

Strategic Roadmap for Economic Development

“Integrated Economic Growth Plan”

08 June 2016

Mayoral Advisory Panel Introductory Meeting



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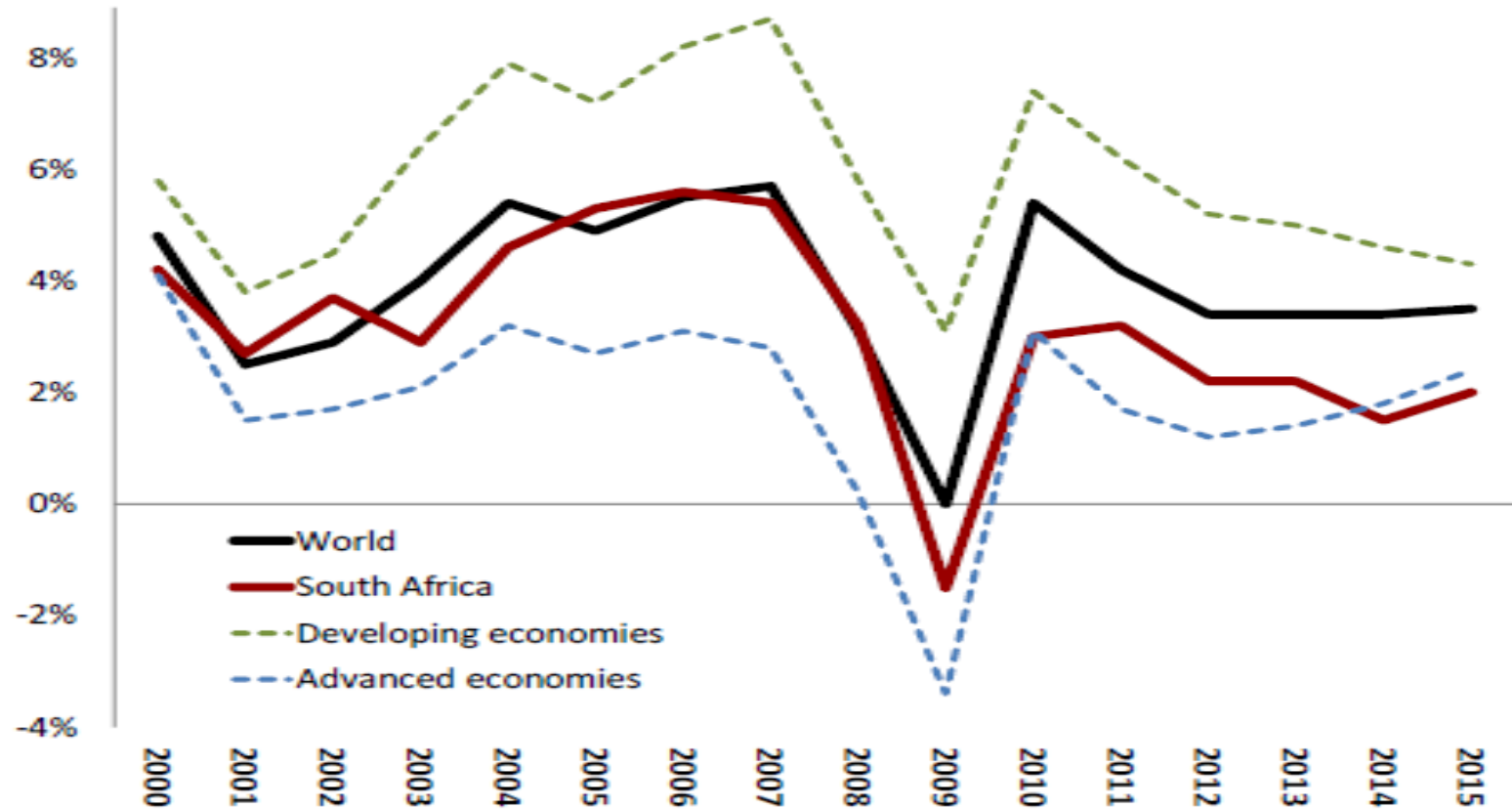
National Development Plan

Outcomes	Eradicate poverty – 39% to zero (Prosperity)		
	Reduce inequality – 0.69 to 0.6 (Equality)		
	Create jobs - 11 million additional jobs by 2030 (Work)		
Strat Priorities	Capabilities of Citizens/ Enhancing the quality of life <ul style="list-style-type: none"> - Quality services - Social wage - Cost of living 	Expanded, inclusive, efficient and fairer economy <ul style="list-style-type: none"> • Structure of economy <ul style="list-style-type: none"> • Cost of doing business & infrastr • SMMEs, township & rural eco 	Active Citizenry, Capable State & Leadership <ul style="list-style-type: none"> • Responsive state & appropriate capacity • Citizen voice & dialogue <ul style="list-style-type: none"> • Social cohesion/ compacts
	Drive coordination		
Aims	Foster strong leadership		
	Mobilise South Africans		



South Africa's Economic Performance

Real GDP growth in South Africa and the world economy, 2000 - 2014



SA Trade in 2015

Export Partners	Rbn
1. China	92.1
2. United States	76.6
3. Germany	67.6
4. Namibia	52.9
5. Botswana	52.7
6. Japan	50.5
7. India	41.6
8. United Kingdom	41.6
9. Belgium	28.7
10. Mozambique	28.2

Import Partners	Rbn
1. China	199.4
2. Germany	123.0
3. United States	76.5
4. India	53.8
5. Japan	40.1
6. Nigeria	37.8
7. United Kingdom	35.0
8. Saudi Arabia	33.7
9. Italy	28.3
10. Thailand	26.3

Source: Quantec

Foreign Direct Investment (FDI)

FDI INTO MIDDLE EAST AND AFRICA BY PROJECT NUMBERS 2015

Country	Projects 2015	% change
UAE	298	-2%
South Africa	118	3%
Kenya	84	47%
Saudi Arabia	78	3%
Morocco	71	8%
Egypt	59	14%
Nigeria	51	19%
Ghana	40	21%
Oman	35	9%
Bahrain	34	31%
Other	386	-13%
Total	1254	1%

Source: fDi Markets Note: Percentages rounded up/down

InvestSA Priority Sectors for FDI

- Advanced Manufacturing
- Nanotechnology
- Metals
- Mining & Beneficiation
- Biofuels
- Agribusiness
- Automotives & Components
- Capital Equipment
- Precision engineering
- Aerospace
- Film production
- Tourism
- Oil & Gas
- Boat Building
- ICT and electronics
- BPO (Business Processing & Outsourcing) and Call Centres
- Chemicals & Biochemicals
- Plastics & Composites
- (Bio) Pharmaceuticals & Medical Devices
- Leather and footwear
- Forestry products & Furniture
- Energy and Renewables
- Infrastructure Development
- Waste Management
- Energy Efficiency & Cleaner Technology

Missions Abroad

WORLD POLITICAL MAP



Economic Diplomacy Activities

South Africa's economic diplomacy will:

- Provide guidance to government and the business sector on economic developments and markets,
- Pursue market access for South African products,
- Attract investments and tourism,
- Remove barriers to trade,
- Support development of larger markets in Africa,
- Enhance competitiveness of South African goods and services in the major global markets, and
- Pursue a fair and equitable rules-based international trade regime.

Ease of Doing Business in SA Municipalities

Starting a business

Municipality (Municipal seat)	Procedures (number)	Time (days)
Buffalo City (East London)	6	56
Cape Town (Cape Town)	6	56
Ekurhuleni (Germiston)	6	46
eThekweni (Durban)	6	56
Johannesburg (Johannesburg)	6	46
Mangaung (Bloemfontein)	6	56
Msunduzi (Pietermaritzburg)	6	56
Nelson Mandela Bay (Port Elizabeth)	6	56
Tshwane (Pretoria)	6	46

Dealing with construction permits

Municipality (Municipal seat)	Procedures (number)	Time (days)
Buffalo City (East London)	16	88
Cape Town (Cape Town)	16	83
Ekurhuleni (Germiston)	16	98
eThekweni (Durban)	16	104
Johannesburg (Johannesburg)	19	141
Mangaung (Bloemfontein)	22	109
Msunduzi (Pietermaritzburg)	17	117
Nelson Mandela Bay (Port Elizabeth)	15	88
Tshwane (Pretoria)	16	166

Getting electricity

Municipality (Municipal seat)	Procedures (number)	Time (days)
Buffalo City (East London)	6	66
Cape Town (Cape Town)	4	87
Ekurhuleni (Germiston)	6	90
eThekweni (Durban)	5	98
Johannesburg (Johannesburg)	5	226
Mangaung (Bloemfontein)	4	80
Msunduzi (Pietermaritzburg)	5	184
Nelson Mandela Bay (Port Elizabeth)	5	333
Tshwane (Pretoria)	6	104

Registering property

Municipality (Municipal seat)	Procedures (number)	Time (days)
Buffalo City (East London)	8	24
Cape Town (Cape Town)	9	29
Ekurhuleni (Germiston)	7	33
eThekweni (Durban)	8	29
Johannesburg (Johannesburg)	7	23
Mangaung (Bloemfontein)	8	52
Msunduzi (Pietermaritzburg)	8	45
Nelson Mandela Bay (Port Elizabeth)	8	25
Tshwane (Pretoria)	7	30

Strategic Intent of the Roadmap

- To guide the City of uMhlathuze on practical interventions and programmes;
- To embed the culture of business unusual across departments in order to stimulate inclusive growth in the City;
- To implement a coherent plan that will achieve desired results progressively;
- To remove red tape and business unfriendly processes;
- To enforce paradigm shift and change management;
- To improve strategic partnerships with key stakeholders;
- To induce a culture of long term planning and investment.



Alignment with other plans

National Development Plan

Provincial GDP

District GDP

RBIDZ Master Plan

Port Expansion Plan

Other National & Provincial Plans i.e. KZN Maritime Strategy, IPAP

SWOT Analysis

Key Strengths

- Port infrastructure
- Large industries & manufacturing
- Natural resources
- Agricultural potential
- Public Transport Infrastructure
- Various business incubators
- N2 is gateway to KZN, Swaziland, Mozambique and Mpumalanga

Key Weaknesses:

- Limited availability of arable land and lack of information on business opportunities
- Environmental sensitivity
- Lack of appropriate skills & programmes to develop key skills for existing and proposed industries
- Limited funding available for tourism promotion activities
- Life style and leisure infrastructure is not well developed
- Public-Private partnerships are not adequately established



SWOT Analysis

Key Opportunities:

- Build on theme of being a gateway city
- Expansion of the port
- Upgrade of the Airport
- N2 Corridor development
- Export more products through port
- Industrial Development Zone
- Coastal & Marine Tourism including Events Tourism
- Institution of Higher Learning
- Investment in the Maritime industry for ship building and repair
- Automotive Sector building on Bell Equipment
- Beneficiation of mineral products
- Investment in renewable energy/ green energy
- Agro-processing and agriculture skills development
- Secondary City



SWOT Analysis

Key Threats:

- Sensitive to commodity prices and international markets
- Skills Flight
- Crime & Grime
- Disinvestment by large International Investors due to emerging market concerns
- Land claims
- Water security of supply
- Limited economic mix

Key Considerations

- Economic diversification
- Localisation of the economy and product sourcing
- Economic inclusiveness – township, rural and urban connectivity
- Evangelising job creation
- Cost and ease of doing business
- Virtual economy
- Funding and access markets
- Industry based skills development prioritisation
- Green economy
- The 4th Industrial Revolution - digital revolution and combines multiple technologies

Priority Sectors

1. Manufacturing & logistics
2. Agriculture, Agro-processing and rural economy
3. Maritime & Blue Economy
4. Tourism
5. Wholesale, retail, trade and services
6. Mining and beneficiation
7. Township economy
8. Construction & Built environment
9. Green Economy and Energy
10. ICT & Innovation

3 Pronged Intervention Mechanism

Core Competencies

- Approval of development plans i.e. turnaround time
- Opening of investors accounts for services
- Infrastructure : water, electricity, roads etc.
- Budget allocation to strategic projects i.e. Tourism Infrastructure

Strategic Partnerships

- Skills Development & Incubation
- ICT & Innovation
- Support Infrastructure i.e. Waterfront
- Strategic Marketing i.e. Tourism KZN, TIKZN
- Water Reuse & Desalination i.e. DWS

Advocacy & resource mobilisation

- Automotive Sector
- Container Terminal
- Oceans Economy
- Grant & Donor Funding and private capital

Key Priority: One Stop Shop

One Stop Shop

Funding

Access to Markets

Business & Enterprise Dev

Industry based Skills
Development

Sector Specific Incubation

Ease of Doing Business

Innovation

InvestuMhlathuze
A Port City

Example of Delivery Timetable

Performance Indicator		Annual targets (2016-2020)				Up to 2025	Up to 2030
		16/17	17/18	18/19	19/20	2021-2025	2026-2030
Business/ Enterprise Development							
1.	One-stop shop establishment for business & enterprise development			x			
2.	Completion of SMME local fund business case & capitalisation in partnership with SOEs and private sector		x				
3.	Commodity Resource Plan		x				
4.	MOU with Productivity SA	x					
5.	MOU with PUM – Global Mentorship Programme	x					
6.	Review Policy Framework for procurement to set targets for local sourcing, youth, women, people with disabilities & subcontracting	x					
7.	Establish Youth in Business Forum and Support Desk/Centre	x					

Sector-Wide Priority Projects							
Performance Indicator		Annual targets (2016-2020)				Up to 2025	Up to 2030
		16/17	17/18	18/19	19/20	2021-2025	2026-2030
Other							
1.	Pre-feasibility/ concept for IPTS		X				
2.	Localized climate change, mitigation and adaption strategy and phased implementation			X			
3.	Revenue generation, cost-saving and diversification strategic projects	X					
4.	Integrated City Safety Plan & Implementation Model in partnership with private sector		X				
5.	Feasibility & Capitalisation of Long term Infrastructure Development Fund			X			
6.	Creation of centralised database for unemployed & job seekers diversion programme		x				
7.	Long-term investment plan & funding model for catalytic projects			x			

Township Economy							
Performance Indicator		Annual targets (2016-2020)				Up to 2025	Up to 2030
		16/17	17/18	18/19	19/20	2021-2025	2026-2030
Economic Development							
1.	Tailored made township economy revitalisation and modernisation plan with clearly defined annual deliverables and outcomes (strategic economic infrastructure, local industries, resourcing and financial support, entrepreneurship development, market support and competitiveness, township – urban economy nodes connectivity, regulatory environment, quality & standards, indigenous business knowledge systems,)		X				
2.	Township growth index and economic profile			X			
3.	Township Chamber of Business forum (ZCCI)			X			
Enterprise development							
1.	Business Support Hubs				X		
2.	Township Enterprise /Supplier Development Program				X		
3.	Implementation of township experience - entertainment/ leisure precinct and township economic corridors					X	
Infrastructure Development							
1.	Broadband roll out and last mile connectivity					X	
2.	Strategic Nodes Public Environment Upgrade and Place Making				X		
Access to markets							
1.	Localisation campaign and identification of national & international markets for local products		X				
2.	Local market development				X		

Key Enabling Factors for Roadmap Implementation

- Special purpose vehicle (SPV) to implement the roadmap
- Key sector specialists for the proposed one-stop shop
- Upskilling of Municipal officials in respective sectors they championing
- Development of skills (scarce/ required)
- Secure adequate funding for capital and operations to implement proposed projects
- Adequate revenue generation for the Municipality
- Strong and robust stakeholder engagement plan
- Strong M&E team
- Paradigm shift & new ethos within the municipality
- Adopt Customised Incentives Package

Smart City as a Strategic Enabler

Broadband/Wi-fi Parks

E-Government Services

Digital Payment & e- Procurement

Mobility (Intelligent Transport Systems)

Smart Energy, Water & Waste

Smart City Safety

Smart Citizen Interface & Participation

Integrated Operations Centre (IOC)

URBAN LIVING LAB



Monitoring & Evaluation

- It will be important to establish a strong monitoring and evaluation team on the implementation of the plan.
- Impact on the interventions should be done on a regular basis.
- Regular progress report to Council structures.
- On going economic research, mapping, data mini and trends analysis.

Conclusion

We need to put together our collective efforts & wisdom to respond to the tripple challenges and this process can't be a blame game.



Inequality



Poverty



Unemployment

THANK YOU

***Buy, Sell, Invest, Innovate, Live, Work and
Play at the City of uMhlathuze***