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Department:
Economy & Enterprise Development
North West Provincial Government
Republic of South Africa



2017 VTSD ECONOMIC FORUM

ECONOMIC OVERVIEW

MMABATHO CONVENTIONCENTRE

29 NOVEMBER 2017

Together moving Bokone Bophirima forward.



- INTRODUCTION
- CONTEXT ON:
 - National development Plan
 - Provincial Development Plan
- BOKONE BOPHIRIMA AT A GLANCE
- BOKONE BOPHIRIMA WITHIN THE BIGGER PICTURE
- VTSDs AS INTEGRAL PART OF GEOSPATIAL ECONOMY IN BOKONE BOPHIRIMA
- CONCLUSION



INTRODUCTION

- Bokone Bophirima Province along with the rest of South Africa is experiencing low economic growth brought about by the current economic trends experienced worldwide.
- The Country and most Provinces are however well on their way to recovery, but developmental challenges remain formidable.
- The question now arises on the Bokone Bophirima's ability to withstand an extended period of sub-par growth.
- In alignment with the National Development Plan, the Province has crafted its plan to address the economic challenges through targeted focus on development biased to VTSD approach and specifically focussing on ACT sectors through the Saamwerk-Saamtrek philosophy.



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THE NATIONAL DEVELOPMENT PLAN

DIAGNOSIS/PROBLEM TODAY: (POVERTY AND INEQUALITY)	THE JOURNEY TO 2030/THE PLAN 2030 (PROSPERITY AND EQUITY)
1. Divided Communities	1. Unite the nation
2. Uneven Public Service	2. A capable state serving its people
3. High disease burden	3. Quality healthcare for all
4. Poor Education	4. Quality education for all
5. Planning that Excludes People	5. Planning that includes everyone
6. Economy run on fossil fuels	6. Economy using clean, renewable energy
7. Ageing Infrastructure	7. Build strong new infrastructure
8. Not enough jobs	8. Create 11 million jobs



THE PROVINCIAL DEVELOPMENT PLAN

North-West province's 5th administration implements the NDP through a Rebranding, Repositioning and Renewal (RRR) approach, anchored in 5 concretes:

- I. **ACT (Agriculture, Culture and Tourism);**
- II. **VTSD (Villages, Townships and Small Dorpies;**
- III. **RHR (Reconciliation, Healing and Renewal);**
- IV. **Setsokotsane
(comprehensive & integrated service delivery campaign);**
- V. **Saamwerk-Saamtrek
(call for unity of purpose above race divisions).**

In the context of above concretes, large portions of the NWP resources are channelled towards building a province that is

- better educated,
- healthier and
- experience better living conditions



THE PROVINCIAL DEVELOPMENT PLAN

The North West Provincial Development Plan is proposed as follows;

Indicators	2010	2016	2021	2026	2030
Economy	6.6%	2.9%	6%	6%	6%
Employment	75%	76% (748 000)	77%	79%	81% (1.6m)
Unemployment	25.1%	28%	18%	9%	6%
Poverty	46%	53%	35%	15%	0%
Access to electricity	84%	83%	90%	96%	100%
Inequality	0.61 (gini)	0.61 (gini)	0.59 (gini)	0.57 (gini)	0.53 (gini)
Access to water	91.6%	93%	95%	97%	100%



NORTH WEST AT A GLANCE

Based on the latest 2016 data:

- North West covers 104 882 km² or 8.7 % of the total surface of South Africa
- The province is divided into four districts and 18 local municipalities
- Population is 3.8 million and sparsely populated
 - population density of 36.3 people per square kilometre (Comparative - to put in context - national is at 45.8 \ Gauteng at 760.3)
- Human Development Index (HDI*) at 0.58 -> close to national average (Comparative - national at 0.59 \ Gauteng at 0.65)
- Per capita income R46.8 thousand per year -> below national average (Comparison - national at R53.9 \ Gauteng at R75.2)



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NORTH WEST WITHIN THE BIGGER PICTURE

- The domestic economy has remained in a low growth trajectory since 2012
- Global economic growth remains weak, affecting South Africa and the NWP's major trading partners
- High electricity costs significantly hampers economic growth (mainly via impact on mining and related industrial activities)
- Unemployment remains stubbornly high at 26.2% and virtually unchanged
- The weak state of the global economy hampers our efforts to reach our development goals

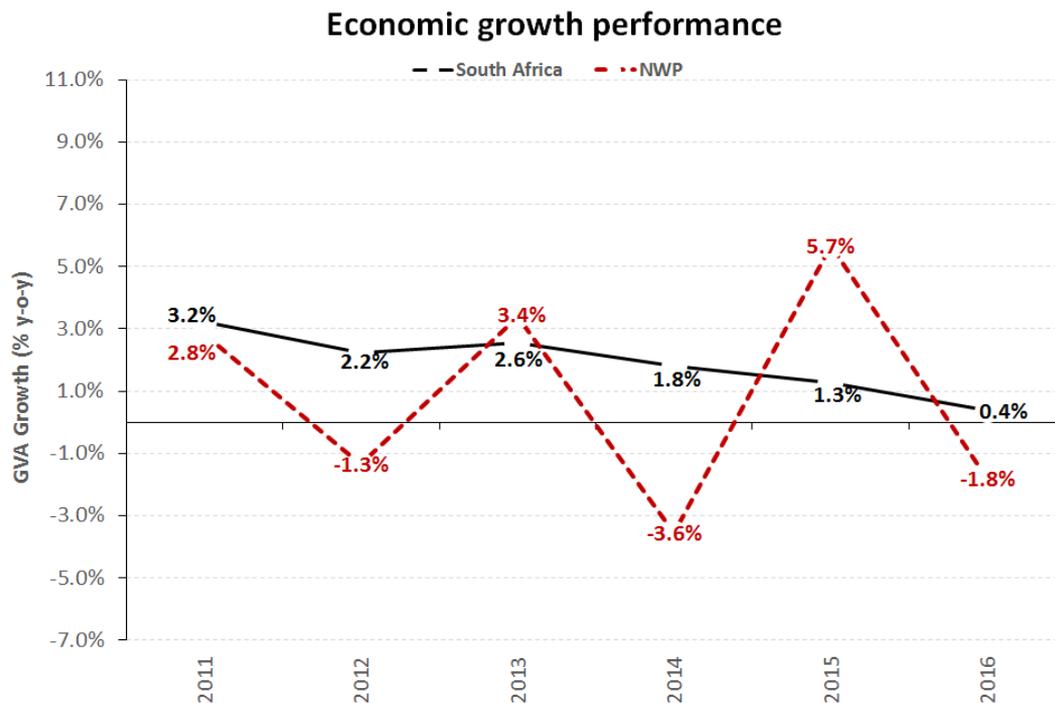
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ECONOMIC GROWTH VOLATILITY AND EXPOSURE TO EXCHANGE RATE FLUCTUATIONS

- NWP economic growth is volatile – reaching both lows of -3.6% and highs of +5.7% over the 5-year window shown
- The high growth in 2015 was mainly due to the exchange rate movements of the South African rand and its effect on the mining and related industries



* Labour absorption rate = Employment-to-population ratio; the proportion of the working-age population that is employed.

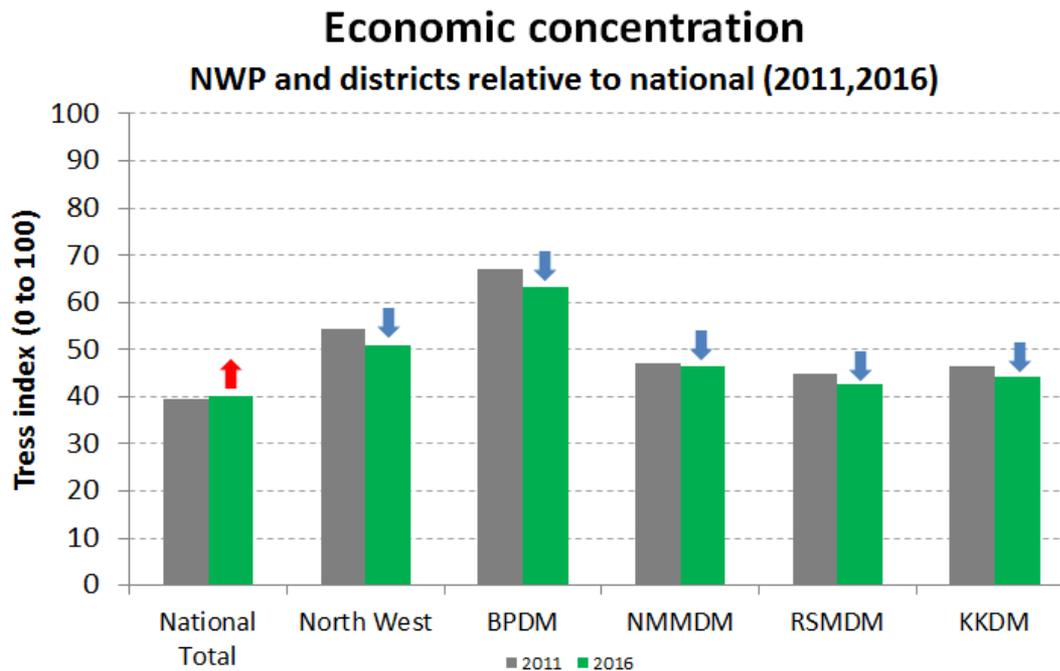


- Over the 5-year period, the **number of people employed in NWP** has been **increasing since 2011**, peaking at 837,177 in 2016 and increasing above 800,000 levels from 2015
- **Absorption rate** was highest in 2016 at 34.6%. The **expansion of employment since 2011** resulted in an **increase in the absorption rate** from 31.5% to 34.6% in 2016



ECONOMIC CONCERNTRATION

- **NWP's position has not changed; it is still the 2nd most specialized (concentrated) economy in 2016, but has become more diversified over the period**
- **BPDM that had the most highly concentrated economy in 2011 also became slightly more diversified**
- **BPDM and NMMDM are relatively more specialized when compared to those of RSMDM and KKDM.**



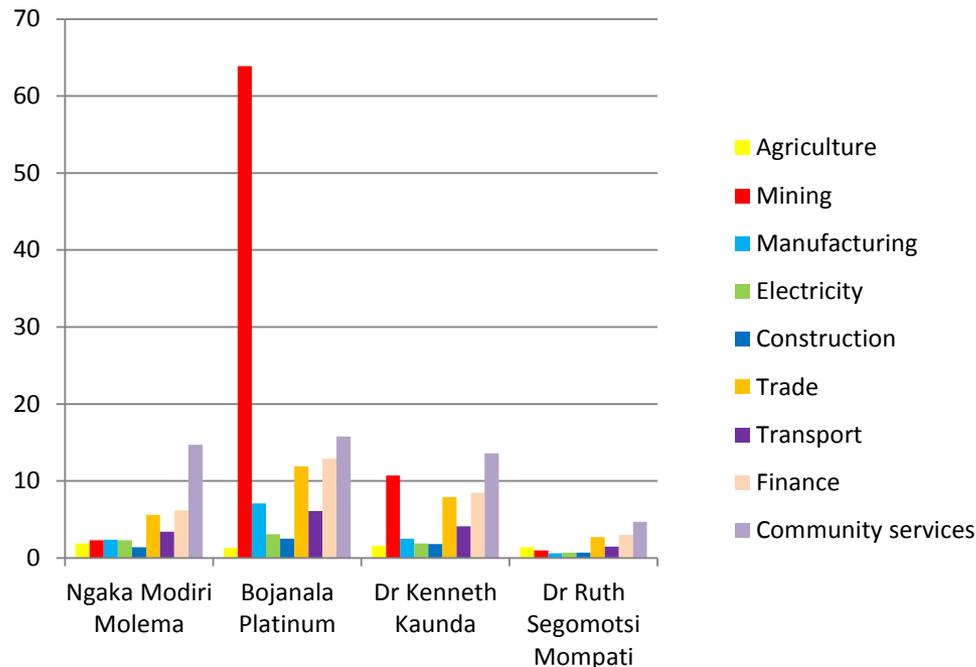
* Tress index shows how dependent or concentrated areas are on few sectors. Lower index value is better than higher.



ECONOMIC SECTOR PERFORMANCE

- The community services sector is the largest within NMMDM. The second largest is the finance sector. Construction sector contributes the least.
- The mining sector is the largest within BPDm, followed by community services then finance. Agriculture sector contributes the least.
- The community services sector is the largest within Dr KKDM, Followed by mining then finance sector. Agriculture contribute least.
- The community services sector is the largest within Dr RSMDM. followed by finance then trade .The sector that contributes the least is manufacturing.

Economic sectors performance per district

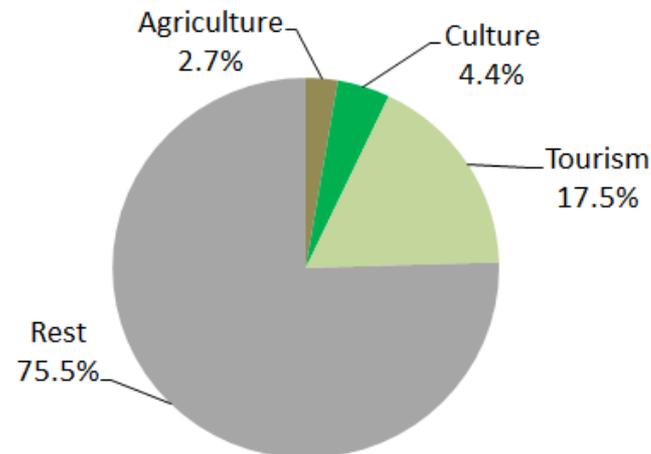




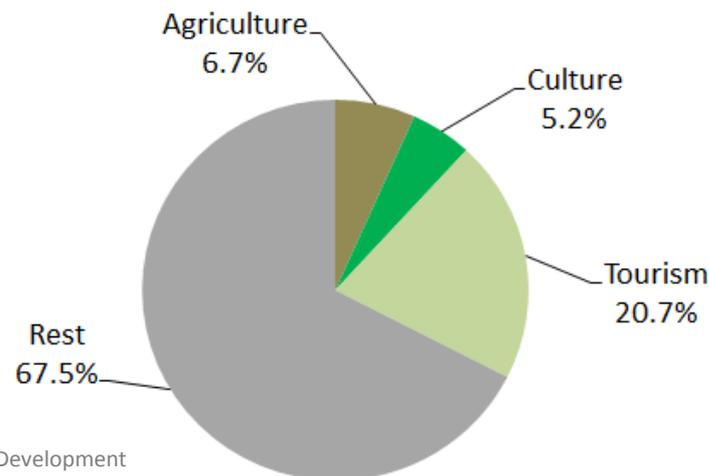
CONTRIBUTION OF THE ACT SECTORS TO THE NWP ECONOMY

- “Narrow” Agriculture, Culture and Tourism related services contribute around 25% of NWP’s economic output, up from 22% (2011)
- In terms of employment around 33% of formal jobs associated with ACT sectors, up from 25% (2011)

Relative importance of ACT
NWP economic GVA share % 2016



Relative importance of ACT
NWP formal employment share % 2016





- Bokone Bophirima has 767 villages, 72 townships and 23 small dorpias.
- Poverty, inequality and unemployment are more pronounced in villages, township and small dorpias (VTSD).
- The VTSD programme aims to address the skewed economic landscape in the province by ensuring that the previously marginalized VTSD areas.



VTSD KEY INTERVENTIONS

- Development programmes focused on VTSD areas
- Public Procurement biased towards VTSD economies 60-90%
- VTSD development plans
- VTSD SMME data base



THE BOKONE BOPHIRIMA VTSD LEKGOTLA 2016

- The Province held the inaugural VTSD Lekgotla last year, 2016 with the following objectives;
 - To provide a platform to engage with all role players and stakeholders on the economic landscape of the Province.
 - To develop a VTSD approach that will best transform the economic landscape of Bokone Bophirima.
 - To investigate how innovation, science and technology be deployed in ways that will contribute to inclusive growth in VTSD areas.
 - To assist Bokone Bophirima to ensure the promotion of sustainable growth within the targeted VTSD's through stimulating the ACT sectors and ensuring a better livelihood for all in the Province.
 - To provide information on development available for projects in the VTSD areas.
 - To engage business to partner with government in the delivery on its mandate of reducing unemployment, inequality and eradicating poverty.
 - To officially launch the newly established VTSD Chambers of Commerce



Examples of programmes/projects implemented

Agriculture and agro-processing

Project	Progress
Madibe Makgabana Goat Production, (cheese & meat production),	Still in the planning phase and 140 Boer Goat ewes and 5 rams inspected and will be delivered for Mofufutso village
Mmuwagaetsho Cooperative Partnership with ABSA	Khunwana milling operational and will produce maize meal and grits for animal feeds. Construction at Sehlohoand Tswaingmilling plants ongoing
Agric Development Access through Cooperatives (Mahikeng)	Support provided to existing Cooperatives and SMME's in villages to develop skills and promote Youth Entrepreneurship
Resuscitation of Bokone Bophirima (AgriBank)	Development of legislation (ACT) and engagement with NWDC for possible utilisation of their systems is continuing. R45 million allocated to NWAFF during the Budget adjustment. Machinery and Equipment ordered and delivery awaited. Possible investors have been identified. Designs for office site underway Possible launch in January 2018



Examples of programmes/projects implemented include the following;

Agriculture and agro-processing

Project	Progress
Agro-Processing Incubator – Youth to learn how to do processing (Tlokwe)	Still at the planning phase
Mooifontein Agro-Processing on value-adding (variety of agricultural products – concept)- Mooifontein Villages (32 villages)	Agro-processing projects transferred to NWDC for implementation
Makgobistad Dairy & Feedlot	Still at the planning phase



Examples of programmes/projects implemented include the following;

Tourism

Project	Progress
Taung Skull Development & tourism promotion	Site handover process for 6 projects concluded and 3 contractors on site for Thomeng Road, Thomeng Ablution and Museum
Highveld Park Establishing Eco-Tourism	Still at the planning phase
Tourist guides development programmes	In the progress of up-skilling 120 tourist guides and training of 100 new guides
Launching of heritage routes	Launched Taung, Bojanala and Magalies heritage routes
Online radio marketing and domestic tourism	Strengthened online tourism marketing through Kaya Kool radio



Examples of programmes/projects implemented include the following;

Tourism

Infrastructure development at Lotlamoreng	Infrastructure development at Lotlamoreng, process of assessing Gtech reports to assess the viability and financial model of investing in the project
Tourism Facilities Bird Sanctuary Baberspan	Work starting beginning of December 2017
Infrastructure Accommodation, Petrol Station/ Wedding Venues (Moshaneng)	Marketing material prepared
N12 Treasure Route Development & Marketing/ 9JB Marks Municipality)	Plans initiated to market the N12 Treasure Route, MOU and SLA with the N12 Treasure Route, beginning with signage
Marketing Domestic Tourism Promotion	Launched domestic tourism campaigns, e.g. "Shapa Round"
Initiated plans to develop the Taaiboskuil (Coligny) accommodation infrastructure	engagements with the Local Municipality initiated



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VTSD PROGRAMMES/PROJECTS IMPLEMENTED, CONT.

- Culture programmes, All Districts
 - Arti-facts production,
 - Heritage and culture through Music visual and performing arts
 - Heritage sites development
 - Creative Industry, including Film making, Performing arts, Fashion design, Crafts
 - Flea Markets



Other projects implemented include the following;

Project	Progress
Progressive Discrimination by changing the 3 Quotation system (source quotation from service providers within the VTSD areas where service are being sourced)	Continued strengthening expenditure contribution relating to VTSD areas through capital projects and services.
Intensify Public Participation Programme with five concretes and integrate youth development programmes,	<ul style="list-style-type: none">- Agriculture Youth Awards held on the 22/06/17 and cash prices paid- Poultry for Youth established in Matloding
Investigate the possibility of using donkey carts to transport scholars	Project scope was conducted and the Community does not show interest to using ADC to ferry learners to school, Therefore no ADC were distributed.
Clothing and Textile	Technical support and funding provided to 19 women-led sewing cooperatives throughout the province



- It is a reality that the North-West province's economy is still exposed to a few concentrated sectors (such as mining) which in turn are exposed to international developments and the exchange rate;
- The province's 5th administration is concertedly working on changing the make-up of the economy and spatial distribution thereof through the 5 concretes and in alignment with the National Development plan with cognisance of vulnerabilities and strengths of the local economy, by effecting the right policies and strategies so that the wealth and welfare of the NWP can be improved and revived for all citizens.



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