## CONTENTS

<table>
<thead>
<tr>
<th>Section</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>FOREWORD BY THE EXECUTIVE MAYOR</td>
<td>6</td>
</tr>
<tr>
<td>INTRODUCTION</td>
<td>9</td>
</tr>
<tr>
<td>1.1 Tshwane Vision 2055</td>
<td>13</td>
</tr>
<tr>
<td>1.1.1 A Collective Tshwane Vision 2055</td>
<td>13</td>
</tr>
<tr>
<td>1.1.2 Flagship Projects</td>
<td>14</td>
</tr>
<tr>
<td>2 ECONOMIC DEVELOPMENT AND OUTLOOK</td>
<td>15</td>
</tr>
<tr>
<td>2.1 Introduction</td>
<td>15</td>
</tr>
<tr>
<td>2.2 Global economic performance</td>
<td>16</td>
</tr>
<tr>
<td>2.3 National Economic Performance</td>
<td>17</td>
</tr>
<tr>
<td>2.4 Trade Position</td>
<td>20</td>
</tr>
<tr>
<td>2.5 National Trade</td>
<td>21</td>
</tr>
<tr>
<td>2.6 Global Debt Trends</td>
<td>22</td>
</tr>
<tr>
<td>2.7 National Debt</td>
<td>22</td>
</tr>
<tr>
<td>2.8 Inflation</td>
<td>23</td>
</tr>
<tr>
<td>2.9 City of Tshwane Economic Landscape and Outlook</td>
<td>24</td>
</tr>
<tr>
<td>2.10 National Economy</td>
<td>25</td>
</tr>
<tr>
<td>2.11 Provincial Economy</td>
<td>26</td>
</tr>
<tr>
<td>2.12 Local Economy</td>
<td>27</td>
</tr>
<tr>
<td>3 DEMOGRAPHICS</td>
<td>35</td>
</tr>
<tr>
<td>3.1 City of Tshwane</td>
<td>36</td>
</tr>
<tr>
<td>3.2 Human Development</td>
<td>43</td>
</tr>
<tr>
<td>3.2.1 Education</td>
<td>43</td>
</tr>
<tr>
<td>3.2.2 Labour Market</td>
<td>46</td>
</tr>
<tr>
<td>3.3 Welfare Measures</td>
<td>50</td>
</tr>
<tr>
<td>4 CITY OF TSHWANE SERVICE DELIVERY OVERVIEW</td>
<td>51</td>
</tr>
</tbody>
</table>
LIST OF FIGURES

Figure 2.1: Exports of commercial services by selected region, 2012–13 20
Figure 2.2: Share in world merchandise exports, 2013 20
Figure 2.3: Merchandise trade by SA (percentage share in world trade and main export partners, 2013 21
Figure 2.4: Household debt and debt-service ratios 23
Figure 2.5: Underlying measures of inflation 24
Figure 2.6: GDP-R Contribution & Growth Rates, 1997-2013 27
Figure 2.7: Gross Domestic Product (GDP) Contribution 28
Figure 2.8: GDP-R Contribution and Growth Rates 29
Figure 2.10: 16-Year Annual Economic Growth Trend per Geographic Area in Terms of GDP [Percentage Change per Annum, Constant 2005 Prices] 31
Figure 2.11: Exports and Total Trade as Percentage of GDP, Tshwane, 1997-2013 32
Figure 2.12: Location Quotient 33
<table>
<thead>
<tr>
<th>Figure</th>
<th>Description</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>2.13</td>
<td>Location Quotients Gauteng Metro’s 2013</td>
<td>33</td>
</tr>
<tr>
<td>3.1</td>
<td>Tshwane population and growth rate 1996 – 2013</td>
<td>37</td>
</tr>
<tr>
<td>3.2</td>
<td>City of Tshwane population group growth rates 1996 - 2013</td>
<td>38</td>
</tr>
<tr>
<td>3.3</td>
<td>Tshwane population by race, 2013</td>
<td>38</td>
</tr>
<tr>
<td>3.4</td>
<td>Tshwane population by first language, 2013</td>
<td>39</td>
</tr>
<tr>
<td>3.5</td>
<td>Tshwane population pyramid</td>
<td>40</td>
</tr>
<tr>
<td>3.6</td>
<td>Tshwane race population pyramids 2013</td>
<td>41</td>
</tr>
<tr>
<td>3.7</td>
<td>Tshwane crude birth and death rates 1996 - 2011</td>
<td>43</td>
</tr>
<tr>
<td>3.8</td>
<td>Percentage growth (y/y) in population with post matric qualifications, 2004 - 2013</td>
<td>44</td>
</tr>
<tr>
<td>3.9</td>
<td>Distribution of population aged 20+ in Gauteng with no schooling</td>
<td>45</td>
</tr>
<tr>
<td>3.10</td>
<td>Functional Literacy rate for population aged 15+ in SA and the City of Tshwane by population group, 2013</td>
<td>45</td>
</tr>
<tr>
<td>3.11</td>
<td>Total employment by sector (formal and informal, official definition), 2002 - 2012</td>
<td>46</td>
</tr>
<tr>
<td>3.12</td>
<td>Tshwane y/y percentage change of total Employment by industry (official definition), 2002 - 2012</td>
<td>47</td>
</tr>
<tr>
<td>3.13</td>
<td>Unemployment rate disaggregated by population group, 2013</td>
<td>48</td>
</tr>
<tr>
<td>3.14</td>
<td>Breakdown of Tshwane’s Total Youth Labour Force</td>
<td>49</td>
</tr>
<tr>
<td>3.15</td>
<td>Performance of Welfare Measures in the City of Tshwane, 1996 - 2013</td>
<td>50</td>
</tr>
<tr>
<td>4.1</td>
<td>Resident Satisfaction QoL 2013</td>
<td>53</td>
</tr>
<tr>
<td>4.2</td>
<td>Share of households with electricity connections from 2003-2013</td>
<td>54</td>
</tr>
<tr>
<td>4.3</td>
<td>Share of households without electricity connections from 2003-2013</td>
<td>55</td>
</tr>
<tr>
<td>4.4</td>
<td>Growth trend in households without electricity 2004 - 2013</td>
<td>55</td>
</tr>
<tr>
<td>4.5</td>
<td>Share of households with piped water inside dwelling</td>
<td>56</td>
</tr>
<tr>
<td>4.6</td>
<td>Water backlog growth rates 2004 - 2013</td>
<td>56</td>
</tr>
<tr>
<td>4.7</td>
<td>Share of households with flush toilets</td>
<td>58</td>
</tr>
<tr>
<td>4.8</td>
<td>Growth in access to flush toilets across Metro’s in Gauteng 2004- 2013</td>
<td>58</td>
</tr>
</tbody>
</table>
Figure 4.9: Share of households with formal refuse removal 59
Figure 4.10: Share of households with no formal refuse 59
Figure 4.11: Household by type of dwelling 60

LIST OF TABLES

Table 2.1: GDP growth of Developed Economies 16
Table 2.2: Gross Domestic Product in BRICS Countries 2012/2013 17
Table 2.3: Macroeconomic Indicators in South Africa 18
Table 2.4: Real gross domestic product by sector 18
Table 2.5: Economic Indicators- South Africa 25
Table 2.6: Indicators- Gauteng 26
Table 2.7: Indicators- Tshwane 27
Table 2.8: Sectoral Composition-SA, Gauteng and Tshwane 29
FOREFORD BY THE EXECUTIVE MAYOR

The principal objective of the City of Tshwane Annual Economic Landscape Report 2015 is to offer all stakeholders – policymakers, residents, entrepreneurs and investors with in-depth information, data and cutting-edge analyses that provide insight into key opportunities within the City. The report positions Tshwane within the global and local economy.

The Annual Economic Landscape Report 2015 departs from similar publications produced in the past, in that it also offers the reader a comprehensive updated data of Tshwane’s ever evolving demographic interface and a dedicated section of the City’s service delivery performance.

A fundamental premise of the CoT’s long-term strategy, embodied in Tshwane Vision 2055, is that the City strives towards being a liveable, resilient and inclusive city, whose citizens enjoy a high quality of life, have access to social, economic and enhanced political freedoms and where citizens are partners in the development of the African Capital City of excellence.

The latest findings contained within the Gauteng City Region Observatory’s (GCRO) “Quality of Life” (QoL) 2013 survey have placed Tshwane as the most liveable City within the Gauteng city-region and should be understood within the context of the changing city narrative across the globe driven by the geo-economic megatrend of exponentially increasing urbanisation and migration. Whilst this is indeed an accolade for the City of Tshwane, the City remains humbled and is of the opinion that this merely provides the City with yet another catalyst to effect greater change and accelerate service delivery within South African cities.

The survey conducted by the GCRO travels beyond that of traditional economic measures, such as GDP, and instead provides a holistic assessment of the life experienced by residents on a day-to-day basis in the Gauteng City-Region. This includes the values and attitudes of citizens towards government in the city-region area utilising a scientific approach.

Such analyses increasingly brings to the fore a quantitative branch of study which has arisen during the late 20th century concerning the economics of happiness, in which there are other non-monetary factors that play a role in the lives of people. Cities are, undoubtedly, the areas best positioned to capture many of these qualitative elements, through scientific study, as it is the level wherein delivery is tangible.

The results of the Stats SA 2011 Census highlight the growing importance of cities within South Africa as well as the challenges and opportunities with respect to the mega-trend of urbanisation.
The real challenge within the urban transition is for governments to enable an environment that will allow residents to make the most of living in cities. This is a task for which we, as the Capital City, are firmly galvanised towards.

In the City’s endeavour towards remaking the Capital City, the City will continue to roll-out its economically transformative project of free Wi-Fi, accelerate the City’s Tshepo 10,000 programme and continue to enable citizen’s to experience a far greater quality of life, through, for example, the City’s A Re Yeng project which will see distance and time being cut from a transport perspective for the Capital City’s residents who, Arguably, inhabit the single largest jurisdictional area in the world.

Whilst the City remains focussed on its catalytic projects, the City will not lose sight of excelling at basic service delivery for residents through our urban management programme, radical green economy and resilience programmes, the formalisation of informal settlements programme and the surfacing and tarring of roads in township areas, amongst other City programmes. We must transform the lives of residents of Tshwane during the current decade of Tshwane Vision 2055. The City of Tshwane’s projects have indeed begun in earnest.

The first section of the Annual Economic Landscape Report 2015, offers an overview of the unprecedented rise of cities and metropolitan areas as key drivers of national economies. Given the inextricable link between urbanisation and economic growth, urban issues are increasingly dominating national and sub-national policy agendas around the world.

The City has made tremendous progress in bridging the digital divide and expanding internet connectivity. Tshwane has made history by becoming the first metro to roll out free Wi-Fi and indeed, the City’s announcement of the provision of this service preceded that of the City of New York’s; a fact which in itself is a ground-breaking achievement for an African city. In addition, the City’s commitment to innovative mechanisms of service delivery, for example the continued roll-out of smart prepaid meters mark some of the ways that the City is actively working to improve the lives of its residents through igniting excellence in all its endeavours.

Section 2 provides an analysis of the national, provincial and municipal economic environment. This section will assist in tracking pertinent economic indicator-driven data that can be used for planning, monitoring and reviewing the performance of the CoT’s economic climate. Tshwane’s economy has more than doubled in size over less than 20 years and the City of Tshwane has remained the fastest growing local economy on average in the last 15 years within the South African context. As the fourth-largest municipal economy in the
country, the City contributes 10.1 percent to national gross domestic product (GDP). Tshwane’s GDP performance is above the national and province level when looking at the region’s 16-year growth trend. Overall, significant sectors of growth in the Tshwane economy include government, social and personal services, construction, trade, transport and finance. An enabling environment will also serve to stimulate other important sectors such as manufacturing and personal services.

Section 3 outlines the demographic profile of the City and provides insights into the City’s human capital levels by providing aggregated data on unemployment and education levels across race and age groups in the City. In 2011, the total population of Tshwane was 2 921 490 (Census 2011) and this has increased to just over 3 million (3 047 094) in 2013. When it comes to improvement in education levels, Tshwane’s current year-on-year growth rate ranks as the highest in Gauteng and is also above the national average growth rate. Tshwane’s 2013 official unemployment rate was recorded at 21.5 percent; the lowest rate when compared to national and provincial rates, which were recorded at 25 and 25.1 percent respectively. According to these figures, Tshwane’s welfare indicators are above the national average, however, inequality within Tshwane seems to have worsened significantly since 1996, as has been the trend witnessed within other parts of South Africa, albeit that it is still lower than in other major cities in the country.

Section 4, which is the last section of the Annual Economic Landscape Report 2015 analyses Tshwane’s provision of essential services to residents as a key government function. This section assesses the extent to which essential services, such as access to electricity, water, sanitation and waste removal in the City of Tshwane are being provided. The relationship between local government and its citizens is complex by its very nature. Trust and citizen satisfaction in service delivery is an important factor in maintaining the legitimacy of a democratic government authority. Among the key gains made by the City in the area of service delivery, the CoT has succeeded in decreasing the total number of households without electricity connections in a significant manner, despite the growth in urban settlements and large in-migration into urban areas of greater economic significance.

The City has also made a significant achievement in curbing the depletion of existing water resources by cutting wastage and pollution and finding solutions to the silting of dams and algae build-up representative of key supply side strategies. Nonetheless, just over 50 percent of Tshwane households reside in ‘very formal’ or ‘formal’ dwellings. The proportion of informal dwellings in the City is a key risk factor for sustainable economic development and for this reason, the City’s formalisation programme aims to restore dignity to all Tshwane residents.

It is thus clear that city-wide initiatives to effectively leverage these changes must begin in the current period. It is not simply about talking to these numbers but gearing all projects and plans within our cities towards this eventuality. Our projects are indeed progressing in earnest.
1 INTRODUCTION

 Authored by Shaakira Karolia and Lodie Venter

“No matter the path of economic development a country has chosen, urbanization remains an inevitable outcome of this effort across the world”

(UN-HABITAT’s report, State of the World Cities -2010/2011: Bridging the Urban Divide)

At the beginning of the twentieth century, a mere sixteen cities, found mainly in industrialised economies, were home to a million people or more. Today, almost 400 cities contain this number or more and are mainly located in low and middle-income countries. Over the next 30 years, most of the growth in the world’s population is expected to occur in the cities and towns of poor countries. By 2020, the developing world, as a whole, is likely to become more urban than rural. The country’s very own National Development Plan envisages that by 2030, 11 million more South Africans will inhabit cities. This transformation will be a powerful force in shaping the social, economic and political discourse over the next century. Economic growth and urban growth will remain to be inextricably intertwined.

As evidenced, dynamic changes are playing a powerful force in shaping social, economic and political trajectories over the next century. The real challenge within the urban transition is for governments to enable an environment that will allow residents to make the most of living in cities. Presently, more than half of the world’s population is urban with 1.5 billion people living in 600 cities today representing 22 percent of the globe’s population. In 2025, these 600 cities will account for 60 percent of global GDP, approximately USD64 trillion. Megacities, such as Tokyo, Mexico City, and São Paulo, are already home to 30 million people or more. The less urbanized regions remain to be Asia and Africa, who are expected to reach their respective tipping points in 2023 and 2030; at which stage their populations will be more urban than rural. By 2050, the urban populations of these regions are projected to reach 61.8 percent with Southern Africa will be 77 percent urban by 2050 with a current 2010 level of 58.8 percent.

Urbanization can be a positive force for economic development leading to necessary social change and positive political outcomes for a number of reasons: larger cities attract more talent; larger cities have the ability to attract increasing investment levels; larger cities have the requisite network to stimulate economic growth and advance development through upward and downward linkages. Recent research indicates a positive correlation between economic development and urbanization in most African countries. In Asia, urbanization has been attributed as the major factor behind economic growth, contributing to a reduction in poverty rates.

1. McKinzy Global Institute
2. Ibid
In Latin America, economic development and urbanization are generally perceived to be linked through industrialization and modernization. The result has been high degrees of inequality between and within countries with lower income countries generally having experienced lower rates of urbanization. Sub-Saharan Africa is the exception and is more urbanised than Southern Asia, where GDP per capita incomes are higher. However, across the world, there is generally less urban than rural poverty; a predominantly natural occurrence. Globally, growth has proved to be driven predominantly by the middle-class thereby signalling important policy considerations.

Due to the shifts that are occurring on a global scale, cities located within these areas are of increasing importance. Four-hundred and twenty-three emerging market cities of McKinsey’s City600 will generate more than 45 percent of global growth (with China’s 225 cities contributing 30 percent), as measured by GDP signalling an important case for cities as major drivers of economic growth across the globe. Within the South African context, our entire city-construct needs to be redefined to better understand this role of cities.

A crucial point is that urbanization in today’s developed countries was gradual, taking a hundred years or more, allowing for greater room with respect to managing this transition. Today’s cities are growing at an unprecedented speed, facing sudden migration from rural and under-developed. More than 70 percent of generated energy is now consumed in cities and as much as 80 percent of global greenhouse gas emissions are attributed to urban residents whilst 50 percent of world GDP is produced on only 1.5 percent of the world’s land. Managing today’s rapid transition is key to ensuring resilient and sustainable growth. Cities have been planned from the beginning, enabling new settlements, economic specialization and cultural expression. The growth of cities is driven largely by the economic prosperity they help create. Through the enablement of densification, cities have helped transform economies for many centuries.

High densities enable social and economic interactions at a much higher frequency than in non-urban settings. These interactions create a vibrant market for ideas that translate into innovations by entrepreneurs and investors. City leaders are, ultimately, concerned with job creation and ensuring globally competitive cities.
Rapid population growth is accompanied by even faster spatial expansion within cities, which may lead to low density development dominated by individual-vehicle transportation—a largely irreversible pattern. A developmental path for cities requires a city that is able to direct resources efficiently, an institutional environment that is able to drive its developmental trajectory and an effective civil society. Institutions need to provide the foundations for liberalising the movement of people and goods and easing the exchange and redevelopment of land thereby enabling vast economic gains, as alluded to earlier. Investment should respond to the needs of residents and businesses, especially for basic and connective infrastructure, whilst targeted interventions should respond to the needs of the poor and people in marginal locations.

Since 1950, only 12 countries have managed to grow at rates in excess of seven percent for 25 years or more. Many more countries—in places as diverse as Latin America, Africa, and the Middle East—have managed high growth rates for shorter periods, only to see that growth falter. As a result of this situation, cities need to better understand their role within this process in terms of the lessons that have been learnt during this period.

Cities are increasingly playing a vital role in harnessing creativity for economic and social development. As the Capital City of South Africa, the CoT houses the ministries and head offices of all national government departments and boasts the second highest concentration of the diplomatic and consular corps in the world. As a result, the City's economy continues to rely heavily on the public sector as one of the key employers and important revenue generator for the city and its residents. The City of Tshwane holds tremendous potential, and arguably a comparative advantage, in the research and development (R&D), green economy and agro-processing spheres. The City is endeavouring towards this resolution.

The realization of the BRT project is indicative of the significant progress the City has made with regards to public/private partnerships that promote entrepreneurship and innovation in the City. However, if key stakeholders within the City are not well informed about the overall economic health of the City, identifying opportunities that the City and its residents offer becomes a difficult task. The City of Tshwane’s Annual Economic Landscape Report 2015 is aimed at offering stakeholders and potential actors with insightful analyses of the City’s economy.
The report draws together current and historical information from a wide range of sources to give the reader a critical picture of the City’s national and international positioning. Thus, by providing a clear understanding of key developments in the City and an analysis of emerging trends and dynamics at the local government level, this report offers stakeholders, policymakers, residents, investors, and entrepreneurs with in-depth information, data and cutting-edge analysis.

The projections and analysis provided within this report are, of course, not without their challenges and must be localised, for instance the opportunity presented by the dominance of major urban areas will be accompanied by an 80 billion m$^3$ increase in municipal water demand (MGI; Thus indicating the ramifications of such projections. The City remains cognisant of such analyses and is indeed geared towards addressing these inexorably important considerations within the sphere of advancing long-term scientific planning, for the ultimate benefit of all residents.
1.1 Tshwane vision 2055

Building on the foundation laid in the Tshwane ‘City Development Strategy 2004, Tshwane Vision 2055 sets out a bold new vision for the next four decades. Tshwane Vision 2055 represents the City’s ‘game changing’ vision driven by context-specific interventions that support the mobilisation of innovative partnerships to change the City’s future. It is a call to action for residents; the private sector, civil society; National and Provincial government; and the diplomatic community to work together to shape our collective future.

Tshwane Vision 2055 outlines the City’s game changing principles and actions required to realise a better and prosperous future for all its residents. It also maps out the phases of the journey towards the completion and the ‘remaking’ of Tshwane as South Africa’s capital city.

As the City of Tshwane, we acknowledge that the future is unknown and unpredictable. However, by locating Tshwane Vision 2055 around the Freedom Charter, this sets our imagination free to reflect on the ideals and democratic changes envisioned and to measure our progress over a period of time.

1.1.1 A collective Tshwane Vision 2055

“In 2055, the City of Tshwane is liveable, resilient and inclusive whose citizens enjoy a high quality of life, have access to social, economic and enhanced political freedoms and where citizens are partners in the development of the African Capital City of excellence. Tshwane, my City, our Capital”

(City of Tshwane, 2013: 34)

The guiding principles of Tshwane Vision 2055 strategy which will frame and guide the City’s approach to growth and development in response to changing circumstances for the next four decades of game changing are:

- Spatial reengineering, curbing sprawl and densification
- Diversified and shared economic development
- Safe and healthy City for all
- Revenue security and financial sustainability
- Social cohesion, inclusion and diversity
- Service delivery excellence and innovation
- Integrated economic, social and environmental strategies
- Participation, collaboration and partnerships (capitalise on City’s strengths and assets)
Tshwane Vision 2055 further identifies key thematic areas of focus and development for the city over the next 4 decades, which are:

- Health and poverty
- Economic growth
- Sustainable Environment and Natural Resources
- Community safety
- Smart city
- Governance
- Transport

1.1.2 Flagship projects

The City of Tshwane has also focused on encouraging the development of key strategic and/or catalytic projects to enable and promote the vision and development of Tshwane, some of these projects are:

- The roll out of the free WI-FI across the Tshwane region bridging the digital divide and enhancing the quality of life of Tshwane residents
- Integrated public and non-motorised transport network, including but not limited to the continued development of the Tshwane Bus Rapid Transit System (BRT), A Re Yeng
- The Government Boulevard project providing a long-term accommodation solution for all government head offices. The mixed-use pioneering West Capital development
- The African Gateway development
- Symbio City, which includes the developments of the tallest building in Africa
- Tshwane House, state of the art municipal headquarters in the heart of the inner city
- The East Capital development covering the areas of Cullinan, Bronkhorstspruit and Rayton focussing on the creation of a “green belt” of industries, agricultural beneficiation and green settlement

Focus on economic infrastructure such as:

- The TRT system will work towards radically undermining the current spatial transformation of the City and will have lines in areas such as, Soshanguve running to the inner city and from Mamelodi to the inner city.
- Tshwane House, which will house local government.
- The West Capital Project, which is a mixed-use development and is extending the CBD to the West. This project will also contribute to the more than 60,000 current backlog of student accommodation in the City.
2 ECONOMIC DEVELOPMENT AND OUTLOOK

Authored by Refiloe Joala and Tumiso Maitisa

2.1 Introduction

Six years after the start of the economic downturn that led to the Great Recession, the global economy is starting to show signs of recovery, albeit at a moderate and uneven pace. In 2013, the annual United Nations World Economic Situation and Prospects reported an underperformance in the world economy across almost all regions and major economic groups as most developed economies continued struggling in an uphill battle against the lingering effects of the financial crisis. As the world makes its way into 2015, global economic recovery is taking hold in a manner that not only speaks to investors but the broader public as well. A case in point is that in October 2014, the IMF reported that in addition to the slowing of fiscal consolidation and investors becoming less worried about debt sustainability in advanced economies, banks are generally becoming stronger. Accommodative monetary policies have also been implemented to support demand, encourage private sector investment and facilitate balance sheet repair.

The OECD (Organisation for Economic Co-operation and Development) Secretary General, Angel Gurría, has indicated that, “Advanced economies are gaining momentum and driving the pick-up in global growth, while once-stalled cylinders of the economic engine, like investment and trade, are starting to fire again.”. The wider implications of such a shift in the trajectory of advanced economies should not be underestimated because stronger growth in advanced economies implies increased demand for their exports. Building on the gains made in 2014, marked by a global growth rate of 3.5 percent, global economic performance is expected to continue improving, reaching an estimated 3.9 percent GDP growth rate in 2015.

This section of the Annual Economic Landscape Report 2015 analyses global and national economic performance with a particular focus on growth in GDP (Gross Domestic Product), and examines the performance of major economies, such the United States and the Euro Area followed by an analysis of the BRICS economies. In so doing, this section provides a clear picture of South Africa’s position relative to these economies. The second part of this section offers an analysis of the national economic performance by looking at South Africa’s trade position, debt trends as well as a sectorial analysis.
2.2 Global Economic Performance

According to 2013 data, the upward trajectory of the global economy that is highlighted above, picked up in the second half of 2013, averaging at 3.67 percent, representing a significant uptake from the 2.67 percent recorded in the previous later of the year. Among the major advanced economies that displayed relatively high growth in the past year was the United States, which is expected to show further progress with a projected growth of 2.6 percent in 2014 and 3.5 percent in 2015. The Euro area will, however, only see a return of positive growth after three years of contraction. In Japan, some underlying growth drivers are expected to give the economy a significant boost in the coming year. Overall activity is projected to slow-down moderately in response to a tightening fiscal policy position that has been indicated for 2015.

Table 2.1: GDP growth of Developed Economies

<table>
<thead>
<tr>
<th>Average</th>
<th>2001 - 2010</th>
<th>2011</th>
<th>2012</th>
<th>2013</th>
<th>2014</th>
<th>2015</th>
<th>Q4/Q4</th>
</tr>
</thead>
<tbody>
<tr>
<td>Real GDP Growth</td>
<td>Percent</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>World</strong></td>
<td></td>
<td>3.4</td>
<td>3.7</td>
<td>3</td>
<td>2.8</td>
<td>3.4</td>
<td>3.9</td>
</tr>
<tr>
<td><strong>United States</strong></td>
<td></td>
<td>1.6</td>
<td>1.8</td>
<td>2.8</td>
<td>1.9</td>
<td>2.6</td>
<td>3.5</td>
</tr>
<tr>
<td><strong>Euro area</strong></td>
<td></td>
<td>1.1</td>
<td>1.6</td>
<td>-0.6</td>
<td>-0.4</td>
<td>1.2</td>
<td>1.7</td>
</tr>
<tr>
<td><strong>Japan</strong></td>
<td></td>
<td>0.8</td>
<td>-0.5</td>
<td>1.4</td>
<td>1.5</td>
<td>1.2</td>
<td>1.2</td>
</tr>
</tbody>
</table>

Source: OECD Economic Outlook 95 database

Table 2.1 shows the average GDP growth rates of some of the major advanced economies and the GDP growth rates of the global economy. The GDP growth rates at the country and regional level fall considerably below the global GDP growth rate. The United States is the best performing economy in the group and is projected to almost match the global GDP growth rate. This has been ascribed to strong export growth and temporary increases in inventory demand. In emerging market and developing economies, growth picked up slightly in the second half of 2013. Since then, export growth has increased as a result of stronger activity in advanced economies and by currency depreciation while fiscal policies are projected to be broadly neutral. However, despite increased export demand, investment remained weak and external funding and domestic financial conditions increasingly tightened. Furthermore, supply-side and other structural constraints investment and potential output such as infrastructure bottlenecks continue to impede economic activity in some economies in the developing world. Nonetheless, emerging market economies remain major contributors to the global economic growth rate.

Note: 1 indicates year-year increase; last three columns show the increase over a year earlier.
2 indicates moving the nominal GDP weights using purchasing power parity
The BRICS nations (Brazil, Russia, India, China and South Africa) are considered as the new building blocs of the global economy. The BRICS economy rose from 11 percent of global GDP in 1990 to 25 percent in 2011 and is poised to reach 40 percent by 2050. With the inclusion of Indonesia, the average GDP growth rate of these large emerging markets for 2014 lies at around 5.3 percent and is estimated to reach 5.7 percent in 2015. Despite a slight slowdown, China is expected to maintain its position as the fastest growing economy among these countries, with rates just below 7.5 percent in 2014 and 2015 and India trailing behind, at 5.7 percent average GDP growth. In the aftermath of major blow that Russia suffered during the recent international financial crisis, the country’s strained relations with Western economies has had an impact on export demand and investment. Given these factors, Russia continues to have the slowest growth rate in the group.

Brazil and South Africa represent the second smallest and smallest economies in the BRICS in terms of the size and their contribution to global GDP. South Africa’s GDP growth rate averaged at 2.5 percent in 2013 and has been projected to reach 3.5 percent in 2014 and 3.8 percent in 2015.

Table 2.2: Gross Domestic Product in BRICS Countries 2012/2013

<table>
<thead>
<tr>
<th></th>
<th>2012 $ (bln)</th>
<th>2013 $ (bln)</th>
<th>Growth $ (bln)</th>
<th>%</th>
<th>% of Total GDP</th>
</tr>
</thead>
<tbody>
<tr>
<td>China</td>
<td>8229.49</td>
<td>9240.27</td>
<td>1010.78</td>
<td>12.28%</td>
<td>58.45%</td>
</tr>
<tr>
<td>Brazil</td>
<td>2248.78</td>
<td>2245.673</td>
<td>-3.107</td>
<td>-0.14%</td>
<td>14.20%</td>
</tr>
<tr>
<td>Russia</td>
<td>2017.47</td>
<td>2096.777</td>
<td>79.307</td>
<td>3.93%</td>
<td>13.26%</td>
</tr>
<tr>
<td>India</td>
<td>1858.744</td>
<td>1876.797</td>
<td>18.053</td>
<td>0.97%</td>
<td>11.87%</td>
</tr>
<tr>
<td>South Africa</td>
<td>382,337</td>
<td>350,63</td>
<td>-31,707</td>
<td>-8.29%</td>
<td>2.22%</td>
</tr>
<tr>
<td></td>
<td>14736,821</td>
<td>15810,147</td>
<td>1073,326</td>
<td>7.28%</td>
<td>100.00%</td>
</tr>
</tbody>
</table>

Source: World Bank

2.3 National Economic Performance

Following South Africa’s initially promising recovery in the aftermath of the global economic crisis, marked by a 3.6 percent peak in real GDP growth in 2011, the growth rate slid to 2.5 percent in 2012 and dropped to a 1.9 percent low in 2013. Anticipated growth rates after the recession were rather optimistic, but fell short of this due to subsumed demand from its major trading partners in Europe and North America and structural constraints in the domestic economy. Nonetheless, projections for 2014 economic growth rate have been positive. Economic recovery levels in Europe and the United States that will see investment and trade from these major markets flow to South Africa coupled with government’s investment plans for addressing bottlenecks in electricity and transport, which are already being implemented, will contribute significantly to growth in South Africa.
Table 2.3: Macroeconomic Indicators in South Africa

<table>
<thead>
<tr>
<th></th>
<th>2012</th>
<th>2013(e)</th>
<th>2014(p)</th>
<th>2015(p)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Real GDP growth</td>
<td>2.5</td>
<td>1.9</td>
<td>2.7</td>
<td>3.0</td>
</tr>
<tr>
<td>Real GDP per capita growth</td>
<td>1.7</td>
<td>1.2</td>
<td>2.0</td>
<td>2.3</td>
</tr>
<tr>
<td>CPI inflation</td>
<td>5.7</td>
<td>5.7</td>
<td>5.7</td>
<td>5.3</td>
</tr>
<tr>
<td>Budget balance % GDP</td>
<td>-4.2</td>
<td>-4.1</td>
<td>-4.1</td>
<td>-3.9</td>
</tr>
<tr>
<td>Current account balance % GDP</td>
<td>-5.2</td>
<td>-6.5</td>
<td>-6.4</td>
<td>-6.4</td>
</tr>
</tbody>
</table>

Source: Local Authorities

Table 2.3 provides a breakdown of South Africa’s macroeconomic indicators between 2012 and 2015. Overall, the South African economy remained within the established target inflation range of 3 to 6 percent, which was estimated at 5.7 percent in 2013. National government debt increased to 42.5 percent of GDP in 2012/13, up from 36.2 percent two years earlier. In the first half of 2014, the Rand, together with other emerging market economies came under renewed pressure resulting from the 18 percent fall in nominal effective terms during the 2013. The Rand continued in this downward trend, marked by the 11.1 rand to the US dollar exchange rate at the end period of January 2014, 20 percent lower than it was at the end 2012 and 66 percent below the peak in 2011. Despite this dramatic fall, the effect has been muted with importers and retailers absorbing much of the pressure and food and fuel prices increasing at a slower pace than initially anticipated. Between 2012 and 2017, GDP is expected to grow by 4.1 percent and 0.3 of a percent point lower that at the peak period.
Labour unrest continued to affect performance in the manufacturing, mining and agricultural sectors with the former being worst hit. The mining sector performed considerably well despite union rivalries and the loss of 14,000 jobs at Amplats, the world’s largest platinum producer. The sector expanded for the first time since 2011 posting 2.5 percent annual growth as iron ore and coal production largely offset platinum’s decline.

In the agricultural sector, violent strikes in early 2013 caused growth to contract from 4 percent in 2012 to just 1.4 percent in 2013. Manufacturing has become more capital intensive over the past decade; however this has not boosted the sector. Between 2008 and 2012, the sectoral contribution of manufacturing to GDP dropped from 16.8 percent to 12.1 percent. As an automobile assembly hub, South Africa’s manufacturing sector is particularly sensitive to fluctuation in automobile demand both domestically and regionally.

Moreover, South Africa’s textile and agro-processing industries are constantly under pressure due to high imports and relatively higher production costs.

Services, which account for 25 percent of the South African economy, rose by 2.6 percent in 2013, compared to 5 percent in 2012. Within services the finance and insurance, real estate and business sub-sectors have been leading, with finance and retail in particular tapping into the more dynamic growth of the wider Southern African region.

Growth in real disposable income of households dipped slightly in the first quarter 2014 to 1.7 percent from an annualised rate of 2.0 percent in the fourth quarter of 2013. Compensation of employees increased at a slower pace, which has partly been attributed to the negative impact of strike activity across various sectors since the onset of 2014. Higher consumer price inflation and an increase in interest rates in 2013/2014 also exerted a considerable dent on households’ real disposable income.

<table>
<thead>
<tr>
<th>Table 2.4: Real gross domestic product by sector</th>
</tr>
</thead>
<tbody>
<tr>
<td>Percentage change at seasonally adjusted annualised rates</td>
</tr>
<tr>
<td>Sector</td>
</tr>
<tr>
<td></td>
</tr>
<tr>
<td>Primary Sector</td>
</tr>
<tr>
<td>Agriculture</td>
</tr>
<tr>
<td>Mining</td>
</tr>
<tr>
<td>Secondary Sector</td>
</tr>
<tr>
<td>Manufacturing</td>
</tr>
<tr>
<td>Tertiary Sector</td>
</tr>
<tr>
<td>Non-Primary sector</td>
</tr>
<tr>
<td>Non-Mining sector</td>
</tr>
<tr>
<td>Total</td>
</tr>
</tbody>
</table>

Source: South African Reserve Bank
2.4 Trade Position

Global trade volume growth slowed substantially in the adjustment after the Great Recession of 2007–2009 and the euro area crisis of 2011-2012. This brought into question the popular view that holds that international trade will remain an engine of global growth, emanating from concerns about stalling or declining globalization (for example, diminishing productivity gains from recent trade liberalization under the World Trade Organization umbrella due to economic and political factors). However, data on world trade growth since 2008 seems to be in line with global output and investment growth.

Figure 2.1: Exports of commercial services by selected region, 2012–13

The World Trade Organisation reported that the value of total exports of commercial services was recorded at US$ 4,645 billion in 2013. Europe’s modest recovery accounted for 6 percent of the growth in international trade, with growth in its exports of commercial services at the regional level recorded at 7 percent in 2013. In North America and Asia, exports coincidentally expanded by 5 percent, a slight drop in Asia’s export from its 2012 rate. In Central and South America, exports grew by only 2 percent, due to a slight dip in Brazil’s to exports. In the Middle East, exports rose by 4 percent compared with almost 9 percent the previous year.

Overall, world merchandise exports grew by 2.5 percent and gross domestic product (GDP) grew by 2.0 percent in 2013. Asia achieved the highest growth in merchandise exports at 4.5 percent followed by North America at 3.0 percent. Sub-Saharan Africa’s merchandise exports declined by 2.5 percent in 2013, this represented a significant drop from its 2012 share, which was at 6.5 percent. Among the emerging market economies, exports to the BRICS totalled US$ 1,382 billion in 2013, which represents 17 percent of their total exports or 8 percent of global merchandise exports.

In terms of specific industries, in South Africa, the automotive industry adds the most value to exports at 40 percent, whilst finance, retail and mining are the lowest at less than 10 percent. With membership in various regional and sub-regional groupings including the Common Monetary Area, Southern African Customs Union; Southern African Development Community (SADC); and the African Union, South Africa has emerged as a dominant trade partner to other countries at the sub-region and regional level. In 2013, South African exports accounted for 41 percent of all SADC trade and about 63 percent of its combined.
2.6 Global Debt Trends

Public debt is the total amount of money owed by the government to creditors. It is usually presented as a percentage of GDP. The World Bank’s 2014 International Debt Statistics indicates a reversal in the uninterrupted trend of improvement in international debt since the early 2000s. Additionally, the European Network on Debt and Development has indicated that although the debt levels of developing countries remain low when compared with their historical levels and with financially distressed countries in the global north, in the absence of sufficient alternative sources of income, developing country governments are increasingly likely to turn to issuing large volumes of sovereign bonds to be sold on private capital markets. The boom in sovereign bond issuance poses severe challenges for the international financial architecture, which is not well equipped to restructure this category of debt should the need arise, especially in the short-term. The debt stock of developing countries grew by almost 400 billion USD in 2012 to reach 4.8 trillion. Due to the global financial crisis followed by the Euro zone sovereign debt crisis, advanced economies have had particularly high levels of indebtedness in recent years. Total indebtedness of OECD countries was at 74.2 percent of total OECD GDP in 2007 and is estimated to reach 112.5 percent in 2014. Individual countries within the OECD ranged in 2012 from a low of 14.5 percent of debt to GDP in Estonia to 224.3 percent in Japan.

2.7 National Debt

Between March and June 2013, South Africa’s domestic debt increased by ZAR 70 billion, from ZAR 1.24 trillion to ZAR 1.31 trillion. At the end of June 2013, domestic debt continued to contribute overwhelmingly to the government’s debt portfolio, accounting for 92 percent of total debt. Foreign debt fell from USD 140.6 billion to USD 130.4 billion in the second quarter of 2013, chiefly due to the increase in Rand-denominated debt. At the end of June 2013, external debt amounted to 35.4 percent of GDP, or 111.5 percent of export earnings. Total gross loans (domestic and foreign) increased from ZAR 1.36 trillion to ZAR 1.49 trillion between March and September 2013, rising from 42.7 percent to 44.7 percent of GDP.

In the first quarter of 2014, households continued to incur debt at a pace that is fractionally slower than growth in disposable income, resulting in an almost sideways movement. In other words, household-debt-to-income ratio, inched lower from 74.6 percent in the fourth quarter of 2013 to 74.5 percent in the first quarter of 2014. Although, the cost of servicing debt indicates a slight increase from 7.7 percent of disposable income in the fourth quarter of 2013 to 7.9 percent in the first quarter of 2014, the overall service to debt cost has remained relatively low.
2.8 Inflation

In the first half of 2013, headline inflation breached the upper limit of the policy range (set by the South African Reserve Bank at a range of 3-6 percent target), reaching 6.3 percent in July and 6.4 percent in August, then fell back to 5.5 percent in October 2013. Core inflation also increased to 5.1 percent in August 2013, compared to 4.7 percent the previous year in August of 2012. In order to contain these inflationary pressures the South African Reserve Bank increased the repo rate from 5 percent to 5.5 percent in late January 2014. The recent pick-up in domestic inflationary pressures could largely be attributed to the re-emergence of domestic food price pressures, despite relatively subdued global food price inflation.

Source: South African Reserve Bank
2.9 City of Tshwane Economic Landscape and Outlook

The purpose of this section is to provide an analysis of national, provincial and municipal economic performance. This section will assist in tracking pertinent economic indicator information which can be used for planning, monitoring and reviewing the CoT economic climate.

This analysis report focuses on the following areas:
• GDP growth rate,
• Gross Value Added, and
• Sector contribution.

This analysis will start by analysing key economic indicators on the national level, then go down to provincial level and municipal level. The GVA (Gross Value added) is an important measure of economic activity at the local or regional level. It indicates the state of the local economy, including its size, rate of growth and average income, and it facilitates comparisons between areas. The GVA is also available for individual sectors and can be used to show their industrial composition.
2.10 National Economy

Gross domestic product (GDP) growth is one of the most widely utilised measures of economic performance in a country or region. It provides an indication of the level of value-added production that takes places in an economy during a specific period. According to Global Insight, the South African GDP was R 1,993 trillion in 2013 (a 1.9 percent increase over 2012) and is expected to rise to R2,022 trillion in 2014 (a 1.4 increase over 2013) and the economy is expected to grow by further 3.3 percent in 2015 to the value of R2,088 trillion.

<table>
<thead>
<tr>
<th>Table 2.5: Economic Indicators- South Africa</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
</tr>
<tr>
<td><strong>Gross Domestic Product (constant prices, R millions)</strong></td>
</tr>
<tr>
<td>1 956 443 590</td>
</tr>
<tr>
<td><strong>Annual Average GDP growth</strong></td>
</tr>
<tr>
<td><strong>Gross Value Added (constant prices, R millions)</strong></td>
</tr>
<tr>
<td><strong>Annual average GVA growth</strong></td>
</tr>
</tbody>
</table>

Source: IHS Global Insight Regional Explorer version 759

The average annual growth experienced by the country over the past two years of 2.5 percent in 2012 and 1.9 percent in 2013 undermines the targeted annual GDP growth target of 5 percent to 7 percent, as contained in the New Growth Path and the National Development Plan by reducing the country’s ability to dramatically reduce persistently high unemployment, poverty and inequality.

According to the OECD (2014), labour unrest and the ever-sluggish environment in Europe and United States has impacted on growth, but the situation is expected to gain pace into 2015 as growth in the United States is gaining momentum. Labour unrest in South Africa that marked 2012 improved in 2013, proving to be less violent but more widespread and significantly affected output in the automotive, communication, agricultural and mining sectors. The slow pace of international economic growth also continued to limit South Africa’s development. A year of subdued investment and ongoing efforts to reduce household debt have held this back further, with growth 1.9 percent compared to 2.5 percent in 2013.
2.11 Provincial Economy

Gauteng remains the economic hub of the country and therefore a major contributor to the South African economy, which is the second largest economy in Africa. Gauteng’s economy is larger than most African economies except for Nigeria, Egypt, Algeria and Angola (IEconomics, 2015). Gauteng with its three metropolitan municipalities contributing almost a third of South African output it represents the fifth largest economy in Sub-Saharan Africa following Nigeria and South Africa as a whole. The IMF expects growth to remain low for a while and to be led largely by advanced economies. The organization indicates that growth in emerging economies will remain weak after the cooling in the stimulus surge following the global financial crises. This is as the result of increased financial volatility in emerging market economies and increases in the cost of capital will likely dampen investment and weigh on growth.

According to Global Insight, the value of Gauteng economy was R704.9 billion (2005 constant prices) in 2013, representing a 2.1 percent increase as compared to the previous year.

Table 2.6: Indicators- Gauteng

<table>
<thead>
<tr>
<th></th>
<th>2012</th>
<th>2013</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Gross Domestic Product</strong></td>
<td>704,994,117</td>
<td>720,124,809</td>
</tr>
<tr>
<td><em>(constant prices, R millions)</em></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Annual Average GDP growth</strong></td>
<td>2.8 percent</td>
<td>.1 percent</td>
</tr>
<tr>
<td><strong>Gross Value Added (constant prices, R millions)</strong></td>
<td>627,854,738</td>
<td>640,220,656</td>
</tr>
<tr>
<td><strong>Annual average GVA growth</strong></td>
<td>2.8 percent</td>
<td>.0 percent</td>
</tr>
</tbody>
</table>

Source: IHS Global Insight 2014
This figure shows Gauteng’s contribution to the national economy as well as both Gauteng and national GDP-R growth rates. Gauteng remains South Africa’s largest contributor to the GDP contributing 36 percent in 2013. Gauteng experienced an increase of 1.4 percentage points in its contribution to the national GDP-R from 34.3 percent in 1996 to 35.7 percent in 2013.

The province’s economic growth trends follow that of the country indicating its role as the main contributor and driver to the growth of the national economy. The province enjoyed higher levels of economic growth during the year 2000 and between 2005 and 2006 with 7.6 percent, 7.3 percent and 7.2 percent respectively, however, the province contracted to negative 1.3 percent during the global economic crises in 2009 and it is still recovering with a growth of 2.1 percent in 2013.

2.12 Local Economy

According to Global Insight, the value of the Tshwane economy was R200.3 billion (2005 constant prices) in 2013, a 1.9 percent increase over the previous year. In 2014, the municipality is expected to grow by an additional 2 percent to R204.3 billion and a further growth by 3.5 percent in 2015 to R211.5 billion.
### Table 2.7: Indicators - Tshwane

<table>
<thead>
<tr>
<th></th>
<th>2012</th>
<th>2013</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Gross Domestic Product</strong>&lt;br&gt; (constant prices, R millions)</td>
<td>196,633,891</td>
<td>200,352,732</td>
</tr>
<tr>
<td><strong>Annual Average GDP growth</strong></td>
<td>2.8% 1</td>
<td>.9%</td>
</tr>
<tr>
<td><strong>Gross Value Added (constant prices, R millions)</strong></td>
<td>176,106,079</td>
<td>179,185,354</td>
</tr>
<tr>
<td><strong>Annual average GVA growth</strong></td>
<td>2.8% 1</td>
<td>.7%</td>
</tr>
</tbody>
</table>

Source: IHS Global Insight 2014

### Figure 2.7: Gross Domestic Product (GDP) Contribution

The City of Tshwane is the fourth-largest municipal economy in the country. As measured by GDP, the City contributes 10.1 percent to the national gross domestic product. The City of Johannesburg has the largest economy in the country, followed by the City of Cape Town and eThekwini, each contributing 16.8 percent, 11.3 percent and 10.9 percent respectively. Together, these four metropolitan municipalities accounted for almost half (49.2 percent) of the country’s economic output in 2013.

Source: IHS Global Insight 2014
The figure above indicates Tshwane’s contribution to national GDP and its economic growth rate compared to that of the country from 1997 to 2013. The figure above indicates that Tshwane’s share of the national economy is growing, the City contributed 8.4 percent to the national total in 1997 and the figure has grown to 9.9 percent, indicating an increase of 1.5 percentage points.

The City’s economic growth patterns follow a similar trend to that of South Africa, indicating its extensive contribution to the growth of the country. Economic growth in Tshwane was 3.1 percent in 1997 before declining to 2.1 percent in 2013. The City’s economy contracted by negative 0.3 percent in 2009.

Table 2.8: Sectoral Composition-SA, Gauteng and Tshwane

<table>
<thead>
<tr>
<th>Sector</th>
<th>South Africa</th>
<th>Gauteng</th>
<th>Tshwane</th>
</tr>
</thead>
<tbody>
<tr>
<td>Agriculture, Forestry &amp; Fishing</td>
<td>2.4%</td>
<td>0.4%</td>
<td>0.4%</td>
</tr>
<tr>
<td>Mining and Quarrying</td>
<td>9.2%</td>
<td>3.1%</td>
<td>1.5%</td>
</tr>
<tr>
<td>Primary Sector</td>
<td>11.6%</td>
<td>3.5%</td>
<td>1.9%</td>
</tr>
<tr>
<td>Manufacturing</td>
<td>11.6%</td>
<td>13.4%</td>
<td>10.3%</td>
</tr>
<tr>
<td>Electricity, gas and Water</td>
<td>3.0%</td>
<td>3.0%</td>
<td>2.3%</td>
</tr>
<tr>
<td>Construction</td>
<td>3.7%</td>
<td>.7%</td>
<td>5.0%</td>
</tr>
<tr>
<td>Secondary Sector</td>
<td>18.4%</td>
<td>21.1%</td>
<td>17.5%</td>
</tr>
<tr>
<td>Wholesale &amp; retail trade</td>
<td>16.6%</td>
<td>16.7%</td>
<td>15.4%</td>
</tr>
<tr>
<td>Transport &amp; communication</td>
<td>8.9%</td>
<td>8.9%</td>
<td>10.1%</td>
</tr>
<tr>
<td>Finance &amp; business services</td>
<td>21.5%</td>
<td>26.1%</td>
<td>24.3%</td>
</tr>
<tr>
<td>Government, social &amp; personal services</td>
<td>23.1%</td>
<td>23.7%</td>
<td>30.7%</td>
</tr>
<tr>
<td>Tertiary Sector</td>
<td>70.0%</td>
<td>75.4%</td>
<td>80.6%</td>
</tr>
<tr>
<td>Total</td>
<td>100%</td>
<td>100%</td>
<td>100%</td>
</tr>
</tbody>
</table>
The table above depicts the sectoral distribution of Gross Value Added (GVA) of Tshwane to that of the national and provincial economy. This information provided in this table is be used to compare Tshwane’s economic sectors with each other and with the national economy.

The distribution of Tshwane differs from the national economy predominantly in terms of smaller primary sector (agriculture and mining). The primary sector constitutes 11.6 percent boasted by larger mining and quarrying while Tshwane’s size of the primary sector is only 1.5 percent. Despite the smaller size of the primary sector within the municipality, the City showed a significant increase in the mining sector, in all likelihood due to the inclusion of the Cullinan area. The future trajectory of this sector is fraught with instability and thus cannot be wholly relied upon, despite its critical significance. The tertiary sector has typically been the main source of growth in the South African economy and constituted an estimated 70 percent on the national level, 75.4 percent on the provincial level and 80.6 percent on the municipal level.

Tshwane has a large government sector (community services), reflecting the presence of national and provincial departments and parastatals. This sector recorded a 30.7 percent contribution to Tshwane’s GVA in 2013. The five main economic sectors in 2013 were community services (30.7 percent), finance (24.3 percent), finance & business services (24.3 percent), manufacturing (10.3 percent) and transport (10.1 percent). Overall, the significant sectors of growth in the Tshwane include government, social and personal services, construction, trade, transport and finance with the green economy and research and development representing crucial multi-dimensional and dynamic sectors of growth.

Based on the significant growth sector, the municipality should expand in:
• Research and Innovation (R&D)-particularly pertinent to Tshwane as a sector of the future in the creation of South Africa’s economy; much focus should be given to the development in bioscience, technology, defence and others.
The City of Tshwane’s GDP performance is above the national and provincial levels when analysing at the 16-year growth trend. However between 2002 and 2003, the annual growth of the City was lower than the Gauteng growth. Overall, the City of Tshwane followed the national and provincial trend and always maintained a slightly higher rate than Gauteng and SA. The City reached its peak in 2000 with a growth rate of 7.6 and year 2005 and 2006 with the growth rate of 7.3 and 7.2 respectively. The City’s annual GDP growth rate is not yet at the level reached during 2000. Furthermore, it fell short of the target requirement contained in the National Development Plan Vision 2030.

The economic profile of the municipality indicates that the dominant sectors in the CoT are Community Services, Finance and Trade. The situation whereby government services sector is one of the biggest contributors to the provincial economy cannot be healthy or sustainable because of lack of strong production sector. The communication sector is expected to increase in the future due to government plans to roll-out ICT programmes, this includes the two phases of Tshwane free Wi-Fi in some public domain. This sector is currently receiving national attention through the Industrial Policy Action Plan and the recently launched New Growth Path.

An enabling environment should also be created to stimulate sectors such as manufacturing and personal services and on the other hand importance of Manufacturing in the economy cannot be overemphasized; worldwide research has demonstrated that manufacturing has the capability to create more labour absorbing activities.
Figure 2.11: Exports and Total Trade as Percentage of GDP, Tshwane, 1997-2013

The figure above depicts the export and total trade trends as percentage of GDP in Tshwane from 1996 to 2013. The percentage of exports is on the left and total trade on the right. Exports of goods and services represent the value of all goods and other market services provided to the rest of the world. The City’s percentage of exports always remained higher, starting the review period at 64.1 percent then contracted since 1997 to reach the minimum at 38.5 percent, however exports as a percentage of GDP started to peak and increased during the financial crises in 2008 and 2009.

Total trade as a percentage of GDP was 81.6 percent at the beginning of the reference period (2003), reaching its highest level of 86.9 percent in 2008 and 2011. As global economic growth remains hesitant, South Africa’s trade will remain weak.

The City of Tshwane is a key role player in the Gauteng economy as it accounts for more than a quarter of the province’s GDP (27 percent) and 10 percent of the national economy’s GDP. In addition to Government, Tshwane has a well-established manufacturing sector and Tshwane’s Growth and Development Strategy targets high income and employment multipliers such as:

- Knowledge-intensive service industries
- Information & Communications Technology enterprises
- Biotechnology
- Electronics
- Advanced materials & manufacturing
- Defence spin-off technologies
- Aerospace cluster
- Automotive cluster
- Logistical cluster & Wonderboom Airport
- Urban agriculture
- Tourism
Figure 2.12: Location Quotient

Source: IHS Global Insight 2014

Figure 2.13: Location Quotients Gauteng Metro’s 2013

Source: IHS Global Insight Regional eXplorer version 759
The location quotient technique is based on a calculated ratio between the local economy and the economy of some reference unit. A location quotient that is larger than 1 indicates a comparative advantage for an economy or economic sector.

Figure 2.12 above depicts the location quotients for the City of Tshwane and Gauteng in 2013. The industries that the City of Tshwane has comparative advantage compared to provincial and national sectorial advantage are Community services, Transport, Construction and Finance. *Tshwane Vision 2055* envisages diversification to include trade and manufacturing. The manufacturing sector has been stagnating at an increasing rate and as mentioned above, the sector is labour intensive, hence the Vision proposes massive labour market reform required to take this sector forward. Upon comparing the three Metro’s (see Figure 2.13), it can be observed that Tshwane has a comparative advantage in construction and community services.
3 DEMOGRAPHICS

Authored by Ntandokabawo James, Hendrik Labuschagne and Ntombizodwa Mabena

The globe’s urban population has risen to 54 percent, up from 34 percent in 1960 (World Health Organisation, 2014). Urban population numbers are expected to increase continuously as the world fails to undertake rural development initiatives that are likely to slow down a wave of rural-urban as well as inter-urban migration. The World Health Organisation (2014) argues that the urban population growth in absolute numbers is concentrated in underdeveloped regions of the globe. Estimates highlight the fact that the majority of people will be residing in urban areas even in lesser developed countries.

The next twenty years of urban growth will look strikingly different from the urban growth patterns of the late twentieth century, which gave rise to today’s 27 megacities2. Rapid population growth leads to an increased need for affordable housing in cities, and according to UN statistics one in every three of the world’s city residents lives in inadequate housing with few or no basic services. Megacities will continue to grow, nevertheless, but will become constrained by physical land availability, vehicular congestion, costly infrastructure development, overpopulation and scarce resource insecurity (FIG Commission 3, 2010).

According to the Economist Intelligence Unit or EIU (2013), only twenty percent of the world’s population lived in a city a century ago, this has now increased to over 50 percent and is expected to reach approximately 70 percent by the middle of the 21st century. Furthermore, cities generate more than 80 percent of global GDP. This is only expected to increase as population projections show that almost all growth over the next 30 years will be in urban areas (EIU: 2013).

In the coming decades, it is expected that peri-urban areas will surpass their urban counterparts in growth due to the reduced cost of living and opportunity to develop industries given cheaper land cost in these areas. According to the UN, peri-urban areas in Latin America for example, are growing because: housing markets in urban areas are too expensive, there exists restrictive urban zoning, which also leads to artificially inflated housing prices, and there are inadequate housing policies and the difference in demographics between urban and peri-urban areas. Considering the mix of urban and peri-urban areas in the City of Tshwane, there is great potential for the continued development of existing peri-urban areas.

---

2 A megacity is a city with a population in excess of 10 million.
With the growth of cities and the establishment of metropolitan regions arises complex metropolitan regions sometimes split over multiple jurisdictions creating mega-regions. An example of a tri-national metropolitan region is the Upper Rhine, which is a tri-national region spanning cross-border territories which includes France, Germany and Switzerland. The region has 6 million inhabitants, generates 165 billion Euros in GDP and has 100 000 commuters. The tri-national region has more potential for economic development and leads to greater regional integration between the nations involved. It is estimated that by the year 2030 there will be at least 40 large bi-national and tri-national metro regions in existence.

3.1 City of Tshwane

The City of Tshwane is a diverse and culturally vibrant capital City. Being the administrative seat of government and the birth place of South Africa’s democracy, it plays host to over 130 foreign embassies and missions. This is the second largest concentration of foreign and diplomatic missions in the world after Washington DC. Considering this diverse environment and the fact that the City of Tshwane hosts various academic institutions, the demographic profile of the City is very unique.

In 2011 the total population of Tshwane was 2 921 490 (Census 2011) this has increased to just over 3 million (3 047 094) in 2013 (IHS Global Insight Regional eXplorer version 759 - ReX, 2014). For the period 1996-2013, Tshwane’s population grew annually at a rate between 2.39 percent and 3.42 percent. From Figure 3.1, it can be observed that between the period of 2004 and 2008, Tshwane’s population grew at an increasing rate and since the financial the rate of population growth has been mixed but since 2011 it is observed that the rate of growth is declining.

This is likely due to the financial crisis creating difficult market conditions and the migratory nature of Tshwane’s population especially in peri-urban areas that have caused people to return to their originating provinces/countries.
Upon disaggregating the growth rate by population group, it reveals a fascinating picture. The fastest growing population group in Tshwane is the Asian community peaking at 7.1 percent per annum in 2008 albeit demonstrating a declining trend since 2008 but still remains the fastest growing population group. The second fastest growing population group is the African group which on average grew at rate of 3.8 percent per year. On the contrary the White population group growth rate was negative for the period 1997 – 2005 and is only showing marginal growth for the rest of the period. This is not wholly unexpected given the development level of the White population group. It is a generally observed trend that as growth and development increases, birth rates tend to decline, as can be witnessed in the Global North today.
Figure 3.2: City of Tshwane population group growth rates 1996 - 2013

Source: IHS Global Insight Regional eXplorer version 759

Figure 3.3 illustrates the demographic breakdown of the City of Tshwane, from which it can be observed that the largest population group residing in the City of Tshwane is African accounting for approximately 77 percent of total population, which is followed by the White population group. The smallest population group, that is, the Asian group accounts for 1.8 percent of Tshwane’s population.

Figure 3.3: Tshwane population by race, 2013

Source: IHS Global Insight Regional eXplorer version 759
The language spoken by the residents of the City of Tshwane is an important matter too, as cities are a melting pot of different cultures, which makes the City a vibrant and culturally diverse place within which to reside. The most prevalent language spoken in Tshwane is Afrikaans (591 442) closely followed by Sepedi (582 972) and Setswana (446 620). Interestingly, the language profile of Tshwane (see Figure 3.4) is very diverse with all language groups represented within the borders of the city. The smallest observed language group represented is Siswati with only 32 607 residents stating that it is their first language.

Figure 3.4: Tshwane population by first language, 2013

![Image of bar chart showing population by first language in Tshwane]

Source: IHS Global Insight Regional eXplorer version 759

Figure 3.5 illustrates the population pyramid for the City of Tshwane, from this it is observed that there is a youth bulge in Tshwane’s population; this is likely due to the large student population. Furthermore, it is observed that a significant portion of Tshwane’s population is younger than 35 (61 percent) with 36 percent being between the ages of 15-34.
Figure 3.5: Tshwane population pyramid

Source: IHS Global Insight Regional eXplorer version 759

From Figure 3.6 below, it is clear that there is a significant difference between each of the race groups. Surprisingly, though the population pyramid representing the White race group is the only pyramid that isn’t bottom heavy indicating a slower or stabilized birth rate. All the other race groups show a noticeable bulge across the young adult age groups, 20 to 34. Furthermore, the Asian population pyramid “bulge” extends to the early 40’s age group, which holds with the finding that this population group is the fastest growing population group in the City.

When comparing gender details there are no significant gender biases observable in any of the population pyramids. The White population group also possesses the most people in the aging population categories (60+), whereas all other age groups taper downwards. The causes for these differences are inherently linked to socioeconomic status and characteristics unique to each race group.
Figure 3.6: Tshwane race population pyramids 2013

2013 Tshwane Population Pyramid for race group: African

Tshwane Population Pyramid for race group: White
Tshwane Population Pyramid for race group: Coloured

Tshwane Population Pyramid for race group: Asian

Source: IHS Global Insight Regional eXplorer version 759
The population growth rate is the rate at which the number of individuals in a population increases in a given time period as a fraction of the initial population. Based on available data and some estimation, it was possible to obtain the crude birth and death rate for the City of Tshwane. Over the period 1996-2011 the number births per 1000 people exceeded that of deaths in the same period. The highest number of births per 1000 people recorded was in 2006 (21). On average, the death rate has remained rather stable between 1996 and 2011. However, from this data it is not possible to determine a clear trend, particularly because of the complex nature of both these elements.

Figure 3.7: Tshwane crude birth and death rates 1996 - 2011

![Crude Birth Rate and Crude Death Rate Chart]

Source: IHS Global Insight Regional eXplorer version 759

3.2 Human Development

3.2.1 Education

The City of Tshwane has over the years increasingly performed relatively buoyantly with respect to education, more so with respect to the accumulation of post matric qualifications. The metro’s current year-on-year growth rate ranks as the highest in Gauteng and is also above the national average growth rate. Figure 3.8 below illustrates this increase in performance over the 2004 - 2013 period. It can be noted from the figure that over the period concerned, the number of post matric qualifications accumulated has been declining across all the regions reviewed i.e. the national average decreased significantly with a drop in growth rate from 5.5 percent in 2004 to 1.9 percent in 2013, Gauteng’s growth rate also fell substantially from a growth-rate of 6.8 percent in 2007 to a growth-rate 1.1 percent in 2013, while Tshwane experienced the lowest decrease in the growth rate which was reported at 0.3 percent in 2013 compared to 6.4 percent in 2004.
This decline can be attributed to the growing youth population across SA, migration and in-migration, the consequent increased pressure on the schooling system that is negatively affecting matric outcomes and the increasing graduate unemployment rate, which currently lies at 5.5 percent.

**Figure 3.8: Percentage growth (y/y) in population with post matric qualifications, 2004 - 2013**

Overall, it is worth noting that South Africa has made great progress in ensuring that education, especially primary education is prioritised as a Constitutional right. Gauteng, and specifically the City of Tshwane, has also contributed to this trend. Figure 4.9 below, graphically illustrates the progress made in the Gauteng region, that is, improvements in the percentage of people with no schooling. As it stands, all of the metros in Gauteng have less than 5 percent population with no schooling; this marks a notable improvement from the 8.4 percent average in 1996.

Source: IHS Global Insight Regional eXplorer version 759
A substantial amount of work is still required to address the country’s persistent social challenges, namely the triple challenge of unemployment, inequality and poverty. Currently, public expenditure as a percentage of GDP ranks amongst the highest in the world (6.6 percent) yet vast differences in access to and the quality of education, more so amongst disadvantaged communities continue to persist. The literacy rate amongst the African population remains the lowest when compared to all other population groups in the country (see Figure 3.10) This highlights the need to continue investing resources in more targeted, innovative and effective approaches that have the potential to drive SA’s economy forward while also driving social justice.
The South African labour market has been subjected to poor performance following the 2007/08 global financial crisis. As indicated in Figure 3.11, over the period 2002 to 2008, total employment in SA increased from 11.4 million to 13.7 million, an average growth of 2.6 percent. The City of Tshwane on the other hand recorded a much higher growth rate in employment at 4.6 percent over the same period. It should be noted that employment growth witnessed a drastic decline over the global financial crisis period. In 2007,
South Africa recorded a 4.4 percent year-on-year employment growth, which declined to 0.6 percent during the crisis. Tshwane has been no exception, its year-on-year employment growth declined from 6.2 percent in 2007 to 0.01 percent in 2010. Tshwane’s informal employment sector was hit hardest by recession period compared with the formal sector, sustaining a negative average growth rate of 2.1 percent compared with a 2.2 percent average year-on-year percentage change in the formal sector employment.

The post-recession period witnessed some improvements in the employment outlook; this was, however, restrained by labour market tensions in the country which originated from the 2012 platinum mining strike before spreading to other economic sectors. Figure 3.12 below indicates the performance of Tshwane’s total employment (year-on-year) per sector. Once more, it can be observed that the Agriculture sector was the hardest hit during the recession period, the sector sustained a 1.8 percent decline in average employment (y/y) over the 2007 – 2010 period. Tshwane did, however, experience gains in the following sectors; Community and Social services (35 276), Finance (9 251), Transport (8 261), Mining (1 999) and Electricity (1 295). In comparison, large employment losses were observed in Agriculture (7 022), Private households (7 890) and Construction (3 629).

**Figure 3.12: Tshwane y/y percentage change of total Employment by industry (official definition), 2002 - 2012**

Source: IHS Global Insight Regional eXplorer version 759

Figure 3.13 below indicates the unemployment rate of Tshwane relative to the national unemployment, the provincial rate (Gauteng), and other metros in the region (Ekurhuleni and the Johannesburg). It can be noted from the figure that Tshwane’s 2013 unemployment rate was 21.5 percent, the lowest rate compared to the national, which was recorded at 25 percent, the provincial rate at 25.1 percent; Johannesburg at 22.8 percent and Ekurhuleni Metropolitan Municipality, which recorded the highest unemployment rate of 29.4 percent, as previously alluded to.
The unemployment rate disaggregated by SA’s population groups, has seen some improvements over the 2011 to 2013 period. These are characterised as follows:

• The unemployment rate for the African population slightly declined during the 2011 - 2013 period: National unemployment rate decreased with the smallest margin compared to Gauteng and its three Metros, from a 28.7 percent to 28.5 percent; Gauteng decreased from 30.4 to 28.8 percent; Tshwane decreased from 27.4 to 25.7 percent; City of Johannesburg decreased from 28.1 to 25.9 percent; and Ekurhuleni decreased from 35.2 to 33.5 percent.

• The unemployment rate of all other population groups’ (Coloured, White and Asian) witnessed mixed results, i.e. on average there has been slight increases in the unemployment rates of all the three population groups. When taking a closer look, the Coloured population (second worst performing) increased from 22.5 to 23.8 percent, the White population increased from 5.7 to 6.4 percent and the Asian population increased from 11.1 to 11.6 percent.

Figure 3.13: Unemployment rate disaggregated by population group, 2013

Source: IHS Global Insight Regional eXplorer version 759

The national youth (15-35) unemployment figure currently stands at 36.1 percent (official unemployment definition). This marks as a major increase from the national youth unemployment figure of 32.7 percent recorded in 2008 (StatsSA, 2014).
In 2013, South Africa’s youth accounted for 55.7 percent of the working age population aged 15-64 years yet they remain disproportionately represented among the employed currently recorded at 40.4 percent. The unemployed youth are currently at 67.4 percent, discouraged work-seekers 66.5 percent and youth that is not economically active is currently at 67 percent.

Figure 3.14 below indicates the breakdown of Tshwane’s total youth labour force, it can be noted from the figure that 42 percent of the youth in the City are employed, while 20 percent are unemployed, 4 percent are discouraged work seekers and 34 percent are not economically active. The high percentage of the youth population in Tshwane that are not economically active can be attributed to the fact that the City of Tshwane is home to three major higher education institutions in the country and numerous private ones.

Figure 3.14: Breakdown of Tshwane’s Total Youth Labour Force

Source: Census 2011

Young people who are not in employment, education or training (NEETs) constitute one of the greatest threats to social stability, (Department of Higher Education and Training, 2013). According to StatsSA, approximately 3.3 million young people between the ages 15 – 24 years are NEETs i.e. 31.4 percent^3 NEET rate in 2013, which increased from 31.1 percent in 2012. Great strides have been made by the City of Tshwane in contributing to addressing this dreadful social challenge. This has been through initiatives such as the Tshepo 10000 programme which has been targeted at the youth of Tshwane for skills development programmes designed to empower them for entrepreneurship in partnership with major financial and tertiary institutions and departments. To date, over 10000 young people have been registered on the programme.

\(^3\) (Number of unemployed youth + number of youth not in the labour force) – (Number of unemployed youth and youth not in the labour force and are in education and training)/ Total number of youth.
3.3 Welfare measures

Figure 3.15: Performance of Welfare Measures in the City of Tshwane, 1996 - 2013

Source: IHS Global Insight Regional eXplorer version 759

South Africa’s historical legacy of systematic social injustice has gravely fragmented social balances in the country. The government’s mandate to redress these socio-economic inequalities and promote equal access to resources and opportunities has proven to be a very complex exercise, hence social challenges continue to persist. SA’s income inequality rate ranks among the highest in the world, currently at marginally improved levels of 0.65. The poverty rate and the Human Development Index (HDI) have also been improving slightly over the years, at levels 34.1 percent and 0.64 percent in 2013 respectively.

Figure 3.15 above, indicates the performance of Tshwane’s social welfare indicators for the period 1996 – 2013. It is evident from the figure that Tshwane fares better at its social welfare indicators than the national average, however, inequality within Tshwane seems to have worsened significantly since 1996, albeit that it is lower than the 2004 record-high over the period concerned.

Note: 4 Measured by the Gini coefficient which is a measure of statistical dispersion developed by the Italian statistician Corrado Gini, a Gini coefficient of 0 = most equal and 1 = most unequal

5 HDI is a composite index that is used to compare relative human development. It is defined as the combination of three basic dimensions of human development – a long and healthy life, knowledge and a decent standard of living
4 ECONOMIC OVERVIEW OF THE CITY OF TSHWANE SECTION: SERVICE DELIVERY

Authored Matshepo Kanye

4.1 Introduction

The birth of the new and democratic South Africa in 1994 was met with great enthusiasm and great expectation by the majority of South Africans. According to Zubane (2011), for the majority of people, the emergence of the new dispensation meant better healthcare and education facilities, elimination of poverty, provision of better housing, accessibility to water, electricity and sanitation and the improvement of the general quality of life.

In March of 1998, the country’s democratic government launched the Local Government White Paper which serves as a blueprint for final form of local government after its progression from apartheid structures. This blueprint together with the country’s Constitution both serve as documents which outline the roles of the three spheres of government especially with regards to service delivery.

Service delivery is the government’s key role. It serves an essential function between government bodies and citizens. Pretorius and Schurink (2007) advocate that the past two decades have revealed the realisation that citizens are customers and this has become increasingly important to the way governments think and act. The fact that the government is a monopolist in the delivery of certain essential services to its clients mandates that an extra effort should be taken in this regard.

In 2013, the Gauteng City-Region Observatory (GCRO) undertook the third Quality of Life survey. The results of the study show that over 90% of households (91%) have piped water in their dwelling or yard, access to adequate sanitation, electricity for lighting and 87% have access to refuse collection once a week (GCRO, 2014). This indicates a clear commitment to service delivery in the region, however, the goal remains to enhance and excel across all aspects of service delivery for all residents of Gauteng. Considering the dynamic nature and complexity of Local government, the observed gap in service delivery often results in citizens mistrusting their government to act in their interest. Thus, local government serves a two-fold purpose, that of the administrative role of providing goods and services and the other of representing and involving its citizens in determining specific local public needs and how these needs can be met.
Based on the QoL 2013 survey results, resident satisfaction in Tshwane is on par or better than Gauteng only surpassed by Johannesburg (see Figure 4.1). The highest satisfaction with service delivery is recorded for water and sanitation delivery with 84 percent of respondents being satisfied with the services delivered, whilst the lowest recorded satisfaction is with safety and security with only 48 percent of residents being satisfied. Overall, satisfaction in Tshwane is recorded at 67 percent; the same as in Gauteng with this level of satisfaction is only exceeded by Johannesburg. Tshwane has, however, achieved the highest Quality of Life index score (6.45) and the lowest marginalisation index (2.27) (GCRO, 2014).

In a year when South Africa has been dogged by service delivery protests, it has become critical to assess the current levels of delivery experienced by the population. An understanding of the weaknesses in the provincial and especially local structures is accompanied by a plethora of benefits. It provides insight into whether these protests reflect genuine community concerns or the manipulation of information by other actors for any other reasons. It serves to highlight potential shortcomings in delivery, which can then be addressed appropriately. It also provides a benchmark from which to assess the future performance of the administration, which has placed an emphasis on the need to strengthen public institutions and reinforce a culture of service delivery at all levels.

Because the provision of essential services to residents is a key government function, this section assesses the extent to which the essential services of access to electricity, water, sanitation and waste removal in the City of Tshwane have been provided in the past decade with a focus on households. The City’s service delivery levels are benchmarked against that of Ekurhuleni and the City of Johannesburg in an effort to understand the manner in which the City compares in relation to the other two major metropolitan municipalities in the Gauteng province and to identify areas of improvement. The section concludes with a summary of the City of Tshwane’s performance with regards to service delivery and also includes recommendations to improve levels of service delivery in the city.
Figure 4.1: Resident Satisfaction QoL 2013

Source: GCRO, QoL 2013
4.2 Electricity

One of the greatest scientific achievements of the nineteenth century was the discovery of electricity. Many functions necessary to the present day business operations and daily life literally grind to a halt when the supply of electricity is interrupted. Electricity has become a basic necessity not just for the development of the economy, but also for performing the basic functions associated with living.

Figure 4.2 shows the percentage of households with electricity in the three metros. Though the rate of increase is fairly low, the City of Tshwane has over the past decade shown improvements in connecting the majority of its citizens to the electricity grid.

**Figure 4.2: Share of households with electricity connections from 2003-2013**

![Percentage of Households with Electricity Connections](image)

Source: IHS Global Insight Regional eXplorer version 759

Figure 4.3 represents the number of households without electricity. From 2003 to 2012, the City of Tshwane had succeeded in decreasing the total number of household without electricity connections. This success has been a direct result of the city’s commitment to the strategic objectives of its Integrated Development Plan (IDP) that of providing basic services to both formal and informal areas in the quest to improve the lives of the Tshwane residents.

Figure 4.2 and 4.3 clearly indicates that Tshwane is dedicated to service delivery given the complexity of population growth dynamics, minor vacillations in the figures from year to year needs to be viewed in context of the general trend. In 2013, a slight increase in service backlogs is noted across all metros. This viewed in conjunction Figure 5.4 shows that Tshwane’s has the lowest growth of households without electricity connections across the three Metro’s for the period 2008 to 2011 and again in 2013, shows that despite the complexity of service delivery the City is working hard to address the issues.
Figure 4.3: Share of households without electricity connections from 2003-2013

Source: IHS Global Insight Regional eXplorer version 759

Figure 4.4: Growth trend in households without electricity 2004 - 2013

Source: IHS Global Insight Regional eXplorer version 759
4.3 Water

South Africa’s Department of Water Affairs advocates that water is one of the most important substances on earth, a substance which all living creatures need for survival.

Though water is indispensable for life and for economic activities, it is important to note that water supply in South Africa is limited and unevenly distributed. The consensus shared at the 2011 Inaugural South African Water and Energy Forum was that the country will start experiencing serious water crisis and the preparation for such should be prioritised across all spheres.

Halting the depletion of existing water resources by cutting wastage and pollution and finding solutions to silt-ing of dams and algae build up are key supply side strategies. Water efficiency remains the key to the sustainability of the City’s water resource on the demand side as it rolls out water supply to the residents.

Figure 4.5 shows that between 2003 and 2013, there was a general increase in the provision of water services in Tshwane, which reflects the gradual eradication of backlogs in these services.

Figure 4.5: Share of households with piped water inside dwelling

Source: IHS Global Insight Regional eXplorer version 759, 2014
Figure 4.6: Water backlog growth rates 2004 - 2013

<table>
<thead>
<tr>
<th>Year</th>
<th>Gauteng</th>
<th>Ekurhuleni</th>
<th>City of Johannesburg</th>
<th>City of Tshwane</th>
</tr>
</thead>
<tbody>
<tr>
<td>2004</td>
<td>9.1%</td>
<td>10.3%</td>
<td>7.9%</td>
<td>9.7%</td>
</tr>
<tr>
<td>2005</td>
<td>10.8%</td>
<td>11.6%</td>
<td>9.3%</td>
<td>11.8%</td>
</tr>
<tr>
<td>2006</td>
<td>6.8%</td>
<td>6.7%</td>
<td>5.3%</td>
<td>8.8%</td>
</tr>
<tr>
<td>2007</td>
<td>5.5%</td>
<td>3.9%</td>
<td>4.8%</td>
<td>7.7%</td>
</tr>
<tr>
<td>2008</td>
<td>4.8%</td>
<td>4.0%</td>
<td>5.4%</td>
<td>5.1%</td>
</tr>
<tr>
<td>2009</td>
<td>3.1%</td>
<td>3.1%</td>
<td>3.6%</td>
<td>2.8%</td>
</tr>
<tr>
<td>2010</td>
<td>2.0%</td>
<td>1.9%</td>
<td>2.4%</td>
<td>1.5%</td>
</tr>
<tr>
<td>2011</td>
<td>0.5%</td>
<td>1.2%</td>
<td>0.7%</td>
<td>-0.8%</td>
</tr>
<tr>
<td>2012</td>
<td>0.7%</td>
<td>0.5%</td>
<td>2.6%</td>
<td>0.5%</td>
</tr>
<tr>
<td>2013</td>
<td>3.2%</td>
<td>6.3%</td>
<td>2.6%</td>
<td>1.7%</td>
</tr>
</tbody>
</table>

Source: IHS Global Insight Regional eXplorer version 759, 2014

From Figure 4.6, it is evident that in the mid 2000’s (2005 – 2008), Tshwane had the highest annual growth rate in water backlogs amongst the Metro’s; a fact which has subsequently changed as Tshwane currently has the lowest growth rate in backlogs amongst the Metro’s, which shows a dedication to improvement of service delivery.

### 4.4 Sanitation

Sanitation in South Africa is characterized by both achievements and challenges. Following the dissolution of apartheid, South Africa’s newly elected government inherited major service delivery backlogs with respect to all areas of service delivery as a small subset of the population was only serviced. Figure 4.7 shows a number of households with flush toilets.

From 2007 to 2013, the number of Tshwane households with access to flush toilets increased steadily. This reflects an improvement in the City’s ability to provide sanitation services. In comparison with Ekurhuleni and the City of Johannesburg, the City of Tshwane has the lowest percentage of households with flush toilets, this could be a result of the adjustment of municipal boundaries in 2011 adding two additional peri-urban regions to Tshwane that affects this percentage (see Figure 4.7). Figure 4.8 shows that despite the low absolute percentages, the provision of flush toilets grew more rapidly for the period 2006 – 2012 than any other metro in Gauteng.
**Figure 4.7 Share of households with flush toilets**

![Graph showing share of households with flush toilets from 2003 to 2013 for Ekurhuleni, City of Johannesburg, and City of Tshwane.]

Source: IHS Global Insight Regional eXplorer version 759, 2014

**Figure 4.8: Growth in access to flush toilets across Metro’s in Gauteng 2004 - 2013**

<table>
<thead>
<tr>
<th>Year</th>
<th>Gauteng</th>
<th>Ekurhuleni</th>
<th>City of Johannesburg</th>
<th>City of Tshwane</th>
</tr>
</thead>
<tbody>
<tr>
<td>2004</td>
<td>3.2%</td>
<td>3.4%</td>
<td>4.0%</td>
<td>3.3%</td>
</tr>
<tr>
<td>2005</td>
<td>3.2%</td>
<td>3.3%</td>
<td>3.7%</td>
<td>3.6%</td>
</tr>
<tr>
<td>2006</td>
<td>3.0%</td>
<td>3.1%</td>
<td>3.5%</td>
<td>3.3%</td>
</tr>
<tr>
<td>2007</td>
<td>3.4%</td>
<td>3.3%</td>
<td>3.3%</td>
<td>4.3%</td>
</tr>
<tr>
<td>2008</td>
<td>3.9%</td>
<td>3.9%</td>
<td>3.7%</td>
<td>4.3%</td>
</tr>
<tr>
<td>2009</td>
<td>3.1%</td>
<td>3.0%</td>
<td>3.0%</td>
<td>5.0%</td>
</tr>
<tr>
<td>2010</td>
<td>3.1%</td>
<td>3.2%</td>
<td>3.2%</td>
<td>4.8%</td>
</tr>
<tr>
<td>2011</td>
<td>2.8%</td>
<td>3.2%</td>
<td>3.2%</td>
<td>4.2%</td>
</tr>
<tr>
<td>2012</td>
<td>2.6%</td>
<td>0.0%</td>
<td>3.4%</td>
<td>4.4%</td>
</tr>
<tr>
<td>2013</td>
<td>-1.0%</td>
<td>5.9%</td>
<td>1.7%</td>
<td>6.0%</td>
</tr>
</tbody>
</table>

Source: IHS Global Insight Regional eXplorer version 759

**4.5 Refuse Removal**

The provision of an adequate and sustainable waste service delivery system in South Africa has had many challenges and there has been very little progress with regards to significant movement in this area.
Figure 4.9: Share of households with formal refuse removal

![Bar chart showing the share of households with formal refuse removal by municipality over years 2003 to 2013.](chart)

Source: IHS Global Insight Regional eXplorer version 759, 2014

Figure 4.9 shows a representation of the number of households which enjoy the services of formal refuse removal by the municipality. Though the city has recorded improvements in this regard, the pace leaves room for improvement.

Figure 4.10 Share of households with no formal refuse

![Bar chart showing the share of households with no formal refuse removal by municipality over years 2003 to 2013.](chart)

Source: IHS Global Insight Regional eXplorer version 759, 2014

Figure 4.10 represents the number of households with no formal refuse removal services. The effects of the uncollected waste are detrimental to the environment because most products thrown away contain more dangerous and health-affecting chemicals than ever before.
4.6 Housing

Municipalities should help ensure that people have shelter or safe and affordable housing. In the City of Tshwane, there are more formal households than informal households and based on Figure 5.11, the formal household backlog is decreasing. The figure below illustrates that 50 percent of Tshwane households are living in a “very formal” or “formal” dwelling. However, despite the positive developments in housing, the number of informal dwellings is a cause for concern and remains a key focus point for service delivery. This trend, in all actuality, is driven by the continued and exponentially growing trend of urbanisation as well as the spatial growth of the City of Tshwane in recent years. The rate at which the former factors are growing far exceeds the rate at which services are being provided.

Figure 4.11: Household by type of dwelling

Source: IHS Global Insight Reginal eXplorer

Service delivery is a key driver of economic welfare for the citizens of South Africa. Quality services and increased levels of service delivery is key to the development and welfare of especially marginalised individuals. The relationship between local government and citizens is a complex relationship. Trust and citizen satisfaction in service delivery is an important factor in maintaining the legitimacy of government authority. Local government is the only governmental body that can and will without a profit motive provide basic services to citizens, some of which citizens sometimes do not look forward to. Therefore, it is important that these services are professionally provided by capable, trained and dedicated staff.
In 2011, the City of Tshwane committed to the provision of basic services to areas that do not have basic services including water, sanitation, waste removal and electricity, and to continued with the provision of sustainable housing development. The City has continues to uphold this commitment with an added emphasis on the maintenance and management of the services infrastructure, improving mobility and the provision of various housing typologies.

The 2011/16 IDP stressed the City’s commitment to provision of services beyond the minimum standards that are stipulated by the national government. The targets set by the City in the 2013/14 financial year are still in line with this position.

6 CONCLUDING REMARKS

Authored by Shaakira Karolia

“We, the people of South Africa, have journeyed far since the long lines of our first democratic election on 27 April 1994, when we elected a government for us all. Now in 2030 we live in a country which we have remade.”

(NDP 2030, Our future – make it work)

The past twenty years have witnessed a remarkable transition away from apartheid to democracy in South Africa. The apartheid system, designed to subjugate black South Africans and ensure that resources were devoted primarily to the wellbeing of a small fraction of the populace, has had to be transformed so that those resources serve all the people of South Africa and that more democratic systems of governance are put in place.

This transition and transformation has occurred whilst the major cities have continued to grow, creating a context in which South Africa has become more urbanised than most countries in sub-Saharan Africa. Urbanization is a key force for economic development leading to necessary social change and positive political outcomes. Indeed, Africa’s urban population is expected to increase threefold, from around 400 million people to around 1.2 billion, with urban growth often taking the form of informal settlements and slums. The scale of the growth in slums in sub-Saharan Africa is quite staggering – from 103 million in 1990 to 213 million in 2012(UN Habitat, 2010). So while Africa’s future is urban, as is the case elsewhere in the world, the developmental challenges are enormous.

In world terms, presently more than half of the world’s population is urban, with 1.5 billion people living in 600 cities, representing 22% of the globe’s population (Mckinsey Global Institute, 2011). In 2025, these 600 cities will account for 60% of global GDP (approximately USD64 trillion) (Mckinsey Global Institute, 2011).
At a local government level, the first Mayor of a democratic Tshwane, Father Smangaliso Mkhhatshwa argued in 2000 that “we inherited a city divided along racial and geographic lines, but we rose to the challenge by seamlessly integrating the east and west and north and south into one city – a single municipality of black and white and rich and poor united in the common objective of creating a city comparable to the leading capital cities of the world” (State of the City Address, 2006). These were important statements of a uniting vision. His words also indicated that the divided city needed to be integrated into a single united city.

That challenge required massive infrastructural investments to improve living conditions (water, electricity, sanitation, housing) of people, whilst at the same time connecting them physically (through the improvement of roads) and ensuring they had access to better public transport and ICT technologies. This would mean that even though in the short-term people may have not been able to live in close proximity to each other (given the apartheid divisions) they would at least live in a city where service delivery was equitable and its services efficient and effective.

Recognising that while economic statistics in South Africa at a national and provincial level are quite good at a city level they are not disaggregated at detailed levels and therefore quite poor, the Annual Economic Landscape 2015 Report has endeavoured to provide the highest calibre of economic analysis of the City of Tshwane.

Ever-growing bodies of literature show the importance of cities and city-regions in the economic development of countries. Two main propositions have been put forward within the report: (i) Cities are tending to replace national territories as the key units or engines of economic growth and value creation, and (ii) the fortunes of cities are increasingly independent of national governments.

In South African studies, over the past twenty years, Tshwane features as growing very strongly, particularly compared with other metropolitan cities. Whilst benefitting from being a centre of national governance and administration, where its economic growth has been cushioned from recessionary effects, its industrial base has also performed quite well. Analysis undertaken by Turok and Borel-Saladin (2013) shows clearly the consistent growth shown by Tshwane over the past 20 years Interestingly, whilst Tshwane has performed well, the OECD (2012) report argues that despite its high contribution to the national GDP and GDP growth by Gauteng, the province is in fact underperforming in terms of its GDP growth per capita. Geographically, Tshwane has grown enormously, from a set of interrelated, yet very separate (under apartheid), local jurisdictions having a diverse range of powers and functions to a single entity with strong powers and functions entrenched in the constitution. Some 900000 households now live in areas in which there is a high level of formal housing and over the twenty year period there has been a significant reduction in the number of people without access to basic services in Tshwane (StatsSA, 2012).
Tshwane clearly displays great potential, with relatively high rates of people with higher education, the fastest growing local economy in South Africa and the second highest average household income within Gauteng, even though the difference between the two metros (Tshwane and Johannesburg) is fairly small. Whilst benefitting from being a centre of national governance and administration, where its economic growth has been cushioned from recessionary effects, Tshwane’s industrial base has also performed quite well.

Tshwane’s economy more than doubled in size over less than 20 years. The post-apartheid period has had its challenges and benefits. Managing the post-apartheid economy was complex, partly because the excesses and policy errors of the latter years of apartheid left the country close to bankruptcy. There were no foreign exchange reserves, public debt had rocketed and inflation was in the upper teens with investment levels plummeting. Whilst there are many arguments on what needed to be done, the fact was that the decline had to stop.

In the 1994 to 2001 period, South Africa was successful in stabilising the economy, improving the confidence of domestic and foreign investors, rebuilding its reputation among lenders, bringing down inflation and restoring the health of the public finances. The period 2003 to 2008 saw the longest economic boom in South Africa’s history, with employment increasing, unemployment falling, investment rising and inflation and real interest rates declining rapidly.

The global economic downturn around 2008 brought a halt to that progress and as a result between 2009 - 2011 South Africa lost about 1 million jobs (9% workforce). Since then, the economy has slowly recovered and continued to grow, but at a slower rate than previously expected. GDP growth was 1.9 percent in 2013, 1.6 percent in 2014 and is expected to grow by 2.9 percent in 2015.

The City of Tshwane has been the fastest growing municipality in South Africa, on average, between 1997 and 2012 and Tshwane contributes an estimated 27 percent of the GDP to the Gauteng province and approximately 10 percent to the national economy. Importantly, the City of Tshwane has a well-established manufacturing sector with the automotive industry being a key player in this sector. Significant opportunity exists for high income and employment multipliers such as knowledge-intensive service industries.

The employment situation of Tshwane has improved significantly over the period 1996-2013. Today, Tshwane has one of the lowest unemployment rates in South Africa. One of the implications of this good relative growth is that it provides stability in revenue. Tshwane, just like South Africa, has a high Gini coefficient, a measure of inequality, currently at 63, and among the highest in the world.
Given the complex makeup of Tshwane’s economy, we must ensure that it cushions itself against growing trends such as:

• Energy and resource shortages
• Demand for food and water relative to supply
• Addressing the demographic transition, providing hope to the youth
• The slower growth of the South Africa’s economy with projections at 2.7 percent in 2013, 3.5 percent in 2014 and 3.8 percent in 2015.
• Ensuring public-sector capital investment, additional electricity-generating capacity, relatively stable inflation, low interest rates and robust economic activity.

It is of the utmost importance for urban economies to track the shift and implications of the composition change of economies from manufacturing to a finance and community services economy, which is corroborated by the observed growth of financial services which has dominated the changing profile of the major metros. Tshwane needs to gear itself to take advantage of the government’s moves towards city-focussed strategies through developing the foundation for strong local economic performance.

Strategies

One also cannot ignore the racial inequality across space which has not changed much since 1994. Of course this spatial racial inequality compounds inequalities when one considers the travel times taken for workers to travel to places of economic opportunity. Tshwane set itself a goal of creating more than 5 000 jobs - both short and long term employment - per annum in addition to the pioneering Tshepo 10,000 project. This would be achieved through: (i) the Expanded Public Works Programme (EPWP); (ii) SMME support, particularly in the tourism sectors; (iii) preferential procurement practices, to broaden economic participation and advance black economic empowerment.

On a Tshwane macroeconomic level, it is clear that there is a plethora of economic benefits that have accrued to the Tshwane region in the last two decades such as; lower than national unemployment rates, higher development rates relative to national comparisons, a highly educated population and being the fastest growing municipality on average for the last decade. However, these benefits have not resulted in greater economic growth for all Tshwane residents, with inequality remaining at alarmingly high levels.

Given the complex makeup of Tshwane’s economy, we must ensure that it cushions itself against growing trends such as:

• Energy and resource shortages
• Demand for food and water relative to supply
• Addressing the demographic transition, providing hope to the youth
• The slower growth of the South Africa’s economy with projections at 2.7 percent in 2013, 3.5 percent in 2014 and 3.8 percent in 2015.
• Ensuring public-sector capital investment, additional electricity-generating capacity, relatively stable inflation, low interest rates and robust economic activity.

It is of the utmost importance for urban economies to track the shift and implications of the composition change of economies from manufacturing to a finance and community services economy, which is corroborated by the observed growth of financial services which has dominated the changing profile of the major metros. Tshwane needs to gear itself to take advantage of the government’s moves towards city-focussed strategies through developing the foundation for strong local economic performance.

Strategies
The identified developmental trajectory of the City is going to be a crucial ingredient to be able to deal with the complex challenges by which cities are confronted, as cities are growing at an unprecedented and challenging speed and the global economic slowdown remains a challenge.
The plethora of socioeconomic ills that the country and consequently cities face can be overcome by the Democratic Developmental State (DDS) having the requisite capacity and capability to drive the transformation agenda determined by the policy environment and institutional capacity of the DDS across both economic and political institutions. The DDS must have the requisite levels of capacity to efficiently and effectively channel scarce economic resources to the most productive areas of the economy, thereby achieving allocative efficiency. This will in turn be determined by the purposefulness, coherence and cohesion of government policy at all levels underpinned by the creation of a strong civil society. As a result of the fact that South Africa is still within the process of democratic maturation, the state has a direct role to play with the enhancement of social cohesion as well as the enabling environment for the development of a capable civil society. In this regard, there is considerable room within the South African constitution for the asymmetric allocation of powers and functions and there is greater space for more diversity with regard to the implementation of developmental priorities – a process that must be led by municipalities within South Africa, particularly the larger metros. If these core considerations and challenges are addressed and actively driven, South African cities will become increasingly resilient within the global arena.

“Inequality leads to lower growth and less efficiency. Lack of opportunity means that its most valuable asset — its people — is not being fully used. Many at the bottom, or even in the middle, are not living up to their potential, because the rich, needing few public services and worried that a strong government might redistribute income, use their political influence to cut taxes and curtail government spending. This leads to underinvestment in infrastructure, education and technology, impeding the engines of growth... Most importantly, America’s inequality is undermining its values and identity. With inequality reaching such extremes, it is not surprising that its effects are manifest in every public decision, from the conduct of monetary policy to budgetary allocations. America has become a country not ‘with justice for all,’ but rather with favoritism for the rich and justice for those who can afford it — so evident in the foreclosure crisis, in which the big banks believed that they were too big not only to fail, but also to be held accountable.”

Joseph Stiglitz (The Price of Inequality, 2012)
7 REFERENCES


Gauteng City Region Observatory, 2014, Quality of Life Survey 2013.


IHS Global Insight, 2014, Regional eXplorer version 759.


State Of The City Address, 2006, By Father Smangaliso Mkhatshwa, Executive Mayor Of The City Of Tshwane..


8. THE ECONOMIC INTELLIGENCE TEAM

Shaakira Karolia currently serves as the City of Tshwane’s Chief Economist and is also Economic Advisor to the Executive Mayor of Tshwane.

Prior to joining the City of Tshwane, Shaakira worked within the strategy team at the Johannesburg Stock Exchange during which time one of her major projects included establishing the BRICS stock exchange alliance. She subsequently worked as an Economic Analyst in the Office of the CEO at the JSE, following which she lectured Economics at the University of Pretoria.

Shaakira graduated with her Masters in Econometrics, cum laude and also at the top of her class, from the University of Pretoria receiving one of the highest research accolades within the Department. She is currently pursuing an MPhil in Political Philosophy and her research interests include monetary economics and banking, development economics, political economy and economic history. Her PhD thesis topic is concerned with examining the relationship between financial sector sophistication and inequality. Shaakira’s most recent publication entitled “The long-run impact of inflation in South Africa” was published in 2013 in the Journal of Policy Modeling.

Henri Labuschagne currently serves as the Statistician in the Economic Intelligence Division in the Office of the Executive Mayor.

Prior to joining the City of Tshwane, Henri worked at the University of Pretoria in an educational research unit, where he was involved in the Progress in International Reading Literacy Study (PIRLS) 2011, which was conducted by the IEA in more than 40 countries across the globe.

Henri graduated with his Masters in Economics from the University of Pretoria, specialising in trade and industrial economics. He has a passion for numbers, statistics and econometric modelling. His dissertation titled “Trade policy evaluation, trade promotion or home development? : evaluating the motor industry in south africa” utilises parametric and non parametric statistical significance testing to determine whether the MIDP policy has benefited the South African Economy.

Refiloe Joala holds a Master’s degree in Development Economics and International Project Management from Université Paris-Est Créteil in France. Before joining the City of Tshwane she worked in applied research and policy analysis in the area of human security, with a focus on sustainable development and risk analysis.

She obtained a BA in Politics and Economics and a BA Honours Politics at the University of Johannesburg. Her area of interests relates to the water, energy and food nexus with a focus on inclusive economic growth and green economy.
Lodie Venter currently serves as an Economic and Geographic Trend Analyst in the Office of the Executive Mayor.

Lodie has 26 years town planning experience. During this period he was involved in major redevelopment projects in the City such as the expansion of the Menlyn Node as well as the redevelopment of Hatfield.

Lodie graduated with a Masters of Science, specializing in real estate from the University of Pretoria. He has an active interest in the influence and implications of Climate Change on urban environments.

Ntandokabawo James has been in the field of Mining and Environmental Engineering for a few years, and prior to joining the City of Tshwane as a Policy and Strategy Analyst, he worked for AngloGold Ashanti Mine in the phytoremediation department as well as ERM Ltd as an Engineering Geologist.

He obtained his Master of Science, Development Planning (MSc DP) from the University of the Witwatersrand. His interest lies with the shift towards greening of the local economy. Ntandokabawo is also a co-founder of the Tshwane Foundation, an NGO focussed on higher education and bridging the gap between rural and urban learners.

Matshepo Kanye is a Strategy and Policy Analyst in the Economic Intelligence Division in the Office of the Executive Mayor at the City of Tshwane. Her key areas of interests are Development and Business Economics. Prior to joining the City of Tshwane, Matshepo worked as a consultant in a human capital consulting firm where her core function was to conduct research on labour economics issues such as the functioning of the markets for labour, global work movements, economic and financial rationale for career-life decisions as well as the role of technology in the labour market. In that same period, she was also involved on projects with a management consulting firm where she assisted with conducting various economic research and feasibility studies for clients looking at market expansion and business development into select Sub Saharan African markets. Her career history also expands to working in a recruitment firm where her core function was to assist with the talent search for key Investment Banking Clients.

Matshepo’s passion for people is what motivates her to contribute to the successful development of South Africa.

She holds a Bachelor of Economics Honours Degree from Rhodes University.
Tombizodwa Mabena is currently a Data Management Specialist at the City of Tshwane within the Office of the Executive Mayor – the Economic Intelligence Unit, she is a former National Budget Analysis Intern from the Financial and Fiscal Commission after leaving the private sector to explore her interest in Public Finance.

She holds a Post Graduate Diploma in Financial Planning from the University of Free State and a Bachelor of commerce in Economics from the University of Pretoria. Her interests also include Financial Economics and Analytics, this explains her interests in further pursuing an Honours qualification in Economics.

**Ntombizodwa Mabena**  
Data Management Specialist  
Email: NtombizodwaMa@Tshwane.gov.za  
Tel: +27 12 358 3961

Tumiso Maitisa joined the Economic Intelligence Division as the Data Management Specialist in the economic intelligence division. He is responsible for data management and analysis. Tumiso possess experience and understanding of analytical work and research. He is committed to improve quality standards of statistical analysis.

He is formally trained as an Economist and holds Bachelor of Commerce in Economics (Honours) from University of Limpopo, presently completing his master of commerce dissertation with the same institution.

Tumiso served as an economist trainee at the department of economic development in Limpopo, where he was responsible for analysis of provincial economic trends, develop, update and formulate economic development information.

**Tumiso Maitisa**  
Data Management Specialist  
Email: TumisoMa@tshwane.gov.za  
Tel: +27 12 358 1499

Susann Van Vuuren joined the City of Tshwane in 2014 to provide secretarial support to the City of Tshwane’s Chief Economist.

Prior to joining the City of Tshwane, Susann provided 18 years of distinguished service to the JMPD. During this period at the JMPD, Susann was also awarded and recognized as the top personal assistant with in the JMPD.

As a mother of two children Susann heart felt belief is that one should always have a healthy balance of a career and family, and with that in mind some of the key pillars that have led to Susann success are: time management, passion to cause, dedication to a team and importantly one hundred percent commitment.

**Susann Van Vuuren**  
Senior Secretary  
Email: SusannVV@tshwane.gov.za  
Tel: +27 12 358 3699

**City of Tshwane**  
Economic Intelligence Division