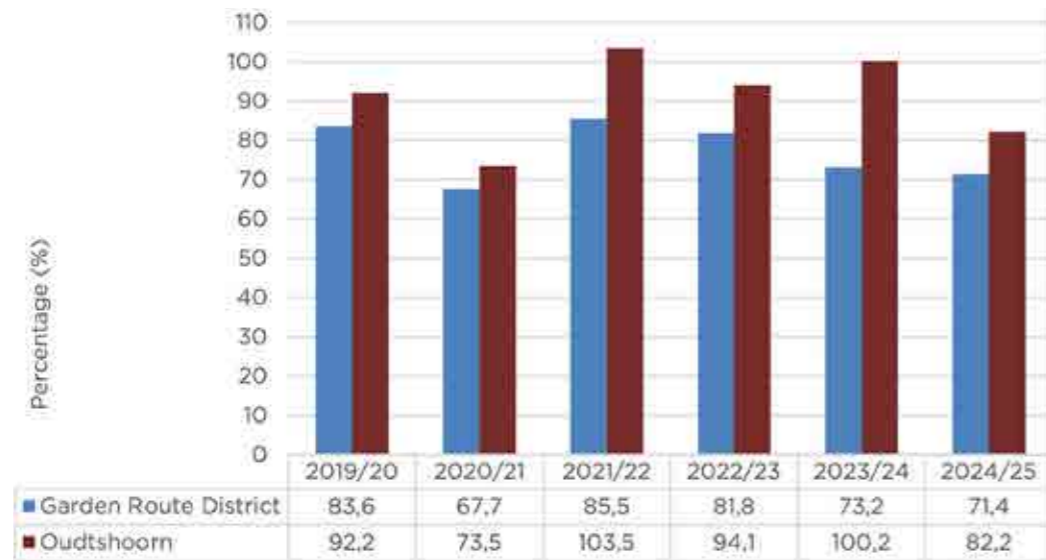
Source: Western Cape Department of Health and Wellness, 2025

Expressed as the number of malnourished children under five years per 100 000 people. Malnutrition (either under- or over-nutrition) refers to the condition whereby an individual does not receive adequate amounts or receives excessive amounts of nutrients.

Immunisation

In 2024/25, a total of 1 227 children under the age of one were immunised in the Oudtshoorn municipal area, representing a coverage rate of 82.2 per cent. This was down from 100.2 per cent in 2023/24. The decline places a greater proportion of young children at risk of preventable illnesses. The DoHW has implemented targeted awareness campaigns and catch-up initiatives to address this challenge.

Figure 2.7.8:
IMMUNISATION RATE, Oudtshoorn, 2019/20 - 2024/25



Source: Western Cape Department of Health and Wellness, 2025

The immunisation rate is the number of children immunised, in a given year, per total number of children less than one year of age.

Immunisation protects both adults and children against preventable infectious diseases. Low immunisation rates speak to the need for parents to understand the critical importance of immunisation.

Burden of Disease

HIV and AIDS

TABLE 2.7.3: TOTAL REGISTERED PATIENTS ON ART, Oudtshoorn, 2019/20 - 2024/25

MUNICIPALITY	Total registered patients receiving ART					
	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25
Garden Route	25 738	26 996	27 825	29 858	30 984	31 833
Oudtshoorn	1 950	1 925	1 961	2 035	2 060	2 111

Source: Western Cape Department of Health and Wellness, 2025

In the Oudtshoorn municipal area, the number of patients registered for ART has shown an upward trend, rising from 1 925 in 2020/21 to 2 111 in 2024/25. Furthermore, the number of new patients commencing ART increased from 81 in 2023/24 to 97 in 2024/25, indicating a rise in new treatment uptake. These trends reflect the need for stringent HIV management and prevention efforts, particularly as the number of treatment sites in the municipal area has remained constant at 11.

Tuberculosis

TABLE 2.7.4: TOTAL REGISTERED TB PATIENTS, Oudtshoorn, 2019/20 - 2024/25

MUNICIPALITY	Number of TB patients registered on Treatment					
	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25
Garden Route	4 732	4 676	4 941	5 259	5 207	5 390
Oudtshoorn	888	923	964	957	890	966

Source: Western Cape Department of Health and Wellness, 2025

The number of TB patients registered for treatment has also grown, rising from 888 in 2019/20 to 966 in 2024/25. The Provincial TB recovery plan guiding TB interventions until 2028 has been released for adoption by health services.

The DoHW has adopted a health ecosystem approach to enhance the coordination and sharing of critical, yet often limited, resources across geographic areas and levels of care. This approach seeks to strengthen healthcare service delivery and the broader social determinants of health, recognising that improved health outcomes require a whole-of-government and whole-of-society response. The Department continues to operate within an evolving polycrisis context characterised by fiscal constraints, climate volatility, digital risks and increasing service pressures. Guided by the Global Risks Report 2024, issued by the World Economic Forum, and Western Cape-specific stress factors, the DoHW has implemented a system-oriented and adaptive risk strategy to build resilience and sustainability within the health sector.

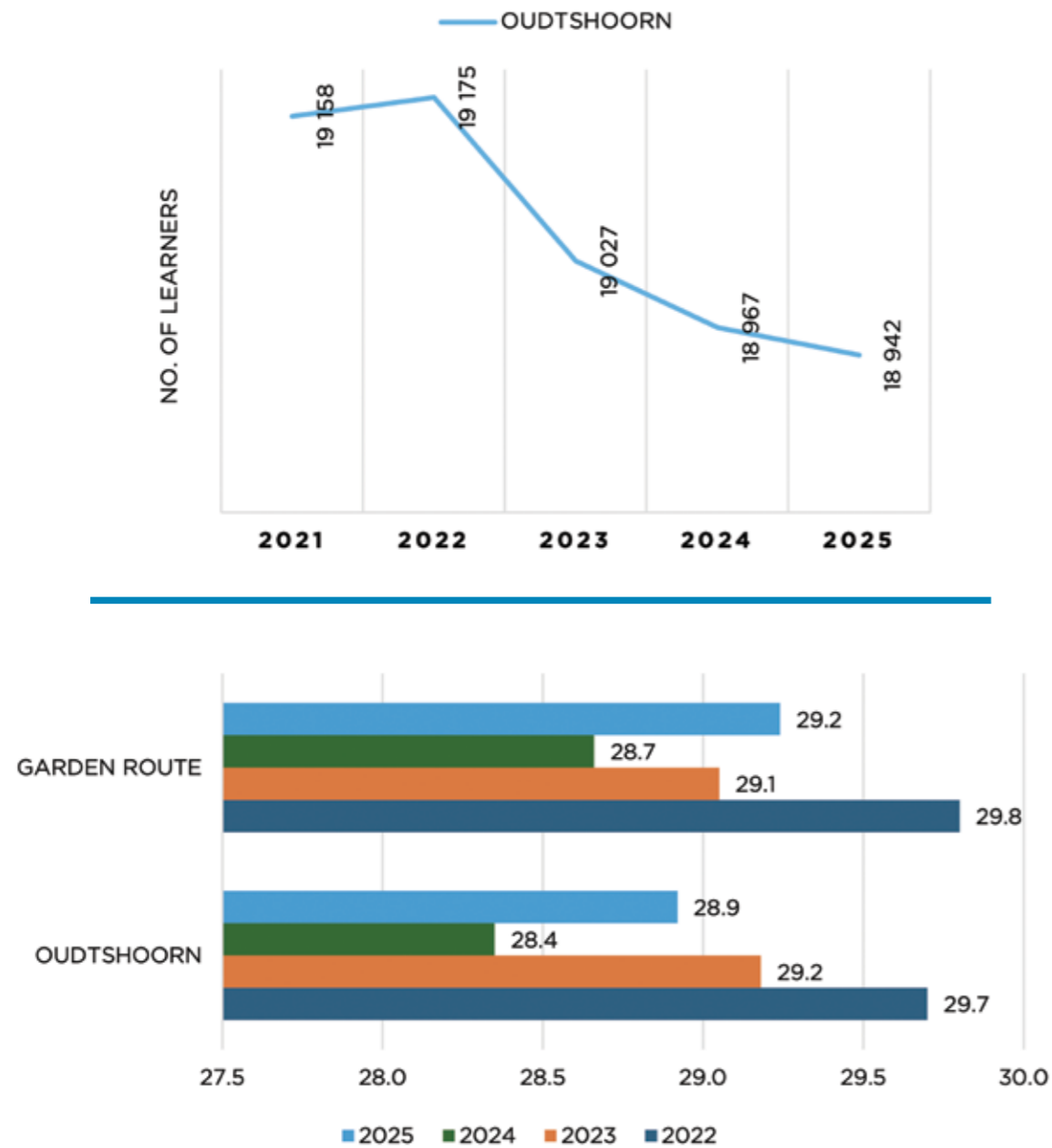
Within this framework, the Oudtshoorn municipal area plays a vital role by ensuring access to clean drinking water, sanitation, refuse removal and effective air quality management - all essential components of public health. A healthy population, in turn, serves as a cornerstone of economic productivity and sustainable growth in the area.

2.7.7 Education

Education Resources

Education and skills development play a vital role in shaping the future socioeconomic landscape of the municipal area. They empower the population and significantly impact the local economy's development and human resource capacity. The Western Cape Education Department is committed to this cause, ensuring access to education for the children of the municipal area through the availability of 34 schools. In all, 85.0 per cent of these schools operate as no-fee schools. This is positive, given that a substantial 24.0 per cent of learners nationwide cited financial constraints as their primary reason for dropping out of school in 2021. In addition, 13 schools have libraries. This is particularly crucial for the disadvantaged learners of the municipal area, creating an enriched learning environment that supports academic achievement, fosters a love for reading, and prepares students for a lifetime of learning.

Figure 2.7.9:
LEARNER ENROLMENT AND LEARNER TEACHER RATIO, Oudtshoorn, 2022 - 2025



Source: Western Cape Education Department, 2025

In 2025, the Oudtshoorn municipal area recorded the second-highest number of enrolled learners within the GRD, a natural consequence of the greater population size of this municipal area. However, it has experienced notable declines in learner enrolment, which is attributed to the out-migration patterns observed. The decline in learners has led to a reduction in the learner-teacher ratio from 2022 to 2024.

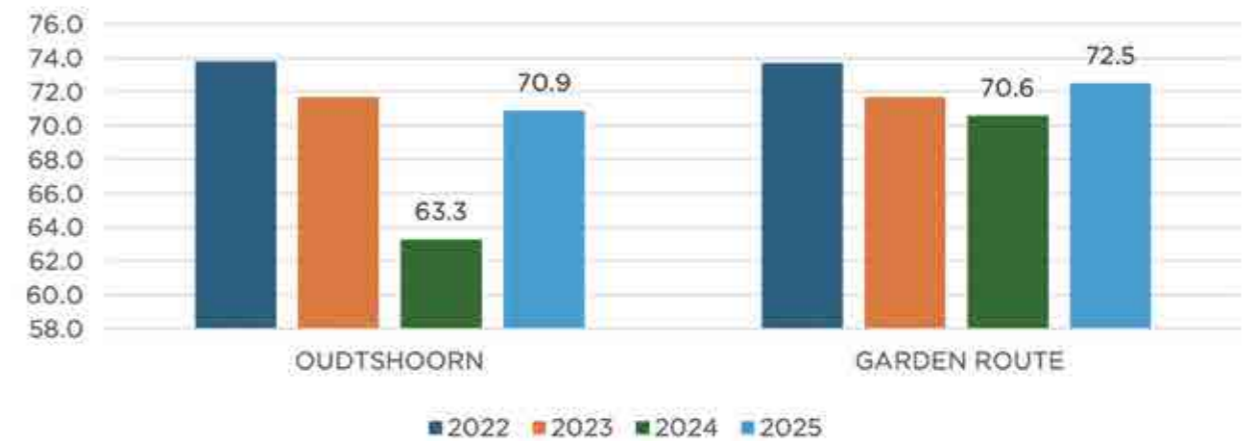
The decline in the learner-teacher ratio in Oudtshoorn reflects progress towards more manageable class sizes, enabling teachers to provide more attention to individual pupils and supporting improved learning outcomes. This positive trend highlights the value of continued investment in infrastructure and teaching capacity to sustain equitable, high-quality education across all schools.

Retention Rates

In 2025, the Grade 10 to 12 learner retention rate in the Oudtshoorn municipal area was 70.9 per cent, which was below the District average of 72.5 per cent.

While retention declined between 2022 and 2024, falling from 73.8 per cent to 63.3 per cent, a significant improvement was observed in 2025 - when the rate rose to 70.9 per cent. This upward trend should be sustained to enhance the future economic potential of the municipal area.

Figure 2.7.10:
GRADE 10 TO 12 LEARNER RETENTION RATE, Oudtshoorn, 2022 - 2025

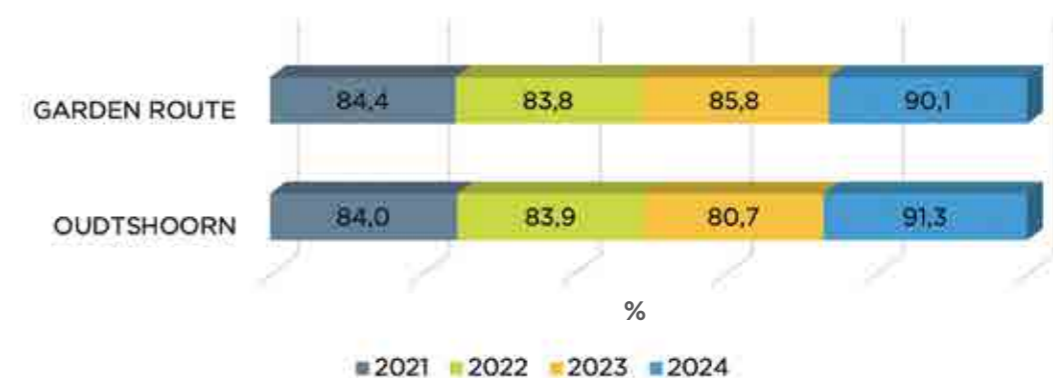


Source: Western Cape Education Department, 2025

Several factors contribute to the dropout rate, including economic hardships such as poverty and unemployment, social challenges like teenage pregnancy, overcrowded classrooms, and personal circumstances that hinder academic engagement. Addressing these issues requires a coordinated, community-driven approach that strengthens support systems and fosters an inclusive environment where all learners have the opportunity to succeed.

Education Outcomes

Figure 2.7.11:
MATRIC PASS RATE, Oudtshoorn, 2021 - 2024



Source: Western Cape Education Department, 2025

In 2024, the Oudtshoorn municipal area recorded the fifth-highest matric pass rate in the District (91.3 per cent), reflecting a significant improvement from 80.7 per cent in 2023. The rising matric pass and retention rates bode well for the future economic potential of the area. With growing demand for skilled labour in the municipal area, matric certificates and higher education qualifications are increasingly vital for lifting families out of poverty and driving local economic development. Encouragingly, census data from 2011 to 2022 shows a decline in the proportion of people over 20 without schooling (down from 4.5 per cent to 2.4 per cent) and a modest increase in those with higher education (up from 6.6 per cent to 9.7 per cent). This signals gradual progress towards a more educated and productive workforce.

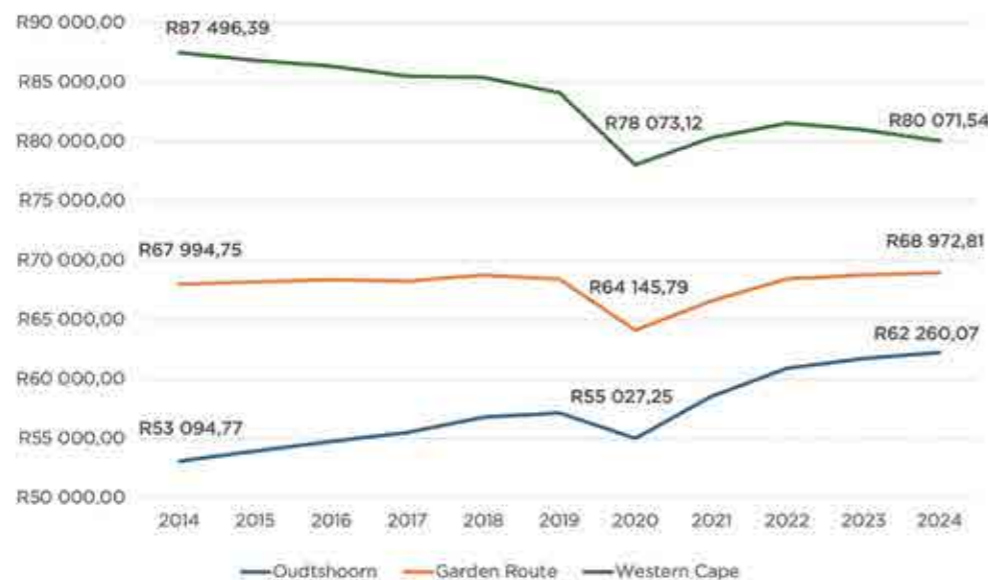
2.7.8 Poverty, income & inequality

In the Oudtshoorn municipal economy, the income story is one of contrasts: while some households experience rising prosperity, others face persistent financial strain. This analysis examines gross domestic product per region (GDPR) per capita as a measure of overall economic activity, also considering the Gini coefficient to highlight the extent of income inequality. A review of South African Revenue Service (SARS) provides insight into median incomes, patterns of income distribution and the number of contributors to the tax system. The discussion then tackles poverty, showing how economic deprivation intersects with broader income patterns and illustrating the inequalities that shape everyday life in Oudtshoorn.

Income Inequality

Between 2014 and 2024, the Oudtshoorn population grew at a slower rate than the economy. As a result, GDPR per capita (i.e. per person) increased modestly over this period, rising at an annual average of 1.6 per cent. This allowed for improved living standards and economic wellbeing in the municipal area. GDPR per capita was R53 094 in 2014 and rose to R62 260 by 2024. That year, Oudtshoorn’s GDPR per capita remained below the Western Cape average of R80 071, highlighting potential areas for further economic growth.

Figure 2.7.12:
GDPR PER CAPITA, Oudtshoorn, 2014 – 2024

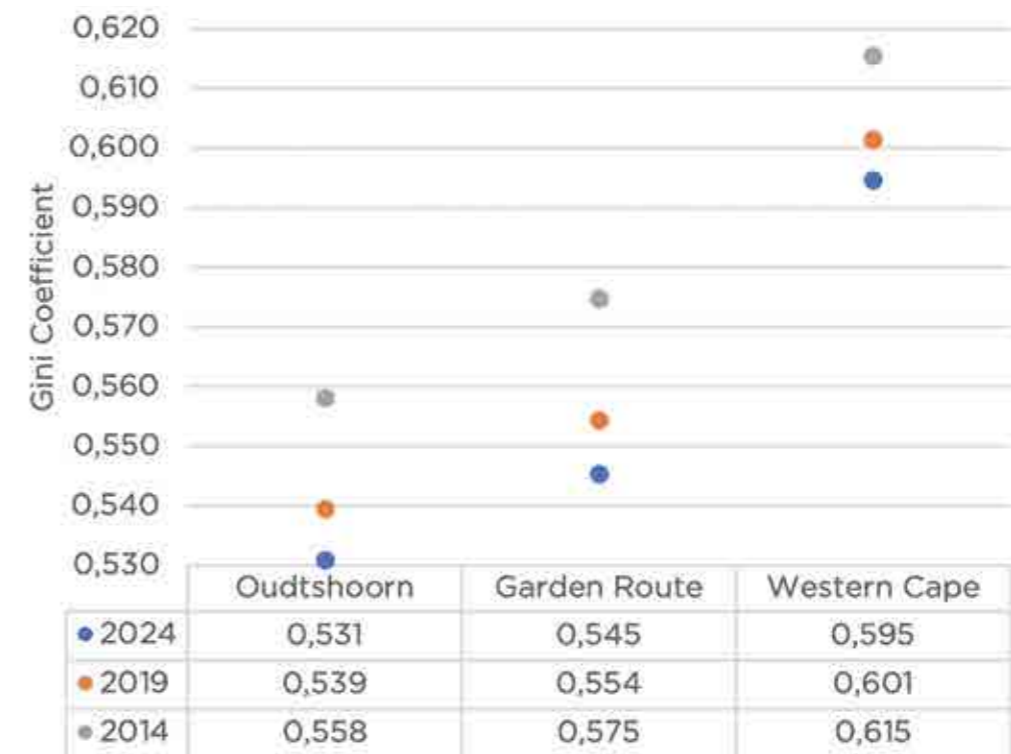


Source: Own calculations from Quantec (2025) and MYPEPPU 2025.2

It is imperative to acknowledge that the distribution of GDPR per capita within the Oudtshoorn municipal area is not uniform. Disparities prevail, with a segment of the population enjoying affluence while others grapple with financial challenges in an economic landscape characterised by inflation and unemployment.

South Africa has one of the world’s highest levels of inequality as measured by the Gini coefficient. Inequality manifests itself through a skewed income distribution, unequal access to opportunities, and regional disparities. The National Development Plan 2030 (NDP) has set a target for reducing income inequality in South Africa – namely, lowering the Gini coefficient from 0.700 (the figure recorded in 2010) to 0.600 by 2030.

Figure 2.7.13:
GINI COEFFICIENT, Oudtshoorn, 2014 – 2024



Source: Quantec, 2025

The Oudtshoorn municipal area has met the NDP goal, recording a Gini coefficient of 0.531 in 2024, and was well below the District coefficient (0.545) and the Provincial coefficient (0.595) for that year. However, given the low GDPR per capita of the area, it is evident that most of the population is grappling with limited economic opportunities and resources. By global standards, a coefficient of 0.531 is still high. This ratio demonstrates the discrepancy between persons with well-remunerated jobs in the town of Oudtshoorn and low-income farm workers as well as backyard dwellers and those residing in informal settlements across the municipal area.

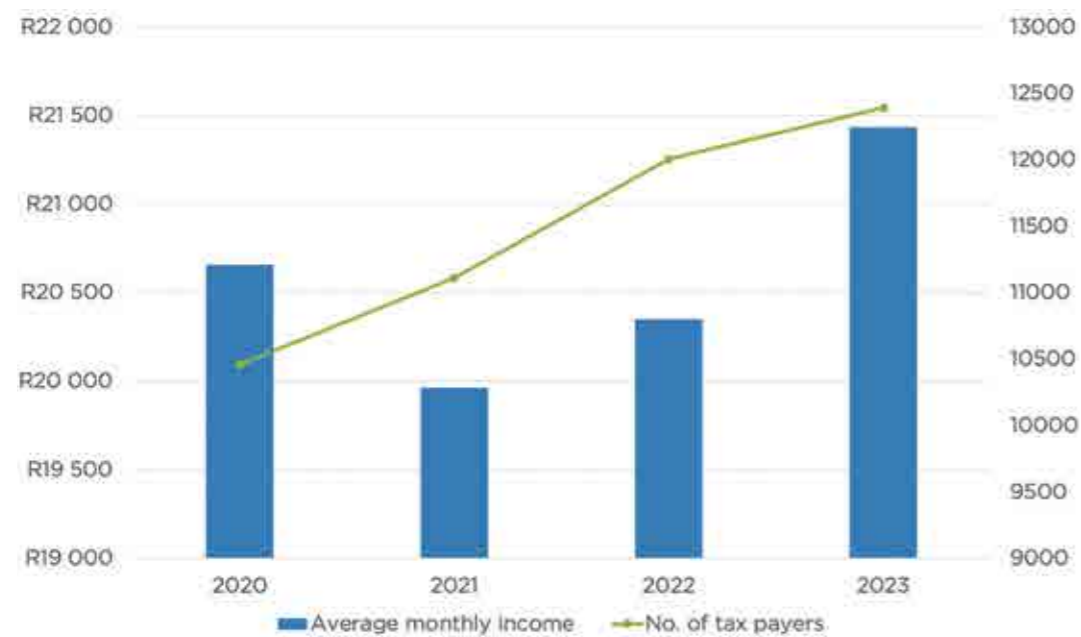
Income inequality is also more pronounced between the coloured and black African demographic groups, with certain households having built wealth even as others have yet to escape the poverty trap. Income inequality within the Oudtshoorn municipal area has, fortunately, declined consistently, falling from 0.558 in 2014 to 0.539 in 2019 and then to 0.531 in 2024. This indicates improved income distribution within the area.

The Gini coefficient is a measure of income inequality. It is a number between 0 and 1, where 0 corresponds to perfect equality (everyone has the same income) and 1 corresponds to perfect inequality (one person has all the income, and everyone else has none). While the Gini coefficient is widely used, other metrics are also available to assess the gap between wealthy and poor, each providing a different perspective on the economic conditions of a society.

Income Patterns

A closer look at income tax data reveals how inequality translates into everyday realities.

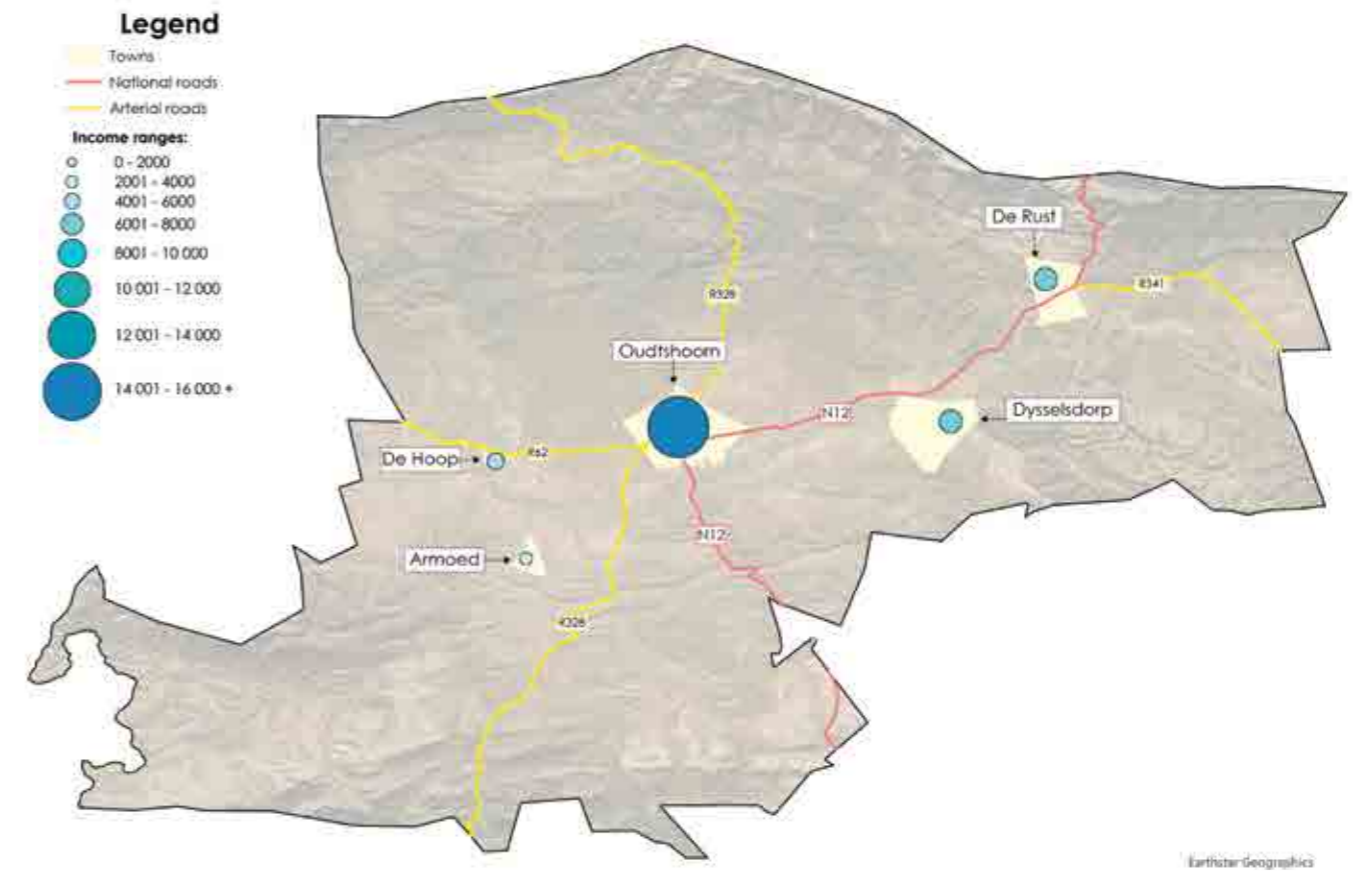
Figure 2.7.14:
INDIVIDUAL TAXPAYERS AND TAXABLE INCOME, Oudtshoorn, 2020-2023



Source: Quantec 2025

In 2023, Oudtshoorn had 12 394 registered taxpayers - an increase from the 10 457 recorded in 2020 and representing an average annual growth rate of 5.8 per cent. The growing share of taxpayers signals rising participation in the formal economy, improved employment stability and greater fiscal capacity for inclusive development. About 21.1 per cent of the working-age population contributed to the tax base, which was less than the District average (24.3 per cent) and the Western Cape average (23.2 per cent). This shows that room remains for improved access to formal employment in the municipal area.

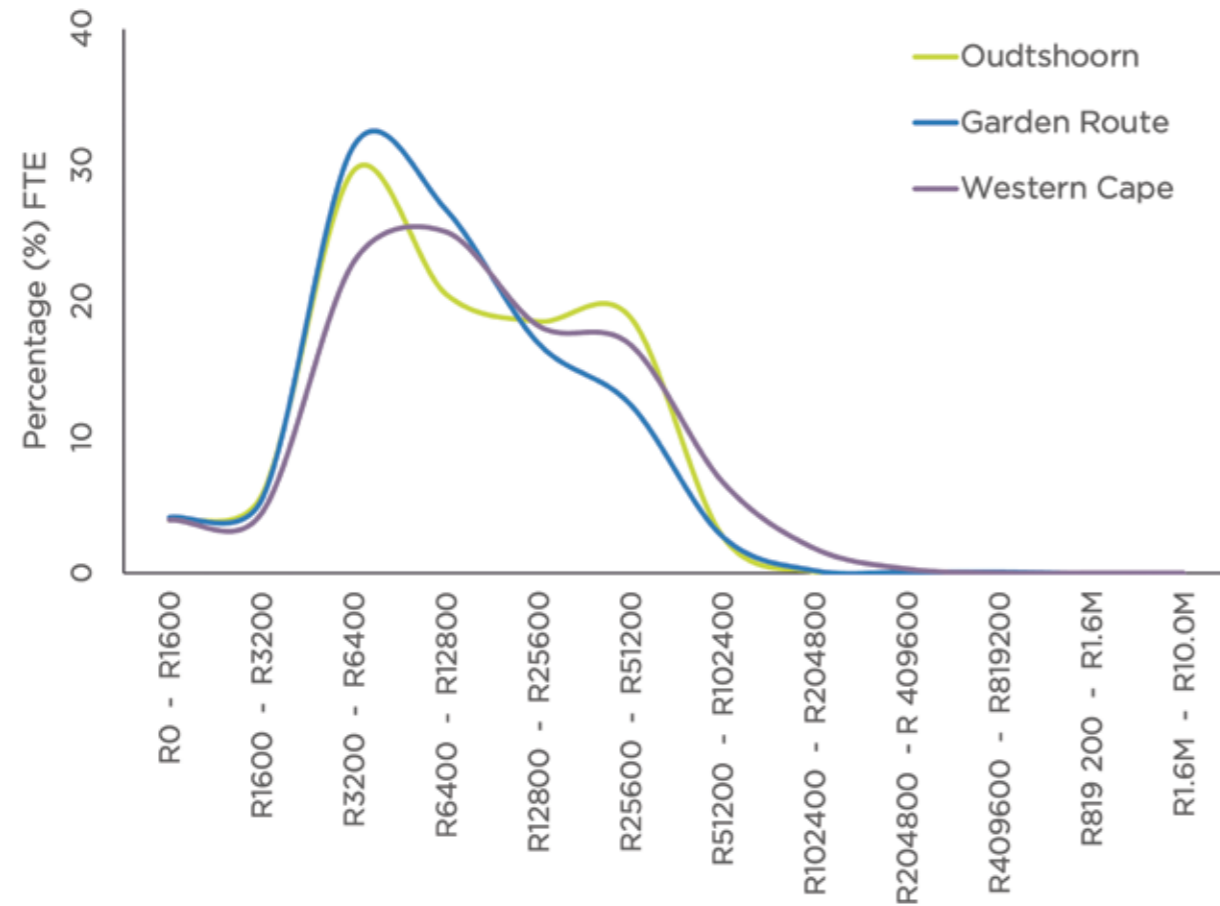
MAP 2.7.1: AVERAGE MONTHLY INCOME PER TOWN, Oudtshoorn, 2024



Source: Western Cape Department of the Premier, 2025



Figure 2.7.15:
WAGE DISTRIBUTION, Oudtshoorn, 2024



No. of FTE per income category	R0 - R1600	R1600 - R3200	R3200 - R6400	R6400 - R12800	R12800 - R25600	R25600 - R51200	R51200 - R102400	R102400 - R204800	R204800 - R409600	R409600 - R819200	R819200 - R1.6M	R1.6M - R10.0M
	453	667	3 449	2 389	2 148	2 183	318	15	11	5	2	2

Source: Spatial Tax Data, 2025

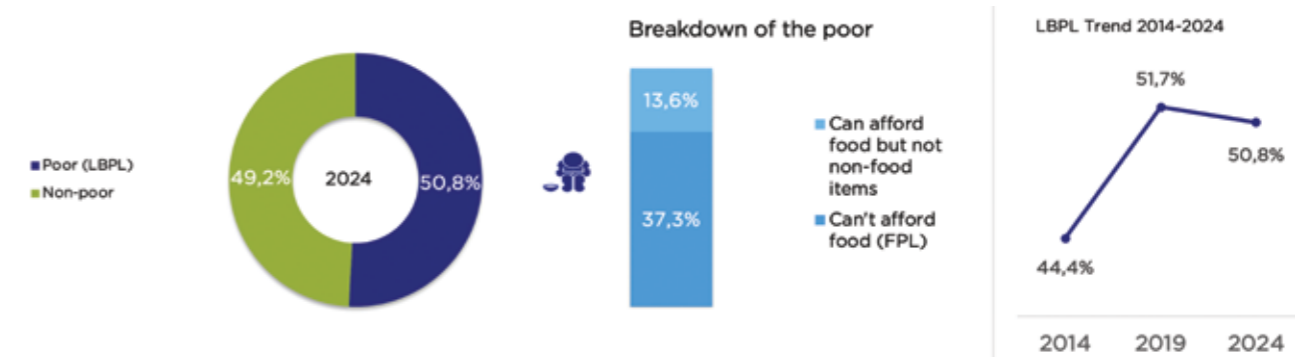
In 2024, about 18.2 per cent of workers earned between R12 800 and R25 600 per month, while 18.8 per cent earned between R25 600 and R51 200. These skilled professionals contribute significantly to the local economy. Within the municipal area, average monthly incomes were highest in the main town of Oudtshoorn (R15 859), followed by De Rust (R7 445). The rural towns and farming communities of Armoed, De Hoop and Dysselfdorp had average monthly incomes ranging from R3 413 to R6 148.

Income disparities remain stark. Nearly a third of taxpayers (31.4 per cent) earned close to the minimum wage (R3 200 to R6 400), and 59.8 per cent of residents earned below R12 800 per month. This limited purchasing power constrains local consumption and dampens retail, services, and small business growth. The predominance of lower-income earners also challenges municipal revenue generation, limiting income from rates and service charges while increasing the demand for social support and basic infrastructure. Addressing these structural imbalances requires a strategic focus on inclusive economic growth, job creation, and support for small and medium enterprises. Ideally, this will enhance livelihoods and strengthen municipal sustainability.

Poverty

In 2024, 50.8 per cent of the municipal population lived below the lower-bound poverty line (LBPL), with 37.3 per cent unable to afford food as represented by the food poverty line (FPL) and 13.6 per cent able to meet food but not non-food needs. Although this reflects an improvement from the 2019 peak of 51.7 per cent, poverty levels remain considerably higher than in 2014 (44.4 per cent).

Figure 2.7.16:
POVERTY HEADCOUNT RATE, Oudtshoorn, 2014 - 2024



Source: Quantec, 2025

The Oudtshoorn municipal area performs worse than the District average with regard to the poverty headcount rate, thus the scale of poverty is still concerning. Its impacts -lower life expectancy, malnutrition, food insecurity, vulnerability to crime and substance abuse, limited educational attainment, and inadequate living conditions - underscore the urgent need for sustained interventions. In alignment with the NDP's goal of eradicating poverty by 2030, income support through social grants, municipal indigent policies, and free services from the Western Cape Government (such as healthcare and education) play a vital role in cushioning vulnerable households.

The national poverty lines were calculated using a cost-of-basic-needs approach that links welfare to the consumption of goods and services. The lines address both food and non-food components of household consumption expenditure.

- Food poverty line - R796 (in May 2024 prices) per person per month. This refers to the amount of money that an individual will need to afford the minimum required daily energy intake. The food poverty line is commonly referred to as the "extreme" poverty line.
- Lower-bound poverty line - R1 109 (in May 2024 prices) per person per month. This refers to the food poverty line plus the average amount required for non-food items of households whose total expenditure is equal to the food poverty line.
- Upper-bound poverty line - R1 634 (in May 2024 prices) per person per month. This refers to the food poverty line plus the average amount required for non-food items of households whose food expenditure is equal to the food poverty line.

The affluent segment of the municipal population accounts for 49.2 per cent of the population, suggesting that just under half of residents can meet basic and non-basic needs. The overall trend highlights the need for continued efforts to expand economic inclusion, enhance food security and move more households above the poverty threshold over time.

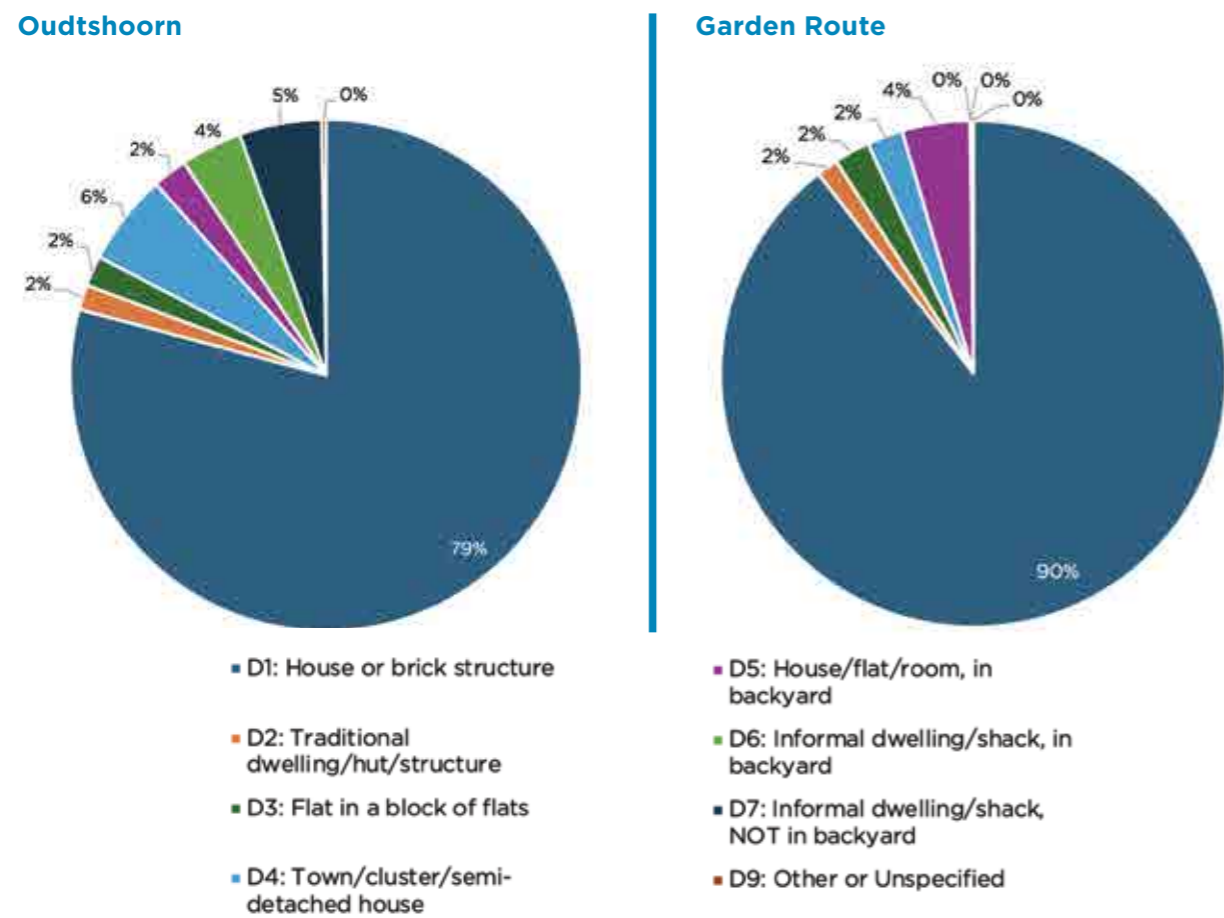
2.7.9 Basic service delivery

The Constitution of the Republic of South Africa provides every citizen with the right to access adequate housing, and the state must employ reasonable legislative and other measures, within available resources, to progressively realise this right. Access to housing encompasses essential services such as the provision of clean water, basic sanitation, safe energy sources and waste removal, ensuring that households maintain a decent standard of living. This section considers the extent to which this has been achieved.¹²²

Housing and Household Services

In 2024, the Oudtshoorn municipal area included 20 669 households, 89.2 per cent of which resided in formal housing.¹²³ This was slightly below the GRD average of 86.0 per cent. The remaining households were distributed across other housing types: 9.1per cent lived in informal dwellings, 1.6 per cent occupied traditional dwellings, and 0.3 per cent lived in other forms of residence or unspecified housing types.

Figure 2.7.17:
HOUSING TYPES, Oudtshoorn, 2024

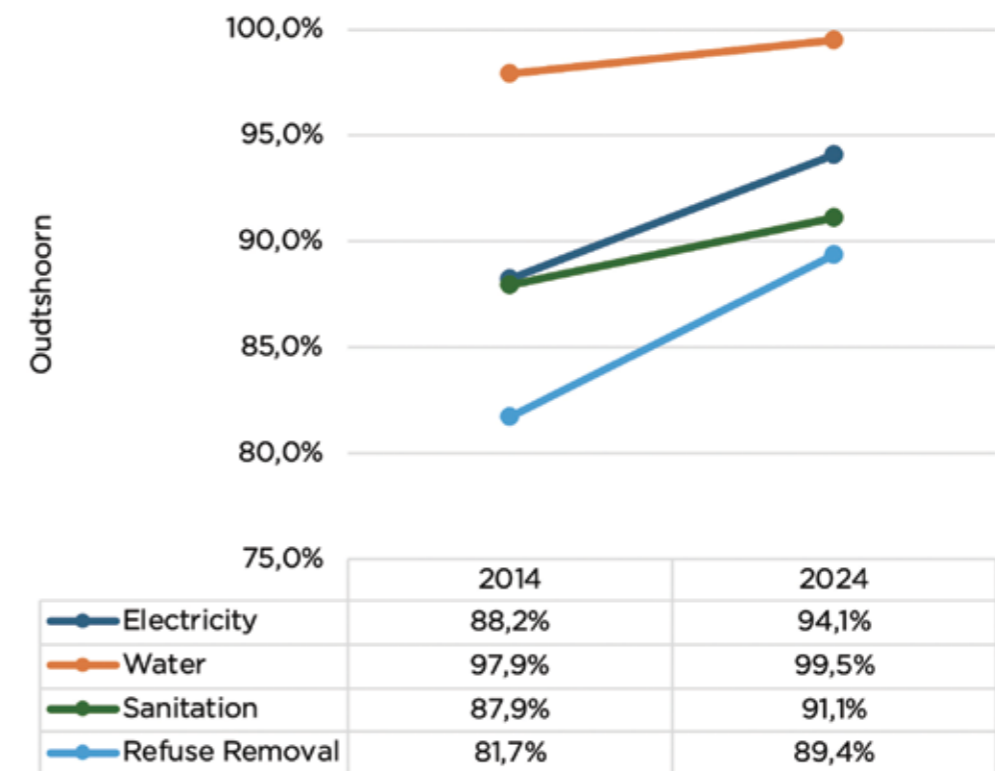
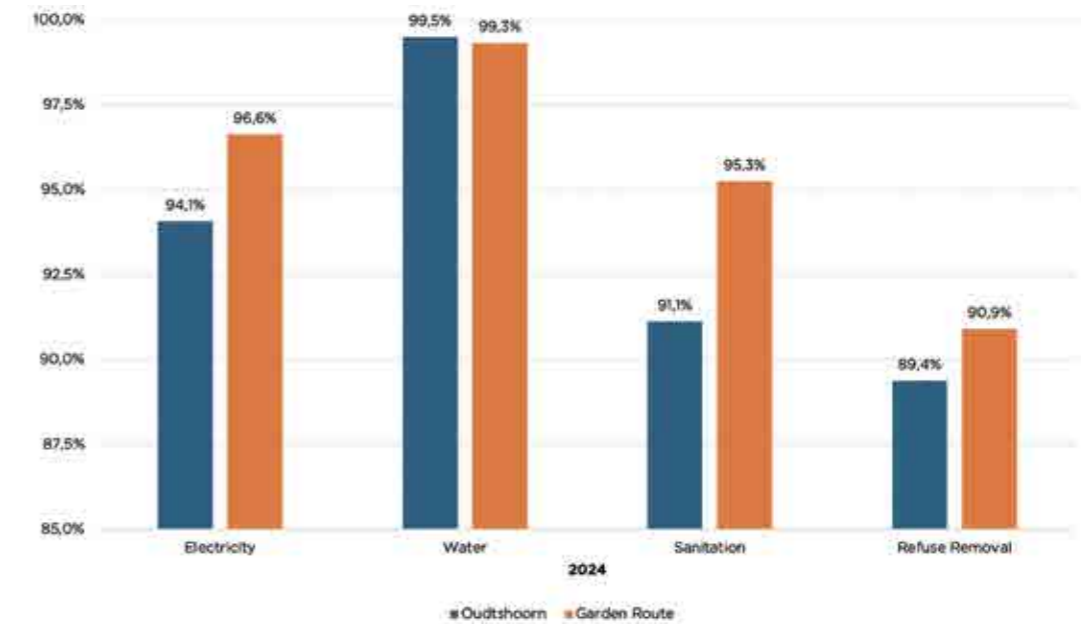


Source: Quantec, 2025

¹²² ¹²³ (MYPE, 2021).

While state-led housing initiatives have provided units to meet the needs of low-income households, demand remains high, with 12 127 households registered on the Western Cape Housing Demand Database in 2025, up from 11 037 in 2022, reflecting an average annual increase of 3.2 per cent. These dynamics underscore the ongoing need for expanded and improved housing provision from the public and private sectors to enhance living conditions for vulnerable households within the municipal area.

Figure 2.7.18:
ACCESS TO BASIC SERVICES, Oudtshoorn, 2014 - 2024

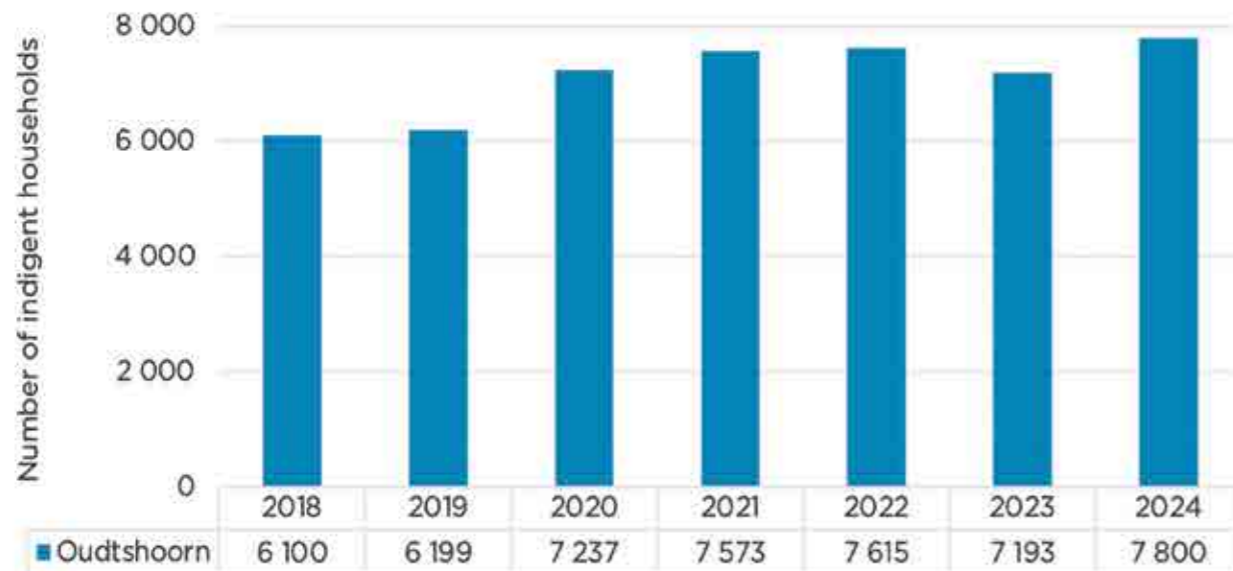


Source: Quantec, 2025

Access levels to basic services in the Oudtshoorn municipal area exceeded those for formal housing. Specifically, 99.5 per cent households had access to piped water (within the dwelling, yard, or via a communal or neighbour's tap), 94.1 per cent had access to electricity (including generators) for lighting, 91.1 per cent had access to a flush or chemical toilet or ventilated pit latrine, and 89.4 per cent received weekly refuse removal by the local authority. While access levels for water were comparatively high, the area fell below the District average in sanitation, refuse removal and electricity provision. These gaps highlight the challenges of growing service demand, particularly in extending infrastructure to farmlands and informal settlements. The rapid increase in informal structures during the COVID-19 pandemic further intensified these pressures. Nevertheless, access to all four basic service categories has improved over the past decade, reflecting reduced service delivery backlogs despite population growth and contributing positively to residents' overall quality of life.

Free Basic Services

Figure 2.7.19:
INDIGENT HOUSEHOLDS, Oudtshoorn, 2018 - 2024



Source: Western Cape Department of Local Government, 2025

Municipalities provide free basic services to households that are financially vulnerable and struggle to pay for services. There was a significant surge in registered indigent households in 2020. This was attributable to the adverse economic impact of the COVID-19 pandemic, which resulted in income losses and undermined household capacity to cover municipal service expenses.

While poverty rates have been reduced, there was an observed 4.2 per cent annual average increase in households registered for indigent support from 2020 to 2024, reaching levels well below the pre-COVID period. While this reduction suggests a positive shift, the high poverty rates in the municipal area also raise questions about whether all vulnerable households are being adequately captured in the indigent register. This highlights the importance of ongoing monitoring to ensure that those most in need continue to benefit from essential services.

2.7.10 Safety and security

High levels of poverty and inequality give rise to elevated crime levels, necessitating the development of the Western Cape Safety Plan. In it, the Western Cape Government (WCG) expresses a vision to ensure that the Province is a place where all people feel secure and free from fear. The Oudtshoorn municipal area shares this goal, as it is not spared the safety concerns present throughout the Province and GRD.

TABLE 2.7.5: CRIME, Oudtshoorn, 2022 - 2024

CRIME CATEGORY	Actual Numbers			Trend	Crime per 100 000 Population	
	2022	2023	2024		Oudtshoorn	Garden Route
Murder	22	18	26	↑	28	33
Sexual Offences	143	145	146	↔	159	139
Common assault	739	863	821	↓	893	798
Malicious damage to property	445	508	468	↓	509	397
Burglary at residential premises	475	527	448	↓	487	526
Commercial crime	197	259	290	↑	315	392
Drug-related crime	777	1145	1359	↑	1487	1085
Driving under the influence of alcohol or drugs	47	124	105	↓	114	259

Source: Own calculations from Quantec (2025) and MYPEPPU (2025.2) data

Unfortunately, crime levels in the Oudtshoorn municipal area increased from 2021 to 2024. The primary factors contributing to crime in both this municipal area and the GRD include the absence of surveillance cameras in high-risk areas, inadequate lighting, high unemployment rates, drug and alcohol abuse, instances of domestic violence, repeat offences by released prisoners, the seasonal influx of labourers and social intolerance.

The Oudtshoorn municipal area exhibits elevated occurrences of crimes such as sexual offences, common assault, malicious damage to property and drug-related crime when compared to the GRD.

Murder is defined as the unlawful and intentional killing of another person. In 2024, 26 murders were reported in the municipal area, up from 18 in the previous year. Furthermore, common assault (assault that involves the use of force or violence against another person without causing serious bodily harm) is at heightened levels, with 821 cases reported in 2024. The incidence of this crime reflects challenges associated with substance abuse, gangsterism and gender-based violence.

South Africa is among the top five countries in the world concerning reports of rape. Oudtshoorn is no exception, with 146 cases of sexual offences reported in the municipal area in 2024, up from 145 in 2023. Such offences include rape, sex work, pornography, public indecency and human trafficking. It should be noted that many cases of sexual offence go unreported.

Substance abuse drives up drug-related crimes. This category of offence involves a situation where the perpetrator is found to be in possession of, under the influence of, or selling illegal drugs. A total of 1 359 cases of drug-related crime were reported in 2024, marking the most significant incidence of this type of offence since 2022. In addition, 205 cases of driving under the influence of drugs or alcohol were reported (i.e. cases where the driver of a vehicle is found to be over the legal blood alcohol limit). Alcohol use is a leading factor in road traffic crashes. Substance abuse, in turn, places a burden on healthcare and police services, disrupts families, and imposes high social and economic costs on communities.

Substance abuse and poverty also contribute to residential burglaries (the unlawful entry of a residential structure with the intent to commit a crime, usually a theft), with 448 cases reported in the Oudtshoorn municipal area in 2024. Difficult economic times have been met with a rise in commercial crimes (theft, fraud or dishonesty committed against a business by an employee that results in the business suffering financial loss), as these crimes have provided certain employees with an easy way of maintaining their standard of living. Regarding malicious damage to property, 468 cases were reported in 2024. These offences severely impact local businesses, especially small, medium and micro enterprises. Failure to curb such crimes can lead to a vicious cycle of declining economic activity and joblessness that fuels poverty and gives rise to other crimes across the District.

The WCG's vision prioritises safety, reflecting a strong commitment to curbing crime and creating secure, resilient communities across the Province.¹²³



¹²³ Western Cape Government Provincial Strategic Plan (PSP) 2025-2030

2.7.11 Conclusion

Oudtshoorn, a municipal area in the semi-arid plains of the Klein Karoo, serves as a distinctive focal point for the ostrich industry and tourism. The recovering economy had a favourable impact on unemployment and poverty rates.

Notwithstanding these improvements, the municipal area remains susceptible to elevated levels of poverty and unemployment compared to the District averages. These conditions contribute to heightened rates of child malnutrition and low birth weight, indicative of a deficiency in food security within the municipal area. Additionally, persistent poverty raises concerns about safety and security, notably with regard to escalating crime rates (e.g. for drug-related crime, commercial crime, sexual offences, common assaults, and malicious damage to property). Ensuring safety and security is paramount for the Municipality and the WCG.

Progress has been made in education, signalling good prospects for meeting the increasing demand for skilled individuals in the expanding tertiary sector of the municipal economy. The growth in the share of persons with higher education qualifications can be attributed to the presence of tertiary institutions in the municipal area. With the decrease in teenage pregnancy, learner retention and matric pass rates have also improved. These rates, however, still lag behind District averages, necessitating targeted interventions.

A constrained economy, a scarcity of higher-income job opportunities and a high dependency ratio have led to increased demands for housing, municipal services, and government functions such as education and healthcare services. To address the outlined developmental challenges effectively and enhance the wellbeing of residents in the municipal area, sustained collaboration between the Municipality, other tiers of government and the private sector is imperative.



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