ACKNOWLEDGEMENTS
The West Coast District REDS document is the outcome of a wide range of stakeholder inputs, including the following:

<table>
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<tr>
<th>Silimela Development Services Consortium</th>
<th>Area of Specialised Knowledge</th>
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<tr>
<td>Wolpe Development Strategies</td>
<td>Lead consultant in WC REDS Strategy process design, sector development, mining, and trade and investment promotion</td>
</tr>
<tr>
<td>Ishabi Consulting; Shahid Solomon and Gerschwin Kohler</td>
<td>Tourism and Agriculture Strategy</td>
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<td>MAN Consulting and Amien Nieftagodien</td>
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<td>360 Consulting and Thabo Selai</td>
<td>Small Business Development Strategy</td>
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<tr>
<td>Sakaza Communications and Jeffrey Kleinsmith</td>
<td>Strategic process design and facilitation</td>
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</table>

West Coast District Core Team | Roles and Responsibilities
Msinelelo (Sizwe) Mabula | Director: Social and Economic Development
Earl Williams | Manager responsible for Economic Development
Berchtwald Rode | Director IDP
Rhoweln Rhoode | West Coast PIMMS Manager

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| Joggie Scholtz | Swartland Municipality |
| Hendrick Snyder | Saldanha Municipality |
| Aldrick Hendricks | Bergriver Municipality |
| Gerritt Mattyse | Cederberg Municipality |
| David Jansen | DEDT |
| Chantel Welman | Cederberg Municipality |
| Uluke Cloete | Bergriver Municipality |
| Bradley Rubidge | West Coast District Municipality |
| Earl Williams | West Coast District Municipality |
| Thanda Makhbon | DPLG –Cederberg Local Municipality |
| J van Staden | Swartland Municipality |
| Anton Groenewald | Provincial Government West Cape Department of Premier |
| Lionel Philip | Matzikama Municipality |
| Gerrit De Bruyn | Saldanha Bay Municipality |
| Avril M Hein | Saldanha Bay Municipality |
| Charles Barendt | Saldanha Bay Municipality |
| Salvester Coetzee | Department of Public Works and Transport |
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<tr>
<td>AgriBEE</td>
<td>Black Economic Empowerment in Agriculture</td>
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<tr>
<td>AIDS</td>
<td>Acquired Immune Deficiency Syndrome</td>
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<td>Asgisa</td>
<td>Accelerated and Shared Growth Initiative – South Africa</td>
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<td>BBBEE</td>
<td>Broad-based Black Economic Empowerment</td>
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<td>Cape Craft and Design Institute</td>
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<td>CEO</td>
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<td>Council for Trade and Industry Institutions</td>
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<td>CTBTi</td>
<td>Cape Town boat-building Initiative</td>
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<td>CTRU</td>
<td>Cape Town Routes Unlimited</td>
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<td>Development Bank of Southern Africa</td>
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<td>ECD</td>
<td>Early Childhood Development</td>
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<td>EIA</td>
<td>Environmental Impact Assessment</td>
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<td>EPWP</td>
<td>Expanded Public Works Programme</td>
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<td>Foreign Direct Investment</td>
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<td>IDP</td>
<td>Integrated Development Plan</td>
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<td>ISO</td>
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<td>ITDF</td>
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<td>JIPSA</td>
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<td>Medium Term Expenditure Framework</td>
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<td>NAFU</td>
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<td>NAMAC</td>
<td>National Coordination Office of the Manufacturing Advisory Centre</td>
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<td>NEPAD</td>
<td>New Partnership for Africa's Development</td>
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<td>National Ports Authority</td>
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<td>SETA</td>
<td>Sector Education and Training Authority</td>
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<td>SLA’s</td>
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<td>SMME</td>
<td>Small, Medium and Micro-Enterprise</td>
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<td>SPV</td>
<td>Special Purpose Vehicle</td>
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<td>SWC</td>
<td>Soccer World Cup</td>
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<td>SWOT</td>
<td>Strengths, Weaknesses, Opportunities and Threats</td>
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<td>TAC’s</td>
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<td>WCD</td>
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<td>WCDM</td>
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<td>WSA</td>
<td>Water Services Authority</td>
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<td>ZAR</td>
<td>South African Rand</td>
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## DEFINITIONS

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<td><strong>Comparative Advantage</strong></td>
<td>A relatively more competitive production function for a product or service in a local economy than in the aggregate national or provincial economy as a result of producing the product or rendering the service relatively more efficiently.</td>
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<td><strong>Business Environment</strong></td>
<td>The Business Environment (BE) refers to those factors within a locality that either favour or inhibit enterprise development</td>
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<td><strong>GGP</strong></td>
<td>Value of final goods and services produced in a geographic area in one year.</td>
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<td><strong>Investment</strong></td>
<td>Any use of resources intended to increase future production output or income.</td>
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<td><strong>Foreign Direct Investment</strong></td>
<td>Various definitions exist including:</td>
</tr>
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<td></td>
<td>• “transaction-based” definition of capital movements: FDI is described as the form of investment for the purpose of establishing lasting economic relations and which gives the possibility of exercising an effective influence on its management.</td>
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<td></td>
<td>• “enterprise-based” definition of investment: The establishment or acquisition of a business enterprise, as well as a share that provides the investor control over an enterprise.</td>
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<td>&quot;Foreign direct investment reflects the objective of obtaining a lasting interest by a resident entity in one economy (&quot;direct investor&quot;) in an entity resident in an economy other than that of the investor (&quot;direct investment enterprise&quot;). The lasting interest implies the existence of a long-term relationship between the direct investor and the enterprise and a significant degree of influence on the management of the enterprise. Direct investment involves both the initial transaction between the two entities and all subsequent capital transactions between them and among affiliated enterprises, both incorporated and unincorporated. This does not include capital movements that are mere financial transactions for speculative purposes, commercial contracts for the sale of goods or services, credits granted to a State, or loans that are not directly related to an investment&quot; (OECD: 1996).</td>
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<td><strong>Labour Force</strong></td>
<td>The employed, unemployed, and those persons active in the informal / unregistered economy.</td>
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<td><strong>Red Tape</strong></td>
<td>Rules and regulations, administrative procedures, and government-business inter-faces that impose unnecessary costs on business and on government, are not or no longer effective in achieving their policy goal and therefore produces suboptimal and undesired social outcomes.</td>
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<td>West Coast District: Change in Jobs in Manufacturing Sector: 1995-2005</td>
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Tel: +27 21 447 0221
Fax: 0866 168 391
Email: rae@developmentstrategies.co.za
Table 25: West Coast Agriculture SWOT. Error! Bookmark not defined.
Table 26: West Coast District Mining SWOT Analysis. Error! Bookmark not defined.
Table 27: West Coast District Infrastructure SWOT Analysis. Error! Bookmark not defined.
Table 28: Fishing Sector SWOT. Error! Bookmark not defined.
Table 29: Cross-cutting Economic Development Challenges: Fishing Sector. Error! Bookmark not defined.
Table 30: West Coast District Oil and Gas SWOT Analysis. Error! Bookmark not defined.
Table 31: West Coast Tourism Visitor Statistics: 2006. Error! Bookmark not defined.
Table 32: West Coast District Tourism SWOT Analysis. Error! Bookmark not defined.
Table 33: West Coast District Integrated SWOT Analysis. Error! Bookmark not defined.
Table 34: Priority West Coast District SWOT Issues. Error! Bookmark not defined.
Diagram 1: Synergy Between Competitive Growth and Building the Second Economy.
Diagram 2: West Coast District Economic Development Critical Focus Areas. Error! Bookmark not defined.
Table 35: West Coast District Economic Development Programmes. Error! Bookmark not defined.
Diagram 3: After Care Programme Role-players. Error! Bookmark not defined.
Table 36: WC REDS 11 High Priority Strategic Initiatives for Immediate Implementation.
# REPORT STRUCTURE

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<th>Chapter 1</th>
<th>The need for the West Coast Regional Economic Development Strategy and Policy Context</th>
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<tr>
<td></td>
<td>This chapter reviews:</td>
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<tr>
<td></td>
<td>• Why a WC REDS is needed and what are the critical success factors for successful formulation, implementation, and review of WC REDS strategies</td>
</tr>
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<td></td>
<td>• The national and provincial policy context for the WC REDS</td>
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<td>• The complimentary linkages to existing plans, including the West Coast District City Development Strategy, Integrated Development Plan, and other plans.</td>
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<td>• The methodology and process followed to develop the WC REDS</td>
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<thead>
<tr>
<th>Chapter 2</th>
<th>West Coast District Economic Profile</th>
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<tr>
<td></td>
<td>This chapter analyses the District’s social and economic profile and trends. The chapter focuses on economic performance in key sectors and also identifies key drivers for future growth.</td>
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<thead>
<tr>
<th>Chapter 3</th>
<th>Making an Impact: Economic Development Vision, Objectives and Strategies for Shared and Accelerated Growth</th>
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<td></td>
<td>This chapter discusses an economic development vision, set of objectives, strategies, and key initiatives which impact on the achievement of this economic development vision.</td>
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<th>Chapter 4</th>
<th>Getting Things Done in Partnership: Implementation and Monitoring Plan</th>
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<td></td>
<td>This chapter proposes institutional arrangements, roles and responsibilities which are required to implement the West Coast Regional Economic Development Strategy.</td>
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<th>Chapter 5</th>
<th>Conclusions and Moving Forward</th>
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<tr>
<td></td>
<td>This section summarises the way forward and motivates for ongoing cooperation and collaboration between key role-players in order to sustain momentum in taking forward the West Coast District’s economic development.</td>
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</table>

| Annexures | This section contains the following Annexures which provide additional information on the consultation process followed and information sources consulted. |
EXECUTIVE SUMMARY

1. Introduction: Why the West Coast District needs a Regional Economic Development Strategy

The future quality of life of the West Coast District’s communities will depend on the ability of all stakeholders (public, private, civil society, and labour) to collaborate to improve the District’s global competitiveness and accelerate economic growth, job creation, black economic empowerment, and poverty reduction. The West Coast District Local Economic Development Strategy (WC REDS) is a five year implementation plan aimed at accelerating economic growth, job creation, and empowerment.

Given past trends and the current position of the West Coast District within competing national priorities, the future outlook for the West Coast District does not hold great promise for accelerated growth, job creation, and poverty reduction unless certain high impact interventions are implemented in the next few years. This WC REDS therefore provides a framework for united partnership action, which will build on the critical strengths, and resources of those who live, play and work in the West Coast District as well as strategic external partners (national and provincial government, foreign investors and financiers, tourists etc.).

The WC REDS has a five-year horizon. The speed with which global economic trends are evolving and impacting on the opportunities and threats facing the West Coast District is increasing. Stakeholders in the West Coast District need to be constantly monitoring these trends and adjusting the WC REDS on a continuous basis to ensure the threats are minimized and the opportunities maximized.

The following national, provincial and local strategies have been reviewed to inform the WC REDS:

- Accelerated Shared Growth Initiative of South Africa (ASGISA)
- National Spatial Development Perspective (NSDP)
- Human Resource Development Strategy and Joint Initiative for the Prioritisation of Scarce Skills (JIPSA)
- South African Industrial Policy and National Sector Strategies
- Regional Industrial Development Strategy (RIDS)
- Broad-Based Black Economic Empowerment initiatives
- Provincial Growth and Development Strategy (in process)
- Provincial Industrial Development Strategy (in process)
- Provincial Skills Plan
- West Coast District Integrated Development Plan
- West Coast District Tourism Master Plan
- West Coast Economic Development Strategy (2000)
- West Coast District Poverty Alleviation Strategy
- West Coast Environmental Management Plan
- West Coast District Disaster Management Plan
- West Coast District Spatial Development Framework
The main identified implications of the above strategies for the WC REDS are as follows:

a) The West Coast District is classified provincially as an area with medium investment potential with a focus on the Saldanha node as an Industrial Development Zone.

b) International critics of the governments industrial development strategy have noted that its major weakness is its failure to address what are termed “small industrial policy” issues which related to the basic functioning of the business environment but which promise to substantially undermine the productivity and ease of doing business of existing investors/ businesses in South Africa. Issues such as crime, home affairs procedures re visas, government decision-making time-frames, general attitudes of government towards business, land availability, transport reliability, and local municipal services as seen to be just as important, if not more so, than big industrial support programmes. This finding represents a major opportunity for the West Coast District to focus on getting the basics right and differentiate its business environment from those of its bigger City competitors by ensuring the existing businesses are treated well and that basic services and decision-making process are efficient.

c) The focus on addressing constraints to growth needs to be addressed at a local level and the following opportunities are highlighted:

- The ASGISA Infrastructure Plan and national budgetary surplus represents a golden opportunity for the West Coast District to tap into a massive infrastructure investment phase after years of neglect. If this does not happen, there is the danger that the West Coast District will not receive meaningful infrastructure investment required to ensure that its port, airport, road, and rail infrastructure are able to competitively service export oriented activity. This threatens to undermine the economic sustainability of the West Coast District. The WC REDS proposal must therefore address this issue as well as consider different future economic scenarios for the West Coast District. If logistics infrastructure is not expanded, the focus will need to be on providing a supportive business environment for domestic investment. If capacity is addressed, more focus on a foreign investment strategy will be required.

- National strategies and funds for agriculture, tourism, crafts, and other sectors mean that significant national funds are being spent, as well as the provision of an increasingly supportive regulatory environment, to accelerate the growth of these sectors and WC District needs to develop and adequately resource its own local strategies in these sectors to capitalise on these opportunities.

- Future tourism growth will depend on a wide range of factors including improvements in logistics infrastructure, tourism infrastructure, and branding and marketing and additional resources are required to implement a number of priority initiatives which have already been identified.

- The increasing focus on regulatory constraints to economic growth must be pulled down to the local level to inform refinements to priority municipal processes, which constrain economic development (for example through a Red Tape Reduction Process as well as through other continuous improvement processes).
d) Within the West Coast District, the majority of economic growth potential exists in the South (namely Saldanha and the Swartland) certain other locations (e.g. rural settlements) do not have significant economic potential. The focus on these areas of low potential needs to be on building the skills base of people living in these areas so that they can access economic opportunities elsewhere.

e) The critical importance of labour force skills development is being recognized by local governments who are playing an increasingly active facilitation role in linking the SETAs, education service providers, and key economic sectors in order to enhance the development of appropriate local skills training programs which effectively meet the needs of the local economy.

Finally, the West Coast District economic analysis in section 2 identifies a range of global and local economic development trends, strengths, weaknesses, opportunities, and threats, which require a strategic response in order to impact meaningfully on.

2. The WC REDS process

The process of developing the WC REDS has been a participatory process involving key public and private sector role-players in the following three main phases:

- **Phase 1:** Contextual analysis
- **Phase 2:** Strategy framework: vision, objectives, strategy options and priority strategies
- **Phase 3:** Institutional framework, implementation and monitoring framework

The process is supported by the West Coast District Economic Development Task Team which comprises key District local government, and provincial government and provincial agency representatives.

Consultation Process and Strategy Events

<table>
<thead>
<tr>
<th>Dates</th>
<th>Consultation and/or Strategy Event</th>
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<tbody>
<tr>
<td>November 2006</td>
<td>• Appointment and refinement of the Terms of Reference with the West Coast District</td>
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<td></td>
<td>• Meeting of Task Team</td>
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<tr>
<td>December-January 2007</td>
<td>• Review of economic trends and existing policies and stakeholder interviews</td>
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<tr>
<td>19 February 2007</td>
<td>• Matzikamma Council and Business Workshops on Strategic Issues</td>
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<tr>
<td>20 February 2007</td>
<td>• Cederberg Council and Business Workshops on Strategic Issues</td>
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<tr>
<td>21 February 2007</td>
<td>• Swartland Council and Business Workshops on Strategic Issues</td>
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<tr>
<td>22 February 2007</td>
<td>• Saldanha Bay Council and Business Workshops on Strategic Issues</td>
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<tr>
<td>23 February 2007</td>
<td>• Bergriver Council and Business Workshops on Strategic Issues</td>
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<tr>
<td>March 14</td>
<td>• Tourism Development Strategy Workshop</td>
</tr>
<tr>
<td>March 16</td>
<td>• Business Development Strategy Workshop: Saldanha</td>
</tr>
<tr>
<td>March-May 2007</td>
<td>• Presentation of final draft of WC REDS Strategy to key West Coast stakeholders incl. IDP and economic development officials of District and Local Councils</td>
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</table>
The next steps in the WC REDS strategy process are:

- Presentation of WC REDS to District Council
- WCDM to obtain public comments on draft WC REDS
- Revision and finalization of WC REDS document
- WCDM capacitation and resourcing of strategic initiatives, including facilitation, structuring, and resourcing of partnership arrangements, as well as expanded internal human resource capacity where necessary.

3. The West Coast District Economic Profile and Analysis

Global and National Trends

The extent to which the West Coast District is able to minimise constraints to taking advantage of the following key global trends will impact on the degree to which the West Coast District economy is able to integrate with the world economy and accelerate economic growth by benefiting from global growth trends:

- Exports of services (esp. tourism and business process outsourcing) and goods and the importance of efficient freight logistics infrastructure;
- Tourism and the Importance of Passenger Logistics Infrastructure;
- Growth in global productive investment: domestic and foreign;
- Increasing use of technologies especially information and communications technologies;
- Growth in media industries and business process outsourcing;
- Poverty and inequality and strategies to minimize skills mismatches as demand for technical and knowledge intensive skills increases.

As a result of these global trends, an estimated 50% of South Africa’s future economic growth is dependent on its ability to position itself strategically on a global scale:

- Exports of goods are expected to be a driving force for economic growth, contributing 25% of new growth in GDP over the next five years, and projected to grow at an annual average of 3% p.a.
- Exports of services will dramatically grow in importance, contributing over 10% of GDP growth and growing at over 10% p.a.

District Trends

The West Coast economy produced R5.6 billion of goods and services in 2004. The total population is growing fairly rapidly and is expected to increase by approximately 25,000 people to 346,760 people by 2010 (SOURCE). Average annual economic growth 1995-2005: 2.6%.

The formal economy is dominated by the traditional agriculture and mining sectors. Total formal sector job losses of around 4000 jobs between 1995-2005 have occurred, with current formal employment of approximately 103,000 jobs.

The Informal economy has doubled from about 8,000 to 16,000 jobs. Part of this trend involves the movement of people from the formal sector to the informal sector.

The geographic distribution of unemployment in the West Coast shows that over
50% of the unemployed are located in the Swartland and Cederberg areas.

The total West Coast District Gross Value Added grew from R4, 5 billion to R5, 9 billion between 1995 – 2005. The three largest sectors in terms of economic output in 2005 were the Manufacturing sector, the Agriculture, Forestry and Fishing sector and the Wholesale and Retail trade, Catering and Accommodation sector.

In terms of new economic growth between 1995-2005, the vast majority took place in the South of the District, namely in Swartland and Saldanha Bay.

The West Coast is becoming ever more popular as a domestic and tourism destination, recording 30% of all visitors to the Western Cape in the third quarter of 2006. An increase in visitors to the area would result in and increase in the amount of tourism supported jobs.

The WCDM consist of an estimated 1 988 farming units, comprising 28% of the total amount of farming units in the Western Cape. The WCDM farming of cropping activities is the biggest contributor in the Western Cape, contributing 59% of the value of crops.

Information on mining activity in the West Coast District is not easily available. The sector consists of a number of large well established companies (TransHex, Namakwa Sands) and a larger number of small, often unsustainable and shot-lived, prospecting companies largely involved in prospecting for diamonds.

The fishing industry in the Western Cape is centered along the West Coast (between Simons Town and Saldanha), as the cold Benguela stream is a rich source of nutrients for the fish. The fish industry along the West Coast is reflected in the income and employment statistics: over 60% of the jobs in the Western Cape’s fishing industry is along the West Coast and approximately 73% of the income earned in the Western Cape fishing industry is earned in the harbour towns of the West Coast (2004).

The aquaculture sector is booming worldwide and the West Coast has thirteen companies with Marine Aquaculture Rights.

The South African Oil and Gas Alliance- Western Cape is a government funded neutral facilitator fro promoting the growth and development of the Oil and Gas Industry (see: www.offshoreafrica.com). Ferromarine Africa is spending R155 million on facilities and R85 million on equipment for fabrication and construction of offshore structure in Saldanha.

West Coast District Strengths, Weaknesses, Opportunities, and Threats

The analysis of global economic development trends, local socio-economic trends and business environment, existing national, provincial, district economic development responses/ strategies, has highlighted key priority strengths, weaknesses, threats and opportunities (SWOT) to sustainable, accelerated and shared economic growth and job creation in the WC. The WC REDS strategy needs to respond through:

- Maximising the WC and regional strengths
- Developing strategies that address the weaknesses
- Creatively responding to opportunities, and
• Proactively addressing the threats in order to minimise any negative impact.

The WC REDS should focus on the top three strengths, weakness, opportunities and threats where the biggest changes can occur and which are easiest to address. These include the following:

### Strengths inside the West Coast District Region

- Proximity to expanding Cape Town economy: industrial, tourism, residential, film node
- Strategic logistics infrastructure location, incl. Saldanha deep sea port, air access, N7
- Deep cultural heritage and identity
- Moderate, sunny climate (tourism, film, agriculture)

### Weaknesses Inside the West Coast District Region

- High dependence on vulnerable sectors: agriculture, mining, fishing
- Infrastructure gaps: regional rail, road, port
- Lack of local skills re growth sector needs
- Slow pace of economic transformation, partly linked to lack of business experience and skills amongst previously disadvantaged.
- Lack of integration and alignment
- Water supply constraints

### Opportunities outside the West Coast District Region

- Saldanha Oil and Gas /Steel / Port (incl. container) Complex and logistics connectivity enhancements (port, airport, rail, road)
- Domestic and international tourism
- Agriculture diversification and aquaculture

### Threats from outside the West Coast District Region

- Climate Change (changing rain-fail and rising sea levels)
- De-population of towns in the north and under-utilised infrastructure
- Environmental damage (mining as well insensitive coastal residential dev.) undermining tourism potential

Economic Development Principles and Approach
The following economic development principles and approach informs the WC REDS proposals:

1. Competitive Growth and Building the Second Economy are BOTH Critical:

Synergy Between Competitive Growth and Building the Second Economy

2. The WC REDS must focus on key Economic Foundations and Growth Opportunities

West Coast District Economic Development Critical Focus Areas
3. The WC REDS must evolve and be updated.

4. The WC REDS Needs to be implemented by all stakeholders in the district (public, private, community, and trade union).

5. The WCDM has 4 critical roles to ensure the successful implementation of the REDS.
   i) Strategic basic service delivery role and getting the basics right
   ii) Supporting efficient customer service at the local government level:
   iii) Leadership and facilitation of strategic partnerships high impact initiatives role:
   iv) Monitoring of strategy implementation and District trends:

6. A District Development Agency is needed to meaningfully impact on the West Coast District's Development Challenges.

7. The Southern area of the District is the economic powerhouse of the region.

The West Coast District Economic Development Vision

The purpose of having an agreed vision for the West Coast District’s future economic development is to assist in clarifying what all relevant role-players should be doing to impact on a desired and sustainable future economic trajectory.

The economic development vision for the WCREDs must answer the question - “how will economic development contribute to the desired outcomes of the IDP vision of the West Coast District Municipality?”

Written vision statements, are however, largely useless unless certain other pre-conditions are put in place, including:
   a) The vision statement is specific enough so as to allow role-players to prioritise initiatives and make trade-offs between these;
   b) The vision statement is actively debated by as many relevant private and public, political and administrative role-players as possible (including national and provincial government representatives and business stakeholders);
   c) The vision statement is formally adopted by the WCDM, incorporated into its Integrated Development Planning and budgeting processes and actively used by the Mayor and senior politicians when interacting with key role-players to leverage resources and prioritise initiatives.

The following proposed vision is therefore a suggested starting point and needs to be taken through processes a-b) above in order to be used as a meaningful tool by all role-players impacting on the West Coast District economy:

   An economy that generates sustainable jobs, reduces poverty, and improves the quality of life through aligned, coordinated, and integrated partnerships between government, the private sector, labour, and communities

The most important aspect of this vision is the emphasis on aligned, coordinated, and integrated partnerships between all spheres of government, the private sector,
labour, and communities. Unless the relationships between these role-players are significantly strengthened, the West Coast is unlikely to harness the resources needed to address the economic opportunities and challenges.

**WC REDS Aims and Objectives**

The WC REDS needs to meaningfully impact on economic growth, job creation and poverty reduction.

The WC REDS has four main aims:
- Get the basics right and retain existing jobs
- Grow competitive businesses
- Attract new investments and funding
- Share the benefits of growth

The following specific objectives have been identified to focus the attention of all role-players on key required outcomes. The achievement of these objectives will need to be monitored.

a) To reduce by 48% the number of households living below the poverty line by 2014
b) To achieve an economic growth to an annual average of 4.5% - 6% p.a. by 2014
c) For 40% of all visitors to the Western Cape to visit the West Coast by 2014

These objectives should be reviewed on an annual basis in terms of progress against target, identification of reasons for any under-performance, and agreement on remedial actions required to achieve targets.

**Strategic Framework for Key Programmes and Initiatives**

To make a meaningful impact on achieving these objectives, the WCDM will need to facilitate the establishment of a wide range of, and strengthen existing, partnership initiatives to leverage resources and expertise beyond the municipal budget to address the economic development challenges of accelerated and shared economic growth and job creation in the West Coast District.

In order to enhance global competitiveness and reduce poverty, there are three strategic areas of intervention, which the West Coast District WC REDS Strategy prioritises:

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1 In some cases, further refinement of these objectives will be required on the basis of more detailed research as current base-line information is not readily available.
West Coast District Economic Development Programmes

<table>
<thead>
<tr>
<th>WC REDS Aims and Phases</th>
<th>Programmes</th>
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<tbody>
<tr>
<td>Phase 1 Enabling Business Environment</td>
<td>Infrastructure (Logistics, Telecommunications, and Bulk)</td>
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<tr>
<td>and Economic Foundations</td>
<td>Skills Development Strategy</td>
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<td></td>
<td>Municipal Administrative Efficiency incl. Red Tape Reduction Partnership</td>
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<td></td>
<td>and Development Facilitation Unit</td>
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<td></td>
<td>Small business development, including development of infrastructure for</td>
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<td>business hubs in towns for BEE development and availability of industrial</td>
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<td>land for SMMEs.</td>
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<td>Expanded Public Works opportunities accelerate growth of small contractors</td>
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<td>and local service providers</td>
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<tr>
<td>Phase 2 Existing Business Retention and</td>
<td>Business retention and expansion Programme</td>
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<tr>
<td>Expansion</td>
<td>Restructuring and improved competitiveness strategy for important existing</td>
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<td>traditional sectors such as agriculture and agri-processing, fishing, and</td>
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<td></td>
<td>clothing and textiles etc.</td>
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<tr>
<td>Phase 3 Growth Opportunities</td>
<td>2010 Strategy</td>
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<td></td>
<td>Trade and Investment Promotion</td>
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<td></td>
<td>Establishment strategies for new sectors such as film and oil and gas</td>
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5. West Coast District Economic Development Strategies

The following economic development strategies are grouped according to the main aims of the WC REDS.

The full report contains detailed motivations for each programme as well as tables on each strategic initiative outlining the following additional information to inform implementation processes:

- Programme description, deliverables, and objectives
- Main drivers and partner organizations
- Key performance indicators
- Required Resources
Enabling Business Environment and Economic Foundations

<table>
<thead>
<tr>
<th>Infrastructure Development</th>
<th>Logistics Infrastructure</th>
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<tr>
<td><strong>Objectives</strong></td>
<td><strong>Strategic Initiatives</strong></td>
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</tbody>
</table>
| To support global competitiveness and economic growth by increasing the speed, reliability, and efficiency of freight logistics processes into and around the West Coast District | • Lobby national government re regional economic development business case for Saldanha Port expansion, and if necessary, engage with Transnet re PPP facility expansion and operation options.  
• Provincial engagement re Integrated Provincial Transport Plan to also address all freight logistics modes and to ensure integration with District and the West Coast District Integrated Transport Plans.  
• Freight logistics analysis (port, airport, road, rail) to identify regional growth opportunities and inform business case for logistics enhancements.  
• Feasibility into enhanced airport capacity. |

| Bulk and Basic Municipal Infrastructure | |
| **Objectives** | **Strategic Initiatives** |
| To support global competitiveness and poverty reduction by ensuring the reliable delivery of basic services through adequate capacity planning, asset maintenance, and finance models. | • Obtain provincial support to fund and support the compilation of asset registers as well as the formulation of municipal infrastructure maintenance plans (possibly through a provincial fund created and administered by the MIG office).  
• WCDM to include a separate chapter in the IDP containing the municipality’s asset management plan. This will include the associated long-term cash flow requirements, and funding and co-funding requirements.  
• Public-private infrastructure funding models to be investigated  
• Investigation into value-capture mechanism  
• Expanded support to Expanded Public Works Program to ensure small contractor and labour intensive infrastructure delivery opportunities and WCDM expenditure is maximised. |
## Telecommunications Infrastructure

<table>
<thead>
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<th>Objectives</th>
<th>Strategic Initiatives</th>
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<tbody>
<tr>
<td>a) To reduce the costs and barriers to access to broadband telecommunications networks for the poor, residents and businesses</td>
<td>A the West Coast District Telecommunications Task Team and Strategy be developed to investigate establishment of a single unified the West Coast District Telecommunications Network be established in terms of a Telecommunications Policy which seeks to maximize the economic and social benefits by allowing preferential access to priority groups (e.g. NGOs, CBOs, priority sectors etc.).</td>
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<tr>
<td>b) To enhance access to ICT skills and technologies for the poor as a means of accessing support services</td>
<td>i) Establish e-government unit or coordinator to:</td>
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<tr>
<td>c) To improve access to, reduce service provision costs, and enhance the efficiency of, the West Coast District local government services (e.g. through using ICT technologies)</td>
<td>• Conduct Customer Relationship Management audit of potential WCDM services suitable for ICT enablement (linked to Red Tape Reduction Partnership)</td>
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<td></td>
<td>• Identify digital divide initiatives to improve access to ICTs in poorer communities, including the following (aligned with the Sector Strategy and Small Business Support Strategy):</td>
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<td>• Conduct Digital Divide Assessment;</td>
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<td>• Library Business Corners</td>
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<td></td>
<td>• Digital Business Centres</td>
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<td>• Provision of e-literacy and e-learning at the above facilities.</td>
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## Skills Development

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<th>Objectives</th>
<th>Strategic Initiatives</th>
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</table>
| Enhance human resource development and labour force skills profile in the West Coast District to support growth in key economic sectors and small business establishment and growth | • Undertake a District skills audit which establishes current human capital availability.  
• Establish a the West Coast District Skills Development Forum which links key local role-players to plan and develop programmes to enhance overall skills and capacity development in the city, promotes joint training and research initiatives, strengthens synergies between the FET and HE institutions, and oversees feasibility studies into strategic HRD initiatives including the possible establishment of:  
• Oil and Gas Centre  
• School of Maritime Studies  
• Agricultural career options & skills training for youth  
• Establish sectoral fora to address specific HR and research related needs of the key economic sectors (esp. automotives).  
• Improve student placement / experiential learning / mentorship through strengthened links with local firms.  
• Respond to new economic opportunities / niche markets through the provision of relevant skills training.  
• Provide appropriate support – skills training and material support - for SMMEs.  
• Encourage in-service training (through the various educational institutions) and learnerships through SETA programmes  
• Promote applied research to better understand the local economy and to contribute to improved production techniques and productivity.  
• Support the establishment of a Jobs Centre. Support the establishment of a Jobs Centre recruitment and placement centre] |
### Municipal Administrative Efficiency incl. Red Tape Reduction Partnership and Development Facilitation Unit

<table>
<thead>
<tr>
<th>Objectives</th>
<th>Strategic Initiatives</th>
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| Increase the attractiveness of the West Coast District as a place to do business by ensuring efficient municipal property development and service delivery administrative procedures and regulations which do not unnecessarily impact on business establishment and operational costs, productivity and expansion | • Initiate and sustain ongoing Red Tape Reduction Partnership with private sector to jointly prioritise and develop solutions to municipal regulations and administrative procedures  
• Appoint Development Facilitation Coordinator and establish WCBD development facilitation unit or task team to coordinate municipal interaction with strategic investors and respond efficiently to important property development projects  
• Para-statals to compile local property audit to identify idle property that can be sold or developed and publicise / market information to attract investors (national government should publicly clarify its policy on alienation of para-statal land)  
• Provincial government to consolidate town planning legislation to simplify and standardise processes |

### Existing Business Retention and Expansion

#### Business Retention and Expansion Programme

<table>
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<tr>
<th>Objectives</th>
<th>Strategic Initiatives</th>
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</table>
| Retain and assist the expansion of existing businesses, with an initial focus on large-scale employers in the manufacturing sub-sectors including automotive, clothing and textiles sectors. | i) Form Public-Private Task Team to design retention and aftercare programme to cover:  
• Appointment of Coordinator  
• Objectives  
• Services  
• Identify target sectors and groups  
• Develop approach to businesses and investors  
• Regularity and coverage of visits  
• Status of individual visits  
• Project management arrangements  
• Arrangements for source country  
• Decide level of resources  
• Impact and success rates |

### Sector Development: Competitiveness Restructuring existing sectors

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<thead>
<tr>
<th>Objectives</th>
<th>Strategic Initiatives</th>
</tr>
</thead>
</table>
| a) Pro-actively facilitate restructuring and enhanced competitiveness of important traditional sectors, including:  
• Automotives  
• Clothing and Textiles  
• Furniture  | • Establish Provincial sector-focused special purpose vehicles and sector strategy processes for priority sectors  
• Establish the West Coast District Task Team comprising key public and private sector role-players to oversee development and implementation of sector skills strategy and cluster cost-reduction and innovation benchmark programmes (to reduce logistics costs and other input costs through collaborative initiatives) |
### Sector Development: Growth Strategies existing sectors

<table>
<thead>
<tr>
<th>Objectives</th>
<th>Strategic Initiatives</th>
</tr>
</thead>
<tbody>
<tr>
<td>Pro-actively facilitate job creation growth in selected labour intensive sectors, including:</td>
<td>• Develop and implement sector strategies facilitated by special purpose vehicles for tourism, film, call centres, automotives; ICT, clothing/ textiles etc.</td>
</tr>
<tr>
<td>• Agriculture</td>
<td>• Support cluster cost-reduction and innovation programmes in automotives, clothing and textiles and furniture</td>
</tr>
<tr>
<td>• Aquaculture</td>
<td>• Support sector-focused incubators in construction, agriculture and crafts</td>
</tr>
<tr>
<td>• Agri-processing</td>
<td>• R&amp;D in aquaculture potential especially harbour areas where factories closed &amp; infrastructure is appropriate.</td>
</tr>
<tr>
<td>• Construction and property development</td>
<td>• WCDM support for new export snail industry in Saldanha &amp; potential to create 2000 jobs throughout region.</td>
</tr>
<tr>
<td>• Craft</td>
<td></td>
</tr>
<tr>
<td>• Tourism</td>
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</tbody>
</table>

Implement tourism strategy

Support establishment and entry of new small businesses in growth sectors
## Tourism Strategy

<table>
<thead>
<tr>
<th>Objectives</th>
<th>Strategic Initiatives</th>
</tr>
</thead>
<tbody>
<tr>
<td>a) Intensify brand awareness and align product marketing in regard to Cape Town, SA Domestic and international markets</td>
<td>• Strengthen linkages between WC Tourism Forum and local offices</td>
</tr>
<tr>
<td>b) Secure at least 20% of Western Cape market share of MICE industry by 2014</td>
<td>• Enter into Service Level Agreement with CTRU regarding high level national and international marketing</td>
</tr>
<tr>
<td>c) Strengthen the existing implementation and monitoring capacity;</td>
<td>• Develop Events, Conferences &amp; Meetings Strategy</td>
</tr>
<tr>
<td>d) Maximise leverage from increasing traffic flows on the N7</td>
<td>• Develop SWC 2010 strategy to maximize spin offs and brand leverage</td>
</tr>
<tr>
<td>e) Create at least 1 500 new jobs per annum in tourism from 2008 to 2014</td>
<td>• Develop and market “Power Break” packages to increase share of local tourism</td>
</tr>
<tr>
<td>f) Strengthen the tourism product supply chain to create jobs and improve quality and authenticity;</td>
<td>• Revise Tourism Implementation Strategy of 2002</td>
</tr>
<tr>
<td>g) Position WCDM as a premier family tourism destination for the domestic market</td>
<td>• Hotel Investment Facilitation programme with WESGRO</td>
</tr>
<tr>
<td></td>
<td>• Position West Coast as future Blue Chip investment portfolio for Western Cape</td>
</tr>
<tr>
<td></td>
<td>• Construct van Rhynsdorp International Gateway and agree on location and implementation of local gateways</td>
</tr>
<tr>
<td></td>
<td>• Develop network of Meanders that integrate attractions, stay-overs and community tourism, link to major routes and are signposted and branded accordingly (e.g the Hardeveld initiative) AND generally enhance tourism route and attraction signposting</td>
</tr>
<tr>
<td></td>
<td>• Articulate and market West Coast theme tourism (deep time, seafood, fishing, adventure, ecology) to relevant niches</td>
</tr>
<tr>
<td></td>
<td>• Launch local craft product development initiative to showcase distinctive West Coast brand and develop supply chain logistical support</td>
</tr>
<tr>
<td></td>
<td>• Resurface Vredendal – Lamberts Bay road</td>
</tr>
</tbody>
</table>
### Agriculture and Agri-processing

<table>
<thead>
<tr>
<th>Objectives</th>
<th>Strategic Initiatives</th>
</tr>
</thead>
<tbody>
<tr>
<td>Provide infrastructural and service delivery support to agri-processing</td>
<td>i) WCDM to support farmer support centre aimed at assisting emerging farmers to become commercially sustainable.</td>
</tr>
<tr>
<td>initiatives which demonstrate financial feasibility</td>
<td></td>
</tr>
<tr>
<td>Ensure that Provincial government support to key research and development</td>
<td>ii) WCDM investigate feasibility of emerging farmer support fund to:</td>
</tr>
<tr>
<td>institutions in the agriculture sector in the WCD is enhanced</td>
<td>• Facilitate access by emerging/ small farmers and co-operatives to sources of development financing;</td>
</tr>
<tr>
<td>Assist emerging farmers to become commercially sustainable</td>
<td>• Provide business and skills training to these entrepreneurs through the CWDM small business support programme;</td>
</tr>
<tr>
<td></td>
<td>• Provide technical support to the entrepreneurs through partnership agreements with government departments or other accredited institutions;</td>
</tr>
<tr>
<td></td>
<td>• Facilitate linkages to government’s land reform and agricultural support processes through the District Assessment Committee;</td>
</tr>
<tr>
<td></td>
<td>• Provide mentorship to firms that require additional support through agreements with organized agriculture; and</td>
</tr>
<tr>
<td></td>
<td>• Facilitate access to markets through the provision of information, facilitating partnerships and providing marketing support.</td>
</tr>
<tr>
<td></td>
<td>iii) WCDM to support PPP initiatives in community areas</td>
</tr>
</tbody>
</table>

### Construction and Property Development

<table>
<thead>
<tr>
<th>Objectives</th>
<th>Strategic Initiatives</th>
</tr>
</thead>
<tbody>
<tr>
<td>Provide and enabling environment to maximize property development</td>
<td>• District Development Agency to package and market key sites for development</td>
</tr>
<tr>
<td>investment in the WCD’s key sites</td>
<td>• WCDM to clarify PPP financial model for funding required bulk infrastructure investments</td>
</tr>
<tr>
<td>Maximise the employment impacts of construction and infrastructure</td>
<td>• District Development Agency to fast track Saldanha IDZ development</td>
</tr>
<tr>
<td>investment activity in the WCD</td>
<td>• Expand utilization of expanded public works programme methodologies and contract structuring as part of WCDM’s procurement policy and processes</td>
</tr>
</tbody>
</table>

### Craft

<table>
<thead>
<tr>
<th>Objectives</th>
<th>Strategic Initiatives</th>
</tr>
</thead>
</table>
Enhance business training support to existing crafters to assist in improving product development and market access

Develop and implement Craft Development Programme with relevant partners (possible Task Team to coordinate) to include:
- Entrepreneur Database
- Training Program to address:
  - Understanding types of business
  - Understanding supply and demand principles
  - Introduction to contracts
  - Introduction to Technology
  - Problem Solving
  - Understanding Resources
  - Introduction to entrepreneurship
  - Business Planning - Introduction
  - Business Planning - Business Development
- Market access program

Growth Opportunities

### 2010 Strategy

<table>
<thead>
<tr>
<th>Objectives</th>
<th>Strategic Initiatives</th>
</tr>
</thead>
</table>
| Maximise the business and tourism spin-offs before, during and after the 2010 World Cup | i) Form 2010 Public Private Task Team of key role-players to pool resources and develop action plan to cover the following:  
  - Upgrading of critical infrastructure re airport, tourism accommodation, sports facilities, road network, railway etc.  
  - Major events  
  - Joint marketing initiatives with CTRU, Wesgro, and Corporate |

### Trade and Investment Promotion

<table>
<thead>
<tr>
<th>Objectives</th>
<th>Strategic Initiatives</th>
</tr>
</thead>
</table>
| a) Strategic positioning and enhanced marketing of the West Coast District as an internationally competitive business and tourism destination in order to contribute towards the sustainable growth of tourism, trade and investment | • The West Coast District destination branding strategy  
• Coordinated trade and investment marketing promotion strategy  
• Red Tape Reduction, or continuous improvement, Partnership  
• Coordinated investor facilitation process /  
• Investor Aftercare strategy |
| Development and coordinated implementation of a destination branding, investment marketing, communications, investor facilitation, and after-care strategy with performance targets | |

### Sector Development: Establishment Strategies for new sectors

<table>
<thead>
<tr>
<th>Objectives</th>
<th>Strategic Initiatives</th>
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</thead>
<tbody>
<tr>
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</tbody>
</table>
Pro-actively facilitate the West Coast District’s long-term economic diversification towards service industries, with an immediate focus on:

- Film
- Business Process Outsourcing

Establishment of new small businesses in growth sectors through incubators and mentor support

<table>
<thead>
<tr>
<th>Film Strategy</th>
<th>Strategic Initiatives</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Objectives</strong></td>
<td><strong>Cape Film Commission to assist in Developing District Strategy to maximize film economic and development impacts:</strong></td>
</tr>
<tr>
<td>Participate in and support the Provincial Film Sector strategy process and ensure awareness is raised of production companies in Cape Town, Johannesburg and Durban of the WCD’s film locations</td>
<td>- Create central Industry coordination body in District or the WCD</td>
</tr>
<tr>
<td></td>
<td>- Build an informed crew base in the West Coast District Municipality</td>
</tr>
<tr>
<td></td>
<td>- Build awareness of the West Coast District Municipality as a film destination</td>
</tr>
<tr>
<td></td>
<td>- Create an information resource about permit / process issues within WCDM.</td>
</tr>
<tr>
<td></td>
<td>- Ensure consistency of processes and information municipality-wide</td>
</tr>
<tr>
<td></td>
<td>- Identify opportunities for low-cost interventions</td>
</tr>
<tr>
<td></td>
<td>- Create a competitive product offering for WCDM</td>
</tr>
<tr>
<td></td>
<td>- Create realistic plan for the involvement of HDIs in the WCD strategy</td>
</tr>
</tbody>
</table>

| Establish Provincial sector-focused special purpose vehicle for call centre sector; |
| Develop and implement sector strategies facilitated by Provincial special purpose vehicles for film and centres |
| Support film-focused incubator |
Small Business Development

<table>
<thead>
<tr>
<th>Objectives</th>
<th>Strategic Initiatives</th>
</tr>
</thead>
<tbody>
<tr>
<td>a) Create the institutional foundation for a more integrated and coordinated approach to multi-stakeholder SMME support in the WC area.</td>
<td>i) Establish a the West Coast District “Small-Business-Support Forum” and secretariat</td>
</tr>
<tr>
<td>b) Radically strengthen SMMEs’ access to appropriate information, advice and training in the sphere of local business development.</td>
<td>ii) Facilitate the establishment of fully functional one-stop centres in Bergrivier, Cederberg and Matzikama to provide advisory services to local entrepreneurs.</td>
</tr>
<tr>
<td>c) Facilitate a broadening and deepening of the skills, leadership and experience base in the local small-business sector.</td>
<td>iii) Develop a clear and proper service delivery plan to address the lack of resources, even distribution of services and sustainability to support interventions across the district.</td>
</tr>
<tr>
<td>d) Improve access to mentorship services for aspiring and existing entrepreneurs.</td>
<td>iv) Monitor progress in critical SME-support spheres: <em>Expanding the WCDM’s Procurement Policy and tender support system re outsourcing to small enterprises</em></td>
</tr>
<tr>
<td>e) Monitor progress in the different need areas (like BEE, procurement access, sector-focused support, etc.) in order to objectively assess the appropriateness of current efforts as well as possible new avenues for support to formal as well as informal enterprises.</td>
<td>v) Partner sector specialist associations and experts to provide and further sector-specific advisory and mentorship services on tourism, oil &amp; gas, manufacturing, agriculture and commercial farming etc.</td>
</tr>
<tr>
<td>d) Strengthen institutional capacity of RED Units, business support centres, chambers and associations to better support the implementation of Broad Based Black Economic Empowerment Act and Business Linkages.</td>
<td></td>
</tr>
<tr>
<td>e) Accelerate the provision of basic business-infrastructure facilities by promoting the establishment of industrial parks, small business incubators and informal trading areas across the district.</td>
<td></td>
</tr>
<tr>
<td>f) Establish appropriate institutional capacity for the effective impartation of business and technical skills through structured training for entrepreneurs.</td>
<td></td>
</tr>
<tr>
<td>g) Design and implement a sustainable mentorship support programme to strengthen local small businesses.</td>
<td></td>
</tr>
</tbody>
</table>

Further prioritization and phasing of these strategic initiatives is required given real limitations on available resources. As a first step, the following high priority catalytic projects are proposed for immediate implementation:
WC REDS 11 High Priority Strategic Initiatives for Immediate Implementation

| Enabling Business Environment | • Port Expansion Process  
|                              | • Red Tape Reduction Partnership  
|                              | • Telecommunications Network Task Team and Strategy  
|                              | • Bulk Infrastructure Asset Management policies, plans and bulk infrastructure financing models for strategic sites  
|                              | • MURP and Expanded Public Works opportunities accelerate  
| Existing Business Pretension and Expansion | • Business retention and expansion Task Team representing key public and private stakeholders  
|                              | • Agri social partners in key sectors e.g. wheat, viticulture, and red meat, dept agri to develop retention & expansion strategies  
| Growth Opportunities | Tourism  
|                              | • Major Events Strategy: immediate focus 2010 Game Plan  
|                              | • Strategic Tourism Investment Projects  

6. Implementation Framework

If the implementation of the WC REDS is to make a meaningful impact on the WC REDS Vision and Objectives, the WCDM will need to facilitate a number of internal and external partnership initiatives to leverage resources and expertise beyond the municipal budget.

Specific institutional partnerships need to be initiated in parallel to the WC REDS process in order to provide an institutional framework to maintain momentum in implementing the WC REDS. These institutional mechanisms will help to ensure that both private and public sector synergies and partnerships are maximized. The existence of such partnerships will help to enhance stakeholder relations, investor confidence, and leveraging of substantial resources.

Key required partnerships include:

- **District Development Agency**
- **The West Coast District Skills Forum** (incl. FET and HE institutions as well as key industry representatives)
- **The West Coast District SMME Forum** (to include district business development service providers, sector departments, business chambers, associations and economic development officers from local municipalities and the district municipality)

**District Development Agency:**
A West Coast District Development Agency needs to be established as a matter of urgency to play a driving role in facilitating the implementation of the WC REDS.

This Agency will help to enhance stakeholder relations, investor confidence, and leveraging of substantial resources.

A business plan and funding strategy must be developed for the Agency.
Human Resources and Finance
The key to successful implementation of the WC REDS is people in the form of both leaders and doers. High level, knowledgeable, and experienced individuals both within WCDM and within its partners can provide the energy and focus to get the right things done.

The following critical WC District Municipal Staffing requirements can be identified as key gaps which require resourcing:

- Business Development Manager
- Sector Development Manager

Monitoring and Evaluation
Monitoring should be both quantitative and qualitative. In the DPLG manual on WC REDS, the department identifies six types of indicators which are useful for measuring the results of WC REDS projects.

Measurement is easiest when clear objectives and indicators are developed at the time when the strategy or intervention is planned. It is important to agree on who will be responsible for monitoring and evaluation and on the institutional mechanisms. The partnership set up in the first step above is one such institutional mechanism for ongoing monitoring and evaluation to ensure that the strategy continues to lead to the achievement of the WC REDS targets.

The WC REDS strategy should be reviewed at least annually to ensure that it is still relevant. The WC REDS strategy should evolve continuously to respond to the ever-changing competitive environment (World Bank, 2002).

7. Way Forward and Conclusion

Bending the West Coast District’s past negative economic development trends in a positive accelerated and shared growth trajectory will require strategic interventions and large injections of funds.

The WC REDS process has identified a number of opportunities have been identified to both enhance the WCD’s global competitiveness and linkages as well as strengthen the local business environment and these promise to leverage substantial investment and business growth if successful. The future holds no guarantees and bold leadership from the WCDM is require to galvanise support behind the WCD’s vision of a regional service centre which is globally competitive and has an excellent business environment and diversifying economy that contributes meaningfully towards sustainable job creation, poverty alleviation and quality of life.

The broad process for implementing the WC REDS is:

1. Alignment of WCDM departmental business plans with WC REDS to resource key initiatives;
2. Alignment between the WC REDS and B Municipality LED Strategies;
3. Alignment with national and provincial budget processes and
departments;
4. Establishment and strengthening of key partnerships (especially with the private sector) and institutions.
1. BACKGROUND: WHY THE NEED FOR THE WC RED STRATEGY AND WHAT INFORMS THIS STRATEGY?

1.1. Why is a WC RED strategy needed and critical success factors

The future quality of life of the West Coast's communities will depend on the ability of all stakeholders (public, private, civil society, and labour) to collaborate to improve the District's global competitiveness and accelerate economic growth, job creation, black economic empowerment, and poverty reduction.

Given past trends and the current position of the West Coast within competing national priorities, the future outlook for the West Coast does not hold great promise for accelerated growth, job creation, and poverty reduction unless certain high impact interventions are implemented in the next few years. This WC RED strategy therefore provides a framework for united partnership action which will build on the critical strengths and resources of those who live, play and work in the West Coast as well as strategic external partners (national and provincial government, foreign investors and financiers, tourists etc.).

The WC RED strategy has a short to medium term of 1-5 year focus. It therefore contains strategy proposals which need to be implementable within this time-frame.

If the WC RED Strategy is going to make a meaningful impact on the future quality of life of the West Coast residents, then its formulation and implementation phases need to be informed by a number of critical success factors. These factors are relevant to successful strategies in general, as well as the international and local experience with local economic development strategies specifically:

…around two out of three strategies don’t get implemented, and of those that do, at least one-third of their potential is lost”


The following critical success factors for optimising the implementation of public sector strategies have been identified (Tony Manning: 2006):

- Designing and implementing strategy is fundamentally about communication and strategic conversation
- Implementing strategy is change management. The best way to ensure the support and commitment of key people early is to involve them in strategy development
- Strategic conversation should clarify high-impact issues and lead to definite action. It can happen anywhere and anytime and anyone can be involved (but always be sure the right people are there).
- Strategic conversations’ tone should be open and honest, direct and robust. Always insist on facts, and dig deep to test the assumptions on which people
base their views

- Strategies should be simple, brief and clear so they can be communicated easily and effectively and keep people focused
- Strategies require “missionaries” to communicate their own messages face to face to key role players to ensure key strategic themes are emphasised including the importance of key actions and pushing people for results.

In essence the WC RED strategy clarifies:

- What are we trying to achieve in terms of economic development (vision and objectives)
- How are specific role-players going to achieve this (strategies, strategic initiatives, and resources)
- Who needs to do what and by when (roles and institutional mechanisms)

In addition to the above requirements, international and local experience has identified the following critical process and content success factors which need to be developed or in place if new city-wide economic development strategies are to make a meaningful impact on addressing economic challenges and opportunities:
### Table 1: Economic Development Strategy Success Factors

**West Coast Economic Development Strategy Success Factors**

<table>
<thead>
<tr>
<th>Strategy Development and Implementation Process Must</th>
<th>Strategy Proposals Must</th>
</tr>
</thead>
<tbody>
<tr>
<td>- Have mechanisms to promote accountability by sharing decisions and a framework for monitoring and reporting on performance against plan</td>
<td>- Target the most binding constraints to economic growth and job creation</td>
</tr>
<tr>
<td>- Make provision for transparent involvement of both internal and external stakeholders at local, provincial, and national levels (to obtain buy-in and mobilisation of resources)</td>
<td>- Optimise connectivity to regional, national and global transport and telecommunications networks</td>
</tr>
<tr>
<td>- Be well communicated by effective local leadership that is able to be pro-active and visionary in a way which stimulates cooperation among all key players and pools resources;</td>
<td>- Learn from previous research and lessons of the past, and build on trends emerging for improving the future</td>
</tr>
<tr>
<td>- Facilitate the formation of a range of public-private and public-community partnership mechanisms to supplement public resources and skills;</td>
<td>- Focus on and support a limited number of growth sectors and clusters which align with local comparative advantages, tap into global growth trends, and facilitate networking aimed at supporting ongoing innovation.</td>
</tr>
<tr>
<td>- Inform regional and national government medium term budget processes and therefore leverage extra-Municipal funds</td>
<td>- Realistically match, if not challenge, the capacity of local government;</td>
</tr>
</tbody>
</table>
| - Informs Municipal performance management mechanisms for both external service delivery agencies as well as management performance contracts | Accelerate and share growth in a way which promotes:  
- Economic viability – not subsidised;  
- Social equity – people not trapped in poverty: education, training life skills etc.  
- Ecological integrity – stewardship through energy efficiencies, renewables, public transport etc. |

An analysis (Rodick, October 2004) of economic growth trends in developing countries since 1950 has found that successful economies have all done the following:

1. Followed their own unique strategies which have targeted their policies to address the most binding constraints to economic growth at that particular time in the country’s development. In a context of scarce resource, “the biggest bang for reform buck can be obtained by identifying the most
significant bottle-neck in the economy at any point in time, and focusing efforts on alleviating that bottleneck” (Rodick, October 2004).

2. Implemented policies with four core common objectives:
   • Macro-economic stability responsible monetary and fiscal policies that prevent high inflation and the build-up of unsustainable debt levels;
   • The desire to integrate in the world economy, including ways to protect against imports, promote exports, and foreign direct investment;
   • Provision of protection in terms of property rights and contract enforcement;
   • Maintenance of a certain degree of social cohesion, solidarity, and political stability.

Given the key strategy success factors and historical lessons from successful economies, the six key strategic issues which the West Coast RED Strategy must address are:

1. What key constraints to shared and accelerated economic growth and job creation can be addressed by local role-players (albeit with the assistance of national and provincial government in some case)?

2. What strategic economic development framework can be used to identify and prioritise strategies and initiatives, which lie within the sphere of control and influence of the Municipality, with the most potential to impact on reducing these constraints over the next 5-10 years?

3. What resources and what delivery mechanisms are required to implement these initiatives?

4. What is the strategic role of the District Municipality and how does the Municipality work with key role-players to establish or strengthen relationships and partnerships to secure the necessary resources and then implement these initiatives?

5. Do the Municipal leadership, policies and allocation of Municipal resources (internal and external) support the RED Strategy priority initiatives and are the local government internal systems aligned to take forward these initiatives?

6. What mechanisms are in place to monitor and report on strategy implementation and to refine strategy over time in the light of changing circumstances?
1.2. The national policy context for the WC RED Strategy

Effectively addressing unemployment, poverty, and inequality represents the country’s major challenge in the second decade of democracy. National government has set the following national economic targets:

- Accelerate economic growth between 2005 and 2009 to an average of 4.5% or higher, and between 2010 and 2014 to an average of at least 6% of GDP;
- Halve unemployment and poverty (the number of people earning less than the indigent grant level) by 2014.

The key national and provincial frameworks considered are the:

- National Spatial Development Perspective (NSDP),
- Accelerated and Shared Growth Initiative of South Africa (ASGISA),
- National Infrastructure Plan
- Human Resource Development Strategy and Joint Initiative for the Prioritisation of Scarce Skills
- Industrial Development Policy and National Sector Strategies
- Broad-Based Black Economic Empowerment
- Provincial Growth and Development Strategy (PGDS)
- Provincial Micro-economic development strategy

RED strategies have focused on government targets as indicated in the table below:

<table>
<thead>
<tr>
<th>Economic Targets</th>
<th>Service Delivery Targets</th>
</tr>
</thead>
<tbody>
<tr>
<td>6% economic growth rate by 2014 in order to halve poverty and unemployment</td>
<td>Bucket eradication: 2007</td>
</tr>
<tr>
<td></td>
<td>Water supply for all: 2008</td>
</tr>
<tr>
<td></td>
<td>Sanitation for all: 2010</td>
</tr>
<tr>
<td></td>
<td>Electricity for all: 2012</td>
</tr>
<tr>
<td></td>
<td>Solid waste removal for all: 2013</td>
</tr>
<tr>
<td></td>
<td>Roads infrastructure: 2013</td>
</tr>
<tr>
<td></td>
<td>Sports &amp; recreation for all: 2013</td>
</tr>
<tr>
<td></td>
<td>Public facilities for all: 2013</td>
</tr>
<tr>
<td></td>
<td>Housing for all: dept still has to set date</td>
</tr>
<tr>
<td></td>
<td>Education for all: Dept still to set date</td>
</tr>
<tr>
<td></td>
<td>Health for all: Dept still to set date</td>
</tr>
</tbody>
</table>

It has become clear that if government is to meet its economic and service delivery targets it requires the co-operation of all sectors in the economy. It has also become clear that this co-operation cannot be driven nationally or even provincially. The Presidency has recognised that district and metropolitan municipalities need to play a more strategic role in this regard.
The RED Strategy is informed by, and informs, a wide range of government initiatives from national through to local levels:

**Figure 1: Hierarchy of Policies and Plans**

**Country-wide**

**National:** Accelerated and Shared Growth Initiative (ASGI-SA)
- Growth and Development Strategy
- Micro-economic Reform Strategy
- Industrial Development Strategy
- Freight Logistics Strategy etc.

**District-wide**

**Provincial:** Growth and Development Strategy

**District/Local:** Growth and Development Strategy 20 Year Long Term Development Framework

- Transport Strategy
- Housing Strategy
- Economic Development Strategy
- Environmental Strategy

**Council-wide**

**Integrated Development Plan**

- Informal Trading
- Business Area Management
- Sector Support Policy
- Tourism
- Trade and Investment

**Business Plans: Staff, Budgets, Partnerships**

**Performance Management Plan and Contracts**

By ensuring close alignment to national and provincial strategies, the RED Strategy will assist in achieving national development goals and leverage additional resources to effectively address the West Coast’s significant challenges. Strategic initiatives contained in the RED Strategy will therefore inform both the Provincial Growth and Development Strategy (PGDS) and the national Medium Term Expenditure Framework (MTEF) as part of government’s aligned budgeting process between the three spheres of government.
1.2.1. The National Spatial Development Perspective (NSDP) and Its Impact on the West Coast

The NSDP’s objective is to focus government and the private sector on investments that will have the maximum economic and social impact, and address spatial integration. Guiding principles are:
- Coordinated investment in sectors such as transport, environment, and land use;
- Increased productive investment in areas of high growth potential;
- Investment in people and social services in areas of low growth potential; and
- Reduced inequalities between people.

These principles need to inform the WCDM’s investment decisions as well as the WCD Spatial Development Framework (SDF).

The NSDP (endorsed by Cabinet in March 2003) provides four high-level principles to align investment in social and economic infrastructure across departments and spheres of government in order to tackle development challenges effectively. The principles are as follows:
- Economic growth is a prerequisite for the achievement of other policy objectives, key among which would be poverty alleviation;
- Government spending on fixed investment, beyond the constitutional obligation to provide basic services such as water, electricity, health and education to all citizens, should therefore be focused on localities of economic growth and/or economic potential in order to attract private sector investment, stimulate sustainable economic activities and create long-term employment opportunities;
- Efforts to address past and current social inequalities should focus on people not places. In localities where there are both high levels of poverty and development potential this could include fixed capital investment beyond basic services to exploit the potential of those localities. In localities with low development potential government spending, beyond basic services, should focus on providing social transfers, promoting human resource development and labour market intelligence. This will enable people to become more mobile and migrate, if they choose to, to localities that are more likely to provide sustainable employment or other economic opportunities;
- In order to overcome the spatial distortions of apartheid, future settlement and economic development opportunities should be channeled into activity corridors and nodes that are adjacent to, or link, the main growth centres.

In defining potential, the NSDP draws on the recent tradition of ‘institutional economics’, a field that has come to dominate both developmental economics and regional planning. The institutional approach suggests that beyond the usual sources of comparative advantage such as human and natural resource endowment and strategic locality, the institutional adequacy of a locality will help determine whether development is sustainable or not.
The approach goes further to argue that localities that have succeeded in developing are generally those with institutions that provide incentives for people, firms, industries and private and public authorities to learn so that they can adapt to the developmental challenges presented by a dynamic changing world. As the history of Africa and other developing countries has shown, the mere presence of natural resources is no guarantee of development. More recent experience in Africa and elsewhere also suggests that the mere presence of educated human resources, in the absence of the institutional framework to enable these resources to be productive, generally means that development potential is not fully realised.

The provision of hard infrastructure, in and of itself, is therefore only one pre-condition that can facilitate economic development. Another necessary pre-condition is the broader institutional framework which would include mechanisms to facilitate coordination and alignment between the three spheres, effective state capacity to regulate and spend effectively, and institutional arrangements that facilitate the leveraging of private and community resources in the delivery and maintenance of infrastructure systems.

The NSDP identifies six categories of potential which cover the spectrum of economic functions in a modern economy. They are:
- innovation and experimentation;
- the production of high-value differentiated goods;
- labour intensive mass production;
- public service and administration;
- tourism; and
- commercial services and retail.
Table 3: National Spatial Development Perspective Categories of Economic Potential

<table>
<thead>
<tr>
<th>Category of economic potential</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Innovation and experimentation</td>
<td>Research and development (R&amp;D) and the application of novel technologies to production processes. Production that focuses on local and/or global niche markets such as manufacturing, and some specialised agricultural or natural resource products.</td>
</tr>
<tr>
<td>High value, differentiated goods (not strongly dependent on labour costs)</td>
<td></td>
</tr>
<tr>
<td>Labour-intensive, mass-produced goods (more dependent on labour costs and/or natural resource exploitation)</td>
<td>Primarily iron and steel producers and large-scale commercial agricultural and mining activities. They are highly dependent on proximity or good, cheap transport links to natural resources used in their processes, as well as high numbers of unskilled and semi-skilled labour.</td>
</tr>
<tr>
<td>Public services and administration</td>
<td>These activities tend to be in larger towns and cities with significant public sector employment and consumption, supporting private sector activities, such as retail and private sector services.</td>
</tr>
<tr>
<td>Retail and private sector services</td>
<td>Retail, catering and personal services, whether formal or informal, are major components of any economy and large employers of skilled and semi-skilled workers in advanced economies. Such activities flourish in diverse settlements with large numbers of inhabitants.</td>
</tr>
<tr>
<td>Tourism</td>
<td>Key components of tourism include the need for a tourist-attraction (e.g. eco-scenery, cultural, heritage), good transport routes, and, in many instances, high-quality medical services, restaurants, retail outlets and hotels.</td>
</tr>
</tbody>
</table>

Source: CSIR Gauteng Spatial Development Perspective Presentation, 25 November 2005

The use of the NSDP methodology focuses government attention on only about 20% of the country’s magisterial districts. These localities however account for 92% of the country’s GDP, 81% of the population and 75% of the poor.

The NSDP will have a role to play as an instrument that informs the development plans of the three spheres of government, including the integrated development plans (IDPs) at local level and the provincial growth and development strategies.

Within the national context and NSDP, the West Coast is classified as having medium potential and is strategically located in close proximity to Cape Town which has high potential.

Some of the implications of the NSDP for the WC REDS are:

a) The West Coast must strengthen the quality and efficiency of its transport logistical connections to Cape Town, especially the Saldanha area and
b) Certain locations within the West Coast do not have economic potential over the next 5-10 years and therefore the priority should be to build the skills base of populations living in these areas so that their ability to access economic opportunities in other parts of the WCD and elsewhere are enhanced.

1.2.2. Accelerated Shared Growth Initiative- South Africa (ASGISA) as a Foundation for the WC RED Strategy

The ASGISA complements the NSDP by identifying interventions at a national level that will address constraints to economic growth and job creation.

At the same time, numerous constraints to investment exist at various levels, from the global to the national to the local. At the national level, Asgisa has identified the following six broad constraints to economic growth in South Africa:

Table 4: ASGISA Constraints to National Economic Growth

<table>
<thead>
<tr>
<th>Constraints to South Africa’s economic growth</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Volatility and level of the currency;</td>
</tr>
<tr>
<td>2. Cost, inefficiencies and capacity shortcomings of the national passenger</td>
</tr>
<tr>
<td>and freight logistics system;</td>
</tr>
<tr>
<td>3. Shortage of suitably skilled labour amplified by the cost effects on labour of</td>
</tr>
<tr>
<td>apartheid spatial patterns;</td>
</tr>
<tr>
<td>4. Barriers to entry, limits to competition and limited new investment opportunities;</td>
</tr>
<tr>
<td>5. Regulatory environment and, in particular, the burden on small and medium</td>
</tr>
<tr>
<td>businesses; and</td>
</tr>
<tr>
<td>6. Deficiencies in state organisation, capacity and leadership.</td>
</tr>
</tbody>
</table>

Whilst many of these constraints are being addressed at a national level, addressing investment constraints at a local level can also make an important contribution towards accelerating investment, economic growth, and poverty reduction.

Table 5 contains a summary of the main investment constraints identified in various existing surveys. The remainder of Section 2 details the various survey findings of each of these main investment constraints. This report does not attempt to evaluate or add additional analysis to these findings.
Table 5: Summary of Main Investment Constraints Identified in Existing Surveys

<table>
<thead>
<tr>
<th>Survey</th>
<th>Main South African Investment Constraints</th>
</tr>
</thead>
</table>
2. Poor infrastructure  
3. Abundant red tape  
4. Shortage of skilled workers  
5. HIV Aids  
6. Lack of capital  
7. Labour productivity  
8. Crime  
9. Exchange rate volatility                      |
| 2006 Grant Thornton, International Business Owner’s Survey | Regulation and red tape is the greatest constraint to expansion of business in S.A.                      |
| 2006 SADC Business Climate Survey                | Main challenges:  
1. Exchange rate fluctuations  
2. Crime, theft, and corruption  
3. Economic and regulatory policy uncertainty  
4. Customs regulations, procedures, and bureaucracy  
5. Access to and cost of finance                   |
| 2005 SA Investment Climate Survey                | Firm’s biggest concerns:  
1. Worker skills  
2. Macro-economic instability  
3. Labour Regulations  
4. Crime  
5. Tax Rates                                       |
| 2006, Bureau of Market Research: Growth Constraints Survey | Factors inhibiting business growth:  
1. Labour regulations  
2. Electricity supply  
3. Official red tape  
4. Policy support  
5. Municipal services  
6. Highly skilled labour                           |
| 2005 Counting the Cost of Red Tape               | Factors inhibiting business growth:  
1. Weakness in economy/ demand  
2. State interface/ regulations  
3. Labour Problems  
4. Capital cost/ access  
5. Skills constraints                               |
|                                                  | Factors inhibiting employment growth:  
1. Lack of confidence in economy  
2. Labour laws/ government regulations in general  
3. High labour costs  
4. Lack of skills in labour market  
5. Productivity, reliability, and quality of work |

Source: Silimela Development Services (2007)

ASGISA is based on the realisation that South Africa has bypassed the phase of development where ‘large numbers are absorbed into low-cost, low-skill, labour intensive
traded goods sectors’ (Altman & Marina, 2005: 35) and is rapidly restructuring towards
growth in either the services sector or niche, high value-added manufacturing sectors.
This structural shift in the economy has important implications for the SIP. Formal sector
job creation will not increase at a sufficient rate to impact meaningfully on unemployment
levels. Other interventions are therefore needed to tackle unemployment and address
challenges facing the second economy. Infrastructure spending by government and an
effective public works programme present significant possibilities in this respect.

ASGISA interventions include:
• A R320 billion critical infrastructure roll-out;
• Skills development through sector education and training authorities, institutions
  of higher education and the Joint Initiative on Priority Skills Acquisition (JIPSA);
• Reviewing administrative barriers to investment;
• Reducing the cost of doing business and enhancing pricing competitiveness:
• Addressing the volatility of the currency;
• Promoting broad-based black economic empowerment (BBBEE), and
• Addressing the uneven geographic distribution of economic opportunities.

ASGISA identifies key growth sectors which include both agriculture, tourism, business
process outsourcing, and bio-fuels. Most of these sectors are relevant to the West Coast
and represent opportunities to link with ASGI-SA initiatives.

ASGISA also has an explicit focus on developing the Second Economy, including the
following:
• “Massification” of the Expanded Public Works Programme:
  o Up scaling road-building: larger projects valued at over R30 bin,
    and R4.4.8 bn for roads and maintenance with a planned 63,000
    more people maintaining roads by 2008/09:
  o Social sector programmes such as Early Childhood Development;
  o Pooling of EPWP funds for community infrastructure;
  o Identification of other major projects for labour intensive methods,
    e.g. housing projects.
• Asset utilisation by the poor:
  o Formalisation of land tenure and improvement of livestock and housing
    title deeds;
  o Unlock R42 bn from Financial Services Charter and R5bn for small
    business loans
• SMME Support:
  o Sector strategies to identify specific business opportunities for small
    businesses (e.g. fresh produce, traditional medicines, street trading,
    waste collection)
  o Regulatory environment for small business to be improved (tax
    administration, municipal laws, labour market blockages)
  o Support for enterprise development in BEE Charters;
  o Database of unemployed graduates: Umsobomvu and business
   partnerships.
Regarding the **National Infrastructure Plan**, the national government’s plans include a substantial increase (to around 8% of GDP) in government infrastructure expenditure intended to reverse the backlog that has developed in public infrastructure. Over the medium-term budget expenditure framework (MTEF) period of 2005-2008, about R370bn has been allocated for investment expenditure by government and public enterprises. About 40% of the total will be spent by public enterprises, with the bulk allocated for Eskom and Transnet.

The National Government has identified the need for intervention to stimulate Economic Development and presented the ASGISA initiative as a special vehicle for this purpose. This infrastructure investment strategy for public infrastructure (R370billion – according to Governments Medium Term Budget Policy Statement in October 2005) was aimed to be spent during April 2005 and March 2008.

The West Coast will require to position itself through Provincial policy as an area requiring rapid demand to be recipient of these funds as 40% will be spent by public enterprises on power generation and distribution, rail transport, harbours and an oil pipeline. The balance of the funds will be utilised for key areas as roads, bulk water supply, energy distribution, housing, schools and clinics, business centres, sports facilities, and multi-purpose government service centres, including police stations, courts and correctional facilities.

The ASGISA initiative has also identified national projects with major impacts, but the West Coast is not listed amongst these.

The main implications of ASGISA for the WCD’s RED Strategy are:

a) There is a window of opportunity to tap into the massive infrastructure expenditure planned over the next few years if the financial and economic business case is sufficient to compete with other competing claims

b) The national prioritisation of agriculture, tourism, and film sectors means that significant national funds are being spent, as well as the provision of an increasingly supportive regulatory environment, to accelerate the growth of these sectors and the WCD needs to develop and adequately resource its own local strategies in these sectors to capitalise on the opportunities arising as a result of this supportive national context.

c) The increasing focus on regulatory constraints to economic growth must be pulled down to the local level to inform refinements to priority municipal processes which constrain economic development (for example through a Red Tape Reduction Process as well as through other continuous improvement processes).

d) Many of the constraints to business establishment and growth can be significantly influenced at a local level, such as crime, transport, electricity, telecommunications, labour force skills, and municipal red-tape and strategies to address these issues should be informed by economic development priorities.
1.2.4. Human Resource Development Strategy and Joint Initiative for the Prioritisation of Scarce Skills (JIPSA)

The further and higher education sector is impacted on by a range of national considerations, while also being positioned to address and respond to local and provincial needs. Even though universities do not fall under provincial education departments, in a very real sense all institutions have a role to play in meeting local/provincial needs, particularly as they are articulated in the Provincial Human Capital Development Strategy.

Under Education Minister Asmal, most further and higher education institutions were subjected to a restructuring process, which normally resulted in the amalgamation of multiple institutions into new entities. This has been a drawn out process which has consumed considerable human and financial resources and which in many cases is not fully complete. It has often been de-stabilising to staff and student programmes and one can only hope it will introduce a more effective system through time.

A new FET curricula is being phased in which will impact on colleges in terms of the need to develop new programmes which will consume considerable resources and manpower.

While logical arguments can no doubt be raised to justify he preceding, at a city level it has meant that local educational planners and lecturers have not been able to focus on issue of community outreach and broader development issues to the same degree which they might otherwise have been able to.

In addition, national policies which impact on education include the National Qualifications Framework, the establishment of Sector Education and Training Authorities and release of various policies including:
- The Human Resource Development Strategy for South Africa
- The National Skills Authority Consultation Report.

The national Human Resource Development Strategy has been developed to ensure that integrated human resource development planning and implementation takes place. Key features of the strategy include:
- The need for a strong educational foundation – at the early childhood, school, and adult basic education levels.
- To articulate the demand for skills and to meet such needs through the supply of skills which are in demand through the certification procedures for general and higher education offered by the National Qualifications framework.
- To encourage research and innovation that supports industrial and employment growth.
As such the strategy links key role players, namely the Department of Education (and the provincial departments), the Department of Labour (which oversees skills development) and Innovation and Research partners (Department of Science and Technology, the National Research Foundation and the Department of Trade and Industry) (www.labour.gov.za).

The National Skills Development Strategy is overseen by the Department of Labour, and seeks to monitor and implement skills development in the country. The strategies objectives are:
- To overcome inherited inequalities, particularly those caused by apartheid.
- To address both the needs for global competitiveness and social development.
- To transform the labour force from a low skills base to one committed to high quality, lifelong learning.
- To improve employability.

The primary mechanism to implement the Strategy are the SETAs (Sector Education and Training Authorities) which represent key stakeholders and are required to develop skills plans for their respective sectors. A National Skills Fund exists which funds learnerships and sector specific skills programmes and makes specific provision for:- social development initiatives, ABET, addressing critical skills shortages, provisioning support, capacity building and advocacy, informal sector support and the industrial support programme (www.labour.gov.za).

Other National Programmes of relevance in human resource development are:
- The Department of Science and Technology – which encourages the development of research capacity in key fields.
- The Department of Trade and Industry – which encourages sectoral and business development and supports enterprise and associated skills development.
- The Department of Provincial and Local Government – the mandatory Integrated Development Planning process at local government level has a key role to play in identifying locally required skills and development needs.
- ASGISA identifies education and skills development as a key priority (HSRC, 2006).

**The Joint Initiative for Priority Skills Acquisition (JIPSA)** aims to address the availability of scarce and critical skills which represent one of the priority constraints towards achieving shared growth (Deputy President, 27 March 2006). JIPSA comprises a Joint Task Team (headed by the Deputy President and containing 26 leaders from various sectors) and a Technical Task Team all aimed at identifying blockages, identifying solutions and building partnerships. The following scarce and priority skills priority focus areas have been identified:
- Infrastructure development skills such as artisanal, engineering and planning esp. At municipal level;
- Expanded public works programme skills;
- Public service and social services (education and health) skills such as management and planning and local economic development economists at municipal level;
Why the Need for the WC REDS?

- Growth sector skills: tourism, business process outsourcing, agriculture, creative industries, mineral beneficiation, chemicals, forestry, (including languages and communication technology skills);
- General education: Teacher development to enhance maths, science and English skills;
- Departments of Home Affairs and Foreign Affairs: importation of scarce and priority skills

To address the above JIPSA will put in place mechanisms to bring in volunteers and retirees and unemployed graduates with a focus on youth and women.

JIPSA will play a critical role in ensuring the infrastructure plans and priorities of the three spheres of governments can be effectively implemented and that the acceleration in government expenditure can be sustainable achieved.

Given that education is largely a national and provincial competence, what relevance does the National Skills Strategy have for the West Coast? There are a number of examples of South African municipalities playing a key role in connecting the various skills institutions at a local level, especially the Sector Education and Training Authorities, business representatives from key local sectors, and the FET and HE service providers in a local area in order to better coordinate the supply and demand linkages around skills training to ensure training supply is adequately meeting market needs.

South African City Human Resource Development Examples

In 2006 the Human Sciences Research Council compiled a key document on Skills Development in South African cities (HSRC, 2006). In that document are to be found key examples of city skills / human resource development strategies in South African cities which can clearly help guide and inform planning in the West Coast. Key themes and related examples which emerge from that document are:

1) The need for research and planning – to identify key skills shortfalls, an area's growth and development path and logical interventions which can be undertaken. Researching an area's key clusters and broad economic trends, either independently or jointly with Higher Education institutions has been pursued by Nelson MandelaMetro, Johannesburg, Ekurhuleni and Tshwane.

2) Key human resource interventions can take various forms:

a) Labour Force support - eThekwenni has established the IsiQalo Learning Academy in partnership with the business chamber to oversee and drive learnerships in the West Coast. It seeks to address key areas of skills shortage in so doing. Industrial sub-sectoral needs have been identified which can form the basis for focus group interactions. Cape Town has identified the need to establish
a Skills Development Unit to oversee city initiatives in the HR field and to also monitor learnerships.

b) SMME Skills - Tshwane, through support for the SMME sector has a focus on skills transfer.

c) Sponsoring learners and students – Johannesburg sponsors female learners in Science and Mathematics and Nelson Mandela supplements mathematics and science classes. Through the Automotive Experiential Career Development Programme at the Nelson Mandela Metropolitan University, learners showing potential for future employment in the automotive field are supported in their last two years of schooling.

d) Support for Educational Institutions – In Nelson Mandela the above mentioned automotive career programme is operational. In addition, the University has entered a partnership with VW and the German Academic Exchange Service to promote automotive engineering and has established a Chair of Automotive Engineering at the university. Cape Town has looked into support for FET colleges in areas of need and Johannesburg has signed into a memorandum of understanding with higher education institutions to ensure that skills development is aligned with the city’s needs and plans. Tshwane supports a Black Engineer Development Programme at Pretoria University and both partners have joined with the Automotive Industry Development Centre.

e) Linkages – local government can play a role in linking schools, local chambers of business and education and training institutions as places such as Ekhurhuleni are starting to do.

f) Skills Development Fora - these exist in Rosslyn (in Tshwane) and Ekhurhuleni and draw in key role-players to enhance the local skills base and to improve training. Cape Town has developed guidelines for Citywide Skills Development Fora which recognise that the city authorities itself should not dominate the process and that existing facilities can be more optimally used.

g) Linking the youth and unemployed with career guidance and employment services.

h) Establishing Multipurpose Community Centres - which can provide a range of services to communities, such as in Alexandra.

i) Using libraries as centres of learning – for ABET such as in Tshwane and Alexandra; and as business information centres, such as in Cape Town.

j) Joint marketing initiatives – Nelson Mandela and the local university collaborate in the marketing of the city as a study and tourism destination. (www.nmmu.ac.za/news; HSRC, 2006).
1.2.3. Industrial Policy, Trade and Investment incl. Regulatory Environment

The DTI is in the process of finalising the development of a national industrial policy which allows, among others, for inter-governmental interaction and alignment. The policy will be revised every two years.

The draft policy notes the need to take into account global and national trends over the next 3-5 years, such as the expected continuation of higher levels of economic growth; high commodity prices, including for oil, with resultant pressure on the exchange rate; and increased competition from large manufacturing economies such as China and India. The policy attempts to learn from both successful and unsuccessful experiences as from recent theoretical work. It notes that limited resources mean that governments must prioritise among possible interventions and that programmes and projects must be of a minimum effective scale to induce structural change in the economy if they are to have impact.

Deciding which sectors or activities to target runs the risk of incorrect choices. However, the risks can be mitigated through various mechanisms. Firstly, industrial financing must be dispensed on the basis of reciprocal behaviour by the recipients, with monitoring and enforcement of these commitments. Secondly, research and stakeholder interaction should assist in making the correct choices. Thirdly, interventions should be designed around the strengths of existing institutions rather than setting up new institutions.

The experience of high-growth developing countries shows that developing countries are not restricted to their inherited comparative advantage but can strategise to build competitive advantage, taking into account both their developmental needs and actual or potential costs and capabilities. Experience, particularly in South Africa, has also shown that three essential dimensions of industrial growth and development do not emerge automatically but instead require purposive interventions. These dimensions are:

- a low-cost production base;
- a sophisticated set of industrial capabilities; and
- increasing inclusion of the previously excluded or disadvantaged in the mainstream of the economy.

The draft states the industrial policy vision for 2014 as follows:

- Diversify the economy from a traditional reliance on minerals and mineral processing and increase value added per capita;
- Increase downstream beneficiation;
- Participation in higher-value activities and value chain segments;
- Technological leadership in specific technologies;
- Promote a more labour-intensive industrialisation path;
- Sustainable labour-intensive manufacturing and service sectors;
- Economic linkages which catalyse employment creation;
Promote broad-based industrial growth; and
Greater levels of participation of historically disadvantaged people in the mainstream of the industrial economy.

Table 6 shows the growth sectors identified by the draft policy, as well as key interventions planned for each during 2006/07.

### Table 6: Industrial Policy Priority Sectors and Key Interventions 2006/7

<table>
<thead>
<tr>
<th>Growth Sectors</th>
<th>Key Interventions 2006/07</th>
</tr>
</thead>
<tbody>
<tr>
<td>Downstream beneficiation:</td>
<td></td>
</tr>
<tr>
<td>• Mining and Metals;</td>
<td>• Input costs (e.g. raw and processed materials)</td>
</tr>
<tr>
<td>• Chemicals and Plastics;</td>
<td>• Technology</td>
</tr>
<tr>
<td>• Oil and Gas;</td>
<td>• Technical Infrastructure</td>
</tr>
<tr>
<td>• Jewellery;</td>
<td>• Capital expenditure</td>
</tr>
<tr>
<td>• Machinery and Equipment</td>
<td></td>
</tr>
<tr>
<td>Advanced Manufacturing:</td>
<td></td>
</tr>
<tr>
<td>• Automotives;</td>
<td>• Deepening value chains (autos)</td>
</tr>
<tr>
<td>• Aerospace,</td>
<td>• Leveraging existing capabilities (aerospace)</td>
</tr>
<tr>
<td>• Rail and Marine;</td>
<td>• Technical infrastructure (tooling)</td>
</tr>
<tr>
<td>• Electronics</td>
<td>• FDI promotion</td>
</tr>
<tr>
<td>Labour intensive:</td>
<td></td>
</tr>
<tr>
<td>• Agro-processing</td>
<td>• Growth strategies for sectors with good prospects</td>
</tr>
<tr>
<td>• Clothing, Textiles, Leather and Footwear</td>
<td>• Restructuring strategies for sectors in decline</td>
</tr>
<tr>
<td>• Craft</td>
<td></td>
</tr>
<tr>
<td>Selected services:</td>
<td></td>
</tr>
<tr>
<td>• Business Process Outsourcing</td>
<td>• Telecommunications costs</td>
</tr>
<tr>
<td>• Tourism</td>
<td>• Skills</td>
</tr>
<tr>
<td>• Cultural industries (film, music)</td>
<td>• Engineering, procurement, and construction services (links to manufacturing)</td>
</tr>
</tbody>
</table>

Source: Department of Trade and Industry: Draft Industrial Policy (January 2006)

A range of national sector development strategies exist. Those most relevant to the West Coast are highlighted below in Table 7.
### Table 7: Selected National Sector Strategies

<table>
<thead>
<tr>
<th>Sector</th>
<th>Selected National Sector Strategies</th>
</tr>
</thead>
</table>
| **Agriculture** | i.  *AgriBEE, 2005* – The objectives of the AgriBEE is to facilitate, within the context of the Broad Based Black Economic Empowerment Act (53 of 2003), broad based black though initiatives that include Black South Africans at all levels of the sector. It is important to note that AgriBEE applies to the entire value chain in the agriculture sector, and not only to land ownership. The AgriBEE provides clear guidelines and objectives on seven key elements namely:  
  - Ownership  
  - Management control  
  - Employment equity  
  - Skills development  
  - Preferential procurement  
  - Enterprise development  
  - Corporate social investment  


  The Strategic Plan for South African Agriculture was adopted on the 27 November 2001 and signed off by the Minister: Agriculture and Land Affairs, the President: Agri SA and the President: NAFU. A target of 30% land redistribution has been set for 2014 in some Provinces. The current pace of land reform is slow owing to a number of factors including escalating land prices and the shortage of water. The new Land Reform for Agricultural Development (LRAD) programme will be used to stimulate land ownership by, and support to, previously disadvantaged individuals. |
| **Aquaculture** | National Government has prepared draft policies and guidelines during 2006 for:  
  - FIN FISH FARMING, MARINE AQUACULTURE EXPERIMENTS AND PILOT PROJECTS IN SA  
  - DRAFT MARINE AQUACULTURE SECTOR DEVELOPMENT PLAN  
  - DRAFT GUIDELINES FOR MARINE RANCHING IN SA  

  The policies and guidelines are managed by DEAT, DWAF and MCM.  

  Public comments closed on 31 January 2007. |
| **Tourism**     | i.  The national policy is contained in the White Paper (1996) (*The development and promotion of tourism in South Africa*). The paper provides several macro and micro policies including: regional cooperation, investment incentives, product development, youth development, product quality and standards, and marketing & promotion.  

  ii. SA Tourism commissioned the *Global Competitiveness Project* (2004) to gain a better understanding of the level of innovation within the industry. The study made a number of strategic conclusions on key issues which are important to tourism in the Western Cape and the Winelands such as:  
  - The tourism industry is in a high growth phase with strong competition particularly in the accommodation and tour operator segments.  
  - A general lack of information sharing amongst stakeholders.  
  - Marketing is generally underdeveloped  
  - There is an improvement in the brand awareness of South Africa. However, the issue of safety and security is still one of the main |
## Sector | Selected National Sector Strategies
--- | ---

| **Considerations in the international market.** | \- In the domestic market, “word of mouth” is a key marketing instrument.  
\- Limited transformation in the industry.  
\- SA Tourism commissioned the *Domestic Tourism Growth Strategy* (2005). The strategy emphasise the importance of the domestic market and provides recommendations on specific market segments. Each segment is described in terms of the key characteristics such as income, age and marital status, as well as the typical requirements and preference on matters such as:  
\- Type of holiday  
\- Accommodation  
\- transportation  
As such, the strategy provides a very useful framework for the detail assessment of a local industry and the development of a product range that will suit specific segments.  
\- SA Tourism commissioned the *2010 World Soccer Cup Tourism Organising Plan* (2005). The plan offers an initial indication of the estimated number of people that may participate in the event, the percentage of international visitors, and the estimated tourism spend. The plan then provides more details on the key requirements to host a successful tournament, including:  
\- Marketing and branding  
\- Accommodation  
\- Transport and tourist safety  
\- Service levels |

| **Business Process Outsourcing** | The national Business Process Outsourcing strategy has set a target of creating 100,000 direct and indirect job between 2007-2009. Key elements of the strategy include:  
\- A Skills Strategy  
\- National branding and marketing strategy  
\- Telecommunications strategy |

| **Film Sector** | The film industry has been identified as a key sector to unlock economic growth potential at all levels of government in South Africa - national, provincial and local. This recognition is manifested in the numerous institutions that have been established to support the SA film industry.  
The primary responsibility for the development of the film industry has historically rested with the national Department of Arts & Culture. However, a growing understanding of the economic importance of the sector has led to the recent creation of a large budget film and television incentive, which constitutes an additional R250 million of funding to be administered by the Department of Trade & Industry.  
Legislation governing the Film Sector within South Africa includes:  
\- The National Film and Video Foundation, Act No 73 of 1997  
\- The National Youth Policy of 1997  
\- Black Economic Empowerment Act 2004  
\- Skills Development Act 1998  
\- Skills Development Levy Act 19999  
\- National Skills Development Strategy – II, 2005-2010  
The following Acts also impact on Film Activities |
What does the draft National Industrial Policy mean for the West Coast and the WC RED strategy?

a) Firstly, there are substantial national resources behind large-scale incentive programs such as the film incentive, the BPO incentive etc. which represent opportunities for companies to access which either are or could be located in the West Coast.

b) Secondly, international critics of the governments industrial development strategy have noted that its major weakness is its failure to address what are termed “small industrial policy” issues which related to the basic functioning of the business environment but which promise to substantially undermine the productivity and ease of doing business of existing investors/ businesses in South Africa. Issues such as crime, home affairs procedures re visas, government decision-making time-frames, general attitudes of government towards business, land availability, transport reliability, and local municipal services as seen to be just as important, if not more so, than big industrial support programmes.

This finding represents a major opportunity for the West Coast to focus on getting the basics right and differentiate its business environment from those of its bigger City competitors by ensuring the existing businesses are treated well and that basic services and decision-making process are efficient.

1.2.4. Regional Industrial Development Strategy (RIDS)

The DTI is in the process of developing the RIDS and has released a discussion paper on it. At this early stage, it appears that the DTI is wanting to focus on 18 District and Metro areas with potential to improve the spatial distribution of economic activity in South Africa. It would appear that the RIDS is a mechanism to support spatially focused economic development interventions, including infrastructure, tourism routes, and investments in key sectors. Linkages between the BPO sector and RIDS are apparently being explored.

Map 1 below shows that the WCD is seen within the RIDS context as primarily a medium intensity agricultural area. Whether the RIDS will assist the WCD in addressing its logistics infrastructure deficiencies is unclear at this stage.
Map 1: Regional Industrial Development Strategy and Economic Focus Areas in South Africa

- Metropolitan cores
- Metropolitan fringe areas
- Major towns
- Other significant towns
- High-intensity agric./ mixed use
- Mining & energy complexes
- Medium-intensity agriculture
- Game reserves & related tourism
- Arid/low-intensity agriculture
- Well-linked 2nd economy areas
- Deep rural 2nd economy areas
1.2.5. Broad Based Black Economic Empowerment

The Broad Based Black Economic Empowerment Act, No 53 of 2003 sets the framework for the transformation of industries within the WCD. In this Act, BBBEE is defined as a process that ‘brings about significant increases in the numbers of black people that manage, own and control the country’s economy’.

The Tourism Sector Charter has also been developed to ensure that the sector becomes more globally competitive and inclusive of black people. The objectives of the Charter address the accessibility, relevance and benefit of the industry to black South Africans; the growth and sustainability of the sector; the authenticity of the tourist experience; the distribution of the benefits of the industry in both urban and rural areas; and, nation building through the industry.

1.2.6 National Small Business Strategy

While a great deal of progress has been made in government efforts to promote small enterprises, some important challenges still remain to be resolved. The “Review of Ten Years of Small-Business Support in South Africa 1994 to 2004” identifies several issues needing attention:

- The great diversity of small enterprises and their needs have to be given greater recognition
- There has to be far more knowledge and understanding across the full range of support suppliers of what support each one is providing, as well as to whom and under what conditions
- Access to support services has to be comparable in urban/metropolitan and rural areas
- There has to be a greater balance between the cost, reach and impact of support interventions, in particular where public funds are concerned
- Many support programmes only tackle the symptoms of deeper-lying problems, thereby preventing a more systematic approach to those structural issues (e.g. access to finance for black entrepreneurs)
- Lack of clarity about the roles and responsibilities of different levels of the public sector makes their efforts uncoordinated and less effective
- Inadequate representation of particular small enterprise interest groups in existing or evolving business associations weakens feedback on specific needs
- There are still substantive differences in the capacity to absorb small enterprise support programmes in the different provinces and regions of the country and in different sectors
- There is insufficient interaction between small enterprise support programmes and other thrusts of the government’s socio-economic development support
- The Centre for the Promotion of Small Business (the dti chief directorate) has been unable to co-ordinate all the support programmes developed by different national government departments
Thorough and regular monitoring and evaluation of the evolving support processes has been inadequate

Integrated Strategy on the Promotion of Entrepreneurship and Small Business (ISPESB)

The DTI's *Integrated Strategy for the Promotion of Entrepreneurship and Small Business* (2006) outlines a strategic framework for national government’s efforts to promote entrepreneurship and small enterprise in South Africa between now and 2014. This framework incorporates the resources of a wide number of partners within and outside of government and attempts to strengthen co-operation between these partners. The principle of integration lies at the heart of the strategic framework and includes

- Integration of a range of programmes within the public sector (all three spheres of government) and between the public and private sectors.
- Integration of the activities of different entrepreneurship and small enterprise promotion institutions.

**Table 8: Different types of SMME’s**

<table>
<thead>
<tr>
<th>Category</th>
<th>Generic Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Micro Enterprise</td>
<td>Turnover is less than VAT registration limit, presently R300 000. Less than 5 employees. Mainly informal, untaxed and unregistered businesses.</td>
</tr>
<tr>
<td>Small Enterprise</td>
<td>Employ between 5 and 50 employees and generate less than R5 million per annum (Now being extended to R6 million). Have at least one management layer.</td>
</tr>
<tr>
<td>Medium Enterprise</td>
<td>Employ a maximum of 200 employees and turn about R25 million per annum</td>
</tr>
</tbody>
</table>

What is clear is that in the South African context there are a wide variety of small enterprises with varying needs that require appropriate support measures. The strategic framework identifies special focus groups that the enterprise support system specifically addresses, including:

- Special target groups (youth and women)
- Special geographic areas (poverty areas and areas with high unemployment)
- Special sectors (growth sectors as identified in the micro-economic reform strategy)
- New enterprise organizational forms (such as co-operatives)

**The Small Enterprise Development Agency (SEDA)**

The recent review of the national small business policy has led to the introduction of important regulatory and policy changes by Parliament in an effort to streamline and
improve the provision of small business development support in South Africa. One of the key amendments to the National Small Business Act of 1996 relates to the establishment of the Small Enterprise Development Agency (SEDA) to replace Ntsika and NAMAC Trust.

SEDA was officially launched in December 2004 by the Honourable Minister of Trade and Industry, Minister Mandisi Mpahlwa in Cape Town. In accordance with Section 10 of Act 29 of 2004, SEDA is tasked to implement the government’s national small business strategy. Intricately, this includes the design and implementation of a standard and common national delivery network that must uniformly apply throughout the Republic in respect of small enterprise development, integrating all government funded small enterprise support agencies across all tiers of government;

The SEDA strategic framework consists of the following key pillars, namely:

(a) Promoting entrepreneurship;
(b) Creating an enabling business environment;
(c) Enhancing competitiveness and capabilities at enterprise level;
(d) Localizing cross-cutting business support services

In terms of its target market, SEDA’s focus consists of 20% of medium-sized enterprises [maximum turnover of R25 million per annum] and 80% on small, micro, cooperative and informal enterprises.

SEDA representation nationally was initially planned to consist of 9 Provincial SEDA’s, 53 SEDA Branches (District Level), 284 enterprise Information Centres (Municipal Authorities) and delivery Partners

Implications for the WC REDS:
- The local support system must target groups (youth and women)
- Priority should be on special geographic areas (poverty areas and areas with high unemployment)
- The should be the prioritization of special sectors (growth sectors as identified in the micro-economic reform strategy)
- The formation of new enterprise organizational forms (such as co-operatives) should be encouraged as part of the business development and support plan
- There should be alignment and integration of approach e.g. SEDA rollout at district level

1.2.7 National Tourism Policy

National Tourism Development White Paper 1996
The White Paper concluded that tourism development in South Africa had largely been a missed opportunity; and that the focus on a narrow market has reduced the potential of the industry to spawn entrepreneurship and to create new services, like local
entertainment and handicrafts, and to drive local economic development. It identified a wide range of opportunities for historically disadvantaged groups ranging from small guesthouses, shebeens and restaurants with local cuisine, through community tour guiding, music, dance and story-telling, arts and crafts, traditional hunting and medicine to laundry, gardening and speciality agriculture. (DEAT: 1992)

These concerns remain entirely valid for the West Coast. There are too few examples of sustainable integration of community culture, product and craft in the tourism product. This is in spite of the area hosting the rich and overlapping cultural legacies of the Grikwa, Khoi-San, fishing communities, mission settlements and traditional Afrikaner culture which can form a year round draw card for cultural tourism.

Indeed as SA tourism has observed: “Consumer research has revealed that foreign tourists are exposed to fewer and less authentic cultural experiences than they expect or desire. The uniqueness of our diverse cultures, both in their historical and modern forms, represent a significant opportunity for South Africa’s competitiveness globally – exactly because this speaks directly to one of the key drivers of outbound Western markets: the desire to experience another culture.” (SA Tourism Growth Strategy 2004)

A market-savvy and developmental approach to tourism has the potential to soak up the job losses experienced in agriculture, mining and fishing in the West Coast identified in this document.

DEAT Responsible Tourism Guidelines 2002
The provisional responsible tourism guidelines were designed during 2001 to provide national guidance and indicators to enable the tourism sector to demonstrate progress towards the principles of responsible tourism embodied in the 1996 White Paper.

A great deal of work has been done over the last three decades in the area of sustainability, and particularly over the past five years in the application of the principles and practices of sustainability to the tourism industry. As a result of this work, today we can draw upon the declarations and principles adopted by numerous multi-lateral institutions; examples and case studies of other cities, regions and nations that have adopted RT guidelines; and even turn to practical handbooks developed to assist the West Coast RTO. The most important of these are the following:

- The Cape Town Declaration (from the Cape Town Conference on Responsible Tourism in Destinations preceding the World Summit on Sustainable Development in Johannesburg, 2002)
- The UN Global Code of Ethics for Tourism (2001)
To quote the SA Responsible Tourism Handbook, Responsible Tourism embraces “planning, management, product development and marketing to bring about positive economic, social, cultural and environmental impacts.”

The DEAT Responsible Tourism guidelines follow a global trend towards the promotion of more sustainable tourism:

“In fact formal tourism sector provides major opportunities for the informal sector. Tourists travel to the ‘factory’ to consume the product; they travel to the destination to enjoy their holiday. Tourism is a “final good”, all the final touches have to be provided in South Africa and so the value is captured here. The value of a taxi ride from the airport, wildlife viewing and restaurant meals all accrue to the local economy – the challenge is to maximise it by reducing leakages and developing the multiplier effect. Tourist enterprises attract domestic and international tourists and create opportunities for small entrepreneurs and economic linkages, for example agriculture, hunting, handicraft production, and a wide range of service industries which tourists are likely to consume in the destination”

A Responsible Tourism Charter for the West Coast which applies the above principles and is bought into by all role players will be an important step in aligning the West Coast with international and national benchmarks, and accelerating the development and promotion of sustainable tourism products.

**DTI Tourism Sector Strategy 2005**

The DTI Tourism Sector Strategy embraces nine cross-sectoral imperatives, including market access (particularly for SMMEs), institutional alignment and capacity, addressing the skills gap, extending the grading system, transformation incentives, product and infrastructure investment to drive growth and reduce poverty, improving transportation, improving information and broadening participation.

The 2010 Soccer World Cup is seen as a mechanism to fast track a competitive and sustainable sector, rather than an end goal.

All of these imperatives apply to the West Coast where a globally competitive product is needed in order to attract foreign tourists and discerning Capetonian visitors, whilst at the same time broadening access to the previously disadvantaged. Of particular note is:

- The need to improve information collection and integration within the region and with Cape Town Routes Unlimited in order to improve decision making and attract investment
- The need for a 2010 strategy in order to leverage full long term and short term benefits. The West Coast can benefit in many ways, including offering a “home town” to a competing team, raising national and international market profile and in offering an add on package for fans visiting Cape Town. A key need in this regard is more hotel development and investment
Tourism BEE Charter 2005
The Tourism BEE Charter expresses the commitment of all stakeholders in the tourism sector to the empowerment and transformation of the sector and its commitment to working collectively to ensure that opportunities and benefits of the industry are extended to all. (Tourism BEE Charter Council: 2007)

The Charter's seven indicators represent the key measurement yardsticks included to determine the BEE contribution made by tourism enterprises within each broad-based BEE factor. They include:

- Ownership
- Strategic Representation
- Employment Equity
- Skills Development
- Preferential Procurement
- Enterprise Development
- Corporate Social Investment & Industry Specific

The Tourism BEE Charter Council was appointed by the Minister to not only drive implementation of the Charter, but to also monitor and report back on progress regarding transformation in the industry.

The implications this has for the West Coast are massive. It was apparent from all workshops held in the course of the WCREDs process that there is very little transformation of tourism industry, with a high degree of frustration on the part of communities and emerging entrepreneurs wishing to participate more fully in the tourism economy.

Given that the majority and white owned tourism businesses on the West Coast are small or medium sized, it is not easy for these individual enterprises to identify suitable black partners or run major programmes. A strong partnership with government is therefore needed. Through a public / private approach better links between the established tourism industry and emerging and community enterprises can be established through:

- Established businesses sourcing black partners to broaden ownership
- Embarking on joint skills development initiatives in order to facilitate employment equity
- Buying locally: eg even the smallest guesthouse can “procure” a local tour experience run by black people which will qualify for points in terms of the BEE Scorecard
- Established local tourism businesses can support government-funded programmes by passing trade onto emerging businesses and assisting with mentoring and market access
Successful transformation demands that market access and developmental factors be addressed simultaneously. In our experience emerging businesses face the following obstacles:

- Lack of a distinguishing brand and competitive positioning in a very crowded marketplace, especially at the entry level.
- The plate glass ceiling of market access to, on the one hand a vertically integrated tourism value chain dominated by established businesses who have invested in relationships over many years and on the other hand the high capital and operating investment needed for effective electronic marketing to reach the mushrooming internet market.
- The closed nature of local tourism supply chains, as local tour operators, accommodation establishments, event and conference organisers (and even local tourism bureaus) maintain their historical relationships of trust and interdependence.
- Inability to cope with scale, as black owned businesses and tour companies are too small to cope with medium sized groups (let alone larger groups) or gain sustainable market share from independent travelers
- Lack of experience in creative packaging and difficulty “seaming in” to wider packages as visitors seek out experiences rather than products. Black owned tourism businesses rarely group together and share custom at a big enough scale to attract market share, and face the obscurity of being “stand alones”.
- Market concerns around perceived safety, quality and reliability risks.
- Business management and access to finance issues typical of all emerging businesses, but compounded by the above factors which result in crippling lead times before new businesses get to break even.

The allure of seeming easy entry into the tourism industry is for the most part a fallacy.

A key tool that is recommended in order to accelerate transformation in the West Coast is the establishment of “Meanders”. These are well packaged and signposted routes that are themed and offer a broad range of accommodation and visitor experiences. A good example is the Hardeveld initiative in the northern part of the district. Meanders offer the following benefits:

- They help visitors understand the district and its parts better
- They facilitate a brand architecture with four or five Sub Brands to simplify marketing and produce better results from signage
- The Meander encourages the visitor to stay for a few days…and come back
- Attracts visitor detours off the N7
- Community tourism attractions and emerging tourism businesses can feed off Meander traffic.
- The Meander has a distinct spatial basis, and a Meander Forum can facilitate implementation of the BEE Charter in a meaningful way through:
West Coast District Regional Economic Development Strategy: 2007
Why the Need for the WC REDS?

- Facilitating joint ventures and mergers within areas where people know each other and there is value to all in growing a more diversified product
- Developing local procurement links
- Channeling skills development programmes toward viable local opportunities
- Establishing local tourism development trusts which can utilize public and private funds (as well as tourism donations) to invest in emerging products, develop skills and build institutional capacity

1.3. The Provincial Policy Context for the WC REDS

1.3.1 Provincial Growth and Development Strategy

The 2003 Framework for the Development of the Western Cape Province captures the vision of iKapa Elihlumayo as: ‘A World Class province which cares for all its people, underpinned by a vibrant, growing and sustainable economy.’

The eight developmental priorities approved by the Cabinet in order to achieve the mission are as follows:
- building social capital with an emphasis on youth;
- building human capital with an emphasis on youth;
- strategic infrastructure investment;
- a micro-economic strategy;
- a spatial development framework;
- co-ordination and communication;
- improving financial governance; and
- provincialisation of municipally-rendered services.

The Draft Provincial Growth and Development Strategy (WC GDS), or Ikapa Elihlumayo, is a long term development strategy for the Western Cape. The WC GDS Vision, Ikapa 2014, is “Shared Growth and Integrated Development”:

By 2014 the Western Cape will be a sustainable ‘Home for All’ its citizens, whether rich or poor, boy or girl, regardless of mother tongue, race or creed and whether living in the countryside, in a suburb, township or informal settlement. The Western Cape will be an empowering place to live with improved opportunities though shared growth and integrated development. All Western Cape residents will enjoy a quality of life characterised by greater levels of equality, improved access to economic and social opportunities, assets and resources and healthy living environments that foster well-being. Wider economic participation will fuel a higher than average rate of growth and the natural resource base - including the vital ecosystems of air, water, land and biodiversity - will be enhanced and supported by iKapa Elihlumayo.
West Coast District Regional Economic Development Strategy: 2007

Why the Need for the WC REDS?

The GDS principles for shared growth and integrated development are summarized as follows:

Ikapa Elihlumayo has the following general objectives:
- Broaden economic participation
- ‘Enabling’ infrastructure
- Liveable and resilient communities
- Spatial integration
- Embrace and harness diversity
- Effective governance

Ikapa Elihlumayo specific objectives include the following:
- To commit the PGWC (Provincial Government), given its capacities and resources, to a development path that promotes shared growth and integrated development.
- To identify shared principles and strategic goals to shift the course of the Western Cape onto a sustainable path.
- To identify and promote the spatial and sectoral location of accelerated growth in the Western Cape in accordance with the principles of the NSDP and the Accelerated and Shared Growth Initiative for South Africa (ASGI-SA).
- To align and harmonise the planning, budgeting and implementation of all spheres of government in the Western Cape.
- To design the institutional architecture and reforms necessary for achieving shared growth and integrated development.
- To identify the appropriate levers for government to shift to a developmental path for the Western Cape.
• To provide a framework for improved collaboration and co-ordination of all stakeholders in the province that is focused on a shared growth and integrated development agenda.

1.3.2 Provincial Tourism Strategies

Western Cape Integrated Tourism Development Framework 2002

The provincial policy is contained in: “White paper on sustainable tourism development and promotion in the Western Cape, 2001”. The White Paper acknowledges that tourism in the province tends to be fragmented and having a short-term focus. The White Paper defines the future vision as follows: “By 2010, the Western Cape is renowned as a premium world tourism area”. The key issues to realising this vision include:

• Meaningful PDI involvement
• Improved funding for development and marketing
• Better coordination of public resources
• Safe and clean tourism environment
• Innovation of product portfolio

The Integrated Tourism Development Framework for the Province (ITDF) (2002). The framework focuses predominantly on markets and marketing and proposes a focus on the Langebaan – Veldrif area. The ITDF recommends the following for the area:

• Langebaan must be developed as an important “springboard” and distribution point and is a major concentration of key products
• Roads need to be well maintained and a passenger rail link needs to be constructed
• A Regional Information Centre is needed
• An investment promotion strategy is needed for SANP and SANDF properties
• A product cluster group needs to be set up to explore opportunities

The framework emphasise the importance of tourism infrastructure and suggest that government should provide the enabling environment to encourage investment from the private sector.

A key deliverable in this respect is the proposed R 4m Van Rhynsdorp Gateway project, which will act as an information dissemination portal between:
• The Western Cape (CTRU)
• Matzikama Tourism
• Northern Cape Tourism
• Namibia Tourism
Cape Town Routes Unlimited, working with relevant industry role-players, has also facilitated the development of a *Wine tourism strategy* (2005), a *Tourism pricing survey* (2005) and a Tourism Barometer (2007). It is essential that closer cooperation between the West Coast and CTRU be established so that the Barometer can include a chapter detailing a West Coast profile.

**Provincial Enterprise Development Programmes**

A number of tourism support programmes have been developed at the provincial level namely:

- *Tourism Enterprise Programme (TEP)*, which assist enterprises to establish business linkages mainly through matching buyers and suppliers. TEP also provides assistance in areas such as: ISO quality certification, debt and equity finance, business planning, legal advice and marketing.

- *The Tiered Support Programme* which is driven by the Tourism Business Forum (a public private partnership between the DEDT and major industry role-players such as FEDHASA and SATSA) and includes tourism awareness, start up support, intermediate support and high level mentorship for emerging businesses ready to make a profit. Access to the TSP is facilitated by local Tourism Help Desk officers.

- *Integrated Tourism Entrepreneurship Support Programme (ITESP)*, which is on the upper level of the TSP and provides integrated support to SMME’s ready to enter the mainstream competitive market.

### 1.3.3 Provincial Small Business Development Strategies

The Western Cape government has identified and committed significant resources to a number of strategic interventions to unlock growth and the development of sustainable businesses. These initiatives include the following:

**The Enterprise Development Pipeline**

The enterprise development pipeline is intended to be a wide-ranging support structure for SMMEs to cater for the entire spectrum of needs. According to the provincial government, it should “mobilize and harness the various advice and services available in government and private sector to create a continuum of support”. This support should invariably include the following range of services to SMMEs:

- Business idea development
- Business plan development
- Financing, loans and incentives
- Grants and investment recruitment
- Technology access and assistance
Why the Need for the WC REDS?

- Sourcing and procuring inputs
- Operational skills
- Management skills and human resource development
- Quality management
- Packaging logistics
- Export and import processes
- Tender application skills
- Legal advice
- Information technology advice
- Marketing – domestic and global exports
- Client care and customer service

During the compilation of this report, it was not clear what progress and measure of impact had been achieved in the roll-out of this concept.

The Red Door Initiative – Real Enterprise Development Initiative

The Red Door Initiative was designed to address some of the key SMME development ills in the Western Cape. Central to these ills addressed by the Red Door Initiative is the lack of a proper continuum of service providers in the province because most service providers:
- Are not adequately equipped, managed & resourced;
- Do not cater for all types of required assistance;
- Are sporadic and unevenly spread geographically;
- Are uncoordinated, erratic and do not communicate with each other;
- Do not respond effectively to various business levels of sophistication levels

The strategic objectives of the Red Door programme is to implement support programmes and develop a service delivery network that will increase the contribution of small businesses to the economy of the Western Cape.

The Red Door is thus a service delivery network of one-stop centres located across the Western Cape where SMMEs are able to access a single point to seek assistance on a range of topical issues from within their communities. The Red Door Centres are conveniently located to offer information and advice to any potential and existing entrepreneur on start-up or expansion issues. Key services available at a Red Door Centre include the following:
- Business planning assistance
- Financial access facilitation
- Skills training and capacity building support
- Information on government incentives and assistance
- Business opportunity facilitation, exports and imports
- Mentorship support services
Partners in this project include national and provincial departments, para-statals, members of the DTI COTTI (CSIR, Khula, Umsobomvu Youth Fund & SEDA), business, civil society and various representatives of labour and business formations.

There are now about 10 red door centres across the Western Cape.

**Library Business Corners**
The concept of Library Business Corners was designed to improve access to small business information and to encourage a culture of entrepreneurship in the Western Cape. It entails the establishment of small business corners within community libraries. Key services provided include the following:

- Books, journals, videos and newspapers on small business
- NGO pamphlets on small business
- Access to resources like the Small Business Development Agency
- Fact sheets on frequently asked business questions
- A place to display business cards and products
- Information on trade fairs and export support
- Information on SMME training and mentorship

There are more than 50 library business corners currently operating in the province.

**Western Cape Supplier Database**
This is a shared database established to enable the effective implementation of the Preferential Procurement Policies for the Western Cape Provincial Government, City of Cape Town, Western Cape Provincial Parliament, Cape Winelands District Municipality, Witzenberg Municipality, Stellenbosch Municipality, Western Cape Gambling & Racing Board, Perishable Products Export Control Board, Robben Island Museum, Cape Town International Convention Centre, West Coast District Municipality and Saldanha Bay Municipality.

The database is being used to ensure an equitable, fair and transparent participation of SMMEs, HDI-owned enterprises and business in general in government’s public procurement system thus using procurement as an effective tool to support small business development and economic growth.

**Tender Advice Centres**
Tender Advice Centres were founded by the DTI’s now-defunct Ntsika Enterprise Promotion Agency as far back as 1997 as an integral part of a national SMME support programme. Tender Advice Centres (TACs) provide counselling support to small businesses such as assisting with accessing tender opportunities and completing tender documents.

TACs provide the following services:

- Explaining invitations to prospective tenders;
- Dissemination of tender information and potential business opportunities;
West Coast District Regional Economic Development Strategy: 2007

Why the Need for the WC REDS?

1.4 West Coast District Selected Strategies

1.4.1 West Coast Poverty Alleviation Strategy

The West Coast poverty alleviation strategy is well documented by the Urban Econ report October 2006 prepared for WCDM. The poverty alleviation findings can be summarized as follows, i.e.

- Unemployment pockets in the region of Doringbay, Koekenaap, and the DMA area in access of 37%.
- Housing shortage in WCDM towns especially around ownership which undermines the asset base of the regions poorest sections of the population.
- A major need was identified for a comprehensive land reform strategy to deal with landlessness of emerging farmers which has an effect on food security for the regions poorest communities. According to the report substantial state land is available in most B Municipal areas to facilitate land distribution.
- Key generic issues undermining economic growth in the region were identified as low levels of formal education, shortage of skilled labour, poor and expensive public transport, and limited access to communication facilities such as telephone, computers & internet.

A range of poverty alleviation strategies were recommended, dealing from social to economic development initiatives. This report underpins the economic development strategies recommended to fight poverty alleviation in the region.

- The establishment of tertiary educational institutions.
- Vocational & technical skills training that is market driven.
- Establishment of a business support center’s for smme development in B Municipal areas.
- Procurement center’s, and access to internet services at public facilities i.e., libraries.
- Reliable safe and affordable public transport system for main arteries.
- Improvement of road infra-structure to stimulate access & tourism development.
- Finance services such as ATM in communities without banking services.
- Land reform & agric training for emerging farmers.
- Promotion of food security farms especially for women [organic farming]
- Public work programmers, i.e. Working for water, and Fire prevention.
- Desalination water projects to increase supply.
- Upgrading of strategic reservoirs.
- Investment in wind & wave energy.
- Manufacture of furniture from alien vegetation.
- Recycling initiatives as conservation & creation of jobs.

1.4.2 District and Local LED Strategies

The previous District LED Strategy was developed over 7 years ago in 2000. The key proposals contained in that strategy are here summarized. These serve as background to the proposals contained in the WC REDS. The WC REDS process did not include an evaluation of previous LED Strategies.

Table 9: West Coast Region: Previous 2000 Economic Development Strategy Summary

<table>
<thead>
<tr>
<th>PROGRAMME</th>
<th>IMPLEMENTATION ACTION RECOMMENDATIONS</th>
</tr>
</thead>
</table>
| • SMALL FARMER / FISHER DEVELOPMENT PROGRAMME | • Initiate a study jointly funded by WCDC and Department of Agriculture to identify suitable state owned portions of land within or close to existing settlements for the initiation of market gardening / small farmer schemes.  
• Co-ordinate all programmes.  
• Set-up information with respect where small farmers and fishermen can access information with respect to training, technical and financial support. |
| • AGRICULTURAL MARKETS AND LINKAGE DEVELOPMENT AND EXPANSION PROGRAMME | • Initiate a “buy local” campaign amongst local residents and business.  
• Facilitate and support roving markets by identifying land parcels in towns where it can take place, and promoting the idea amongst local fisherman and farmers.  
• Initiate the establishment of an inter-sectoral information exchange programme.  
• Identify ways for the utilization of existing infrastructure for other uses in seasonal activities. |
| • CO-ORDINATED MARKETING PROGRAMME             | • Consolidate existing marketing actions.  
• Co-ordinate the creation of a regional marketing initiative  
• Initiate an internal information programme |
| • LOCAL PROCESSING                              | • Promote informal processing opportunities by cutting red tape.  
• Initiate an information provision programme. |
### PROGRAMME | IMPLEMENTATION ACTION RECOMMENDATIONS
--- | ---
**EXPANSION PROGRAMME** | • Devise incentives for the establishment of local processing operations  
• Identify facilities that could be used for formal and informal local processing actions.

**SMME DEVELOPMENT PROGRAMME** | • Co-ordinate existing training programmes  
• Initiate the creation of a database where SMMEs can obtain information about sub-contracting opportunities, and local businesses can obtain information about SMMEs and their skills.  
• Develop a mentoring and aftercare system, where existing businesses assist in SMMEs practical training.

**TOURISM DEVELOPMENT SUPPORT PROGRAMME** | • Initiate the creation of a regional electronic database of tourism attractions and facilities.  
• Co-ordinate marketing actions and link with other operators.  
• Initiate a regional quality control system.  
• Initiate a tourism awareness campaign.

**EDUCATION AND TRAINING PROGRAMMES** | • Co-ordinate training actions.  
• Set up a database with respect to what training and educational facilities are available.  
• Identify existing infrastructure to facilitate adult education activities.  
• Initiate a process for the utilization of advanced technology and training material.  
• Actively promote the initiative of student placement programmes.

**ECONOMIC INFORMATION SUPPORT PROGRAMME** | • Development of a regional website setting out opportunities for training, support, facilities and activities, etc within each town and in district as a whole.  
• Initiate the preparation of and information database to be located at local authorities and libraries.

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The Saldanha LED Strategy has been developed over the past two years and includes the following proposed recommendations:

**Table 10: Saldanha Local Municipality LED Strategic Initiatives**

<table>
<thead>
<tr>
<th>THRUST</th>
<th>PROGRAMME RECOMMENDATIONS</th>
</tr>
</thead>
</table>
| **THRUST 1:** DEVELOPMENT OF AGRICULTURAL SECTOR AND ACTIVITIES | • Develop Agri-business  
• Establishment Agricultural Logistics hub and markets  
• Increase in commercial farming activities and production  
• Increase agriculture input establishments  
• High technology farming practices and methods  
• Transport, storage and communication development

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<table>
<thead>
<tr>
<th>THRUST</th>
<th>PROGRAMME RECOMMENDATIONS</th>
</tr>
</thead>
</table>
| • Training and Skills development  
• Add value and diversity  
• Develop tourism potential  
• Develop Agricultural Infrastructure  
• Develop information and support services  
• Coherent Pro–Poor Agricultural Sector Policy Framework |
| THRUST 2: INDUSTRIAL DEVELOPMENT | • Local industrial development support structures  
• Develop Industrial Infrastructure  
• Land availability  
• Agro-processing industrial development  
• Promotion  
• Maintain buying power in local area  
• Explore mining ventures |
| THRUST 4: TOURISM AND CULTURAL DEVELOPMENT | • Real effective marketing  
• Eco-tourism development  
• Art and craft development  
• Airport development  
• Develop Transport services  
• Develop entertainment for the youth and tourists  
• Development of the museum  
• Develop Sports and Recreation Centre  
• Develop fishing harbours  
• Improve the Tourism structure |
| THRUST 5: DEVELOPMENT OF LOCAL ECONOMIC ACTIVITIES | • Promote investment  
• Retail trade development  
• Infrastructure and basic service provision  
• Entrepreneurial enterprise development and procurement employment  
• Educational and health development |
| THRUST 6: ENVIRONMENTAL SUSTAINABILITY | • Environmental control and rehabilitation projects and activities  
• Reduce Energy use |
| THRUST 7: RENEWABLE ENERGY DEVELOPMENT | • Renewable Energy Development |
| THRUST 8: | |
### THRUST PROGRAMME RECOMMENDATIONS

<table>
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<tr>
<th>THRUST</th>
<th>PROGRAMME RECOMMENDATIONS</th>
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</thead>
</table>
| DEVELOPMENT OF THE MUNICIPALITY AND ITS INTERNAL STRUCTURE | • Develop strategies and forums  
• Change the internal structure of the municipality |

| THRUST 9: DEVELOPMENT OF AGRICULTURAL SECTOR AND ACTIVITIES | • Human Resource Development  
• Community Development  
• Develop skills |

Source: Saldanha Local Municipality LED & Urban-Econ: Development Economists: 2005

The Swartland LED Strategy was developed in 2006 and is currently under review by the local municipality. It includes the following broad recommendations:

**Table 11: Swartland Local Municipality LED Sub-Strategy Initiatives**

<table>
<thead>
<tr>
<th>SUB-STRATEGY</th>
<th>PROGRAMMES</th>
</tr>
</thead>
</table>
| ECONOMIC SECTOR GROWTH STRATEGIES | • Strategy for growing Agriculture  
• Strategy for growing Trade  
• Strategy for growing Manufacturing  
• Strategy for growing Construction  
• Strategy for growing Tourism |

<table>
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<tr>
<th>WORLD CUP 2010</th>
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</thead>
</table>
| EDUCATION, SKILL DEVELOPMENT AND TRAINING STRATEGY | • Early Childhood Development Programme  
• School Assistance and Development Programme  
• Co-ordinated Adult Skills Development Programme |

| BUSINESS SUPPORT AND DEVELOPMENT STRATEGY | • Municipal Infrastructure and Services  
• Investment Incentives  
• Place Marketing  
• Agglomeration, Clusters, Hives and Nodes  
• Business Advisory Services  
• Business Education and Skills Development |
### 1.4.3 West Coast Tourism Strategy

**Tourism Implementation Strategy for the West Coast Phase 1, 2 and 3: 2001 – 2002**

The West Coast District Municipality’s Tourism Implementation Strategy for the West Coast Region – Phase 1 by Grant Thornton Kessel Feinstein (2001) includes a tourism marketing strategy for the District, as well as proposals for administrative levels and roles, an institutional structure, regional tourism entities, local tourism information co-ordination offices and a tourism budget.

Most of these recommendations have been implemented, and only the following concerns remain:

- The budget for the West Coast RTO needs to be increased as there is insufficient capacity to do justice to both marketing and the considerable tourism development needs of the region
- In the same vein, better cooperation with CTRU could be established through a Service Level Agreement
- There is a need for the capacity to ensure much stronger alignment and integration between the tourism marketing, development and information programmes of national government, the District Council, the RTO, local municipalities and tourism bureaus and established and emerging product owners. This emerged as a key need from the various tourism workshops held in the course of the WCREDS process.
According to the West Coast District Tourism Implementation Strategy (2001) the strongest opportunities for tourism development to be pursued in the West Coast District are in the categories “general interest West Coast tour”, flowers, adventure tourism, wine routes and whales.

The following list of tourism development opportunities was identified:

1) General Interest West Coast Tour
2) General Market interests:
   i. Flowers (The region is well known for its Strandveld and fynbos vegetation, which attracts many visitors to the region each spring);
   ii. Adventure tourism;
   iii. Wine routes;
   iv. Whales;
   v. Fishing and coastal experience;
   vi. Coastal experiences and culture;
   vii. Basic sun, sea and sand;
   viii. Mountains and wilderness; and
3) Special interest:
   i. Bird watching;
   ii. Botanical;
   iii. Heritage / mission stations; and
   iv. Fossils / bushman art.

The WCDTIS also identified the importance of strengthening linkages with the local Cape Town market for:

- “Power Breaks"
- Day tours
- Events
- Conferences and meetings

A key need for suitable three and four star hotel investments was also identified, which is crucial in order to cater for large foreign group packages, business tourism and SWC 2010 opportunities.

The West Coast Integrated Development Planning document identifies the following tourism strategies and objectives which include and build upon the WCDTIS:

- To enhance the profile of West Coast tourism products and market to identified target markets
- To stimulate the tourism sector and grow the levels of local, domestic and international tourism
- To stimulate and facilitate investment in the tourism industry
West Coast Regional Economic Development Strategy: 2007

Why the Need for the WC REDS?

- To complement and cooperate with tourism marketing and development initiatives at national, provincial and regional levels
- To provide opportunities for eco tourism
- To ensure the alignment of and integration at all levels with other planning, development, conservation, infrastructure and service departments and authorities
- To integrate previously disadvantaged communities into the tourism industry

In conclusion, the WCREDS process has identified/crystallised the following new opportunities for tourism:

- Reinforcing the institutional structure with increased capacity and budget
- Better alignment, communication and integration at all levels
- Developing a 2010 strategy
- Accelerating and supporting implementation of the Tourism BEE Scorecard
- Developing a West Coast Responsible Tourism Charter
- Developing a sub-brand architecture of meanders to act as hubs for the implementation of:
  - Marketing campaigns
  - Infrastructure investment and signage
  - Implementation of enterprise development programmes and BEE
  - Community tourism development
  - Product development and investment
  - Public private partnerships
- A major focus on improved information gathering and dissemination

It is therefore recommended that a major review of the 2001/2002 WCĐTIS strategy be commissioned, that takes the points above into account and develops a new 5 year strategy with appropriate targets

1.5 West Coast REDS Process

The process of developing the WC REDS has been a participatory process involving key public and private sector role-players in the following three main phases:

- Phase 1: Contextual analysis
- Phase 2: Strategy framework: vision, objectives, strategy options and priority strategies
- Phase 3: Institutional framework, implementation and monitoring framework

The process is supported by the West Coast District Economic Development Task Team which comprises key District local government, and provincial government and provincial agency representatives

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### Table 12: Consultation Process and Strategy Events

<table>
<thead>
<tr>
<th>Dates</th>
<th>Consultation and/or Strategy Event</th>
</tr>
</thead>
<tbody>
<tr>
<td>November 2006</td>
<td>• Appointment and refinement of the Terms of Reference with the West Coast District</td>
</tr>
<tr>
<td></td>
<td>• Meeting of Task Team to input into proposed REDS process</td>
</tr>
<tr>
<td>December-January 2007</td>
<td>• Review of economic trends and existing policies and stakeholder interviews</td>
</tr>
<tr>
<td>19 February 2007</td>
<td>Matzikamma Council and Business Workshops on Strategic Issues</td>
</tr>
<tr>
<td>20 February 2007</td>
<td>Cederberg Council and Business Workshops on Strategic Issues</td>
</tr>
<tr>
<td>21 February 2007</td>
<td>Swartland Council and Business Workshops on Strategic Issues</td>
</tr>
<tr>
<td>22 February 2007</td>
<td>Saldanha Bay Council and Business Workshops on Strategic Issues</td>
</tr>
<tr>
<td>23 February 2007</td>
<td>Bergriver Council and Business Workshops on Strategic Issues</td>
</tr>
<tr>
<td>March 14</td>
<td>• Tourism Development Strategy Workshop</td>
</tr>
<tr>
<td>March 16</td>
<td>• Business Development Strategy Workshop: Saldanha</td>
</tr>
<tr>
<td>March-May 2007</td>
<td>• Presentation of final draft of WC REDS Strategy to key West Coast stakeholders incl. IDP and economic development officials of District and Local Councils</td>
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