

***The Growth and Development Summit
SARB: Tshwane***



CITY OF TSHWANE

"we are the same"

*Presented by:
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9 October 2006*



Purpose of the summit

- To Consult partners and key stake-holders on the City's draft Growth and Development strategy
- To share with partners the Analysis of the City's state of economy (refer to Annexures)
- To develop a common Strategy on achieving a shared accelerated economy
- To determine the Cities contribution to the provincial economic growth of 8%
- To reduce Poverty and Unemployment , at least by half , by the year 2014
- To ensure a more balance sharing of benefits of economic growth between the first and the second economies
- To mainstreaming Gender and Equality
- To reach consensus on Joint Platform of Action and a Monitoring Mechanism



Vision

- The leading African Capital City of excellence that empowers the community to prosper in a safe and healthy environment



Mission

- To enhance the quality of life of all people in the City of Tshwane through a developmental system of local government and the rendering of efficient, effective and affordable services



Background

- The City's five year programme informed by the national and provincial policy planning frameworks
 - National Spatial Development Plan
 - Accelerated Shared Growth Initiative of SA
 - Gauteng Growth and Development Strategy
 - Service and Development targets in Election Manifestos of 2004 and 2006
- City developed an analysis of the state of the economy.

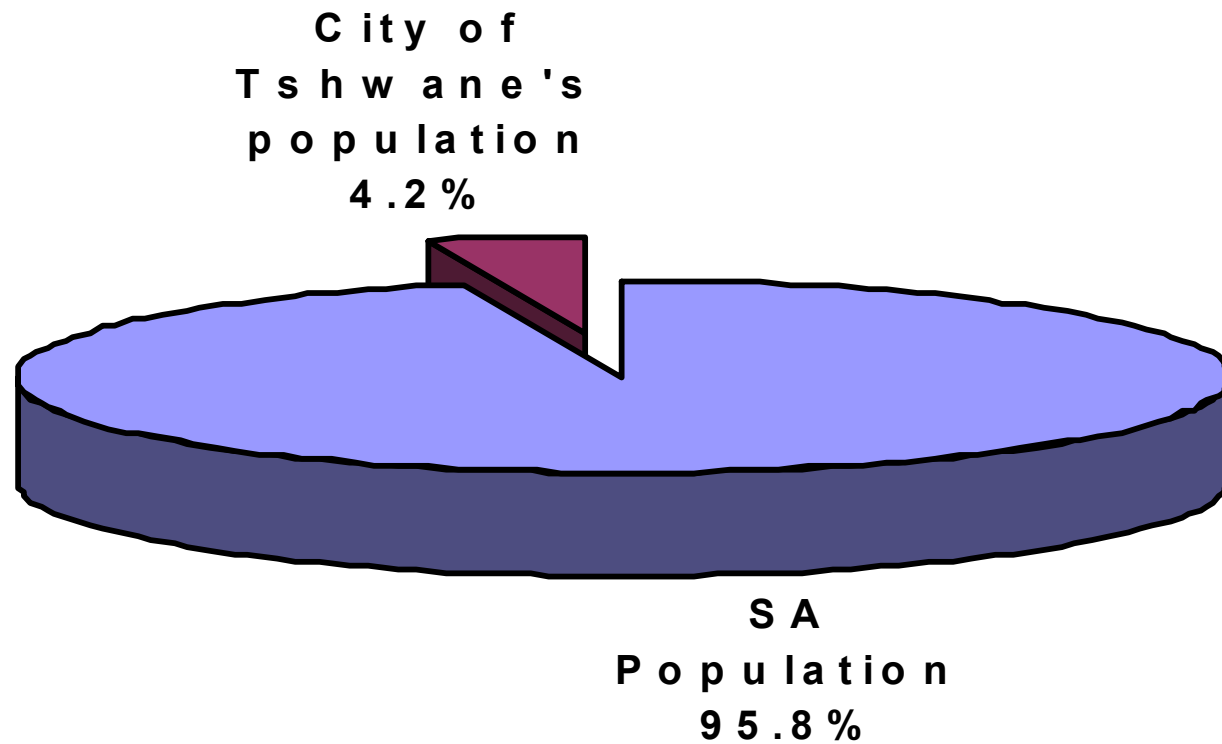


FIVE KEY STRATEGIC PRIORITIES

- Provide quality services & infrastructure
- Accelerated higher & shared economic growth & development
- To fight poverty, build clean, healthy, safe & sustainable communities
- Foster participatory democracy and Batho Pele principles through a caring, accessible and accountable service
- To ensure good governance, financial viability and optimal institutional transformation with capacity to execute its mandate

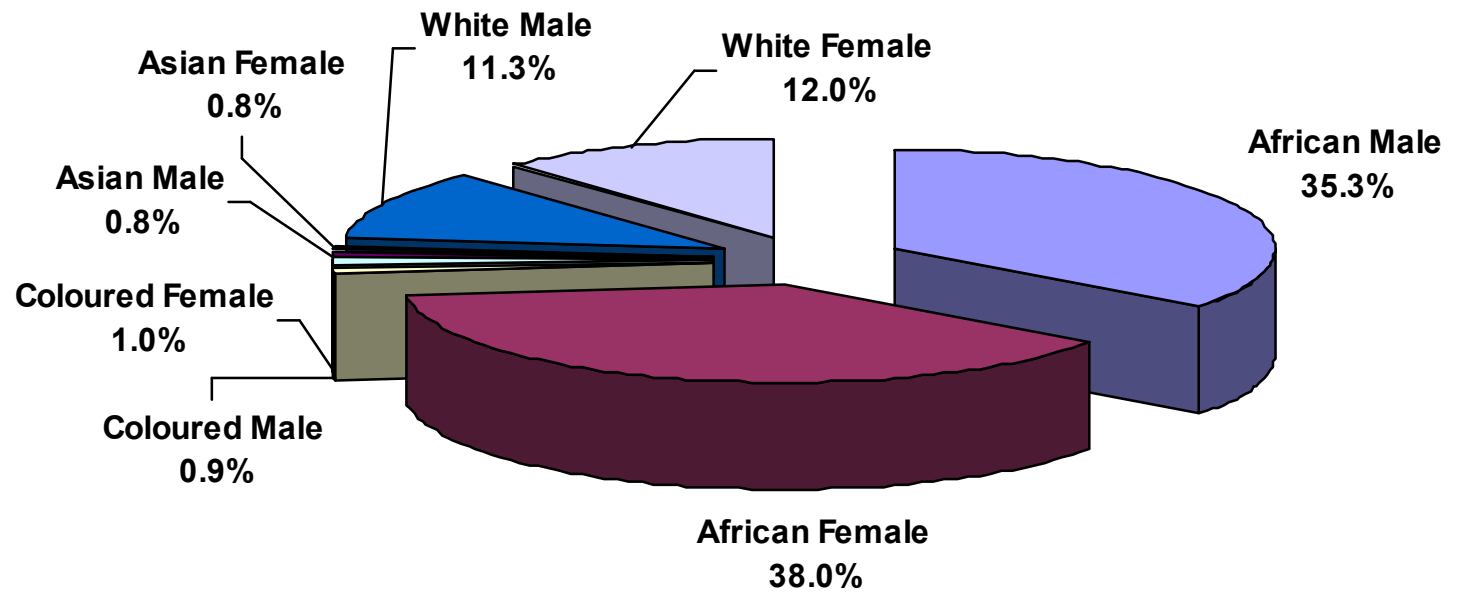


City of Tshwane's share of South Africa's population, 2004





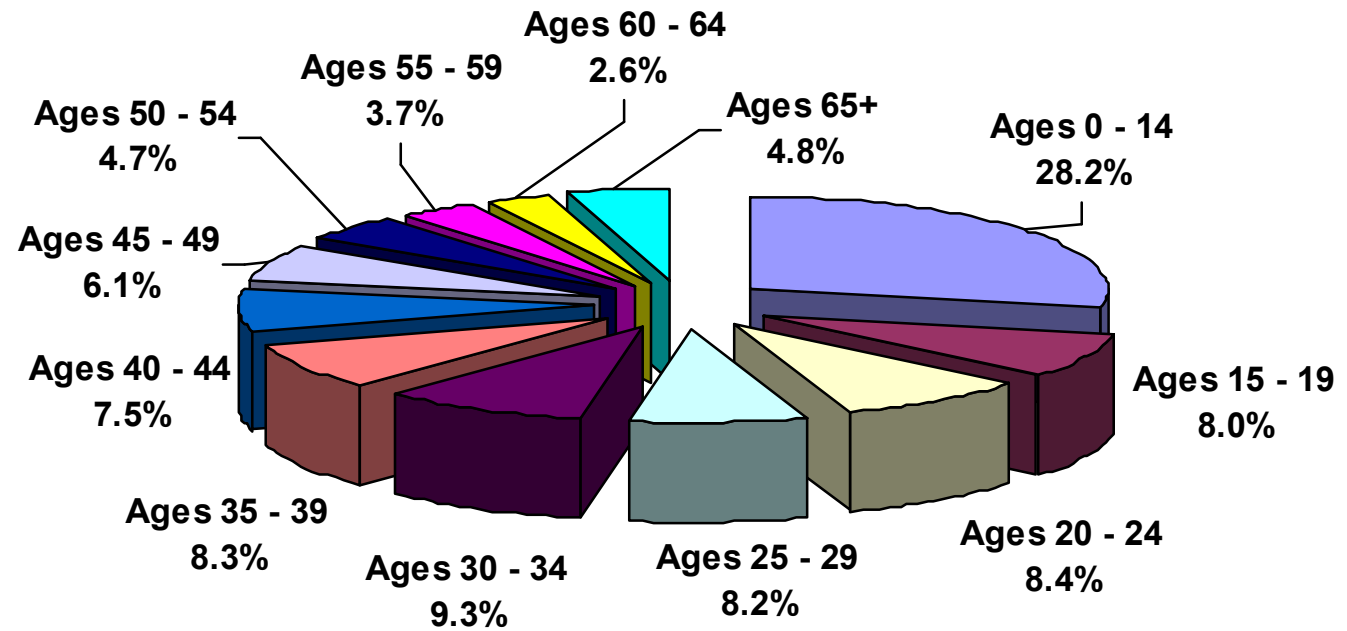
Race and gender breakdown of the population



Source:Quantec



Age breakdown of the population of the City





Analysis of the Tshwane Economy (contained in the Annexures)

- Key areas arising out of the analysis
 - Economic growth and Empowerment
 - Infrastructure
 - Human resource development
 - ICT
 - SMME and Enterprise Development

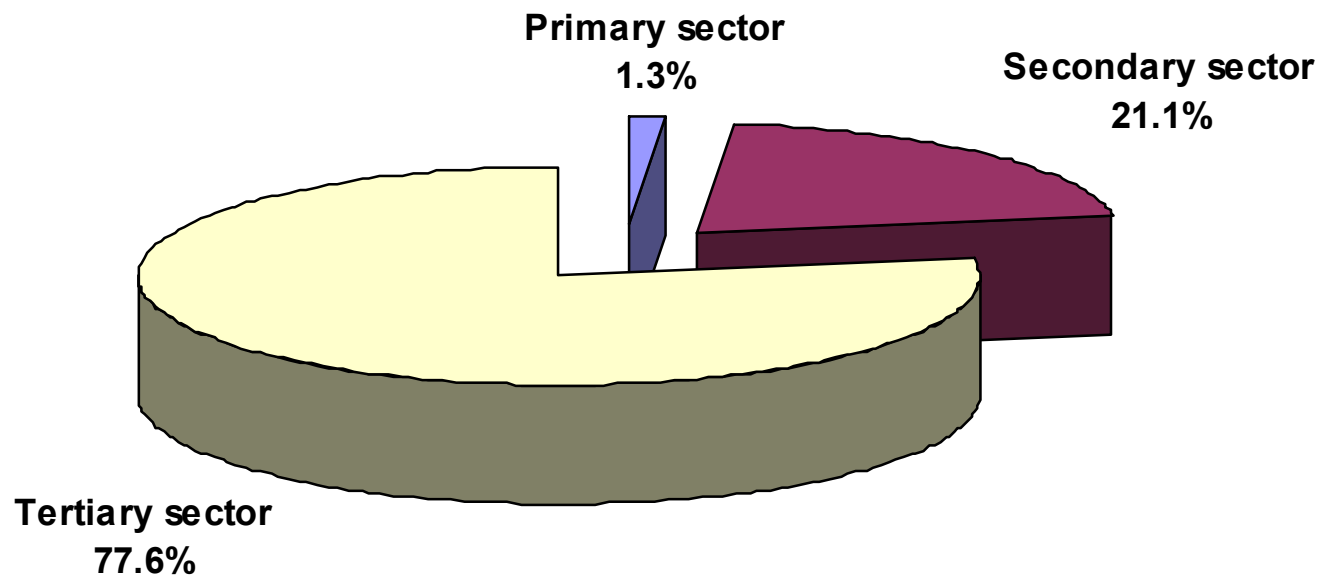


Analysis of the Tshwane Economy

- Key areas arising out of the analysis
 - Growing sectors
 - Sectors with potential to develop and grow
 - Benchmarking against cities of more or less the same size
 - Challenges and opportunities

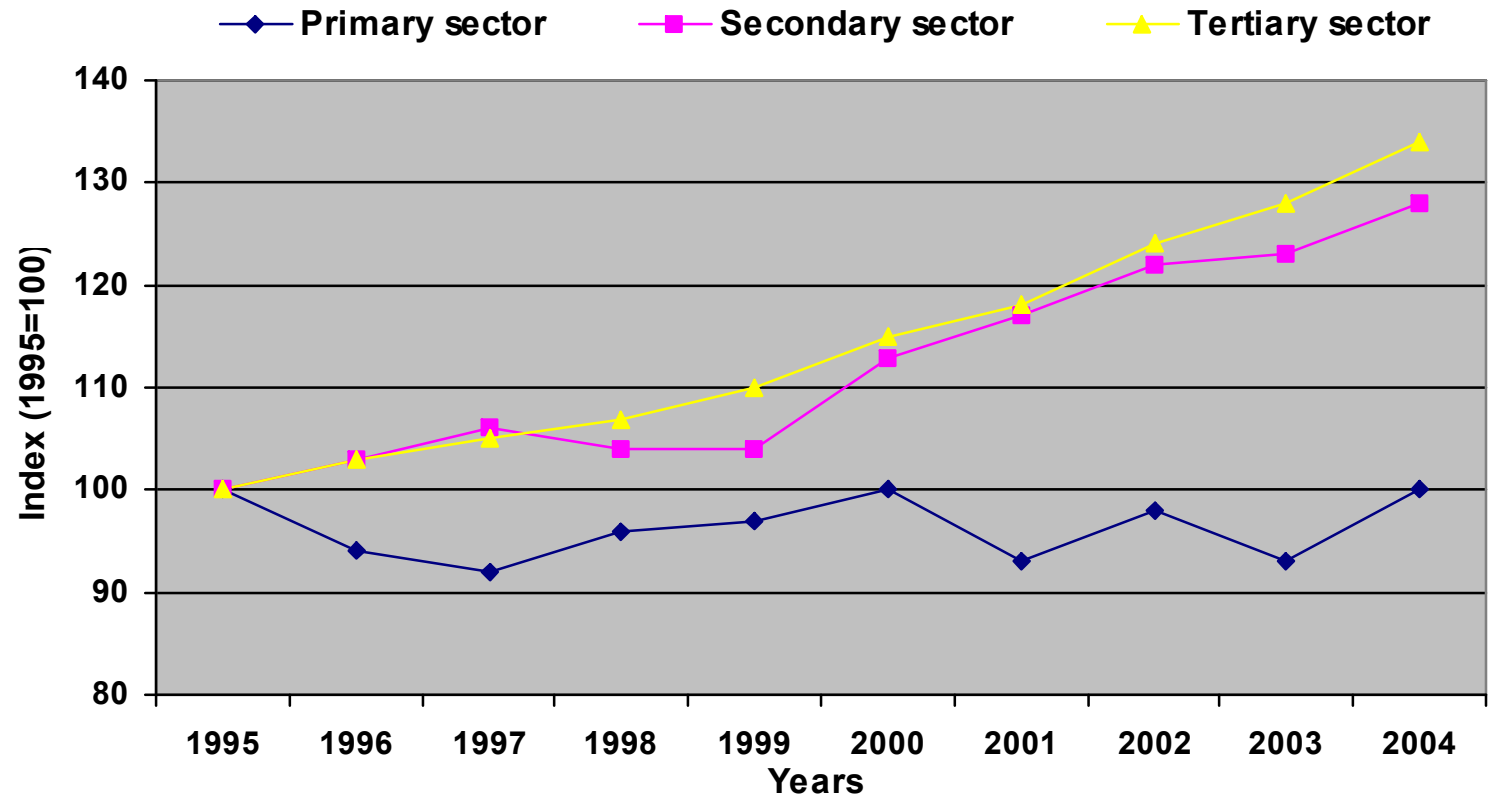


Broad structure of the economy





Growth trends in the broad sectors





Performance of Secondary Sector

Performance of the Secondary sub-sectors, constant 2000 Rands

Sub-sector	GDP 1995	GDP 2004 (current)	% Secondary		Annual Average Growth 1995 – 2004		
					City of Tshwane	Nine Cities	Natio- nal
Manufacturing	8 476 352 407	15 330 810 265	80.9		2.72%	2.30%	2.20%
Food, beverages & tobacco	1 115 148 642	1 811 001 443		9.6	0.79%	0.60%	0.30%
Textiles & paper; publishing & printing	158 260 528	273 334 861		1.4	3.03%	-0.10%	0.00%
Wood and paper; publishing and printing	728 080 194	1 382 268 158		7.3	3.83%	1.20%	1.00%
Petroleum, chemicals, rubber & plastics	984 068 747	2 378 949 781		12.6	5.89%	4.60%	4.90%
Other non-metal mineral products	371 728 971	520 899 224		2.7	-1.55%	-1.10%	-0.70%
Metals, metal products, machinery & equipment	2 136 071 342	3 606 129 563		19.0	1.94%	3.00%	2.60%
Electrical machinery & apparatus	260 048 164	374 649 614		2.0	0.61%	1.90%	1.70%
Radio, TV, instruments, watches & clocks	155 710 892	263 802 549		1.4	1.24%	-0.20%	-0.10%
Transport equipment	1 618 957 850	3 298 773 011		17.4	4.14%	3.10%	3.20%
Furniture & other manufacturing	948 277 080	1 421 002 059		7.5	1.38%	1.80%	1.70%
Electricity & water	949 314 815	1 335 889 176	7.1		0.99%	0.70%	1.00%
Electricity	722 039 571	921 156 630		4.9	0.58%	0.70%	1.20%
Water	227 275 244	414 732 547		2.2	2.21%	0.60%	0.00%
Construction	1 427 120 685	2 276 160 539	12.0	12.0	4.07%	3.40%	2.80%

Source: Quantec

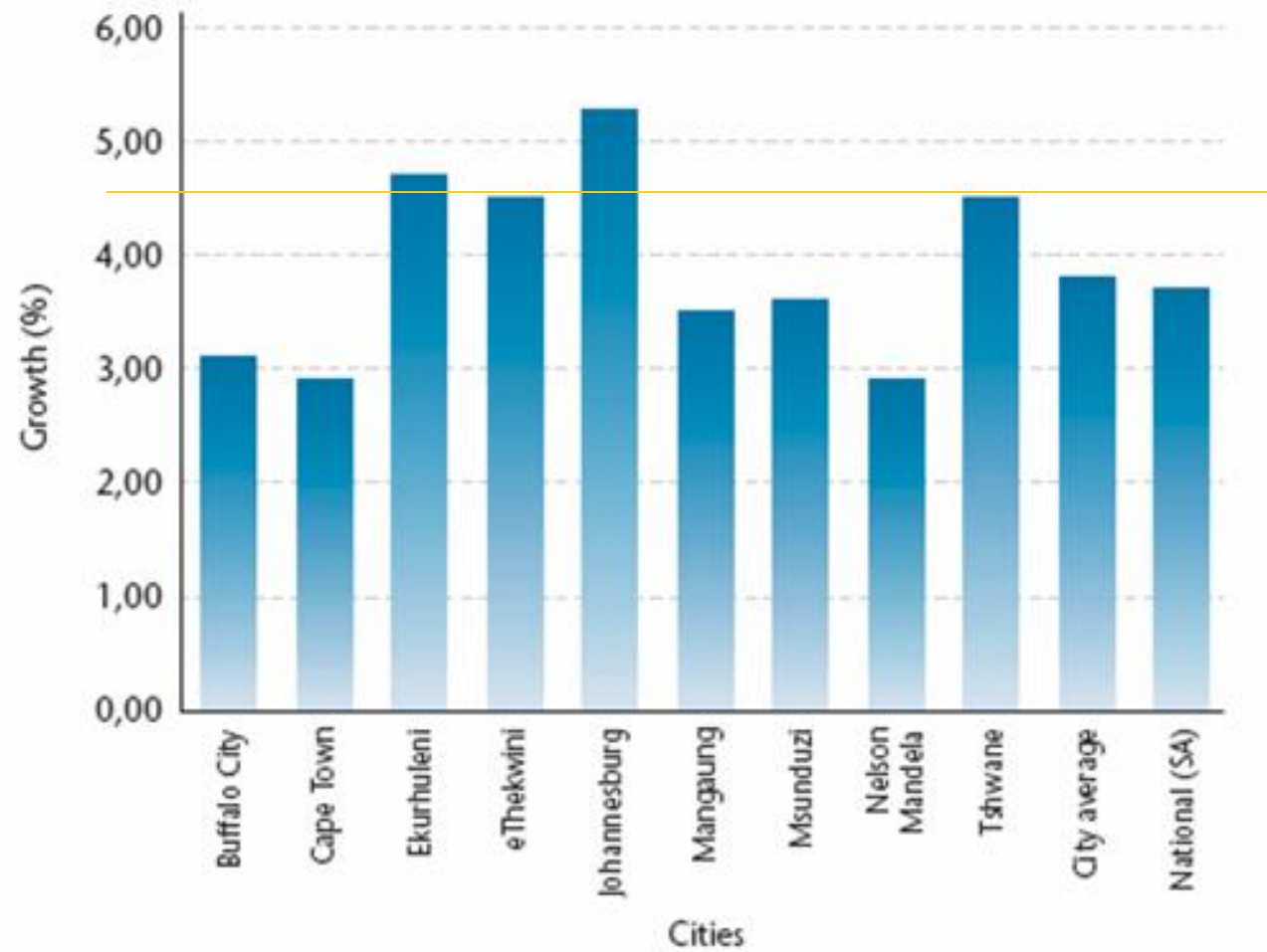


Growing and potential sectors

- **Transport**
 - Auto Supplier Park
 - Export programme
- **ICT (Electronics)**
 - The Innovation Hub
 - “Smart City”
- **Paper (Bio-tech)**
 - Sappi at the Innovation Hub
- **Textiles**
 - Auto seats
 - Aircraft seats (Boeing and Airbus contracts)
- **Services**
 - Engineering Consulting (Intra-Africa trade)
 - Universities (Foreign students)
 - Research
 - ICT (The global Digital Hub – web services)
 - Tourism



Top cities in terms of economic growth





SMMEs in South Africa

- *95,3% of all enterprises are SMMEs*
- *Micro and survivalist enterprises make up 70,2% of the total number of enterprises*
- *In the year 2000, SMMEs (excluding survivalist and micro enterprises) contributed 34, 8% to GDP - up from 32, 7% in 1995.*
- *More than 50% of the total GDP contribution by the agriculture, forestry and fishing and construction sectors is by SMMEs.*
- *SMMEs employ 53, 9% of people in the private sector.*
- (Ntsika Enterprise Promotion 2001, annual review)



Key issues/challenges arising out of the National and Provincial Policy Planning Frameworks and 5yr Programme

- *State led development*
- *Growing a shared economy*
- *Halve unemployment and poverty by 2014*
- *Provide basic quality services an infrastructure*
- *Mixed settlements closer to economic opportunities*
- *Human Resource development*
- *Integrating principles of Batho Pele*
- *Public participation*
- *Use of e-Governance*



Proposed key interventions

- **Trade, Industry and Investment ; Regional Integration and Global Competitiveness**

- Export market
- Targeted growing and strategic sectors
- SMME's
- Broad Based Black Economic Empowerment
- Tourism and Creative Industries
- Leverage the City Region project

- **Infrastructure, Integrated Transport System & Spatial Plan**

- Densification , Mixed Settlements (Sprawl, sustainability and Affordability)
- Integrated, Efficient and Reliable Transport System (Road/Rail/Air)-Goods and people
- Current and Emerging economic spines/nodes

- **Human Resource Development**

- Skills development and increased productivity
- Targeted interventions – ECD , Youth , Gender
- Labour intensive with focus on productivity



Proposed key interventions

- **Co-operatives**
 - Interception of a poverty cycle
 - Accelerated inclusion in the mainstream economy
- **Information & Communications Technology, Science and Innovation**
 - Promote the use of technology and e-Governance
 - Establish broad band infrastructure in the North
- **2010 and Beyond**
 - The football world cup as a golden opportunity for growth
- **Strategies to mitigate against risks**

➤ HIV and AIDS	> Safety	> Poverty trap
➤ Good Governance	> Equity	> Efficiency



Partnership towards accelerated shared growth and development

The overarching challenge and priority is to develop and grow a sustainable economy through collaborations with business, labour civil society and the education sector (including International Partners)

Jointly set growth City targets to contribute to the provincial 8% growth rate



Joint Platform of Action and Monitoring of Progress

- Successful implementation and monitoring the progress on agreed interventions
 - Indicators for all role players
 - Appropriate institutional mechanisms
- Joint platform of action and monitoring at ward, regional/zonal and city wide levels
- Buy-in and Ownership
- Strategic document to incorporate stakeholder and summit inputs and finalised by end November 2006
 - Formalised through a Council Resolution



BUDGET COMMITMENTS

- Total amount of R1,7 billion of the Capital Budget, 78% (R1.3 billion) is allocated to the provision of infrastructure in 2006/07, increases to R1.9 billion and to R2 billion in 2007/8 and 2008/09 respectively.
- Of the total capital expenditure of R5,6 b over 3 years, Basic Services and infrastructure expenditure are the highest at 77, 78 and 79% over the Medium term representing at least R4 billion in total.



Budget Commitments

- For the city to achieve the national targets of halving unemployment and poverty by 2014, we have allocated R10 million towards the establishment of Tshwane Development Agency, and have allocated R33 million for economic growth infrastructure.
- R50 m has been set aside for the development of SMMEs and Cooperatives
- R38 m has been set aside for Ward-based projects



Conclusion

We have done well we can do better and indeed we must do better not to be overcome by the challenge of poverty and unemployment

A higher faster and shared growth is the minimum we must together attain for our prosperity to be sustainable and for the majority of our of our people to a better life

We believe a joint platform of action is the catalyst necessary to take to a higher trajectory the economic growth of our city , our province and of our country and to be more globally competitive



CONCLUSION

Let us hold one another's hand and unleash the potential to leave a legacy of growth that broke the chains of poverty in our city, a legacy for each of our children to thrive in A community full of opportunities that foster their potential to take the growth even to greater heights

Today's summit was not planned to be a networking session nor a talk shop but a meeting of the leadership of various stakeholders in our city to take a joint responsibility and commitment to make a difference .

I thank you for honoring our invite , including national and provincial governments and wish all of us well in these next two days – we have what it takes , lets forge ahead

Thank You