Western Cape Government

FOR YOU

2024-25

Municipal Economic Review & Outlook

Garden Route District

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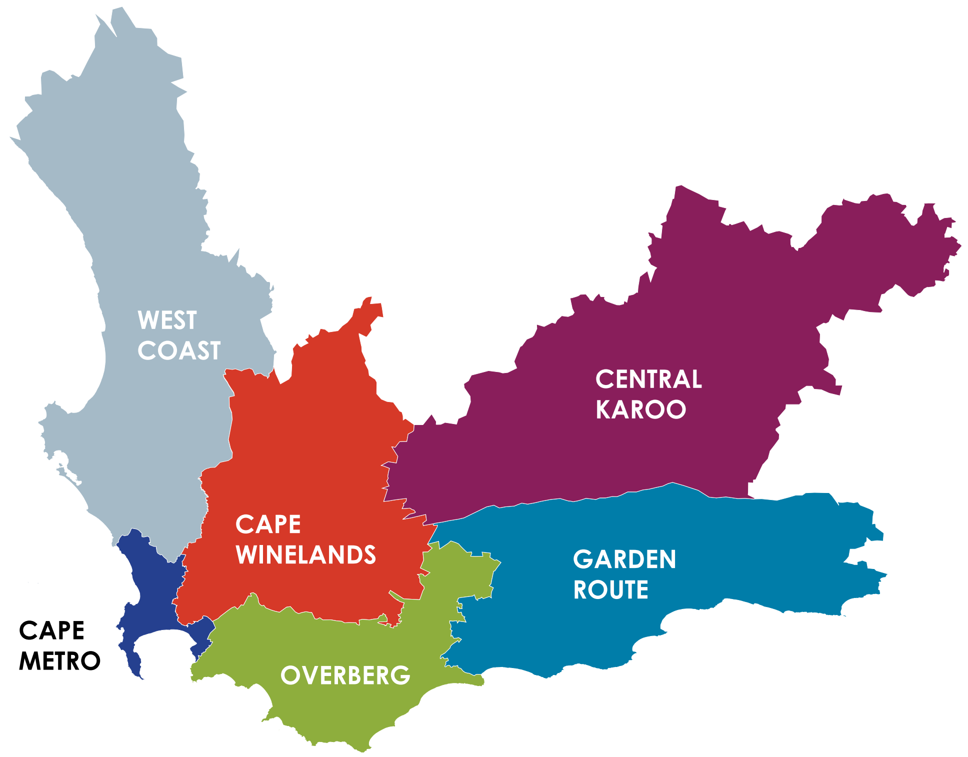
Garden Route District



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2024-25 MERO FOREWORD

The breathtaking and diverse regions of the Western Cape support a diversified economy, contributing to economic recovery and job creation. Over the course of the last year, the largely positive economic trajectory of the municipalities in the Western Cape has continued despite the numerous constraints that the Province currently faces, reflecting its adaptability to changing economic climates.

To address threats to the economy and capitalise on a myriad of opportunities within a budget-constrained environment, the Western Cape Government and municipalities may rely on the 2024-25 Municipal Economic Review and Outlook (MERO) for their upcoming planning cycle.

The MERO provides valuable insights, enriching our understanding of the region's multifaceted dynamics through the abundance of information contained in the report. This economic intelligence informs municipal integrated development plans, spatial development frameworks, local economic development strategies, and budgets. It also supports evidence-based decision-making and the implementation of the Joint District and Metro approach to foster province-wide socio-economic development.

To provide stakeholders with enhanced access to socio-economic intelligence, the MERO continually integrates the latest available data. This year's MERO innovations include an analysis of financial sustainability as a key enabler for infrastructure development, environmental risk and vulnerability data to begin tracking climate change concerns, insights from housing market and growth potential studies, and an expanded safety and well-being section. The latter includes health and education infrastructure analyses and regional insights into the prevalence of GBV.

We trust that all users will find this publication relevant and that it will provide a fresh perspective for planning and policy development. We would especially like to thank all departments, agencies, municipalities, and the research and development team for their contributions to this cutting-edge publication.

Adv. Deidré Baartman
Minister of Finance

26 November 2024

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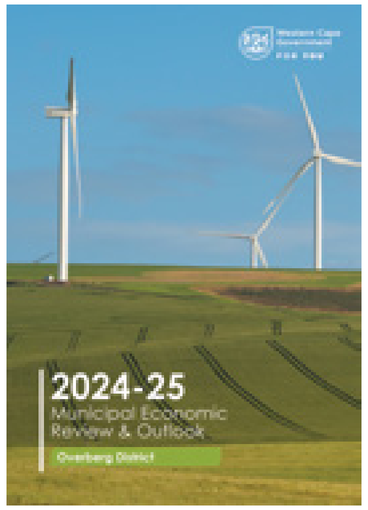
Municipal Economic Review & Outlook

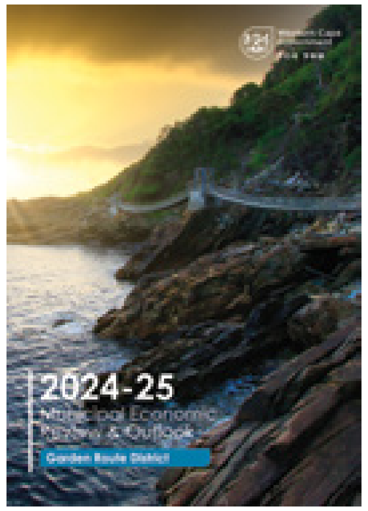
Garden Route District

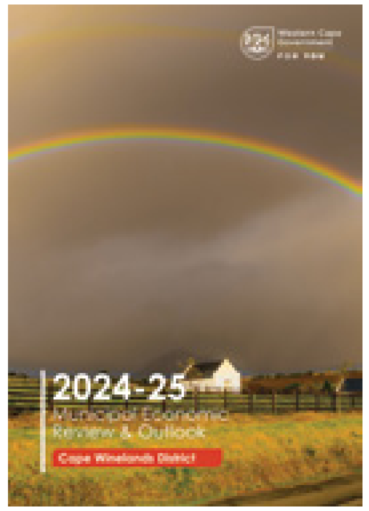
ACRONYMS AND ABBREVIATIONS

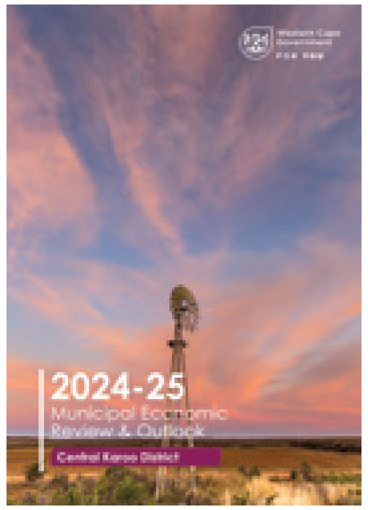
ASFR	Age-Specific Fertility Rate
BFAP	Bureau for Food and Agricultural Policy
BPO	Business Process Outsourcing
CBD	Central Business District
CKD	Central Karoo District
COVID-19	Coronavirus
CPI	Consumer Price Index
CSIR	Council for Scientific and Industrial Research
CTICC	Cape Town International Convention Centre
CWD	Cape Winelands District
DOL	Department of Labour
DRIM	Directorate Research and Information Management
DSD	Department of Social Development
EME	Exempted Micro Enterprise
EU	European Union
FET	Further Education and Training
FLISP	Finance Linked Individual Subsidy
FPL	Food Poverty Line
FTE	Full-Time Equivalent
GBV	Gender-Based Violence
GDP	Gross Domestic Product
GDPR	Gross Domestic Product Per Region
GFCF	Gross Fixed Capital Formation
GRD	Garden Route District
GWh	Gigawatt Hour
HDI	Human Development Index
HSRC	Human Sciences Research Council
HUG	Help Us Grow
IDP	Integrated Development Plan
IDZ	Industrial Development Zone
IRDP	Integrated Residential Development Programme
IRM	Infrastructure Reporting Model
IT	Information Technology
LGSETA	Local Government Sector Education and Training Authority
MERO	Municipal Economic Review and Outlook
MFSI	Municipal Financial Sustainability Index
MICE	Meetings, Incentives, Conferences and Exhibitions
MOD	Mass participation; Opportunity and access; Development and growth (MOD) Programme
MTEF	Medium Term Expenditure Framework
MTREF	Medium Term Revenue and Expenditure Framework
MW	Megawatt
MYPE	Mid-Year Population Estimate
NASA	National Aeronautics and Space Administration
NDP	National Development Plan
NGO	Non-governmental Organisation
NPO	Non-profit Organisation
NSC	National Senior Certificate
OD	Overberg District
OPMII	Overview of Provincial and Municipal Infrastructure & Investment
PERO	Provincial Economic Review and Outlook
PFA	Priority Focus Area
PPPFR	Preferential Procurement Policy Framework Regulations
PPU	Provincial Population Unit
PYEI	Presidential Youth Employment Initiative
QR	Quick Response
QSE	Qualifying Small Enterprise
RDP	Reconstruction and Development Programme
SA	South Africa
SAB	South African Breweries
SANSA	South African National Space Agency
SAPS	South African Police Service
SARB	South African Reserve Bank
SARS	South African Revenue Service
SASSA	South African Social Security Agency
SMME	Small, Medium and Micro Enterprise
SSEG	Small-Scale Embedded Generation
TVET	Technical Vocational Education and Training
UISP	Upgrading of Informal Settlements Programme
UNDP	United Nations Development Programme
UNESCO	United Nations Educational, Scientific and Cultural Organization
VAT	Value Added Tax
WCD	West Coast District
WCED	Western Cape Education Department
WCSEB	Western Cape Supplier Evidence Bank
WHO	World Health Organization
WWF	World Wide Fund For Nature
YES	Youth Employment Service

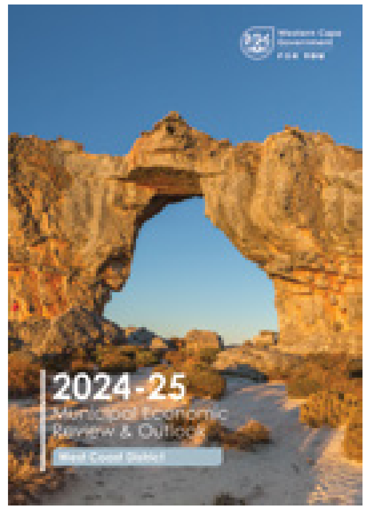
2024-25 MERO BOOKLETS











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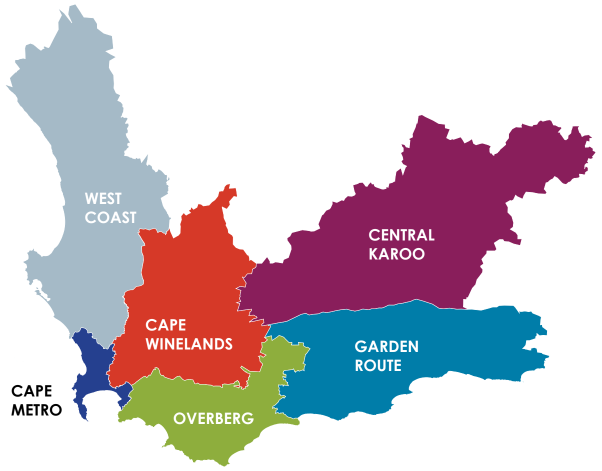

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INTRODUCTION & BACKGROUND

INTRODUCTION

The Western Cape is a diverse region, encompassing the vibrant Cape Metro, internationally renowned as one of the world's premier destinations, as well as the expansive vistas of the Karoo. The fynbos-clad peaks of the Overberg and the alluring coastlines of the Garden Route attract both domestic and international travellers. Agriculture is a defining feature of the Province, stretching from the wheat fields along the Olifants River on the West Coast to the vineyards of the Cape Winelands and the apple and pear orchards of the Overberg. Against this backdrop, local government seeks to foster an environment that propels communities and enterprises toward prosperity.

Through evidence-based decision-making, opportunities for growth and development can be unlocked. The Municipal Economic Review and Outlook (MERO) employs a variety of data sources to provide a detailed analysis of socio-economic trends in the municipal areas of the Western Cape. This analysis aims to inform policy, planning, and budget allocation at the local government level.

The comprehensive economic review presented in the MERO is disaggregated at the metro, district, and municipal levels. Economic, employment and trade data are sourced from Statistics South Africa (Stats SA) and is aggregated by Quantec, a South African econometric and statistical analysis consultancy. SARS' Spatial Tax Panel data further provides detailed insights into the formal sector's employment trends, at the municipal level. The most recent available statistics are used to ensure an accurate assessment of trends, with regional GDPR data covering 2013 to 2023, and forecasting for 2024 to 2026.

Data for various socio-economic indicators are sourced from provincial departments, including Treasury, Health and Wellness, Education, Infrastructure, Social Development, and Local Government. Tourism data is sourced from Wesgro and S&P Global: Market Intelligence, while crime data is obtained from the South African Police Service (SAPS). Inequality data is also obtained from S&P Global. District and local municipalities have provided additional insights into recent local developments through the annual Municipal Perception Survey.

DATA DISCLAIMER.
The South African Revenue Service (SARS) Spatial Tax Panel data only accounts for the activities of individuals and firms in the formal sector (registered for tax putposes), and the spatial component is based on postal codes, but is only available at a municipal level in 2023. The data excludes information concerning the informal sector and non-tax registered firms. Furthermore, the data excludes individuals earning less than R2 000 per annum.

MYPE 2024 v Census 2022
The 2024 Mid-Year Population Estimates (MYPE) serve as the basis for South Africa's latest population count and will be used for budgeting and planning purposes, particularly in relation to the Equitable Share Formula. However, there are significant inconsistencies between the 2024 MYPE and the previously used Census 2022 data, both at an aggregate level and by gender. To address these discrepancies, there have been calls to integrate the Census 2022 data into the 2024 MYPE data.

The MERO serves as a complement to the Provincial Economic Review and Outlook (PERO), which delivers economic insights at the provincial level, and the Socio-Economic Profiles, which provide detailed socio-economic data at the municipal level. These resources, including the MERO, are accessible via the QR code.

REPORT OUTLINE

The 2024/25 Municipal Economic Review and Outlook (MERO) is structured as follows:

SECTION A: MACROECONOMIC PERFORMANCE AND OUTLOOK

The economic landscape of the Western Cape and South Africa is shaped by a complex interplay of global and local factors. The post-pandemic era has brought heightened volatility, geopolitical tensions, high lending and inflation rates, and subdued economic activity. Despite these challenges, there are signs of cautious optimism, driven by easing global oil prices, improved trade outlooks, and economic stimuli from major economies like the United States (US) and China.

SECTION B: ECONOMIC GROWTH AND JOBS

With rapid population growth in the Western Cape, promoting economic growth and job creation is crucial. This section addresses:

- **GDPR and Employment:** analyses the economy's performance and provides an economic outlook for 2024 to 2026. It reviews full-time employment at the municipal level and disaggregated sector level, providing insights into economic intricacies.
- **International Trade:** examines historical trade trends, leading products imported and exported, and identifies key trading partners. It analyses current and potential challenges to increasing exports and highlights opportunities for trade.
- **Tourism:** reviews trends for 2023, identifying key markets and opportunities. The Western Cape's unique landscapes and diverse activities attract domestic and international tourists, transforming economic prospects and employment opportunities.
- **Investment:** reviews public sector infrastructure budgets and spending on contractors in 2024/25 and designated groups. It also analyses private sector sentiments through building plans and gross fixed capital formation (GFCF) trends.

SECTION C: SAFETY AND WELLBEING

This section explores social trends shaping the District's identity. It reviews population dynamics, income, housing needs, and essential services, providing a detailed illustration of socio-economic dynamics and social disparities. It includes an examination of healthcare, education, and crime metrics, offering a comprehensive view of community wellbeing and prospects, highlighting the interplay of social and economic factors in the District.

Source: Western Cape Commissioner for Children, artwork by Lilitha Kopolo (16) from Eerste River and Solakha Noyi (17) from Kwanokhuthula.

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SECTION A

Macroeconomic performance and outlook

GLOBAL ECONOMIC CONTEXT

The post-pandemic era has been characterised by volatile economic conditions, heightened geopolitical tensions and uncertainty. Individuals, businesses and governments are navigating (i) a protracted period of exceedingly high lending and inflation rates, (ii) subdued economic activity, (iii) exposure to high sovereign debt and debt service costs, and (iv) major geopolitical changes across the globe. Conflicts across parts of Africa, Europe and the Middle East have exacerbated these already-trying conditions.

Notwithstanding these events, the global economy is seeing some of its first green shoots that signal a potential uptick in the global economic outlook:

- **US has begun easing interest rates, with major central banks around the world expected to follow suit.** In addition, the recent US elections in November 2024 ushering the Republican Party and Donald Trump into power are likely to have significant consequences for the South African (SA) economy. Potential impacts include volatility in exchange rates, changes in trade and investment flows, fluctuations in global commodity prices, shifts in global risk appetite, adjustments in interest rates, and possible alterations to US foreign policy that could affect SA's geopolitical standing and international relations.
- **China's economic performance at the beginning of 2024 was stronger than initially anticipated by market participants.** Going forward, the country's improved economic prospects will be driven by a large economic stimulus announced in September 2024. This stimulus has bolstered growth expectations and provided a positive outlook for global trade and investment flows.
- **The easing of global oil prices** will benefit most of the world's economies through immediate cost reductions. Lower prices contribute to production expansions and ease inflationary pressures, providing a boost to economic activity and consumer spending. This trend supports overall economic stability and growth prospects.
- **Improved trade outlooks** relative to those originally anticipated at the start of the year have emerged across several exporting countries. This positive shift is driven by easing supply chain disruptions post-COVID-19, renewed demand for commodities, and enhanced trade agreements. These factors are fostering a more favourable environment for international trade and economic cooperation.
- **Increased trade volumes are expected as economies stabilise, and exporters can gain greater access to international markets.** For SA, this could bolster export performance in mining, agriculture and some manufacturing sectors (iron and steel, and automotive industries). This will enhance foreign exchange earnings and support overall economic growth, underscoring the importance of trade relationships and South Africa's ability to leverage global market opportunities.

These developments offer grounds for a measured economic optimism in the second half of 2024. This contrasts with the pessimism that marked the year's outset. Despite the ongoing challenges, such as conflict in the Middle East and Ukraine, the evidence increasingly suggests that the global economy is relatively resilient and capable of navigating these obstacles. This shift in perspective underscores a cautious yet growing confidence in our collective resilience and adaptability.

DEVELOPMENTS IN THE SOUTH AFRICAN ECONOMY

Much like the global outlook, the South African socio-economic outlook has improved since the start of the year. In June of 2024, no political party secured a majority of votes to govern outright, and a coalition was formed, the Government of National Unity (GNU). The GNU signals a new era of political cooperation alongside public and economic policy coordination, which have allowed a cautiously optimistic outlook for one of Africa's most industrialised economies.

This optimism, coupled with an enabling global economy, have affected key economic indicators:

- **The Rand has appreciated against major currencies thanks to international and domestic factors.** For instance, the Rand has firmed considerably against the US dollar: from R18.96/$ in the first week of June 2024, to R17.60/$ by mid-October 2024. In turn, a firmer Rand, has eased inflationary pressures and made imports relatively cheaper, though exports might lose some price competitiveness.
- **The South African Reserve Bank (SARB) has reduced interest rates, amidst signals of further decreases.** With a more subdued inflation print, the Monetary Policy Committee (MPC) decided to lower the repurchase rate by 25 basis points during their September 2024 meeting. It is expected that the rate will be cut by at least 100 basis points by the end of December 2025. Lower interest rates are likely to make borrowing more affordable, thereby stimulating consumer spending and investment.
- **SA recorded a modest increase in GDP. GDP grew by 0.4 per cent in 2024Q2 up from a decline in GDP of 0.1 per cent in 2024Q1.** Forecasts put GDPR growth at just shy of 1 per cent by the end of 2024, and between the 1.5 and 2 per cent mark for 2025.
- **A significant reduction in load shedding has eased pressures on economic activity.** Whilst the current end to loadshedding is no guarantee of future performance by Eskom, the confidence instilled by Eskom's recent performance has boosted certainty on the power outlook in SA.

Despite these gains, there are still risks to the outlook which have the potential to erode or reverse the expected economic headwinds. Most notably:

- **The labour market continues to face constraints as the unemployment rate rose from 32.9 per cent 2024Q1 to 33.5 per cent by the end of 2024Q2.** Despite the moderate economic growth, the economy shed ~100 000 jobs.[1]
- **South Africa is set to become one of the countries with the highest electricity costs, should the National Energy Regulator of South Africa (NERSA) approve Eskom's proposed 30 per cent hike.** This substantial hike could significantly raise operating expenses, negatively impacting business operations and reducing disposable income for consumers.
- **While fiscal consolidation efforts persist, government debt still hovers at an untenable level.** Almost 20 cents from every R1 collected by the government goes back into servicing its debt, crowding out expenditures sorely needed by the economy.
- **SA is vulnerable to changes in global economic conditions due to several factors.** Geopolitical factors such as the outcome of the US elections and the ongoing conflicts across parts of the Middle East and Europe have a direct impact on South Africa's economy given South Africa's trade and investment ties with the involved countries. Furthermore, local monetary policy is heavily influenced by global interest rate conditions and the positions taken by central banks in the US, UK and EU. Together these external factors can affect the valuation of the Rand and influence investor confidence.

1 Stats SA, 2024

- **SA faces significant climate change risks that threaten agriculture, infrastructure, and economic stability.** Severe weather events, like heatwaves and flooding, are projected to cause major damage by 2050. Heatwaves could cost R2 billion in agricultural losses, while flooding may result in R14 billion in damages.[2] To mitigate these impacts, adopting low-carbon policies is essential; limiting temperature rise to 2°C could reduce climate-related economic losses from 5 per cent to 3.3 per cent of GDP. Given South Africa's biodiversity, sustainable growth is vital for long-term prosperity.[3]

POTENTIAL ECONOMIC SUCCESS IN THE BALANCE FOR SOUTH AFRICA AND DEPENDS ON THE GOVERNMENT OF NATIONAL UNITY

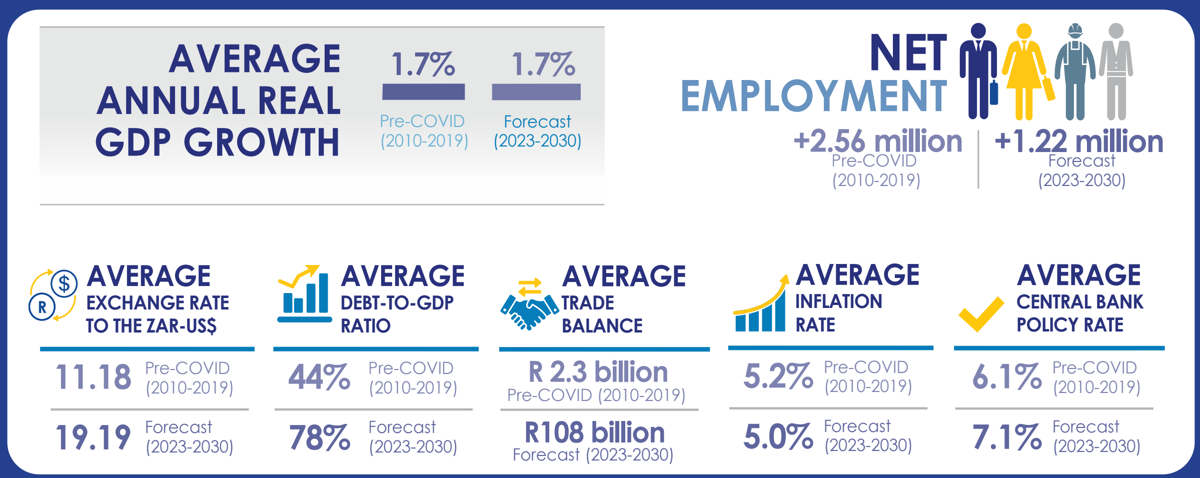
South Africa currently stands at a crossroads – the warm afterglow of the GNU is not expected to last forever. Resultantly, there is a need for true structural change in the short- to medium-term as a signal for political stability. As it stands, the GNU has three major goals:

- Drive inclusive growth and job creation
- Build a capable, ethical and developmental state
- Reduce poverty and tackle the high cost of living

Achieving South Africa's socio-economic objectives requires concerted and coordinated efforts from the GNU. While certain indicators, such as GDP, trade balance, and average inflation rates, show stability or improvement compared to pre-pandemic levels, other aspects, particularly those which concern net job creation, indicate potential declines.

Figure 1

INDICATORS OF SOUTH AFRICA'S ECONOMIC PROGRESS PRE- AND POST-PANDEMIC



However, as the saying suggests, "The future is the past modified by the present."

Consequently, these forecasts are not set in stone; they are informed predictions based on historical patterns, assuming no significant deviations from established trends. It falls upon the GNU and the people of South Africa to drive the necessary structural changes that could steer these forecasts towards more favorable outcomes.

2 G20 Climate Risk Atlas, 2024
3 Johnston, et al., 2024

DEVELOPMENTS IN THE WESTERN CAPE ECONOMY

In 2023, the Western Cape's economy expanded by 0.7 per cent, with forecasts suggesting real economic growth of closer to 1 per cent by 2024.[4] Sectors such as tourism, renewable energy, and business process outsourcing (BPO) offer further growth opportunities.

Growth was enabled by:

- **Slight improvement in the most recent RMB/BER Business Confidence Index (BCI).** The BCI is still below the neutral mark of 50, but up from 31 in Q2 of 2023 to 40 in Q1 of 2024.[5] This indicates improvements in the operating environment within the country in the wake of the GNU, and subsequent local and global economic conditions.[6]
- **A robust small, micro and medium-sized enterprises (SMMEs) environment.** The Small Enterprise Development Agency (Seda) reports that the Western Cape ranks as the third major contributor to hosting SMMEs in the country (with 11.6 per cent of such businesses, or some 300 000 SMMEs being Western Cape based). The Western Cape is third to the Gauteng Province (accounts for 37.5 per cent) and KwaZulu-Natal at 14.1 per cent.
- **Total exports reached R202.1 billion in 2023, marking remarkable year-on-year growth of 8.7 per cent.** The presence of an oil refinery in Cape Town and the country's only gas-to-liquid (GTL) refinery in Mossel Bay support the Province's relatively high share of exports of mineral fuels and mineral oils. The export of fresh fruit, textiles and clothing, along with other agriculture products also contribute significantly to export earnings.
- **Wesgro committed to 14 investment projects, totalling R7.8 billion in value in 2023/24.** These projects led to the creation of 3 913 jobs, surpassing the investment target. Additionally, 157 trade declarations were signed, amounting to R6.8 billion in value and resulting in 4 948 new jobs. These outcomes reflect an increase in exports and the rand value of investments.
- **The tourism industry experienced a robust rebound during the 2023/24 period.** International arrivals at Cape Town International Airport surpassed 200 000 between January and February 2024, increasing by 20 per cent compared to the previous year.
- **Relatively low unemployment levels, with the Western Cape recording the lowest unemployment rate in 2023.** The most recent Quarterly Labour Force Survey (QLFS) indicated that, although the Western Cape's unemployment rate rose between Q1 and Q2 of 2024 from 21.4 per cent to 22.2 per cent, this number is still well below the South African average unemployment rate (33.5 per cent).

Although the Western Cape shows promising potential for trade, tourism, renewable energy, and infrastructure investment, it is important to consider risks to the outlook. The provincial concerns over the construction mafia, and the national concerns over energy security and a general lack of business confidence could potentially hinder growth in the Western Cape.

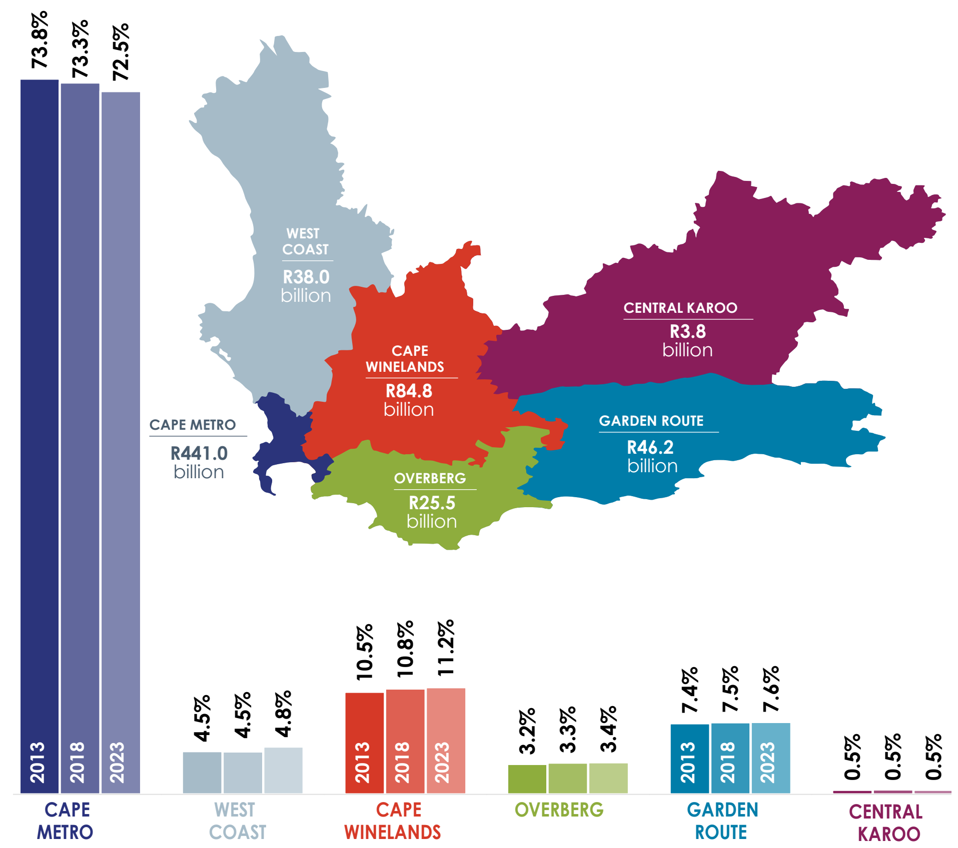
4 G20 Climate Risk Atlas, 2024
5 Johnston, et al., 2024
6 Johnston, et al., 2024

REGIONAL GDPR PERFORMANCE

The Western Cape Province's economic activity is concentrated in the City of Cape Town metropolitan municipality (Cape Metro), which contributes over 70 per cent towards the provincial GDPR. Over the last decade, the spread of economic activity has remained largely unchanged, although a slight increases, particularly in the contributions by the Cape Winelands and West Coast Districts (CWD) is noted. This economic structure is, in part, explained by historical development patterns which favoured the Metro and created a path dependency.[7]

Figure 2

REGIONAL CONTRIBUTORS TO PROVINCIAL GDPR (REAL) 2013 – 2023



GDP DEFINITION
Gross Domestic Product (GDP) is the total monetary value of all goods and services produced within a country's borders over a specific period, typically a year or a quarter. It serves as a broad measure of a nation's overall economic. Nominal GDP measures the value of economic output using current prices, not adjusted for inflation. Real GDP is adjusted for inflation, reflecting the true quantity of goods and services produced, making it comparable over time.

Source: Quantec, 2024

7 Path dependency refers to a situation where historical events and choices can have a persistent influence on the current and future economic outcomes. Path dependencemphasizes the importance of historical context and the idea that once a particular path is taken, it can become difficult to reverse or change course due to increasing returns, institutional lock-in, or other reinforcing mechanisms. See Anteonelli, C. (1997).

District economic contributions have remained relatively stable, with minor shifts across the regions. The Cape Metro continues to dominate, maintaining around 72-73 per cent of the provincial GDPR share. CWD has seen the most notable increase, driven by its expanding tourism sector. The West Coast District (WCD), Overberg District (OD) and Garden Route District have also experienced some growth, though the WCD showed a more pronounced increase. The Central Karoo District (CKD), has seen minimal changes in its contributions. These trends calls attention to the economic potential of smaller districts to develop and build a more resilient and diversified provincial economy.

0.7% Regional economic growth

72.5% Cape Metro Region contribution towards provincial GDPR

33.9% Finance, insurance, real estate and business services contribution to regional GDPR

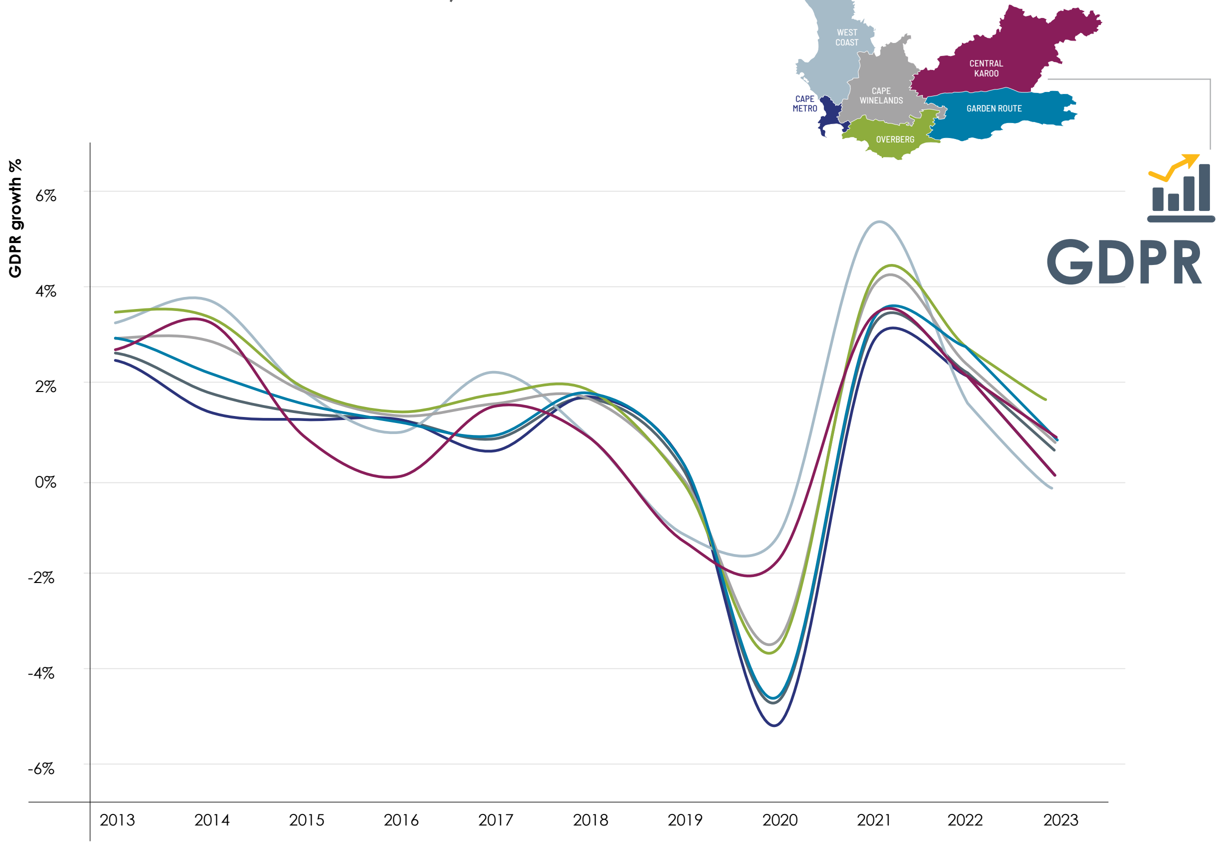
1.0% GDPR forecasts for 2025 and 2026

4.8% Regional employment growth rate

The Western Cape's economic growth has slowed, reaching a low of 0.7 per cent in 2023, despite a strong recovery in 2021 with a growth rate of 4.1 per cent. The robust post-2020 growth can be attributed to the economic rebound from the unprecedented disruptions caused by the pandemic. Conversely, the slowdown in the GDPR growth rate reflects a return to historical growth trends, compounded by the adverse effects of climate change, the weakening of the Rand, and a challenging investment climate. Notably, the GDPR of the Western Cape has exceeded the 2019 levels (R604.2 billion), reaching R613.8 billion in 2023. Similarly, all districts within the Western Cape have surpassed their 2019 GDPR levels.

Figure 3

REGIONAL REAL GDPR GROWTH RATES, 2013-2023



GDPR growth (% change, y/y)	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Western Cape	2.7%	1.9%	1.4%	1.2%	0.9%	2.0%	0.3%	-5.5%	4.1%	2.6%	0.7%
Cape Metro	2.7%	1.9%	1.4%	1.2%	0.7%	1.8%	0.4%	-5.5%	2.9%	2.2%	2.3%
West Coast	3.4%	3.8%	1.4%	0.8%	2.2%	1.4%	-0.9%	-1.2%	4.5%	3.7%	-0.1%
Cape Winelands	3.1%	3.1%	1.7%	1.4%	1.7%	2.3%	0.2%	-3.8%	4.8%	3.1%	0.7%
Overberg	3.6%	3.5%	1.8%	1.4%	1.8%	2.4%	0.2%	-4.0%	4.9%	3.5%	1.3%
Garden Route	3.1%	2.3%	1.6%	1.2%	1.0%	2.2%	0.5%	-5.3%	4.3%	2.9%	1.1%
Central Karoo	2.8%	3.1%	0.4%	-0.2%	1.3%	1.4%	-1.4%	-2.5%	3.4%	3.7%	0.3%

Source: Quantec, 2024

WESTERN CAPE SECTOR GDPR CONTRIBUTION 2023 (%)

4.2% Agriculture, forestry and fishing

3.7% Construction

13.5% Wholesale and retail trade

33.9% Finance,insurance, real estate and business services

0.2% Mining and quarrying

11.0% Transport, storage and communication

5.9% General government

14.1% Manufacturing

1.9% Electricity. gas and water

11.7% Community, social and personal services

The regional GDPR growth rates have been quite differentiated across the districts, indicating the need to diversify economic contribution from the districts. While the Cape Metro steers the performance of the Province, the OD and GRD have recorded above average growth rates. On the other hand, the CKD saw close to zero growth. Overall, the trend for 2023 points to a general slowdown in growth rates, with the WCD even facing a slight contraction.

The robust growth rates in the OD and GRD can be explained by the increased investments in infrastructure, revival of the tourism industry and the internationally competitive agriculture industries. Conversely, the economic contraction in the WCD is due to deteriorating and inadequate infrastructure, coupled with extreme weather conditions that have negatively impacted agricultural production, a sector that contributes nearly 20 per cent to the District's GDPR.[8]

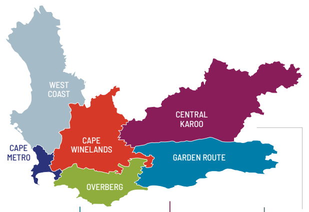
8 Insights based on the Municipal Perception Survey. International Journal of Industrial Organisation. 15 (6)..

The GDPR growth contributions across the Western Cape's sectors and regions show varied economic performance. The wholesale and retail trade, catering and accommodation, as well as agriculture, forestry, and fishing sectors experienced significant declines of -0.27 and -0.2 percentage points, respectively. The weak performance in agriculture was due to extreme weather conditions, while the wholesale and retail trade, catering and accommodation sector suffered from weakened consumer power. The electricity, gas, and water sector also recorded negative contributions to GDPR at -0.1 percentage points.

On the other hand, the finance, insurance, real estate, and business services sector was the top growth driver, especially in the GRD, CWD, and OD regions. Transport, storage, and communication, along with community, social, and personal services, contributed positively across the board, with OD, CKD, and CWD standing out. Manufacturing and construction sectors showed mixed contributions across the regions. The consistent yet modest contributions from the general government sector reflect its steady economic role.

Figure 4

REGIONAL SECTORAL CONTRIBUTIONS TO GDPR GROWTH, 2023 (%)



GDPR Growth Contribution	CAPE METRO	WEST COAST	CAPE WINELANDS	OVERBERG	GARDEN ROUTE	CENTRAL KAROO	WESTERN CAPE
Agriculture, forestry & fishing	0.06%	-0.99%	-0.52%	-0.65%	-0.29%	-0.82%	-0.20%
Mining & quarrying	0.00%	-0.04%	0.00%	0.00%	0.00%	0.00%	0.00%
Manufacturing	0.07%	0.03%	-0.30%	0.37%	0.21%	-0.01%	0.05%
Electricity, gas & water	0.11%	-0.09%	-0.07%	-0.09%	-0.11%	-0.18%	-0.10%
Construction	0.00%	-0.09%	0.03%	0.04%	-0.08%	-0.15%	0.00%
Wholesale & retail trade, catering & accommodation	-0.32%	-0.21%	-0.10%	-0.14%	-0.21%	-0.19%	-0.27%
Transport, storage & communication	0.42%	0.40.%	0.60%	0.70%	0.50%	0.67%	0.46%
Finance, insurance, real estate & business services	0.44%	0.46.%	0.88%	0.85%	0.90%	0.20%	0.54%
General government	0.02%	0.14%	0.06%	0.00%	0.01%	0.32%	0.03%
Community, social & personal services	0.21%	0.24%	0.16%	0.17%	0.13%	0.51%	0.20%
Total GDPR	0.69%	-0.13%	0.75%	1.25%	1.06%	0.35%	0.70%

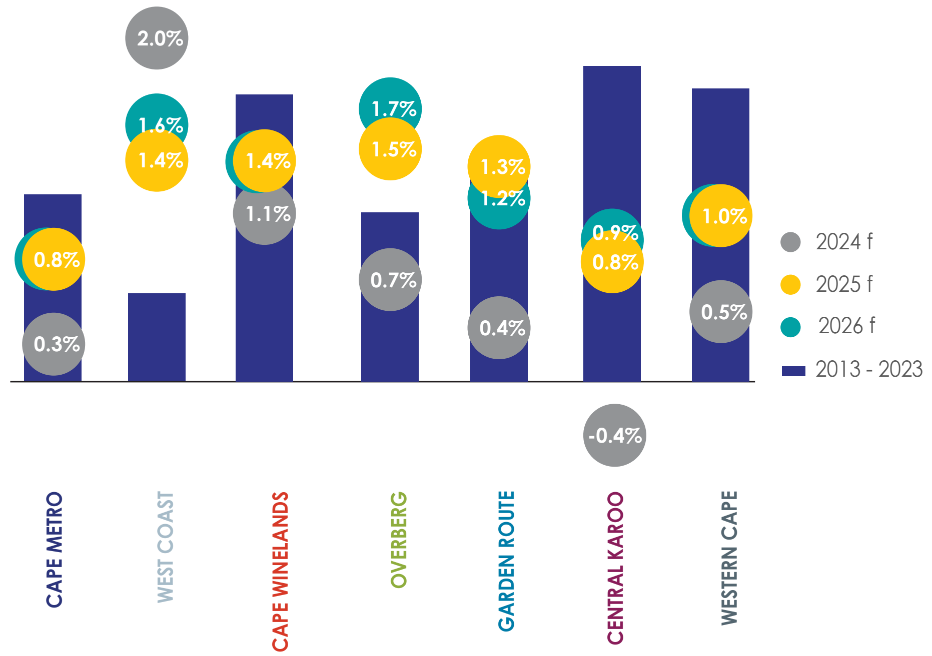
Source: Quantec, 2024

The Western Cape and its regions are anticipated to outperform the national growth forecast, with an expected growth rate of 0.5 per cent per annum in 2024. This outlook is fuelled by improved investor sentiment for the province, as evidenced by the above-average Business Confidence Index (BCI). Additionally, South Africa's G20 Presidency, starting on 1 December 2024, will bring unique benefits to the Western Cape through the hosting of large-scale meetings and a range of related events. Lastly, the tourism industry has recorded significant improvement since 2019, which has stimulated further demand for provincial goods and services.

The WCD is forecasted to record the weakest GDPR growth rates for 2025 and 2026 among the regions. This expected performance is partly due to base effects, where historical growth has been relatively strong, and forecasts have moderated. There are also structural challenges in the WCD that require intervention to boost long-term economic growth. This includes addressing issues related to rental costs, investing in climate-resilient infrastructure and slow water rights approvals that are stifling aquaculture expansion. These combined factors create a complex set of challenges that require a multi-faceted approach to address.[9]

Figure 5

REGIONAL GDPR FORECAST, 2024 – 2026



Source: Quantec, 2024

At a district level, the economic outlook reflects base effects (i.e., historical performance was relatively strong) but also highlights several regional challenges that moderate the growth outlook. In the short to medium term, economic growth is expected to match or surpass historical performance across many of the districts, with a few showing slightly lower levels of growth in the Western Cape. **The GDP forecasts for 2025 and 2026 are expected to be around 1 percent real GDP. This anticipated increase can be attributed to several key factors.**

9 Insights from the Municipality Perception Survey collected in October 2024.

In the Western Cape, infrastructure developments are driving growth across districts. In the Cape Metro, upgrades to the airport and N1 highway are boosting connectivity. The CWD benefits from expanded tourism infrastructure, while the GRD sees growth through eco-tourism and the George Airport expansion. The WCD, despite benefiting from renewable energy projects, is expected to experience slower growth by 2025 due to its reliance on traditional industries like fishing and agriculture, as well as infrastructure constraints such as limited transport, water management issues, and energy supply challenges. In the OD, investments in agricultural technology and water management ensure sustainability, while the CKD focuses on improving energy and water infrastructure for future growth. These developments are helping to improve business conditions and support the positive GDPR outlook across the Province.

There is room to elevate the role of agriculture, forestry, and fishing within the provincial economy, as outlined in the Western Cape Government's Growth for Jobs Strategy. One opportunity lies in increasing the integration of high-value products, such as wine and fruit, across the OD, CWD, and WCD regions. These high-value sectors could strengthen their links with the broader provincial economy, creating more value and enhancing local economies. Additionally, while the Cape Metro remains a key commercial hub, greater collaboration and economic development across the Metro and neighbouring districts will be crucial for achieving a more unified and prosperous Western Cape. This balanced approach would help stimulate growth across all regions, ensuring that the benefits of economic expansion are felt beyond the Metro.

As highlighted above, economic growth in the Western Cape remains concentrated in the Cape Metro, with a smaller contribution from the other districts. The Cape Metro has developed a dynamic economy, where innovative startups and established corporations coexist, fostering a culture of entrepreneurship. This entrepreneurial spirit, coupled with a skilled workforce and a supportive business ecosystem, positions the Cape Metro as a key driver of growth in the Province. The region's infrastructure - particularly its airports, ports, and road networks - enhances connectivity, further driving growth by facilitating trade, tourism, and business operations. However, there is still room for improvement in rail transport and port performance, further enhance the region's connectivity and overall economic potential. Lastly, Cape Town's appeal as a destination for both tourists and businesses strengthens its economic vitality, creating a synergistic relationship between various sectors that propels ongoing development and job creation.[10]

10 Insights from the Municipality Perception Survey collected in October 2024.

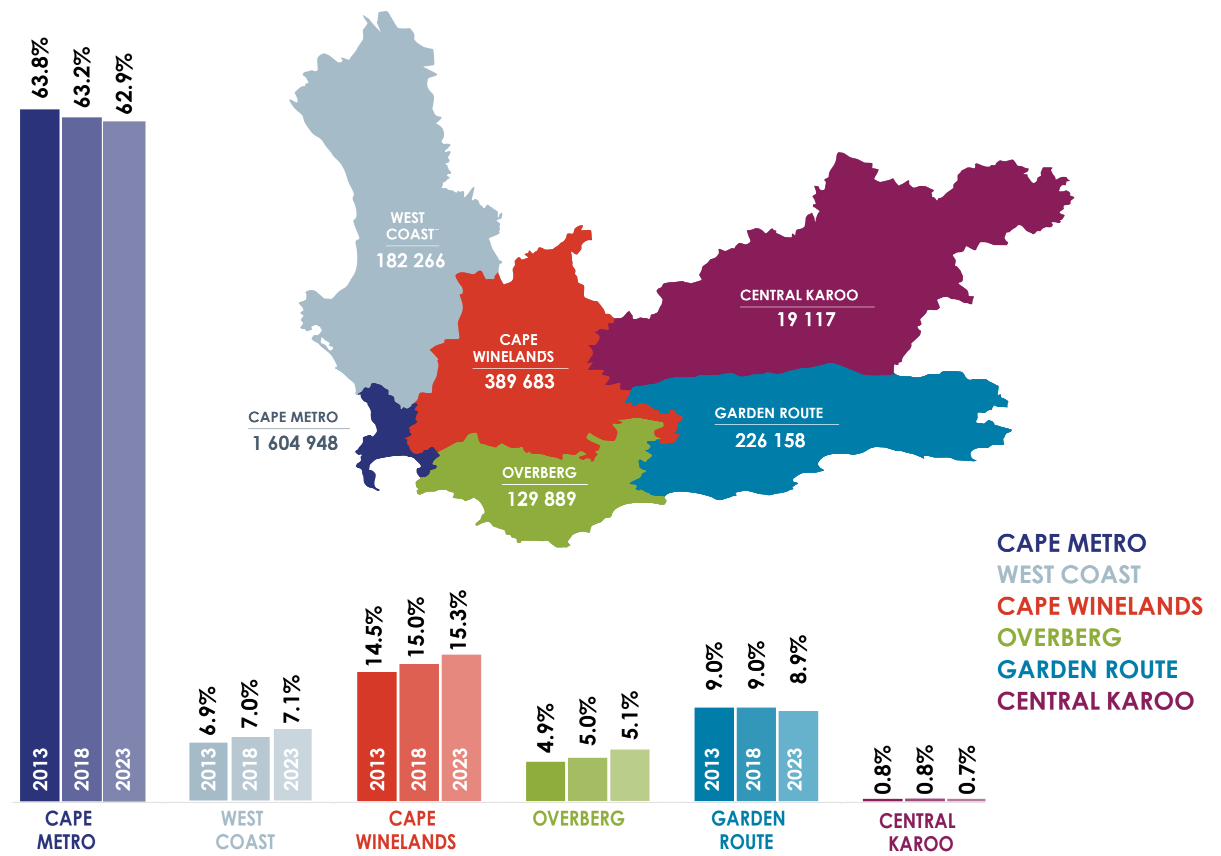
Section A

REGIONAL EMPLOYMENT PERFORMANCE

Regional employment contributions from 2013 to 2023 generally align with the GDPR contributions across districts, as outlined earlier. The Cape Metro remains the largest contributor to employment, accounting for 62.9 per cent in 2023, followed by the CWD at 15.3 per cent and the GRD at 8.9 per cent. While the Cape Metro, GRD and CKD saw slight declines in their employment shares, there were modest increases in the CWD, OD, and WCD. The decline in the Cape Metro share reflects a broader trend of increased employment opportunities in other regions, driven by growth in sectors such as tourism, agriculture, and fishing.

Figure 6

REGIONAL CONTRIBUTIONS TO NET EMPLOYMENT, 2023 (%)



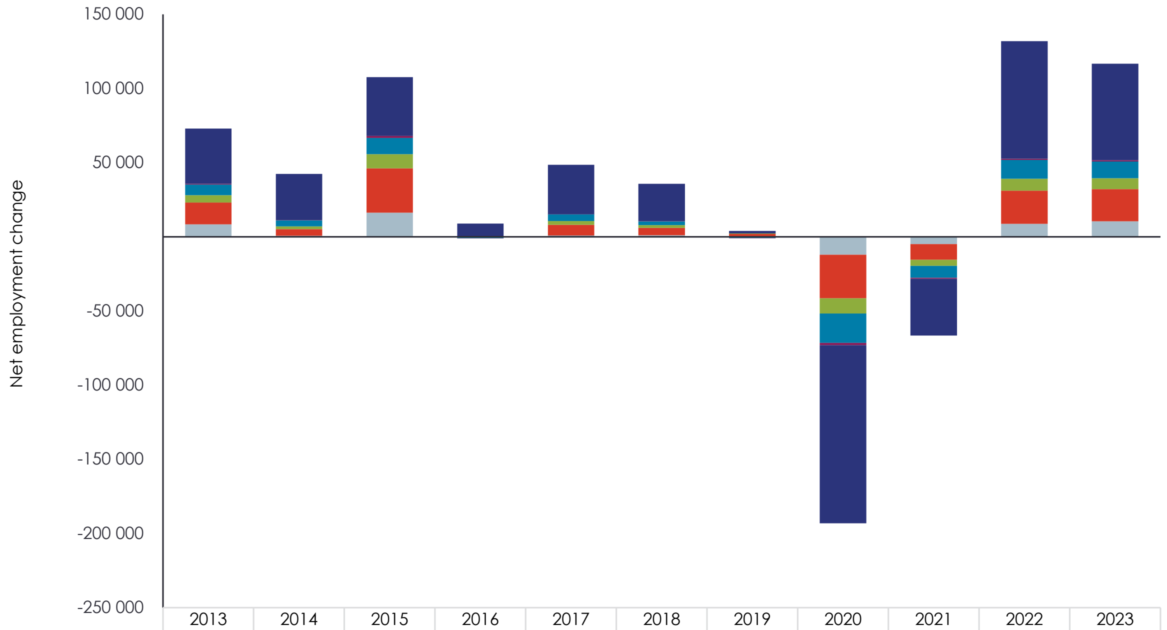
YEAR	2013	2018	2023
West Coast	160 811	179 438	182 266
Cape Winelands	337 744	384 140	389 683
Overberg	112 489	128 534	129 889
Garden Route	209 464	230 956	226 158
Central Karoo	17 930	19 427	19 117
Cape Metro	1 479 474	1 617 424	1 604 948

Source: Quantec, 2024

Western Cape's moderate GDPR growth of 0.7 per cent in 2023 translated to a 4.8 per cent increase in jobs, or a net employment increase of 116 787. The largest percentage gains in jobs were recorded in WCD and OD of 6.1 per cent each, thanks to the successful farming seasons that were experienced in those regions. These were followed by moderate gains in CWD, CKD and GRD, with increases of 5.9 per cent, 5.3 per cent and 5.2 per cent respectively. The smallest job gains were recorded in the Cape Metro, reflecting a shift towards digitalisation and automation in the finance, insurance, real estate and business services sectors.

Figure 7

REGIONAL CONTRIBUTIONS TO CHANGES PROVINCIAL EMPLOYMENT NET, 2013 – 2023



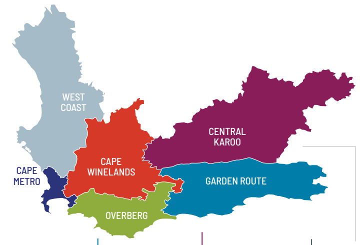
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Cape Metro	37 305	31 077	39 620	8 879	33 176	25 198	1 731	-120 086	-38 345	79 106	65 117
Central Karoo	524	69	1 362	-145	111	100	-44	-1 581	-554	900	969
Garden Route	7 060	4 226	10 807	-557	4 507	2 509	-720	-19 808	-8 109	12 683	11 156
Overberg	5 023	1 851	9 685	-98	2 692	1 914	265	-10 207	-4 082	7 966	7 414
Cape Winelands	14 709	4 443	29 828	43	7 080	5 002	1 365	-29 298	-10 685	22 489	21 672
West Coast	8 395	712	16 275	-358	928	1 070	647	-12 153	-4 815	8 689	10 460

Source: Quantec, 2024

The Western Cape's employment growth generally outpaces GDPR growth, with notable differences across districts. Cape Metro's slower employment growth reflects a shift towards capital-intensive sectors that require less labour. In contrast, employment in the OD, CWD, and WCD districts has outpaced economic growth, driven by labour-intensive sectors like agriculture and tourism. The CKD, however, shows more volatility, with employment growth influenced by environmental shocks and outmigration to urban centres. Despite these variations, employment trends highlight the strong role of agriculture and tourism in job creation outside of Cape Metro.

Figure 8

REGIONAL TOTAL EMPLOYMENT[11] GROWTH RATES, 2013 – 2023



Sector	CAPE METRO	WEST COAST	CAPE WINELANDS	OVERBERG	GARDEN ROUTE	CENTRAL KAROO	WESTERN CAPE
2013	2.6%	5.5%	4.6%	4.7%	3.5%	3.0%	3.3%
2014	2.1%	0.4%	1.3%	1.6%	2.0%	0.4%	1.8%
2015	2.6%	10.1%	8.7%	8.5%	5.1%	7.6%	4.6%
2016	0.6%	-0.2%	0.0%	-0.1%	-0.2%	-0.7%	0.3%
2017	2.1%	0.5%	1.9%	2.2%	2.0%	0.6%	2.0%
2018	1.6%	0.6%	1.3%	1.5%	1.1%	0.5%	1.4%
2019	0.1%	0.4%	0.4%	0.2%	-0.3%	-0.2%	0.1%
2020	-7.4%	-6.7%	-7.6%	-7.9%	-8.6%	-8.2%	-7.5%
2021	-2.6%	-2.9%	-3.0%	-3.4%	-3.9%	-3.1%	-2.8%
2022	5.4%	5.3%	6.5%	7.0%	6.3%	5.2%	5.7%
2023	4.2%	6.1%	5.9%	6.1%	5.2%	5.3%	4.8%

Source: Quantec, 2024

The labour intensity of the agriculture, forestry, and fishing, manufacturing, and community services sectors is evident at the sectoral level. The agriculture, forestry, and fishing sector contributes 10.1 per cent to provincial employment, compared to 4.1 per cent towards GDPR which indicates its labour intensity. The employment contribution to the agriculture, forestry, and fishing sector is concentrated in the CWD (3.2 per cent) and WCD (2.7 per cent).

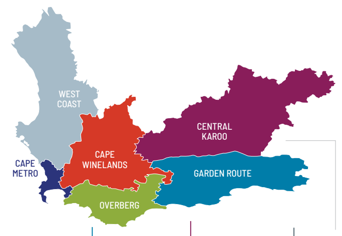
In comparison, the manufacturing sector contributes 10.2 per cent to employment but accounts for a GDPR share of 14.1 per cent. This highlights the lower labour intensity and higher productivity of manufacturing relative to agriculture, despite its larger economic output. Other sectors, such as community services, also play a key role in employment, but their GDPR contributions are more modest, reflecting the broader mix of industries driving the provincial employment. This distinction underscores the importance of labour-intensive sectors, particularly agriculture and manufacturing, in sustaining regional employment and supporting economic growth across various districts.

In contrast, the finance, insurance, real estate, and business services sector, despite being the top GDPR contributor, offers a smaller share of employment. This suggests that the sector is less labour-intensive and more focused on capital intensive, high productivity functions. At the same time, the employment contributions from the transport, storage, and communication sector are relatively low compared to other sectors, indicating that while essential for economic function, it does not employ as many people proportionally.

11 Includes formal and informal employment estimates.

Figure 9

REGIONAL SECTORAL EMPLOYMENT CONTRIBUTIONS TO PROVINCIAL EMPLOYMENT, 2023



Sector	CAPE METRO	WEST COAST	CAPE WINELANDS	OVERBERG	GARDEN ROUTE	CENTRAL KAROO	WESTERN CAPE
Agriculture, forestry & fishing	1.8%	2.7%	3.2%	1.1%	1.1%	0.2%	10.1%
Mining & quarrying	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.1%
Manufacturing	7.1%	0.6%	1.2%	0.4%	0.8%	0.0%	10.2%
Electricity, gas & water	0.2%	0.0%	0.0%	0.0%	0.0%	0.0%	0.4%
Construction	3.7%	0.3%	0.8%	0.3%	0.5%	0.0%	5.7%
Wholesale & retail trade, catering & accommodation	14.8%	1.2%	3.4%	1.1%	2.1%	0.2%	22.9%
Transport, storage & communication	3.1%	0.2%	0.5%	0.2%	0.4%	0.1%	20.1%
Finance, insurance, real estate & business services	14.3%	0.7%	2.5%	0.9%	1.7%	0.1%	4.4%
General government	4.3%	0.4%	0.8%	0.2%	0.5%	0.1%	5.3%
Community, social & personal services	13.4%	1.1%	2.8%	0.8%	1.7%	0.2%	19.9%

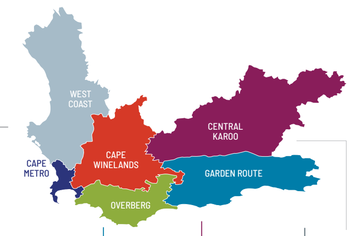
Source: Quantec, 2024

The employment growth contributions from the agriculture, wholesale and retail trade, and community services sectors are vital for job creation across the Province. The employment growth contributions from the agriculture, wholesale and retail trade, and community services sectors are vital for job creation across the Province. Agriculture, forestry, and fishing, in particular, show a significant employment growth contribution, especially in the WCD (3.4 per cent) and CWD (1.7 per cent). This growth is largely driven by key sub-sectors within agriculture, such as fruit and wine production, which are labour-intensive and continue to expand in response to both local and international demand. These sectors are essential to job creation in these regions, where they make up a substantial portion of the employment base. The continued strength of agriculture in these districts is indicative of its central role in supporting the local economy and sustaining employment growth.

Notably, the employment growth contribution of manufacturing is consistent across municipalities, with a notable contribution in the WCD (0.6 per cent). Additionally, the transport, storage, and communication sector's employment growth contribution are relatively low across all regions. While these sectors are not the major drivers of employment growth, they play a key role for structural transformation and industrialisation. Sectors like finance and transport show lower employment growth contributions relative to GDPR.

Figure 10

SECTORAL CONTRIBUTIONS TO REGIONAL EMPLOYMENT GROWTH, 2023



Sector	CAPE METRO	WEST COAST	CAPE WINELANDS	OVERBERG	GARDEN ROUTE	CENTRAL KAROO	WESTERN CAPE
Agriculture, forestry & fishing	0.2%	3.4%	1.7%	1.6%	1.0%	2.0%	0.8%
Mining & quarrying	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Manufacturing	0.5%	0.3%	0.4%	0.6%	0.5%	0.1%	0.5%
Electricity, gas & water	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Construction	0.1%	0.0%	0.1%	0.1%	0.0%	0.0%	0.1%
Wholesale & retail trade, catering & accommodation	1.2%	0.9%	1.5%	1.5%	1.4%	1.3%	1.2%
Transport, storage & communication	0.4%	0.2%	0.4%	0.4%	0.4%	0.3%	0.4%
Finance, insurance, real estate & business services	0.5%	0.3%	0.7%	0.9%	0.8%	0.2%	0.6%
General government	-0.1%	0.0%	0.0%	-0.1%	-0.1%	0.0%	-0.1%
Community, social & personal services	1.4%	1.0%	1.2%	1.1%	1.2%	1.5%	1.3%
Total employment	4.2%	6.1%	5.9%	6.1%	5.2%	5.3%	4.8%

Source: Quantec, 2024

Overall, while districts like the CWD and WCD exhibit robust contributions from the agriculture sector, the Cape Metro remains a hub for trade and services. Employment growth has predominantly been driven by the agriculture, forestry and fishing and wholesale and retail trade, catering and accommodation sectors in the Western Cape, particularly in areas with established viticulture economies in the CWD and diverse agricultural produce in the WCD and CKD. Regions such as the CKD require further diversification to enhance economic growth.

For the Western Cape Government, employment pathways and expectations are also guided by the strategic priorities of the provincial government. In this regard, the Western Cape Government has positioned its Growth for Jobs Strategy as a key pillar in unlocking employment by generating economic growth.

WESTERN CAPE GROWTH FOR JOBS STRATEGY

Over recent years, the WCG has identified the need for a strategy to increase the Provincial economic growth rate and, to the extent that growth continues to falter in South Africa, decouple the Province's growth trajectory from that of the rest of the country. This gave rise to the Western Cape Growth for (G4J) Jobs Strategy, first published in 2023. The G4J priority focus areas are as follows:

- Creating Growth Opportunities through Investment.
- Stimulating Market Growth through Exports and Domestic Markets.
- Energy Resilience and Transition to Net Zero Carbon.
- Water Security and Resilience.
- Technology and Innovation.
- Infrastructure and Connected Economy.
- Improved Accessibility to Economic Opportunities and Employability.

The strategy's vision is for a provincial economy that achieves breakout economic growth, resulting in sufficient employment and business opportunity and a sustainable, resilient, diverse and thriving economy – one that generates confidence, hope and prosperity for all.

This vision is further expressed through the goal that by 2035, the Western Cape will be a R1-trillion inclusive economy in real terms and growing between 4.0 per cent and 6.0 per cent annually. This will be achieved through enabling a competitive business environment in which growth is driven through businesses seizing opportunities.

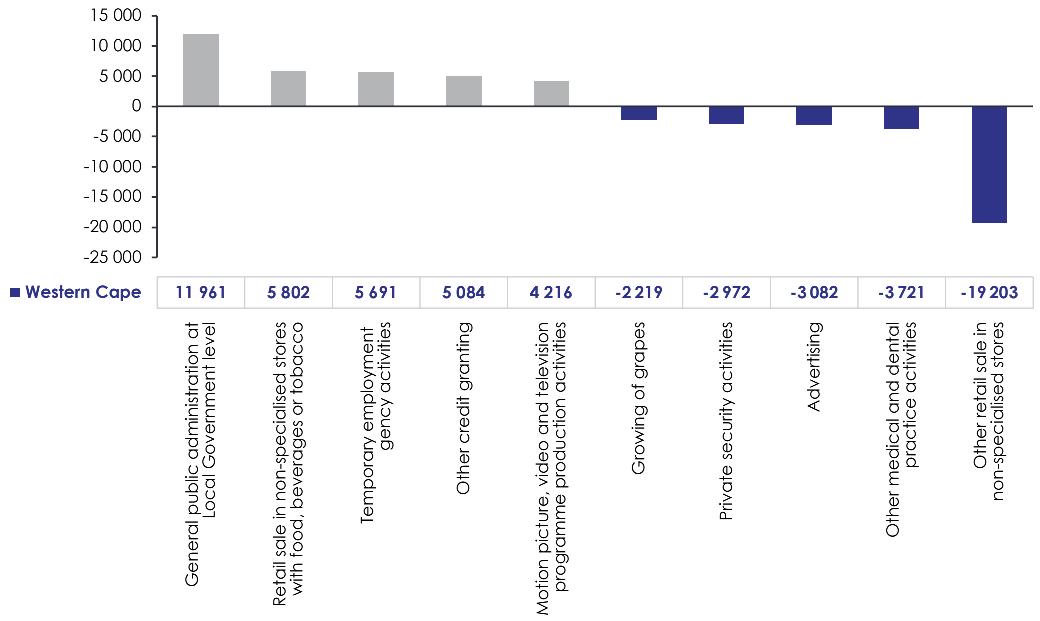
Source: Western Cape Government, 2023

The full Growth for Jobs Strategy can be viewed using the QR code

In the Western Cape, formal sector job fluctuations align with the region's GDPR performance. Notably, local government administration saw the largest job gains, adding 11 961 positions. In contrast, the retail sector experienced the most significant job losses, with 19 203 jobs lost in other retail sale non-specialised stores. However, in retail sale in non-specialised stores with food, beverages or tobacco, there was a recovery, with the sector seeing a rebound of 5 802 jobs through retail sales in non-specialised stores with food, beverages or tobacco. The retail sector's job decline, in particular, is influenced by the rise of online shopping, changing consumer preferences, and heightened competition. Additional job losses occurred in other medical and dental practice activities, advertising and private security.

Figure 11

TOP FIVE OCCUPATIONS FOR FORMAL EMPLOYMENT[12] GAINS AND LOSSES, 2023



Source: Nell, A & Visagie, J. Spatial Tax Panel 2014 – 2023 (dataset). Version 3. National Treasury Cities Support Programme and Human Sciences Research Council (producer and distributor), 2024

Employment in the informal sector is showing a strong recovery from the impacts of COVID-19. Historically, the informal sector has been a significant contributor to employment opportunities within the Western Cape Province and its districts, accounting for one in every four jobs. However, post-COVID, this declined to one in every five or six jobs, largely due to limited access to capital leading to a lag in economic recovery. Expectations are for this trend to improve over time.

12 Due to the in-depth data made available through SARS and the HSRC, this publication is able to present FTE employment data at a more disaggregated level than would be possible using only GDPR data, which is aggregated to a 10-sector level.

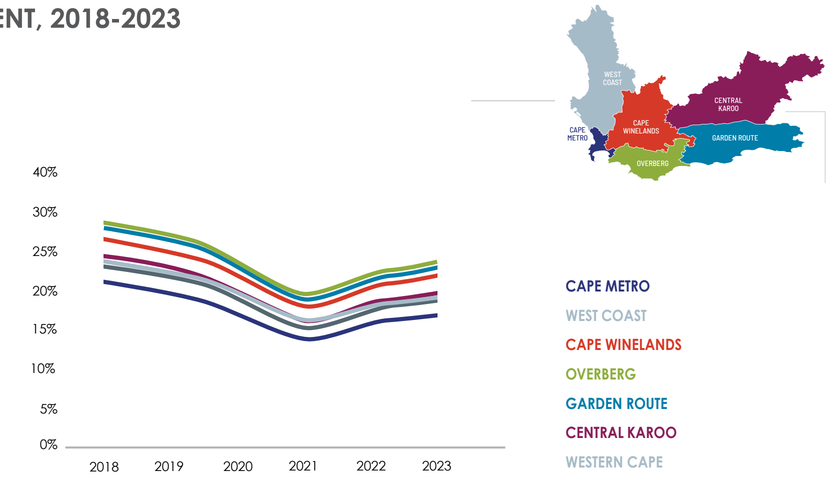
INFORMAL EMPLOYMENT

Informal employment plays a vital role in providing jobs, where formal opportunities are scarce. It serves as a crucial income source for the working poor, offering flexibility and acting as a safety net for those facing barriers to formal employment, such as lack of education, skills, or adverse economic conditions (Outlook, 2024). From spaza shop owners in the Cape Metro to hairdressers operating from homes in Beaufort West, the informal sector is essential for generating employment opportunities in the Province.

Typically, the informal economy expands during economic downturns, as individuals who lose formal jobs often turn to informal work or self-employment. Currently, the informal sector is in a recovery phase since the pandemic, but it is progressing more slowly than the formal economy.

Figure 12

INFORMAL EMPLOYMENT AS A PERCENTAGE OF TOTAL EMPLOYMENT, 2018-2023



Source: PERO, 2024

In the Western Cape, employment in the informal economy decreased from 21.9 per cent in 2019 to 15.5 per cent in 2021 due to the COVID-19 restrictions that disproportionately affected the informal economy. However, since 2021, there has been a positive rebound, with informal employment rising to 18.9 per cent in 2023. The rebound has been driven by the easing of movement restrictions that have led to the resumption of certain activities such as construction, which stimulates micro-informal economies around their building sites.

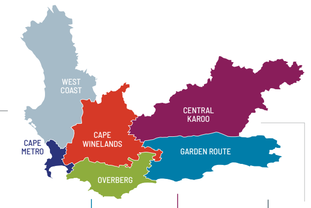
Informal employment is concentrated in some sectors relative to others. The wholesale and retail trade, catering and accommodation sector consists of the highest proportion of employees in the informal economy. The data shows that 27.7 per cent of individuals in the wholesale and retail trade, catering and accommodation sector are informally employed in the Province. This proportion is higher in CKD and GRD at 36.5 per cent and 33.2 per cent, respectively, because of the prevalence of low-income residents who depend on spazas for affordable products.

The construction sector also consists of high levels of informal employment, with 26.6 per cent of individuals in the construction sector informally employed in the Province, and this is higher than 29.3 per cent in OD and GRD. Mining and quarrying, while contributing 7.1 per cent to total informal employment in the Province, has a notably high level of informal workers in the Central Karoo, where 50 per cent of mining sector jobs are informal. Notably, employment in informal transport, storage and communication and agriculture sectors contribute substantially to the overall jobs total.

The rising level of informality presents an opportunity for the Province to devise policies and strategies that can assist in formalising businesses. This can contribute towards improved wages and working conditions, creating broader economic opportunities for residents.

Figure 13

SECTORAL INFORMAL EMPLOYMENT CONTRIBUTIONS TO TOTAL EMPLOYMENT, 2023



Sector	CAPE METRO	WEST COAST	CAPE WINELANDS	OVERBERG	GARDEN ROUTE	CENTRAL KAROO	WESTERN CAPE
Primary sector	17.1%	26.8%	26.2%	25.0%	22.6%	19.8%	24.1%
Agriculture, forestry & fishing	17.3%	26.9%	26.3%	25.1%	22.7%	19.8%	24.2%
Mining & quarrying	7.3%	4.4%	10.8%	4.0%	5.4%	50.0%	6.7%
Secondary sector	17.5%	14.0%	19.9%	22.8%	22.8%	25.9%	18.3%
Manufacturing	12.6%	11.8%	16.9%	17.7%	18.7%	27.7%	13.8%
Electricity, gas & water	7.3%	9.6%	12.4%	11.7%	12.6%	17.4%	8.8%
Construction	27.4%	19.9%	24.8%	30.0%	29.8%	26.5%	27.1%
Tertiary sector	16.9%	15.2%	21.1%	23.6%	23.1%	19.0%	18.3%
Wholesale & retail trade, catering & accommodation	24.5%	24.4%	31.9%	33.5%	34.9%	38.0%	29.2%
Transport, storage & communication	22.0%	28.6%	34.3%	35.2%	33.1%	35.0%	27.1%
Finance, insurance, real estate & business services	11.6%	11.5%	16.5%	35.2%	17.5%	16.9%	13.6%
Community, social & personal services	12.5%	10.5%	15.4%	19.2%	17.8%	8.5%	14.1%

Source: Quantec, 2024

CONCLUDING REMARKS

The economic landscape of the Western Cape and SA is marked by a complex interplay of global and local factors. The post-pandemic era has brought heightened volatility, geopolitical tensions, high lending and inflation rates, and subdued economic activity. Despite these challenges, there are emerging signs warranting measured optimism, driven by easing global oil prices, improved trade outlooks, and economic stimuli from major economies like the US and China.

Under the GNU, SA has shown signs of a potential recovery. Key indicators such as the appreciation of the Rand from R18.96/$ to R17.60/$, a reduction in interest rates by the South African Reserve Bank (SARB), and a modest GDP growth of 0.4 per cent in 2024Q2 point to a cautiously optimistic outlook. However, significant risks remain, including an unemployment rate rising to 33.5 per cent in the second quarter of 2024, potential electricity cost hikes, and the looming threat of climate change.

In the Western Cape, the economy expanded by 0.7 per cent in 2023, with forecasts suggesting real economic growth of closer to 1 per cent by 2024. The Cape Metro contributes over 70 per cent to the provincial GDPR, while other districts like the CWD and OD have shown significant growth, driven by tourism and agriculture. The CWD's contribution to GDPR increased from 10.5 per cent in 2013 to 11.2 per cent in 2023. However, regions like the WCD face challenges such as inadequate infrastructure and extreme weather conditions, which hinder their economic performance.

Employment growth in the Western Cape generally outpaces GDPR growth, with the agriculture and tourism sectors being major contributors. The informal sector, which historically accounted for one in every four jobs, has shown a strong recovery from the impacts of COVID-19, now accounting for one in every five or six jobs. This underscores the need for targeted interventions to promote sustainable job growth and enhance overall employment conditions.

The Western Cape G4J Strategy aims to increase the provincial economic growth rate and decouple it from the national trajectory. The strategy focuses on creating growth opportunities through investment, stimulating market growth, ensuring energy and water security, promoting technology and innovation, and improving accessibility to economic opportunities. The vision is for a provincial economy that achieves breakout economic growth, resulting in sufficient employment and business opportunities, and a sustainable, resilient, diverse, and thriving economy.

The Western Cape is strategically positioned to drive economic growth within SA While the Cape Metro remains the primary economic driver, enhancing contributions from other districts is crucial for creating a more economically resilient province and ensuring an equitable distribution of the economic growth. Addressing challenges such as high unemployment, climate change, and infrastructure deficits will be essential for sustaining growth and ensuring long-term prosperity for all residents.

Section A

Western Cape Government

FOR YOU

23 331.1KM^2 |
18.0% of Western Cape

GARDEN ROUTE DISTRICT

Municipal Economic Review & Outlook

GARDEN ROUTE DISTRICT AT A GLANCE

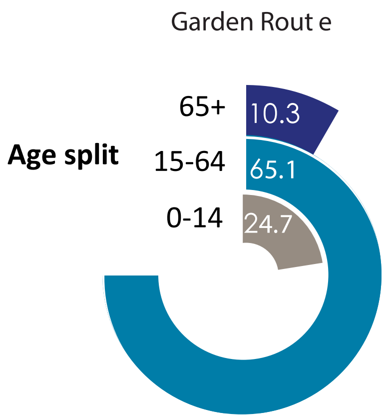
SIZE
23 331.1KM² | (18%) of Western Cape

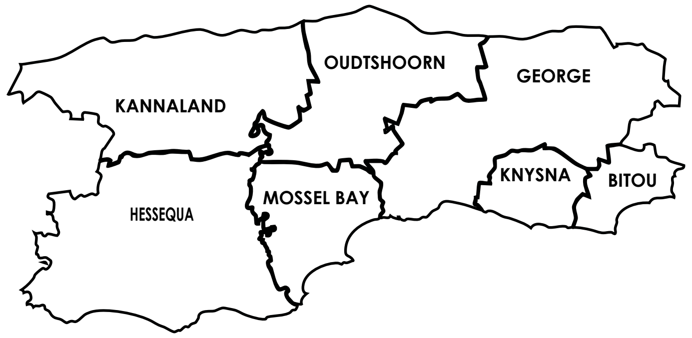
POPULATION
667 636 | (11.3%) of Western Cape

Seat
George

Male
48.8%

Female
51.2%



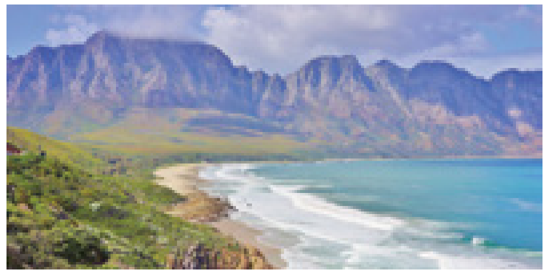


Indigent households
46 470

Average median income
R7 121

Access to services

96% | 91% | 93% | 90%



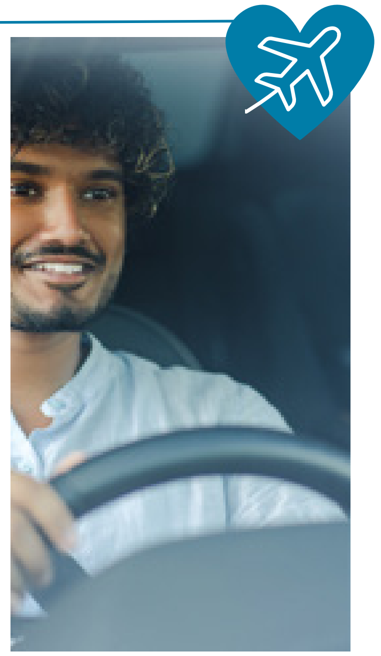
Visitors

Domestic
98.0%

Overseas
1.7%

Overnight
50.1%

Day visitors
49.9%



GDPR (2021-constant prices)
R46.2 Billion

GDPR per capita
(2021-constant prices)
R71 720

7.6%
GDPR contribution to Western Cape

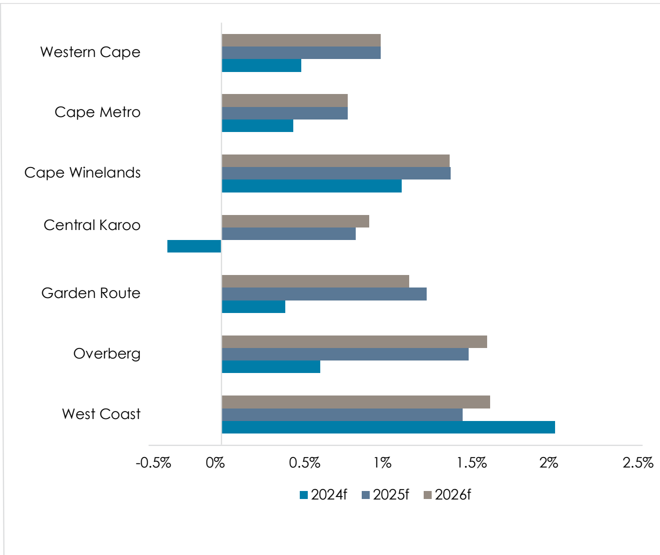
Jobs employed
226 158

Estimated 2023 job gains
2 097

Estimated 2023 unemployment rate
24.6%

8.9%
Contribution to Western Cape jobs employed

GDPR Forecasts



International trade

Exports
R7.7 Billion

Imports
R22.5 Billion

Top three exported products

- Apples, pears & quinces
- Citrus fruit, fresh or dried
- Seeds, fruit and spores

United States | China | United Kingdom

Western Cape Government
FOR YOU

SECTION B

Economic growth & job creation

INTRODUCTION

The GRD is a stunning region of the Western Cape, known for its diverse landscapes, including lush forests, scenic beaches, and towering mountains. Stretching from Knysna in the west to George in the east, it spans 23 331.1km² and includes vibrant towns like Plettenberg Bay, Mossel Bay, and Oudtshoorn.

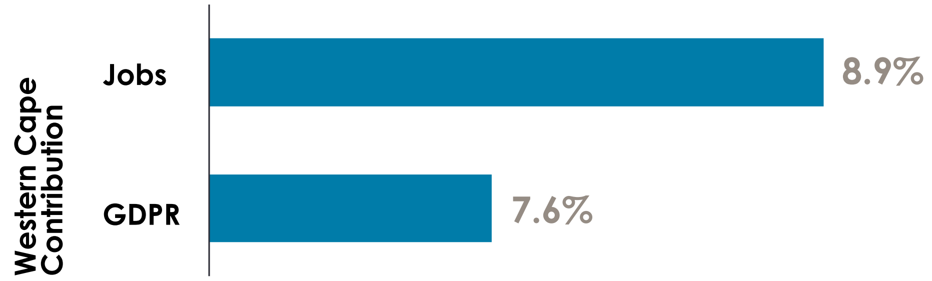
Famed for its natural beauty, the Garden Route is a major tourism destination, attracting visitors to explore its national parks, wildlife, and outdoor adventures. The local economy thrives on tourism, agriculture (especially citrus and wine), and retail, with key economic hubs in George and Knysna. Mossel Bay also hosts important port and energy infrastructure.

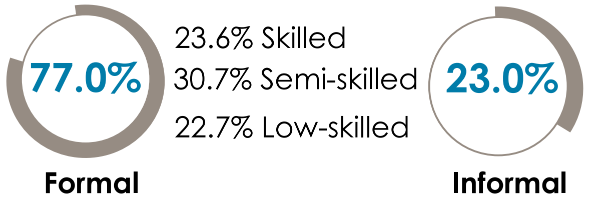
With its combination of natural charm and growing economic opportunities, the Garden Route is a key player in the Western Cape's development, offering a unique balance of work, leisure, and lifestyle.

Regional GDPR & employment performance

GDPR
R46.2 billion
Growth constant price
0.9%

JOBS
226 158
Job gain 2023
2 097





Employment profile

	2022	2023
Unemployment rate	28.0%	24.6%
Labour force participation rate	52.7%	51.6%
Labour absorption rate (employment-to-population ratio)	37.9%	38.9%
Not economically active proportion of working-age population	47.3%	48.4%

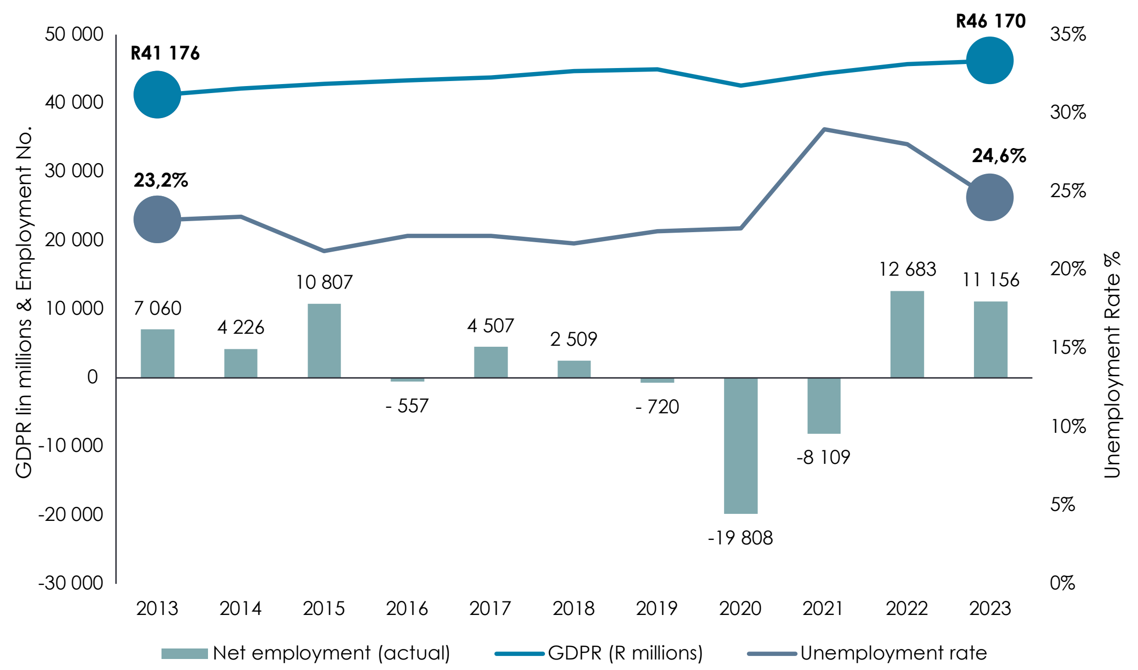
Top Five Jobs

	Top Jobs
General public administration at Local Government level	7 416
Mixed farming	5 792
General public administration at Provincial Government level	3 803
Public order and safety activities at National Government level	2 817
Construction of buildings	2 676

REGIONAL GDPR AND EMPLOYMENT PERFORMANCE

The GRD outpaced the national economy in 2023, with a GDPR growth rate of 1.1 per cent, compared to South Africa's national growth of just 0.6 per cent. This translates to a GDPR of R46.2 billion in 2023, up from R45.7 billion in 2022. The District's growth was driven by strong performance in sectors such as agriculture, manufacturing, and tourism, which continue to be key contributors to the regional economy.

Figure 14
GDPR[13], EMPLOYMENT GROWTH AND UNEMPLOYMENT RATE, Garden Route District, 2013 – 2023



Source: Quantec, 2024

The economic growth in the GRD also led to significant job gains in 2023. The region saw a net increase of 11 156 formal and informal jobs, following a gain of 12 683 jobs in 2022. These job gains more than compensated for the losses experienced during the pandemic years of 2020 and 2021. The agriculture sector, especially the wine, citrus, and horticulture industries, recorded the largest job gains, alongside significant employment growth in tourism and hospitality sectors.

As a result, the unemployment rate in the District improved from 28.0 per cent in 2022 to 24.6 per cent in 2023. These positive employment trends reflect the district's economic resilience and continued recovery, positioning the Garden Route as a key driver of growth in the Western Cape.

Net employment is a vital metric for assessing the overall health and direction of the job market. It is calculated by taking the total number of job gains and subtracting the total number of job losses.

13 The previous report data was based on Gross Value Added (GVA) at current prices. However, two changes have been made. First, the data has been transformed to GDPR through adding taxes and subtracting subsidies. Second, the real GDPR has been included based on constant 2015 prices – in this way, the real changes in GDPR are presented, and not those driven by CPI.

GARDEN ROUTE DISTRICT EMPLOYMENT PROFILE

The Garden Route District displayed more favourable labour market trends in 2023 compared to the Western Cape Province, particularly in terms of the employment-to-population ratio.

The GRD experienced a slight decrease in its participation rate, from 52.7 per cent in 2022 to 51.6 per cent in 2023. This decline reflects a modest reduction in labour market engagement, which may be due to factors such as discouragement, education, or migration patterns. The Western Cape also saw a decline in its participation rate, from 61.9 per cent in 2022 to 61.2 per cent in 2023, indicating a broader provincial trend towards lower labour force participation, likely influenced by factors such as the economic slowdown and demographic shifts.

Table 1
EMPLOYMENT PROFILE, Garden Route District, 2022 – 2023

	Western Cape		Garden Route District	
	2022	2023	2022	2023
Participation Rate[14]	61.9%	61.2%	52.7%	51.6%
Employment-to-population Ratio[15]	46.6%	47.9%	50.0%	52.0%
Not economically active prop to working age pop[16]	38.1%	38.8%	47.3%	48.4%

Source: Quantec, 2024

The GRD saw a notable improvement in its employment-to-population ratio, rising from 50.0 per cent in 2022 to 52.0 per cent in 2023, indicating a stronger local labour market performance. The Western Cape also saw an increase, from 46.6 per cent to 47.9 per cent.

Additionally, the GRD experienced a decrease in the proportion of its working-age population that was not economically active, from 47.3 per cent in 2022 to 48.4 per cent in 2023, while the Western Cape saw an increase, from 38.1 per cent to 38.8 per cent.

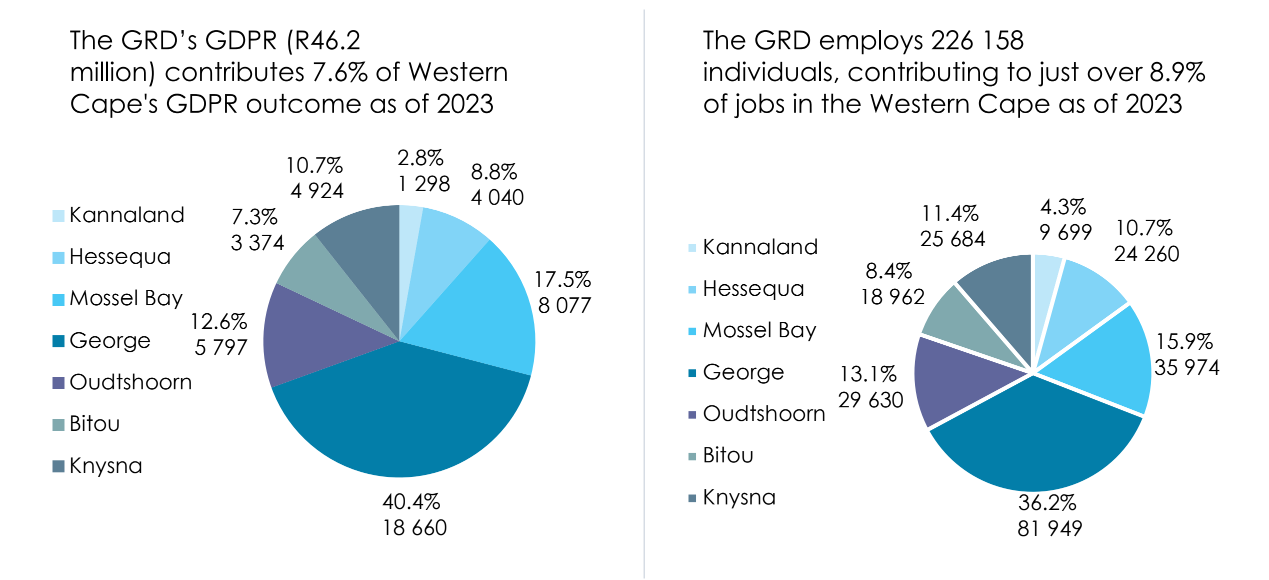
The economic performance of the GRD in 2023 was shaped by both positive developments and challenges. Infrastructure projects and business expansions supported economic growth, with key municipalities making significant contributions to GDPR. George led the way, contributing 40.4 per cent to the District's GDPR, amounting to R18.7 billion. Mossel Bay followed with 17.5 per cent of total GDPR (R8.1 billion), driven by the port, energy, and tourism sectors.

14 The labour participation rate is calculated by dividing the number of people who are employed or actively seeking employment by the total working-age population.
15 While the unemployment level refers to the number of people that are actively seeking work, but are unable to find work, the employment-to-population specifically measures the proportion of the working age population that is employed.
16 Not economically active refers to persons aged 15 to 64 years who were neither employed nor unemployed in the reference week.

Oudtshoorn, with its agricultural and tourism sectors, contributed 12.6 per cent to GDPR (R5.8 billion), while Knysna and Bitou, with their tourism-driven economies, contributed 10.7 per cent and 7.3 per cent, respectively. Hessequa and Kannaland contributed 8.8 per cent and 2.8 per cent to GDPR, respectively, with agriculture and tourism being the primary economic drivers in these areas. However, the region faced challenges such as skill shortages, infrastructure constraints, and climate-related risks, including flooding and drought, which impacted both local economies and infrastructure development.

In terms of employment, George Municipal area again led with the highest share, accounting for 36.2 per cent of total employment in the District, with 81 949 jobs. Mossel Bay contributed 15.9 per cent to total employment, providing 35 974 jobs, while Oudtshoorn followed with 13.1 per cent of employment and 29 630 jobs. Knysna and Bitou contributed 11.4 per cent and 8.4 per cent to total employment, respectively, reflecting the importance of the tourism sector in driving local job creation. Hessequa and Kannaland contributed 10.7 per cent and 4.3 per cent to employment, respectively. These contributions highlight the central role of agriculture, tourism, and services in driving employment across the GRD, although challenges such as skill shortages and labour market constraints remain a concern.

Figure 15
MUNICIPAL GDPR[17] AND EMPLOYMENT CONTRIBUTIONS, Garden Route District, 2023



Source: Quantec, 2024

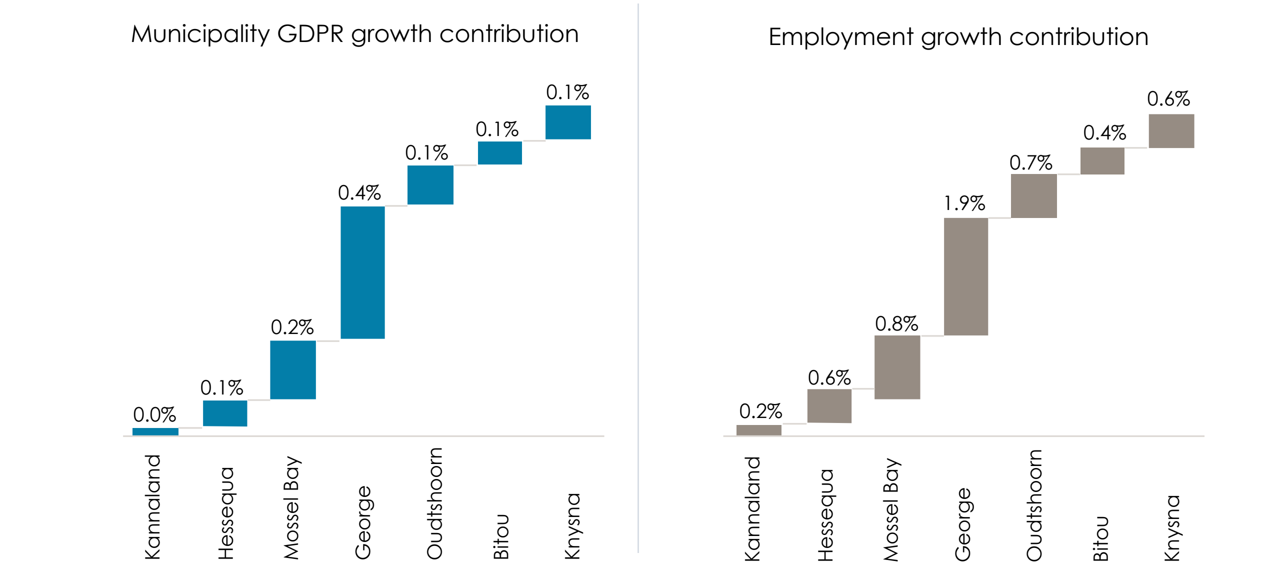
The GRD's economy grew by 1.1 per cent, while employment increased by 5.2 per cent. Among the most urbanised and economically significant municipal areas, George played a key role driving the District's GDPR growth, contributing 0.4 percentage points, followed by Mossel Bay with 0.2 percentage points. Both municipal areas were also key contributors to employment growth, with George contributing 1.9 percentage points and Mossel Bay contributing 0.8 percentage points.

Other municipal areas such as Hessequa and Oudtshoorn also made notable contributions, with

17 See Note 1.

Hessequa adding 0.1 percentage points to GDPR growth and 0.6 percentage points to employment growth, while Oudtshoorn contributed 0.1 percentage points to GDPR growth and 0.7 percentage points to employment growth. Smaller municipal areas like Bitou and Kannaland contributed similarly to GDPR growth, each adding 0.1 and 0.0 percentage points, and both saw steady employment growth contributions—Bitou at 0.4 percentage points and Kannaland at 0.2 percentage points. Knysna was one of the weaker performing municipalities contributing 0.1 percentage points to GDPR and 0.6 percentage points to employment. The labour-intensive sectors in the Garden Route, particularly in tourism, agriculture, and services, played a major role in driving employment, underscoring the District's diverse economic base.

Figure 16
MUNICIPAL CONTRIBUTIONS TO GDPR[18] AND EMPLOYMENT GROWTH, Garden Route District, Changes from 2022-2023



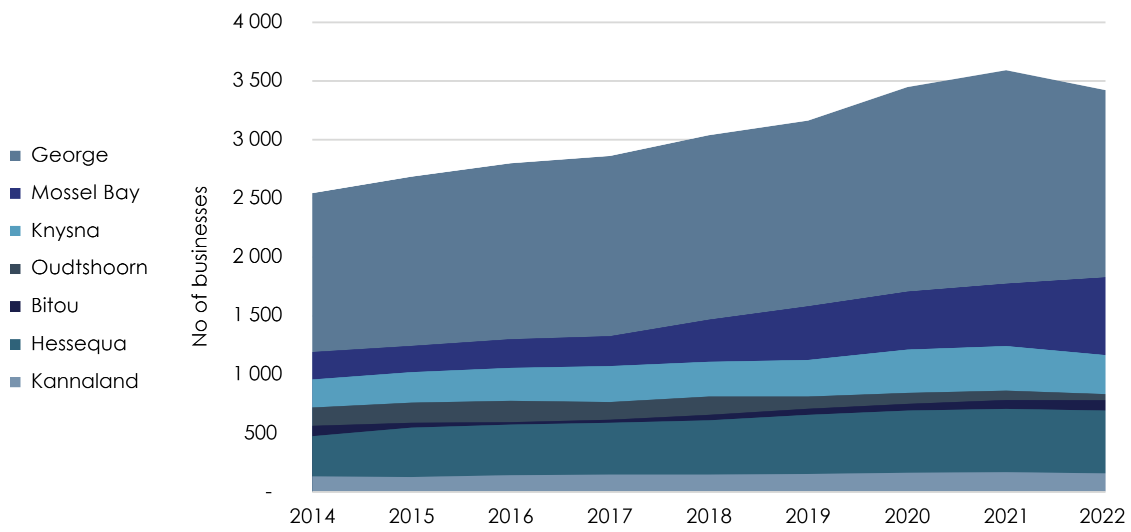
Source: Quantec, 2023

The economic contributions of the seven municipal areas in the GRD to GDPR and employment are

18 See Note 1.

influenced by private sector participation, as indicated by the number of businesses within each municipal area. George is home to the majority of business and hosts 3 424 establishments. This is followed by Mossel Bay with 1 829 establishments and Knysna with 1 166. However, Mossel Bay has been seeing a noticeable increase in businesses from 2017.

Figure 17
NUMBER OF BUSINESSES PER MUNICIPAL AREA, Garden Route District, 2014 - 2022



Source: Quantec, 2024

An analysis of the sectoral contributions to employment and GDPR growth reveals that the transport, storage, and communication sector was the standout performer in 2023. This sector achieved a strong 5.1 per cent GDPR growth while generating impressive employment growth of 10.0 per cent year-on-year. Its performance was largely driven by the District's strategic role in facilitating the transportation of goods, including agricultural products, which are vital to the local economy and are distributed across national and international markets.

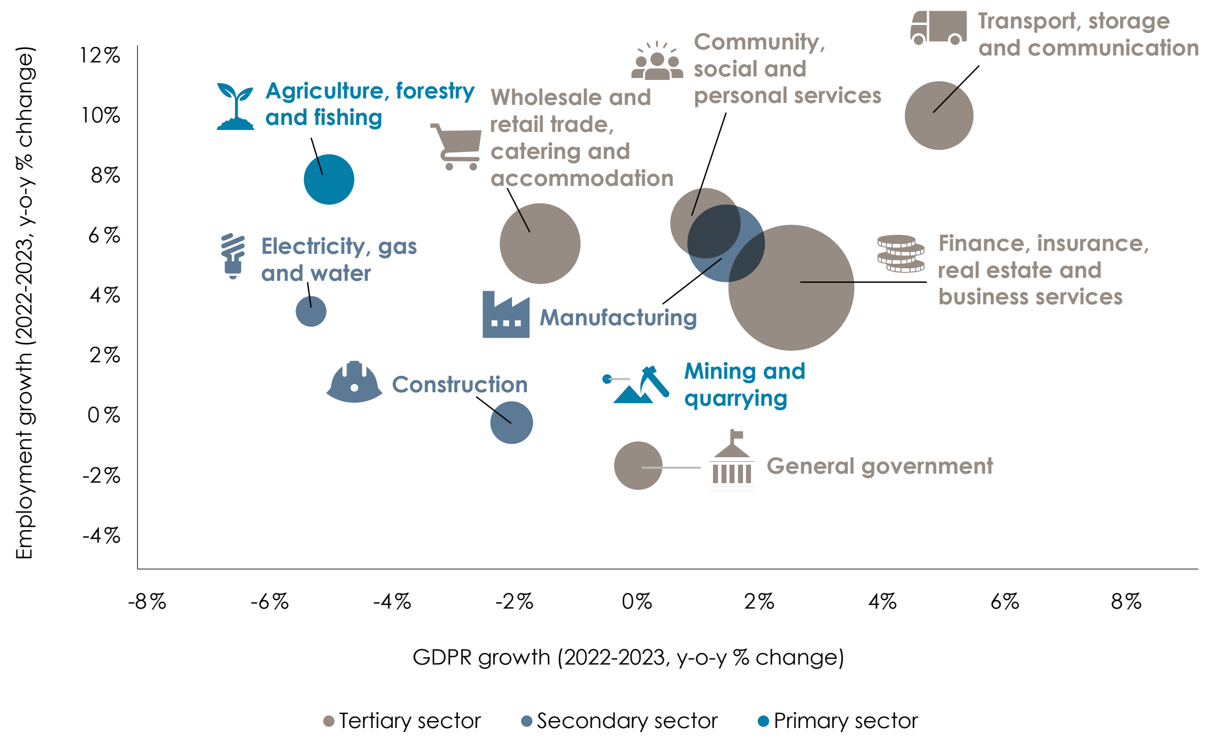
The finance, insurance, real estate, and business services sector also made a significant contribution to both GDPR and employment growth, with a 2.6 per cent increase in GDPR and a 4.3 per cent rise in employment. This sector's robust performance reflects the growing demand for financial and business services in the region. Professional services, including real estate, legal activities, and financial consultancy, have supported the local economy, with key players contributing to the sector's expansion.

The agriculture, forestry, and fishing sector, despite facing a challenging year, showed a strong performance in employment growth, contributing 7.9 per cent year-on-year, even as its GDPR contracted by 4.9 per cent. The sector's struggles were linked to adverse weather conditions and other challenges, but it remained the primary driver of employment. The resilience of this sector underscores its importance to Kannaland's rural economy, where farming and fishing provide vital livelihoods.

The community, social, and personal services sector saw a modest GDPR growth of 1.2 per cent and a notable employment increase of 6.4 per cent. Growth in this sector was spurred by expanding public services and community-based initiatives, which played an important role in enhancing local infrastructure and meeting growing social demands.
On the downside, the wholesale and retail trade, catering, and accommodation sector faced a decline in GDPR of 1.5 per cent, although it managed to create jobs delivering a 5.7 per cent increase in employment. Despite strong job creation, this sector's performance was dampened by inflationary pressures, high fuel prices, and reduced consumer spending. These factors weighed heavily on retail and hospitality activities, particularly in more rural areas of the District.

The manufacturing and construction sectors also made positive contributions to employment, with manufacturing recording a 5.7 per cent increase in jobs, despite a relatively modest 1.6 per cent GDPR growth. However, the construction sector faced a contraction, with a 1.9 per cent decline in GDPR and a slight reduction in employment. This slowdown reflects challenges in infrastructure projects and limited private investment during the year.

Figure 18
GDPR[19] AND EMPLOYMENT PERFORMANCE PER SECTOR, Garden Route District, 2022-2023



Source: Quantec, 2024. Note: the bubble sizes are based on the sectors contribution to GDPR for Garden Route District.

The top full-time equivalent (FTE) jobs in the GRD highlight the labour intensity of both the agricultural and services sectors. Mixed farming is the largest source of employment, with 5 792 jobs, followed by construction of buildings, which provides 2 540 jobs. The significant employment in sectors such as slaughtering, dressing, and packing of livestock, which accounts for 1 510 jobs, reflects the importance of agri-processing and food production in the region's economy. The substantial number of employees in services, particularly in general public administration at the local and provincial government levels, emphasises the role of the public sector in providing stable, broad-based employment opportunities.

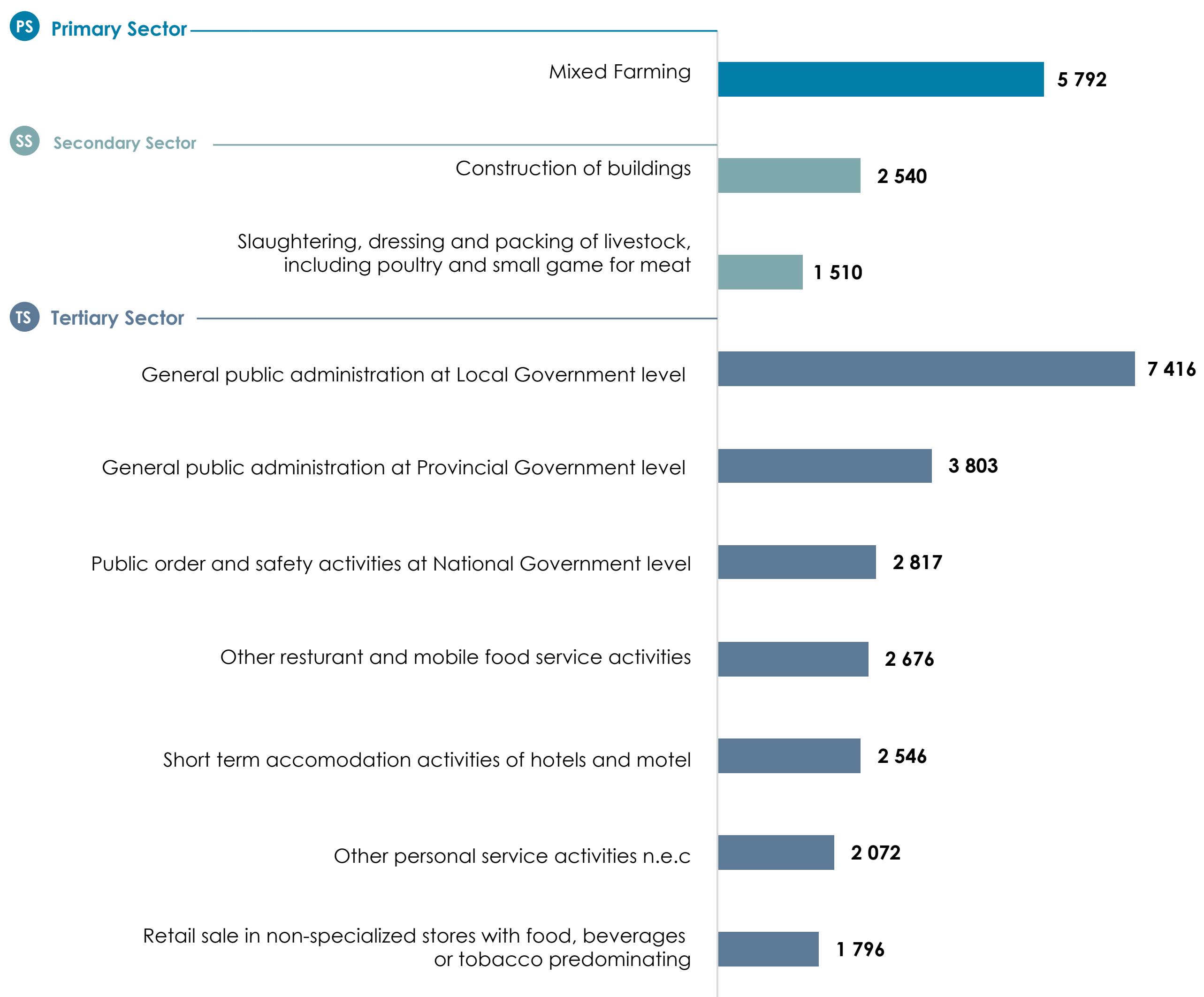
Agriculture, particularly mixed farming, continues to drive the GRD's economic base, with

19 See Note 1.

fruit production and livestock farming being key contributors. The GRD is also seeing growth in agricultural diversification, with increased jobs in both post-harvest and agri-processing activities. This broadening of the agricultural sector offers significant potential for future job creation and economic growth. Expanding agricultural value chains, including processing and trade, could further boost local employment and promote the region's export capabilities.

In addition to agriculture, the public administration sub-sector is a major employer, with over 7 416 jobs in local government and 3 803 jobs at the provincial government level. These roles offer employment across a variety of sectors, including education, healthcare, public safety, and administration. The diversity of job opportunities within government services helps to reduce unemployment rates and foster a more inclusive labour market, ensuring that a wide range of skills and qualifications are utilised across the region.

Figure 19
TOP 10 SECTORS BY NUMBER OF FTE, Garden Route District, 2023



Source: Nell, A & Visagie, J. Spatial Tax Panel 2014 – 2023 (dataset). Version 3. National Treasury Cities Support Programme and Human Sciences Research Council (producer and distributor), 2024

The largest jobs gains in the GRD were seen in mixed farming, with 350 jobs gained between 2022

and 2023. Short-term accommodation activities, such as hotels and motels, followed closely with 287 jobs added, driven by the region's tourism boom. The restaurant and mobile food service activities also experienced strong growth, with an additional 262 jobs created, highlighting the increasing demand for dining services from both locals and tourists. Furthermore, the activities of business and employers' membership organisations grew by 211 jobs, underscoring the expanding business and networking landscape in the GRD.

Table 2
TOP 10 SECTORS BY NUMBER OF FTE JOB GAINS AND LOSSES, Garden Route District, 2022-2023

District GDPR	Job	Garden Route District	Sector
Largest job gains	Mixed farming	350	Primary
	Short term accommodation activities of hotels and motels	287	Tertiary
	Other restaurant and mobile food service activities	262	Tertiary
	Activities of business and employers' membership organisations	211	Tertiary
	Mining of gold	210	Primary
	Manufacture of articles of concrete, cement and plaster	177	Secondary
	Food service activities of take away counters	174	Tertiary
	Growing of grapes	161	Primary
	Other personal service activities not elsewhere classified.	160	Tertiary
	Construction of roads and railways	158	Secondary
Largest job losses	Construction of other civil engineering projects	-415	Secondary
	Primary education	-258	Tertiary
	Extraction of natural gas	-235	Primary
	Private security activities	-177	Tertiary
	Activities of professional membership organizations	-171	Tertiary
	Growing of vegetables and melons, roots and tubers	-136	Primary
	Freight transport by road	-128	Tertiary
	Real estate activities on a fee or contract basis	-122	Tertiary
	Support activities for animal production	-117	Primary
	Silviculture and other forestry activities	-113	Primary

Source: Nell, A & Visagie, J. Spatial Tax Panel 2014 – 2023 (dataset). Version 3. National Treasury Cities Support Programme and Human Sciences Research Council (producer and distributor), 2024

Other significant contributors to job growth were in the mining of gold, with 210 jobs added, and in the manufacturing sector, particularly in the production of articles of concrete, cement, and plaster, which saw 177 jobs created. The expansion of food service activities such as take-away counters added 174 jobs, alongside growth in other personal service activities (160 jobs), both sectors benefiting from the expanding service and hospitality industries. The construction of roads and railways also contributed, adding 158 jobs, further bolstering the GRD's infrastructure development.

However, the District also experienced notable job losses, particularly in the secondary sector, where construction of other civil engineering projects saw a significant reduction of 415 jobs, probably due to a slowdown in large infrastructure projects. The primary education sector recorded a loss of 258 jobs, reflecting possible reductions in staff or shifts in educational funding. The extraction of natural gas also experienced a decline of 235 jobs, which may point to challenges within the energy sector. Other losses included private security activities (-177 jobs) and activities of professional membership organisations (-171 jobs), both within the tertiary sector.

Agricultural sectors, such as the growing of vegetables and melons, roots and tubers (-136 jobs) and support activities for animal production (-117 jobs) also saw job losses, but these were offset by growth in other agricultural areas such as mixed farming and the growing of grapes, indicating the District's ability to balance losses with gains in different subsectors. The silviculture and other forestry activities sector also experienced a decrease of 113 jobs, reflecting ongoing challenges in the forestry industry.

beyond the 1.1 per cent District average over the next three years. Some industries are expected to experience significant recovery while others face continued challenges. The agriculture, forestry, and fishing sector is projected to rebound strongly, with an average growth rate of 2.5 per cent over the three years, following a period of decline. In contrast, the mining and quarrying sector is expected to continue its downward trend, averaging a -6.6 per cent growth rate. Overall, the total average growth across all sectors is forecast to be 1 per cent, reflecting a cautious optimism for gradual economic recovery in the coming years.

Table 3
GDPR[20] FORECAST, Garden Route District, 2012 – 2026f

	Average (2012-2019)	Average (2022-2023)	2024, f	2025, f	2026, f	Average (2024f-2026f)
Agriculture, forestry and fishing	0.8%	-1.3%	3.9%	1.8%	1.7%	2.5%
Mining and quarrying	0.2%	-8.3%	-7.1%	-6.6%	-6.2%	-6.6%
Manufacturing	1.8%	1.0%	0.2%	0.6%	0.8%	0.5%
Electricity, gas and water	-1.8%	-3.9%	-4.4%	0.3%	-1.4%	-1.9%
Construction	-0.7%	-3.4%	-8.8%	-2.4%	-2.5%	-4.6%
Wholesale and retail trade, catering and accommodation	1.2%	1.5%	-0.1%	-0.1%	-0.1%	-0.1%
Transport, storage and communication	2.4%	8.4%	-4.0%	0.7%	0.9%	-0.8%
Finance, insurance, real estate and business services	3.3%	3.2%	2.6%	2.6%	2.5%	2.6%
General government	1.4%	0.0%	0.6%	0.6%	0.5%	0.6%
Community, social and personal services	1.6%	1.2%	1.2%	1.7%	1.6%	1.5%
Total	**1.9%**	**2.0%**	**0.8%**	**1.1%**	**1.1%**	**1.0%**

Source: Quantec, 2024

20 See Note 1.

COMPARATIVE ADVANTAGE

The sectoral comparative advantages of the GRD can be leveraged to promote local economic growth and job creation. When a sector has a comparative advantage in a region relative to the rest of the country, businesses can capitalise on its local strengths in efficiency and production. The sector is typically able to meet local needs while also serving a larger market outside the region.

A location quotient greater than one indicates that the sector in question has a comparative advantage in the region relative to its competitiveness nationally. A location quotient of less than one suggests that the sector's position in the region is weaker than its position nationally. A location quotient of one indicates that the sector has the same advantage regionally as it does nationally.

Location quotient	Interpretation
Less than 1	The region has a lower concentration of the industry or occupation than the larger area. This may indicate a high import propensity, and opportunity for growth.
Equal to 1	The region and the larger area have the same proportion of the industry or occupation. This indicates that the region is economically diverse.
Greater than 1	The region has a higher concentration of the industry or occupation than the larger area. This suggests specialisation in that sector. Therefore, the sector is serving needs beyond the border, exporting goods and services in this sector.

Analysis of the location quotient highlights GRD's diverse economic activity which is aligned closely with the that of the Province. The high location quotient for agriculture underscores the region's specialisation in farming activities, supported by its fertile soil and favourable climate, contributing significantly to local food production and export markets.

Section B

Table 4
LOCATION QUOTIENT IN TERMS OF GVA[21], Garden Route District, 2023

	Location quotient relative to Province	Gross value added at basic prices
Agriculture, forestry and fishing	1.31	5.6%
Mining and quarrying	1.30	0.2%
Manufacturing	0.94	13.2%
Electricity gas and water	1.06	2.0%
Construction	1.08	4.0%
Wholesale and retail trade catering and accommodation	1.06	14.3%
Transport, storage and communication	0.94	10.5%
Finance, insurance, real estate and business services	1.02	34.1%
General government	0.88	5.2%
Community, social and personal services	0.93	11.0%

Source: Quantec, 2024

Based on the interpretations of the location quotient, the agriculture, forestry, and fishing sectors, along with mining and quarrying, construction, and wholesale and retail trade, have high levels of comparative advantage in terms of local value creation.

21 Gross value added (GVA) measures economic productivity, by assessing the value added to a product by a particular sector. GVA growth can indicate which sectors are performing well.

- Primary sector
- Secondary sector
- Tertiary Sector

Emerging sectors

Low and medium comparative advantage, but growing

Community, social and personal services

Transport, storage and communication

Emerging sectors have a location quotient of less than one, but the location quotient is increasing over time. While the comparative advantage of such sectors is low, targeted interventions can be used to help them improve their comparative advantage.

Mature sectors

High comparative advantage and growing

Agriculture, forestry and fishing

Electricity, gas and water

Wholesale and retail trade, catering and accommodation

Finance, insurance, real estate and business services

Mature sectors have a location quotient of more than 1. The quotient is increasing over time, indicating that the local comparative advantage of these sectors is growing relative to the advantage they have elsewhere in the country. Such sectors should be the focus of development initiatives.

Troubled sectors

Low and medium comparative advantage, but declining

General government

Troubled sectors have a location quotient of less than one that is diminishing over time. There is little possibility that these sectors will enable large-scale economic growth and job creation.

Mature and declining

High comparative advantage, but declining

Mining and quarrying

Construction

Mature sectors that are losing ground have a location quotient of more than one; however, their comparative advantage is diminishing. These sectors are at risk and therefore need special investigation and intervention to help them retain their comparative advantage.

The GRD has several emerging industries, signalling a shift towards economic diversification and innovation. Emerging industries demonstrating a gain in prominence include renewable energy, information technology, eco-tourism, and creative arts. Growth in the renewables sub-sector reflects the region's commitment to sustainable development and its potential for harnessing wind, solar, and biomass resources to meet energy demands while reducing environmental impact. There is also an increase in the presence of tech startups and digital enterprises. This growth is fostering a tech-savvy workforce and positioning the GRD as a hub for technological innovation.

Eco-tourism makes uses of the region's unique natural attractions and its appeal to environmentally conscious travellers seeking sustainable and immersive experiences. This sector not only boosts local economies but also promotes conservation efforts and environmental stewardship. Additionally, the creative arts sector is benefitting from a growth in focus on the GRD's cultural heritage and the flourishing community of artists, designers, and performers.

Collectively, these emerging industries demonstrate the GRD's adaptability and forward-thinking approach, paving the way for a resilient and diversified economic future.

GEORGE

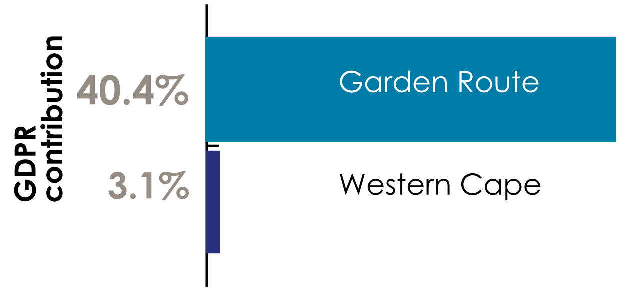
MUNICIPAL GDPR AND EMPLOYMENT PERFORMANCE

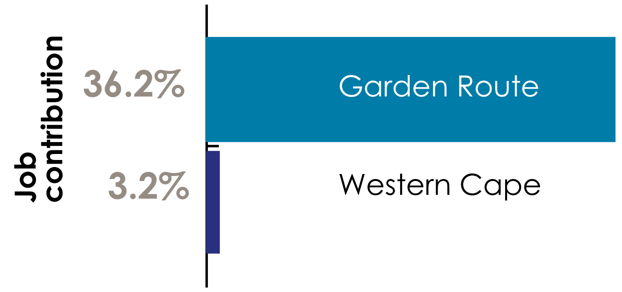
Nestled between the rolling hills of the Outeniqua Mountains and the expansive Indian Ocean, George is a vibrant coastal municipal area that offers a blend of natural beauty and economic opportunity. As the largest town in the GRD, George serves as the region's commercial and transportation hub, with easy access to both major metropolitan areas and neighbouring coastal towns. Uniondale, a charming town in the heart of the Little Karoo, plays a vital role in supporting the agricultural community, while also offering visitors a gateway to the unique landscapes of the semi-desert region. Wilderness, with its picturesque beaches, lush forests, and tranquil lagoons, is a haven for nature lovers and adventure seekers, making it a sought-after destination for both local and international tourists.

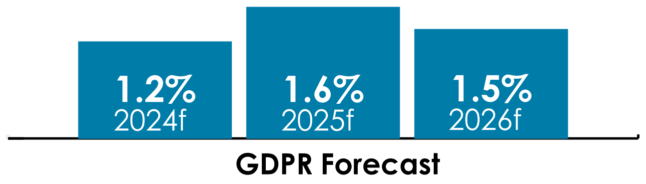
Municipal GDPR & employment performance

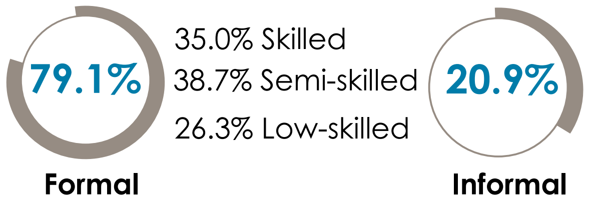
GDPR
R18.7 billion
Growth constant price
0.2%

JOBS
81 949
Job gain 2023
358









Employment profile

	2022	2023
Unemployment rate	27.2%	24.2%
Labour force participation rate	52.7%	51.6%
Labour absorption rate (employment-to-population ratio)	38.3%	39.1%
Not economically active proportion of working-age population	47.3%	48.4%

Top Five Jobs

	Top Jobs
Mixed farming	2 446
General public administration at Local Government level	2 270
General public administration at Provincial Government level	1 772
Public order and safety activities at National Government level	987
Construction of buildings	962

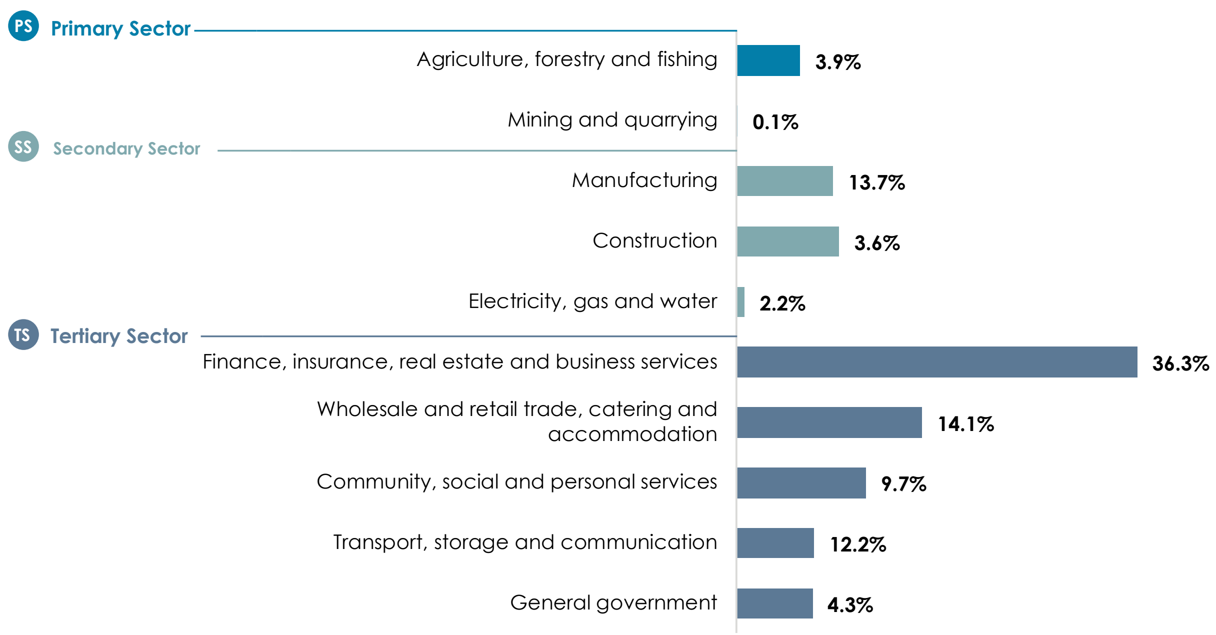
Once primarily dependent on traditional industries like fishing and agriculture, George's economy has diversified over the years. The municipal area has witnessed significant growth in sectors such as boutique tourism, artisanal crafts, and small-scale manufacturing, reflecting the region's ability to adapt to changing economic conditions. With a hriving tourism sector, a growing focus on sustainable development, and the continued prominence of agriculture, George is positioning itself as a hub for both innovation and preservation. The combination of its rich natural resources, strategic location, and expanding industries makes George a dynamic and resilient economy, catering to a wide array of industries and livelihoods.

George is the largest economy in the GRD, contributing 40.4 per cent to total real GDPR, amounting to R18.7 billion in 2023. The municipal area also accounted for 36.2 per cent of employment in the district, with 81 949 jobs. A significant portion of these positions involves semi-skilled workers (38.7 per cent), while low-skilled workers represent 26.3 per cent of the workforce. The skilled workforce in George makes up 35.0 per cent of the total, highlighting the area's diverse labour market and its shift toward higher-skilled roles, especially in sectors like finance and business services.

George is the centre for government services and retail, while agriculture, particularly dairy and mixed farming, plays a major role in the broader region. The municipal area is a key hub for dairy processing, hosting companies like Clover and Lancewood. Tourism, especially in Wilderness, also contributes significantly to employment; while surrounding areas like Herolds Bay and Uniondale rely on agriculture, including fruit and vegetable farming.

The George economy is primarily driven by the tertiary sector, with finance, insurance, real estate, and business services contributing the most at 36.3 per cent, followed by wholesale and retail trade, catering, and accommodation at 14.1 per cent. Manufacturing and construction also play key roles, with manufacturing contributing 13.7 per cent to GDPR. The primary sector, dominated by agriculture, forestry, and fishing, contributes 3.9 per cent but remains important for employment in rural areas. George's economy is diverse, with strong contributions from both high-value sectors and traditional industries, reflecting the ongoing transition toward a more skilled workforce while maintaining its role as a regional commercial and tourism hub.

Figure 20
GDPR SECTORAL CONTRIBUTIONS IN CONSTANT 2015 PRICES,George, 2023



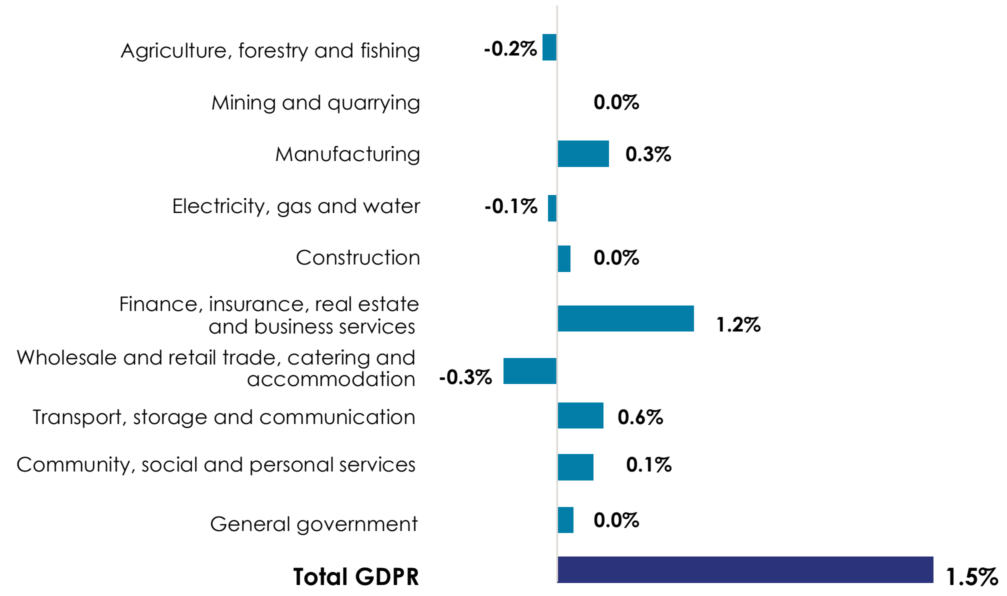
Source: Quantec, 2024

In 2023, George experienced notable GDPR growth of 1.5 per cent. While the overall economic contribution increased, certain sectors demonstrated more resilience. The finance, insurance, real estate, and business services sector was the primary driver of growth, contributing 1.2 percentage points to GDPR. The transport, storage, and communication sector also added a significant 0.6 per cent, with further positive contributions from the manufacturing sector (0.3 per cent) and the community, social, and personal services sector (0.1 per cent).

Conversely, the agriculture, forestry, and fishing sector had a negative impact, reducing GDPR growth by -0.2 per cent. Other sectors such as wholesale and retail trade, catering, and accommodation (-0.3 per cent) and electricity, gas, and water (-0.1 per cent) also experienced declines.

These declines highlight the ongoing risks associated with environmental factors, such as climate change, which continue to affect local farming and fishing industries, as well as other sector-specific challenges. The varied performance across sectors emphasizes the need for George to further diversify its economic base, focusing on strategies that enhance resilience against external shocks. By bolstering key sectors like finance, transport, and manufacturing, and addressing infrastructure issues, George can work towards a more balanced and sustainable economic future.

Figure 21
SECTORAL CONTRIBUTIONS TO GDPR GROWTH (PER CENT), GEORGE, 2023

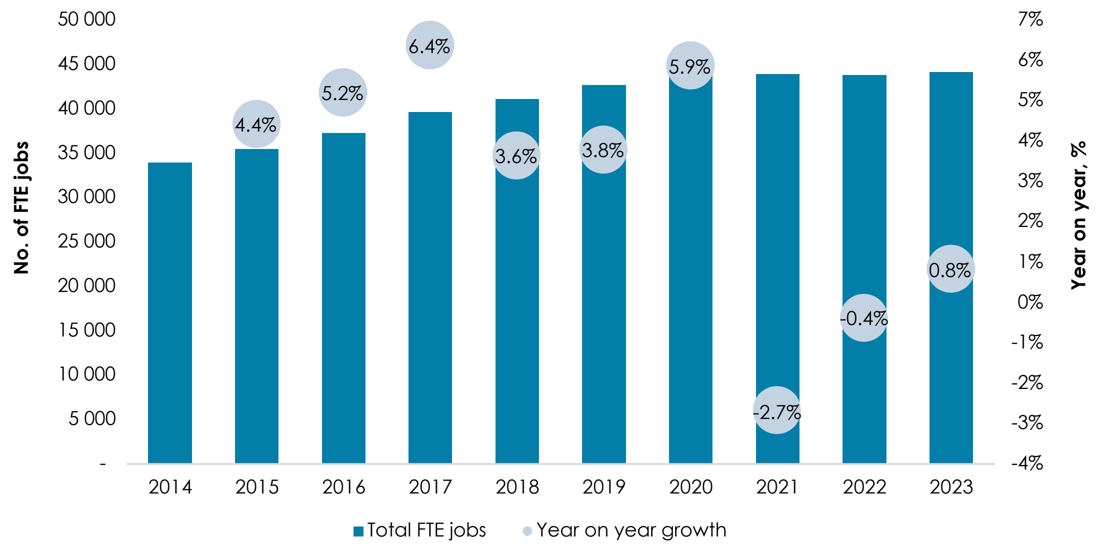


Source: Quantec, 2024

Employment growth in George was particularly strong in the years following the pandemic. In 2023, total employment increased by 5.19 per cent, adding 4 047 new jobs and bringing the total to 81 949, or 36.2 per cent of the District's workforce. However, the COVID-19 pandemic had a significant impact on the job market, leading to a temporary decline in Full-Time Equivalent (FTE) jobs. While FTEs began to recover in 2022, with a modest increase of 0.8 per cent, this reflected a gradual stabilisation after the initial disruptions.

Despite the overall growth in employment, the economic recovery has faced challenges. In 2020, the downturn caused by the pandemic led to a reduction in GDPR and slower economic growth in the subsequent years. Yet, certain sectors, such as finance, business services, wholesale and retail trade, and manufacturing, have been key drivers of employment growth in the years since. This steady recovery underscores the resilience of George's economy, although ongoing challenges like infrastructure development, energy reliability, and the need for further diversification remain critical for sustaining long-term growth.

Figure 22
FULL-TIME EQUIVALENT TOTAL JOBS AND YEAR-ON-YEAR JOB GROWTH, George, 2014 - 2023[22]



Source: Nell, A & Visagie, J. Spatial Tax Panel 2014 – 2023 (dataset). Version 3. National Treasury Cities Support Programme and Human Sciences Research Council (producer and distributor), 2023

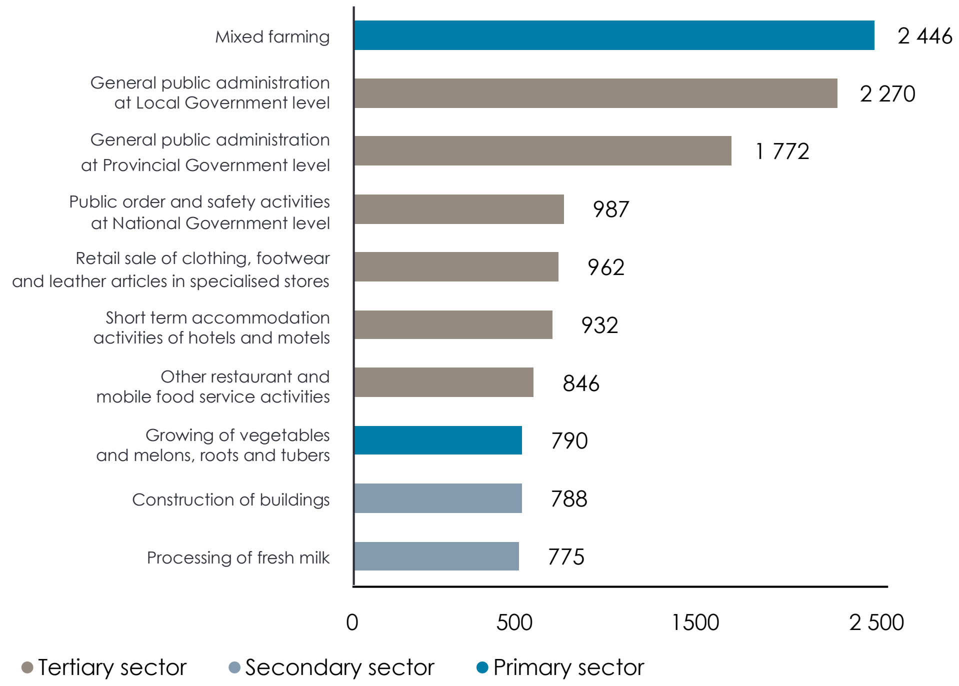
The employment distribution in George reveals a clear contrast between the sectoral contributions to GDPR and the local job market. While the primary sector, particularly mixed farming and the growing of vegetables, plays a central role in local employment, it is the public administration sector that stands out in terms of the number of jobs. Mixed farming provides 2 446 jobs, and vegetable farming contributes 790 jobs, but the public sector plays a vital role in sustaining employment in the area, with total public sector jobs surpassing 4 000 – 2 270 jobs in local government and 1 772 jobs at the provincial level.

In contrast, the tertiary sector, which encompasses retail, accommodation, and food services, contributes significantly to both GDPR and employment in George. Retail activities, such as the sale of clothing, footwear, and leather goods, provide 962 jobs, while short-term accommodation services (932) and restaurant and food services (846) also employ large numbers. These sectors highlight the growing demand for services, driven by tourism and population growth. The finance sector has also been boosted by developments in the call centre industry, further diversifying the local economy. Similarly, the transport sector has benefitted from an increase in arrivals at George Airport, which saw traffic grow from 747 848 to 792 735 in 2023.[23] However, it is important to note that airport traffic has yet to return to pre-pandemic levels, indicating ongoing challenges in the recovery of tourism and travel.

Despite the dominance of agriculture and public administration in terms of job creation, sectors like finance, insurance, and business services, which contribute heavily to GDPR, employ fewer people in comparison. To ensure sustained growth, George must strike a balance between high-value sectors and labour-intensive industries to broaden its employment opportunities and create a diverse, resilient workforce.

22 The reporting of the data has changed; town-level data is no longer available. The new method will report FTE figures at the municipal level.
23 Wesgro, 2024

Figure 23
TOP 10 OCCUPATIONS BY NUMBER OF FTE JOBS, George, 2023



Source: Nell, A & Visagie, J. Spatial Tax Panel 2014 – 2023 (dataset). Version 3. National Treasury Cities Support Programme and Human Sciences Research Council (producer and distributor), 2024

The jobs analysis for George between 2022 and 2023 highlights both positive growth and sectoral challenges. A total of 3 409 jobs were gained, primarily driven by growth in mixed farming, business and employer membership organisations, and the growing of non-perennial crops. Mixed farming led the way, with 330 new positions, followed by significant gains in business services, particularly in employer-related activities, which added 226 jobs. These trends indicate a continued demand for agricultural and business services employment, offering promising opportunities for local workers.

However, 3 051 jobs were lost across various sectors, particularly in construction and security. The construction of civil engineering projects saw the largest decline, with 333 jobs lost, while private security activities also experienced a significant reduction of 206 jobs. The primary sector faced challenges as well, with 178 jobs lost in the growing of vegetables and melons. Additionally, the real estate sector experienced setbacks, with job losses in both real estate activities on a fee or contract basis (-121) and professional membership organisations (-176). These figures highlight the ongoing structural issues in sectors like construction and security, underscoring the need for continued adaptation and investment to overcome challenges like skill mismatches and rising operational costs.

Figure 24
TOP FIVE SECTORS FOR JOB CREATION AND JOB LOSSES, George, 2022-2023

Total jobs gains (3 409)		Total jobs losses (3 051)	
Mixed farming	330	Construction of other civil engineering projects	-333
Activities of busines and employers	226	Private security activities	-206
Growing of other non-perennial crops	98	Growing of vegetables and melons, roots and tubers	-178
General secondary education	85	Activities of professional membership organizations	-176
Real estate activities with own or leased property	84	Real estate activities on a fee or contract basis	-121

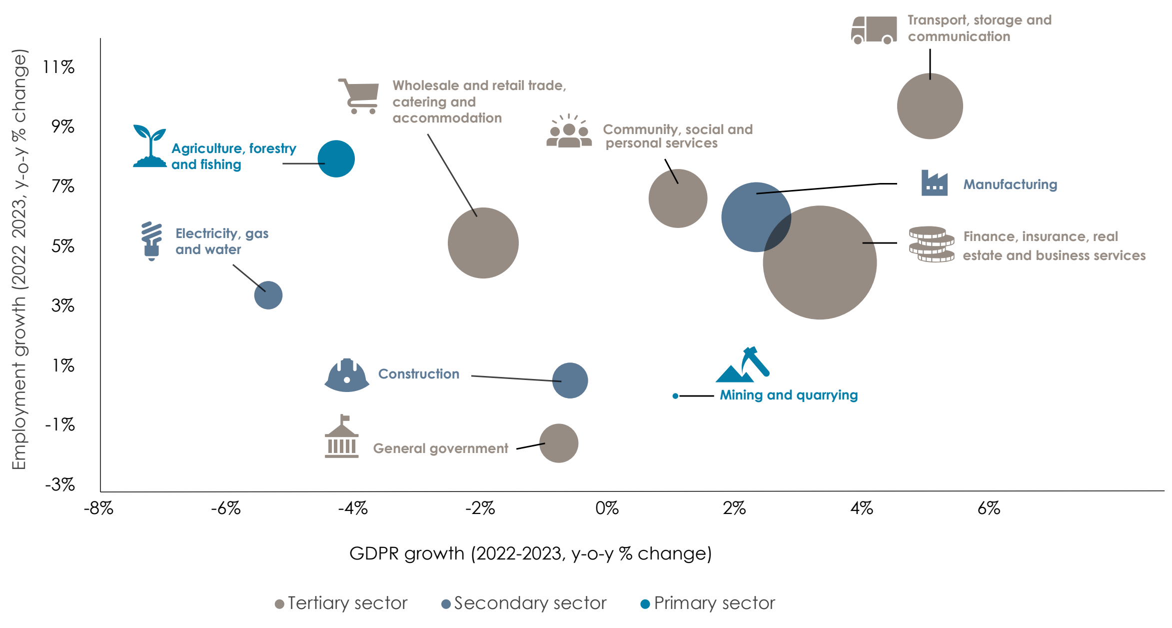
Source: Nell, A & Visagie, J. Spatial Tax Panel 2014 – 2023 (dataset). Version 3. National Treasury Cities Support Programme and Human Sciences Research Council (producer and distributor), 2024

In 2023, George's economy showed strong growth in high-value sectors, particularly finance, insurance, real estate, and business services, which contributed 36.3 per cent to GDPR with a growth of 3.2 per cent.[24] However, while these sectors drove economic output, they did not generate significant employment, with job growth of just 4.5 per cent. In contrast, sectors like agriculture and community services provided substantial employment - agriculture saw an 8 per cent increase in jobs - but experienced a decline in GDPR, with agriculture's contribution dropping by 4.4 per cent due to high input prices and reduced international commodity prices. Similarly, government services, while key for job creation, had a negative impact on GDPR, shrinking by 0.9 per cent.

24 Quantec, 2024

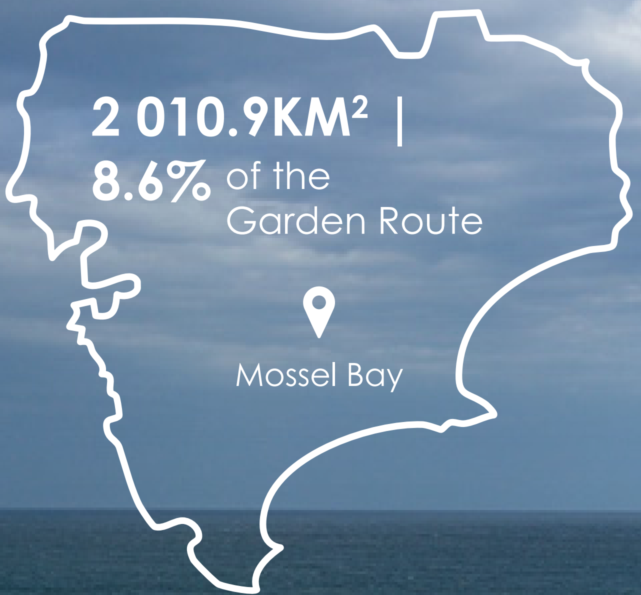
The transport and retail sectors also saw healthy job growth, reflecting the continued importance of services in the local economy. However, challenges remain, particularly in agriculture, which is expected to face continued decline, although this may ease in 2024 as markets normalise. To ensure long-term stability, George must balance its high-value sectors with labour-intensive industries and address sector-specific challenges to foster inclusive, sustainable growth.

Figure 25
GDPR[25] PERFORMANCE PER SECTOR, George, 2022-2023



Source: Quantec, 2024

25 See Note 1.



MOSSEL BAY

MUNICIPAL GDPR AND EMPLOYMENT PERFORMANCE

The Mossel Bay municipal area's best-known landmark is the Cape St. Blaize Lighthouse, set at the pinnacle of Mossel Bay Central. The harbour town of Mossel Bay is the municipal business hub. Here, the PetroSA FA Platform along the coast serves as a reminder of the municipal area's expertise in the oil and gas industry, with the harbour serving as an important economic asset, not only for this industry but also for commercial, recreational and subsistence fishing activities. Groot-Brakrivier and Klein-Brakrivier are historical settlements that have more recently become known as seaside leisure destinations. The economies of the small inland towns of Brandwacht and Herbertsdale rely mainly on agriculture and tourism.

Municipal GDPR & employment performance

GDPR
R8.1 billion
Growth constant price
0.9%

JOBS
35 974
Job gain 2023
1 234

GDPR contribution	
Garden Route	17.5%
Western Cape	1.3%

Job contribution	
Garden Route	15.9%
Western Cape	1.4%

GDPR Forecast

2024f	2025f	2026f
0.3%	0.9%	0.9%

Formal 76.2%

36.0% Skilled
40.0% Semi-skilled
24.0% Low-skilled

Informal 23.8%

Employment profile

	Unemployment rate	Labour force participation rate	Labour absorption rate (employment-to-population ratio)	Not economically active proportion of working-age population
2022	28.0%	50.9%	36.6%	49.1%
2023	25.0%	50.0%	37.5%	50.0%

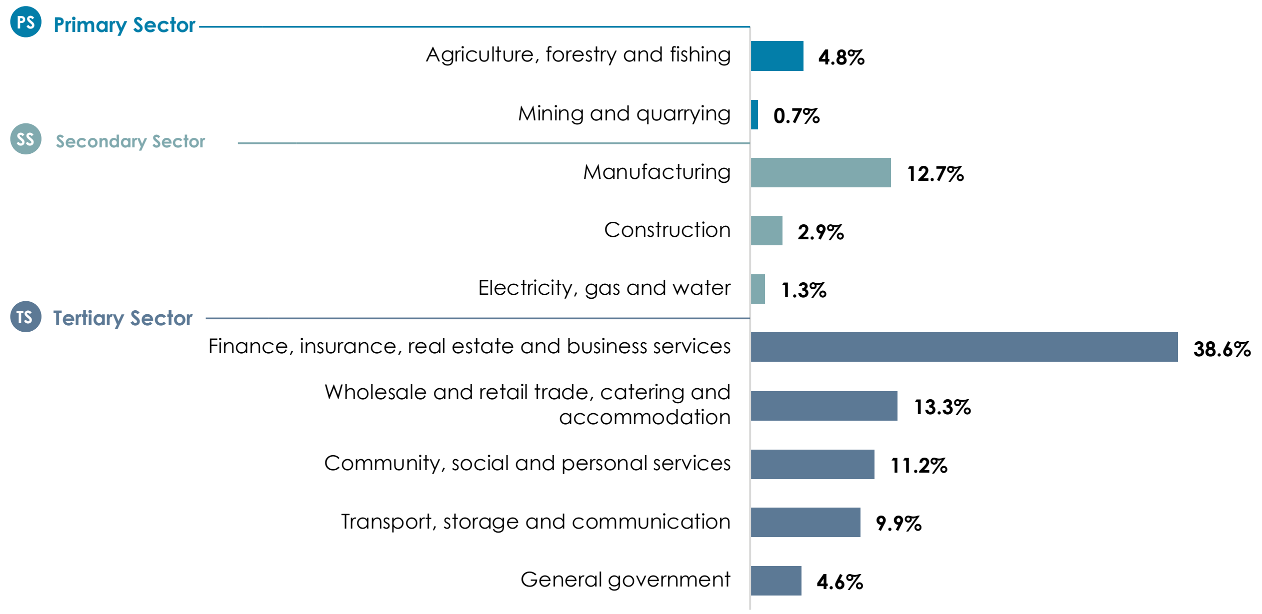
Top Five Jobs

	Top Jobs
General public administration at Local Government level	1 150
Extraction of natural gas	797
Marine fishing	741
Other personal service activities n.e.c.	589
Other restaurant and mobile food service activities	559

The economy of Mossel Bay is diverse and well-balanced, with substantial contributions from both the tertiary and secondary sectors. The largest contributor to the local GDPR is the finance, insurance, real estate, and business services sector, which accounts for 38.6 per cent. This is followed by wholesale and retail trade, catering, and accommodation (13.3 per cent), and transport, storage, and communication (9.9 per cent). Together, these sectors form the core of Mossel Bay's service economy. The secondary sector, though smaller, still plays a critical role, with manufacturing contributing 12.7 per cent and construction adding another 2.9 per cent to the local GDPR. The primary sector, including agriculture, forestry, and fishing, accounts for 4.8 per cent of the economy, though it remains an important part of the region, particularly in rural areas.

Mossel Bay's evolving economy is increasingly characterised by a shift toward skilled employment, particularly in sectors such as finance, public administration, and natural gas extraction. This transition reflects the town's growing importance as a hub for business services and industrial activity in the GRD, marking its position as a vital economic centre in the region.

Figure 26
GDPR SECTORAL CONTRIBUTIONS IN CONSTANT 2015 PRICES, Mossel Bay, 2023



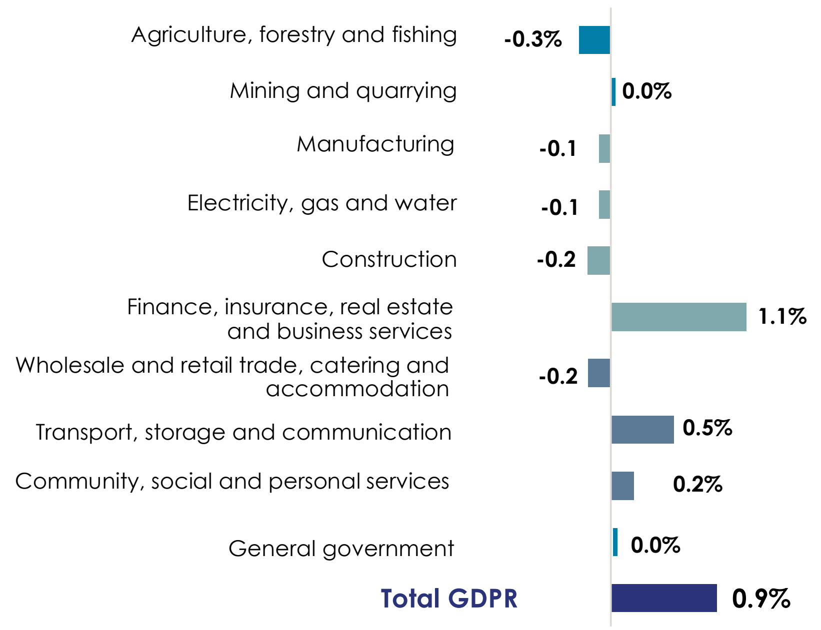
Source: Quantec, 2024

This diverse sector mix in Mossel Bay yielded a modest growth in GDPR of 0.9 per cent in 2023. While the overall economic contribution showed an increase, some sectors displayed relatively more resilience. The finance, insurance, real estate, and business services sector was the best-performing from a growth perspective, contributing 1.1 per cent to GDPR growth. The transport, storage, and communication sector also made a significant positive contribution of 0.5 per cent, with additional positive contributions from the community, social, and personal services sector (0.2 per cent).

Most prominently, the agriculture, forestry, and fishing sector contributed the most to a decline in the GDPR growth rate, with a -0.3 percentage point impact. Other sectors such as wholesale and retail trade, catering, and accommodation (-0.2 per cent), construction (-0.2 per cent), manufacturing (-0.1 per cent), and electricity, gas, and water (-0.1 per cent) also contributed negatively.
This decline in certain sectors reflects the ongoing risks associated with environmental factors, such as climate change, which continue to affect local farming and fishing industries, as well as other challenges faced by these sectors.

The varied performance across these sectors underscores the necessity for Mossel Bay to broaden its economic base to better withstand external shocks. By reinforcing key sectors like finance, transport, and community services, and addressing infrastructure challenges, Mossel Bay can achieve a more balanced and sustainable economic future.

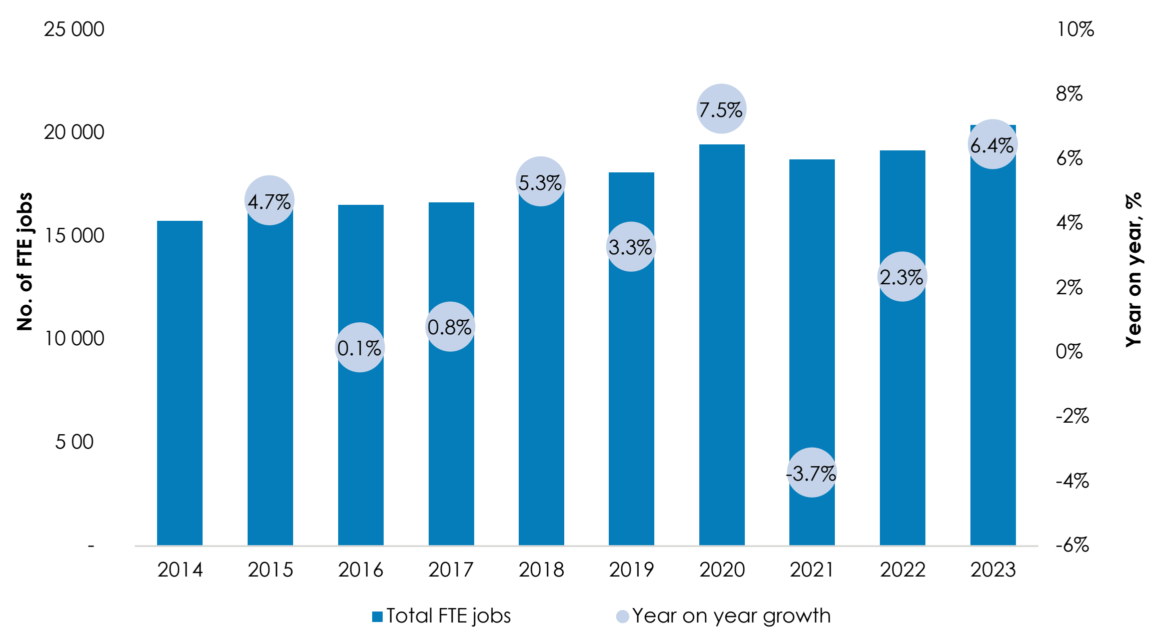
Figure 27
SECTORAL CONTRIBUTIONS TO GDPR GROWTH (PER CENT), Mossel Bay, 2023



Source: Quantec, 2024

Mossel Bay's economy demonstrated solid growth in 2023, with total GDPR rising by 0.9 per cent to R8.1 billion, contributing 17.5 per cent to the total GDPR of the GRD. Employment growth was particularly strong, increasing by 5.1 per cent, with over 1 800 new jobs created, bringing total employment in the municipal area to 35 974 people, or 15.9 per cent of the District's workforce. This trend is mirrored in the dataset of establishments. Analysis of the spatial tax data assesses the jobs growth based on the number of establishments in a region. The data shows that Mossel Bay grew the number of FTE's by 6.4 per cent in 2023, following growth of 2.3 per cent in 2022.

Figure 28
FULL-TIME EQUIVALENT TOTAL JOBS AND YEAR-ON-YEAR JOB GROWTH, Mossel Bay, 2014 - 2023[26]



Source: Nell, A & Visagie, J. Spatial Tax Panel 2014 – 2023 (dataset). Version 3. National Treasury Cities Support Programme and Human Sciences Research Council (producer and distributor), 2024

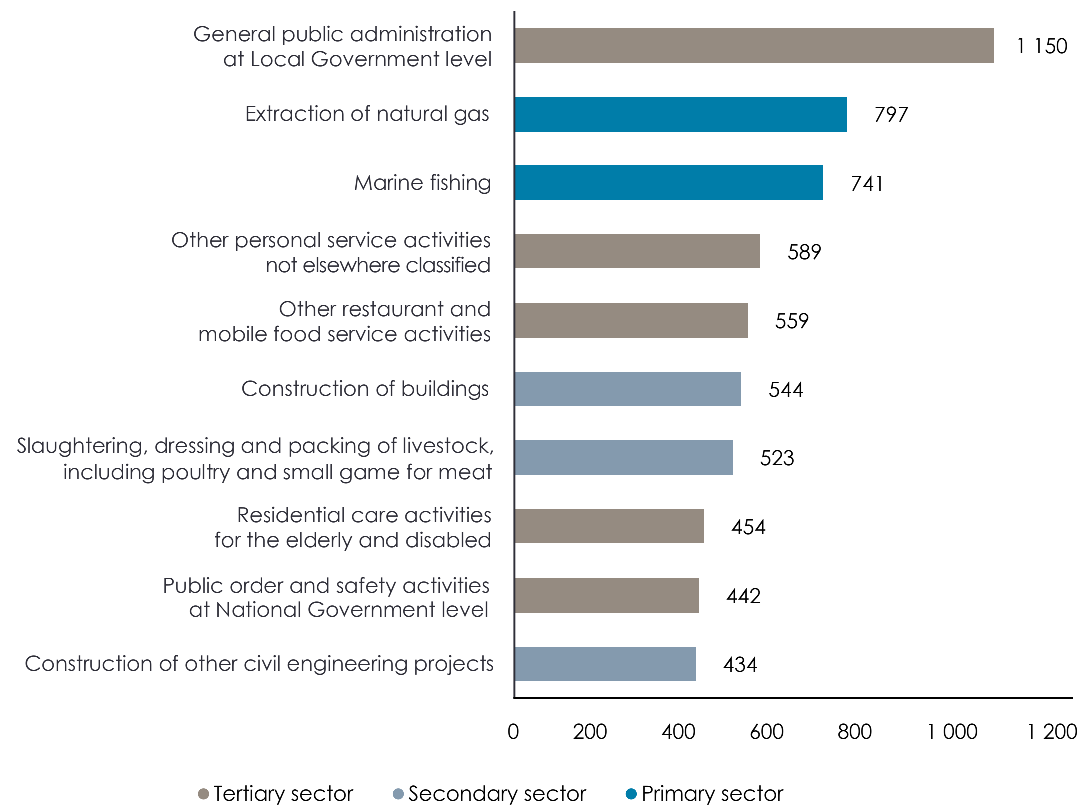
The employment distribution in Mossel Bay does not mirror its GDPR sectoral contributions, highlighting the importance of both the primary and tertiary sectors in terms of job creation. The primary sector, particularly in marine fishing and the extraction of natural gas, provides a significant share of local employment, with 741 and 797 jobs, respectively. Public administration, at both the local and national levels, is also a major employer, with over 1 500 jobs combined, underscoring the vital role of public sector employment in the local economy.

In contrast, the tertiary sector, which includes retail and services, contributes notably to both GDPR and employment. Occupations in public services, such as residential care for the elderly and disabled (454 jobs), and food services, such as restaurants and mobile food services (559 jobs), employ a significant number of people. These sectors reflect the growing demand for services driven by population growth, tourism, and increasing social needs.

While the primary sector dominates in terms of specific occupations like fishing and natural gas extraction, and public administration is a key employer, sectors like finance, insurance, and business services, which contribute significantly to GDPR, provide fewer jobs. To ensure sustainable growth, Mossel Bay must focus on balancing job creation across both high-value sectors and labour-intensive industries, thus strengthening its economy and broadening employment opportunities for a diverse workforce.

26 The reporting of the data has changed; town-level data is no longer available. The new method will report FTE figures at the municipal level

Figure 29
TOP 10 OCCUPATIONS BY NUMBER OF FTE, Mossel Bay, 2023



Source: Nell, A & Visagie, J. Spatial Tax Panel 2014 – 2023 (dataset). Version 3. National Treasury Cities Support Programme and Human Sciences Research Council (producer and distributor), 2024

Analysis for the top five sectors for job creation and losses in the Mossel Bay between 2022 and 2023 reveals both growth and setbacks across various sectors. A total of 2 395 jobs were gained, with significant contributions from the primary and secondary sectors. The mining of gold led the job creation, adding 210 new positions, followed by the construction of buildings and the manufacture of concrete, cement, and plaster, which saw gains of 191 and 168 jobs, respectively. These positive trends reflect growth in the local primary sector (mining and fishing) and the secondary sector (construction and manufacturing), offering employment opportunities in these industries. Additionally, short-term accommodation activities in hotels and motels contributed to job growth, with 98 new positions created in the hospitality sector.

However, Mossel Bay also faced challenges, with 1 162 jobs lost across various industries. The extraction of natural gas experienced the largest decline, with a loss of 230 jobs, highlighting challenges in the energy sector. Other sectors that saw job losses included primary education (77 jobs), freight transport by road (76 jobs), and management consultancy activities (44 jobs). The consulting engineering activities sector also saw a decline, with 36 jobs lost. These setbacks underscore the need to address sectoral challenges, including economic constraints, skill mismatches, and the high operational costs impacting the sustainability and growth of these industries in Mossel Bay.

Figure 30
TOP FIVE SECTORS FOR JOB CREATION AND JOB LOSSES, Mossel Bay, 2022-2023

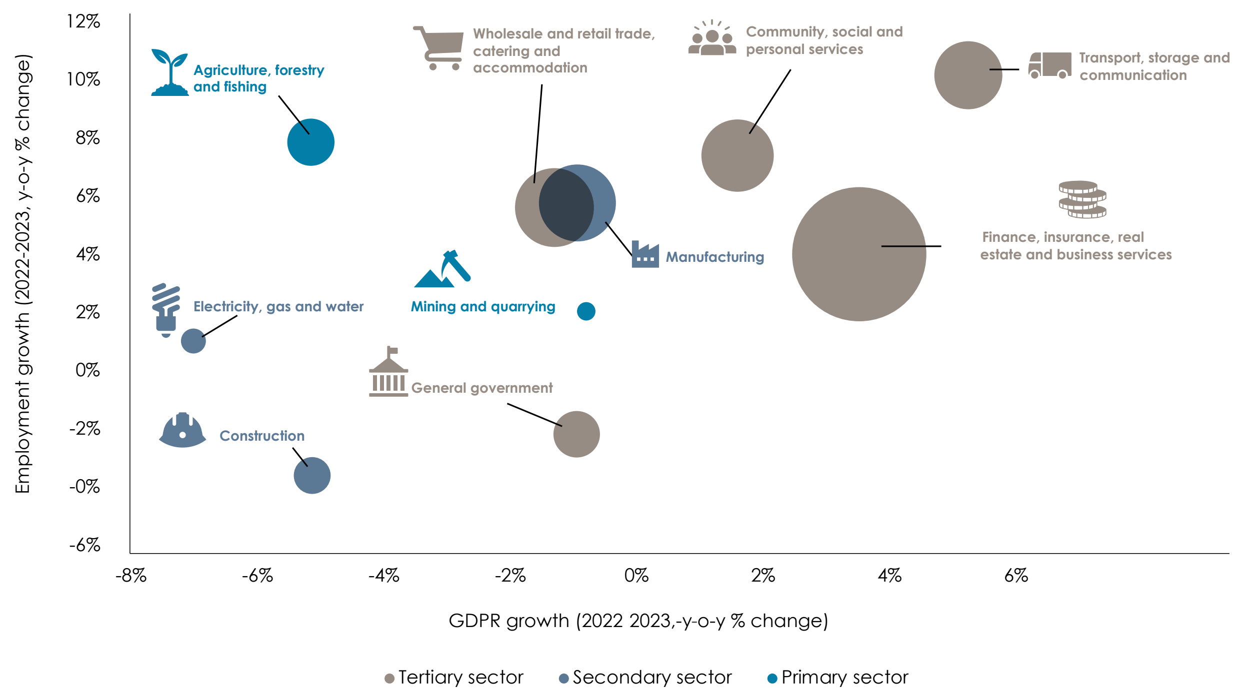
Total jobs gains (2 395)		Total jobs losses (1 162)	
Mining of gold	**210**	Extraction of natural gas	**-230**
Construction of buildings	**191**	Primary education	**-77**
Manufacture of articles of concrete, cement and plaster	**168**	Freight transport by road	**-76**
Short term accommodation activities of hotels and motels	**98**	Management consultancy activites	**-44**
Marine fishing	**89**	Consulting engineering activities	**-36**

Source: Nell, A & Visagie, J. Spatial Tax Panel 2014 – 2023 (dataset). Version 3. National Treasury Cities Support Programme and Human Sciences Research Council (producer and distributor), 2024

The analysis of GDPR and employment performance in Mossel Bay in 2023 highlights a diverse and evolving economic landscape. High-value sectors like finance, insurance, real estate, and business services were the primary contributors to GDPR growth, accounting for 38.6 per cent of the total GDPR. However, these sectors did not generate a significant number of jobs, with employment growth in this sector rising by just 4.0 per cent. Conversely, sectors like transport, wholesale and retail trade, and catering saw strong employment growth, particularly wholesale and retail trade, which increased by 5.6 per cent, even though it experienced a slight decline in GDPR growth (-1.3 per cent).

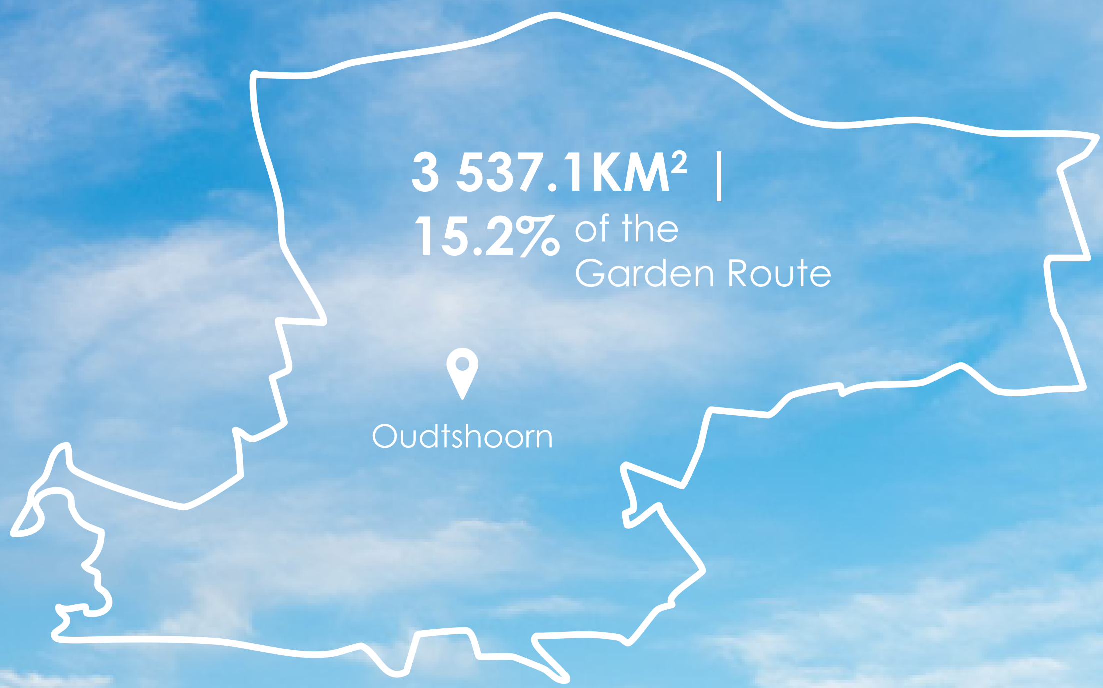
The primary sector, notably agriculture, forestry, and fishing, while experiencing a 5.2 per cent decline in GDPR, contributed substantially to employment growth (7.9 per cent). Manufacturing also saw positive job growth (5.8 per cent), despite its negative GDPR performance (-1 per cent). Overall, while Mossel Bay's economy remains buoyed by high-value services, sectors such as agriculture and manufacturing, which play crucial roles in employment, face challenges that limit their economic contribution. Balancing these dynamics and investing in innovation, resilience, and skills development will be key to ensuring sustainable and inclusive growth for the region.

Figure 31
GDPR[27] PERFORMANCE PER SECTOR, Mossel Bay, 2022-2023



Source: Quantec, 2024

27 See Note 1.



OUDTSHOORN

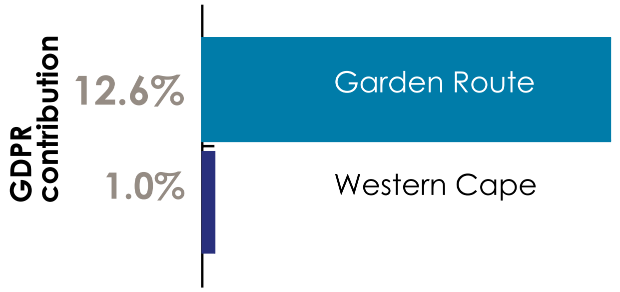
MUNICIPAL GDPR AND EMPLOYMENT PERFORMANCE

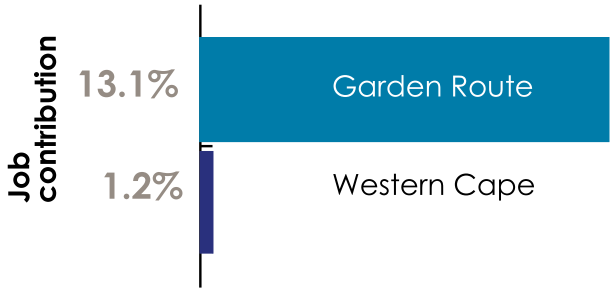
The Oudtshoorn municipal area, located in the semi-arid Klein Karoo, is home to three main towns: Oudtshoorn, famously known as the ostrich capital of the world; Dysselsdorp, a historic village founded as a British mission station; and De Rust, a charming town situated just north of the Olifants River. The region's thriving ostrich farms are central to the local economy, not only offering unique tourism experiences but also supplying meat, feathers, and leather products, which fuel a vibrant trade in artisanal goods and support the local meat-processing industry. In recent years, the economy has diversified, with eco-tourism becoming increasingly prominent. Visitors can enjoy activities such as hiking and exploring the iconic Swartberg Pass, a UNESCO World Heritage Site, as well as the famous Cango Caves, further enhancing the region's appeal as a tourist destination.

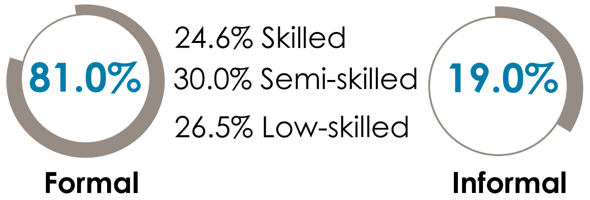
Municipal GDPR & employment performance

GDPR
R5.8 billion
Growth constant price
0.2%

JOBS
29 630
Job gain 2023
-292







Employment profile

	Unemployment rate	Labour force participation rate	Labour absorption rate (employment-to-population ratio)	Not economically active proportion of working-age population
2022	32.6%	45.4%	30.6%	54.6%
2023	28.3%	43.8%	31.5%	56.2%

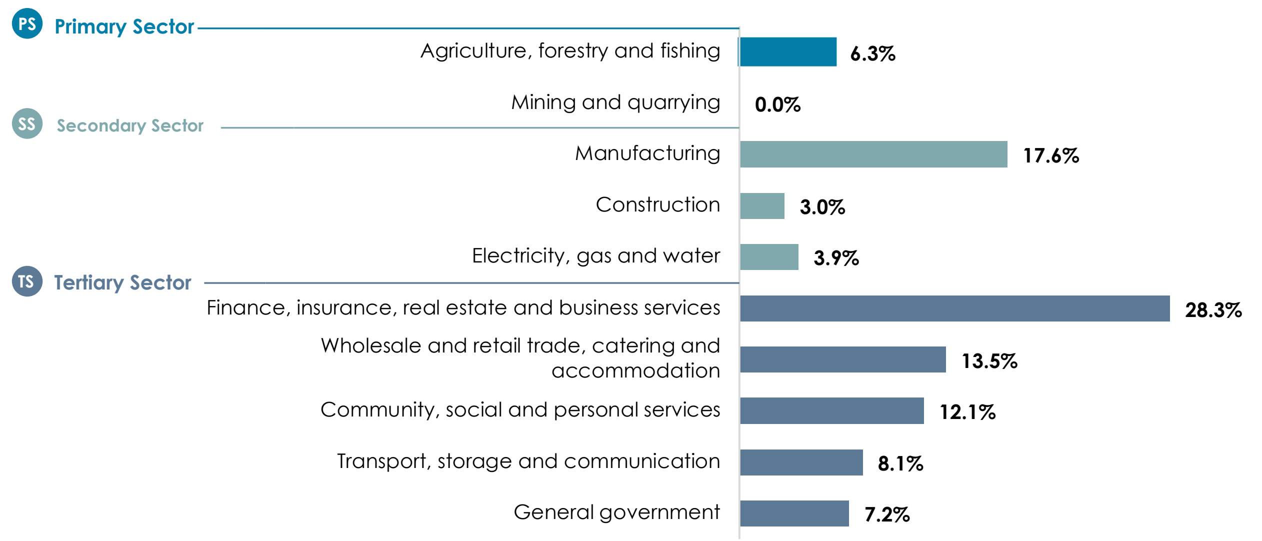
Top Five Jobs

	Top Jobs
Mixed farming	1 171
General public administration at Local Government level	977
Slaughtering, dressing and packing of livestock, including poultry and small game for meat	880
Public order and safety activities at National Government level	660
General public administration at Provincial Government level	653

The Oudtshoorn economy plays a significant role in the broader GRD, contributing 12.6 per cent to total GDPR, amounting to R5.8 billion in 2023. The municipal area also accounted for 13.1 per cent of the District's total employment, providing 29 630 jobs. A notable feature of Oudtshoorn's labour market is its diverse skill distribution, with semi-skilled workers making up 37 per cent of the workforce, followed by skilled workers at 30.3 per cent, and low-skilled workers at 32.7 per cent. The primary sector, particularly agriculture, remains a crucial source of employment, absorbing a significant portion of the low-skilled workforce. In contrast, semi-skilled workers are more commonly found in the retail, wholesale, and finance sectors, which have seen increased job creation over the past decade.

The Oudtshoorn economy is diverse, with substantial contributions from various sectors. The tertiary sector is the largest contributor to both GDPR and employment, with finance, insurance, real estate, and business services being the leading sector, accounting for 28.3 per cent of GDPR. Other key contributors in the tertiary sector include wholesale and retail trade, catering, and accommodation, which together make up 13.5 per cent of GDPR. The secondary sector, dominated by manufacturing and construction, plays an important role in local economic development, contributing a combined 20.5 per cent to GDPR. The primary sector, led by agriculture, forestry, and fishing, continues to be a major source of employment, contributing 6.3 per cent to GDPR and sustaining the rural economy.

Figure 32
GDPR SECTORAL CONTRIBUTIONS IN CONSTANT 2015 PRICES, Oudtshoorn, 2022-2023



Source: Quantec, 2024

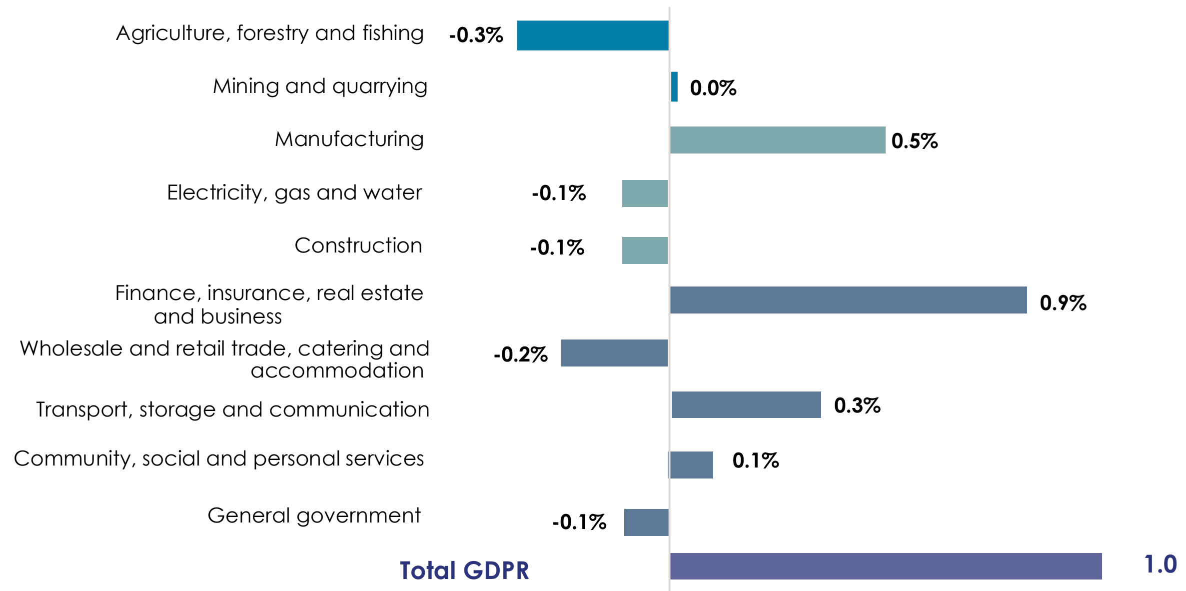
In 2023, Oudtshoorn achieved a GDPR growth of 1 per cent. The finance, insurance, real estate, and business services sector was a significant contributor, adding 0.9 percentage points to the GDPR. The manufacturing sector also performed well, contributing 0.5 percentage points, while the transport, storage, and communication sector added 0.3 percentage points. The community, social, and personal services sector provided a modest positive contribution of 0.1 percentage points.

On the downside, the agriculture, forestry, and fishing sector reduced GDPR growth by -0.3 percentage points. Other sectors such as wholesale and retail trade, catering, and accommodation (-0.2 per cent), general government (-0.1 per cent), electricity, gas, and water (-0.1 per cent), and construction (-0.1 per cent) also faced declines.

These negative contributions underscore the ongoing challenges associated with environmental factors, such as climate change, which continue to impact local farming and fishing industries, as well as other sector-specific issues.

The varied performance across sectors indicates the need for Oudtshoorn to diversify its economic base to better handle external shocks. By bolstering key sectors such as finance, manufacturing, and transport, and improving infrastructure, Oudtshoorn can create a more resilient and sustainable economic environment.

Figure 33
SECTORAL CONTRIBUTIONS TO GDPR GROWTH, Oudtshoorn, 2023



Source: Quantec, 2024

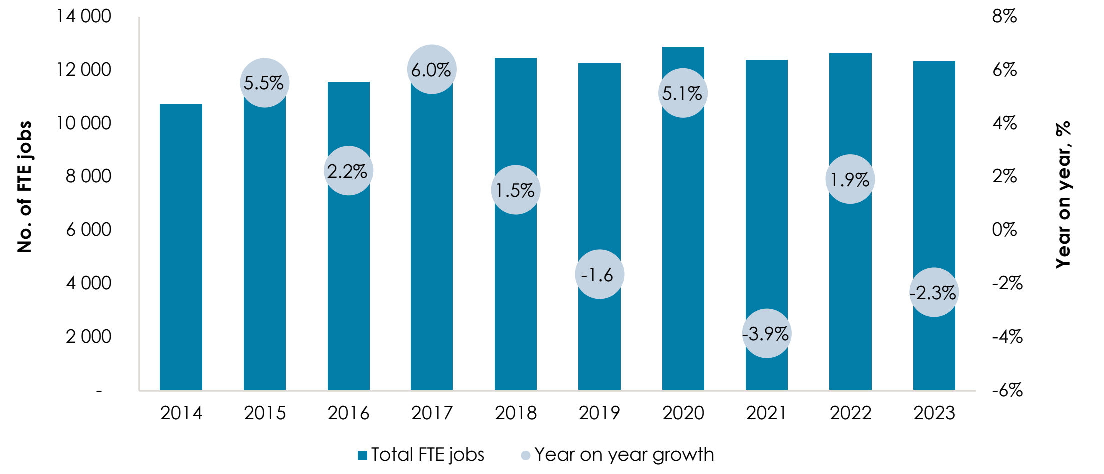
Oudtshoorn experienced strong GDPR growth, contributing to the creation of formal and informal jobs, marking a continued recovery post-COVID-19. Key labour market indicators showed positive trends, with labour force participation up by 1.1 percentage points and labour absorption rising by 2.4 percentage points. These improvements led to a decrease in both the economically inactive population and the unemployment rate, which fell by 2.2 percentage points. Despite this growth, however, an analysis of spatial tax data revealed a 4.2 per cent decline in FTE jobs in the municipal area, reversing the positive trend seen in prior years.

An analysis of the spatial tax data assesses the jobs growth based on the number of establishments in a region. The data shows that Oudtshoorn lost 2.3 per cent of the total FTE in 2023, after being on an upward trajectory.[28] The recent job losses seem to be the culmination of dilapidated infrastructure (that results in lack of new investment), financial constraints and lack to access to the right skills in the area. As a result, Oudtshoorn recorded just under 12 300 jobs. Notably, the municipal area now has more jobs than the pre-COVID period.

28 The discrepancy in FTE job numbers might be explain by the head office effect.

Figure 34

FULL-TIME EQUIVALENT TOTAL JOBS AND YEAR-ON-YEAR JOB GROWTH, Oudtshoorn, 2014 - 2023[29]



Source: Nell, A & Visagie, J. Spatial Tax Panel 2014 – 2023 (dataset). Version 3. National Treasury Cities Support Programme and Human Sciences Research Council (producer and distributor), 2024

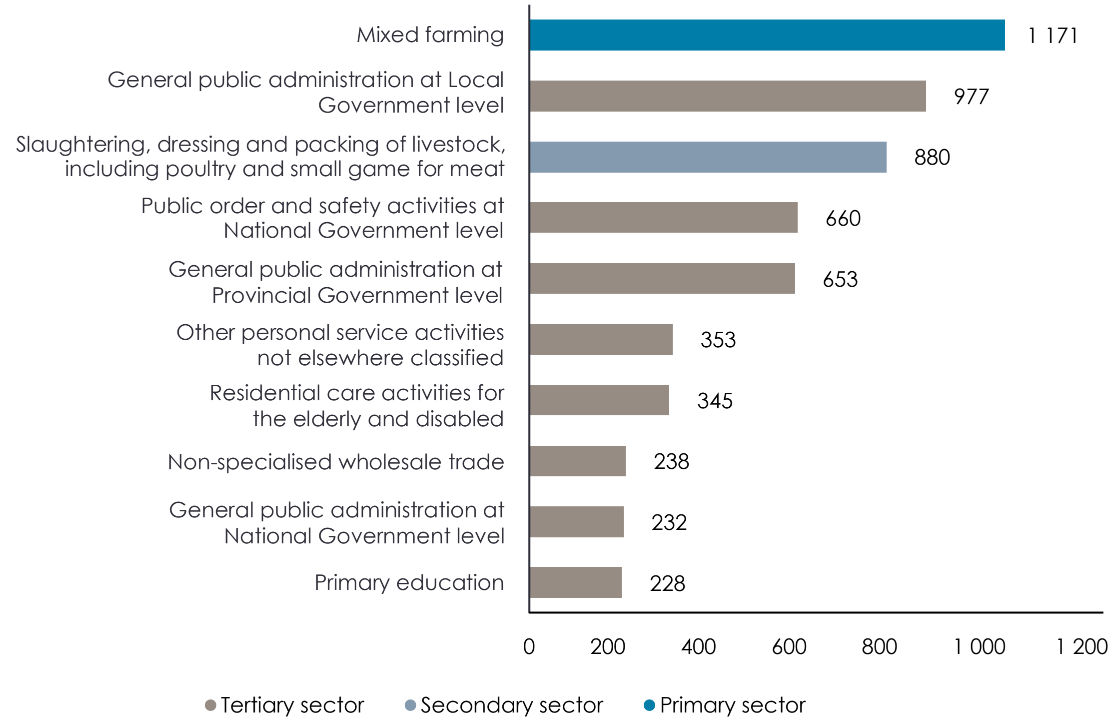
The top occupations by FTE jobs in Oudtshoorn were spread across the primary, secondary, and tertiary sectors, reflecting a diverse local economy. Mixed farming continued to be the largest occupation, providing 1 171 jobs, emphasizing the critical role of agriculture in the region's economy. The tertiary sector also made a strong showing, with general public administration at the local government level (977 jobs) ranking second. Other significant roles in public administration included general public administration at the provincial government level (653 jobs) and public order and safety activities at the national government level (660 jobs), demonstrating the importance of government services in local employment.

The secondary sector was represented by slaughtering, dressing, and packing of livestock (880 jobs), highlighting the region's strength in the agricultural value chain. The tertiary sector also saw notable contributions from sectors such as other personal service activities (353 jobs), residential care for the elderly and disabled (345 jobs), and non-specialised wholesale trade (238 jobs). Other key occupations included primary education (228 jobs), showcasing the important role of education in supporting the local community. Overall, the data reflects a balanced employment landscape, with significant contributions from agriculture, public services, trade, and healthcare.

29 The reporting of the data has changed; town-level data is no longer available. The new method will report FTE figures at the municipal level

Figure 35

TOP 10 OCCUPATIONS BY NUMBER OF FTE JOBS, Oudtshoorn, 2023



Source: Nell, A & Visagie, J. Spatial Tax Panel 2014 – 2023 (dataset). Version 3. National Treasury Cities Support Programme and Human Sciences Research Council (producer and distributor), 2024

The jobs analysis reveals that while certain sectors are expanding and creating employment opportunities, others are facing difficulties that result in job losses. Overall, a net employment loss of 292 jobs, with 841 jobs gained, and 1 133 jobs lost. The tertiary sector was the primary driver of job gains, with food service activities of take-away counters (29 jobs), general public administration at the local government level (25 jobs), and other retail sales in non-specialised stores (33 jobs) all contributing to positive employment outcomes. Additionally, the general secondary education sector added 23 jobs, reflecting growth in educational services.

On the other hand, the primary sector, particularly growing vegetables, melons, roots, and tubers (-56 jobs) and growing pome fruits and stone fruits (-25 jobs), experienced significant losses, indicating challenges in agriculture. The secondary sector also saw job reductions, notably in construction of buildings (-88 jobs) and activities of sports clubs (-74 jobs). Other losses were seen in transportation support activities (-53 jobs) and retail sale of books, newspapers, and stationery in specialised stores (-27 jobs). These losses are attributed to various challenges, such as land availability, limited opportunities for small businesses, regulatory barriers, and a skills mismatch, all of which hindered new business investment and job creation in these sectors.[30]

Figure 36

TOP FIVE SECTORS FOR JOB CREATION AND JOB LOSSES, Oudtshoorn, 2022-2023

Total jobs gains (841)		Total jobs losses (1 133)	
Other personal service activities n.e.c	138	Growing of vegetables and melons and tubers	56
Other manufacture n.e.c (except coffins)	73	Mixed farming	61
Short term accommodation activities of guesthouses, bed and breakfast	59	Activities of sports clubs	74
Other human health activities	36	Construction of buildings	88
Other retail sale in non-specialized stores	33	Support activities for animal production	114

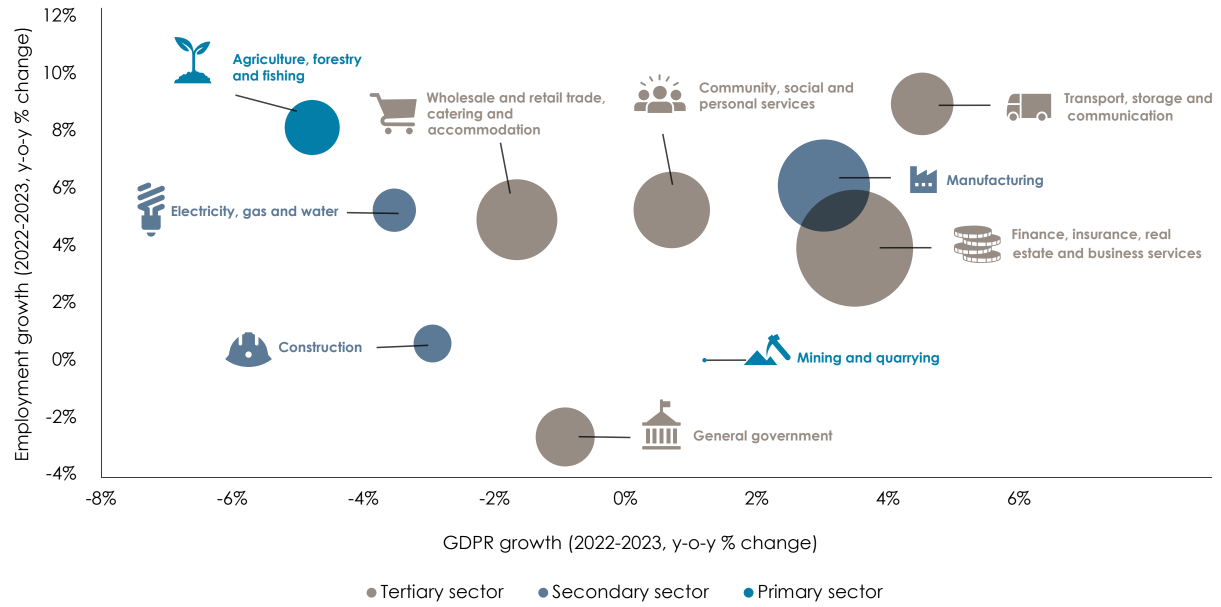
Source: Nell, A & Visagie, J. Spatial Tax Panel 2014 – 2023 (dataset). Version 3. National Treasury Cities Support Programme and Human Sciences Research Council (producer and distributor), 2024

The analysis of GDPR and employment performance in Oudtshoorn in 2023 reveals a complex economic landscape, where growth in high-value sectors has not necessarily translated into significant job creation. The tertiary sector, led by finance, insurance, real estate, and business services, was the largest contributor to GDPR. However, this sector's employment growth was more modest, at 3.9 per cent, highlighting a reliance on high-value, low-employment industries. Other significant contributors in the tertiary sector included wholesale and retail trade, catering, and accommodation, which made up 13.5 per cent of GDPR but saw a decline in GDPR growth of -1.8 per cent. Transport, storage, and communication also demonstrated robust growth, with a 4.4 per cent GDPR increase and 8.9 per cent employment growth, reflecting the importance of logistical and ancillary services in supporting agriculture, manufacturing, and retail.

In contrast, the primary sector, which includes agriculture, forestry, and fishing, experienced a sharp decline in GDPR (-4.9 per cent), but still provided substantial employment, with an 8.1 per cent increase in jobs. Agriculture remains a critical source of labour in Oudtshoorn, particularly in mixed farming and livestock industries. However, the sector faces significant challenges, from climate variability to infrastructure limitations, which hamper its economic contribution. The secondary sector also saw mixed performance, with manufacturing growing by 2.9 per cent in GDPR and 6.1 per cent in employment, while construction and electricity, gas, and water sectors recorded negative GDPR growth, though employment in electricity and water increased by 5.2 per cent.

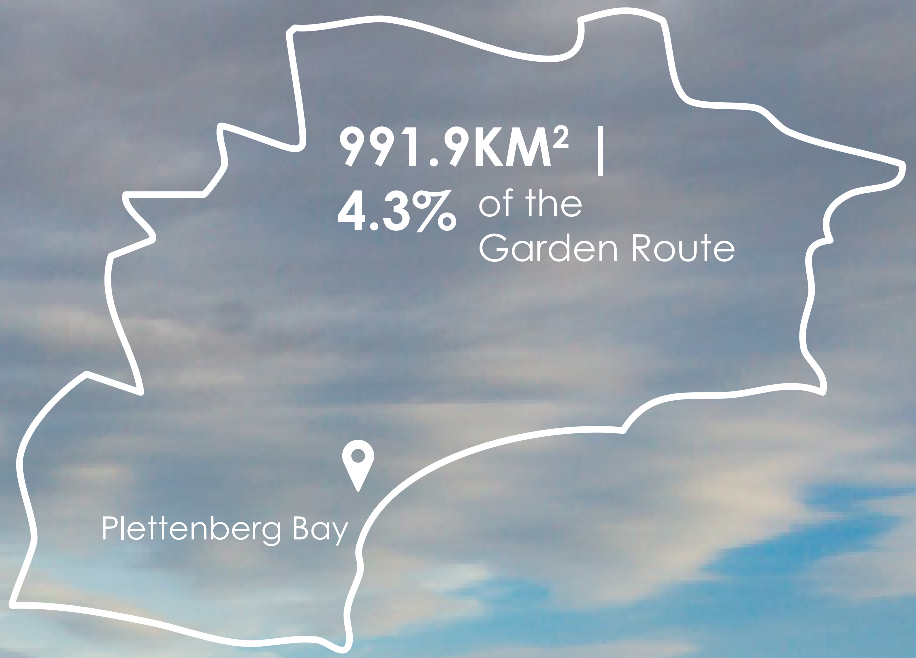
Figure 37

GDPR[31] PERFORMANCE PER SECTOR, Oudtshoorn, 2022-2023



Source: Quantec, 2024

31 See Note 1.



BITOU

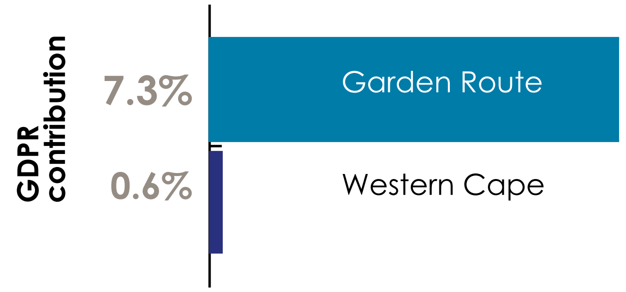
MUNICIPAL GDPR AND EMPLOYMENT PERFORMANCE

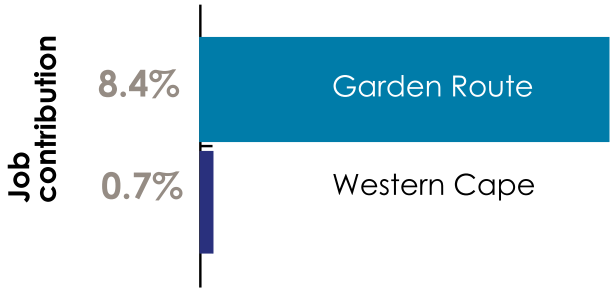
The Bitou municipal area, located in the eastern part of the Garden Route District, is the smallest municipal area in the region. Known for its stunning natural beauty, Bitou features pristine beaches, lush forests, and the iconic Robberg Peninsula. The area is rich in cultural heritage, blending indigenous Khoisan influences with European traditions, which are reflected in the local art, music, and customs. Plettenberg Bay, the area's main town, is a popular holiday destination, drawing both local and international visitors with its beaches, vibrant restaurants, and lively bars, especially during the summer season. In contrast, the smaller settlements of Kranshoek and Wittedrift are largely residential, with many residents commuting to Plettenberg Bay for employment opportunities.

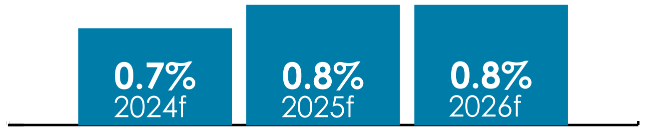
Municipal GDPR & employment performance

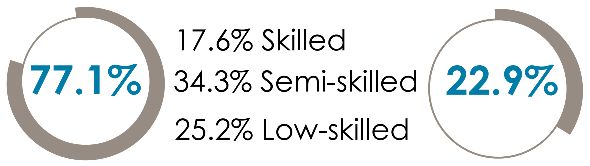
GDPR
R3.4 billion
Growth constant price
1.3%

JOBS
18 962
Job gain 2023
87









Employment profile

	Unemployment rate	Labour force participation rate	Labour absorption rate (employment-to-population ratio)	Not economically active proportion of working-age population
2022	36.6%	63.2%	40.1%	36.8%
2023	32.4%	60.5%	40.9%	39.5%

Top Five Jobs

	Top Jobs
General public administration at Local Government level	905
Other restaurant and mobile food service activities	429
Short term accommodation activities of hotels and motels	412
Construction of buildings	397
Retail sale in non-specialised stores with food, beverages or tobacco predominating	238

Tourism is the backbone of Bitou's economy, driven by the region's natural assets and the influx of visitors attracted to its scenic landscapes. In addition to tourism, Bitou also has a productive agricultural sector, with various fruit products contributing to exports from the region. The combination of tourism and agriculture forms the core of the local economy, underscoring the municipal area's reliance on its unique natural environment and seasonal visitor flows. Despite its small size, Bitou's economy continues to thrive, with tourism playing a central role in supporting local businesses and employment.

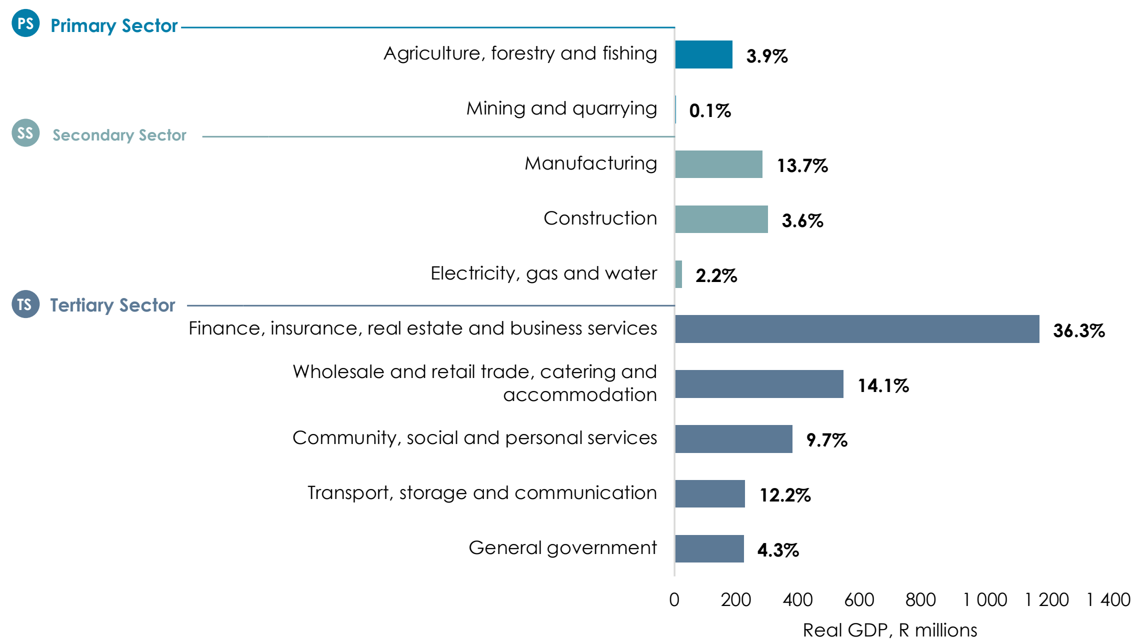
Bitou contributed 7.3 per cent to the District's GDPR in 2023, amounting to R3.4 billion. The municipal area also accounted for 8.4 per cent of district employment, providing 18 962 jobs. Of these jobs, 44.5 per cent are held by semi-skilled workers, 32.7 per cent by skilled workers, and 22.8 per cent by low-skilled workers.[32] Agriculture, particularly fruit farming, employs many low-skilled workers, while the growth of sectors like finance and trade provides opportunities for semi-skilled workers.

Most economic activity takes place in Plettenberg Bay, where residential real estate adds substantial value to the finance sector. The trade sector highlights the importance of tourism, with accommodation services and restaurants contributing significantly to employment. However, tourism is highly seasonal, peaking during school holidays, which affects employment and economic activity in off-peak periods.

The economy is dominated by the finance, insurance, real estate, and business services sector, contributing 35.1 per cent to Bitou's GDPR. Other key sectors include wholesale and retail trade, catering and accommodation (16.3 per cent), and transport, storage, and communication (6.8 per cent). The secondary sector, including manufacturing (8.5 per cent) and construction (9 per cent), also supports infrastructure development, while agriculture contributes 5.6 per cent to GDPR. As Bitou balances growth across industries, skills development will be crucial for sustainable economic growth.

Figure 38

GDPR SECTORAL CONTRIBUTIONS IN CONSTANT 2015 PRICES, Bitou, 2023



Source: Quantec, 2024

32 Quantec, 2024

In 2023, Bitou experienced GDPR growth of 1.3 per cent. The general government sector was a notable contributor, adding 0.4 percentage points to the GDPR. The finance, insurance, real estate, and business services sector, along with the transport, storage, and communication sector, each contributed 0.3 percentage points. The community, social, and personal services sector provided a modest positive contribution of 0.2 percentage points, while the construction sector also added 0.2 percentage points. The manufacturing sector made a smaller positive contribution of 0.1 percentage points.

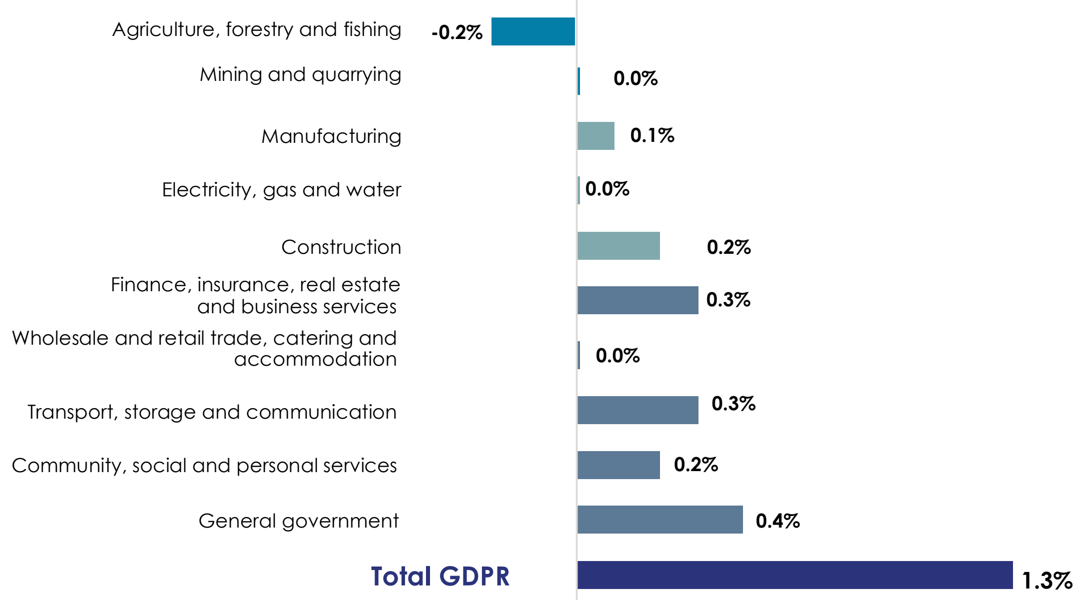
However, the agriculture, forestry, and fishing sector had a negative impact, reducing GDPR growth by -0.2 percentage points. Other sectors such as wholesale and retail trade, catering, and accommodation, electricity, gas, and water, and mining and quarrying had neutral contributions.

The decline in the agriculture sector reflects ongoing environmental challenges, such as climate change, which continue to affect local farming and fishing industries. This mixed performance across sectors highlights the need for Bitou to further diversify its economic base and focus on resilience-building strategies.

By strengthening key sectors like finance, transport, and government services, and addressing infrastructure challenges, Bitou can work towards a more balanced and sustainable economic future. This approach will help mitigate the negative impact of external shocks and build a more robust local economy.

Figure 39

SECTORAL CONTRIBUTIONS TO GDPR GROWTH, Bitou, 2022-2023

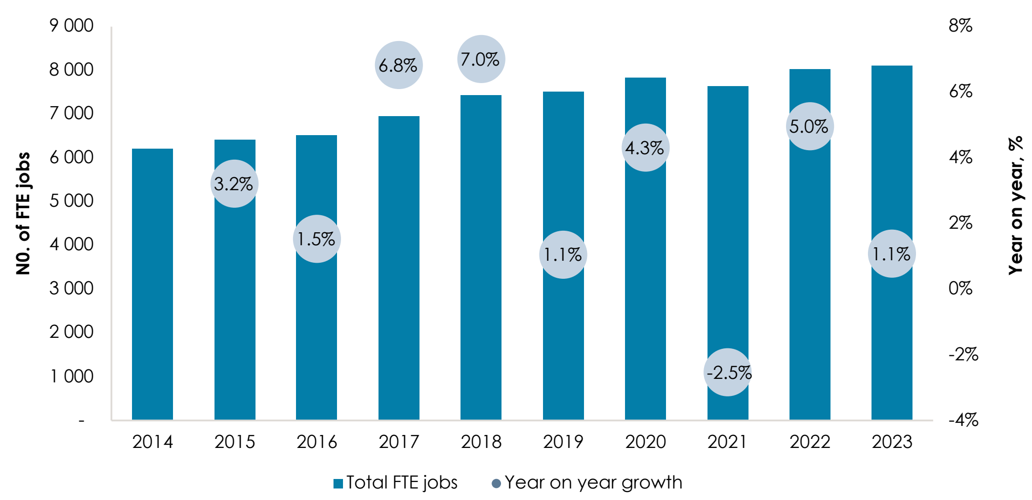


Source: Quantec, 2024

The Bitou economy, heavily reliant on tourism, faced significant challenges during the COVID-19 pandemic, which led to a sharp decline in employment. However, from 2022 to 2023, the municipal area has been on a clear recovery trajectory. Total FTE jobs increased by 1.1 per cent in 2023, bringing the total number of jobs to 8 107, a notable rebound from the pandemic's low. This growth follows a 5 per cent recovery in 2021, demonstrating a steady upward trend since the peak of the crisis in 2020, when jobs had contracted by 2.5 per cent.

Although the growth rate in 2023 is slower compared to the rapid recovery in 2021, the recovery from 2022 to 2023 suggests a stabilisation in the labour market as tourism and service sectors continue to rebound. The return of both domestic and international visitors has had a significant impact on employment in accommodation, catering, and retail services. The gradual restoration of jobs in these key sectors points to an ongoing recovery, even as challenges such as seasonality and infrastructure constraints continue to affect the pace of growth. Despite the overall recovery, the number of FTE jobs in 2023 are still below the levels seen in 2019, reflecting the long-term effects of the pandemic, but the growth in 2022 and 2023 signals that Bitou's economy is on a steady path towards full recovery.

Figure 40
FULL-TIME EQUIVALENT TOTAL JOBS AND YEAR-ON-YEAR JOB GROWTH, Bitou, 2014 - 2023[33]



Source: Nell, A & Visagie, J. Spatial Tax Panel 2014 – 2023 (dataset). Version 3. National Treasury Cities Support Programme and Human Sciences Research Council (producer and distributor), 2024

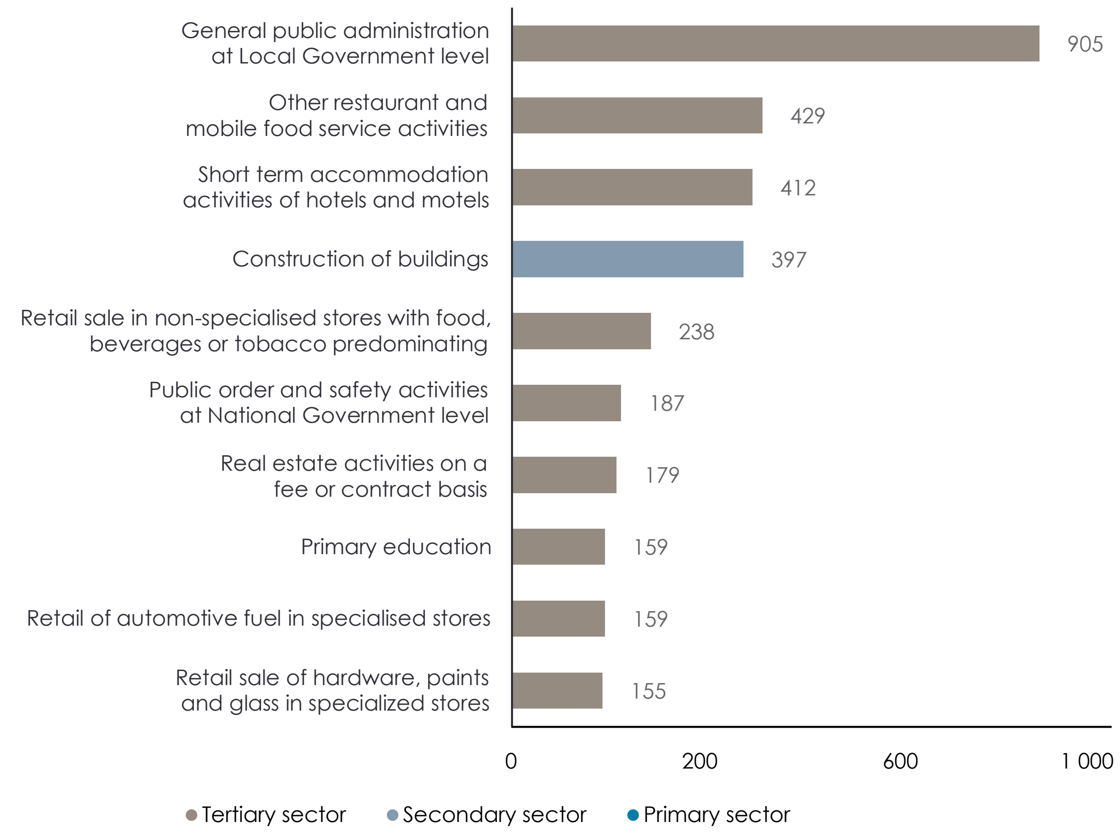
The employment distribution in Bitou underscores the municipal area's strong reliance on the tertiary sector, driven primarily by the hospitality and service industries. Public administration at the local government level is the largest employer, with 905 jobs, reflecting the vital role of governance in the region. Tourism-related sectors, including other restaurant and mobile food service activities (429 jobs) and short-term accommodation services (412 jobs), also contribute significantly to employment. These sectors are integral to the local economy, especially during peak seasons such as school holidays, when tourism activity surges in Plettenberg Bay and surrounding areas.

Retail and trade sectors further bolster employment, with notable contributions from retail sales in non-specialised stores and specialised retail services like automotive fuel sales and hardware stores. The construction sector, with 397 jobs in building construction, also plays a key role in supporting local development. The importance of residential real estate activities to the finance sector cannot be overstated, as it adds substantial value to the region's economic output. While tourism is highly seasonal, it remains a key pillar of Bitou's economy, driving job creation and economic activity. To ensure sustainable employment growth, balancing the demand for seasonal tourism-related jobs with investments in real estate, trade, and essential services will be critical for long-term economic stability.[34]

33 The reporting of the data has changed; town-level data is no longer available. The new method will report FTE figures at the municipal level

34 Western Cape Government, 2023

Figure 41
TOP 10 OCCUPATIONS BY NUMBER OF FTE JOBS, Bitou, 2023



Source: Nell, A & Visagie, J. Spatial Tax Panel 2014 – 2023 (dataset). Version 3. National Treasury Cities Support Programme and Human Sciences Research Council (producer and distributor), 2024

Between 2022 and 2023, Bitou saw a net loss of 18 jobs, with 296 jobs gained and 314 jobs lost. The tertiary sector played a significant role in job creation, particularly in construction (70 jobs) and food service activities (20 jobs), reflecting continued demand in both development and hospitality. Computer consultancy and facilities management also added 16 jobs, while the creative, arts, and entertainment activities sector gained 15 positions. Additionally, electrical installation services grew by 12 jobs, indicating a need for skilled trades. These gains point to a diversified economy with a reliance on both construction and service-oriented sectors.

However, several industries faced challenges, resulting in notable job losses. The largest reduction occurred in general public administration at the local government level (-147 jobs), followed by declines in sports clubs (-26 jobs), manufacture of wood products (-16 jobs), furniture manufacturing (-13 jobs), and ceramic products manufacturing (-12 jobs). These losses reflect ongoing difficulties in sectors like manufacturing and public services, which are impacted by factors such as limited land availability, high business costs, regulatory barriers, and a shortage of skilled labour. Addressing these challenges will be crucial for fostering a more balanced and resilient job market in Bitou.

Figure 42
TOP FIVE SECTORS FOR JOB CREATION AND JOB LOSSES, Bitou, 2022-2023

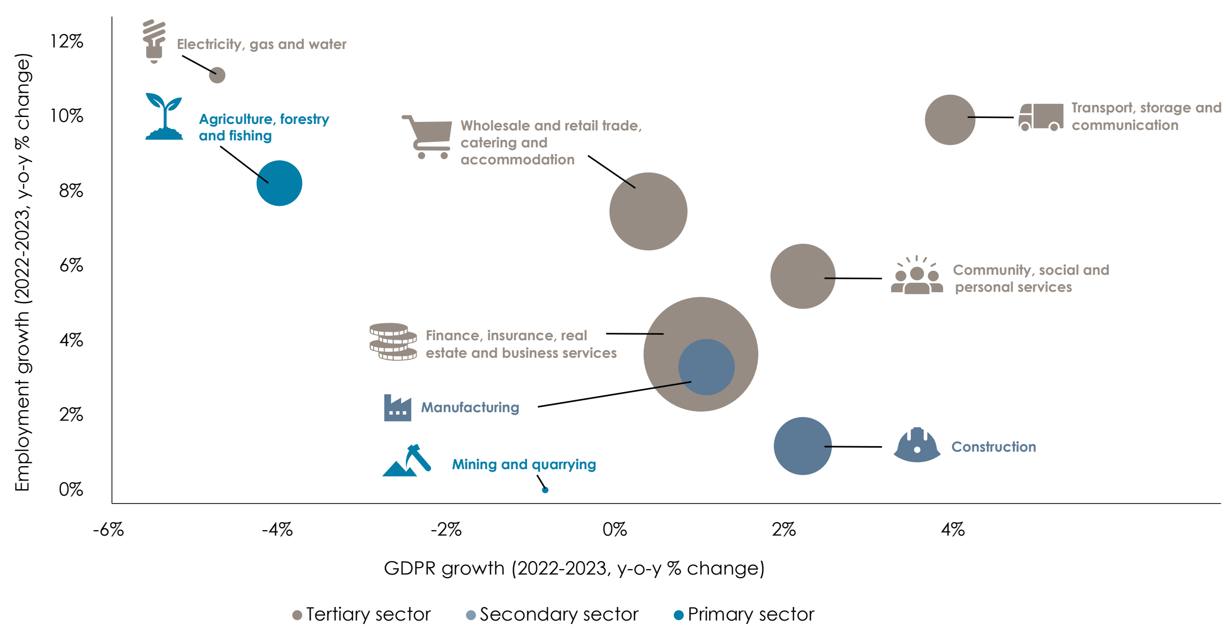
Total jobs gains (296)		Total jobs losses (314)	
Construction of buildings	70	General public administration at Local Governement level	-147
Food service activities of take away counters	20	Activities of sports clubs	-26
Computer consultancy and computer facilities management activities	16	Manufacture of other products of wood	-16
Creative, arts and entertainment activities	15	Manufacture of furniture	-13
Electrical installation	12	Manufacture of other porcelain and ceramic products	-12

Source: Nell, A & Visagie, J. Spatial Tax Panel 2014 – 2023 (dataset). Version 3. National Treasury Cities Support Programme and Human Sciences Research Council (producer and distributor), 2024

The analysis of GDPR and employment performance in Bitou presents a complex but optimistic outlook for the municipal area. High-value sectors, particularly finance, insurance, real estate, and business services, continue to be the primary drivers of GDPR growth, contributing a significant 35.1 per cent to the region's economic output in 2023. Despite this, these sectors have not been substantial job creators, with employment growth in finance and business services remaining modest at 3.6 per cent. Similarly, while wholesale and retail trade, catering, and accommodation contributed 16.3 per cent to GDPR and saw a solid 7.5 per cent increase in employment. Meanwhile, sectors like transport, storage, and communication, although contributing a smaller share to GDPR (6.8 per cent), showed strong employment growth of 9.9 per cent, demonstrating the importance of infrastructure and logistical services that support both tourism and trade.

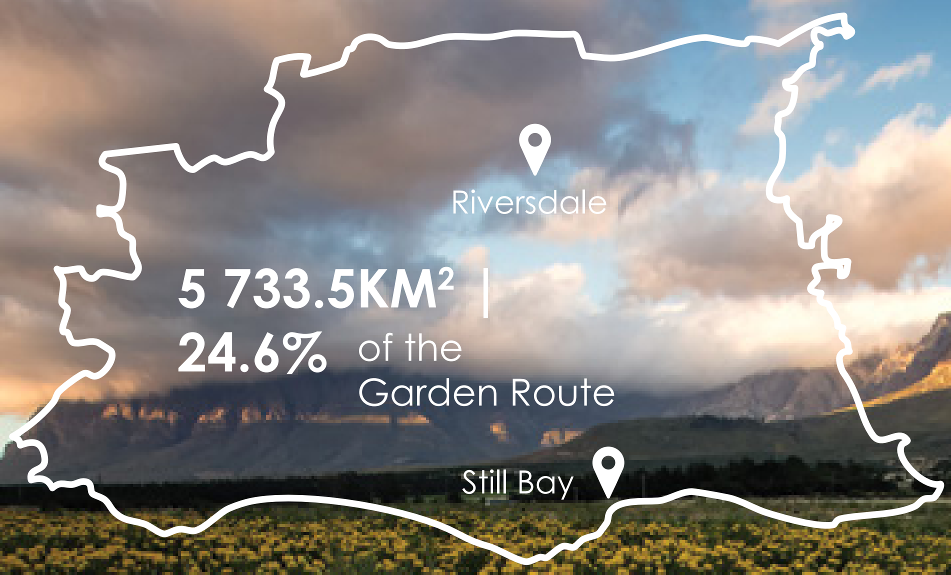
In contrast, the primary sector, particularly agriculture, faces ongoing challenges despite employing many low-skilled workers, particularly in fruit farming. With agriculture contributing just 5.6 per cent to GDPR and experiencing a decline of 4.1 per cent in GDPR growth, the sector remains vulnerable to climate-related risks, supply chain disruptions, and market volatility. While agriculture saw an employment growth of 8.2 per cent, this sector's limited contribution to GDPR growth underscores the need for improved productivity and diversification. Similarly, manufacturing, although it added some positive contributions to GDPR, only grew by 3.3 per cent in employment, and the sector's struggles to expand or modernize remain evident. The ongoing construction boom (with a 2.1 per cent GDPR growth and 1.2 per cent employment growth) is critical for infrastructure development, yet it also faces pressures, particularly in terms of labour shortages and land availability.

Figure 43
GDPR[35] PERFORMANCE PER SECTOR, Bitou, 2022-2023



Source: Quantec, 2024

35 See Note 1.



5 733.5KM² | 24.6% of the Garden Route

HESSEQUA

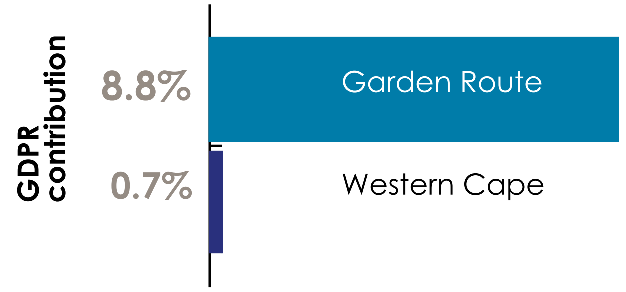
MUNICIPAL GDPR AND EMPLOYMENT PERFORMANCE

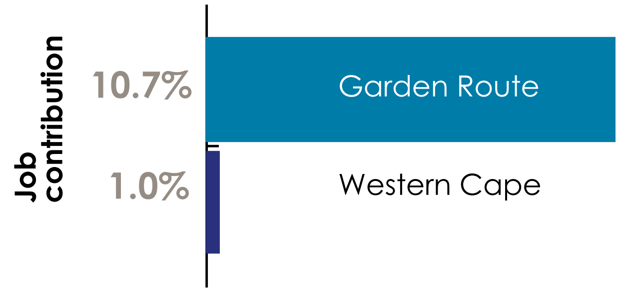
The Hessequa municipality is characterised by its stunning coastline along the Indian Ocean and the rugged beauty of its mountain ranges. The region's economy is deeply rooted in its agricultural legacy, with a focus on the cultivation of fruits, vegetables, and fynbos plants. Each of Hessequa's towns has its own distinct charm. Gouritz, a coastal village, is particularly renowned for its fishing industry, while Albertinia is famous for its thriving aloe cultivation. Heidelberg serves as the gateway to the beautiful Grootvadersbosch Nature Reserve, offering access to lush landscapes and wildlife. Riversdale, known for its outdoor adventure opportunities, and Slangrivier, a hotspot for off-road enthusiasts, contribute to the region's active lifestyle appeal. Additionally, towns like Groot-Jongensfontein, Stilbaai, and Witsand attract visitors with their picturesque beaches, seasonal whale sightings, and a wide range of water sports.

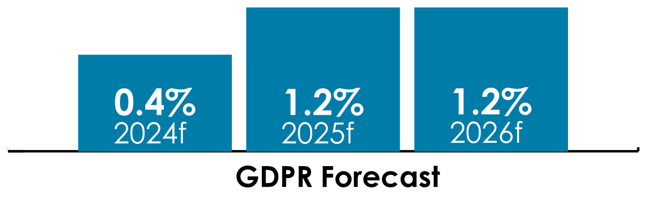
Municipal GDPR & employment performance

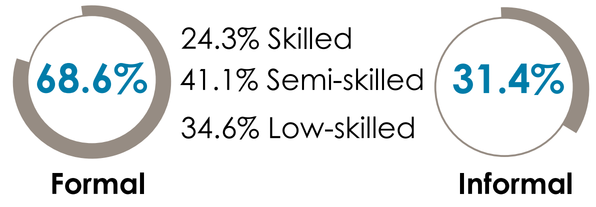
GDPR
R4.0 billion
Growth constant price
0.8%

JOBS
24 260
Job gain 2023
204









Employment profile

	Unemployment rate	Labour force participation rate	Labour absorption rate (employment-to-population ratio)	Not economically active proportion of working-age population
2022	14.9%	56.3%	47.9%	43.7%
2023	12.8%	57.3%	49.9%	42.7%

Top Five Jobs

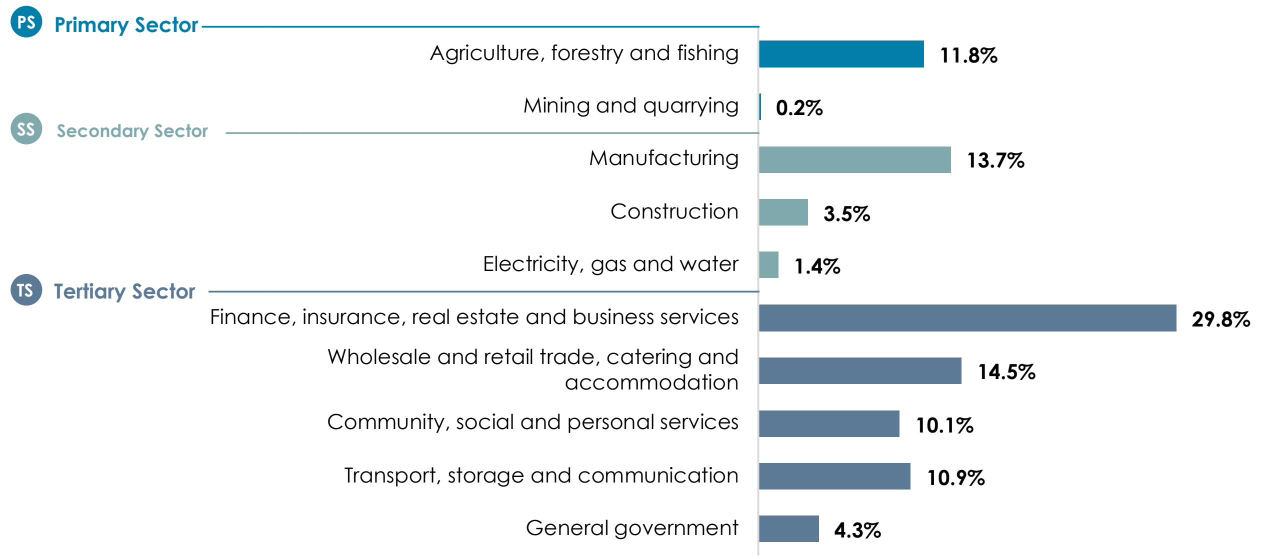
	Top Jobs
Mixed farming	1 242
General public administration at Local Government level	693
General public administration at Provincial Government level	424
Retail sale in non-specialised stores with food, beverages or tobacco predominating	276
Growing of vegetables and melons, roots and tubers	273

The Hessequa economy contributed 8.8 per cent to the District's GDPR, amounting to R4 billion in 2023. The area also accounted for 10.7 per cent of employment in the District, providing 24 260 jobs. A notable proportion of these jobs involve semi-skilled work (41.1 per cent) and low-skilled work (34.6 per cent), while skilled workers make up 24.3 per cent of the workforce. The agriculture, forestry, and fishing sector is a major absorber of low-skilled workers, while semi-skilled workers are typically employed in finance, trade, and manufacturing sectors.

Hessequa's economy is characterised by a diverse range of sectors, with the finance, insurance, real estate, and business services sector being the largest contributor to GDPR, accounting for 29.8 per cent (R1.2 billion). The wholesale and retail trade, community services, and transport, storage, and communication sectors also make significant contributions, playing vital roles in the local economy. The manufacturing sector contributes 13.7 per cent to GDPR, underlining its importance to the economic fabric of the municipal area, while agriculture, despite challenges, remains a cornerstone of the local economy, contributing 11.8 per cent to GDPR.

In recent years, property sales in Hessequa have increased, driven by a rising population and the growing demand for services. This has led to higher employment, particularly in education and social work. The trend has continued into 2023, resulting in ongoing demand for skilled and semi-skilled workers. As the economy expands and urbanisation progresses, the need for workforce skills development is becoming increasingly critical to meet these evolving demands.

Figure 44
GDPR SECTORAL CONTRIBUTIONS IN CONSTANT 2015 PRICES, Hessequa, 2022-2023



Source: Quantec, 2024

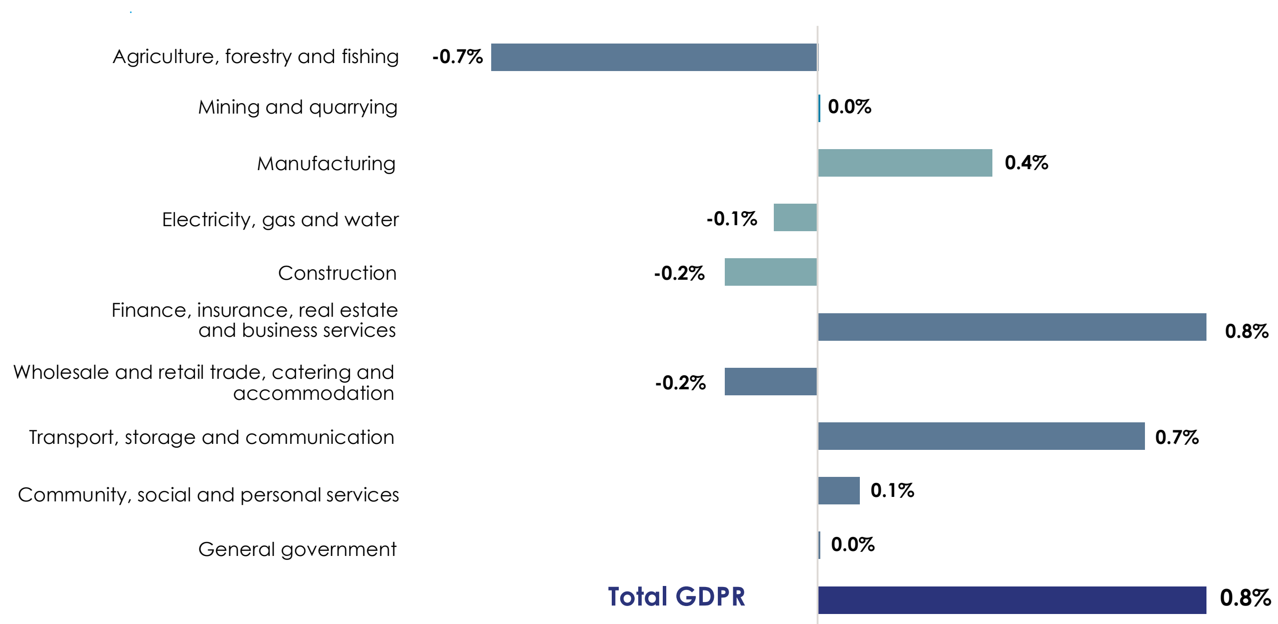
This diverse sector mix in Hessequa yielded a modest growth in GDPR of 0.8 per cent in 2023. While the overall economic contribution showed an increase, some sectors displayed relatively more resilience. The finance, insurance, real estate, and business services sector was the best-performing from a growth perspective, contributing 0.8 percentage points to GDPR growth. The transport, storage, and communication sector also made a significant positive contribution of 0.7 percentage points, with additional positive contributions from the manufacturing sector (0.4 per cent) and the community, social, and personal services sector (0.1 per cent).

Most prominently, the agriculture, forestry, and fishing sector contributed the most to a decline in the GDPR growth rate, with a -0.7 percentage point impact. Other sectors such as wholesale and retail trade, catering, and accommodation (-0.2 per cent), construction (-0.2 per cent), and electricity, gas, and water (-0.1 per cent) also contributed negatively.

This decline in certain sectors reflects the ongoing risks associated with environmental factors, such as climate change, which continue to affect local farming and fishing industries, as well as other challenges faced by these sectors.

The varied outcomes across these sectors emphasize the necessity for Hessequa to broaden its economic foundation, concentrating on strategies that enhance resilience to buffer against external shocks. By fortifying essential sectors like finance, transport, and manufacturing, and tackling infrastructure issues, Hessequa can work towards a more balanced and sustainable economic future.

Figure 45
SECTORAL CONTRIBUTIONS TO GDPR GROWTH, Hessequa, 2022-2023



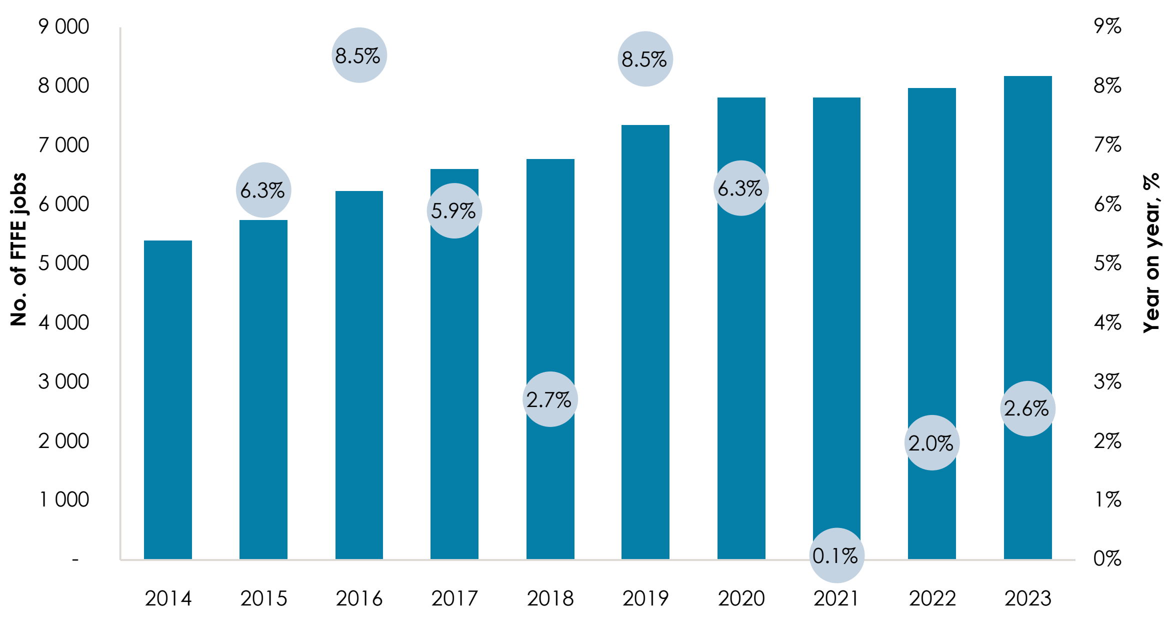
Source: Quantec, 2024

The GDPR growth in Hessequa has led to the creation of 24 260 formal and informal jobs, marking continued recovery following the disruptions caused by the COVID-19 pandemic. In 2023, the municipal area saw positive trends in labour force participation and absorption, contributing to a decrease in the unemployment rate and indicating an overall economic rebound.

In 2023, the municipal area continued to build on its recovery, with FTE jobs rising to 8 175, marking a 2.6 per cent increase from the previous year. While challenges such as aging infrastructure and a shortage of skilled labour remain, Hessequa has successfully surpassed its pre-pandemic job numbers, signalling a resilient and ongoing recovery.

Figure 46

FULL-TIME EQUIVALENT TOTAL JOBS AND YEAR-ON-YEAR JOB GROWTH, Hessequa, 2014 - 2023[36]



Source: Nell, A & Visagie, J. Spatial Tax Panel 2014 – 2023 (dataset). Version 3. National Treasury Cities Support Programme and Human Sciences Research Council (producer and distributor), 2024

The employment distribution in Hessequa highlights the significant role of both primary and tertiary sectors. With a contribution of 15.4 per cent to GDPR, the agriculture sector is the largest employer, with 1 242 jobs in mixed farming alone. Other agricultural activities, such as the growing of vegetables and melons (273 jobs), further emphasise the sector's labour-intensive nature.

In contrast, the finance, insurance, real estate, and business services sector, which accounts for 24.3 per cent of GDPR, provides fewer jobs. The general public administration sector at the local government level, with 693 jobs, is the second-largest employer, followed by other tertiary sector occupations like retail sales and public safety. Sectors such as construction (153 jobs) and restaurant services (143 jobs) also contribute to employment growth.

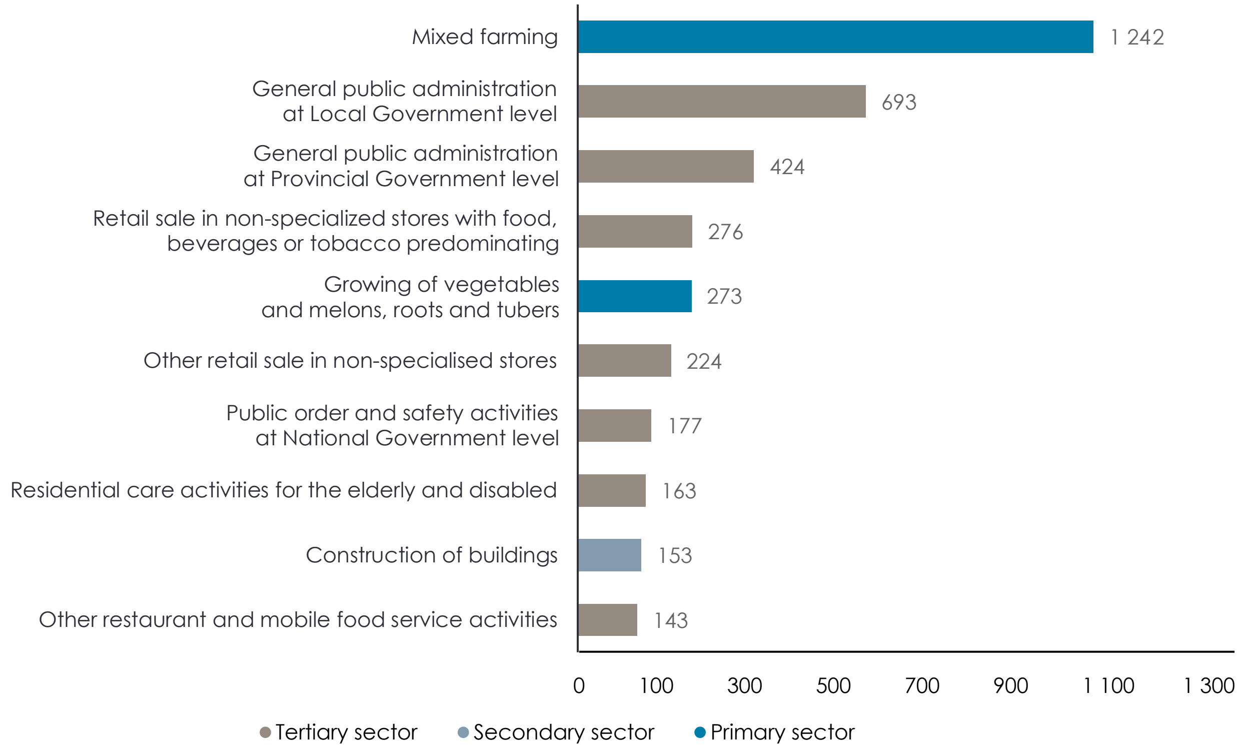
A key feature of Hessequa's labour market is the higher proportion of informally employed workers compared to other areas of the GRD. Small, medium, and micro enterprises (SMMEs) play a crucial role as employers, especially in informal sectors like construction, trade, and transport. However, these SMMEs are more vulnerable to economic instability, which poses a risk to employment in the region. This reliance on informal and small-scale employment highlights the need for strategic support to strengthen these sectors, ensuring they remain resilient in times of economic uncertainty. [37]

36 The reporting of the data has changed; town-level data is no longer available. The new method will report FTE figures at the municipal level

37 Western Cape Government, 2023

Figure 47

TOP 10 SECTORS BY NUMBER OF FTE JOBS, Hessequa, 2023



Source: Nell, A & Visagie, J. Spatial Tax Panel 2014 – 2023 (dataset). Version 3. National Treasury Cities Support Programme and Human Sciences Research Council (producer and distributor), 2024

The jobs analysis indicates that between 2022 and 2023, the municipal area gained a total of 147 jobs, but also lost 267 jobs, resulting in a net loss of 120 jobs. The primary sector, particularly mixed farming (51 jobs) and the growing of cereals, legumes, and oil seeds (27 jobs), experienced notable job gains, reflecting ongoing agricultural activities. Similarly, growing vegetables and melons, roots, and tubers added 24 jobs, while the construction of utility projects contributed an additional 23 jobs.

However, several sectors in the secondary and tertiary categories faced job losses. The manufacture of bakery products saw the largest reduction, with a loss of 88 jobs, followed by the construction of other civil engineering projects (60 jobs) and retail trade in fresh fruit and vegetables (59 jobs). The manufacture of pharmaceuticals and medicinal products also shed 38 jobs, alongside the growing of other tree and bush fruits and nuts (22 jobs). Lastly, the general public administration at local government experienced a modest loss of 21 jobs.

These job losses in the secondary and tertiary sectors reflect broader challenges such as economic uncertainty, high business costs, and a lack of skilled labour, which have made it more difficult for some sectors to thrive. Factors like land availability, regulatory hurdles, and limited opportunities for small, medium, and micro enterprises (SMMEs) further exacerbate the situation, hindering new investments and job creation in certain industries. Balancing the expansion of labour-intensive sectors like agriculture with the growth of high-value sectors will be key to ensuring more sustainable and diversified employment opportunities in Hessequa.

Section B

Figure 48
TOP FIVE SECTORS FOR JOB CREATION AND JOB LOSSES, Hessequa, 2022-2023

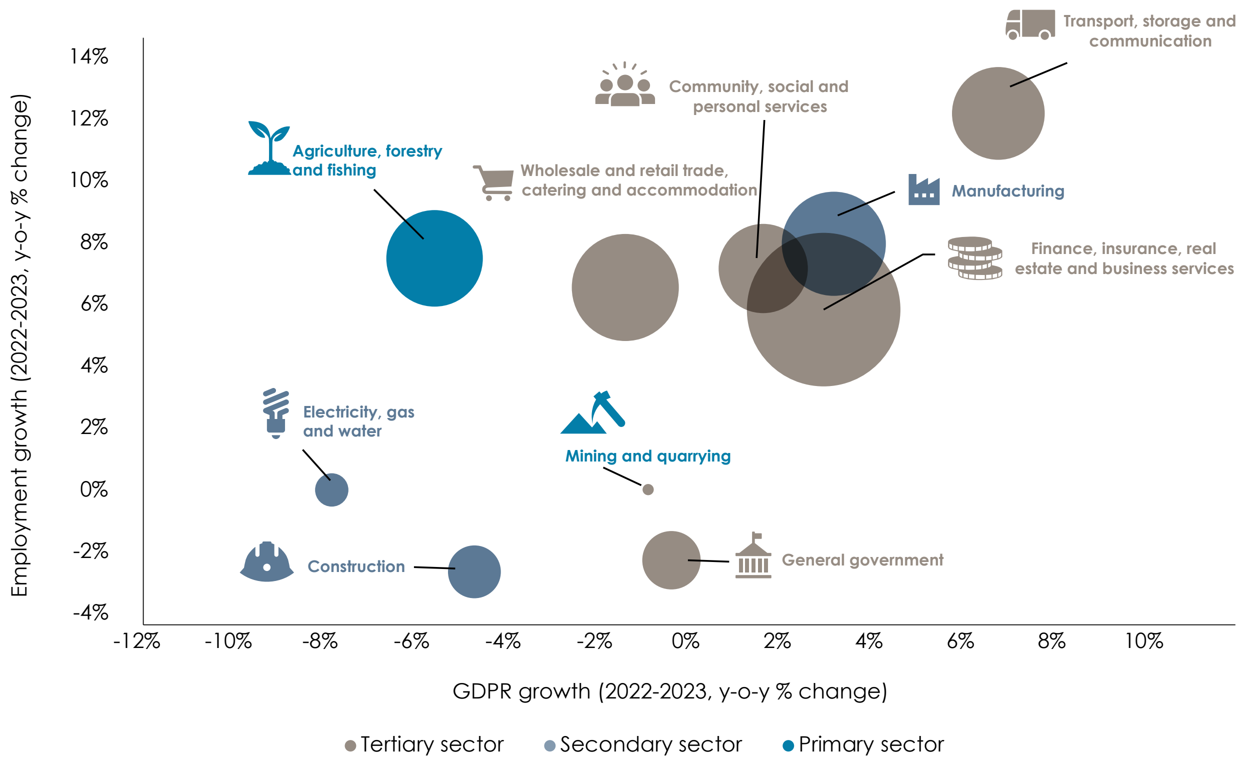
Total jobs gains (385)		Total jobs losses (-267)	
Other restaurant and mobile food service activities	77	Manufacture of bakery products	88
Other human health activities	55	Construction of other civil engineering projects	60
Retail sale in non-specialized stores with food, beverages or tobacco predominating	54	Retail trade in fresh fruit and vegetables	59
Mixed farming	51	Manufacture of pharmaceuticals, medicinal chemical and botanical products	38
Retail of new motor vehicles	37	Growing of other tree and bush fruits and nuts	22

Source: Nell, A & Visagie, J. Spatial Tax Panel 2014 – 2023 (dataset). Version 3. National Treasury Cities Support Programme and Human Sciences Research Council (producer and distributor), 2024

The analysis of GDPR and employment performance in Hessequa highlights key economic trends. The transport, storage and communication sector was the best performing, seeing notable growth in both output and jobs. The finance, insurance, real estate, and business services sector is the largest contributor to GDPR, accounting for nearly 30 per cent of total output. However, it generates fewer jobs compared to more labour-intensive sectors. In 2023, this sector grew but its job numbers remain relatively low. In contrast, agriculture, despite facing challenges such as climate risks, remains a key employer, with significant job growth in 2023. However, the sector's GDPR contracted reflecting ongoing productivity challenges.

Other sectors, such as transport and manufacturing, also contributed positively to both GDPR and employment. These trends highlight a key disparity: high-value sectors like finance and business services drive economic growth but do not generate large-scale employment, while sectors like agriculture provide much-needed jobs but struggle with economic output.

Figure 49
GDPR[38] PERFORMANCE PER SECTOR, Hessequa, 2022-2023



Source: Quantec, 2024

38 See Note 1.

KNYSNA

MUNICIPAL GDPR AND EMPLOYMENT PERFORMANCE

The Knysna municipal area is renowned for its stunning natural beauty, with the iconic Knysna Heads marking the entrance to the Knysna River. Just to the west of the town, Sedgefield offers a tranquil village atmosphere, providing a stark contrast to the lively town of Knysna itself. The area's charm lies in its picturesque landscapes, which also drive the local economy.

Municipal GDPR & employment performance

GDPR
R4.9 billion
Growth constant price
0.2%

JOBS
25 684
Job gain 2023
323

GDPR contribution
- Garden Route: 10.7%
- Western Cape: 0.8%

Job contribution
- Garden Route: 11.4%
- Western Cape: 1.0%

GDPR Forecast
- 0.6% 2024f
- 0.2% 2025f
- 0.1% 2026f

Formal 78.7%
19.4% Skilled
34.9% Semi-skilled
24.5% Low-skilled

Informal 21.3%

Employment profile

	Unemployment rate	Labour force participation rate	Labour absorption rate (employment-to-population ratio)	Not economically active proportion of working-age population
2022	31.8%	56.2%	38.3%	43.8%
2023	27.7%	54.0%	39.0%	46.0%

Top Five Jobs

	Top Jobs
General public administration at Local Government level	1 037
Short term accommodation activities of hotels and motels	635
Construction of buildings	550
Other restaurant and mobile food service activities	547
General public administration at Provincial Government level	438

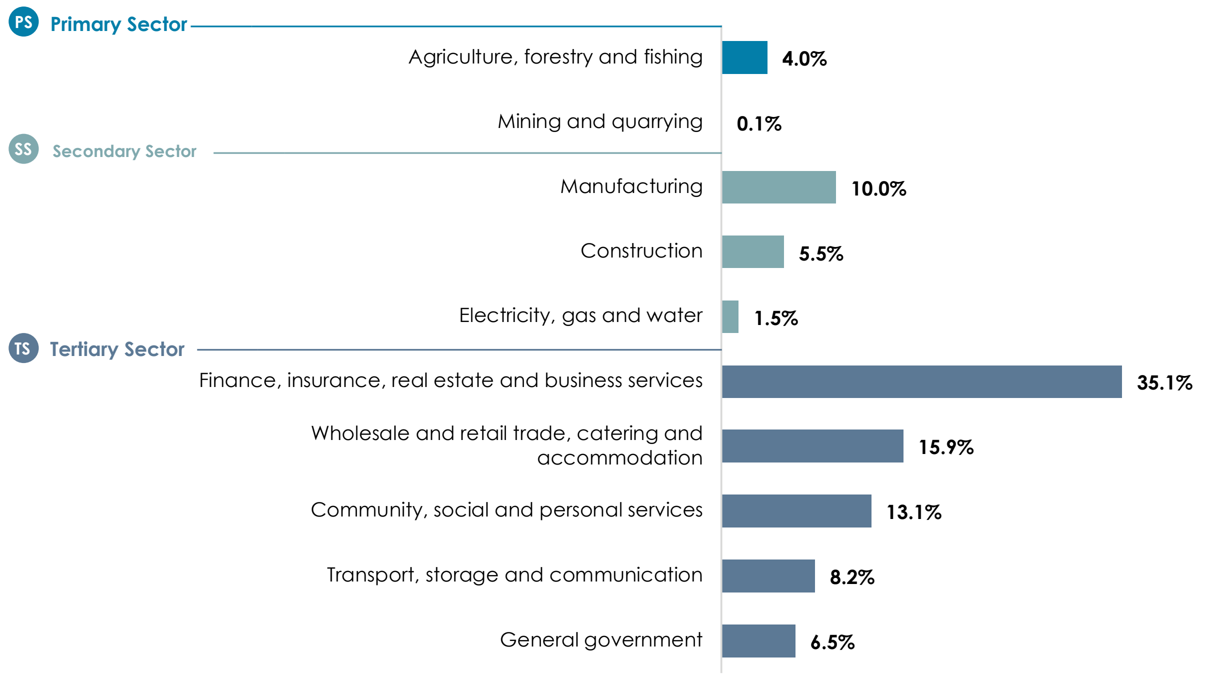
Originally a timber town, Knysna has evolved into one of South Africa's top tourist destinations. Visitors flock to the vibrant waterfront, where they can explore art galleries, boutique shops, and enjoy fresh seafood at local restaurants. The annual Knysna Oyster Festival is a highlight of the region's calendar, drawing tourists from all over the world to experience the area's renowned oysters and lively, laid-back atmosphere.

The Knysna economy contributed 10.7 per cent to the region's GDPR, amounting to R4.9 billion in 2023. It also accounts for 11.4 per cent of district employment, providing 25 684 jobs. Employment is primarily in low-skilled (44.3 per cent) and semi-skilled (31.1 per cent) roles, with skilled workers making up 24.6 per cent of the workforce. The agriculture sector, including forestry and fishing, is a major employer of low-skilled workers, while semi-skilled jobs are more prominent in finance, trade, and construction.

Knysna's economy is driven by the tertiary sector, with finance, insurance, real estate, and business services contributing 35.1 per cent to GDPR, followed by wholesale and retail trade (15.9 per cent) and community services (13.1 per cent). The secondary sector, led by manufacturing (10 per cent) and construction (5.5 per cent), also plays a key role. The primary sector, primarily agriculture, contributes 4 per cent to GDPR. Knysna's diverse economic base, which balances high-value sectors with labour-intensive industries, positions it well for future growth, although skills development and sectoral resilience remain key for sustained progress.

Figure 50

GDPR SECTORAL CONTRIBUTIONS IN CONSTANT 2015 PRICES, Knysna, 2023



Source: Quantec, 2024

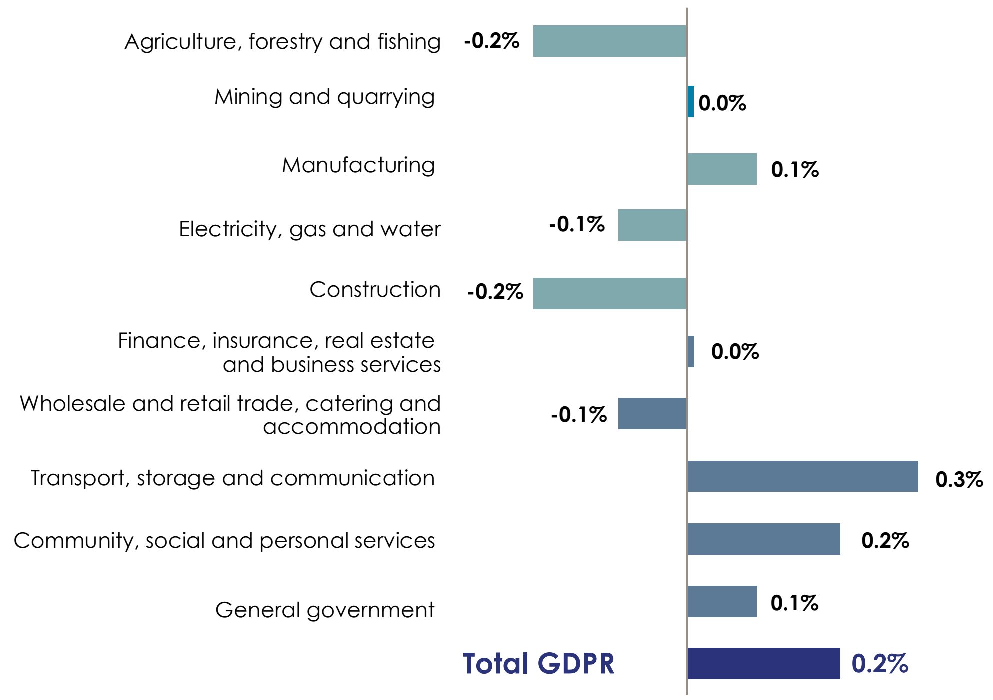
On the other hand, several sectors had a negative impact on GDPR growth. The agriculture, forestry, and fishing sector reduced GDPR growth by -0.2 percentage points, while the construction sector also had a negative contribution of -0.2 percentage points. The wholesale and retail trade, catering, and accommodation sector and the electricity, gas, and water sector each contributed -0.1 percentage points.

These negative contributions highlight the ongoing challenges faced by Knysna, particularly in sectors affected by environmental factors such as climate change, which continue to impact local farming and fishing industries.

The varied performance across sectors underscores the need for Knysna to further diversify its economic base. By focusing on resilience-building strategies and strengthening key sectors like transport, community services, and government services, Knysna can work towards a more balanced and sustainable economic future. Addressing infrastructure challenges and mitigating the negative impact of external shocks will be crucial in achieving this goal.

Figure 51

SECTORAL CONTRIBUTIONS TO GDPR GROWTH, Knysna, 2023

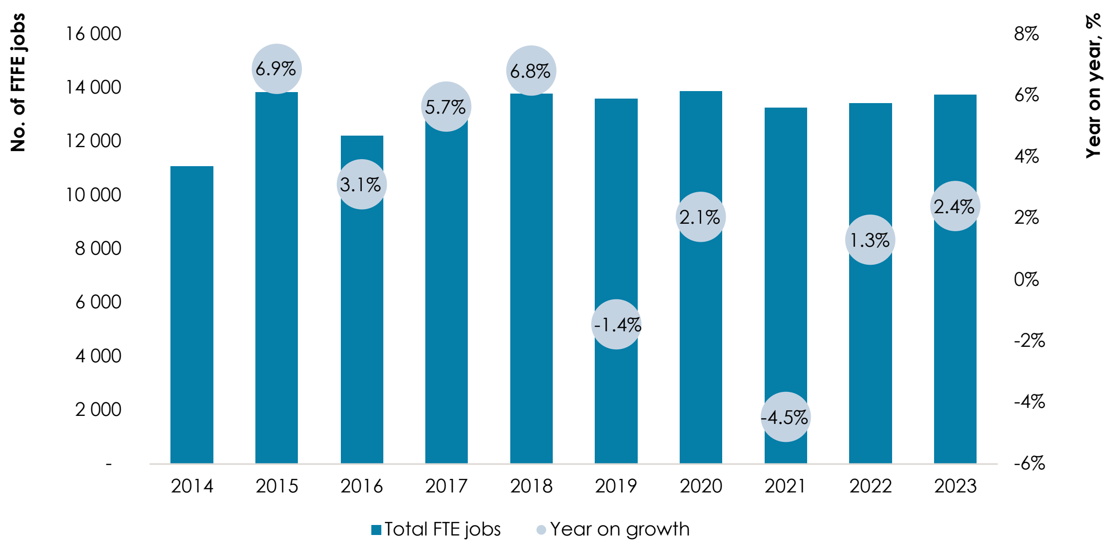


Source: Quantec, 2024

Real GDPR growth in Knysna has contributed to the creation of 25 684 formal and informal jobs, marking a continued recovery from the disruptions caused by the COVID-19 pandemic. In addition, positive trends in labour force participation (up by 1.1 percentage points) and labour absorption (increased by 2.4 percentage points) have led to a decrease in the economically inactive population and a 2.2 percentage point drop in the unemployment rate in 2023. These positive indicators suggest a steady rebound in the local economy.

In terms of full-time equivalent (FTE) jobs, Knysna saw a year-on-year growth of 2.4 per cent, with total FTE jobs increasing from 13 438 in 2022 to 13 760 in 2023. Although the municipal area faced some challenges, including outdated infrastructure, financial constraints, and a lack of skilled labour, it successfully surpassed pre-COVID job levels, showing resilience and a positive trajectory in job creation. [39]

Figure 52
FULL-TIME EQUIVALENT TOTAL JOBS AND YEAR-ON-YEAR JOB GROWTH, Knysna, 2014 - 2023[40]



Source: Nell, A & Visagie, J. Spatial Tax Panel 2014 – 2023 (dataset). Version 3. National Treasury Cities Support Programme and Human Sciences Research Council (producer and distributor), 2024

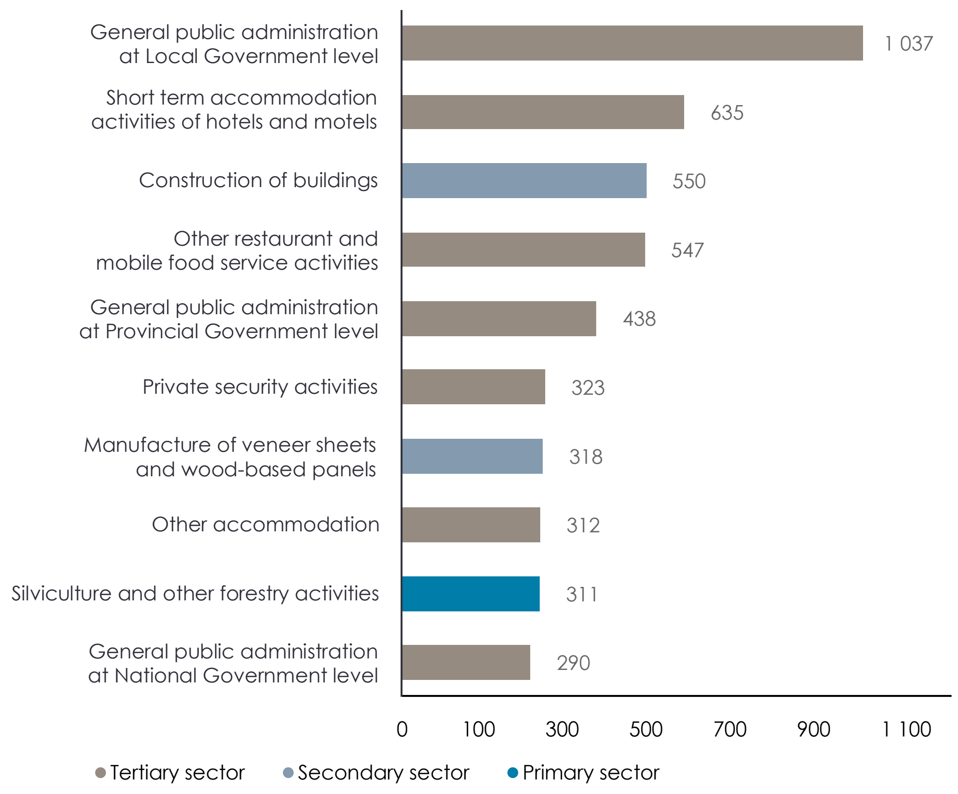
The town of Knysna also serves as the administrative hub for the municipal area, with a large number of public administration workers residing and working in the area. In 2023, the general public administration sector employed 1 037 people in local government, making it one of the largest employers in the municipal area. The substantial workforce in public administration reflects the town's role as the administrative centre of the municipal area, supporting a wide range of government services and public sector functions.

The significant contribution of the trade sector underscores the importance of tourism to Knysna's economy, with tourism-related industries acting as some of the municipal area's leading employers. In 2023, short-term and other accommodation providers employed 635 formal workers, while the restaurant industry supported 547 formal jobs. These sectors play a critical role in absorbing a significant portion of the local workforce, particularly in lower-skilled and service-oriented roles. The vibrant tourism sector continues to be a cornerstone of Knysna's economy, providing steady employment opportunities while driving demand for services in retail, hospitality, and leisure.

In addition to tourism, the finance sector is another key driver of economic activity, with a strong concentration of financial services businesses located in the town of Knysna. The area is home to numerous real estate agents, as well as household and business service providers, including specialists in accounting, legal services, and security. The finance, insurance, real estate, and business services sector is the largest contributor to the municipal area's GDPR, making up 35.1 per cent of the total. Despite its strong GDPR contribution, this sector is less labour-intensive and accounts for a smaller share of the total employment in the area.

39 Knysna annual-Report-2022-2023, 2024
40 The reporting of the data has changed; town-level data is no longer available. The new method will report FTE figures at the municipal level

Figure 53
TOP 10 OCCUPATIONS BY NUMBER OF FTE JOBS, Knysna, 2023



Source: Nell, A & Visagie, J. Spatial Tax Panel 2014 – 2023 (dataset). Version 3. National Treasury Cities Support Programme and Human Sciences Research Council (producer and distributor), 2024

The jobs analysis for Knysna between 2022 and 2023 reveals a mixed employment picture, with certain sectors showing growth while others have faced declines. A total of 1 380 jobs were gained, but -1 057 jobs were lost, resulting in a modest net gain of 323 jobs. The top sectors driving job creation were predominantly in the primary and secondary sectors, with mixed farming, the growing of cereals, and the cultivation of vegetables and melons accounting for the majority of new employment opportunities. Specifically, mixed farming saw 48 new jobs, followed by the growing of cereals and the cultivation of vegetables, both contributing 48 and 42 jobs respectively. Additionally, the construction sector, particularly in utility projects, also saw job growth, with 42 jobs created in this area.

However, the municipal economy also experienced notable job losses. The tertiary sector accounted for several significant reductions, particularly in general secondary education, local government administration, and civil engineering projects. General secondary education saw a loss of 77 jobs, while general public administration at the local government level experienced a reduction of 43 jobs. The construction of civil engineering projects also faced a decline of 38 jobs. The legal sector was not immune to job losses, with a reduction of 21 positions in legal activities. These challenges, alongside the ongoing issues in agriculture, such as the declining employment in fruit and nut farming, highlight the difficulties facing key sectors in Knysna. Issues such as land availability, skill mismatches, and limited opportunities for small businesses (SMMEs) continue to constrain job creation, especially in sectors that traditionally offer substantial employment opportunities.[41]

41 Knysna Municipality 2022/23 Annual Report

Figure 54
TOP FIVE SECTORS FOR JOB CREATION AND JOB LOSSES, Knysna, 2022-2023

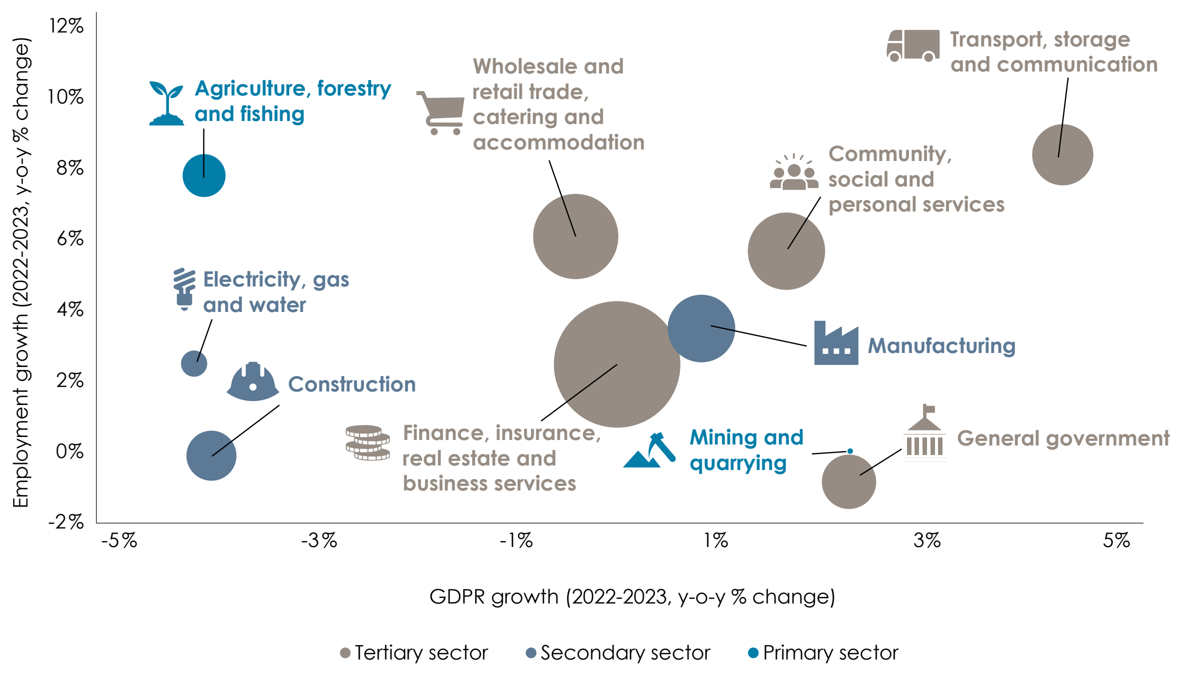
Total jobs gains (1 380)		Total jobs losses (-1 057)	
Other restaurant and mobile food service activities	122	Retail of automotive fuel in specialized stores	-40
Manufacture of veneer sheets and wood-based panels	93	General public administration at Local Government level	-43
Short term accommodation activities of hotels and motels	79	Residential care activities for the elderly and disabled	-62
Retail sale in non-specialized stores with food, beverages or tobacco predominating	54	General secondary education	-77
Other personal service activities n.e.c.	51	Support services to forestry	-103

Source: Nell, A & Visagie, J. Spatial Tax Panel 2014 – 2023 (dataset). Version 3. National Treasury Cities Support Programme and Human Sciences Research Council (producer and distributor), 2024

The analysis of GDPR and employment performance in Knysna for 2023 shows that transport, storage and communication was the best performing sector, with its key role in supporting agriculture, manufacturing, and retail sectors. Finance, insurance, real estate, and business services also contributed significantly to GDPR growth, despite recording a modest employment increase of 2.4 per cent. While the wholesale and retail trade, catering, and accommodation sector experienced a slight contraction in GDPR growth, it saw a robust increase in employment, reflecting the sector's role as a major job creator, particularly within tourism-related services, which remain a key employer in the municipal area.

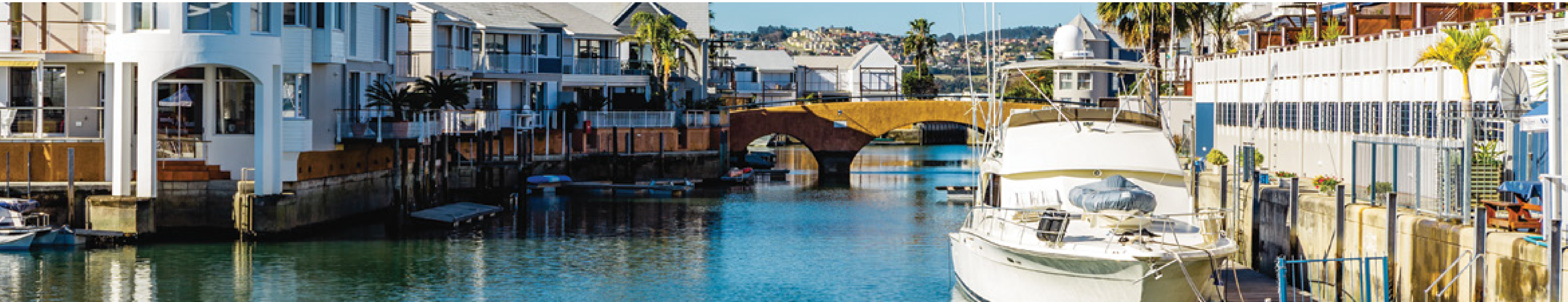
Conversely, the agriculture, forestry, and fishing, experienced a 4.2 per cent decline in GDPR but managed a significant 7.8 per cent increase in employment, underscoring its importance as a major source of employment, especially for low-skilled workers. Challenges such as climate resilience continue to hinder the sector's ability to contribute meaningfully to GDPR growth, even as it remains a key employer. Manufacturing also saw positive employment growth, despite its relatively modest GDPR contribution of 10 per cent. On the downside, sectors like construction and electricity, gas, and water struggled, with the latter also reflecting broader national challenges such as the ongoing energy crisis.

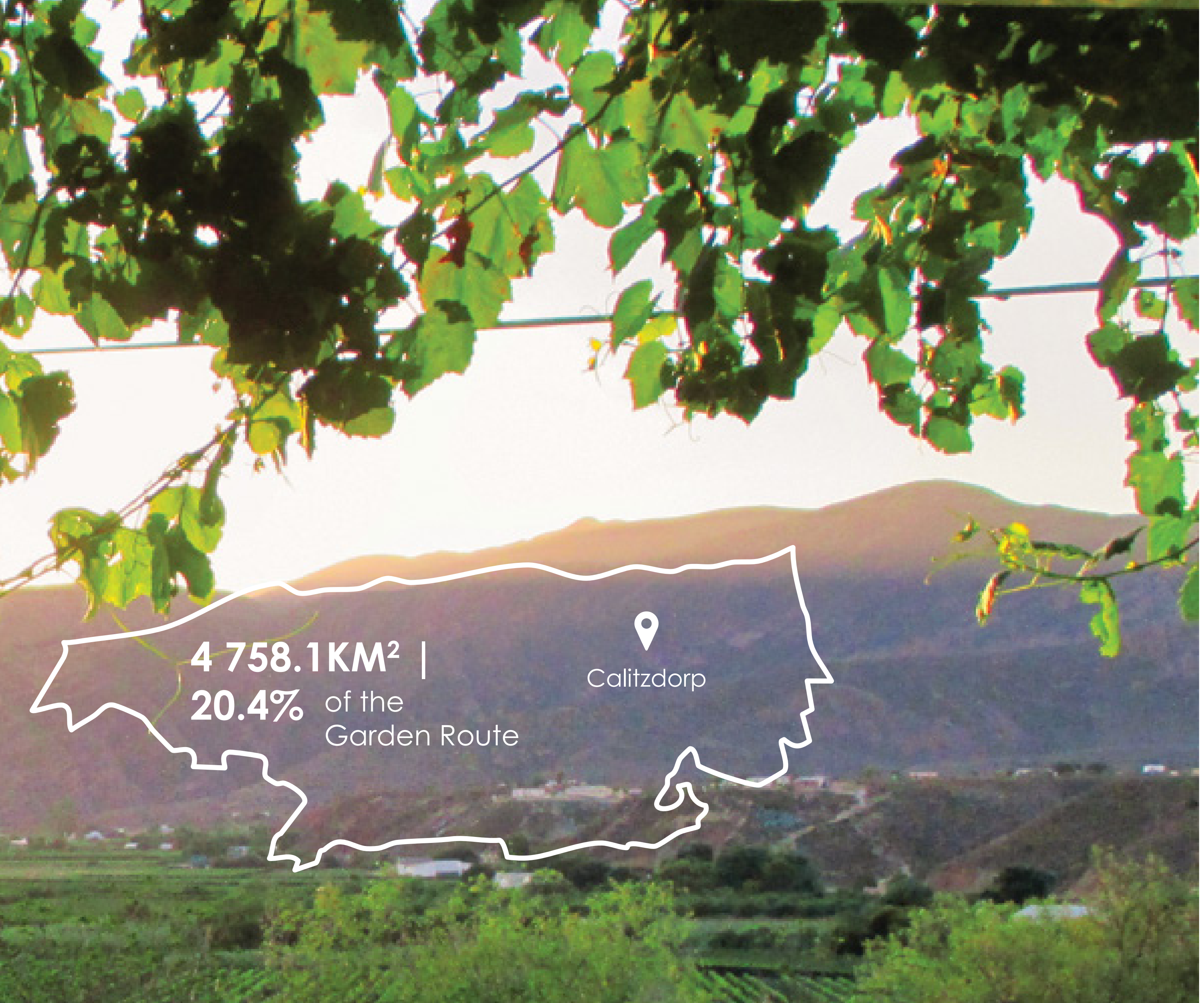
Figure 55
GDPR[41] PERFORMANCE PER SECTOR, Knysna, 2022-2023



Source: Quantec, 2024

41 See Note 1.





KANNALAND

MUNICIPAL GDPR AND EMPLOYMENT PERFORMANCE

The Kannaland municipal area, situated in the heart of the Garden Route District, includes the towns of Ladismith, Calitzdorp, and Van Wyksdorp. Known for its rich agricultural heritage and scenic landscapes, Kannaland is famous for its wine and fruit production, particularly the renowned Calitzdorp port wine. The region's unique Karoo landscape offers a mix of rugged beauty, historic sites, and agricultural charm, attracting visitors who enjoy a more tranquil, rural escape.

Municipal GDPR & employment performance

GDPR
R1.3 billion
Growth constant price
0.5%

JOBS
9 699
Job gain 2023
39

GDPR contribution

Garden Route	2.8%
Western Cape	0.2%

Job contribution

Garden Route	4.3%
Western Cape	0.4%

GDPR Forecast

2024f	2025f	2026f
2.2%	2.1%	2.3%

Formal 67.4%
Informal 32.6%

19.5% Skilled
34.0% Semi-skilled
46.5% Low-skilled

Employment profile

	2022	2023
Unemployment rate	15.5%	12.8%
Labour force participation rate	51.3%	52.6%
Labour absorption rate (employment-to-population ratio)	43.3%	45.9%
Not economically active proportion of working-age population	48.7%	47.4%

Top Five Jobs

	Top Jobs
General public administration at Local Government level	384
Mixed farming	378
Manufacture of butter and cheese	372
Growing of pome fruits and stone fruits	267
Growing of grapes	228

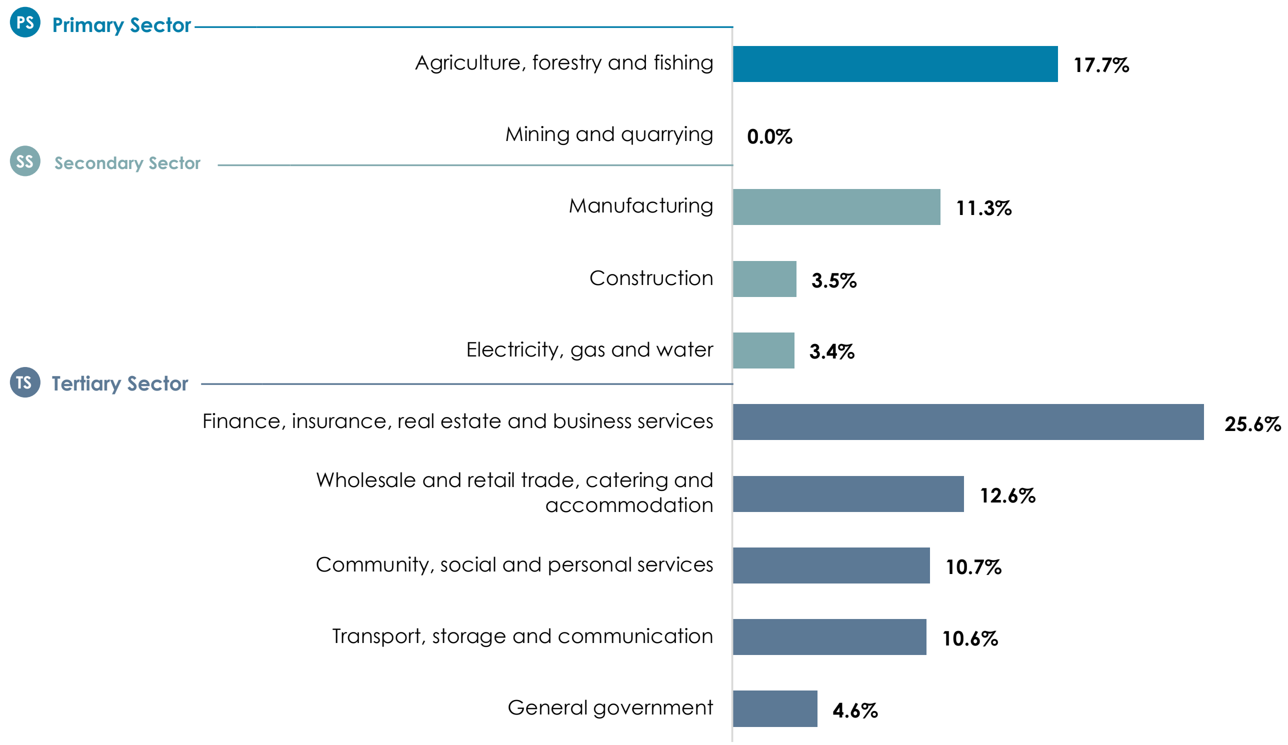
Kannaland's agricultural economy is bolstered by deciduous fruit farming, with orchards producing peaches, apricots, and grapes, while the olive industry is also growing. The area's wine estates are a key tourist draw, with the Calitzdorp Wine Route offering tastings and tours in a picturesque setting. Outdoor enthusiasts can explore the natural beauty of the Gamka Mountain Range and Route 62, which winds through breathtaking scenery and charming small towns. Visitors can enjoy hiking, birdwatching, and exploring local caves, while the peaceful atmosphere and stunning sunsets make Kannaland an ideal destination for those seeking relaxation and a closer connection with nature.

Kannaland municipal area contributed 2.8 per cent to the total GDPR of the GRD, with a total GDPR of R1.3 billion. Despite its smaller share of the regional GDPR, Kannaland plays a significant role within the District, with agriculture being the driving force behind its economy. The municipal area also accounted for 4.3 per cent of the total employment in the District, providing 9 699 jobs. This reflects its ongoing importance as a key employment provider in the district, with a significant portion of the workforce employed in agriculture, particularly in farming activities.

The economic diversity of Kannaland is clearly demonstrated by the sectoral contributions to its total GDPR growth in 2023. The finance, insurance, real estate, and business services sector stands out as the largest contributor, adding 25.6 per cent to the total GDPR. Significant contributions also come from the wholesale and retail trade, catering, and accommodation sector, which accounted for 12.6 per cent, and agriculture, forestry, and fishing, contributing 17.7 per cent. In contrast, the manufacturing sector added 11.3 per cent to the GDPR, while transport, storage, and communication contributed 10.6 per cent.

The general government and community, social, and personal services sectors each had smaller contributions, at 4.6 per cent and 10.7 per cent respectively. The secondary sector, which includes electricity, gas, and water, and construction, contributed 3.4 per cent and 3.5 per cent, respectively. Meanwhile, mining and quarrying made no contribution to the GDPR. This varied sectoral performance highlights the broad economic base of the district, with certain sectors driving growth while others, such as mining and quarrying, represent areas for potential diversification in the future.

Figure 56
GDPR SECTORAL CONTRIBUTIONS IN CONSTANT 2015 PRICES, Kannaland, 2023



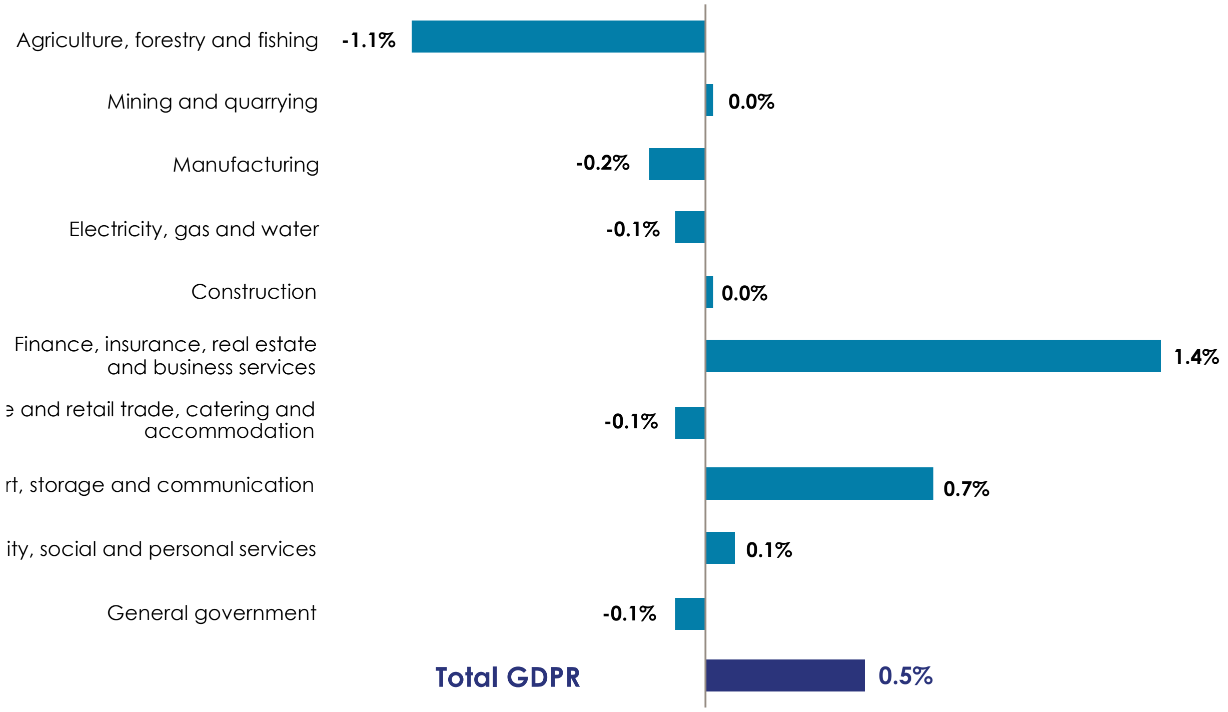
Source: Quantec, 2024

This diverse sector mix in Kannaland yielded a modest growth in GDPR of 0.5 percent in 2023. While the overall economic contribution showed a slight increase, some sectors displayed relatively more resilience. The finance, insurance, real estate, and business services sector was the best performer from a growth perspective, contributing 1.4 percentage points to GDPR growth. The transport, storage, and communication sector also made a significant positive contribution of 0.7 percentage points, followed by a more modest positive contribution from the community, social, and personal services sector at 0.1 percentage points.

Most prominently, the agriculture, forestry, and fishing sector had the largest negative impact on GDPR growth, contributing -1.1 percentage points. Other sectors, such as general government (-0.1 percentage points), wholesale and retail trade, catering, and accommodation (-0.1 percentage points), and manufacturing (-0.2 percentage points), also contributed negatively. The electricity, gas, and water sector further added to the decline with a contribution of -0.1 percentage points.

This decline in certain sectors reflects the ongoing risks associated with environmental factors, such as climate change, which continue to affect local farming and fishing industries, as well as other challenges faced by these sectors. The mixed performance of these sectors highlights the need for Kannaland to diversify its economic base further, focusing on resilience-building strategies that can help mitigate the negative impact of external shocks. By strengthening key sectors such as finance and transport, and addressing infrastructure challenges, Kannaland can build a more balanced and sustainable economic future.

Figure 57
SECTORAL CONTRIBUTIONS TO GDPR GROWTH, Kannaland, 2023



Source: Quantec, 2024

Kannaland municipal area recorded 3 607 Full-Time Equivalent (FTE) jobs,[42] marking a modest increase of 1.1 per cent year-on-year. This follows the strong recovery seen in 2021, when FTE jobs surged by 16.9 per cent after the COVID-19 pandemic led to significant job losses. While the overall trend remains positive, the growth rate has slowed considerably, pointing to challenges such as limited infrastructure, financial constraints, and a mismatch between local skills and available employment opportunities.

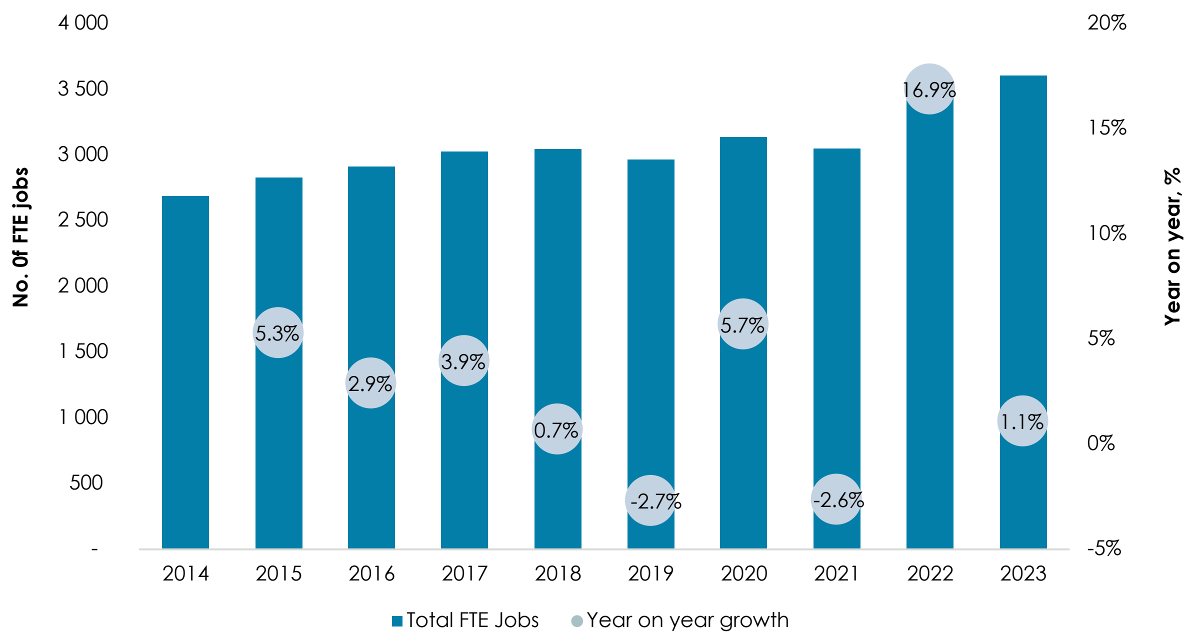
Over the past decade, Kannaland has experienced fluctuating job growth, with periods of both increases and declines. Notably, 2018 saw a 2.7 per cent decrease in FTE jobs, but this was followed by a strong 5.7 per cent recovery in 2019. Despite another slight dip of 2.6 per cent in 2020, the municipal area's FTE jobs have gradually returned to positive growth, driven primarily by key sectors like agriculture and community services, which continue to play a vital role in the local economy.

However, Kannaland faces ongoing challenges in attracting new investment and ensuring access to skilled labour. As a result, while the municipal area has seen modest job growth since the pandemic, addressing these structural issues will be key to unlocking further economic development and improving long-term employment outcomes. Despite the challenges, the municipal area's FTE job numbers in 2023 are higher than pre-COVID levels, showing that it has recovered to some degree from the impact of the pandemic.

42 Quantec, 2024.

Section B

Figure 58
FULL-TIME EQUIVALENT TOTAL JOBS AND YEAR-ON-YEAR JOB GROWTH, Kannaland, 2014 - 2023[43]



Source: Nell, A & Visagie, J. Spatial Tax Panel 2014 – 2023 (dataset). Version 3. National Treasury Cities Support Programme and Human Sciences Research Council (producer and distributor), 2024

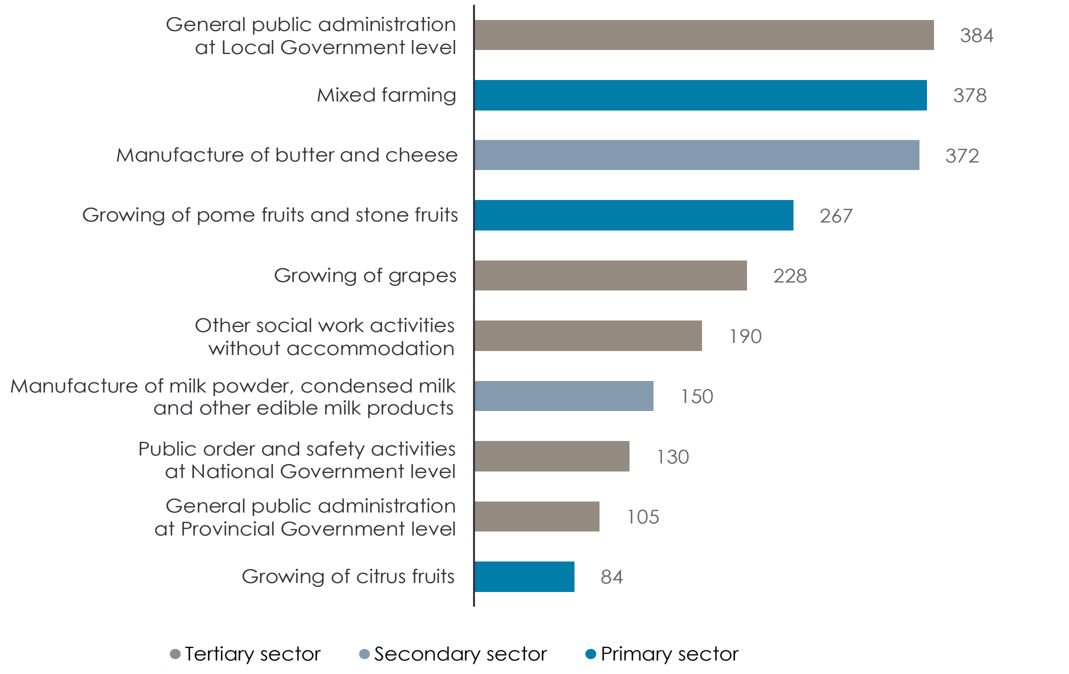
Kannaland's employment landscape indicates that the Public administration is a key driver of employment in Kannaland, particularly at the local government level, with 384 FTE jobs in general public administration. Other significant public service roles, such as public order and safety activities and provincial government administration, also contribute to the job market.

The agriculture sector, which contributes 17.7 per cent to GDPR, is the largest employer, with key occupations such as mixed farming, growing pome fruits, stone fruits, and grapes leading in Full-Time Equivalent (FTE) jobs. Despite a decline in agriculture's GDPR growth, the sector continues to absorb significant labour, underscoring its critical role in the local economy. Conversely, the finance, insurance, real estate, and business services sector, contributing 25.6 per cent to GDPR, accounts for a smaller share of overall employment, reflecting the sector's high levels of automation, digitalisation and demand for skilled labour.

Overall, the municipal area's employment landscape is shaped by a mix of primary, secondary, and tertiary sector occupations, with agriculture and public administration leading job creation, while higher-value sectors like finance and manufacturing drive economic growth. Moving forward, investments in both agricultural resilience and high-value sectors are essential for balanced, sustainable job creation in the region.

43 The reporting of the data has changed; town-level data is no longer available. The new method will report FTE figures at the municipal level

Figure 59
TOP 10 OCCUPATIONS BY NUMBER OF FTE JOBS, Kannaland, 2023

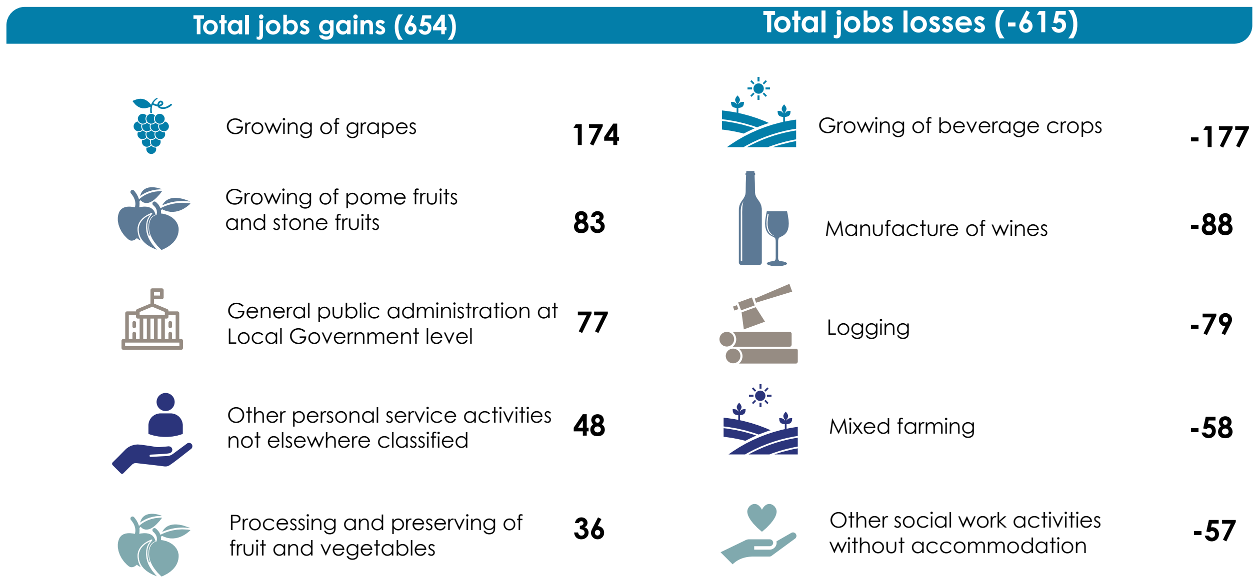


Source: Nell, A & Visagie, J. Spatial Tax Panel 2014 – 2023 (dataset). Version 3. National Treasury Cities Support Programme and Human Sciences Research Council (producer and distributor), 2024

The jobs analysis for Kannaland between 2022 and 2023 reveals both gains (654 jobs) and losses (-615 jobs) across various sectors, with a net increase of 39 jobs. The primary sector saw the most significant growth, with the growing of grapes adding 174 jobs and the growing of pome fruits and stone fruits contributing 83 jobs. The tertiary sector also saw gains, with general public administration at the local government level adding 77 jobs and other personal service activities increasing by 48 jobs. These sectors reflect the ongoing strength of agriculture and public services in driving job creation.

However, the municipal area also faced notable job losses in several sectors. The primary sector saw declines, notably in the growing of beverage crops, which lost 117 jobs, and mixed farming, which lost 58 jobs. In the tertiary sector, jobs were lost in areas such as the manufacture of wines (88 jobs) and logging (79 jobs), as well as social work activities without accommodation (57 jobs). Challenges such as land availability, limited opportunities for SMMEs, and a lack of skilled workers continue to hinder growth in these sectors, impacting their ability to absorb new workers and attract investment.

Figure 60
TOP FIVE SECTORS FOR JOB CREATION AND JOB LOSSES, Kannaland, 2022-2023

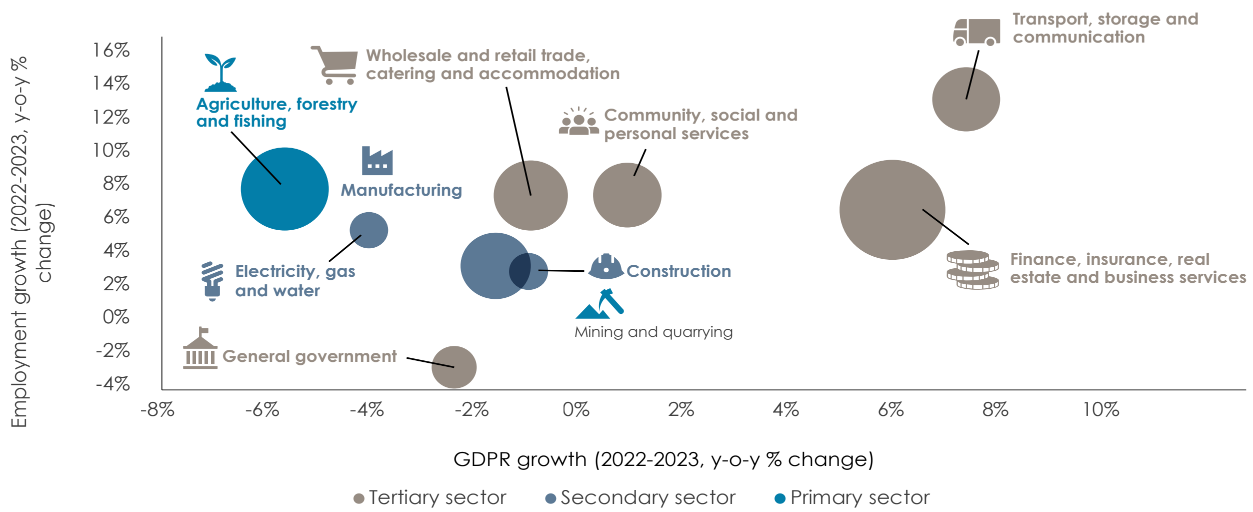


Source: Nell, A & Visagie, J. Spatial Tax Panel 2014 – 2023 (dataset). Version 3. National Treasury Cities Support Programme and Human Sciences Research Council (producer and distributor), 2024

The analysis of GDPR and employment performance in Kannaland highlights a distinct contrast between sectors that drive economic growth and those that generate employment. High-value sectors like finance, insurance, real estate, and business services contribute significantly to GDPR growth (25.6 per cent) but saw only modest employment gains, reflecting their capital-intensive nature.

In contrast, sectors like agriculture, which contributes 17.7 per cent to GDPR, remain the primary source of jobs, with a notable 7.7 per cent increase in employment. However, agriculture faces challenges like declining productivity and limited diversification, which hinder its economic contribution. The transport, storage, and communication sector, which grew by 7.3 per cent in GDPR and 13.1 per cent in employment, provides critical support to agriculture and other industries.

Figure 61
GDPR[44] PERFORMANCE PER SECTOR, Kannaland, 2022-2023



Source: Quantec, 2024

44 See Note 1.

MUNICIPAL ECONOMIC OUTLOOK

George's economic growth is projected at 1.2 per cent in 2024, driven by strong performances in the agriculture, forestry, and fishing sector (5 per cent) and the mining and quarrying sector (7 per cent). However, the electricity, gas, and water sector is expected to face significant challenges with a decline of -5.4 per cent. The construction sector is also projected to decline by -1 per cent. In 2025, the overall economic growth is expected to improve to 1.6 per cent, with the transport, storage, and communication sector showing a growth of 1.5 per cent. By 2026, the growth rate is expected to stabilise at 1.5 per cent.

Mossel Bay's economic growth is projected at 0.3 per cent in 2024, with the agriculture, forestry, and fishing sector growing by 1.8 per cent. However, the mining and quarrying sector is expected to decline significantly by -3.4 per cent, and the electricity, gas, and water sector by -11.4 per cent. The construction sector is also projected to face a decline of -5.2 per cent. In 2025, the overall economic growth is expected to improve to 0.9 per cent, and by 2026, the growth rate is expected to remain stable at 0.9 per cent.

Oudtshoorn's economic growth is projected at 0.6 per cent in 2024, with the agriculture, forestry, and fishing sector growing by 5.3 per cent and the mining and quarrying sector by 6.3 per cent. However, the construction sector is expected to face a significant decline of -8.8 per cent. In 2025, the overall economic growth is expected to improve to 1.2 per cent, with the transport, storage, and communication sector showing a growth of 0.7 per cent. By 2026, the growth rate is expected to stabilize at 1.1 per cent.

Bitou's economic growth is projected at 0.7 per cent in 2024, with the agriculture, forestry, and fishing sector growing by 4.4 per cent. However, the mining and quarrying sector is expected to decline significantly by -7.5 per cent, and the construction sector by -6.0 per cent. In 2025, the overall economic growth is expected to improve slightly to 0.8 per cent, with the general government sector showing a growth of 3.5 per cent. By 2026, the growth rate is expected to remain stable at 0.8 per cent.

Hessequa's economic growth is projected at 0.4 per cent in 2024, with the agriculture, forestry, and fishing sector growing by 4.2 per cent. However, the mining and quarrying sector is expected to decline significantly by -9.5 per cent, and the electricity, gas, and water sector by -11.4 per cent. The construction sector is also projected to face a decline of -11.4 per cent. In 2025, the overall economic growth is expected to improve to 1.2 per cent, with the transport, storage, and communication sector showing a positive growth. By 2026, the growth rate is expected to remain stable at 1.2 per cent.

Knysna's economic growth is projected at -0.6 per cent in 2024, with the agriculture, forestry, and fishing sector growing by 2.3 per cent. However, the mining and quarrying sector is expected to decline significantly by -9 per cent, and the construction sector by -10.6 per cent. The transport, storage, and communication sector is also projected to face a decline of -8.8 per cent. In 2025, the overall economic growth is expected to improve slightly to 0.2 per cent, with the general government sector showing a positive growth of 1.6 per cent. By 2026, the growth rate is expected to remain stable at 0.1 per cent.

Kannaland's economic growth is projected at 2.2 per cent in 2024, driven by strong performances in the agriculture, forestry, and fishing sector (5.3 per cent) and the finance, insurance, real estate, and business services sector (7.6 per cent). However, the manufacturing sector is expected to face challenges with a decline of -0.6 per cent. In 2025, the overall economic growth is expected to improve slightly to 2.1 per cent, with the transport, storage, and communication sector showing a positive growth of 2.5 per cent. By 2026, the growth rate is expected to stabilize at 2.3 per cent.

Despite the optimistic projections, several challenges could hinder economic growth in these municipalities. The reliance on agriculture makes the municipal areas vulnerable to climate change and market fluctuations, while the significant decline in the transport sector could disrupt supply chains. The construction sector's decline also poses a risk to infrastructure development, which is crucial for urban growth.

Addressing these challenges through strategic investments in infrastructure, resilience, and diversification will be crucial for sustaining growth and achieving balanced economic development in the GRD. Enhancing the productivity and resilience of labour-intensive sectors, while fostering growth in high-value industries, will be key to ensuring balanced, sustainable economic development and increasing job opportunities. By promoting investments in both productivity enhancements and skills development, these municipalities can strengthen their economic resilience and create a more diverse job market that benefits all residents.

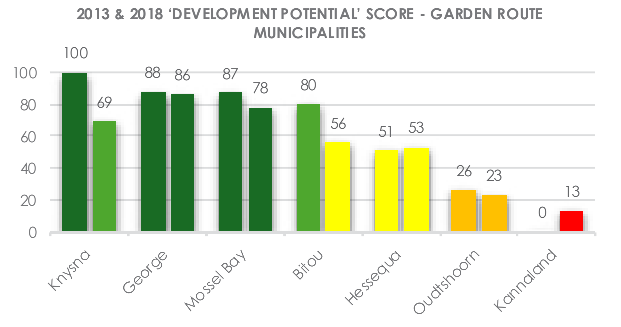
Growth Potential Study

Very high | High | Medium | Low | Very low

DISTRICT DEVELOPMENT POTENTIAL

GARDEN ROUTE DISTRICT

The Growth Potential Study (GPS) is a decision-support tool for effective spatial investment planning and implementation. The tool aims to provide insights about the likelihood that investments will translate into economic growth in settlements and regions. This information can be useful for spatial investment targeting; to support decisions on the nature of investment; and, to provide context about some of the potential institutional, infrastructure, human capital, economic and environmental opportunities and constraints to economic growth in settlements and regions.

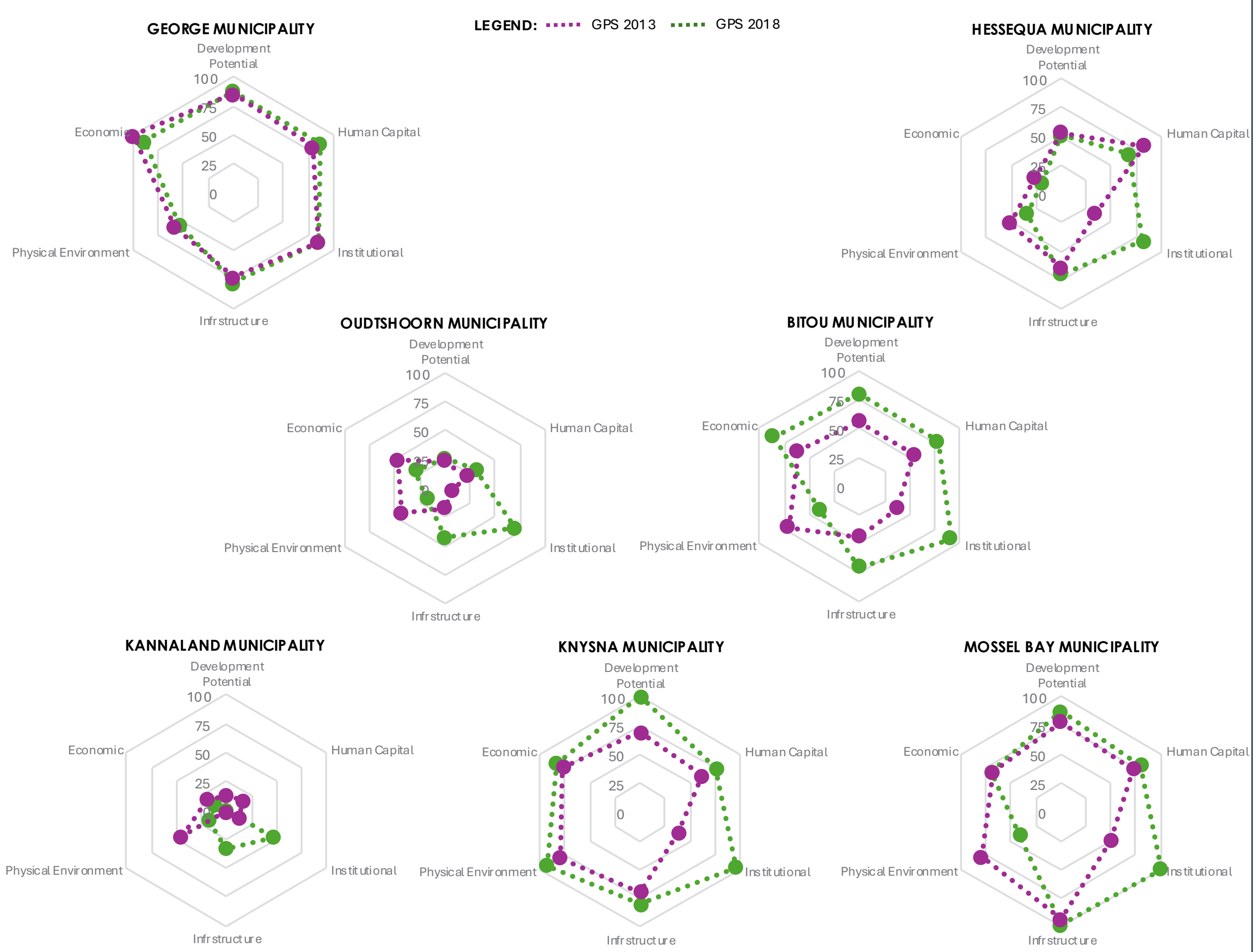


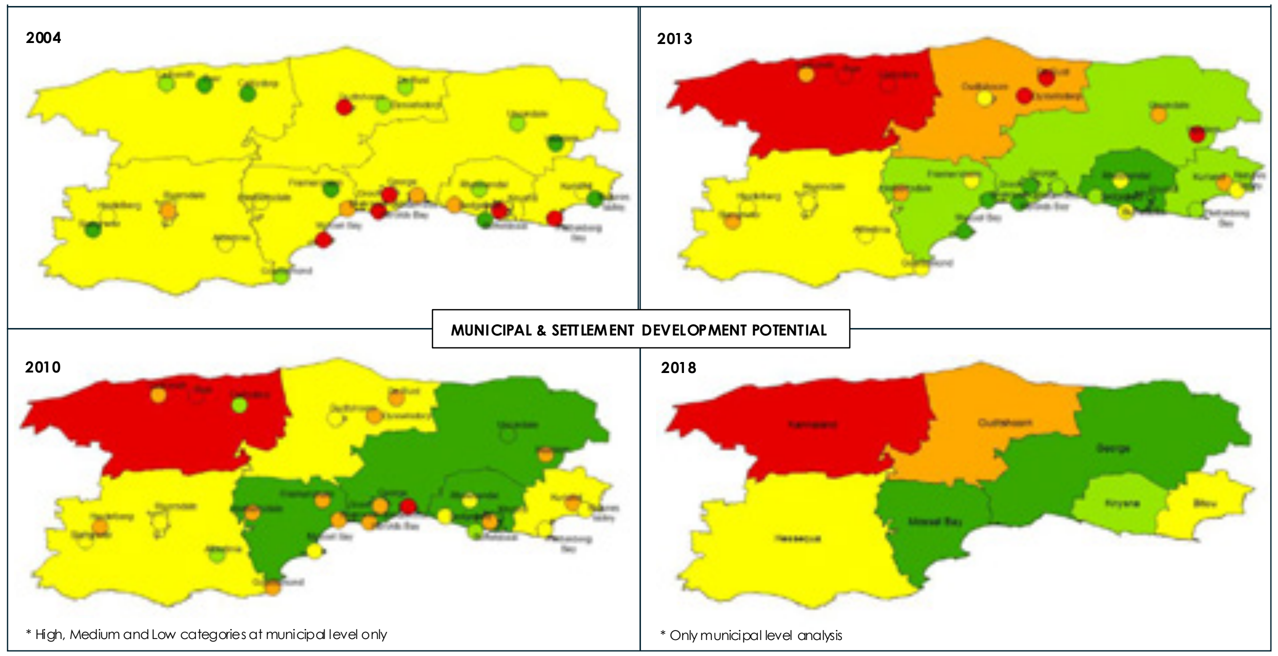
Preconditions for economic growth:

- Good state and capacity of infrastructure
- Strong economic base and diversity of economic activities
- Available natural resources such as cultivated lands, grazing capacity, and groundwater availability and quality

Innovation potential and readiness to facilitate economic growth:

- Institutional/governance capacity, experience and leadership, political stability and an active society
- Strong human capital and socio-economic transformation





INTERNATIONAL TRADE: GARDEN ROUTE DISTRICT TRADE 2023

Exports	Imports
R7.7 Billion	**R22.5** Billion

Garden Route international trade at a glance

	Export	Import
George	R770 billion	R1.4 billion
Mossel Bay	R2.2 billion	R19.7 billion
Oudtshoorn	R1.1 billion	R53.6 million
Bitou	R3.4 billion	R1.1 billion
Hessequa	R55.7 million	R39.5 million
Knysna	R212.6 million	R186.6 million
Kannaland	R2.4 million	R2.6 million

Top 3 exported products

Apples, pears and quinces | Citrus fruits | Seeds

Top 3 imported products

Petroleum oils | New pneumatic tyres | Coal, briquettes

Top 3 export partners

US | China | UK

Top 3 import partners

UAE | India | China

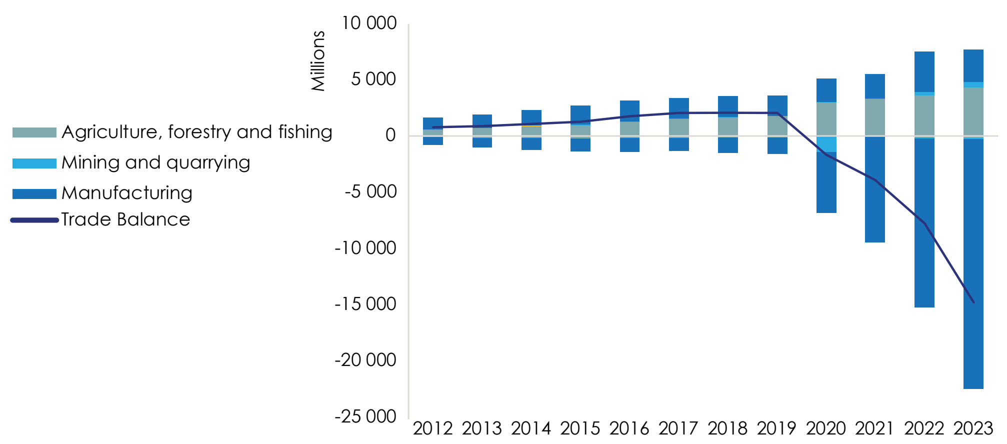
GARDEN ROUTE DISTRICT

The GRD municipal area is a vibrant area in South Africa's Western Cape, characterised by its diverse population, beautiful landscapes, and significant economic activities. It is known for its stunning natural beauty, including beaches, forests, and mountains, making it a popular tourist destination. The economy is supported by tourism, agriculture, and small to medium enterprises. GRD's economy benefits from its proximity to major ports and key transportation routes. The region's rich agricultural sector provides a steady supply of raw materials for agro-processing industries.

In 2023, the GRD exported products valued at R7.7 billion and imports valued at R22.5 billion, which resulted in a trade deficit of R14.8 billion. The District has seen a worsening trade deficit over the years seeing it move from R3.9 billion in 2021, to R7.8 billion in 2022 to the current levels experienced in 2023. This is largely attributed to an increase in imports during the period. Total exports for 2023 showed a slight 2.8 per cent increase, which was driven by the agriculture and manufacturing sectors with a small portion coming from the mining sector. On the other hand, the import values were driven by manufacturing sector (R22.2 billion); with agriculture (R179.6 million) and mining (R142.5 million) having a lower impact.

Figure 62

TRADE BALANCE, Garden Route District, 2012 – 2023

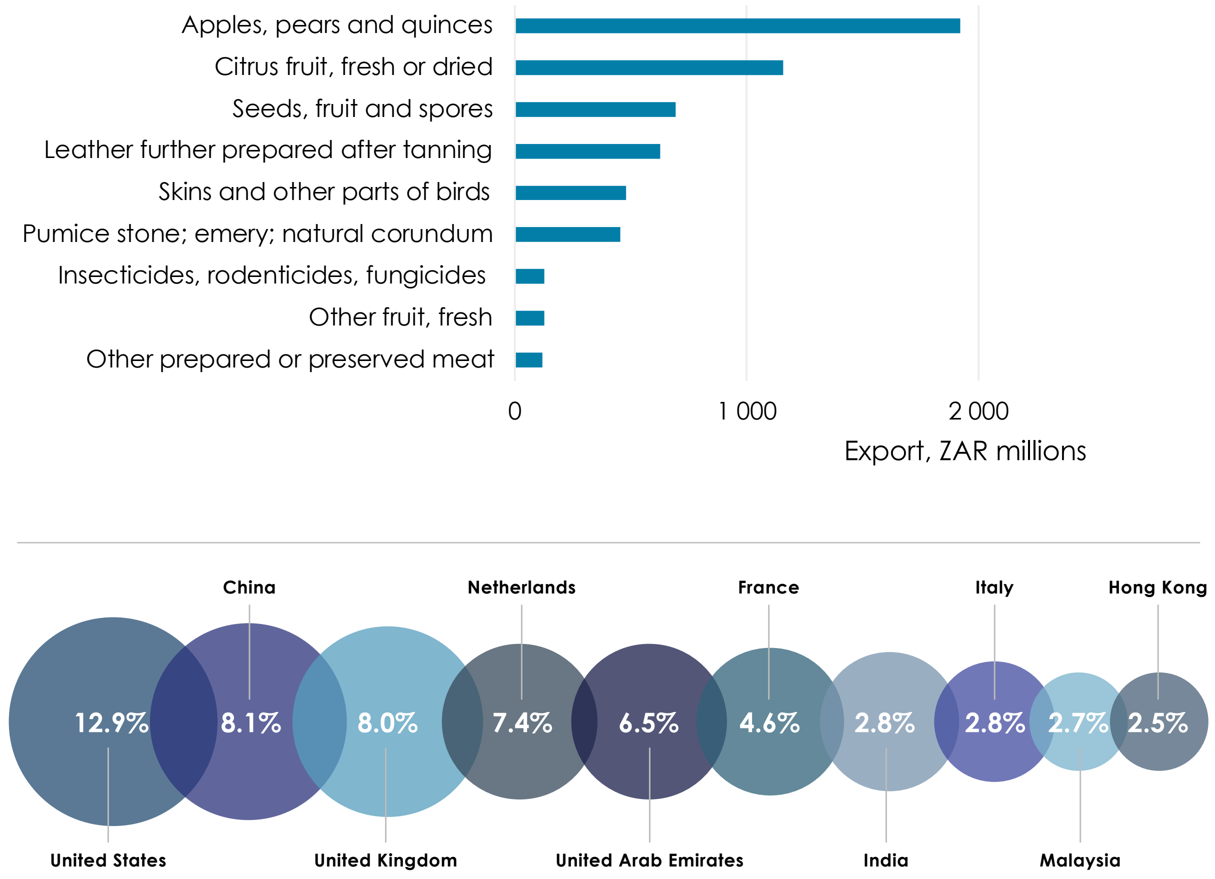


Source: Quantec, 2024

GRD's R7.7 billion export basket in 2023 was dominated by agricultural and agri-processed products. The top three exported products included apples, pears and quinces (R1.9 billion), citrus fruit, fresh or dried (R1.2 billion) and seeds, fruit and spores (R692 million). The combination of ideal growing conditions, advanced farming practices with far reaching transportation networks, the district is a leading exporter of high-quality pome and citrus fruits.

The top export partners of the GRD's include the US (R992.7 million), China (R625.6 million) and the United Kingdon (R613.5 million). The District has established strong relationships particularly in Europe and US with favourable trade agreements.

Figure 63
EXPORT PRODUCTS AND PARTNERS, Garden Route, 2023



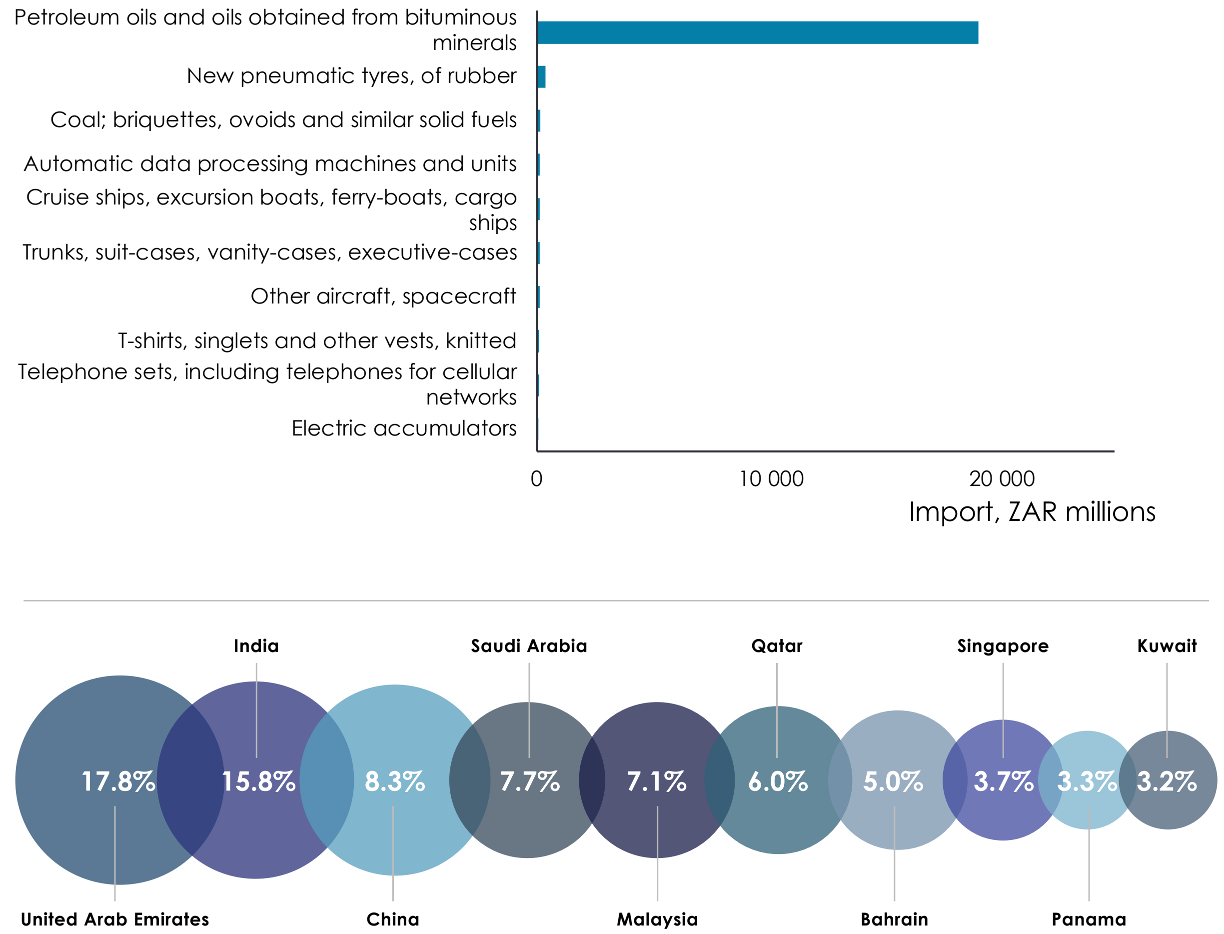
Source: Quantec, 2024

A large portion of the District's imports is petroleum oil accounting 85 per cent of imports. The majority of product is used for producing petrochemicals by customer such as PetroSA's gas-to-liquids refinery in Mossel Bay. Another product that was imported by the district was new pneumatic tyres, of rubber. The district has a lot of smaller suppliers that provide parts and services to the automotive sector. Some smaller suppliers serve larger automotive manufacturers located in nearby regions, such as Gqeberha and East London.

The top import partners of the GRD include the UAE (R4 billion), India (R3.6 billion), and China (R1.9 billion). The UAE was the number one import partner in 2023, with the most imported product being petroleum oils and oils obtained from bituminous minerals, worth R4 billion. India, which was the number one import partner in 2022, fell to second place in 2023.

Section B

Figure 64
IMPORT PRODUCTS AND PARTNERS, Garden Route, 2023



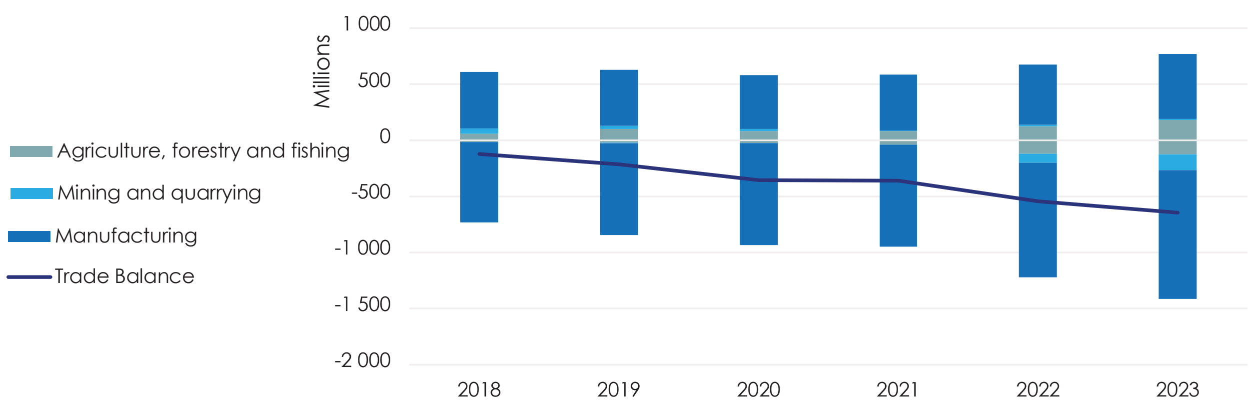
Source: Quantec, 2024

GEORGE

The George municipal area is nestled between the Outeniqua Mountains to the north and the Indian Ocean to the south, offering a unique blend of coastal and mountainous landscapes. As one of the larger municipalities in the Western Cape, it covers a significant portion of the GRD. The region is known for its diverse and fertile agricultural output, producing a wide range of high-quality products such as citrus fruits, vegetables, and flowers. Additionally, George is a key producer of timber, dairy products, and livestock, including beef and poultry. With its favourable climate and rich soils, the municipal area plays a vital role in the provincial economy and is recognised for both its agricultural exports and eco-tourism appeal.

In 2023, George municipal area recorded a significant trade deficit of R645 million, with total exports amounting to R770million and imports reaching R1.4 billion. The region has seen a steady increase in exports over the past decade, growing from R298.1 million in 2012 to R770 million in 2023. The expansion of the agriculture, forestry, and fishing sectors has been a major driver of this growth, with agricultural exports rising from R26.2 million in 2012 to R180.0 million in 2023.

Figure 65
TRADE BALANCE, George, 2018-2023



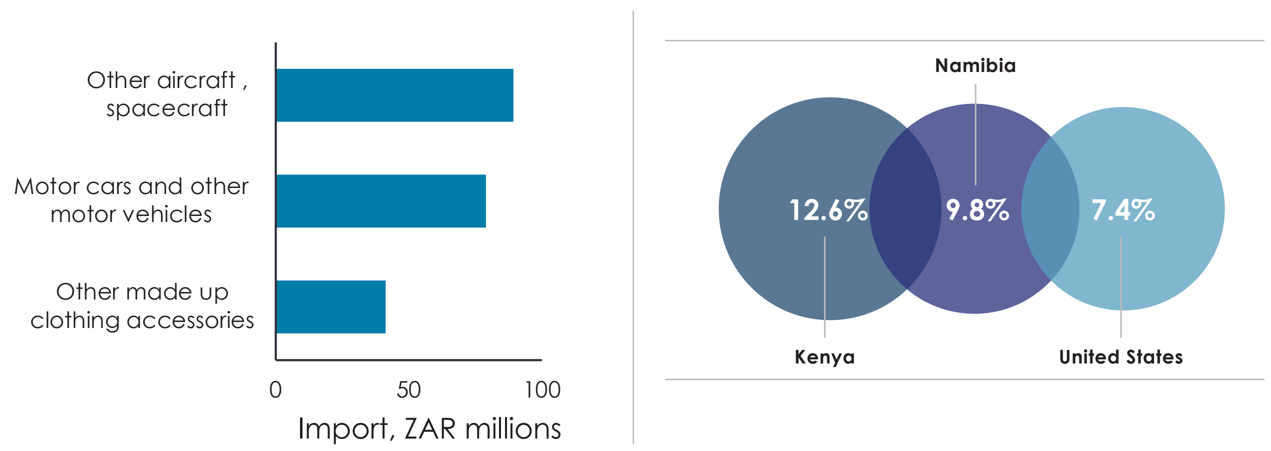
Source: Quantec, 2024

In 2023, George municipal area recorded a diverse export portfolio, with the top three exported products being other made-up clothing accessories (R41.2 million), motor cars and other motor vehicles (R78.8 million), and aircraft and spacecraft (R89.3 million). These exports highlight the region's industrial and manufacturing strengths, with significant contributions from both the automotive and aerospace sectors. Notably, Jabiru South Africa - The Factory[45], a key player in the local aerospace industry, has contributed to the growth in exports of aircraft and spacecraft. The presence of such innovative companies further enhances George's reputation as an emerging hub for high-tech manufacturing, particularly in the aviation and aerospace sectors.

The municipal area's key export markets include Kenya, which received R97.1 million worth of goods, followed by Namibia (R75.3 million) and the US (R56.7 million). These markets reflect George's strong ties with both African and international destinations, particularly in the manufacturing and automotive sectors. The diverse range of exports, from motor vehicles to aircraft, coupled with its expanding manufacturing base, positions George as an increasingly important player in the regional economy.

45 Jabiru, 2024

Figure 66
EXPORT PRODUCTS AND PARTNERS, George, 2023



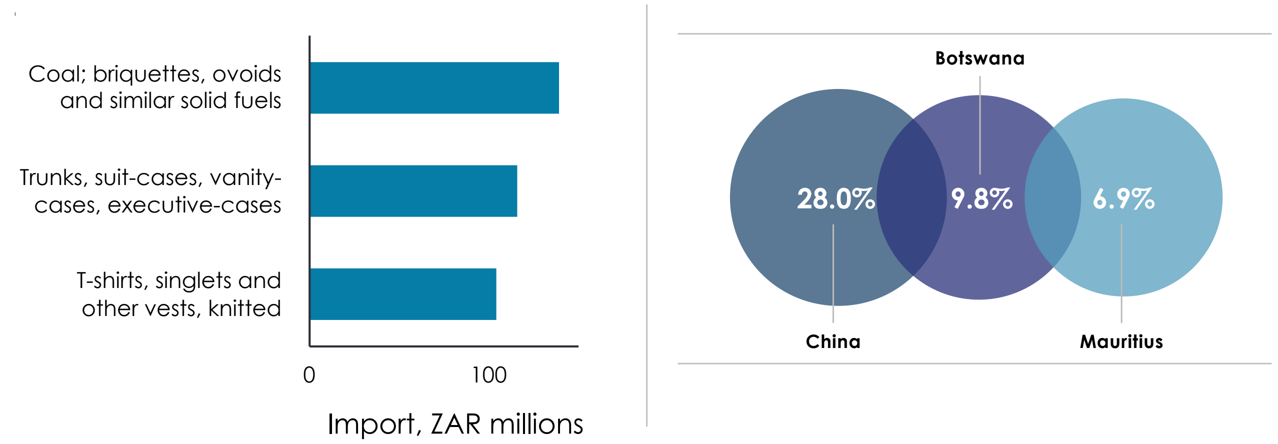
Source: Quantec, 2024

The municipal area's imports surged from R422.8 million in 2012 to R1.4 billion in 2023, primarily driven by demand for manufactured products and industrial inputs. The region's strategic location, with major transport routes between Cape Town and Gqeberha passing through George, and its regional airport, position it as a growing urban hub with strong logistical and industrial potential.

The top imports were T-shirts, singlets, and other knitted vests (R103.9 million), trunks, suitcases, vanity cases, and executive cases (R115.5 million), and coal, briquettes, ovoids, and similar solid fuels (R139.4 million). These imports highlight a diverse range of consumer goods and industrial materials that are essential to the local economy. The demand for knitted clothing and travel accessories points to a growing retail and consumer market, while the import of coal and related products reflects the municipal area's energy and industrial needs.

China emerged as the leading import partner for George, with a total of R395.9 million in imports, including a broad range of products like textiles, travel goods, and other manufactured items. Botswana followed closely with imports valued at R139.0 million, while Mauritius contributed R97.1 million, reflecting a growing trade relationship in the region. These import partnerships demonstrate the municipal area's ongoing efforts to diversify its supply chains and support local industries with the necessary goods for both production and consumption.

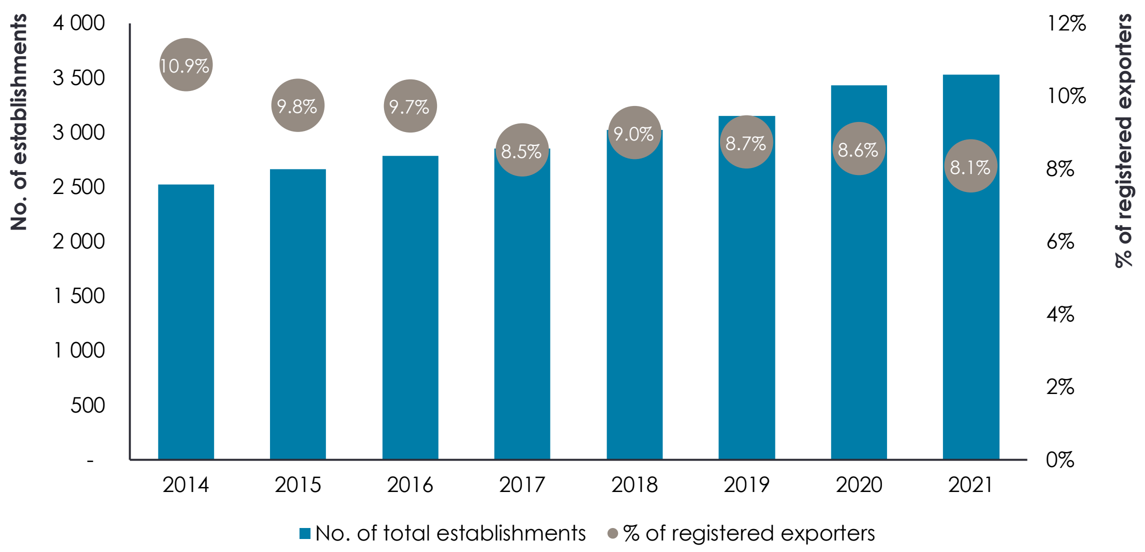
Figure 67
IMPORT PRODUCTS AND PARTNERS, George, 2023



Source: Quantec, 2024

In 2021, the municipal area had 3 529 total establishments, with 287 of them registered as exporters. This represents a slight decline in the proportion of registered exporters, from 8.6 per cent in 2020 to 8.1 per cent in 2021. The decline in the proportion of registered exporters indicates that the growth of export-oriented enterprises has not kept pace. This trend highlights the need for strategic initiatives to foster a more diverse and export-driven business sector, enabling George to tap into more global markets.

Figure 68
PERCENTAGE OF REGISTERED EXPORTERS AS A PROPORTION OF TOTAL BUSINESS ESTABLISHMENTS, George, 2014-2021



Source: Nell, A & Visagie, J. Spatial Tax Panel 2014 – 2023 (dataset). Version 3. National Treasury Cities Support Programme and Human Sciences Research Council (producer and distributor), 2024

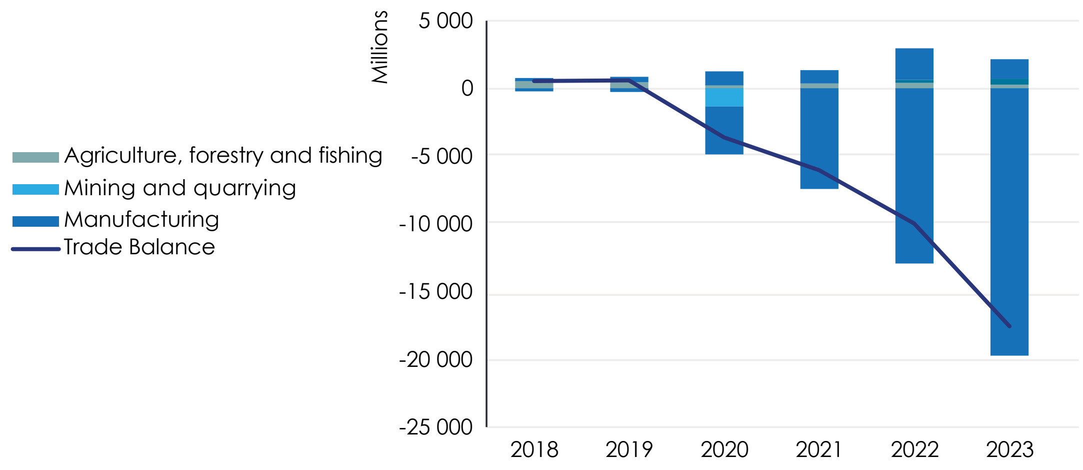
MOSSEL BAY

The Mossel Bay municipal area is situated along the southern coast of South Africa, bordered by the warm Indian Ocean to the south and the Outeniqua Mountains to the north. The region is known for its vibrant agricultural and industrial sectors, producing a range of high-quality exports such as citrus fruits, wine, and seafood. Additionally, Mossel Bay serves as a significant hub for the petrochemical industry, with major oil and gas operations, and is also a thriving center for tourism. Its strategic location along the N2 national route further enhances its role as a key economic player in the Western Cape.

In 2023, Mossel Bay recorded a trade deficit of R17.6 billion, with total exports of R2.2 billion and imports amounting to R19.7 billion. Despite this trade imbalance, the municipal area's export performance remains robust, particularly in manufacturing and agriculture. Over the past decade, exports have steadily increased, rising from R1.3 billion in 2020 to R2.2 billion in 2023. This growth has been largely driven by a surge in manufacturing exports, particularly in machinery and transport equipment.

On the import side, Mossel Bay's imports have surged, especially in raw materials and intermediate goods necessary for industrial and construction activities. The significant rise in imports in recent years reflects expanding infrastructure projects and industrial development in the region. Although the municipal area continues to experience a growing trade deficit, the ongoing expansion of its manufacturing and agricultural sectors plays a vital role in strengthening its export capabilities, which remain crucial to the local economy.

Figure 69
TRADE BALANCE, Mossel Bay, 2018-2023

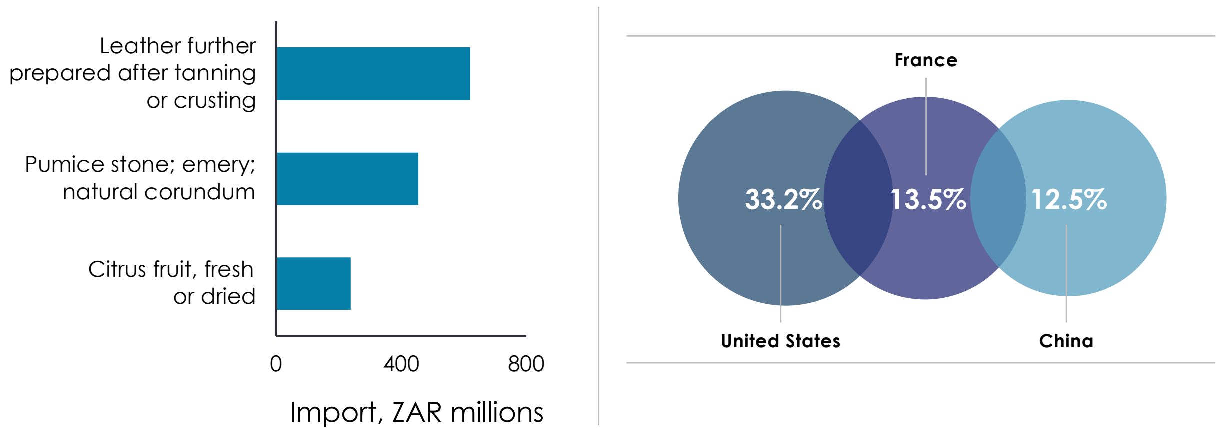


Source: Quantec research, 2024

Mossel Bay recorded total exports of R2.8 billion, with the top three exported products being leather (R619.1 million), pumice stone and emery (R455.3 million), and fresh or dried citrus fruit (R238.8 million). These leading exports highlight the municipal area's diverse economic base, which spans both agriculture and manufacturing. While citrus fruit underscores the continued strength of the agricultural sector, particularly in the region's farming of high-quality produce, the significant export of leather and pumice stone reflects the growing importance of industrial and natural resource-based sectors in Mossel Bay's economy.

The US was the leading export destination for Mossel Bay's goods in 2023, with exports amounting to R722.9 million. This was followed by France, with exports valued at R293.6 million, and China at R271.2 million. Mossel Bay's strategic location, robust infrastructure, and diversified export portfolio position it as a key player in both regional and international trade. Its growing export markets, particularly in high-value commodities like leather, demonstrate the municipal area's competitive edge in global markets, reinforcing its role as a major economic hub in the Western Cape.

Figure 70
EXPORT PRODUCTS AND PARTNERS, Mossel Bay, 2023



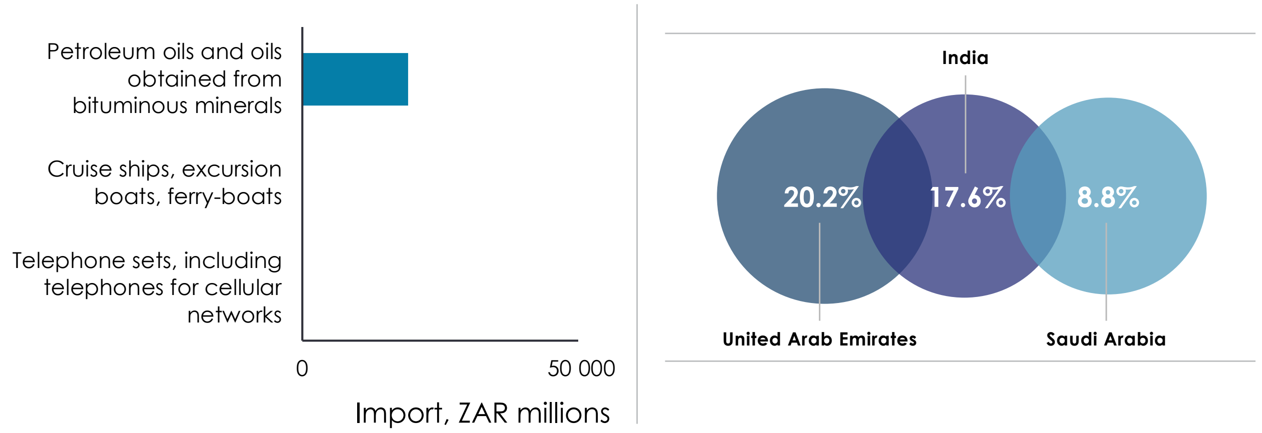
Source: Quantec research, 2024

In 2023, Mossel Bay's top three imports were telephone sets (R83.7 million), cruise ships, excursion boats, and ferry-boats (R131 million), and petroleum oils and oils obtained from bituminous minerals (R19.1 billion). These imports reflect Mossel Bay's diverse economic activities, with a clear emphasis on enhancing its industrial, transportation, and telecommunications infrastructure. The importation of telephone sets and other communication equipment underscores the region's investment in expanding its communication networks, essential for both business and tourism activities. The significant import of cruise ships and excursion boats highlights Mossel Bay's status as a key coastal hub, where the tourism sector, especially cruise tourism, plays an important role in the local economy. Meanwhile, the large volume of petroleum oil imports aligns with the municipal area's thriving petrochemical industry, driven by oil refineries and related businesses.

The UAE was the largest import partner, with imports totalling R4 billion. Products from the UAE primarily include petroleum oils and other mineral-based fuels. India followed with R3.5 billion in imports, mainly consisting of oil products and machinery, while Saudi Arabia was another major source of imports, contributing R1.7 billion, primarily in petroleum and chemicals. These trade partnerships reflect Mossel Bay's strategic role in the energy and shipping sectors, with strong links to the Middle East and South Asia, regions known for their energy exports.

Mossel Bay's diverse industrial base, including agriculture, petrochemicals, and tourism, is supported by these key imports, which enable local industries to grow and expand. From the importation of essential machinery and fuels to the acquisition of telecommunications infrastructure, these goods bolster Mossel Bay's economy and contribute to its continued competitiveness in global markets.

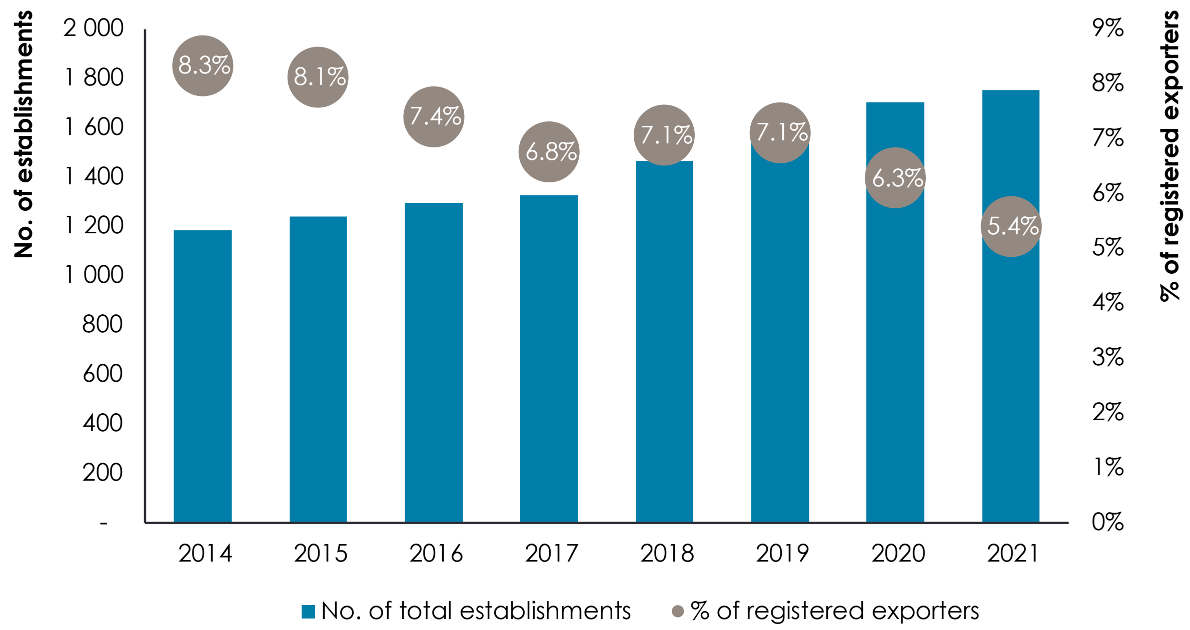
Figure 71
IMPORT PRODUCTS AND PARTNERS, Mossel Bay, 2023



Source: Quantec research, 2024

In 2021, Mossel Bay had 95 registered exporters, a number that remained stable compared to the previous year. However, the percentage of registered exporters relative to the total number of establishments declined to 5.4 per cent in 2021. The growth in the number of local businesses has translated to an increase in registered exporters, suggesting that export activities in Mossel Bay are concentrated within a smaller segment of firms. This highlights the need for initiatives that can encourage a broader range of businesses to enter the export market and further strengthen the municipal area's global trade footprint.

Figure 72
PERCENTAGE OF REGISTERED EXPORTERS AS A PROPORTION OF TOTAL BUSINESS ESTABLISHMENTS, Mossel Bay, 2014-2021



Source: Nell, A & Visagie, J. Spatial Tax Panel 2014 – 2023 (dataset). Version 3. National Treasury Cities Support Programme and Human Sciences Research Council (producer and distributor), 2024

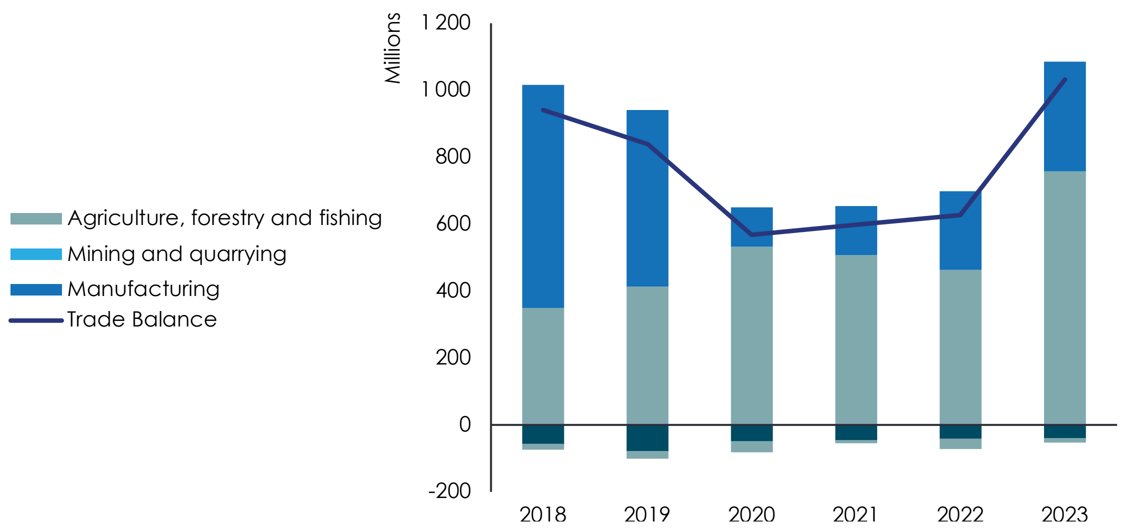
OUDTSHOORN

Oudtshoorn, located in the heart of the Little Karoo between the Swartberg and Outeniqua Mountains, is one of the largest municipalities in the GRD and a key agricultural hub in the Western Cape. The region is renowned for its diverse agricultural activities, particularly ostrich farming, which has long been a cornerstone of the local economy, with products such as leather, feathers, and eggs.

In addition to ostriches, Oudtshoorn also produces high-quality citrus fruits, vegetables, wine, and livestock, including sheep and cattle. The municipal area has a growing agri-processing sector that adds value to its raw agricultural products, and its strategic location along key transport routes facilitates access to both national and international markets. Combining traditional farming practices with modern agribusiness innovations, Oudtshoorn is a vital contributor to the provincial economy, balancing agricultural production with the growth of its agri-processing industry.

The municipal area recorded a trade surplus of R1 billion, following total exports of R1.1 billion and imports of R53.6 million. Oudtshoorn continues to see strong export performance because of its high-quality agricultural products. Meanwhile, imports have primarily been focused on machinery and equipment, supporting the agricultural and agro-processing sectors.

Figure 73
TRADE BALANCE, Oudtshoorn, 2018-2023

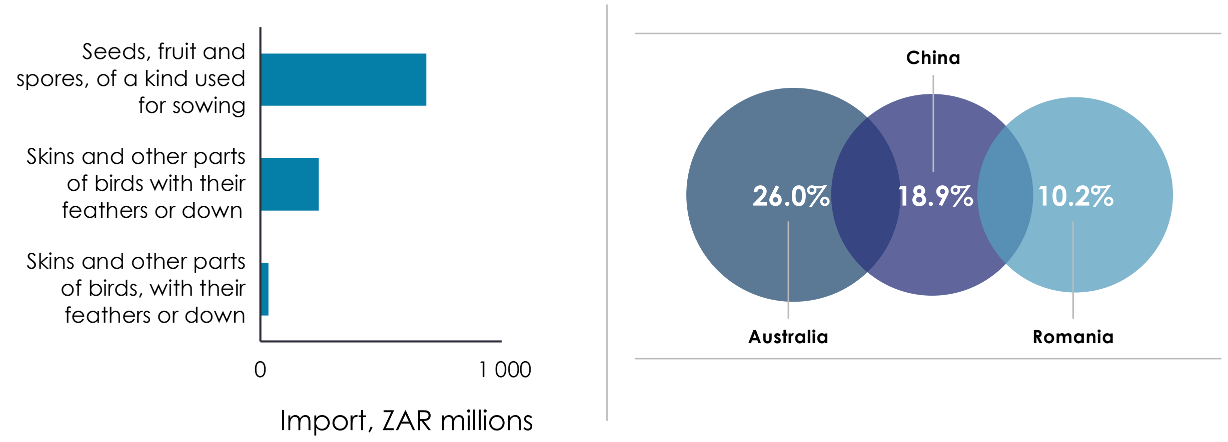


Source: Quantec, 2024

Oudtshoorn's top three exported products were skins and other parts of birds, with their feathers or down (R242.8 million), seeds, fruit, and spores, of a kind used for sowing (R687.9 million), and skins and other parts of birds, including feathers (R34.7 million). These exports reflect the municipal area's diverse agricultural base, with a strong focus on ostrich farming, a sector that has long been the backbone of the local economy. The municipal area is a key player in the global ostrich leather and feather trade, and the export of seeds highlights its role in the agricultural value chain. Oudtshoorn's strategic positioning in the agricultural sector is reinforced by its expanding export markets.

In terms of export destinations, Australia emerged as the leading market, with Oudtshoorn exports totalling R13.9 million, followed by China with R10.1 million and Romania with R5.5 million. These markets primarily import products such as ostrich leather, feathers, and agricultural seeds, underlining Oudtshoorn's strong presence in both niche agricultural and global industrial sectors. The municipal area's trade performance, with a growing emphasis on high-value agricultural exports, reflects its longstanding expertise in the farming and processing of unique products like ostrich leather and feathers, as well as the broader agricultural output that supports its export economy.

Figure 74
EXPORT PRODUCTS AND PARTNERS, Oudtshoorn, 2023

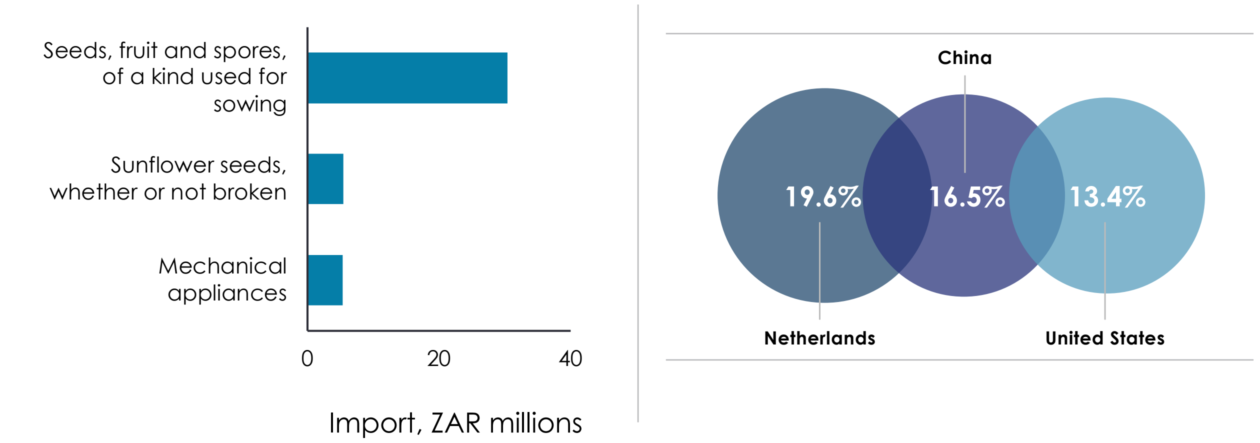


Source: Quantec, 2024

In 2023, the top three imports for Oudtshoorn were mechanical appliances (R5.4 million), sunflower seeds (R5.5 million), and seeds, fruit, and spores for sowing (R30.4 million). These imports are indicative of the municipal area's agricultural focus, with seeds and mechanical equipment playing key roles in the continued growth and productivity of the farming sector. The demand for sunflower seeds, in particular, highlights Oudtshoorn's engagement in diversified crop production. The mechanical appliances likely support farming operations, contributing to efficiency improvements in crop and livestock production.

The top import partners for Oudtshoorn in 2023 were the Netherlands (R212.9 million), China (R179.4 million), and the US (R145.7 million). The Netherlands was the largest source of imports, supplying a range of agricultural and industrial products. China followed closely, providing mechanical appliances and other machinery, while the US contributed significantly to the municipal area's imports of agricultural inputs, including seeds and other essential materials for farming. These import relationships support Oudtshoorn's robust agricultural sector, which continues to thrive on both traditional and modern farming practices.

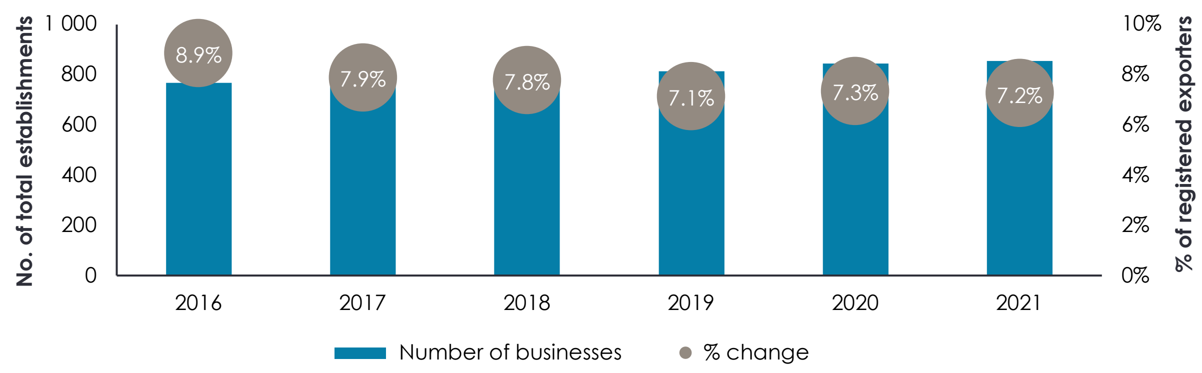
Figure 75
IMPORT PRODUCTS AND PARTNERS, Oudtshoorn, 2023



Source: Quantec, 2024

In 2021, Oudtshoorn had 856 total establishments, with 7.2 per cent of these being registered exporters, a slight decline from the previous year. While the number of registered exporters has fluctuated over the years, the overall percentage has been on a gradual decline since 2014, highlighting the need for greater development of export-oriented businesses in the region. With its strong agricultural base, particularly in ostrich farming and agri-processing, there is significant potential for growth in the export sector, which could be further supported by diversifying and expanding local export capabilities.

Figure 76
PERCENTAGE OF REGISTERED EXPORTERS AS A PROPORTION OF TOTAL BUSINESS ESTABLISHMENTS, Oudtshoorn, 2016 - 2021



Source: Nell, A & Visagie, J. Spatial Tax Panel 2014 – 2023 (dataset). Version 3. National Treasury Cities Support Programme and Human Sciences Research Council (producer and distributor), 2024

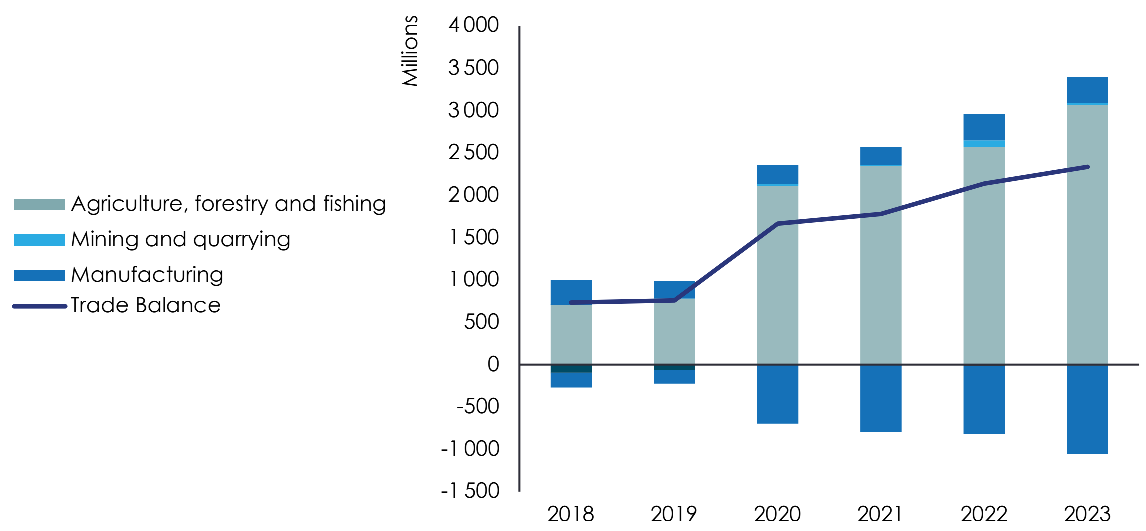
Section B

BITOU

Bitou is located along the southern coast of the Western Cape, bordered by the Indian Ocean to the south and the Tsitsikamma Mountains to the east. The municipal area's economy is primarily driven by tourism, agriculture, and small-scale manufacturing. Bitou is renowned for its production of citrus fruits, particularly oranges and lemons, as well as its thriving wine industry. The region's picturesque coastal towns, including Plettenberg Bay, attract both local and international visitors, contributing to its status as a popular tourist destination.

Bitou recorded the highest trade surplus of all GRD municipalities in 2023, amounting to R2.3 billion. In the same year, exports accounted for a significant share of municipal output at basic prices, representing 30.6 per cent of total output. The agriculture sector was the main contributor to this surplus, driven by the region's abundant production of fruits, vegetables, herbs, and some livestock.[46] These high-value agricultural exports have strengthened Bitou's position in global markets, contributing to its positive trade balance. With exports totalling R3.4 billion and imports of R1.1 billion, the municipal area's trade performance continues to be robust. The growth in exports, particularly in fresh produce, has been facilitated by ongoing investments in agricultural technologies and logistics infrastructure, ensuring the continued success of the local agricultural value chain.

Figure 77
TRADE BALANCE, Bitou, 2018-2023



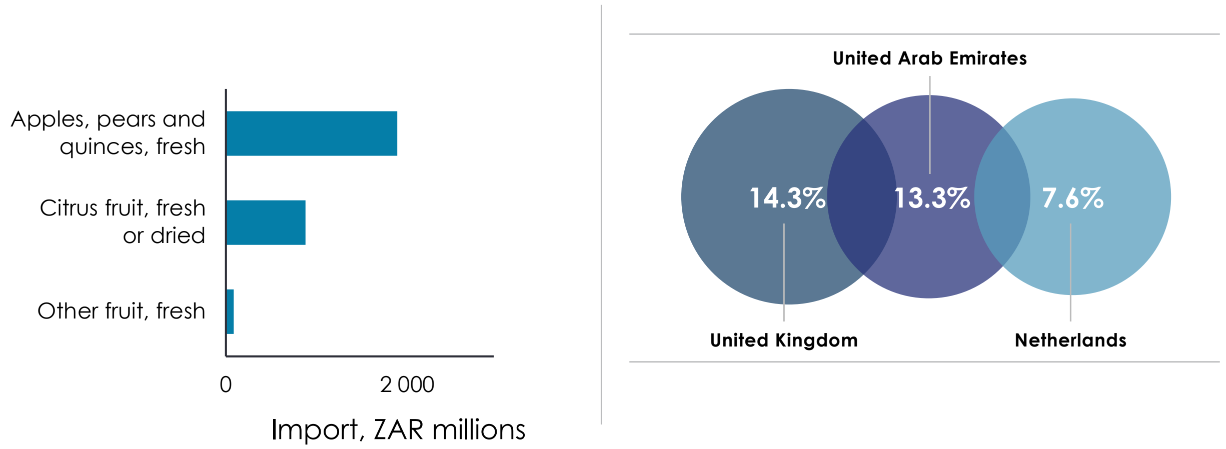
Source: Quantec, 2024

In 2023, Bitou's top exports were dominated by fresh fruit, particularly apples, pears, and quinces, with a total export value of R1.9 billion. Citrus fruit, both fresh and dried, followed closely with exports amounting to R893.7 million. Other fresh fruits, including a variety of regional produce, contributed R90.3 million to the total export value. These agricultural exports underscore Bitou's strong position in the fruit farming industry, particularly in the production of high-quality deciduous fruits.

46 Western Cape Government, 2023

The UK was the leading export destination for Bitou's agricultural products, with exports to this market totalling R485.6 million. The UAE followed closely with R452.3 million, reflecting the growing demand for fresh South African fruit in the Middle East. The Netherlands was another significant export market, with exports valued at R259.1 million. Together, these markets highlight Bitou's global reach and the importance of its high-quality fruit exports to international trade.

Figure 78
EXPORT PRODUCTS AND PARTNERS, Bitou, 2023

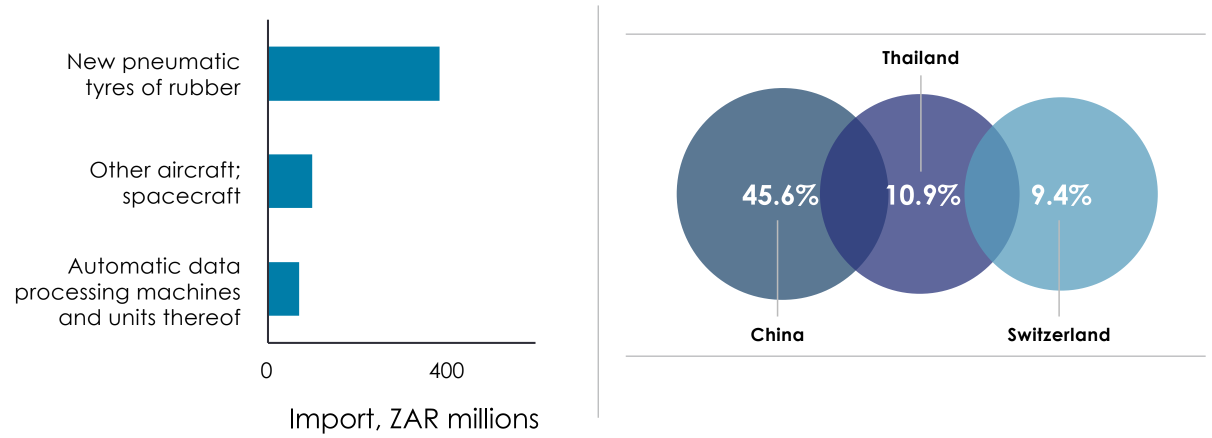


Source: Quantec, 2024

Bitou's top imports included new pneumatic rubber tyres valued at R384.9 million, other aircraft and spacecraft, which amounted to R99.7 million, and automatic data processing machines (mostly laptops), valued at R69.2 million. These imports reflect the municipal area's growing focus on enhancing its industrial infrastructure, transportation capabilities, and technological capacity. New pneumatic tyres are essential for the transportation and logistics sectors, while aircraft and spacecraft imports point to the municipal area's expanding engagement in aviation and related industries. The demand for automatic data processing machines signals a move towards more advanced technological and industrial solutions within the region.

China was the largest import partner for Bitou, with total imports from the country reaching R482.2 million. The primary products sourced from China included tyres, electronic components, and machinery. Thailand followed as a significant import source with R115.6 million in imports, primarily comprised of electrical machinery and equipment. Switzerland also played a role in Bitou's imports, with R99.8 million in goods, mostly including high-tech machinery and specialised equipment for various industrial applications. These diverse import relationships highlight Bitou's strategic efforts to bolster both its industrial and technological capabilities, supporting the municipal area's broader economic goals.

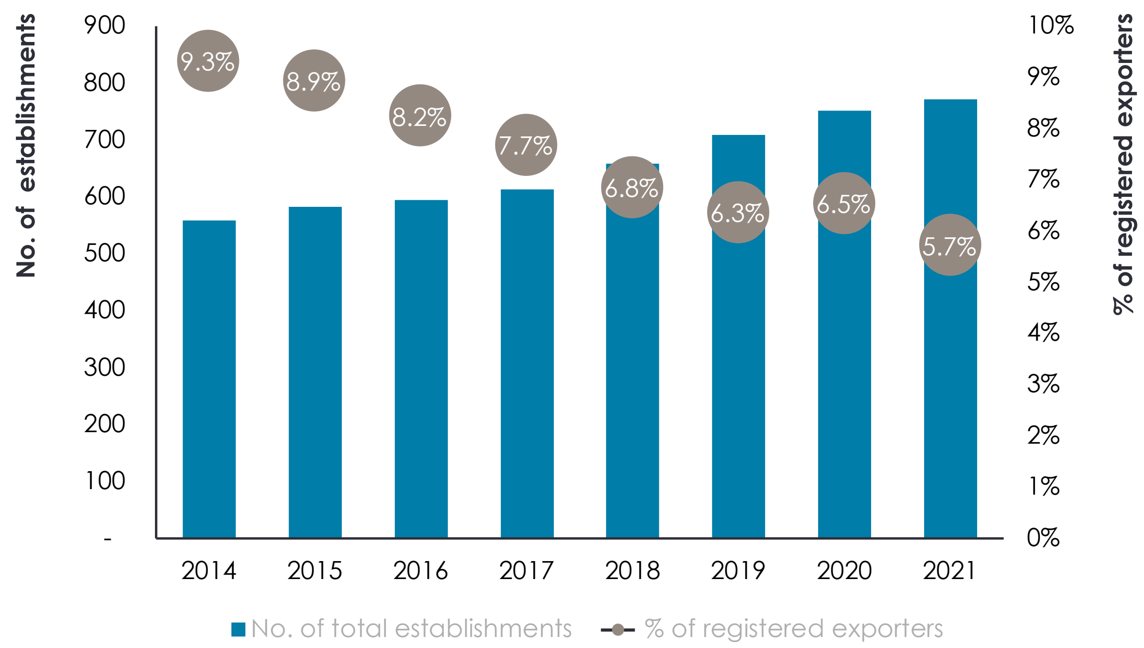
Figure 79
IMPORT PRODUCTS AND PARTNERS, Bitou, 2023



Source: Quantec, 2024

In 2021, Bitou had 771 total establishments, with 78 registered exporters. However, the proportion of registered exporters relative to the total number of establishments declined to 5.7 per cent, down from 6.5 per cent in 2020. This drop in percentage is largely due to the increase in the total number of establishments, which grew from 751 in 2020 to 771 in 2021. While the total number of exporters remained steady, the decline in the share of exporters underscores the concentration of export growth within a limited number of firms. This presents an opportunity to develop interventions that can develop businesses that are internationally competitive, and drive export growth in the municipal area.

Figure 80
PERCENTAGE OF REGISTERED EXPORTERS AS A PROPORTION OF TOTAL BUSINESS ESTABLISHMENTS, Bitou, 2014-2021



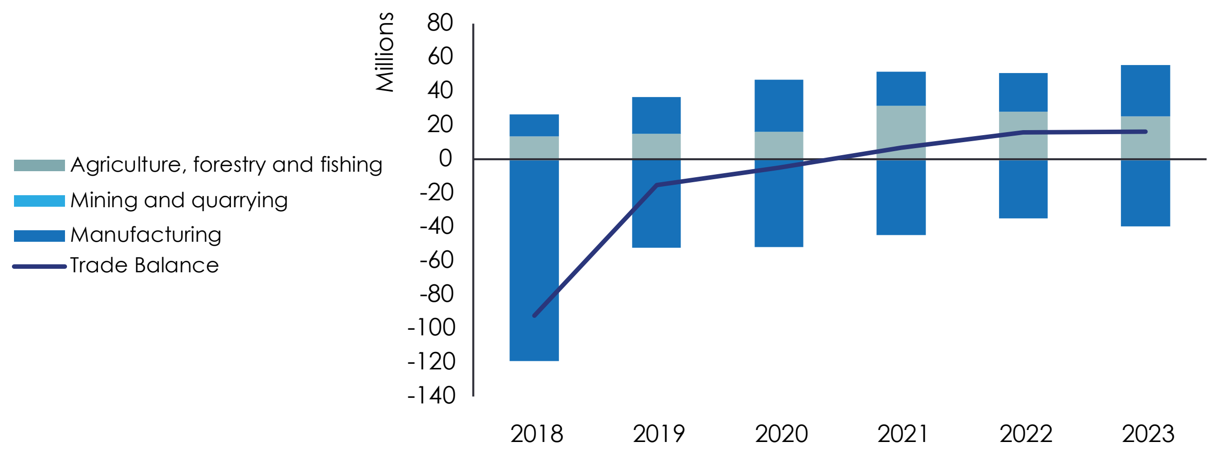
Source: Nell, A & Visagie, J. Spatial Tax Panel 2014 – 2023 (dataset). Version 3. National Treasury Cities Support Programme and Human Sciences Research Council (producer and distributor), 2024

HESSEQUA

In Hessequa the agricultural sector, known for its high-quality grains, fruits, vegetables, and livestock, plays a pivotal role in driving exports. Complementing this, the manufacturing industry, which includes processed foods, textiles, and artisanal goods, significantly contributes to both local and international markets. Together, these sectors form the backbone of Hessequa's trade, underpinning its economic vitality and growth.

In 2022, Hessequa's trade balance stood at a positive R16.2 million reflecting a significant improvement in the region's economic health. This positive trade balance was achieved with exports totalling R55.7 million and imports amounting to R39.5 million. The improvement in Hessequa's trade balance can be attributed to a consistent reduction in imports over the years, as the region has increasingly focused on self-sufficiency and local production. By importing less each year, Hessequa has managed to retain more economic value within the region, bolstering its financial stability and fostering sustainable growth.

Figure 81
TRADE BALANCE, Hessequa, 2018-2023

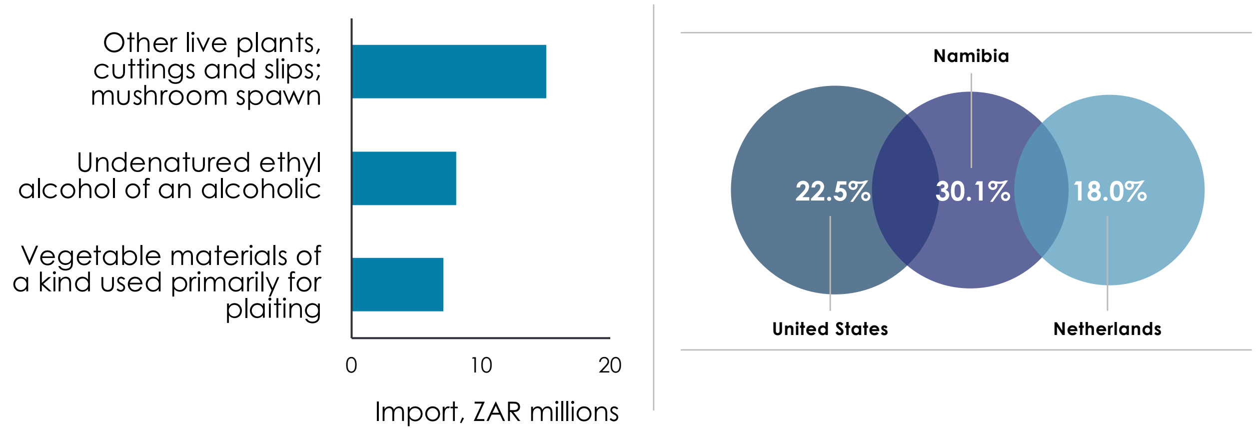


Source: Quantec, 2024

Exports reached R55.7 million in 2023. Among the key exports were vegetable materials used primarily for plaiting, valued at R7.1 million which highlight the region's rich botanical resources and traditional crafts. Additionally, undenatured ethyl alcohol of an alcoholic nature, amounting to R8.2 million, showcased Hessequa's capabilities in producing high-quality alcoholic beverages such as Inverroche, and industrial alcohols. Furthermore, the export of other live plants, cuttings, slips, and mushroom spawn, totalling R15 million reflected the region's thriving horticultural sector and its expertise in cultivating a variety of plant species.

The largest trading partners being the US (R12.5 million), Namibia (R11.9 million) and Netherlands (R7.1 million). These exports not only contribute significantly to Hessequa's trade balance but also reinforce the region's reputation as a hub of agricultural excellence and innovation.

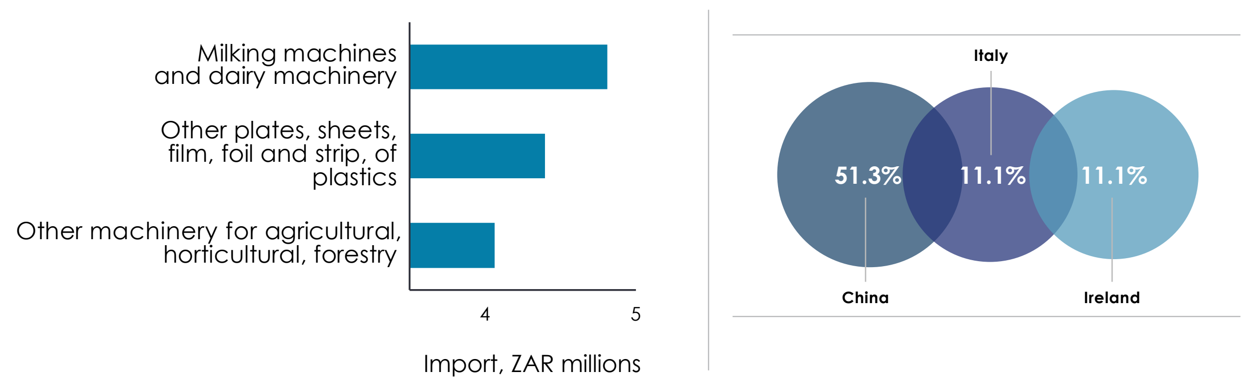
Figure 82
EXPORT PRODUCTS AND PARTNERS, Hessequa, 2023



Source: Quantec, 2024

A key theme emerging from Hessequa's trade activities is the strong interconnection between the agricultural and manufacturing sectors, which drives the region's economic vitality. The top three imported products - milking machines and dairy machinery (R4.8 million), other plates and sheets of plastic (R4.4 million), and various agricultural, horticultural, and forestry equipment—highlight this synergy. The import of milking and dairy machinery underscores the importance of the dairy industry in Hessequa, facilitating the production of high-quality yogurt and milk. The import of plastic sheets is crucial for the manufacturing sector, particularly for packaging agricultural and manufactured goods, ensuring they reach markets in optimal condition. Lastly, the import of specialised agricultural equipment supports the region's robust farming activities, enhancing productivity and sustainability. Together, these imports demonstrate how Hessequa's agricultural and manufacturing sectors are interdependent, collectively bolstering the region's economic growth and trade success.

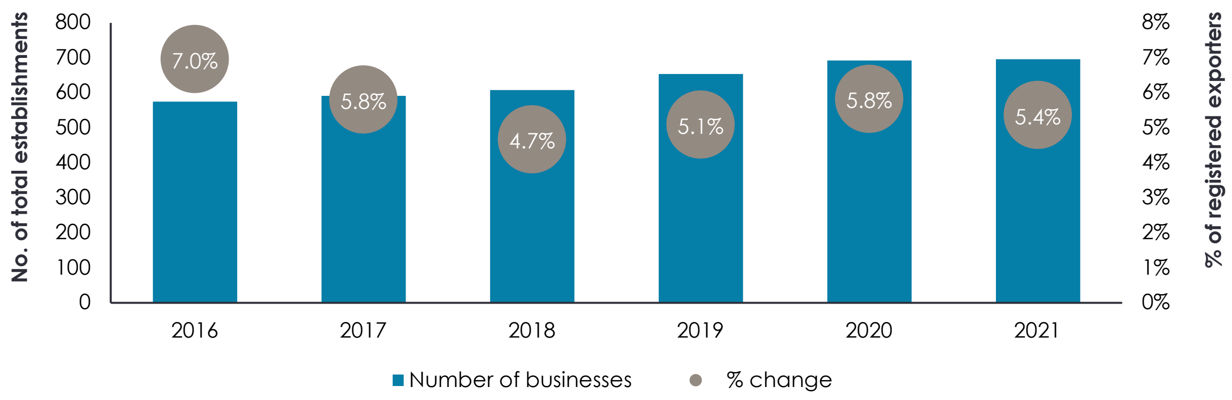
Figure 83
IMPORT PRODUCTS AND PARTNERS, Hessequa, 2014-2021



Source: Quantec, 2024

The number of businesses in the municipal area increased in 2021, to 695 from 692 in 2021. However, the proportion of registered exporters declined by 5.4 per cent. This indicates that the growth in the municipal area's exports is being driven by a relatively small number of establishments. The concentration of export activities among a limited number of businesses underscores the need for initiatives aimed at developing and supporting more enterprises to engage in international trade.

Figure 84
PERCENTAGE OF REGISTERED EXPORTERS AS A PROPORTION OF TOTAL BUSINESS ESTABLISHMENTS, Hessequa, 2016-2021



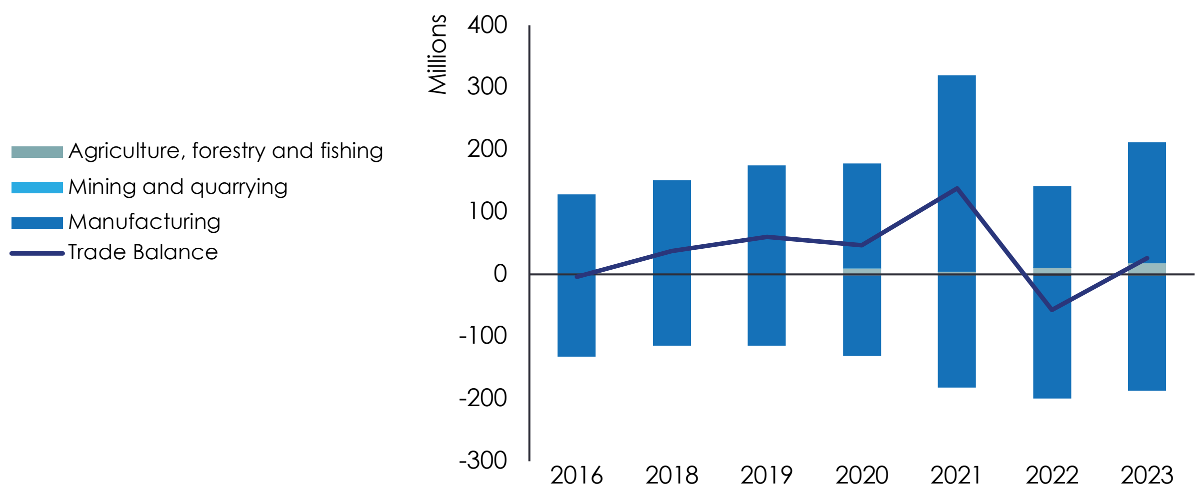
Source: Nell, A & Visagie, J. Spatial Tax Panel 2014 – 2023 (dataset). Version 3. National Treasury Cities Support Programme and Human Sciences Research Council (producer and distributor), 2024

KNYSNA

Knysna municipal area is a vibrant area with a rich history and diverse population. It plays a significant role in the Western Cape's economy and culture, characterised by its stunning natural landscapes and coastal settlements. The Knysna Estuary is home to at least 200 species of fish and opens into the Indian Ocean between two towering sandstone cliffs known as The Heads. It is one of the smallest municipalities of the seven that make up the Garden Route district, accounting for only 5 per cent of its geographical area.

Knysna recorded a trade surplus of R26 million in 2023, recording imports of R186 million and exports of R212.6 million. The increase in exports is explained by improved performance of the manufacturing sector (R194.6 million) and to a lesser extent, agriculture (R17.8 million). The improved performance in the manufacturing sector is a result of significant advancements in technology and innovation, leading to higher productivity and efficiency in manufacturing processes. Additionally, Knysna has invested heavily in infrastructure improvements, such as better transportation networks and port facilities, which facilitate smoother and faster export operations.

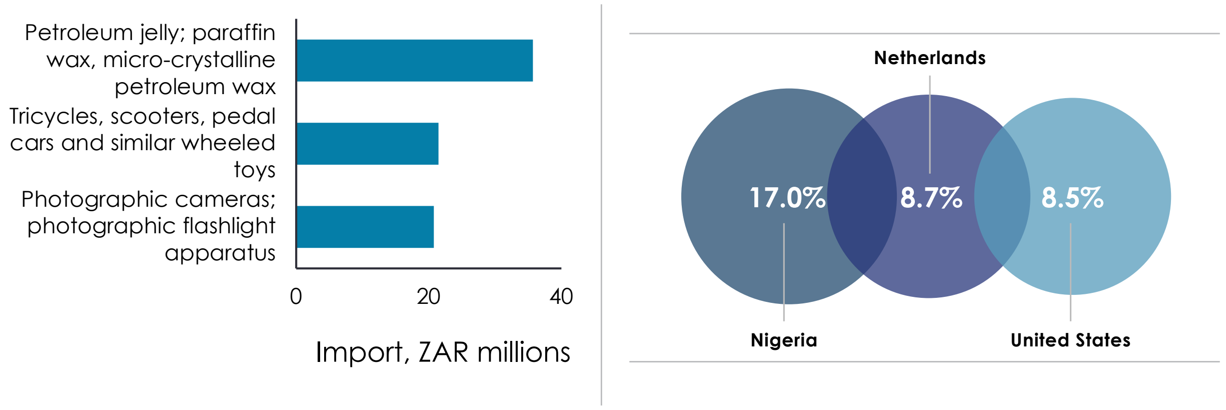
Figure 85
TRADE BALANCE, Knysna, 2018-2023



Source: Quantec, 2024

Of the total exports amounting to R212.6 million, the top three exported products were petroleum jelly (R35.7 million), tricycles (R21.5 million), and photographic cameras (R20.8 million). Petroleum jelly is widely used for skincare and medical applications, tricycles are popular for children's mobility and recreational activities, and photographic cameras are essential for capturing images in both professional and personal settings. These figures reflect Knysna's manufacturing capabilities in producing a diverse range of high-demand goods. The top three export partners were Nigeria (R36.2 million), the Netherlands (R18.5 million), and the US (R18.0 million), underscoring the strong trade relationships with these countries through the AfCFTA and AGOA.

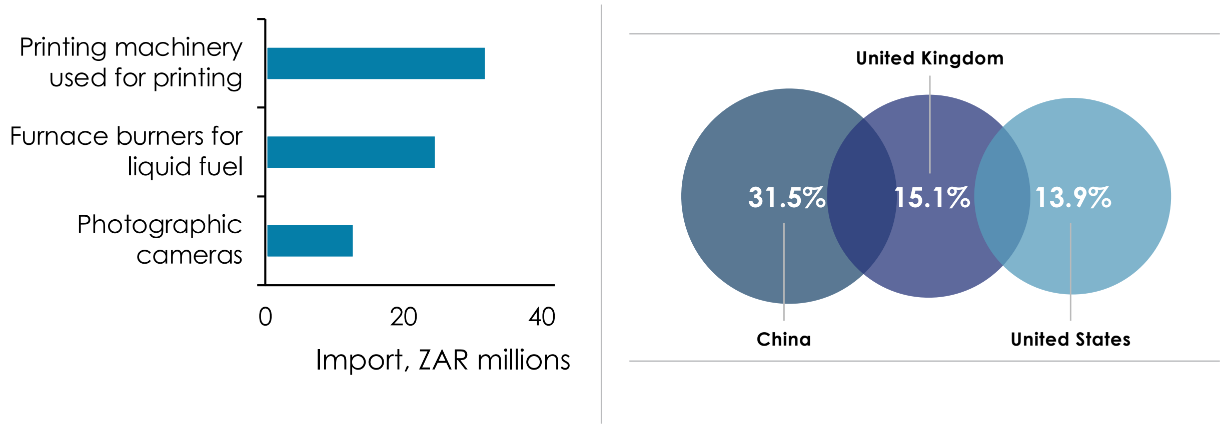
Figure 86
EXPORT PRODUCTS AND PARTNERS, Knysna, 2023



Source: Quantec, 2024

The top three products that the municipal area imported were printing machinery (R32.2million), furnace burners for liquid fuels (R28.9 million) and photographic cameras (R12 million). Imports in the municipal area do not reflect a specific industry specialisation; instead, they represent a range of different types of production. The main import partners were China (R58.7 million), UK (R28.1 million) and US (R25.8 million).

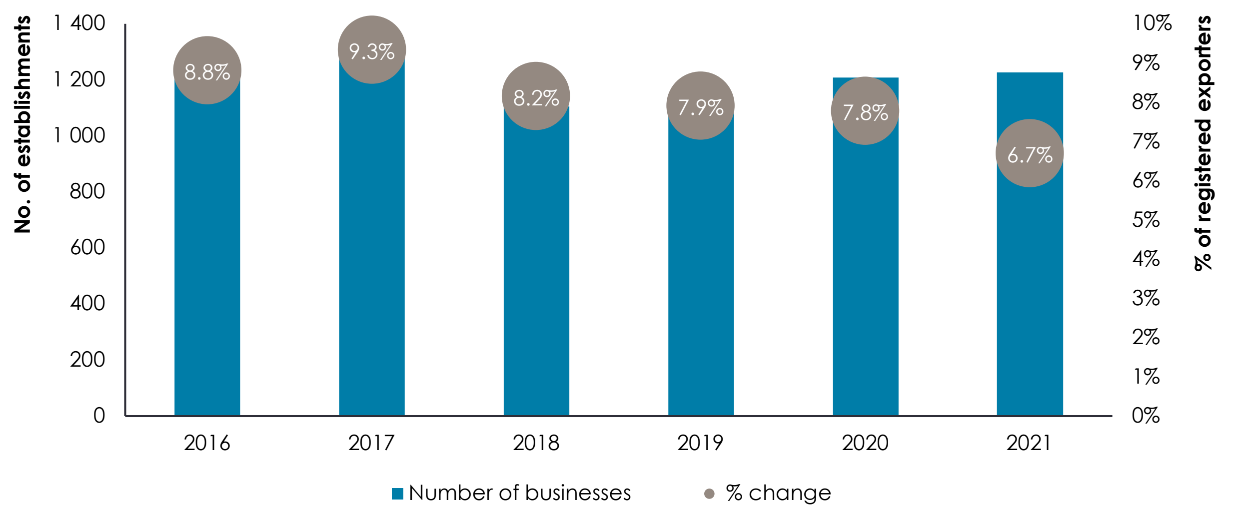
Figure 87
IMPORT PRODUCTS AND PARTNERS, Knysna, 2023



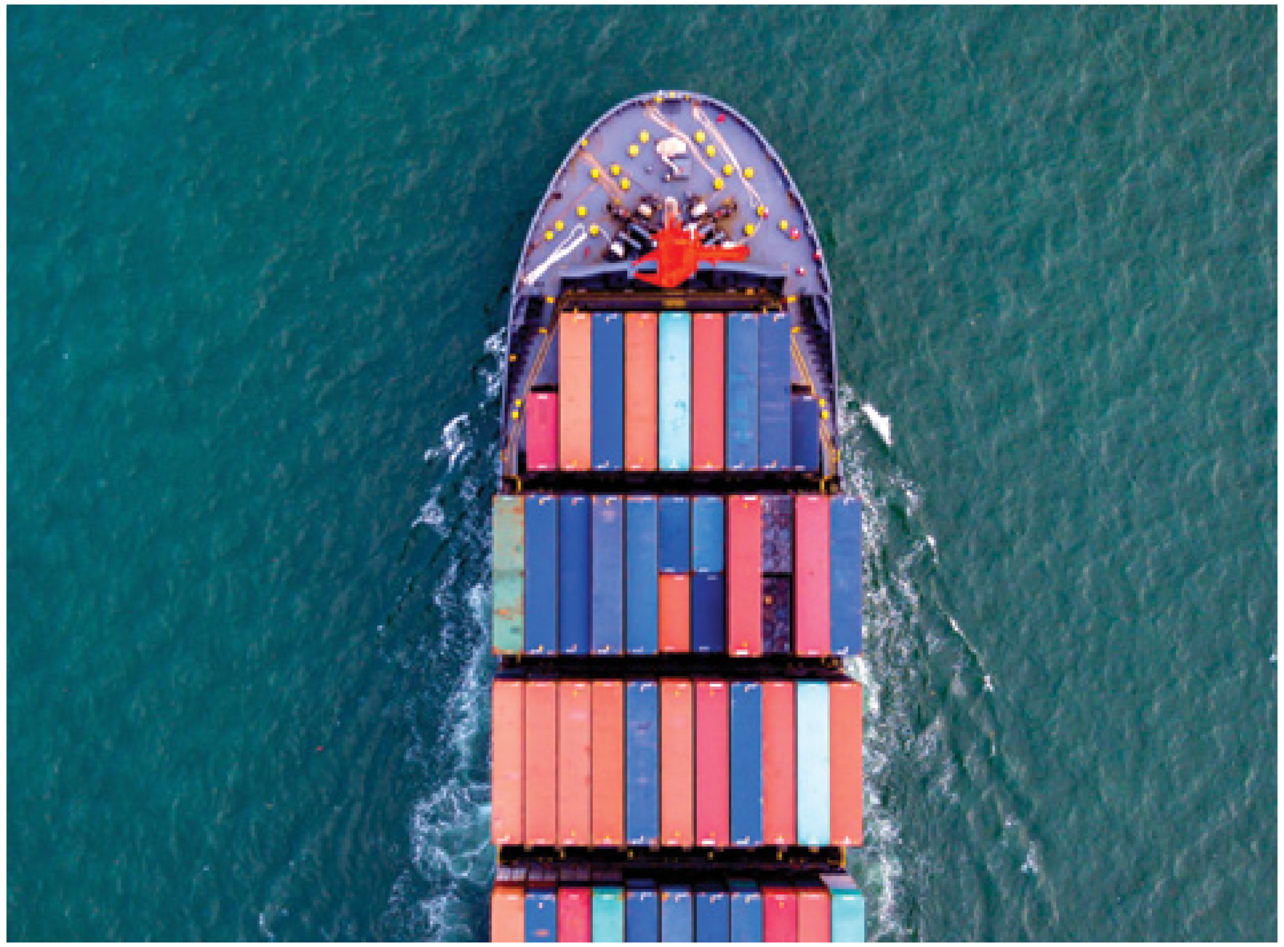
Source: Quantec, 2024

The number of businesses in the municipal area increased in 2021, to 1 227 from 1 209 in 2020. However, looking at the proportion of exporters against total establishments over time, it has been decreasing slightly showing that there is less businesses interest in export-oriented operations.

Figure 88
PERCENTAGE OF REGISTERED EXPORTERS AS A PROPORTION OF TOTAL BUSINESS ESTABLISHMENTS, Knysna, 2016-2021



Source: Nell, A & Visagie, J. Spatial Tax Panel 2014 – 2023 (dataset). Version 3. National Treasury Cities Support Programme and Human Sciences Research Council (producer and distributor), 2024

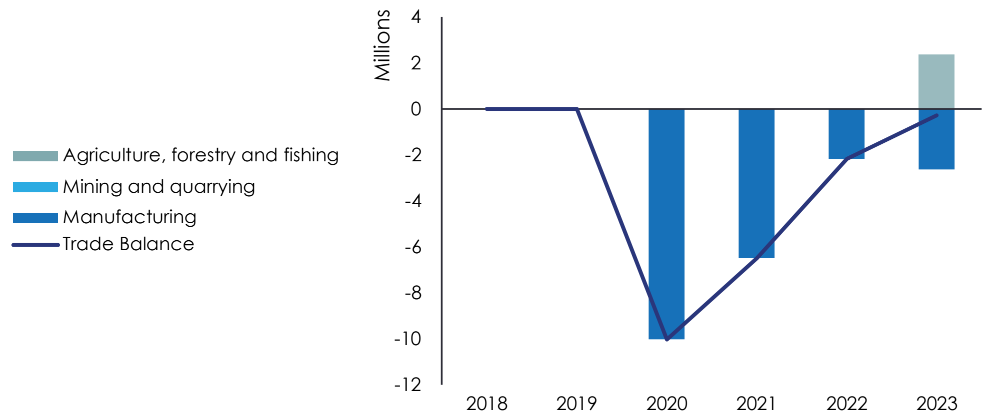


KANNALAND

The area is huddled between two mountain ranges, the Swartberge and Anysberg, and is ideal for the production of apricots, peaches, plums, nectarines, and grapes. The municipal area has the smallest population and economy in the GRD. Kannaland is well-known for its cheese factories and the production of internationally acclaimed dairy and wine products.

Kannaland recorded a trade deficit of R272 302 in 2023 with imports valued at R2.6 million and exports at R2.4 million. Exports has seen a significant increase coming off a base of zero from the previous year, compared to imports increasing by 21.6 per cent showcasing the municipal area'sreliance on bringing goods and services in. The trade dynamics in Kannaland are influenced by the manufacturing and agriculture sectors. Both sectors dominated both imports and exports, with imports valued at R2.6 million and exports at R2.6 million in 2023, having a neutral trade balance. Agricultural exports and manufacturing imports both showcased a 21.6 per cent increase between 2022 and 2023.

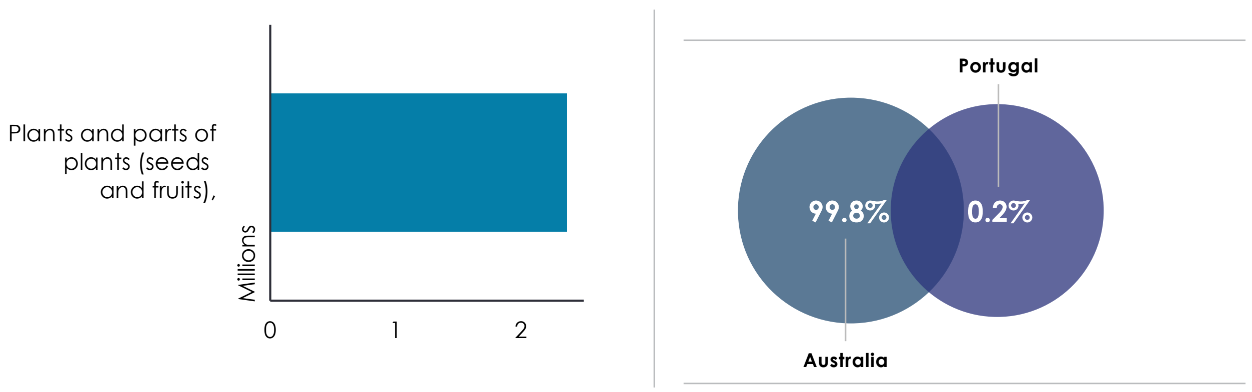
Figure 89
TRADE BALANCE, Kannaland, 2018-2023



Source: Quantec, 2024

The only product that the municipal area exported in 2023 was plants and parts of plants. The municipal area does not have an active manufacturing sector. Kannaland mostly exported to two destinations which were Australia and Portugal.

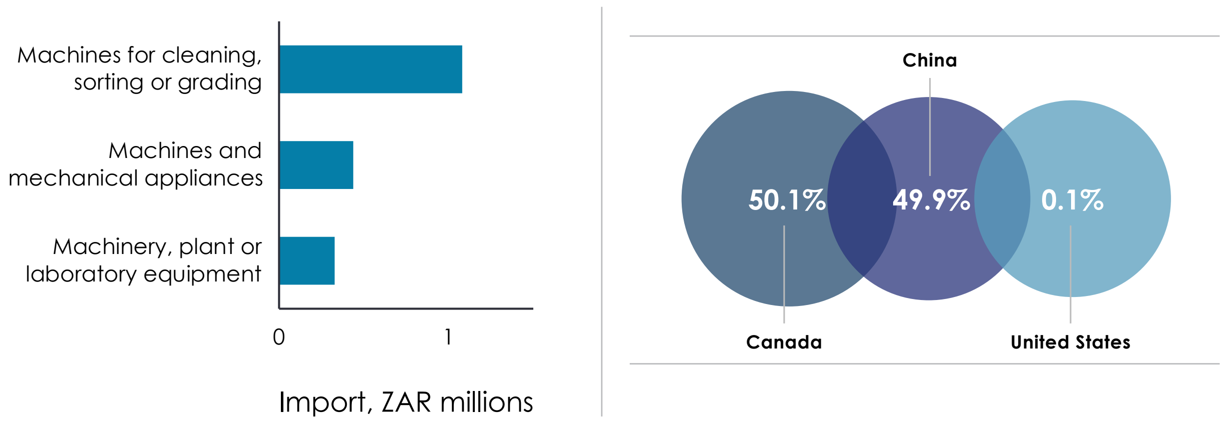
Figure 90
EXPORT PRODUCTS AND PARTNERS, Kannaland, 2023



Source: Quantec, 2024

In 2023, the top three imported products were all machinery used in the agricultural sector, indicating that the municipal area has an active agricultural sector. The top three import destinations were Canada, China and the US.

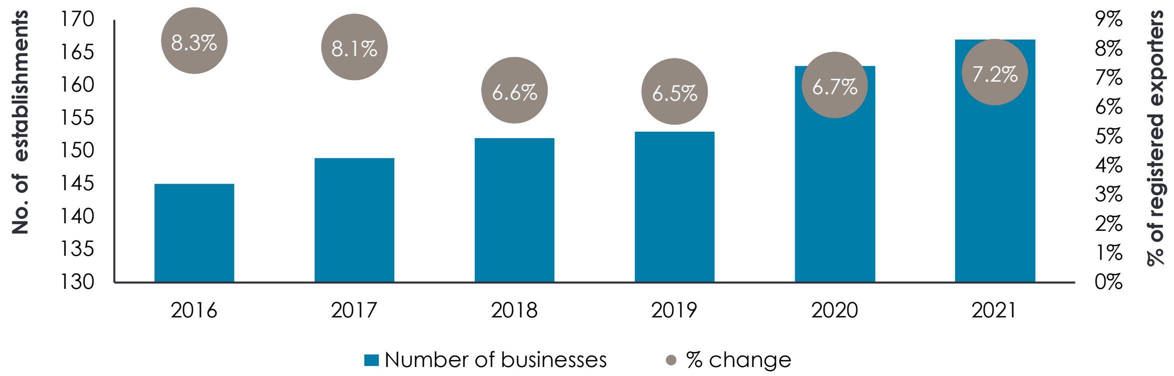
Figure 91
IMPORT PRODUCTS AND PARTNERS, Kannaland, 2023



Source: Quantec research, 2024

The number of registered exporters increased to 167 in 2021, from 163 in 2020. The portion of exporters in Kannaland increased to 7.2 per cent in 2021 from 6.7 per cent in 2020. The number of businesses in the municipal area and the number of registered exporters increased in 2021, yet there is very little export activity taking place. This indicates an opportunity to develop interventions that are targeted at developing businesses that are export-oriented, not only on paper but in practice.

Figure 92
PERCENTAGE OF REGISTERED EXPORTERS AS A PROPORTION OF TOTAL BUSINESS ESTABLISHMENTS, Kannaland, 2016-2021

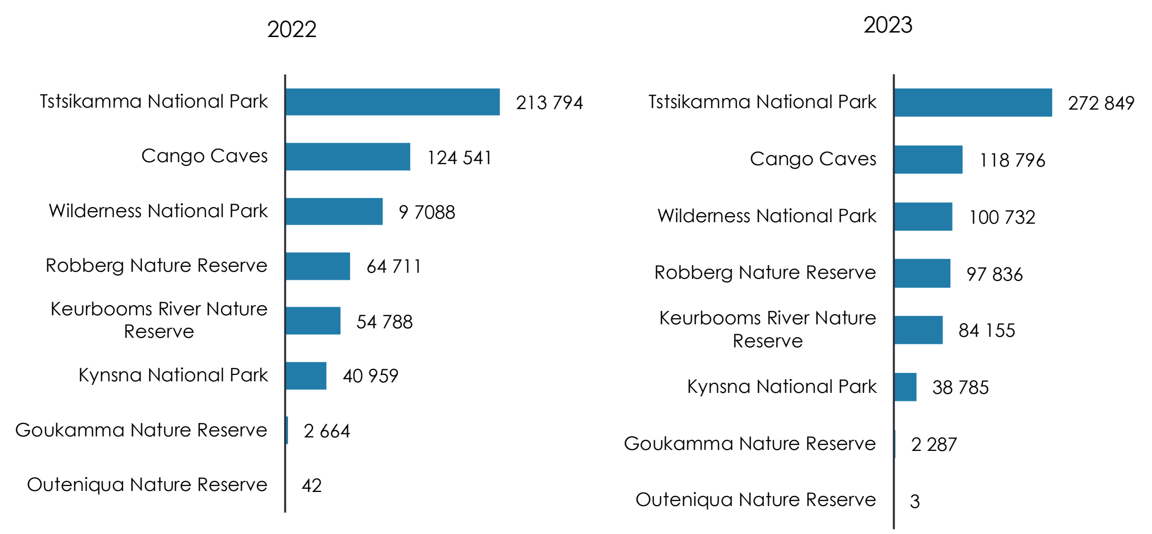


Source: Nell, A & Visagie, J. Spatial Tax Panel 2014 – 2023 (dataset). Version 3. National Treasury Cities Support Programme and Human Sciences Research Council (producer and distributor), 2024

TOURISM

In 2023, the Western Cape's tourism sector experienced significant growth, with a total of 54 participating attractions across its six regions recording 7.7 million visitors between January and December. This marked a 38 per cent increase in visitor numbers compared to the same period in 2022. Contrastingly, the GRD saw a 20 per cent decline in tourist numbers during the same timeframe, despite the overall provincial upswing. This decline can be is echoed in a decline in visitor numbers at several key attractions in the District, such as the Outeniqua Nature Reserve by 93 per cent, Goukamma Nature Reserve by 14 per cent, Kynsna National Park by 5 per cent, and Cango Caves by 5 per cent. Tsitsikamma National Park recorded the highest number of visitors and saw a 20 per cent increase between 2022-2023.

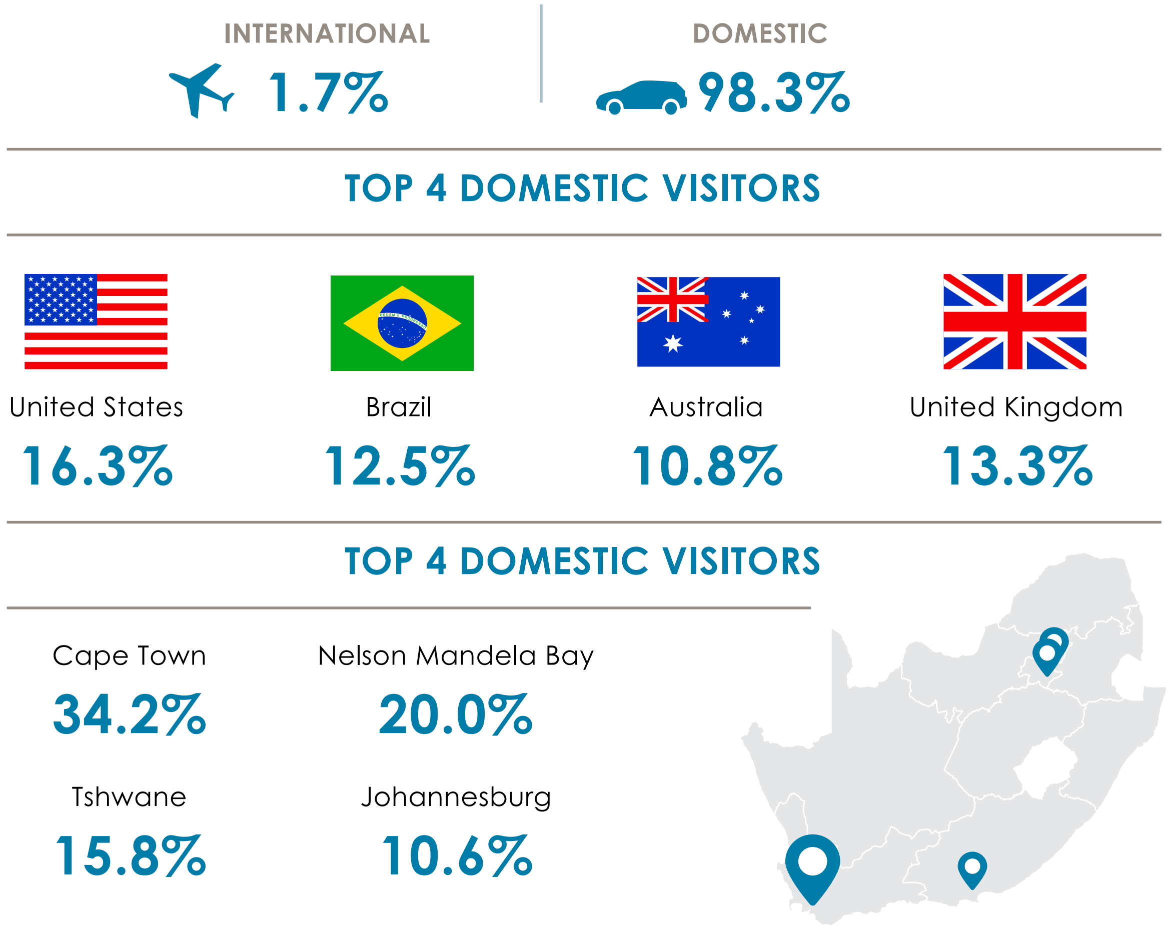
Figure 93
THE TOTAL NUMBER OF VISITORS TO ATTRACTIONS, Garden Route District, 2022 – 2023



Source: Wesgro, 2024

Domestic tourists made up the majority of the GRD's visitors, accounting for 98.3 per cent of the total, while international tourists comprised only 1.7 per cent. Among the domestic tourists, 34.2 per cent were from the City of Cape Town, 20 per cent from Nelson Mandela Bay, and 15.8 per cent from City of Tshwane. On the international front, most visitors came from the US (16.3 per cent), Brazil (12.5 per cent) and Australia (10.8 per cent). This indicates a strong local appeal, with potential for growth in attracting more international visitors.

Figure 94
DOMESTIC AND INTERNATIONAL VISITORS, Garden Route District, 2023

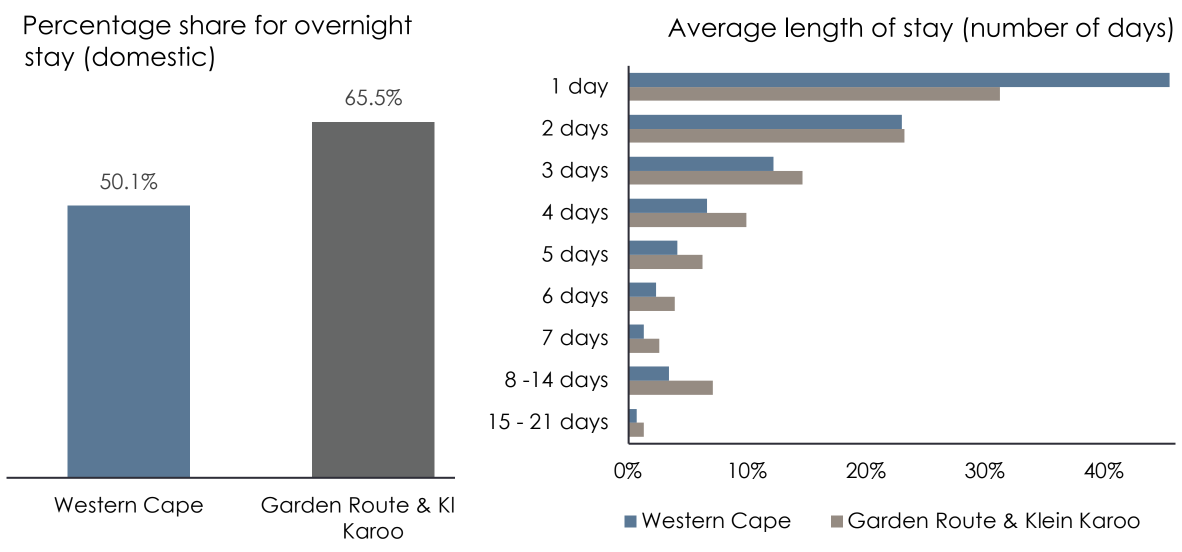


Source: Wesgro, 2024

During the period from January to December 2023, 65.5 per cent of the sampled domestic tourists chose to stay overnight in the GRD while the general average of 50.1 per cent of guests in the broader Western Cape region chose to stay overnight in other various areas of the Province. Regarding the length of stay in Garden Route, 31.2 per cent of domestic visitors were day visitors, while only 1.3 per cent stayed for 15-21 days. The same trend can be seen in the Western Cape, with a higher number of day visitors (45.5 per cent) and less visitors extending their visits for more than 14 days (0.7 per cent). This presents an opportunity to enhance longer stay offerings in the District.

Figure 95

OVERNIGHT STAY AND AVERAGE LENGTH STAY FOR DOMESTIC VISITORS, Garden Route District, 2023

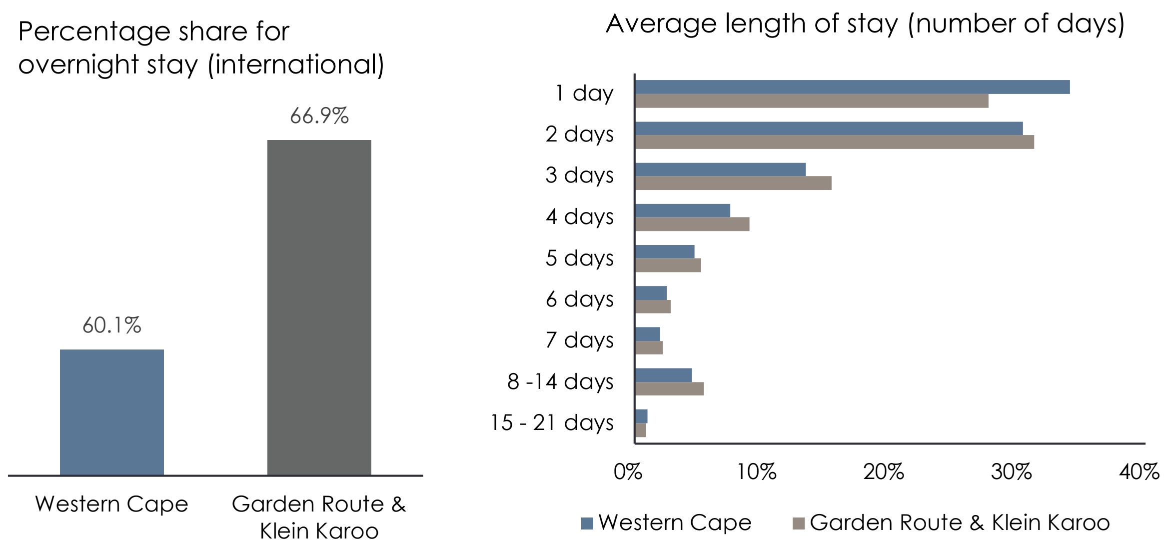


Source: Wesgro, 2024

From the sampled international tourists, 66.9 per cent chose to stay overnight in the GRD and Klein Karoo, compared to the general average of 60.1 per cent in the Province. The majority of international visitors to both the GRD and the Province tend to stay for shorter durations, with the highest percentages staying for one or two days. Specifically, 27.7 per cent of visitors stay for one day in the GRD compared to 34.1 percent in the Province while 31.3 percent stay for two days in the GRD compared to 30.4 percent in the Province. Similar to the trend observed among domestic visitors very few visitors stay for 15-21 days. This highlights a general preference for short-term visits, likely to ensure that tourists have the opportunity to see multiple places without spending too much time in one location.

Figure 96

OVERNIGHT STAY AND AVERAGE LENGTH STAY FOR INTERNATIONAL VISITORS, Garden Route District, 2023

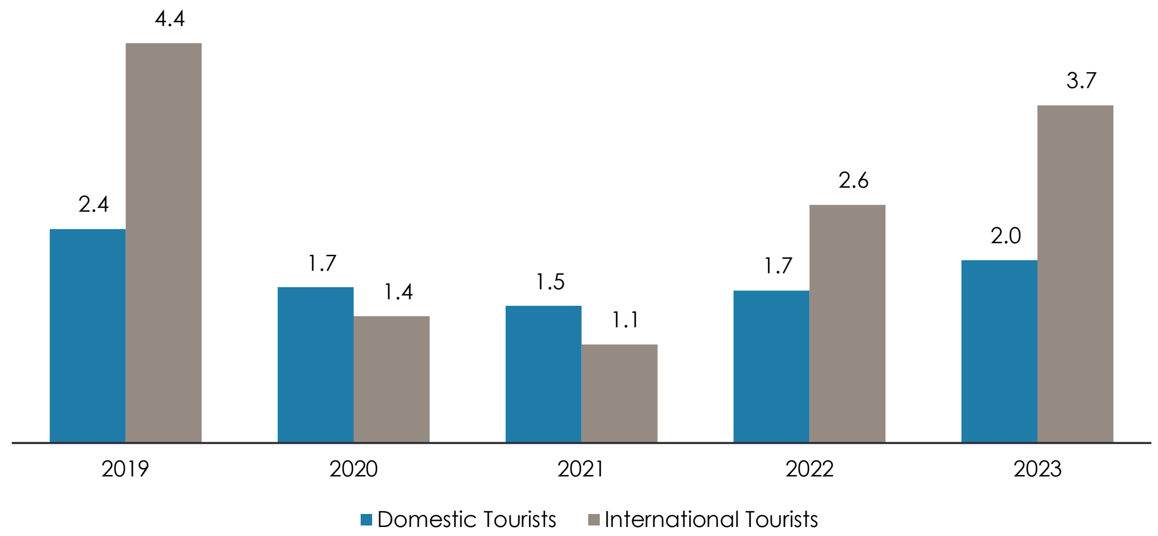


Source: Wesgro, 2024

The number of bed-nights for both domestic and international tourists saw a significant increase from 2022 to 2023. Domestic tourists experienced a year-on-year growth of approximately 19.7 per cent, while international tourists showed a substantial rise with a year-on-year growth of approximately 41.8 per cent.

Figure 97

BED-NIGHTS (MILLIONS), Garden Route District, 2023

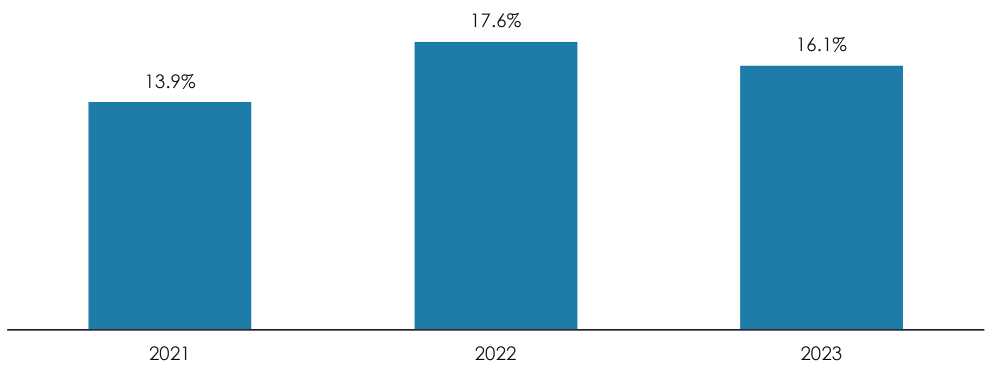


Source: S&P Global: Market Intelligence, 2024

Reflecting this, tourist spend as a share of GDPR as current prices saw a substantial increase from 13.9 per cent in 2021 to 17.6 per cent in 2022, driven by the relaxation of Covid-19 restrictions and a resurgence in travel activity. However, this moderated to 16.1 per cent in 2023.

Figure 98

TOURIST SPEND AS A SHARE OF GDPR (CURRENT PRICES), Garden Route District, 2023



Source: S&P Global: Market Intelligence, 2024

INVESTMENT

Within the Western Cape Province both the public and private sectors are pivotal, as they fulfil interdependent functions that propel economic advancement and progress within the Province. The public sector's investment is key to establishing a conducive environment that attracts private sector participation, through its commitment to infrastructure, education, and healthcare, which in turn cultivates a healthy, productive and skilled workforce.

Fundamentally, the public sector's investment forms the bedrock, upon which the private sector's investment spurs onward growth and development. Private sector investment is then vital for economic growth and diversification as well as employment creation through bringing in fresh capital, new technology, and specialised knowledge. Therefore, a coordinated strategy that integrates the strengths of both sectors is important for the continuous and sustainable economic advancement.

Public sector investment

The capital expenditure budget in the GRD was R224.9 million in 2024/25, up from R158.3 million in the 2023/24, a growth of 42.1 per cent. The increase in expenditure is directed towards improving waste management systems and to bolster the efforts related to ensuring the safety and well-being of residents.

Section B

Table 5
BUDGETED CAPITAL EXPENDITURE, Garden Route District, 2024/25 (R MILLION)

DESCRIPTION R million	Bitou	George	Hessequa	Kannaland	Knysna	Mossel Bay	Oudtshoorn	GRD
Municipal governance and administration	**R9.3**	**R17.0**	**R2.5**	**R0.0**	**R3.0**	**R46.0**	**R3.5**	**R0.2**
Executive and council	R0.0	R0.0	R0.1	R0.0	R0.0	R0.0	R1.1	R0.0
Finance and administration	R9.3	R17.0	R2.4	R0.0	R3.0	R46.0	R2.5	R0.2
Internal audit	R0.0	R0.1	R0.0	R0.0	R0.0	R0.0	R0.0	R0.0
Community and public safety	**R6.3**	**R95.6**	**R16.4**	**R0.0**	**R23.5**	**R35.7**	**R5.4**	**R4.2**
Community and social services	R0.3	R11.1	R0.4	R0.0	R0.3	R5.6	R2.0	R0.0
Sport and recreation	R4.5	R48.4	R1.3	R0.0	R8.0	R10.7	R3.4	R0.0
Public safety	R1.5	R30.3	R3.3	R0.0	R4.3	R6.2	R0.0	R4.2
Housing	R0.0	R5.5	R11.4	R0.0	R10.9	R13.2	R0.0	R0.0
Health	R0.0	R0.3	R0.0	R0.0	R0.0	R0.0	R0.0	R0.0
Economic and environmental services	**R47.4**	**R349.0**	**R46.3**	**R0.0**	**R24.2**	**R23.9**	**R13.3**	**R0.0**
Planning and development	R0.0	R33.6	R0.1	R0.0	R0.3	R3.4	R0.0	R0.0
Road transport	R47.4	R315.4	R46.0	R0.0	R23.9	R19.7	R13.3	R0.0
Environmental protection	R0.0	R0.0	R0.2	R0.0	R0.0	R0.8	R0.0	R0.0
Trading services	**R120.1**	**R762.6**	**R129.6**	**R32.9**	**R38.0**	**R332.4**	**R45.4**	**R220.6**
Energy sources	R26.1	R194.6	R100.2	R0.6	R17.7	R190.3	R12.5	R0.0
Water management	R45.1	R290.1	R13.4	R12.7	R15.4	R47.9	R30.4	R0.0
Wastewater management	R46.7	R255.2	R10.5	R18.0	R4.9	R84.6	R0.5	R0.0
Waste management	R2.3	R22.7	R5.5	R1.7	R0.0	R9.6	R2.0	R220.6
Other	R0.0	R0.5	R0.0	R0.0	R0.0	R0.0	R0.0	R0.0
Total infrastructure spend	**R183.2**	**R1 224.7**	**R194.8**	**R32.9**	**R88.8**	**R438.0**	**R67.6**	**R224.9**
Infrastructure spend as a percentage of GDPR	**5.4%**	**6.6%**	**4.8%**	**2.5%**	**1.8%**	**5.4%**	**1.2%**	**0.5%**

Source: National Treasury, 2024

George registered the highest capital expenditure, with a budget of R1.2 billion for 2024/25, marking a 19.7 per cent increase from the 2023/24 budget. Wastewater management constitutes 20.8 per cent of this spend, funding investments in upgrading infrastructure, improving treatment facilities, and executing long-term planning to tackle challenges such as drought and water shortages. Notable projects include the New Water Treatment Works Capacity Upgrade, which involves a 20 MLD enhancement currently under construction. Additionally, pipeline replacement projects for the Conville and Parkdene water reticulation networks are underway, along with the construction of reservoir storage capacity enhancements in Pacaltsdorp and Thembalethu.

The refurbishment of the Kaaimans River pumping scheme and upgrades to the George South Stormwater System are also in progress. Upgrades to bulk water and sewer pipelines, including the Airport bulk water pipeline, Kleinkrantz/Wilderness bulk gravity sewer, and Thembalethu Bulk Sewer Phases 2, 3, and 4, are in various stages of construction, planning, and design. These projects aim to enhance the overall water management system, ensuring sustainable water supply and improved sanitation services for the community. The comprehensive approach to infrastructure development reflects George's commitment to addressing both current and future water-related challenges.

Mossel Bay has recorded the second-highest expenditure at R438 million, followed by Hessequa with R194.8 million. A large proportion of the infrastructure expenditure in Mossel Bay and Hessequa is directed towards trading services, at 75.8 per cent and 66.5 per cent, respectively. Both municipalities are making substantial investments in renewable energy projects to reduce their reliance on the national grid and ensure long-term energy security and sustainability. Notably, Mossel Bay is directing 10.5 per cent of its budget towards municipal governance and administration, highlighting its focus on efficient local governance.

Oudtshoorn has an infrastructure budget of R67.6 million, with most of it directed towards trading services at 67.1 per cent, the biggest line item being waste management. The municipal area has embarked on upgrading water and waste management infrastructure to improve service delivery and support sustainable growth. Additionally, the municipal area has initiated several renewable energy projects, such as solar power installations, to reduce reliance on the national grid and mitigate the effects of load shedding.

Knysna recorded an infrastructure spending of R88.8 million. Trading services received an investment of 42.8 per cent, followed by community and public safety at 26.4 per cent, and economic and environmental services at 27.2 per cent. This allocation reflects Knysna's balanced approach to addressing essential services, public safety, and environmental sustainability. The investments are aimed at improving infrastructure resilience and supporting the community's overall well-being.

Kannaland has an infrastructure investment of R32.9 million, all directed towards wastewater management and waste management. This focused investment aims to address critical infrastructure needs and improve environmental health. Bitou recorded an infrastructure expenditure of R183.2 million, with the largest proportion (65.5 per cent) directed towards trading services. This significant allocation underscores Bitou's commitment to enhancing essential services and supporting sustainable development within the municipal area.

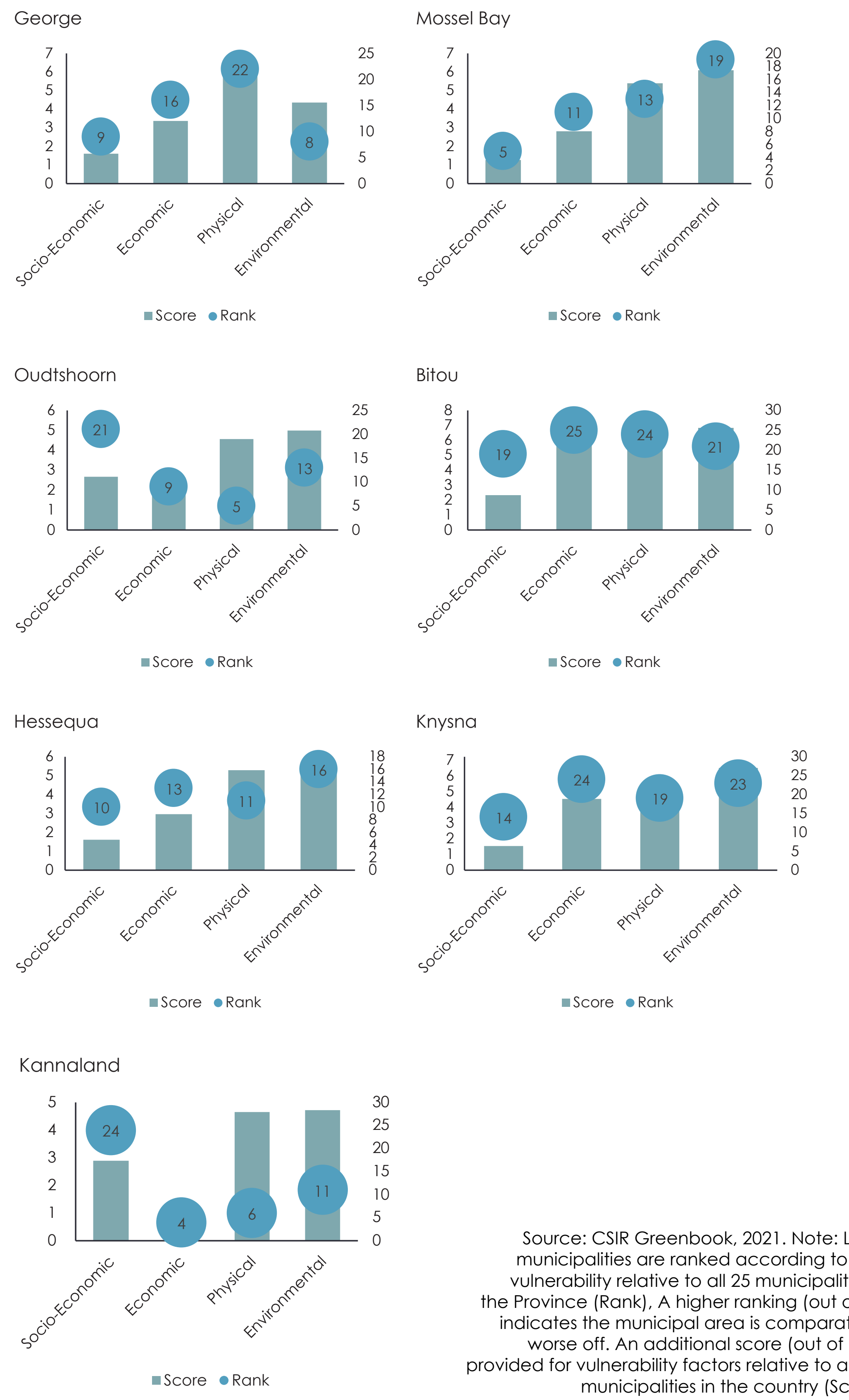
Environmental Risk and Vulnerability

The CSIR developed vulnerability index for all 25 municipalities in the Western Cape to assess their vulnerability in four areas – socio-economic, economic, physical and environmental.

The municipal areas in the GRD are particularly vulnerable to physical and environmental risks.

- Bitou exhibits high vulnerability in economic and physical aspects, moderate in socio-economic and environmental.
- George has moderate vulnerability across all aspects, with the lowest in environmental.
- Hessequa has moderate vulnerability across all aspects, with the lowest in economic.
- Kannaland has high vulnerability in socio-economic, low in economic, moderate in physical and environmental.
- Knysna has high vulnerability in economic and environmental, moderate in socio-economic and physical.
- Mossel Bay has low vulnerability in socio-economic, moderate in economic, physical, and environmental.

Figure 100
ENVIRONMENTAL VULNERABILITY RANK AND SCORE, Garden Route , 2021



Source: CSIR Greenbook, 2021. Note: Local municipalities are ranked according to their vulnerability relative to all 25 municipalities in the Province (Rank), A higher ranking (out of 25) indicates the municipal area is comparatively worse off. An additional score (out of 10) is provided for vulnerability factors relative to all 213 municipalities in the country (Score), To better understand the Province's environmental vulnerabilities, the Department of Environmental Affairs and Development Planning (DEADP) initiated a project aimed at tracking the environmental vulnerabilities and risks in the Western Cape, with a particular focus on water security and the impacts of climate change.

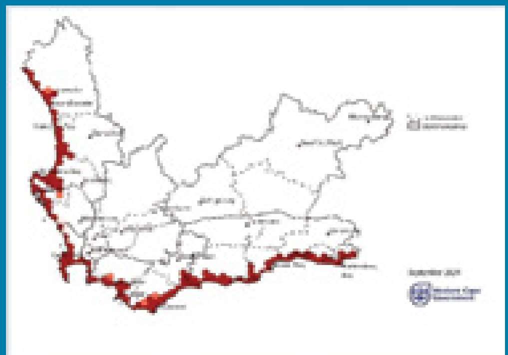
The project is aimed at developing an environmental risk map that highlights areas in the Western Cape where compound risks threated people, their livelihoods and/or infrastructure. The risk maps can then be leveraged to provide insights that can support decision-making, planning and budgeting related to sustainable economic growth and enhance human wellbeing.

The thematic areas contributing to the final combined environmental risk and vulnerability maps include:

- Ecosystem Deterioration
- Coastal Erosion and Flooding
- Terrestrial Flooding
- Water Security
- Air Quality and Health
- Solid Waste Management
- Wildfires

The GRD is vulnerable to several environmental risks. Ecosystem deterioration concerns are most prevalent on the West and Southern coasts, as well as mountains in the Cape Winelands. The GRD faces similar challenges, particularly in areas with sensitive natural environments and diverse human activities.

The town of Stilbaai in Hessequa is highlighted for high hazard areas in the Goukou estuarine functional zone and short-term erosion risk areas. A large dune field to the east is considered a lower risk area.



The GRD faces terrestrial flooding risks, with areas like Kannaland and Oudshoorn showing higher risk due to lower institutional capacity. The central areas (Central Karoo) and eastern parts of the Overberg also exhibit pronounced flooding hazards.

Lastly, the greatest increased wildfire hazard is seaward of the mountains, possibly due to higher population density and fire ignition events. Kannaland and Oudtshoorn municipalities are identified as having the highest wildfire risk when considering vulnerability.

The environmental vulnerabilities in the GRD can have far-reaching implications for both the people and the economy. These vulnerabilities can lead to health and safety risks, property damage, economic losses, and increased socio-economic disparities. Effective governance, disaster management, and targeted interventions are essential to mitigate these impacts and support the resilience of the GRD.

Medium-term Expenditure Framework

The table below reflects the WCG investment in infrastructure expansions within the GRD for 2024/25 – 2026/27 MTEF, highlighting the priority areas over the three-year period. The MTEF underscores a commitment to enhancing infrastructure to facilitate the efficient functioning of the GRD, with a significant budget of R3.8 billion to fund 204 projects. This substantial investment aims to address critical infrastructure needs and support sustainable development in the region.

Transport and Public Works contributed 96.5 per cent of the MTEF budget, equal to R3.7 billion. Notable projects include the Infrastructure C964.2 project in Mossel Bay-Hartenbos, which involves the Asset Management Plan (AMP) and upgrading as part of Package 2. This project aims to enhance and improve the existing infrastructure, ensuring better service delivery and maintenance. Additionally, the Infrastructure C377.1 project focuses on the George West bypass, involving the construction of new infrastructure and the replacement of outdated structures to improve transport efficiency and connectivity in the region.

Human Settlements followed with an allocation of R85 million to address the growing demand for housing in the GRD, representing 22.2 per cent of the budget. Key initiatives include the Infrastructure Garden Route project in Bitou, specifically at Ebenhaezer, which involves the development of 206 sites under the Integrated Residential Development Programme (IRDP) Phase 1. This project focuses on infrastructure transfers and capital investment in human settlements, with a budget allocation of R133 580, aiming to provide adequate housing and improve living conditions for residents.

Education contributed R39.9 million, which is 1 per cent of the budget, aimed at improving educational facilities and resources within the GRD. Health and wellness received R5.2 million, which is 0.1 per cent of the budget, to enhance healthcare infrastructure and services. Environmental affairs and development planning were allocated R350 000, focusing on sustainable development and environmental conservation efforts. These investments reflect a comprehensive approach to addressing various sectors' needs and promoting overall regional development.

Table 6

TOTAL DEPARTMENTAL MTEF BUDGET AND NUMBER OF PROJECTS, Garden Route District, 2024 – 2027

WC Provincial Department	No.of Projects & Programmes	2024/25 MTEF (R'000)	2024/26 MTEF (R'000)	2026/27 MTEF (R'000)	MTEF Total (R'000)
Education	2	11 500	17 380	11 046	**39 926**
Health and Wellness	4	5 150	0	0	**5 150**
Human Settlements	18	22 249	44 978	17 768	**84 995**
Transport and Public Works	179	1 528 048	1 061 800	1 102 636	**3 692 484**
Environmental Affairs and Development Planning	1	350	0	0	**350**
Total	**204**	**1 567 297**	**1 124 158**	**1 131 450**	**3 822 905**

Source: Western Cape Provincial Treasury 2024

PLANNED AND ESTIMATED EXPENDITURE FOR INFRASTRUCTURE PROJECTS (2024/25 - 2026/27)

Financial Sustainability and Good Governance: A Key Lever for Infrastructure Development

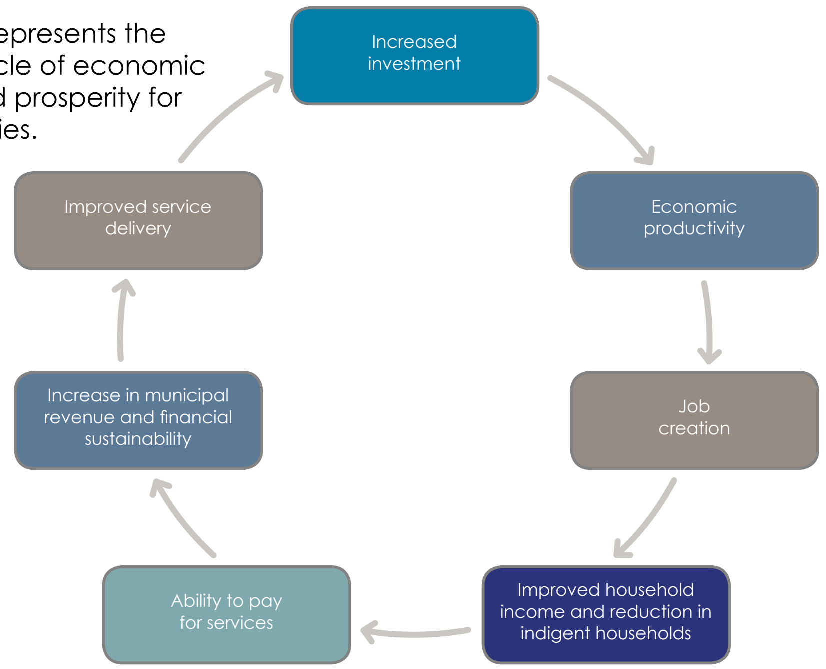
Traditionally, municipal capital budgets are funded from (i) conditional grants, (ii) internally generated revenue and (iii) borrowing. Conditional grants remain the primary source of capital funding, followed by internally generated funds and lastly borrowing. Over the past few years, the role of borrowing for capital funding is becoming more prominent as capital transfers have remained static and internally generated funds have contracted.

However, their financial resources are often limited by constrained revenue streams and rising operational costs. Traditional financing sources, such as service charge revenues and government grants, are proving insufficient to meet the required scale of investment. As a result, it has become critical to explore alternative financing options, including public-private partnerships, bonds, and other innovative funding structures.

A compelling case for alternative financing mechanisms, especially for infrastructure development, is gaining traction in the context of growing demand for public infrastructure against the financial constraints faced by municipalities. Municipalities are under mounting pressure to address infrastructure backlogs and expand capacity to accommodate both population growth and economic development, while maintaining resilience against environmental challenges.

Financial sustainability provides access to capital markets, leverage for negotiations, and reduces reliance on constrained government grants. Furthermore, sustainable financial management allows for better long-term planning and investment in infrastructure. Municipalities with strong financial foundations can prioritise projects based on strategic needs rather than short-term financial constraints, leading to more resilient and future-proof infrastructure.

The chart represents the virtuous cycle of economic growth and prosperity for municipalities.



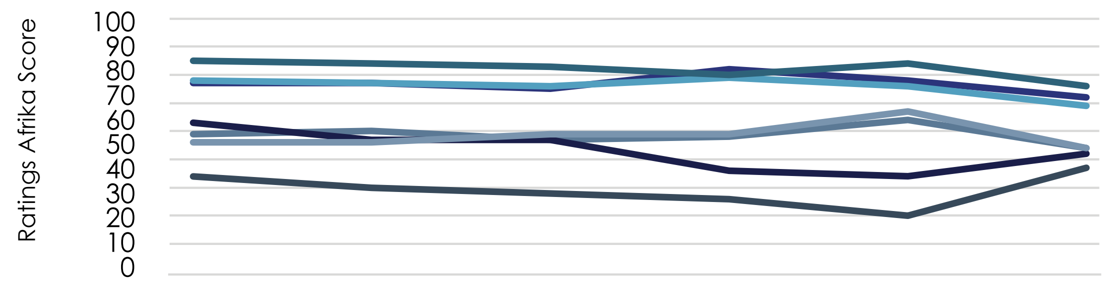
Financial sustainability and good financial governance play a critical role in enhancing a municipal area's ability to secure alternative financing. Ratings Afrika defines financial sustainability as "the financial ability of a municipal area to deliver services and to develop and maintain the infrastructure required by its residents without unplanned increases in rates and tariffs, or a reduction in the level of services. Furthermore, without external financial assistance, the municipal area should be able to absorb financial shocks caused by natural, economic, political, and other disasters, such as COVID-19."

In line with this definition, Ratings Afrika developed a Municipal Financial Sustainability Index (MFSI). The MFSI measures the operating performance, liquidity management, debt governance, budget position, and infrastructure development of local municipalities in South Africa, scoring each component out of 100. The Index can be used by municipalities in their decision-making to improve financial sustainability.

Municipalities that score higher on this index demonstrate stronger financial management, which is crucial in attracting investors and securing favourable financing terms for infrastructure projects.

Figure 101

RATINGS AFRIKA MUNICIPAL FINANCIAL SUSTAINABILITY INDEX, Garden Route District, 2019-2024



	2019	2020	2021	2022	2023	2024
Bitou	49	50	47	48	54	44
George	67	67	65	72	68	62
Hessequa	68	67	66	69	66	59
Kannaland	34	30	28	26	20	37
Knysna	53	47	47	36	34	42
Mossel Bay	75	74	73	70	74	66
Oudtshoorn	46	46	49	49	57	44

Source: Ratings Afrika Municipal Financial Sustainability Analysis, December 2023

The Ratings Afrika Financial Sustainability scores for the GRD indicate mixed financial health across its municipalities, which could influence infrastructure provision and regional economic stability. Mossel Bay consistently scores high, maintaining financial strength, albeit with a slight drop from 74 in 2023 to a projected 66 in 2024, which should nevertheless support robust infrastructure investments.

Section B

George and Hessequa have shown stable scores, with George dipping from a high of 72 in 2022 to a projected 62 in 2024 and Hessequa remaining relatively steady, suggesting they can still sustain infrastructure projects despite slight declines. In contrast, Kannaland's scores have remained critically low, rising from 20 in 2023 to a projected 37 in 2024, reflecting chronic financial challenges that could restrict infrastructure development and economic growth.

Bitou and Oudtshoorn have fluctuated, with both projected to decline in 2024, potentially limiting infrastructure and service improvements. Overall, the Garden Route District's lower financial sustainability score of 48 in 2024 signals a potential struggle to maintain infrastructure and stimulate economic growth, possibly impacting long-term regional development.

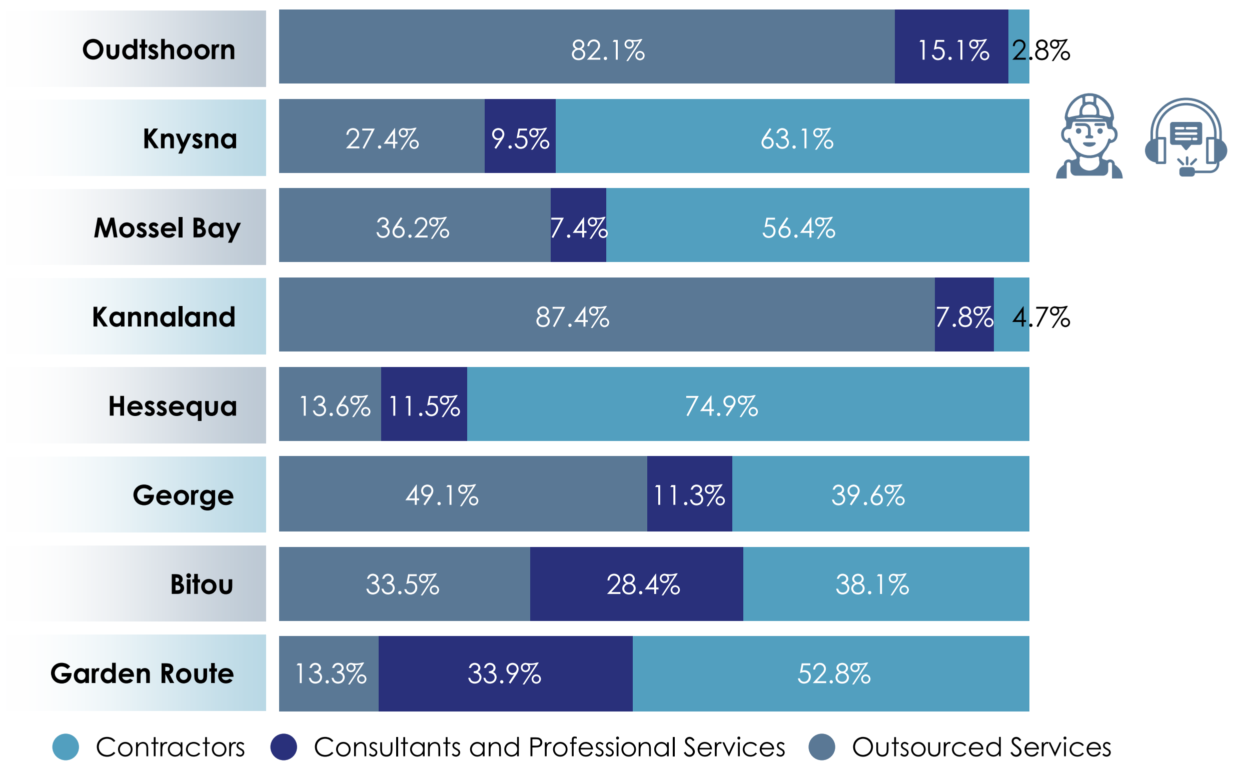
While alternative financing is essential to address immediate infrastructure needs. financial sustainability ensures that municipalities can attract investment and secure financing on favourable terms. Financially stable municipalities are better positioned to meet both current and future infrastructure demands. fostering a virtuous cycle of economic growth and prosperity.

Public sector procurement

Public sector spending on contracted services enhances municipal efficiency while contributing to broader economic growth, particularly by stimulating local economic activity and generating employment. This approach reinforces the municipal area's role as a key facilitator of economic development.

Within the GRD, there is a notable expenditure on outsourced services and contractors, depending on the municipal area. Kannaland shows an extremely high proportion of spending on outsourced services at 87 per cent, and Oudtshoorn follows closely with 82 per cent, which could be due to limited internal resources or strategic outsourcing decisions. George has a significant reliance on contractors at 40 per cent but a lower use of consultants at 11 per cent, while Hessequa relies heavily on contractors at 75 per cent but only 12 per cent on consultants. Mossel Bay and Knysna have relatively high proportions of spending on contractors, at 56 per cent and 63 per cent respectively. The overall GRD average reflects a notable reliance on consultants at 34 per cent and contractors at 53 per cent, suggesting a mix of in-house and external expertise to meet operational and project needs.

Figure 102
PROPORTION OF SPENDING ON CONTRACTED SERVICES PER MUNICIPAL AREA, Garden Route District, 2023/24



Source: National Treasury. 2024

Section B

Public sector spending on designated groups

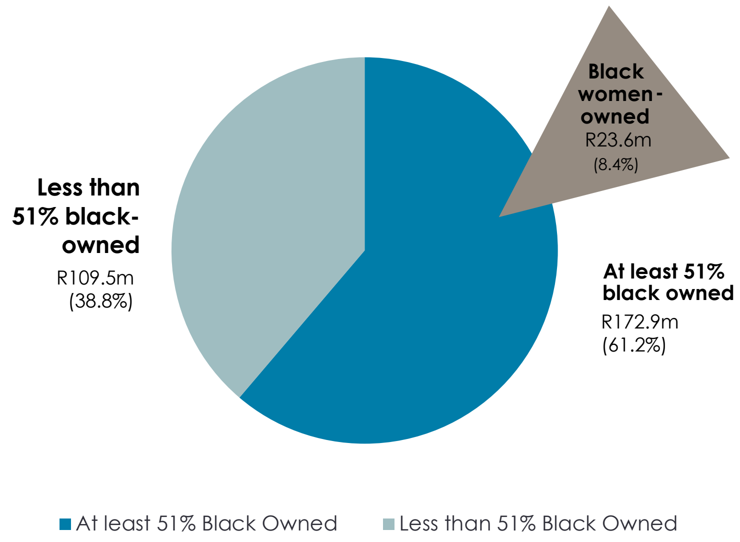
The section analyses how public procurement has been leveraged to support designated groups, which include majority black-owned businesses, small, medium and micro enterprises (SMMEs), and those owned by military veterans, youth and people living with disability.

Procurement under Broad-Based Black Economic Empowerment (B-BBEE)[47] remains a key component in the procuring of goods and services in the Western Cape. B-BBEE procurement policies are designed to incentivise companies to support economic transformation by doing business with suppliers that contribute to the empowerment of designated groups.

Black owned enterprise – black women involvement

During 2023/24, the WCG directed R282.5 million towards expenditure. Of this, 61.2 per cent was directed towards majority black-owned enterprises, equal to R172.9 million. Amongst the majority black-owned businesses, black-women businesses were allocated R23.6 million (8.4 per cent of total expenditure). By prioritising investments in women-owned companies, the initiatives aim to redress historical gender disparities in the business landscape, ensuring that women are afforded equitable opportunities to meaningfully participate and contribute to the economy.

Figure 103
EXPENDITURE ON REGISTERED BLACK-OWNED COMPANIES, Garden Route District, 2023/24



Source: Western Cape Provincial Treasury, 2024

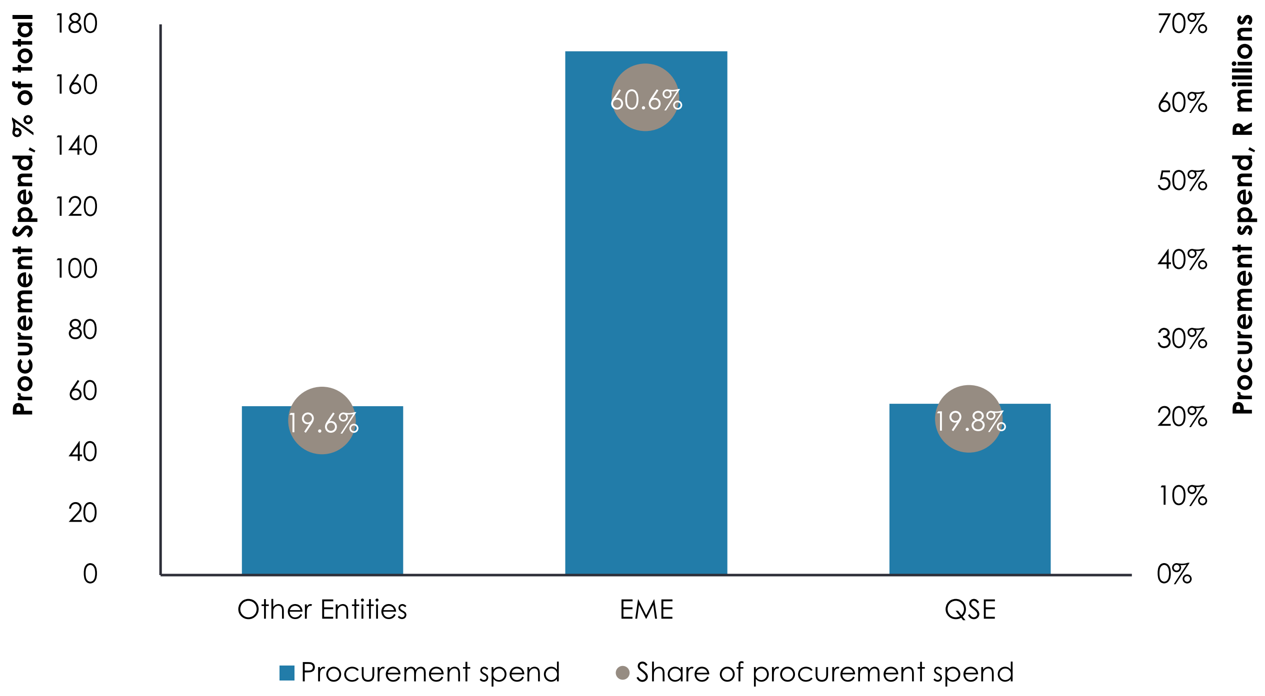
47 Broad-Based Black Economic Empowerment (B-BBEE) is a government policy designed to advance economic participation and equitable wealth distribution among previously disadvantaged groups, primarily Black South Africans.

Small and Medium-Sized Enterprises

The Western Cape is one of the most prominent entrepreneurial hubs in the country. Investment in black-owned SMMEs is prioritised by the Province to encourage inclusive growth and stimulate job creation. Such a focus supports entrepreneurship. diversifies the economy. and enhances skills development.

During the 2023/24 fiscal year. the total investment directed towards SMMEs reached R282.5 million. Exempted Micro Enterprises (EME) made up a large portion of the expenditure at R171.2 million, while Qualifying Small Enterprises (QSE) constituted a smaller share, equal to R55.9 million. This overall expenditure continues to highlight the District's commitment to supporting the growth and development of SMMEs within the broader economic landscape.

Figure 104
EXPENTURE ON REGISTERED SMMES, Garden Route District, 2023/24

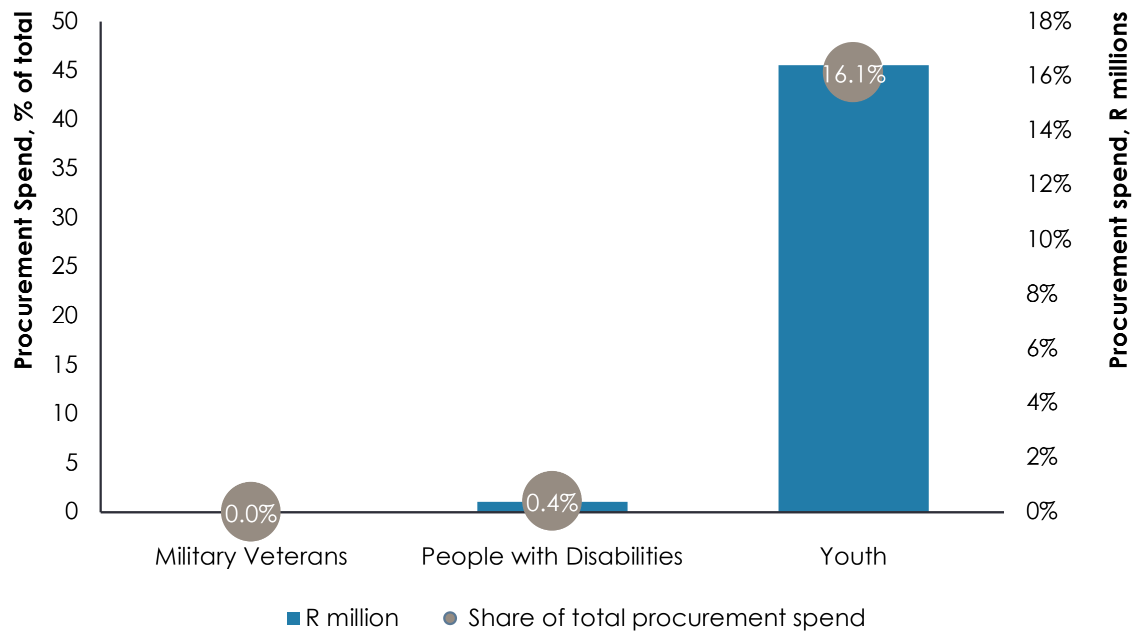


Source: Western Cape Provincial Treasury, 2024

Individuals with disabilities and the Youth

B-BBEE strategically emphasises the inclusion of youth and people with disabilities to tackle significant challenges of unemployment and marginalisation. In 2023/24, spend for youth-owned enterprises amounted to R45.5 million, accounting for a substantial 97.7 per cent of the total spend. Additionally. R1.1 million was spent on businesses owned by individuals living with disabilities, representing 0.9 per cent of overall spending.

Figure 105
PAYMENTS TO DESIGNATED SUPPLIERS, Garden Route District, 2023/24



Source: Western Cape Provincial Treasury, 2024

Private sector investment

Private sector investment is crucial to the Western Cape as it drives economic growth, innovation, and job creation. A vibrant private sector can fuel innovation and help alleviate poverty. Private investment, measured by Gross Fixed Capital Formation (GFCF), represents the actual expenditure on physical assets by businesses to maintain or increase production capacity. Private sector investment is crucial to the Western Cape as it drives economic growth, innovation, and job creation.

In 2023, the primary sector in the GRD has a GFCF of R731.1 million but experienced a decline of 1.7 per cent from 2022 to 2023. Within this sector, agriculture, forestry, and fishing contribute R676.4 million, with a slight decline of -1.6 per cent, indicating challenges such as adverse weather conditions and market fluctuations. Mining and quarrying, with a smaller contribution of R54.7 million, saw a more significant decline of 3.6 per cent.

The secondary sector shows robust growth with a GFCF of R1.4 billion and a growth rate of 10.2 per cent, highlighting strong industrial activity. Manufacturing leads this sector with R840.0 million, growing by 8.7 per cent, indicating significant investment in production capabilities. The electricity, gas, and water sector has a GFCF of R398.1 million, with the highest growth rate at 18.8 per cent, reflecting substantial investments in energy and utility infrastructure. However, the construction sector, contributing R196.9 million, experienced a slight decline of -0.4 per cent, suggesting stagnation or minor setbacks in building and infrastructure projects.

The tertiary sector is the largest in the GRD, with a GFCF of R4.4 billion and a moderate growth rate of 1.8 per cent. Within this sector, wholesale and retail trade, catering, and accommodation contribute R474.6 million, growing by 6.6 per cent, indicating a healthy consumer market and tourism industry. Transport, storage, and communication have a GFCF of R939.8 million, with a growth rate of 8.9 per cent. Finance, insurance, real estate, and business services lead the sector with R2.2 billion but experienced a decline of 2.6 per cent, possibly due to market volatility and reduced business investments. General government contributes R540.0 million, with a growth rate of 1.9 per cent, while community, social, and personal services have a GFCF of R270.9 million, growing by 4.1 per cent, reflecting investments in social infrastructure and services.

Table 7
GROSS FIXED CAPITAL FORMATION PER SECTOR, Garden Route District, 2022-2023

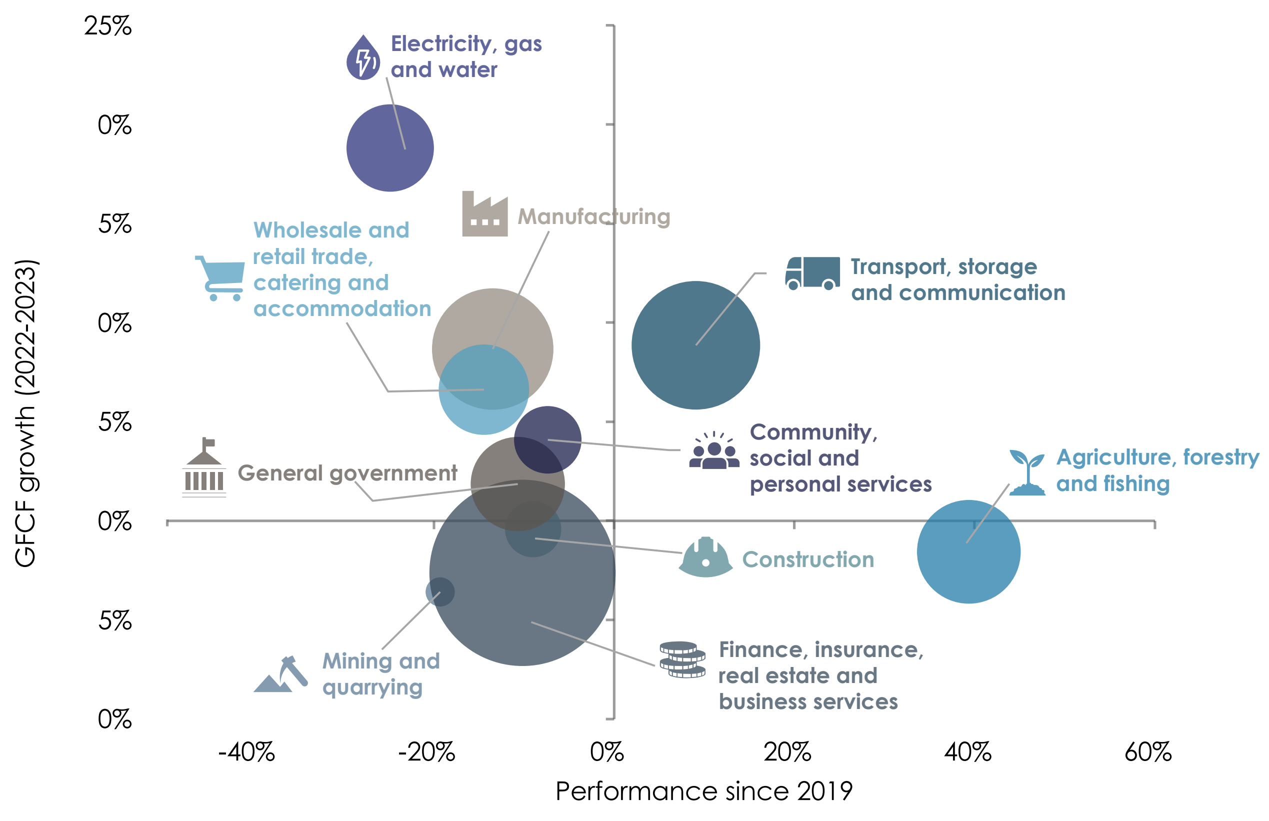
Sector	2022 R million	GFCF growth (2022-2023)
Primary sector	**731.1**	**-1.7%**
Agriculture, forestry and fishing	676.4	-1.6%
Mining and quarrying	54.7	-3.6%
Secondary sector	**1435.1**	**10.2%**
Manufacturing	840.0	8.7%
Electricity, gas and water	398.1	18.8%
Construction	196.9	-0.4%
Tertiary sector	**4431.5**	**1.8%**
Wholesale and retail trade, catering and accommodation	474.6	6.6%
Transport, storage and communication	939.8	8.9%
Finance, insurance, real estate and business services	2 206.2	-2.6%
General government	540.0	1.9%
Community, social and personal services	270.9	4.1%
Total Garden Route District	**6597.8**	**3.2%**

Source: Quantec, 2024

An analysis of the sectoral contributions to GFCF and performance since 2019 reveals that investment levels are struggling to recover to pre-2019 levels, with notable exceptions. The mining and quarrying sector has rebounded the most since COVID-19 due to recent investments. The transport, storage, and communication sector also demonstrated strong recovery, indicating robust investment and expansion in logistics and communication infrastructure.

However, the electricity, gas, and water sector has contracted significantly since COVID-19. This disparity suggests that while recent investments are substantial, they are not yet sufficient to offset the significant losses incurred during the pandemic. Overall, most sectors have not yet recovered to pre-COVID levels, with the total GRD showing a 6.5 per cent decline in performance since 2019, despite a 3.2 per cent growth in GFCF from 2022 to 2023.

Figure 106
GROSS FIXED CAPITAL FORMATION, Garden Route District, 2022-2023

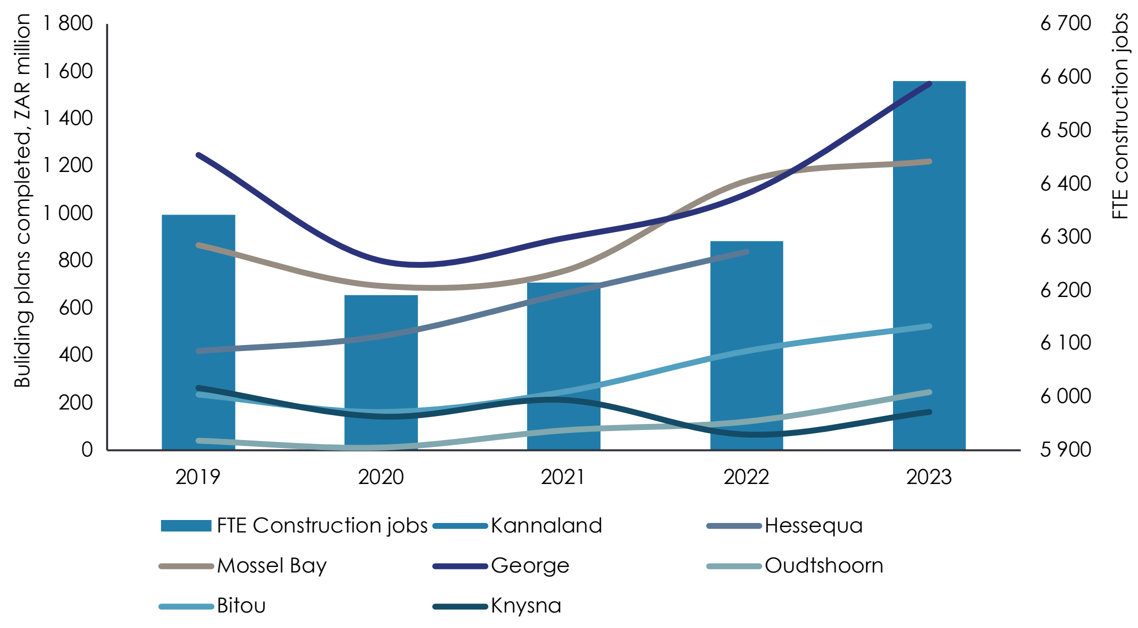


Source: Quantec. 2024

Looking at the number of building plans approved and completed is a useful leading indicator for infrastructure investments. George experienced the most substantial increase, with building plans completed rising from R1.1 billion in 2022 to R1.5 billion in 2023, reflecting robust growth in construction activity. Mossel Bay also saw a notable increase, from R1.1 billion in 2022 to R1.2 billion in 2023. Oudtshoorn showed a significant rise from R0.1 billion to R0.2 billion, indicating a doubling of construction activity. Bitou and Knysna also experienced increases, with Bitou rising from R0.4 billion to R0.5 billion and Knysna from R0.1 billion to R0.2 billion. Hessequa did not report data for 2023, and Kannaland had no reported activity for the period.

In terms of FTE construction jobs, there was a positive year-on-year change from 2022 to 2023. The number of FTE construction jobs increased from 6 293 in 2022 to 6 592 in 2023, indicating a growth of approximately 4.8 per cent. This increase in construction employment aligns with the overall rise in building plans completed, suggesting a healthy expansion in the construction sector within the GRD. The growth in construction jobs and completed building plans highlights a recovery and potential boom in the local construction industry, driven by increased development activities across multiple municipalities.

Figure 107
TOTAL VALUE OF BUILDING PLANS COMPLETED & CONSTRUCTION SECTOR FTE JOBS, Garden Route District, 2019 – 2023 (R million)



Source: Quantec. 2024.

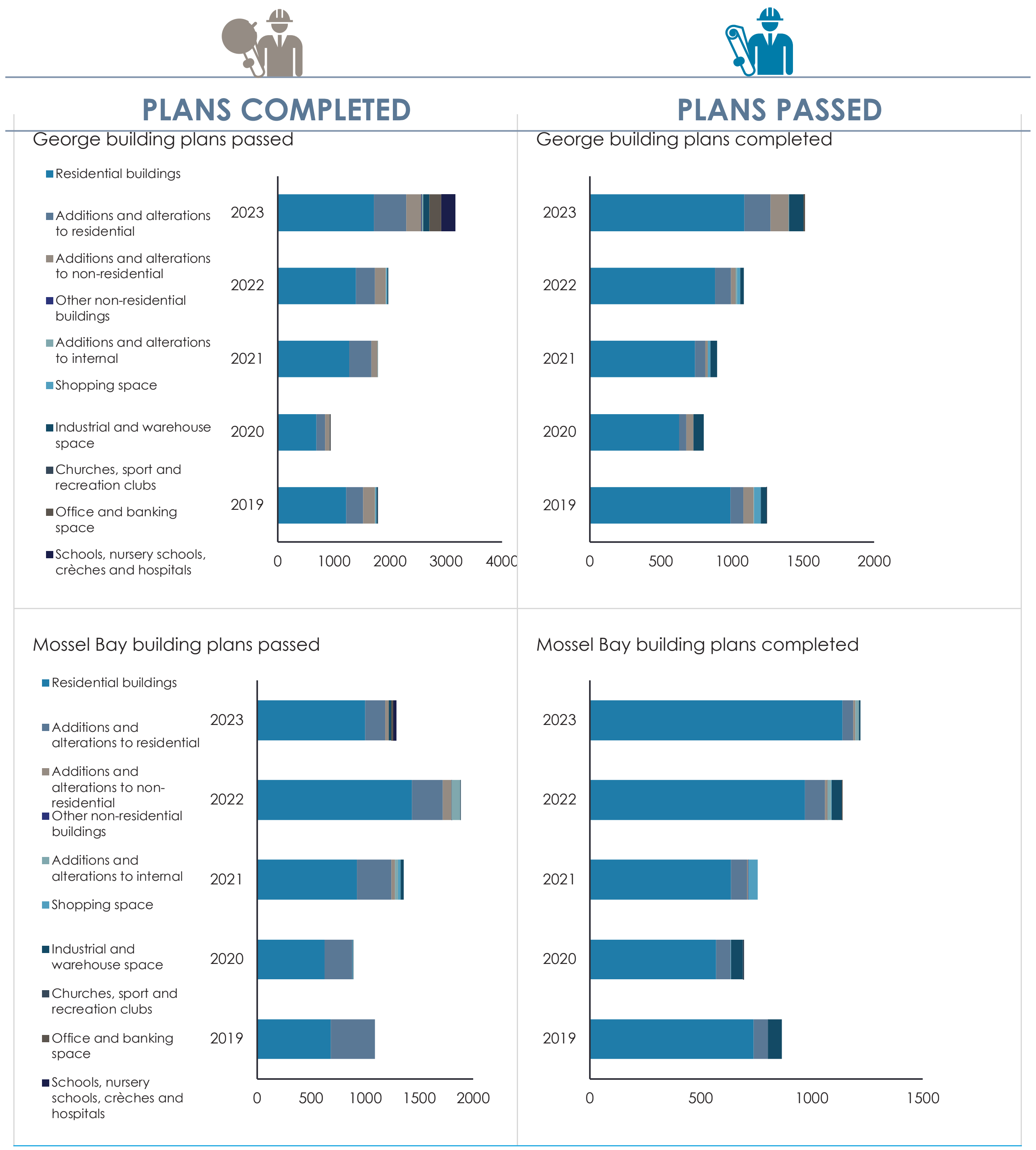
In George, the building plans passed for residential buildings increased from R1.4 billion in 2022 to R1.7 billion in 2023, indicating a significant rise of approximately 23 per cent in new residential construction projects. Additions and alterations to residential buildings also saw a substantial increase from R341.3 million in 2022 to R579.6 million in 2023. Notably, office and banking space saw a significant increase from zero in 2022 to R205.7 million in 2023, indicating a surge in commercial development. Additionally, schools, nursery schools, crèches, and hospitals saw a new entry with R247.6 million in 2023, reflecting a focus on educational and healthcare infrastructure.

The building plans completed in George for residential buildings increased from R882.4 million in 2022 to R1.1 billion in 2023, indicating a growth of approximately 23.1 per cent. Additions and alterations to residential buildings also saw a significant increase from R109.3 million in 2022 to R185.1 million in 2023, showing a robust trend in renovation activities with a growth of 69.4 per cent. Industrial and warehouse space completions increased from R24.8 million in 2022 to R101 million in 2023, highlighting a focus on completing industrial projects with a growth of 307.3 per cent. This data reflects strong growth in both new residential construction and renovation activities, along with a significant rise in commercial and industrial completions.

In Mossel Bay, the building plans passed for residential buildings saw a significant decrease from R1.4 billion in 2022 to R1billion in 2023, a decline of approximately 30.1 per cent. Conversely, there was a notable increase in industrial and warehouse space, which rose from R1.7 million in 2022 to R25.4 million in 2023. Additionally, office and banking space saw a substantial increase from zero in 2022 to R17 million in 2023, reflecting a growing demand for commercial office space.

The building plans completed in Mossel Bay for residential buildings increased from R968.2 million in 2022 to R1.1 billion in 2023, indicating a growth of approximately 17.5 per cent. However, additions and alterations to residential buildings decreased from R91.5 million in 2022 to R49.4 million in 2023, a decline of 46 per cent. Industrial and warehouse space completions also dropped significantly from R47 million in 2022 to R8.4 million in 2023. This data highlights a mixed trend in construction activities, with a focus on completing existing residential projects while new industrial and renovation projects slowed down.

Figure 108
VALUE OF BUILDING PLANS PASSED AND COMPLETED, Garden Route District, 2023 (R million)



In Oudtshoorn, the building plans passed for residential buildings saw a significant decrease from R125 million in 2022 to R43.8 million in 2023, a reduction of approximately 65 per cent. Additions and alterations to residential buildings also dropped dramatically from R152.6 million in 2022 to R0.3 million in 2023. However, other non-residential buildings saw an increase from R0.9 million in 2022 to R5.7 million in 2023, suggesting a shift towards non-residential development. Additionally, churches, sport, and recreation clubs saw an increase from R0.2 million in 2022 to R3 million in 2023, reflecting growing investment in community infrastructure.

The building plans completed in Oudtshoorn for residential buildings increased significantly from R61.4 million in 2022 to R227.2 million in 2023, indicating a growth of approximately 270 per cent. However, additions and alterations to residential buildings decreased from R59.9 million in 2022 to R9.7 million in 2023, a decline of 83.8 per cent. Other non-residential buildings saw new completions with R2.4 million in 2023, highlighting a focus on completing diverse non-residential projects.

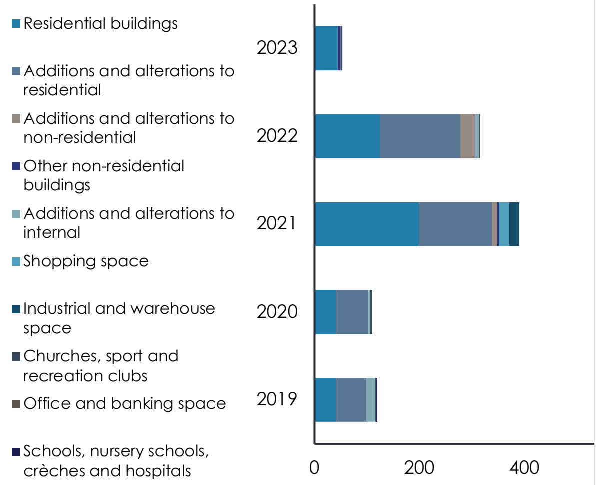
In Bitou, the building plans passed for residential buildings slightly decreased from R454.2 million in 2022 to R439 million in 2023, a decline of approximately 3.3 per cent. Additions and alterations to residential buildings also saw a decrease from R121.9 million in 2022 to R113.9 million in 2023, a decline of 6.6 per cent. Notably, there was an increase in industrial and warehouse space, which rose from zero in 2022 to R26.8 million in 2023, suggesting a renewed interest in industrial development. Additionally, office and banking space saw a new entry with R0.6 million in 2023, reflecting emerging commercial activities.

The building plans completed in Bitou for residential buildings increased significantly from R282.9 million in 2022 to R388.9 million in 2023, indicating a growth of approximately 37.5 per cent. However, additions and alterations to residential buildings decreased from R84.3 million in 2022 to R48.5 million in 2023. Other non-residential buildings saw a substantial increase in completions from R3.8 million in 2022 to R34.6 million in 2023, highlighting a focus on completing diverse non-residential projects.

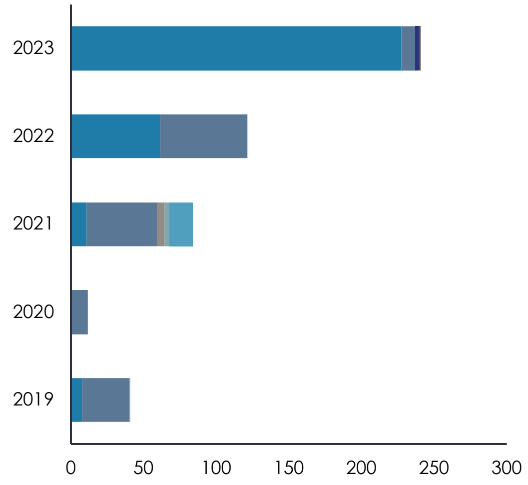
In Knysna, the building plans passed for residential buildings decreased from R3.9 billion in 2022 to R3 billion in 2023. Additions and alterations to residential buildings, however, saw a significant increase from R2 billion in 2022 to R2.7 billion in 2023, reflecting a growth of 33.2 per cent in renovation activities. Additions and alterations to non-residential buildings also increased from R94.4 million in 2022 to R181.5 million in 2023, suggesting a rise of 92.2 per cent in non-residential development. Additionally, churches, sport, and recreation clubs saw a decrease from R121.5 million in 2022 to R62.5 million in 2023, indicating a reduction of 48.5 per cent in community infrastructure projects.

The building plans completed in Knysna for residential buildings increased from R10.6 million in 2022 to R78.2 million in 2023, indicating a significant rise of approximately 637 per cent in the completion of residential projects. Additions and alterations to residential buildings also saw an increase from R45.2 million in 2022 to R83.4 million in 2023, showing a robust trend in renovation activities with a growth of 84.5 per cent. Other non-residential buildings saw new completions with R34.6 million in 2023, highlighting a focus on completing diverse non-residential projects.

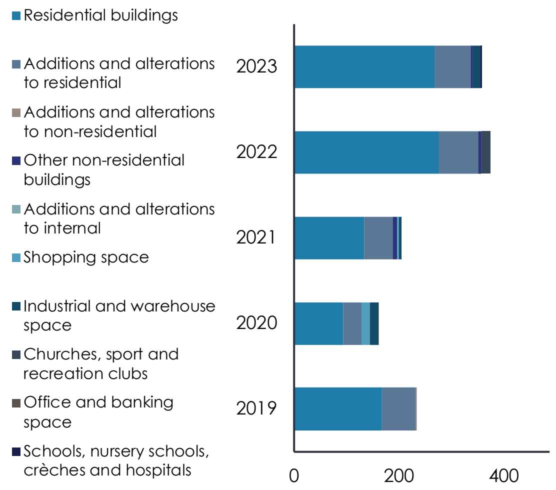
Oudtshoorn building plans passed



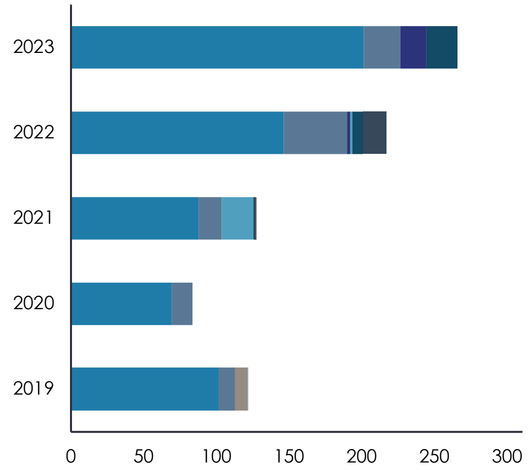
Oudtshoorn building plans completed



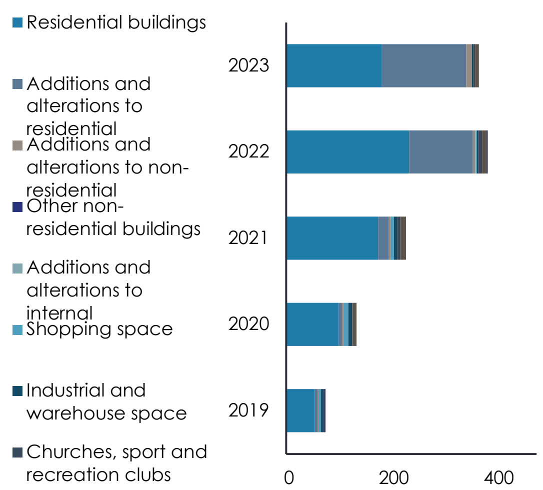
Bitou building plans passed



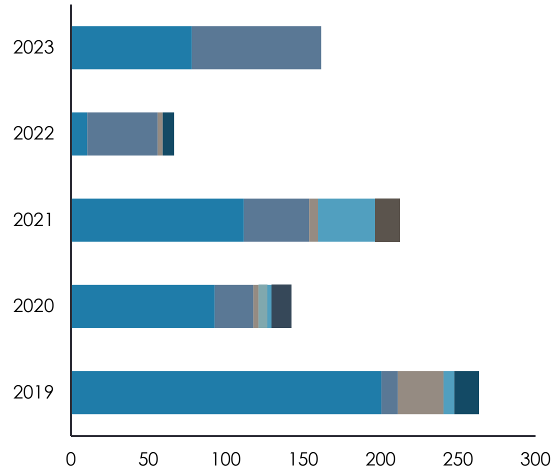
Bitou building plans completed



Knysna building plans passed



Knysna building plans completed



Source: Quantec. 2024

CONCLUDING REMARKS

In 2023, the GRD outpaced the national economy with a GDPR growth rate of 1.1 per cent, compared to South Africa's national growth of 0.6 per cent. This translates to a GDPR of R46.2 billion, up from R45.7 billion in 2022. The District's growth was driven by strong performance in sectors such as agriculture, manufacturing, and tourism. The region saw a net increase of 11 156 jobs, following a gain of 12 683 jobs in 2022, effectively compensating for the losses experienced during the pandemic years. The agriculture sector, especially the wine, citrus, and horticulture industries, recorded the largest job gains, alongside significant employment growth in tourism and hospitality sectors. Consequently, the unemployment rate in the District improved from 28 per cent in 2022 to 24.6 per cent in 2023, reflecting the District's economic resilience and continued recovery.

Infrastructure projects and business expansions supported economic growth, with key municipal areas making significant contributions to GDPR. George led the way, contributing 40.4 per cent to the District's GDPR, amounting to R18.7 billion. Mossel Bay followed with 17.5 per cent of total GDPR (R8.1 billion), driven by the port, energy, and tourism sectors. Oudtshoorn, with its agricultural and tourism sectors, contributed 12.6 per cent to GDPR (R5.8 billion), while Knysna and Bitou, with their tourism-driven economies, contributed 10.7 per cent and 7.3 per cent, respectively. Hessequa and Kannaland contributed 8.8 per cent and 2.8 per cent to GDPR, respectively, with agriculture and tourism being the primary economic drivers in these areas.

Among the most urbanised and economically significant municipal areas, George played the largest role in driving the District's GDPR growth, contributing 0.4 percentage points, followed by Mossel Bay with 0.2 percentage points. Both municipal areas were also key contributors to employment growth, with George contributing 1.9 percentage points and Mossel Bay contributing 0.8 percentage points. Other municipal areas such as Oudtshoorn and Knysna also made contributions, with Oudtshoorn adding 0.1 percentage points to GDPR growth and 0.7 percentage points to employment growth, while Knysna contributed 0.1 percentage points to GDPR growth and 0.6 percentage points to employment growth. Smaller municipal areas like Hessequa and Bitou contributed similarly to GDPR growth, each adding 0.1 percentage points, and both saw steady employment growth contributions - Hessequa at 0.6 percentage points and Bitou at 0.4 percentage points. The labour-intensive sectors in the GRD, particularly in tourism, agriculture, and services, played a major role in driving employment, underscoring the District's diverse economic base.

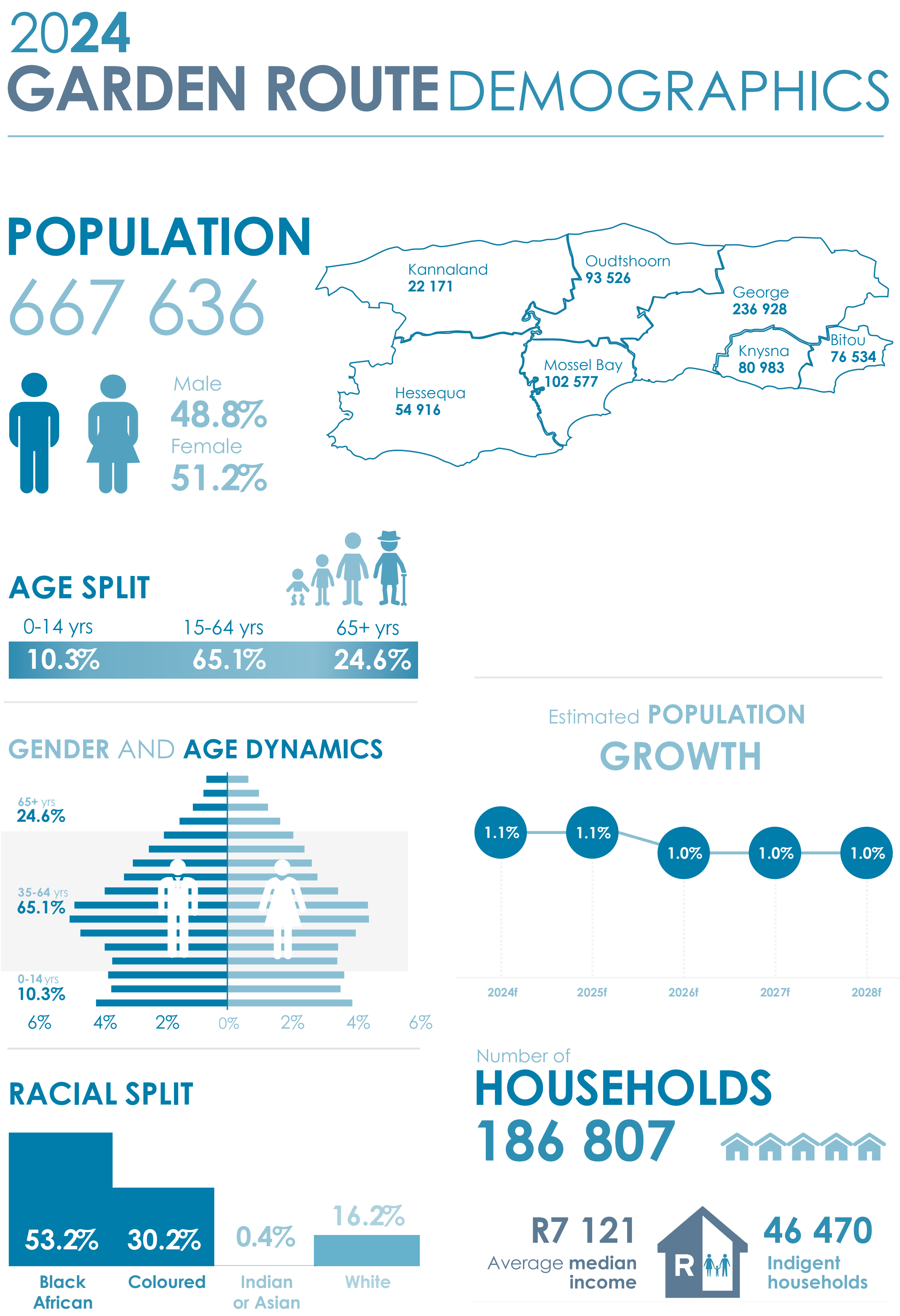
Overall, the GRD's economic performance in 2023 reflects a resilient and diverse economy with strong contributions from high-value sectors and traditional industries. However, challenges such as skill shortages, infrastructure constraints, and climate-related risks remain. Balancing these dynamics and investing in innovation, resilience, and skills development will be key to ensuring sustainable and inclusive growth for the region.

INTRODUCTION

This section delves into the social trends shaping the GRD, alongside key indicators of health and wellbeing in the District. By examining factors such as population dynamics, housing demand, essential services, healthcare, education, and crime, we can gain valuable insights into the lives of citizens and the local economy.

Population dynamics offer a glimpse into the evolving landscape of the GRD, providing a profound understanding of societal aspects and their implications for economic development, labour markets, and resource allocation. Data on population dynamics helps build an understanding of demographic shifts in the GRD and their impact on economic development, labour markets, and resource allocation.

Access to basic services such as water, electricity, sanitation, and waste removal is crucial for community wellbeing and progress. Indicators related to healthcare, educational outcomes, and crime are examined to understand the broader social and economic conditions of the GRD. These pillars – health, education, and safety – reflect overall wellbeing, the potential of future generations, and the community's challenges.

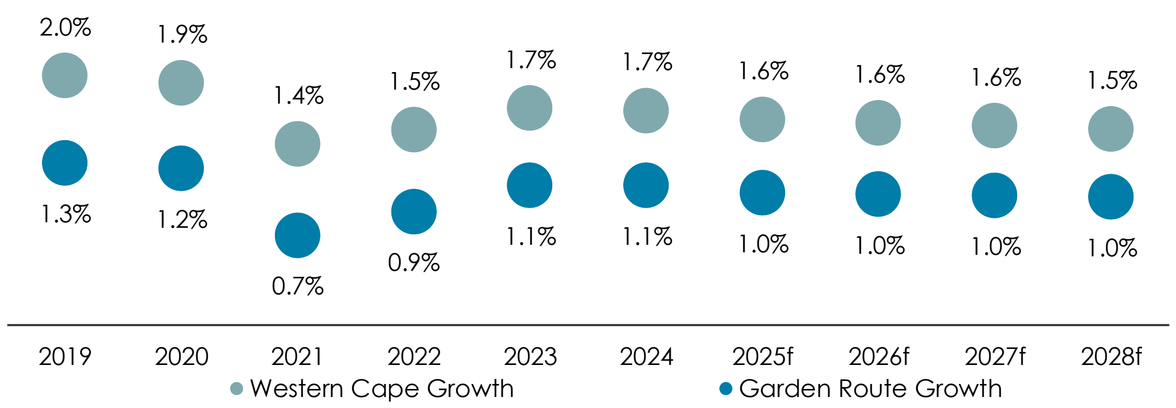


DEMOGRAPHICS

The GRD is the third most populous region in the Western Cape, after the Cape Metro, and the CWD. The District had a population of 667 636 in 2023, after a year-on-year growth rate of 1.1 per cent. From 2024 onwards, the Garden Route population is expected to grow at an average annual rate of 1 per cent.

The population growth is largely driven by semigration, particularly retirees and individuals seeking a better quality of life. The growth of the tourism sector, along with other industries such as agriculture and retail, has created job opportunities.

Figure 109
ESTIMATED POPULATION GROWTH, Garden Route and Western Cape, 2019-2028f



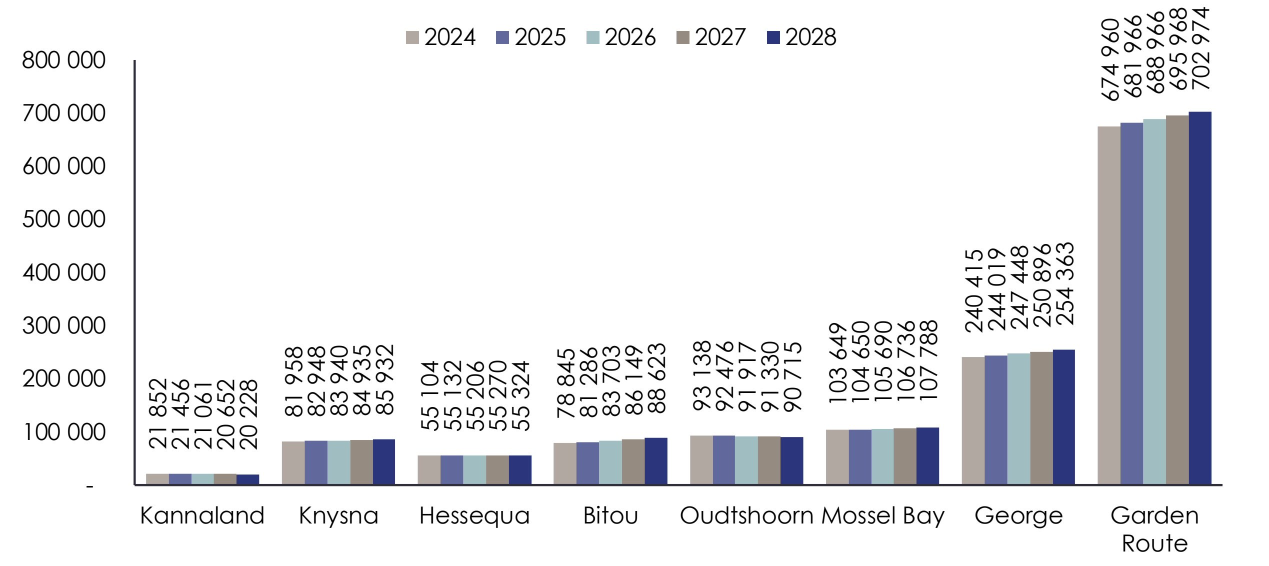
Source: Stats SA MYPE, 2024

George has the largest population share in the GRD, with 240 415 residents in 2024, accounting for 35.6 per cent of the population. It is expected to grow at an average rate of 1.4 per cent from 2024 to 2028, the second highest in the District, due to its development as an urban hub. Mossel Bay follows, with 103 649 residents making up 15.3 per cent of the GRD's population and is projected to grow at an average rate of 1 per cent over the same period.

Oudtshoorn has 93 138 residents, representing 13.7 per cent of the District's population, but is expected to see a decline with an average growth rate of -0.6 per cent. This negative growth is attributed to lower urbanisation levels and a high reliance on agriculture, leading to out-migration. Bitou, with 78 845 residents (11.6 per cent of the population), is projected to have the highest growth rate in the District at 3 per cent, driven by its high urbanisation and status as a key entry point to the Western Cape along the N2.

Hessequa has 55 104 residents, making up 8.1 per cent of the District's population, with a modest growth rate of 0.1 per cent. Knysna accounts for 12.1 per cent of the population with 81 958 residents and is expected to grow at an average rate of 1.2 per cent, the third highest in the District. Kannaland has the smallest population in the District, with 21 852 residents (3.2 per cent of the population) and a negative growth rate of -1.8 per cent, due to its rural and less developed nature, resulting in out-migration.

Figure 110
ESTIMATED POPULATION NUMBERS, Garden Route District, 2024-2028f



Source: Western Cape Government PPU, 2024; Provincial, District and Local Municipality population estimates by sex and age (2002 – 2030) based on Stats SA MYPE, 2024

In 2023, the GRD recorded 186 807 households, marking a year-on-year growth of 1.8 per cent compared to 2022. George accounted for the largest share of households in the District, with 34.2 per cent, and is the more urbanised and affluent area known for attracting individuals seeking better employment opportunities and higher living standards. Mossel Bay follows with 31 705 households (17 per cent), showcasing its economic strength and appeal.

Oudtshoorn accounts for 10.3 per cent of the District's households, with 20 651 households. Bitou and Knysna have 25 316 (14.7 per cent) and 24 925 (13.4 per cent) households, respectively, both experiencing urbanisation. Hessequa has a relatively small number of households, with 15 746 households (8.1 per cent). Kannaland has the smallest number of households, with 5 142 households (2.4 per cent), due to its rural and less developed nature.

Table 8
HOUSEHOLDS, Garden Route District, 2023

	2022	2023	2024	2025	2026	2027
Kannaland	5 217	5 142	5 065	4 983	4 894	4 799
Knysna	24 444	24 925	25 420	25 919	26 398	26 886
Hessequa	15 626	15 746	15 874	16 008	16 138	16 275
Bitou	24 328	25 316	26 330	27 360	28 380	29 430
Oudtshoorn	20 626	20 651	20 669	20 674	20 644	20 607
Mossel Bay	31 159	31 705	32 272	32 856	33 433	34 042
George	62 041	63 323	64 634	65 954	67 228	68 523
Garden Route	183 441	186 807	190 263	193 753	197 115	200 563

Source: Western Cape Government PPU, 2024; Provincial, District and Local Municipality population estimates by sex and age (2002 – 2030) based on Stats SA MYPE, 2021

An analysis of the expected population and household growth for 2024 reveals that George is projected to experience the highest household growth at 2.1 per cent and a substantial population growth rate of 1.5 per cent. This indicates George's continued appeal as an urban hub, likely driven by its economic opportunities and higher living standards.

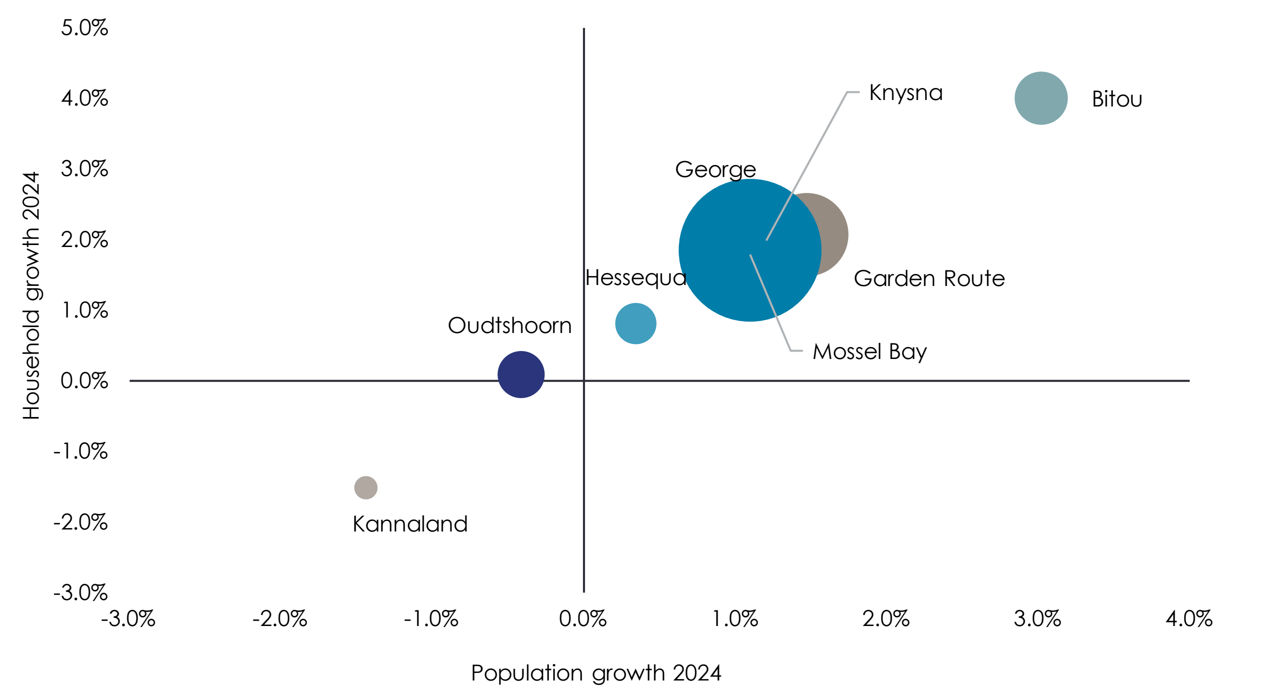
Knysna and Mossel Bay are also expected to see notable growth. Knysna's household growth rate is projected at 2 per cent, with a population growth of 1.2 per cent. Mossel Bay is anticipated to have a household growth rate of 1.8 per cent and a population growth of 1 per cent. These statistics show that both Municipalities are becoming increasingly attractive for residential development and economic activities.

In contrast, Oudtshoorn shows a low expected household growth rate of 0.1 per cent and a negative population growth of -0.4 per cent. This stagnation could be attributed to lower levels of urbanisation and economic opportunities, leading to out-migration.

Bitou stands out with the highest projected household growth of 4 per cent and the highest population growth of 3 per cent. This rapid growth underscores Bitou's increasing urbanisation and attractiveness as a residential area, likely due to its strategic location and economic prospects. At the same time, Hessequa is expected to have a modest household growth rate of 0.8 per cent and a population growth rate of 0.3 per cent. This steady growth reflects a stable but less dynamic development compared to other municipalities.

Kannaland has the lowest projections, with a household growth rate of -1.5 per cent and a population growth rate of -1.4 per cent. The negative growth rates highlight Kannaland's challenges, including its rural and less developed nature, which may hinder its attractiveness for new residents.

Figure 111
POPULATION AND HOUSEHOLD GROWTH, Garden Route District, 2023-2024

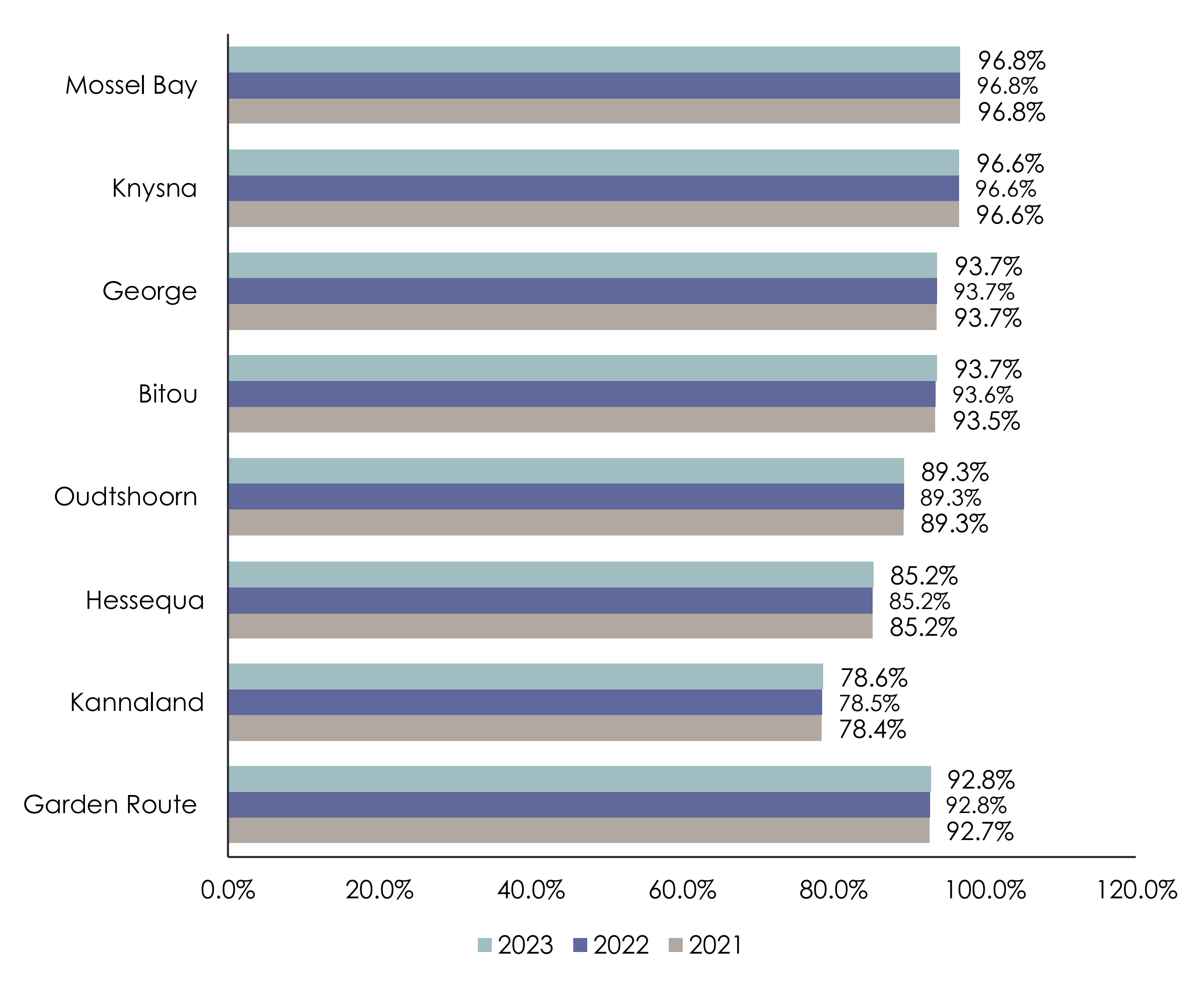


Source: Western Cape Government PPU, 2024; Provincial, District and Local Municipality population estimates by sex and age (2002 – 2030) based on Stats SA MYPE, 2021 and 2024. Note: the household growth is based on estimates from the 2021 MYPE (Size of bubble is based on number of households)

URBANISATION IN THE GARDEN ROUTE DISTRICT

The GRD showcases a notable degree of urbanisation, reflecting a trend of stable and significant urban development across its Municipalities from 2021 to 2023. However, the urbanisation levels have shifted by a small amount over the period. For instance, Kannaland moved from 78.4 per cent to 78.6 per cent. This incremental growth suggests a slow shift towards urban living.

Figure 112
LEVEL OF URBANISATION, Garden Route District, 2021-2023

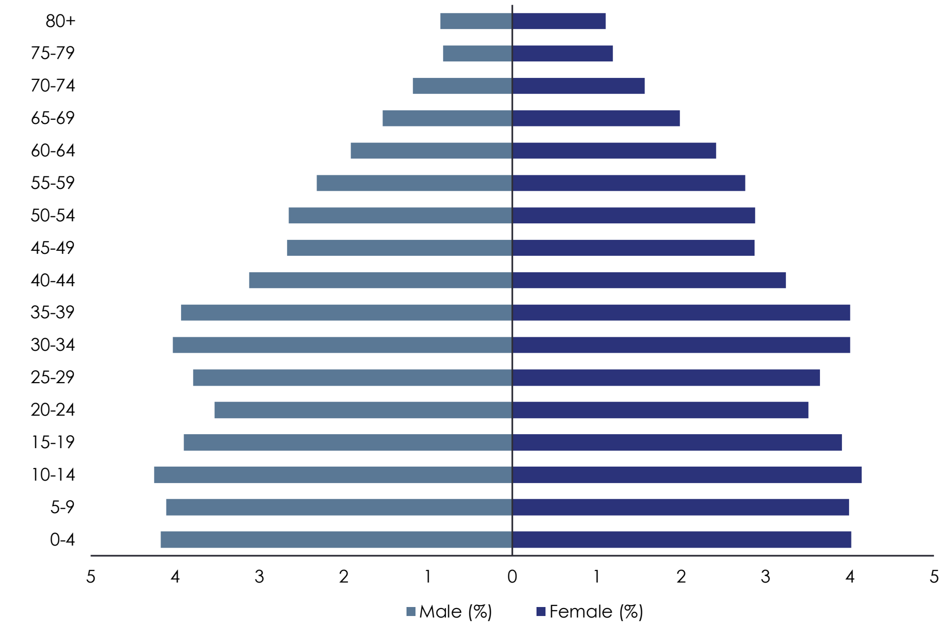


Source: Quantec 2024

All the municipal areas, apart from Hessequa and Kannaland, have urbanisation levels of almost 90 per cent and higher. The high urbanisation level in Hessequa is surprising given its rural reputation. The rate in Hessequa may reflect the development of smaller towns that offer urban amenities. Mossel Bay stands out as the most urbanised Municipality in the District, with a significant 96.8 per cent urbanisation level. The consistent urbanisation levels in the GRD underscores a region that successfully merges the benefits of urban living with the appeal of rural environments.

The GRD has a large working-age population, which forms 65.1 per cent of the total and indicates a robust labour force poised to drive economic activity and growth. Children under 15 years constitute 24.7 per cent and seniors over 65 years account for 10.2 per cent of the region's population, highlighting the need for diverse social planning. With a nearly even gender distribution of 48.8 per cent male and 51.2 per cent female.

Figure 113
GENDER AND AGE DYNAMICS, Garden Route District, 2023



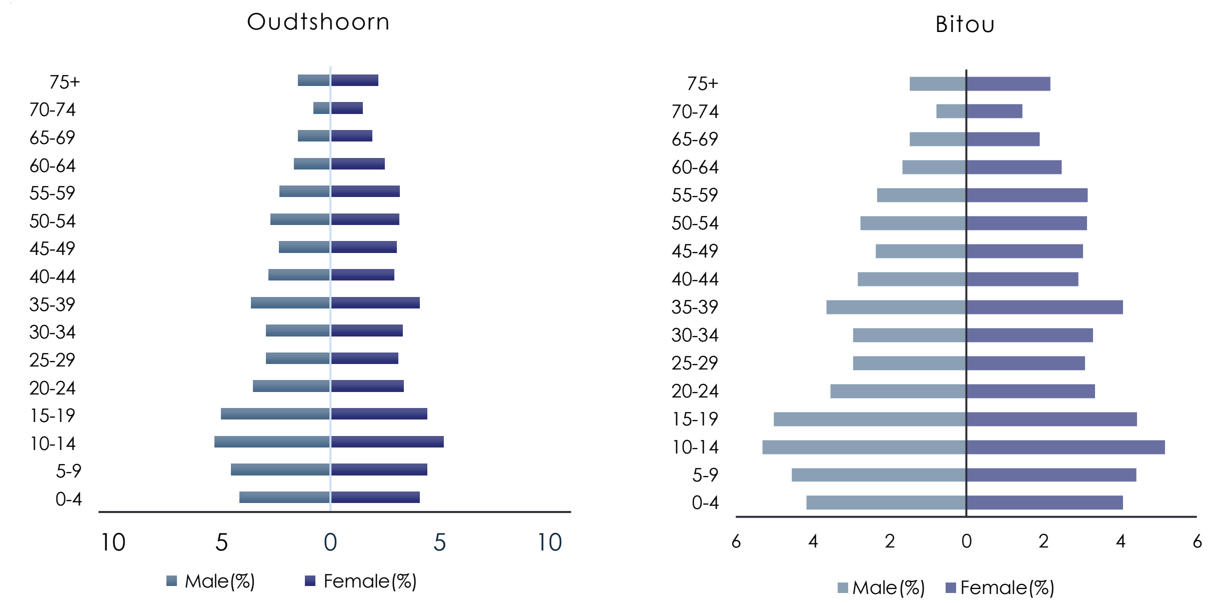
Source: Western Cape Government PPU, 2024; Provincial, District and Local Municipality population estimates by sex and age (2002 – 2030) based on Stats SA MYPE, 2024

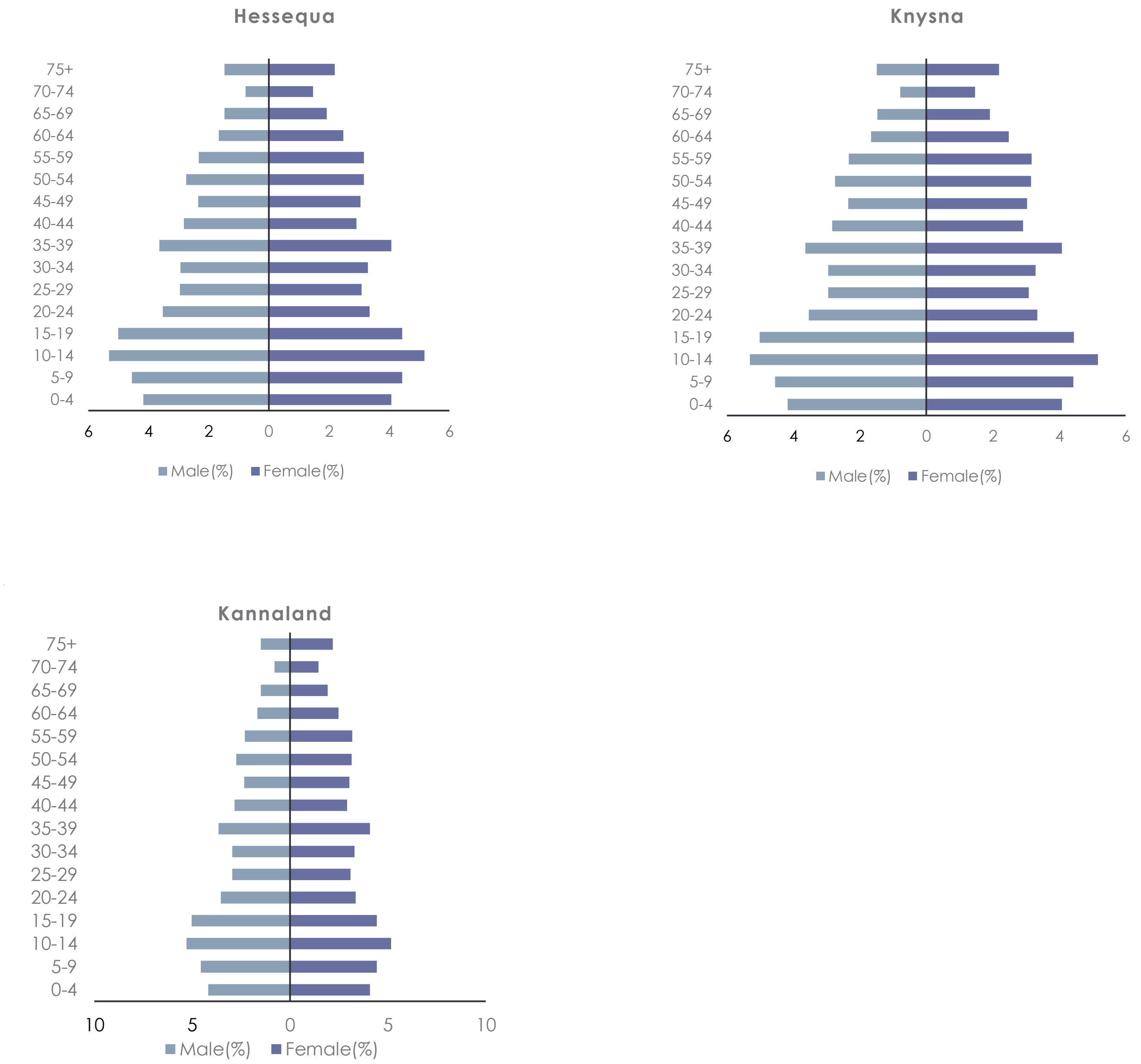
In 2023, Bitou municipal area recorded the largest proportion of the economically active population at 67.8 per cent, with a relatively higher representation of females at 50.3 per cent. This trend of female predominance was similarly observed in the George and Knysna municipal areas, as well as within the economically active population where 66.4 per cent and 65.3 per cent, respectively are female. In contrast, the Hessequa Municipal Area, while having the lowest proportion of those aged 15 to 64 at 61.9 per cent, has the highest female representation at 52 per cent.

Figure 114

GENDER AND AGE DYNAMICS PER MUNICIPALITY, Garden Route District, 2023

Source: Western Cape Government PPU, 2024; Provincial, District and Local Municipality population estimates by sex and age (2002 – 2030) based on Stats SA MYPE, 2024



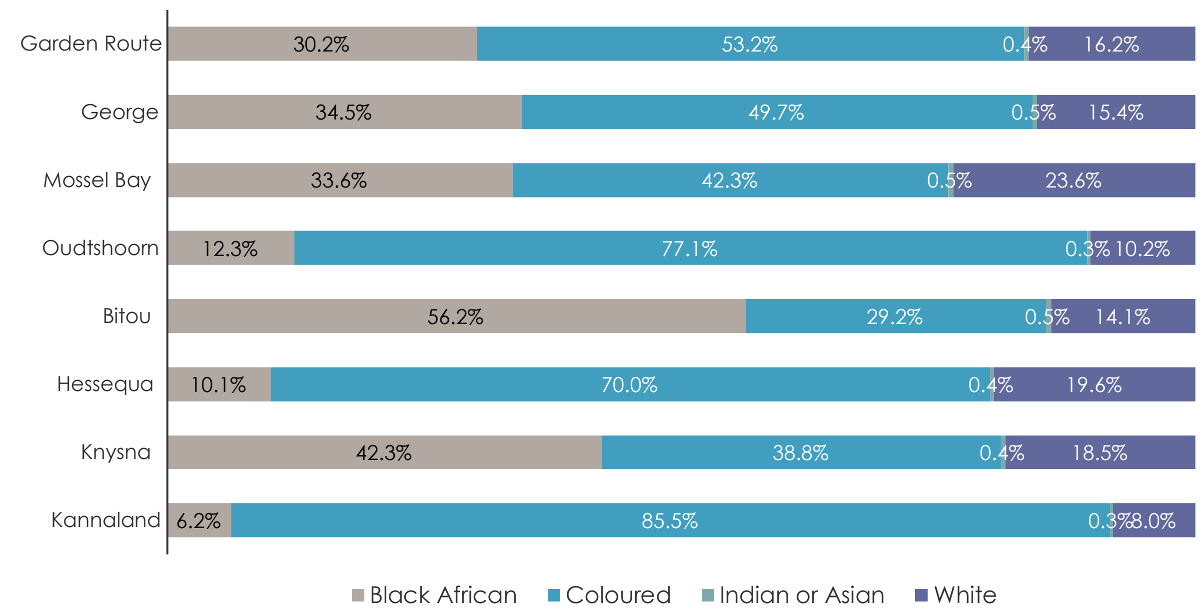


Source: Stats SA MYPE, 2021

In 2023, the Garden Route District comprises 53.2 per cent Coloureds, 30.2 per cent Black Africans, 16.2 per cent Whites, and 0.4 per cent Indians or Asians. In Kannaland, the population is predominantly Coloured at 85.5 per cent, with Black Africans making up 6.2 per cent, Whites 8 per cent, and Indians or Asians at 0.3 per cent. Hessequa's population is 70 per cent Coloured, 19.6 per cent White, 10.1 per cent Black African, and 0.4 per cent Indian or Asian. Oudtshoorn is predominantly Coloured at 77.1 per cent, with Black Africans at 12.3 per cent, Whites at 10.2 per cent, and Indians or Asians at 0.3 per cent.

Bitou has a majority of 56.2 per cent Black Africans, followed by 29.2 per cent Coloureds, 14.1 per cent Whites, and 0.5 per cent Indians or Asians. In George, the population is 49.7 per cent Coloured, 34.5 per cent Black African, 15.4 per cent White, and 0.5 per cent Indian or Asian. Knysna has a more even distribution with 42.3 per cent Black Africans, 38.8 per cent Coloureds, 18.5 per cent Whites, and 0.4 per cent Indians or Asians. Mossel Bay has 42.3 per cent Coloureds, 33.6 per cent Black Africans, 23.6 per cent Whites, and 0.5 per cent Indians or Asians. This diverse demographic composition highlights the need for inclusive policies and programmes that cater to the needs of these communities.

Figure 115
RACIAL DISTRIBUTION, Garden Route District, 2023



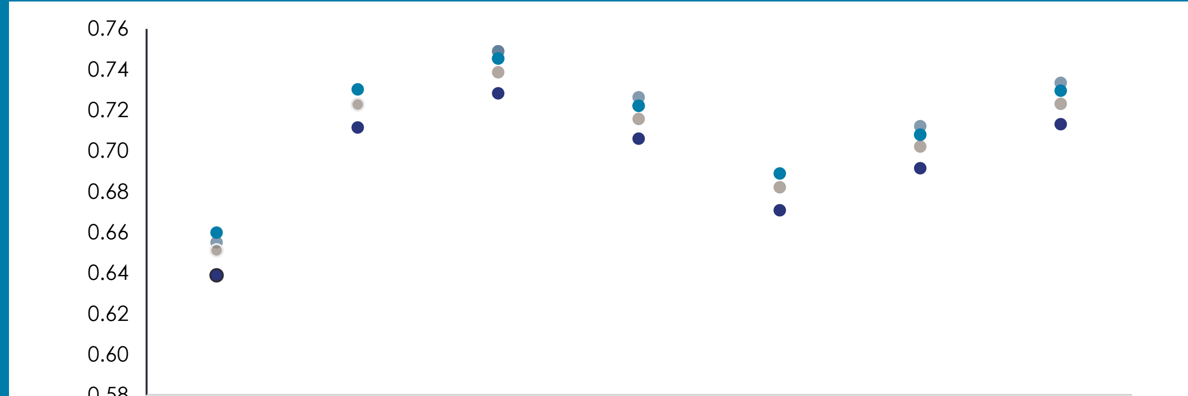
Source: Quantec data (2024) and conversion using the Western Cape Government PPU, 2024; Provincial, District and Local Municipality population estimates by sex and age (2002 – 2030) based on Stats SA MYPE (2024) population numbers.

Human Development Index

The Human Development Index (HDI) is a measure created by the United Nations Development Programme (UNDP) to assess a country's overall progress. It allows for evaluation in terms of three fundamental aspects of human development: life expectancy, education and standard of living. The index serves as a metric to gauge the average level of achievement across these aspects within a country.

The impact of COVID-19 on life expectancy, education and employment was noteworthy and subsequently affected income levels in the district. The GRD's HDI has started to recover from post-pandemic levels thanks to improvements in income levels, education attainment and health. In 2023, the GRD recorded an HDI of 0.712, compared to 0.705 in 2022.

Figure 116
HDI PER MUNICIPAL AREA, Garden Route District, 2020–2023



	Kannaland	Hessequa	Mossel Bay	George	Oudtshoorn	Bitou	Knysna
2020	0.655	0.73	0.749	0.726	0.689	0.712	0.733
2021	0.639	0.712	0.728	0.706	0.671	0.692	0.713
2022	0.651	0.723	0.739	0.716	0.682	0.702	0.723
2023	0.660	0.730	0.745	0.722	0.689	0.708	0.730

Source: S&P Global: Market Intelligence, 2024

However, the HDI levels are quite differentiated within the District. The Mossel Bay municipal area recorded the highest HDI in 2023. It was closely followed in the rankings by Hessequa and Knysna, supported by relatively higher incomes and improved access to education in the latter. Conversely, Kannaland registered a comparatively lower standard of living. These disparities underscore the pressing need to address socio-economic inequalities, foster educational opportunities and elevate incomes to uplift communities and create a more equitable and prosperous region.

The HDI provides a multidimensional view of a region's socio-economic development. A region's economic performance holds immense significance in determining the quality of life of its residents. As economies thrive, human development tends to improve, translating into better quality of life for individuals. The prosperity and growth of an economy can foster advancements in education, healthcare and access to resources, which in turn contribute to the overall wellbeing of the population.

INCOME AND INEQUALITY

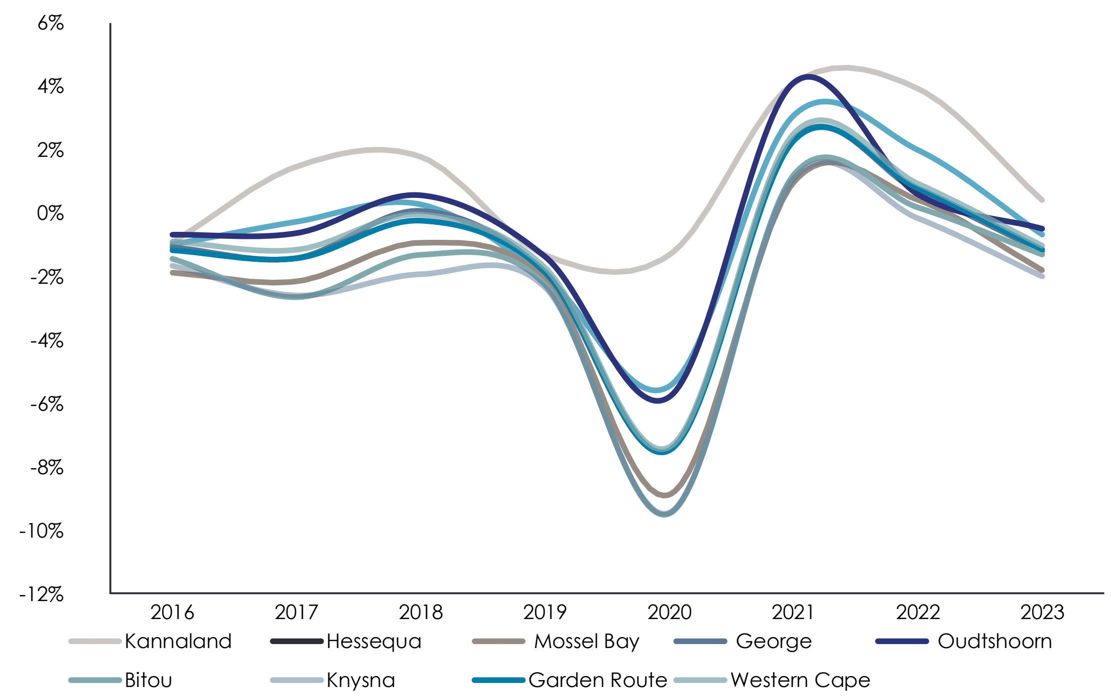
This section analyses several dimensions of income and inequality including GDPR per capita, highlighting the average economic output per person; District median income, which offers a snapshot of the middle-income range within the community; wage distribution for formal full-time employment, revealing the spread of earnings among workers; and the analysis of individual taxpayers and taxable income, providing insights into the fiscal contributions and income disparities among residents.

Real GDPR per capita

R54 487, translating to a 1.1 per cent contraction. The decline can be explained by the disparities that prevail, with a segment of the population enjoying affluence, while others grapple with financial challenges in an economic landscape characterised by inflation, escalating interest rates, and unemployment. Notably, this GDPR per capita remains below the Western Cape's average of R80 488.

George maintains its economic lead in the district with a GDPR per capita of R61 616, a slight decrease of 1.2 per cent from the previous year. Knysna's GDPR per capita declined to R50 144, the largest contraction in the Municipalities by 2 per cent. Followed by Mossel Bay, with a GDPR per capita of R56 157, experiencing a decline of 1.8 per cent. Bitou's GDPR per capita declined to R50 385, a decrease of 1.3 per cent. Hessequa's GDPR per capita slightly decreased to R55 331, a marginal decline of 0.7 per cent. Oudtshoorn's GDPR per capita decreased to R41 338, a slight decline of 0.5 per cent. Kannaland's GDPR per capita increased to R40 510, a modest rise of 0.4 per cent from the previous year, marking the smallest decline among the Municipalities.

Figure 117
GDPR PER CAPITA GROWTH (CONSTANT PRICES), Garden Route District, 2016–2023



Source: Quantec, 2024

Median income

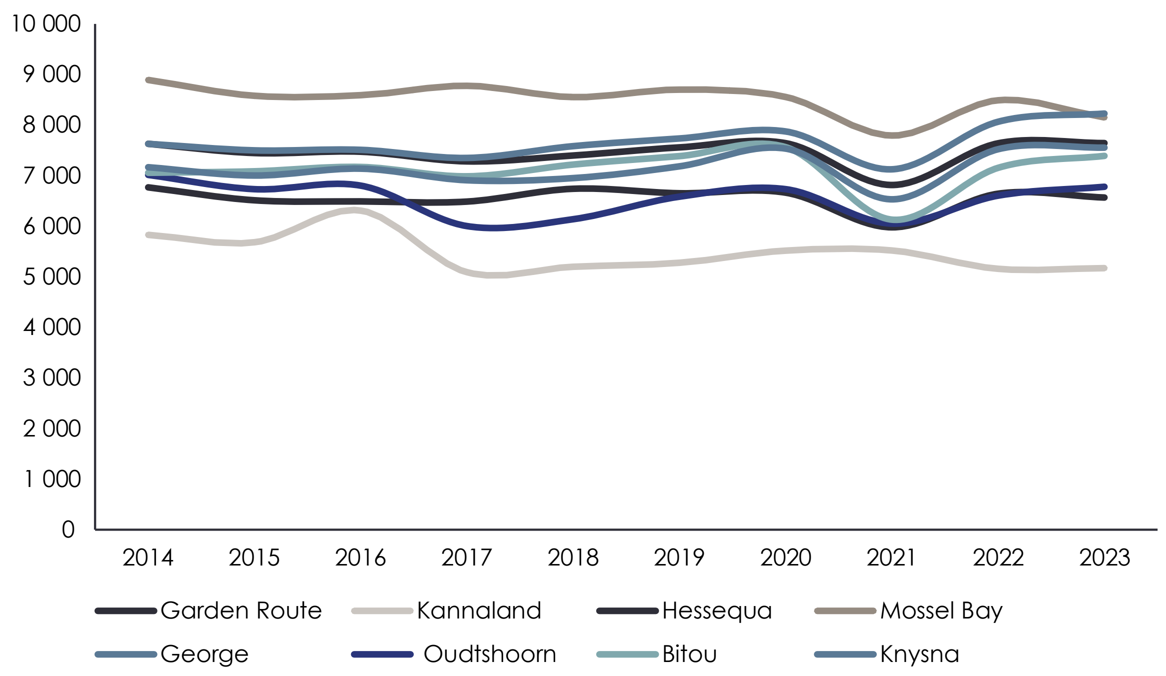
Unlike GDPR per capita, which measures average economic output per person, median income focuses on the typical income level, making it a better indicator of the most prevalent income levels. While GDPR per capita has shown an overall decline in 2023, the median income in GRD and its Municipalities has seen little change.

Kannaland has a median income of R5 172, which is the lowest among the Municipalities. This can be attributed to its agricultural base, particularly in wine and fruit production. Similarly, Hessequa, with a median income of R6 568, also has a predominantly rural and agricultural economy, focusing on dairy farming and crop production.

On the other hand, Mossel Bay stands out with a median income of R8 151. This higher median income can be linked to its diverse economy, which includes significant contributions from tourism, petrochemical industries, and fishing. George, with the highest median income of R8 228, benefits from being a major urban centre with well-developed infrastructure, including an airport and various educational institutions. Oudtshoorn, with a median income of R6 780, is known for its ostrich farming and tourism related to the Kango Caves.

Bitou, which includes the town of Plettenberg Bay, has a median income of R7 391. As a popular tourist destination, the tourism industry plays a significant role in boosting the median income in Bitou. Knysna, with a median income of R7 555, is known for its beautiful landscapes, forests, and lagoon, making it a prime tourist destination.

Figure 118
MEDIAN INCOME PER MUNICIPALITY (IN CONSTANT PRICES), 2014-2023

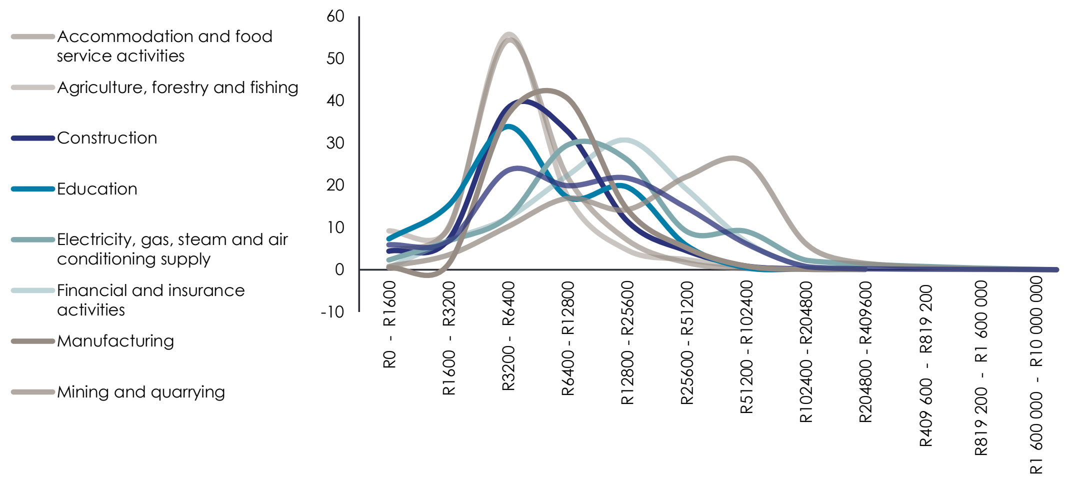


Source: Nell, A & Visagie, J. Spatial Tax Panel 2014 – 2023 (dataset). Version 3. National Treasury Cities Support Programme and Human Sciences Research Council (producer and distributor), 2024

Wage distribution

In 2023, as was the case in 2022, earnings for agricultural labour continued to range from R3 200 to R6 400 per month.[47] This income bracket suggests that the disposable income of local households engaged in agricultural work has not seen significant changes, remaining relatively constrained. In the Garden Route, the Municipalities most reliant on the agriculture industry are Kannaland, Hessequa, and Oudtshoorn.

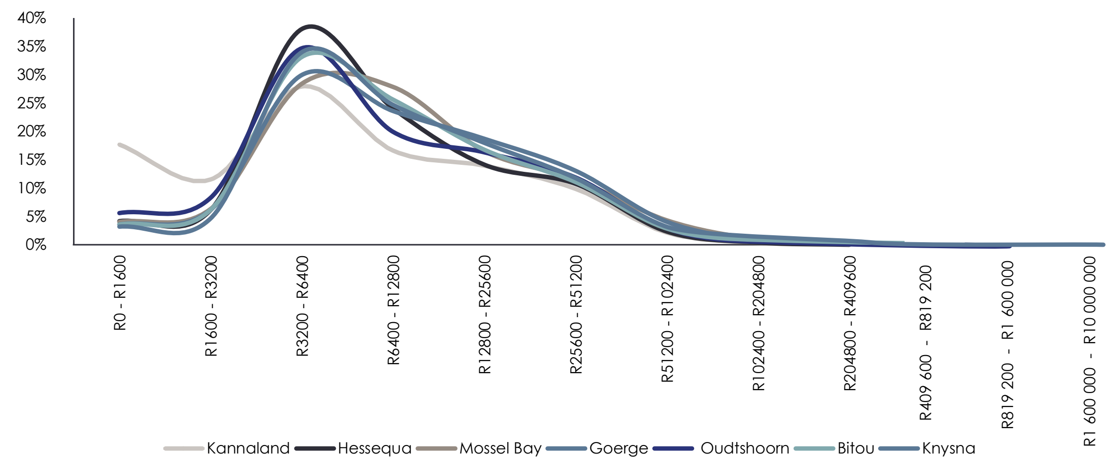
Figure 119
WAGE DISTRIBUTION PER INDUSTRY, Garden Route District, 2023



Source: Nell, A & Visagie, J. Spatial Tax Panel 2014 – 2023 (dataset). Version 3. National Treasury Cities Support Programme and Human Sciences Research Council (producer and distributor), 2024

Across the Municipalities, the wage disparity based on formal employment is evident, with most individuals earning close to the basic minimum wage. Those earning above the minimum wage (approximated as higher than R3 200) constitute 57.8 per cent of the population, while those earning R25 600 to R51 200, account for 12.1 per cent, reflecting district-wide income inequality, and limited disposable income to afford access to basic services.

Figure 120
WAGE DISTRIBUTION PER MUNICIPAL AREA, Garden Route District, 2023



Source: Nell, A & Visagie, J. Spatial Tax Panel 2014 – 2023 (dataset). Version 3. National Treasury Cities Support Programme and Human Sciences Research Council (producer and distributor), 2024

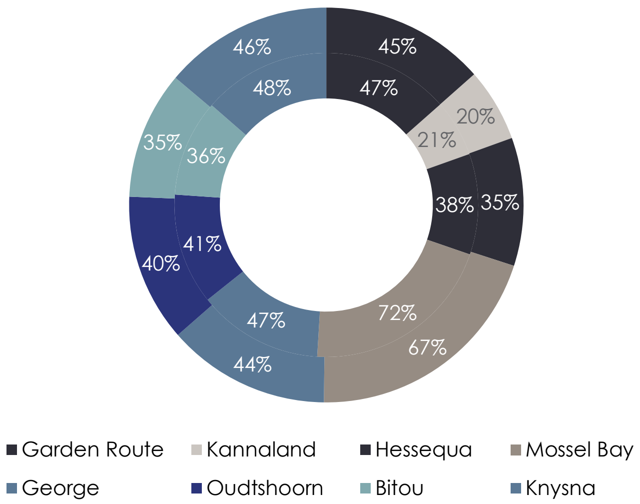
47 Spatial Tax Panel Data, 2024

Individual taxpayers

The Income Tax Act of 1962 (the Act) governs the imposition of income taxes in South Africa. Under the Act, tax is levied on taxable income, essentially gross income, less any relevant exemptions and deductions permitted by law. Taxes enable the financing of public sector goods and services.

The GRD displayed an increase in the number of taxpayers to 96 107 in 2022 from 95 637 in 2021, equal to a 0.5 per cent growth. This contrasts with the Western Cape province, which saw a slight overall decline in taxpayers over the same period. Within the District, Hessequa and Knysna were major contributors to the growth in taxpayers from 2021 to 2022, with notable increases of 358 and 244 taxpayers respectively. Kannaland also saw a rise, adding 139 taxpayers. Oudtshoorn experienced an increase of 175 taxpayers. Conversely, Mossel Bay saw a slight decline of 25 taxpayers, and Bitou experienced a decrease of 430 taxpayers, reflecting potential economic or demographic shifts in these areas. George had a minor increase of 9 taxpayers, indicating stable growth.

Figure 121
TAXPAYERS AS A PERCENTAGE OF TOTAL EMPLOYMENT, Garden Route District, 2021-2022



Source: Quantec, 2024

While the GRD saw an increase in taxpayer numbers, the average monthly taxable income data for 2021 and 2022 provides additional layers to the economic picture. The District's average income rose from R21 333 to R22 759 per month, marking a 6.7 per cent inflation-related adjustment equal to R1 427 per month. This shows that more individuals were paying taxes and earning more on average.

Bitou and Hessequa experienced the largest increases in average monthly taxable income, rising from R22 566 to R25 447 and from R18 234 to R20 073 respectively, which is above inflationary increases. This was followed by Knysna, where average income grew from R22 910 to R25 047, reflecting significant economic improvement. George and Mossel Bay experienced increases in average income from R21 769 to R22 982 and from R21 646 to R22 841 respectively, despite a slight decline in taxpayers for Mossel Bay. Kannaland and Oudtshoorn saw increases in average monthly taxable income from R17 269 to R18 058 and from R19 963 to R20 789, which are below inflation increases.

Table 9
TAXPAYERS AND THE AVERAGE MONTHLY INCOME, Garden Route District, 2021-2022

Number of Taxpayers	2021	2022
Garden Route	95 637	96 107
Kannaland	6 119	6 258
Hessequa	34 147	34 505
Mossel Bay	7 975	7 950
George	1 800	1 809
Oudtshoorn	11 127	11 302
Bitou	23 357	22 927
Knysna	11 112	11 356
Average monthly taxable income	**2021**	**2022**
Western Cape	R 26 056	R 28 502
Garden Route	R 21 222	R 22 759
Kannaland	R 17 269	R 18 058
Hessequa	R 18 234	R 20 073
Mossel Bay	R 21 646	R 22 841
George	R 21 769	R 22 982
Oudtshoorn	R 19 963	R 20 789
Bitou	R 22 566	R 25 447
Knysna	R 22 910	R 25 047

Source: Quantec, 2024

Income inequality

Income inequality is a measure of the uneven distribution of income within a population. It is a critical economic and social indicator that reflects the gap between the wealthy and the poor. Various metrics are used to assess income inequality, each providing a different perspective on the economic conditions of a society.The **Gini Index** is one of the most widely used measures of income inequality. It is a number between 0 and 1, where 0 corresponds to perfect equality (everyone has the same income) and 1 corresponds to perfect inequality (one person has all the income, and everyone else has none).

The Gini coefficient for the GRD and its Municipalities from 2020 to 2023 shows a general trend towards improved income equality, despite some fluctuations. The District's Gini coefficient decreased from 0.629 in 2020 to 0.603 in 2023, indicating a more equitable income distribution over the years. However, a minor increase from 2022 to 2023 suggests that challenges remain in achieving consistent economic equality.

At the municipal level, Kannaland and Hessequa showed notable improvements, with their Gini coefficients decreasing from 0.595 to 0.576 and from 0.592 to 0.569 respectively. Mossel Bay and George also experienced declines in their Gini coefficients, although both saw minor increases from 2022 to 2023, indicating some fluctuations in income distribution. Oudtshoorn followed a similar trend, with a steady decrease from 0.592 to 0.568. Bitou, despite having the highest Gini coefficient initially, showed significant improvement, decreasing from 0.672 to 0.645, though it also experienced a slight increase from 2022 to 2023. Knysna's Gini coefficient decreased from 0.648 to 0.619, reflecting a steady improvement in income distribution.

Table 10
INCOME INEQUALITY MEASURED BY THE GINI INDEX, Garden Route DISTRICT, 2020-2023

Municipal area	2020	2021	2022	2023
Garden Route District	0.630	0.617	0.603	0.603
Kannaland	0.595	0.586	0.573	0.576
Hessequa	0.592	0.582	0.568	0.569
Mossel Bay	0.632	0.619	0.604	0.604
George	0.625	0.613	0.598	0.599
Oudtshoorn	0.592	0.581	0.567	0.568
Bitou	0.672	0.659	0.643	0.645
Knysna	0.648	0.635	0.619	0.619

Source: S&P Global: Market Intelligence, 2024

POVERTY

This section analyses the two dimensions of poverty, namely, prevalence of indigent households and the food poverty line. A household is classified as indigent if its occupants earn a combined income that is less than the threshold specified in the indigent policy of a municipal area. Food security is a condition in which people have physical, social, and economic access to sufficient, safe, and nutritious food that meets their dietary needs and food preferences for an active and healthy life.

Indigent households

The definitions of indigent households in the GRD are largely anchored around monthly household income thresholds set by the Municipalities, to ensure that support is extended to a broader range of individuals in need. Mossel Bay and George, however, anchor their poverty thresholds in the Old Age Grant. These Municipalities recognise that many senior citizens depend on the grant for their livelihood, making it a critical factor in determining eligibility for indigent support.

Figure 122
POVERTY THRESHOLDS, Garden Route DISTRICT

Kannaland	Hessequa	Mossel Bay	George	Oudtshoorn	Bitou	Knysna
• All occupants' total gross monthly income does not exceed the amount determined by the Council	• The total monthly gross income of the registered owner/tenant and his/her spouse or life companion is not more than an amount determined by Council from time to time (R4 500)	• The total household income does not exceed twice the government pension	• The verified collective gross monthly household income should not exceed twice the state pension	• The joint gross income of all the people living on the premises may not exceed R3 900 per month	• The household earns a total gross income of less than R1 800 per month	• The monthly household income may not exceed R3 800

Source: Western Cape Department of Local Government, 2024

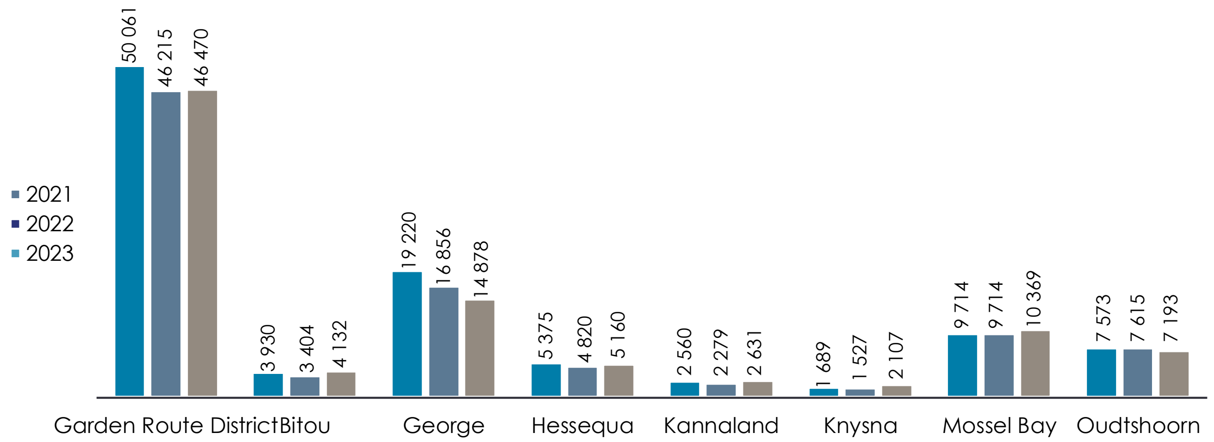
In the GRD, the number of indigent households saw a slight increase of 0.6 per cent from 46 215 in 2022 to 46 470 in 2023 (24.9 per cent of total households). This overall stability masks significant variations within specific Municipalities. Bitou experienced a rise in indigent households, of 21.4 per cent, from 3 404 in 2022 to 4 132 in 2023 (16.3 per cent of total households), driven by economic challenges and an influx of low-income residents.

Conversely, George saw a decrease of 11.7 per cent from 16 856 in 2022 to 14 878 in 2023 (23.5 per cent of total households), due to successful local economic initiatives and improved employment opportunities. Indigent households in Hessequa increased by 7.1 per cent from 4 820 in 2022 to 5 160 in 2023 (32.8 per cent of total households), driven by ongoing economic pressures. Kannaland also saw a rise of 15.4 per cent from 2 279 in 2022 to 2 631 in 2023 (51.2 per cent of total households), due to limited economic development and high unemployment rates.

Knysna experienced an increase of 37.9 per cent from 1 527 in 2022 to 2 107 in 2023 (8.5 per cent of total households), driven by housing affordability issues and economic migration. Mossel Bay's indigent households saw an increase of 6.7 per cent from 9 714 in 2022 to 10 369 in 2023 (32.7 per cent of total households), due to persistent economic challenges. Oudtshoorn, however, saw a decrease of 5.5 per cent from 7 615 in 2022 to 7 193 in 2023 (34.8 per cent of total households), due to effective poverty alleviation programs and local economic improvements.

These movements highlight the diverse socio-economic dynamics within the GRD, influenced by local economic conditions, migration patterns, and the effectiveness of social support systems.

Figure 123
NUMBER OF INDIGENT HOUSEHOLDS, Garden Route District, 2021 – 2023



Source: Western Cape Department of Local Government, 2024

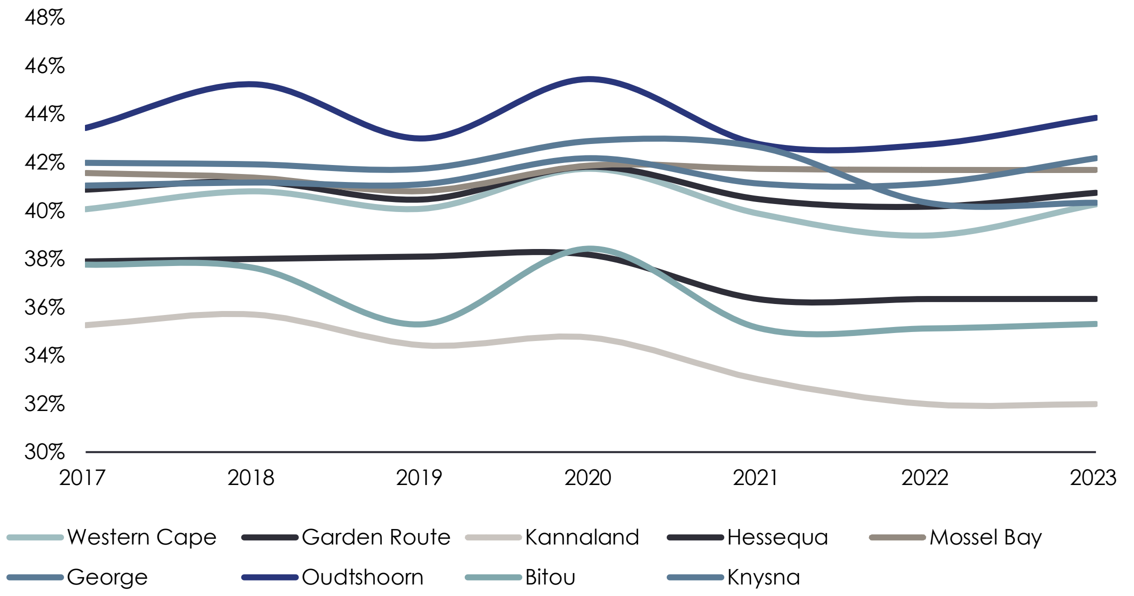
Food insecurity

Food security is a condition in which people have physical, social, and economic access to sufficient, safe, and nutritious food that meets their dietary needs and food preferences for an active and healthy life. It encompasses four key pillars: availability, access, utilisation, and stability according to the Bureau for Food and Agricultural Policy (BFAP). Food insecurity refers to limited access across these dimensions.

In 2022, the percentage of population below the food poverty line in GRD was 40.2 per cent. This figure increased to 40.7 per cent in 2023, indicating a growing challenge in ensuring food security for the region's population. In Kannaland, the proportion of food insecurity remained unchanged at 32 per cent from 2022 to 2023. This stability is due to persistent economic challenges and limited job opportunities that have maintained high food poverty rates. Hessequa also saw no change in the proportion of food insecurity, remaining at 36.3 per cent in both 2022 and 2023. High unemployment rates and underemployment are major factors driving food poverty in this area. In Mossel Bay, the proportion of food insecurity remained steady at 41.7 per cent in both 2022 and 2023. This consistency indicates ongoing economic challenges and limited access to job opportunities.

George experienced an increase in the proportion of food insecurity, with rates rising from 41.1 per cent in 2022 to 42.2 per cent in 2023. In Oudtshoorn, the proportion of food insecurity increased from 42.7 per cent in 2022 to 43.8 per cent in 2023. Bitou saw a slight increase in the proportion of food insecurity, with rates rising from 35.1 per cent in 2022 to 35.3 per cent in 2023. This was driven by economic dependency on tourism, which can be volatile, affecting household incomes and food security. Knysna experienced no change in the proportion of food insecurity, remaining at 40.3 per cent in both 2022 and 2023. This was due to significant economic inequality and high unemployment rates driving food poverty.

Figure 124
PROPORTION OF POPULATION BELOW THE FOOD POVERTY LINE, Garden Route District, 2017-2023



Source: Quantec, 2024

Insufficient consumption of essential nutrients is a common contributing factor to both severe acute malnutrition and low birth weight. Notably, pregnant mothers experiencing food poverty may lack access to the nutrients necessary for healthy foetal development, potentially resulting in low birth weight. Similarly, children growing up in conditions of food poverty are likely to have diets deficient in the nutrients crucial for optimal growth and development, potentially leading to severe acute malnutrition. The dire state of food insecurity in the Western Cape and the GRD needs to be given significant attention given the elevated levels compared to global averages as discussed next.

The State of Food Security and Nutrition in the World 2024: A Condensed Overview

The "State of Food Security and Nutrition in the World 2024" report by the Food and Agricultural Organisation of the United Nations highlights persistent global hunger and food insecurity. From 2019 to 2021, global hunger rose sharply and has since remained at nearly the same level, affecting 9.1 per cent of the population in 2023, up from 7.5 per cent in 2019. An estimated 733 million people faced hunger in 2023, about 152 million more than in 2019.

Regional trends show significant variation. Hunger continues to rise in Africa, remains unchanged in Asia, and shows progress in Latin America. In 2023, Africa had the highest proportion of its population facing hunger at 20.4 per cent, while Asia, despite having 8.1 per cent of its population affected, is home to more than half of the world's hungry, approximately 385 million people. Latin America and the Caribbean, and Oceania had 6.2 per cent and 7.3 per cent of their populations facing hunger, respectively.

Projections indicate that 582 million people will be chronically undernourished by the end of the decade, with more than half in Africa. This is 130 million more than pre-COVID-19 levels. Additionally, moderate or severe food insecurity remains above pre-pandemic levels, affecting 28.9 per cent of the global population, or 2.3 billion people, in 2023. Of these, 864 million people were severely food insecure, posing significant health risks.

The report underscores the urgent need for global efforts to address food insecurity and hunger, calling for policies and interventions that provide immediate relief and build resilient food systems to withstand future shocks.

HEALTH

The wellbeing of a population plays a crucial role in improving labour productivity, an aspect that has immense potential for economic growth and development. This section reviews the main health indicators which are health infrastructure and resources, child health, maternal health and communicable diseases to gauge progress towards promoting the health and welfare within the GRD.

Infrastructure and Resources

Health facilities play a crucial role in promoting and maintaining a healthy society by providing access to healthcare, quality health services, and contributing to economic and community well-being. GRD Municipalities have had 40 primary healthcare (PHC) facilities since 2022/23 that consist of 33 fixed clinics and 7 community day centres. There are an additional 35 mobile/satellite clinics and 6 district hospitals.

Table 11
TOTAL NUMBER OF PRIMARY HEALTH CARE (PHC) FACILITIES, Garden Route District, 2021/22-2024/25

Municipal area	2021/22	2022/23	2023/24	2024/25
Bitou	5	5	5	5
George	12	12	12	12
Hessequa	3	3	3	3
Kannaland	4	4	4	4
Knysna	5	5	5	5
Mossel Bay	4	5	5	5
Oudtshoorn	6	6	6	6
Bitou	5	5	5	5
Garden Route District	**39**	**40**	**40**	**40**

Source: Western Cape Department of Health and Wellness, 2024

These public healthcare facilities serve the 667 636 residents in the GRD. In the last three years, the District's population has grown at 0.9 per cent per annum indicating a slight increase in the demand for existing resources. Recognising this need, the MTEF has allocated R84.9 million for the period 2024/25 – 2026/27 across 18 projects to expand healthcare services. Effective implementation and adequate resourcing of this expansion is crucial to ensure access to quality healthcare for all residents.

Hospital beds

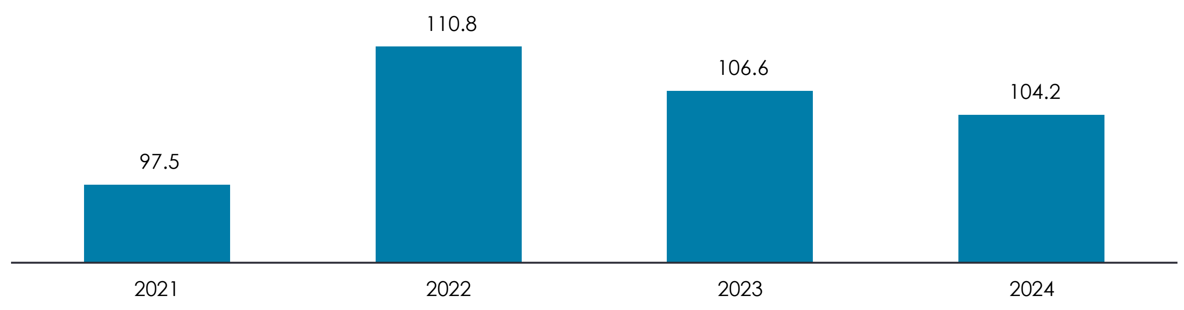
Hospital bed availability is crucial for ensuring access to medical care and reflects capacity to address healthcare needs such as emergencies and serious illnesses.[48] The hospital beds are measured on a per 10 000 target population. The total number of hospital beds includes inpatient beds approved in all categories of health facilities in the public sector.

As of March 2023, the national average for hospital beds per 10 000 uninsured population is 20.3. In the Western Cape, this average is lower at 18.3 beds. The GRD has a 12.2 ratio for hospital beds per 10 000 uninsured population which is lower than the National and Provincial average.

48 Health Systems Trust, 2023

In addition to the brick-and-mortar facilities, there is a need to ensure access to healthcare providers. The public sector professional nurse population declined between 2022 and 2024, from 110.8 professional nurses per 100 000 uninsured population in 2022 to 104.2 in 2024 within the GRD. This decline can be attributed to various factors, including retirements and migration of nurses to other regions. This declining trend is contradictory to the measures put in place by the Western Cape Department of Health and Wellness. The department has made strategic investments in health education, training, and youth development programmes. These initiatives facilitate successful nursing graduations, bursary allocations, and emergency care training to collectively enhance the nursing workforce.[49]

Figure 125
PUBLIC SECTOR PROFESSIONAL NURSE PER 100 000 UNINSURED POPULATION RATIO, Garden Route District, 2021-2024



Source: Quantec, 2024

Child Health

The health and well-being of children are crucial indicators of a Districts' overall development and prosperity. This section reviews key child health indicators including the neonatal mortality rate, low birth weight rate, immunisation rates and severe acute malnutrition prevalence among children under five years. By examining these metrics, stakeholders can better understand the challenges and opportunities in enhancing child health and development.

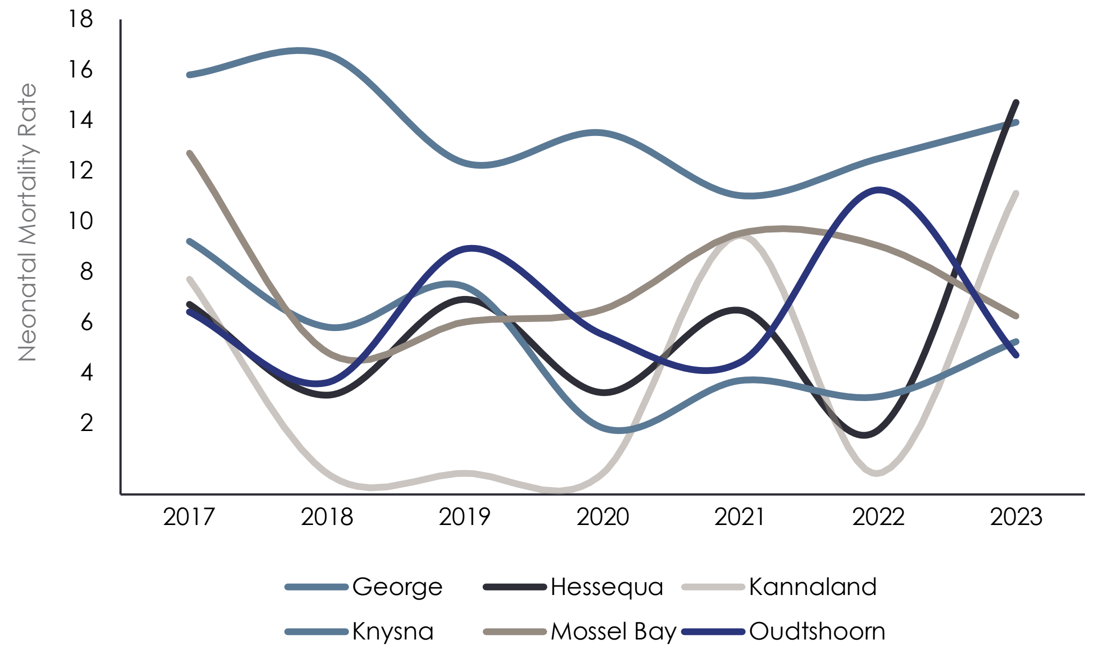
Neonatal mortality rate

The first 28 days of life, known as the neonatal period, represent the most vulnerable time for a child's survival.[50] Consequently, the neonatal mortality rate is measured as the number of neonates who die before reaching 28 days of age, per 1 000 live births each year. The Garden Route District's neonatal mortality rate has shown some fluctuations over the past several years.

The rate increased in 2020 to 6.4 however, in 2021 it reached its lowest at 3 deaths per 100 000 live births but has increased in 2023 again to 5.5 deaths per 1 000 live births each year. This is still relatively lower than the provincial rate of 8.2 deaths per 1 000 live births.

49 Department of Health and Wellness, 2023/22
50 Health Systems Trust, 2023

Figure 126
NEONATAL MORTALITY RATE PER 1 000 LIVE BIRTHS, Garden Route District, 2017-2023



Source: Western Cape Department of Health and Wellness, 2024

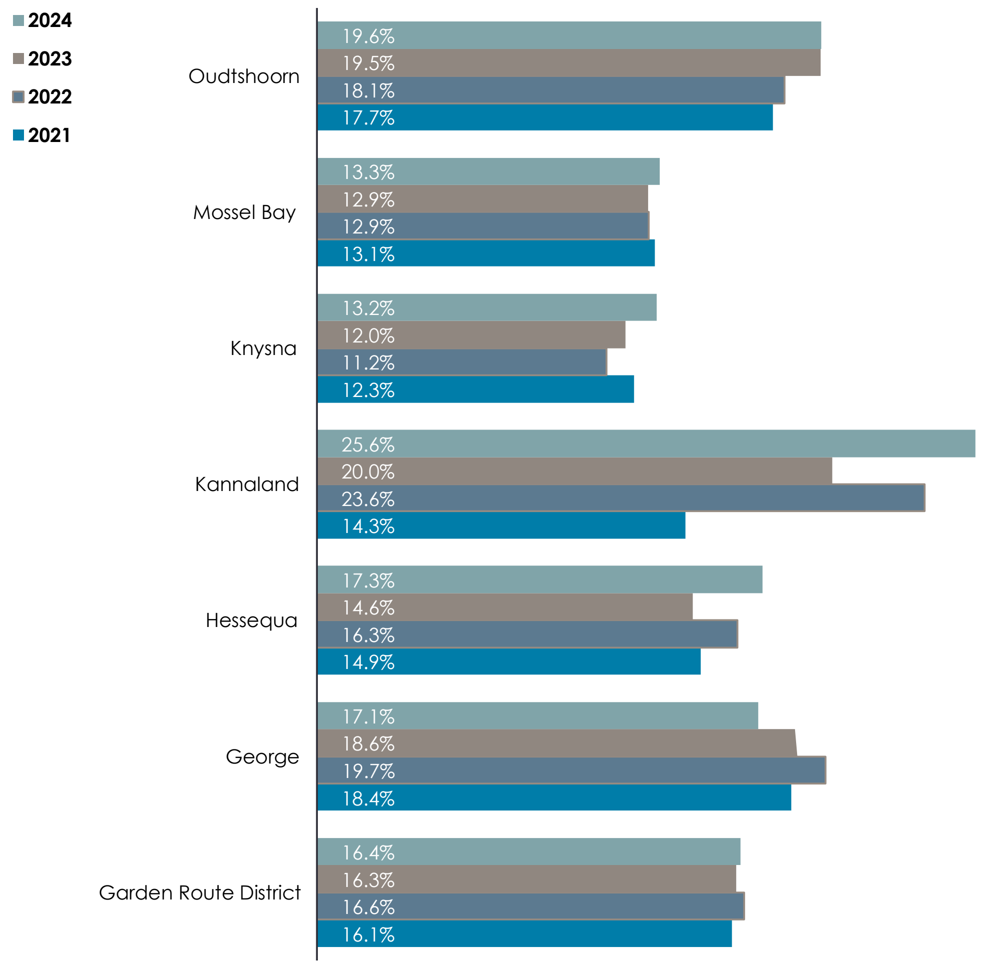
The Western Cape DHW has made efforts to improve healthcare facilities and services, which has contributed to the decline in neonatal deaths.[51] Mossel Bay and Oudtshoorn has shown a decline in 2023 to 6.2 and 4.7 deaths per 1 000 live births, respectively. It is important to continue investing in healthcare resources and facilities to improve access to healthcare in order to be able to curb the high and increasing neonatal mortality rates in the other Municipalities. Hessequa has the highest neonatal mortality rate at 14.7 in the Province. All the other Municipalities experienced increases in the neonatal mortality rate in 2023.

51 Health Systems Trust, 2023

Weight at birth is regarded as a core health indicator. Low birth weight is linked to long-term maternal malnutrition, ill health and poor healthcare during pregnancy. Additionally, low birth weight is associated with high neonatal mortality. According to the World Health Organization (WHO), a birth weight of less than 2 500g is considered low. This indicator measures the proportion of newborn babies that are below the birth weight of less than 2 500g.

The GRD has consistently reported relatively high low-birth-weight rates, ranging from 16.1 to 16.4 per cent over the past four years, with a slight increase in 2024. The low-birth-weight rates across the Local Municipalities are varied however they have all increased in 2024 and are relatively high. The low-birth-weight rate ranges from 13.2 per cent in Knysna to 25.6 per cent in Kannaland.

Figure 127
LOW-BIRTH-WEIGHT RATE, Garden Route District, 2021-2024



Source: Western Cape Department of Health and Wellness, 2024

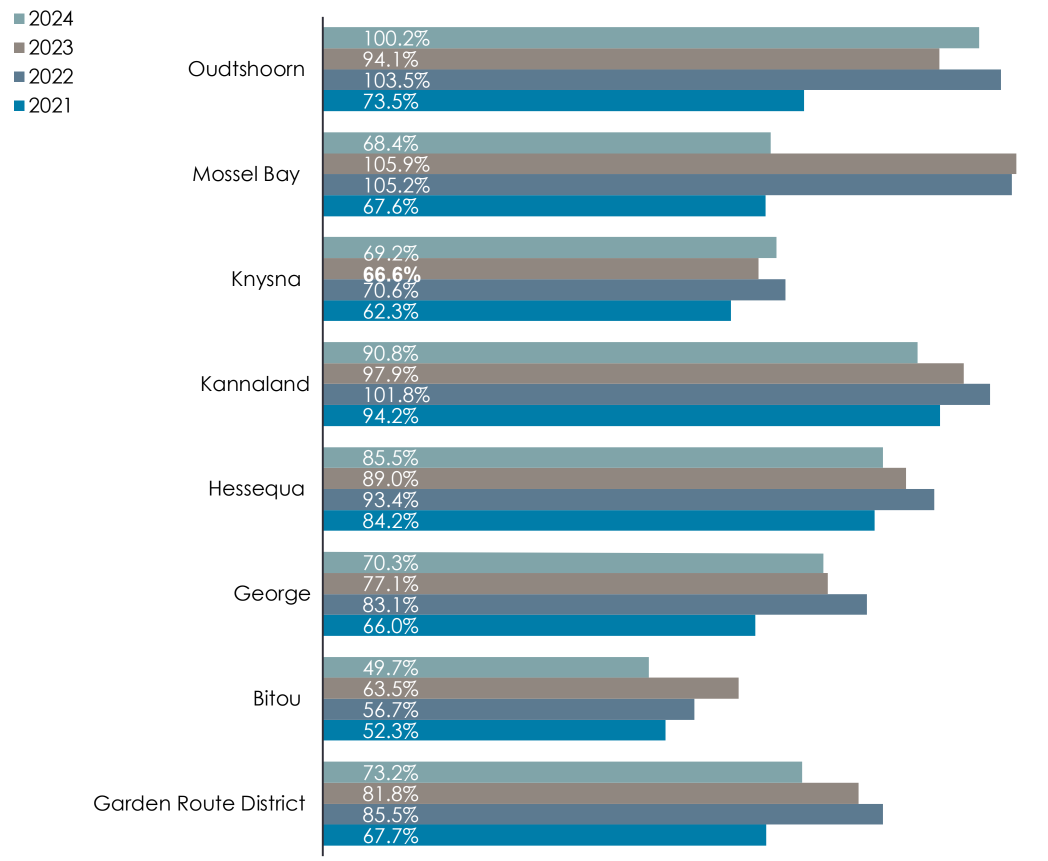
The immunisation rate is measured as the number of children immunised as a percentage of the total number of children less than one year of age. Immunisations are a crucial part of public health strategy to ensure the well-being and healthy development of individuals and the community at large.[52] Most individuals cannot afford vaccination programmes, leaving the mass population reliant on the public health system.

The GRD's total vaccination expenditure (all programmes) is estimated at R19 million, which translates to 6 959 vaccinations of the population under one year of age, at an average cost of R2 730 per vaccination in 2023. This is a notable decrease from R3 093 in 2022.

Over the last four years, the District's immunisation rate has varied but shown overall improvement, from 67.7 per cent in 2020/21 to a peak in 2021/22, before slightly declining to 73.2 per cent by 2023/24. Across the Municipalities, the immunisation rates are quite varied however, with a majority of the Municipalities exhibiting a concerning declining trend in 2023/24. Oudtshoorn and Knysna are the only Municipalities which experienced an upward trend, reaching 100.2 per cent and 69.2 per cent respectively. Despite the improved affordability, the decline in the immunisation is partly explained by limited access to the immunisation programme within the District, as well as potential miseducation, with some individuals not fully understanding its importance.

52 Western Cape Department of Health and Wellness , 2024

Figure 128
IMMUNISATION RATE (PUBLIC AND PRIVATE PARTNERS), Garden Route District, 2021-2024



Source: Western Cape Department of Health and Wellness, 2024

Malnutrition (either under- or over-nutrition) refers to the condition whereby an individual does not receive adequate amounts, or receives excessive amounts, of nutrients. Acute malnutrition which is also known as 'wasting', is characterised by a rapid deterioration in nutritional status over a short period of time. In children, it can be measured using the weight-for-height nutritional index or mid/upper arm circumference.[53]

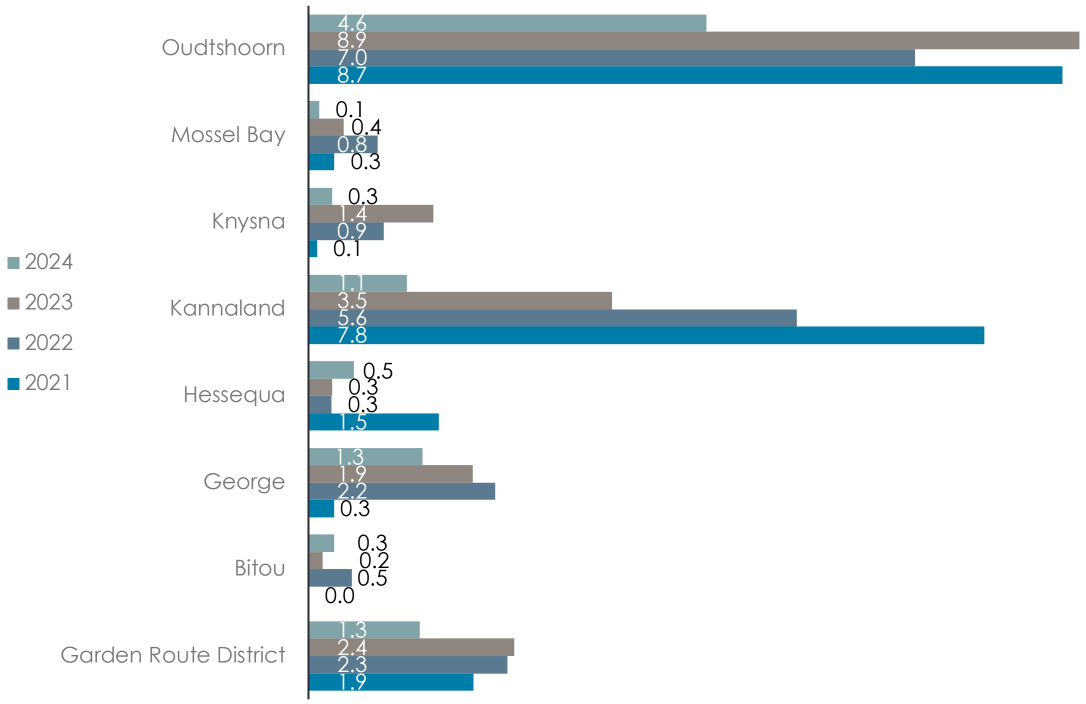
There are different levels of severity of acute malnutrition, moderate acute malnutrition (MAM) and severe acute malnutrition (SAM). Severe acute malnutrition (SAM) is expressed as the number of malnourished children under five years per 100 000 people.[54]

Access to good nutrition is a cornerstone of health and well-being, affecting every aspect of life from physical health to mental and emotional well-being, economic stability, and social equity. Yet, malnutrition remains a prevalent issue in the Western Cape and South Africa at large.

53 Department of Health , 2015
54 Mandla, Mackay, & Mda, 2022

The SAM per 100 000 children under five years of age in the GRD has fluctuated over the years, with significant variations across Municipalities. Mossel Bay's SAM rates have varied over the past four years. However, it exhibits the lowest SAM rate in the Province at 0.1 in 2023. Oudtshoorn has the highest SAM rate of 4.6 malnourished children per 100 000 children under five years of age in the District, despite showing a declining trend over the past three years. Lastly Kannaland has shown the highest decline in the SAM rate in the past four years, from 7.8 in 2021 to 1.1 malnourished children per 100 000 children under five years of age.

Figure 129
SEVERE ACUTE MALNUTRITION PER 100 000 CHILDREN UNDER FIVE YEARS, Garden Route District, 2021-2024



Source: Western Cape Department of Health and Wellness, 2024

Maternal health

According to the World Health Organization (WHO), maternal mortality refers to the death of a woman during pregnancy or within 42 days after the end of a pregnancy, from any cause related to the pregnancy or its treatment, excluding accidental causes.[55] [56] The National Department of Health (NDoH) defines maternal mortality in facility ratio as the number of women who die in a healthcare facility during pregnancy, childbirth, or within 42 days after the end of a pregnancy, regardless of the cause of death, expressed per 100 000 live births in public health facilities.[57] The NDoH measures deaths occurring in healthcare facilities only, whereas the WHO definition encompasses all deaths related to pregnancy, regardless of where they occur.

The GRD shows an increase in maternal death rates from 53.7 in 2022 to 70.2 per 100 000 live births in 2024. The GRD had varied maternal death rates over the past three years. Hessequa has the highest maternal mortality rate at 173.6 deaths per 100 000 live births in 2024. Mossel Bay has shown the lowest maternal rate at 75.8 deaths per 100 000 live births, while also exhibiting the highest decline in the District.

Table 12
MATERNAL DEATH RATES PER 100 000 LIVE BIRTHS, Garden Route District, 2021/22 – 2023/24

	2021/22	2022/23	2023/24
Bitou	-	-	-
George	115.8	94.1	123.0
Hessequa	-	-	173.6
Kannaland	-	-	-
Knysna	59.2	58.1	0.0
Mossel Bay	-	143.9	75.8
Oudtshoorn	-	-	-
Garden Route District	**53.7**	**68.5**	**70.2**

Source: Western Cape Department of Health and Wellness, 2024. Note: The statistic is zero for municipal areas where there is no public facility.

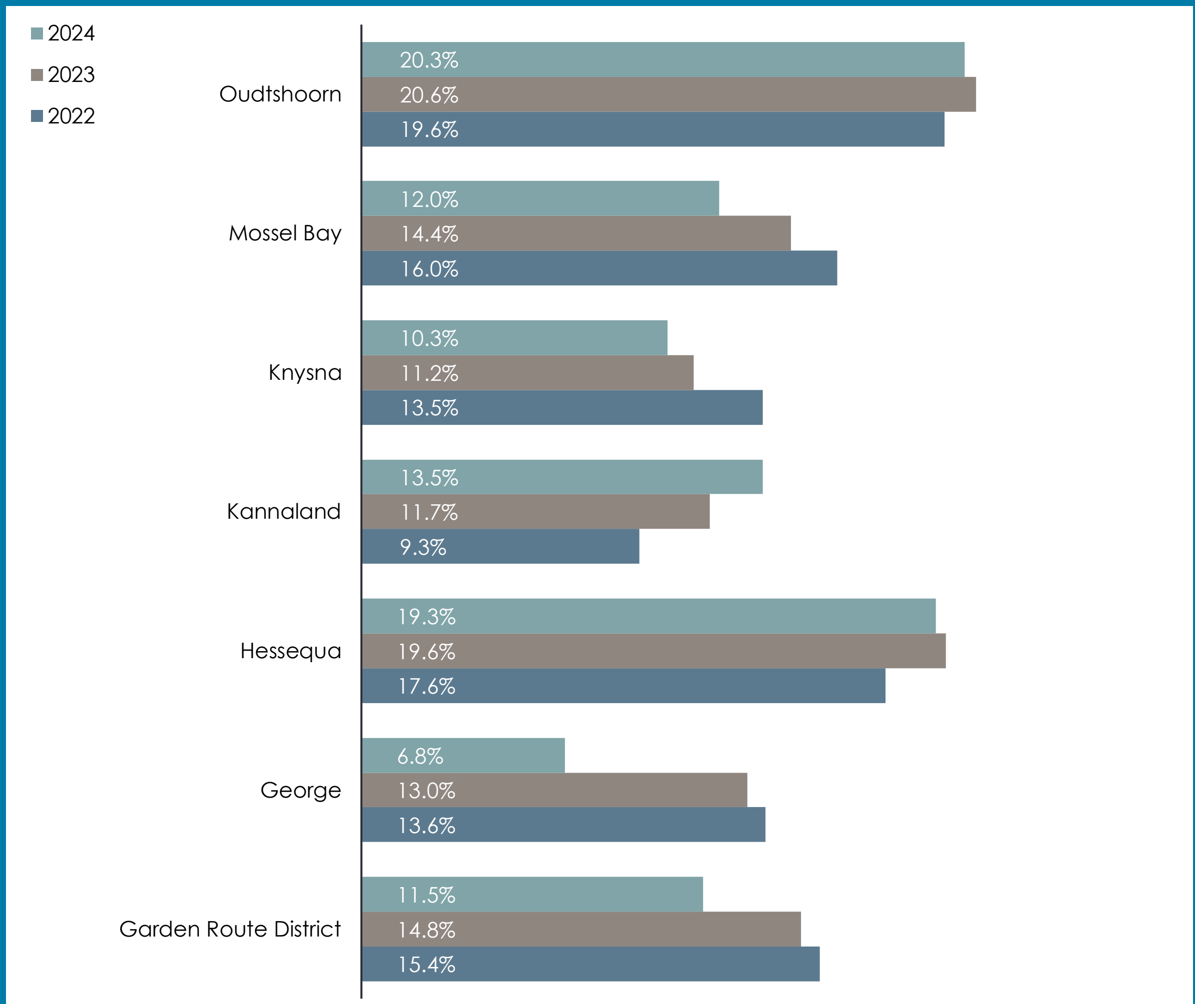
55 World Health Organization, 2024;
56 Oyston, Rueda-Clausen, & Baker, 2017
57 Health Systems Trust, 2023

Teenage pregnancy

The delivery rate for individuals under 19 years of age within facilities measures the deliveries to women under the age of 19 years as a proportion of total deliveries in the health facility, expressed as a percentage.[58] The numerator is the number of deliveries to women under 19 years of age in the facility, while the denominator is the total number of deliveries in the facility. The indicator is a proxy for the adolescent birth rate.[59]

The delivery rates to women under 19 years of age within facilities in the GRD are relatively low at 11.5 per cent in 2024 and have been declining from 15.4 per cent in 2022. Similarly to the GRD, Mossel Bay, Knysna and George Municipalities have shown a declining trend in the teenage delivery rates in 2024. Whereas Oudtshoorn, Kannaland and Hessequa Municipalities exhibited an upward trend in 2024, with Oudtshoorn having the highest delivery rate to women under 19 years of age within facilities at 20.3 per cent.

Figure 130
DELIVERY RATE TO WOMEN UNDER 19 YEARS, Garden Route District, 2022-2024



Source: Western Cape Department of Health and Wellness, 2024

58 Health Systems Trust, 2023
59 Western Cape Department of Health and Wellness, 2024

A rise in this rate indicates challenges in adolescent access to sexual and reproductive health services, which carries significant consequences for their overall health. Teenage pregnancies are linked to increased risks of complications during pregnancy and a greater likelihood of maternal mortality. Additionally, these pregnancies often result in the mothers not finishing their education.[60]

To tackle and improve the teenage delivery rate, it is crucial to empower young girls, boys and adolescents with effective life skills and education on sexual and reproductive health. It is also important to improve access to appropriate sexual and reproductive health services by advancing the implementation of services that are friendly[61] to adolescents and youth at the primary health care level, and by integrating these services into the school health programme.

Communicable diseases

HIV and tuberculosis (TB) are critical indicators of public health, reflecting the effectiveness of healthcare systems and access to essential services. TB effective treatment and HIV antiretroviral treatment (ART) are two of the tracer indicators for the Universal Health Coverage (UHC) index that form part of the infectious disease control category. Addressing HIV and TB is essential not only for improving individual health outcomes but also for strengthening overall healthcare infrastructure and promoting health equity.

In 2023/24, the GRD had a total of 52 634 people living with HIV (PLHIV), up from 38 854 in 2021. However, only 30 984 (58.9 per cent of PLHIV) registered patients were receiving Antiretroviral Therapy (ART) treatment across 69 ART clinics or treatment sites. The gap between the PLHIV and those receiving ART treatment highlights an urgent need to increase awareness and outreach to ensure the community is adequately served.

The number of ART clinics/treatment sites between 2023 and 2024 has remained constant across all regions, yet the number of registered patients in the District increased by 3.8 per cent. All GRD Municipalities except Kannaland show an upward trend to the total registered patients receiving ART in 2024. This indicates a growing demand for ART services, underscoring the need for enhanced efforts to bridge the treatment gap. George records the highest number of 11 562 total registered patients receiving ART in 2024 which has been on upward trend over the past four years. Kannaland records the lowest number of 745 total registered patients receiving ART in 2024.

60 United Nations Population Fund, 2016
51 Health Systems Trust, 2023

Table 13
TOTAL REGISTERED PATIENTS RECEIVING ART AND NUMBER OF ART CLINICS/TREATMENT SITES, Garden Route District, 2021 - 2024

Municipal Area	Total registered patients receiving ART Including Departmental partners & Dept Correctional Services				Number of ART clinics/treatment sites			
	2021	2022	2023	2024	2021	2022	2023	2024
Garden Route District	26 996	27 825	29 858	30 984	61	62	69	69
Bitou	3 502	3 677	3 855	4 012	7	7	7	7
George	9 959	10 175	10 978	11 562	16	16	17	17
Hessequa	934	1 016	1 149	1 275	6	6	6	6
Kannaland	726	778	784	745	5	5	5	5
Knysna	4 624	4 975	5219	5 353	6	6	6	6
Mossel Bay	5 326	5 234	5 838	5 977	15	16	17	17
Oudtshoorn	1 925	1 961	2 035	2 060	6	6	11	11

Source: Western Cape Department of Health and Wellness, 2024

Turning to TB, the GRD recorded 5 207 registered TB patients in 2024, up from 4 676 in 2021. Despite this increase, the District also records a decline in the number of TB clinics and treatment sites, from 71 in 2021 to 63 in 2024.

All the GRD Municipalities have shown variation in the number of TB patients registered for treatment. George has the highest number of TB patients registered for treatment and the highest number of TB treatment sites in the District in 2024. The recorded number is 1 952 patients who are treated across 16 treatment sites or clinics in 2024. All other GRD Municipalities except Mossel Bay and George have exhibited a decline in the number of registered TB patients in 2024 and the treatment sites have also declined in 2024.

Table 14
NUMBER OF TB CLINICS/TREATMENT SITES AND NUMBER OF TB PATIENTS REGISTERED ON TREATMENT, Garden Route District, 2021-2024

Municipal Area	Number of TB patients registered on Treatment				Number of TB clinics/treatment sites			
	2021	2022	2023	2024	2021	2022	2023	2024
Garden Route District	4 676	4 941	5 259	5 207	71	72	72	63
Bitou	305	357	392	371	6	6	6	6
George	1 532	1 624	1 914	1 952	16	16	17	16
Hessequa	355	399	404	348	7	8	8	6
Kannaland	229	223	237	203	7	7	7	6
Knysna	583	599	592	586	10	9	8	8
Mossel Bay	749	775	763	857	14	16	15	12
Oudtshoorn	923	964	957	890	11	10	11	9

Source: Western Cape Department of Health and Wellness, 2024

EDUCATION

Education is a key factor in economic prosperity because it helps people acquire skills and knowledge that can lead to better jobs, higher earnings, and a better quality of life. Education can also help drive innovation and technological breakthroughs, which can lead to greater economic growth and diversification.

This section provides a snapshot of the schooling infrastructure in GRD. Functional literacy is also reviewed as a measure to assess the ability of those over the age of 20 to understand and apply information, practically. The section also analyses the primary and high school outcomes by reviewing the pass rates for maths and language at grades three, six and nine. Retention in school is important given that students who stay in school are more likely to achieve higher levels of academic and professional success: this is analysed by looking at the Grade 10 to 12 retention level. The section concludes with an analysis of matric pass rates, differentiating between a normal pass rate and one that would qualify students for a bachelor's degree.

Schooling infrastructure

Among the 171 schools in the District, 119 are primary schools, while the remainder are high schools. Non-fee-paying schools constitute a significant proportion of the schools, accounting for 82.4 and 67.3 per cent of primary and high schools, respectively. Most of the schools are situated in George, the most populous municipality in GRD. Depending on location, the schools can also service students from other municipal areas.

Table 15
NUMBER OF PRIMARY AND HIGH SCHOOLS, GARDEN ROUTE DISTRICT, 2023

	Garden Route	Bitou	George	Hesse-qua	Kanna-land	Knysna	Mossel Bay	Oudts-hoorn
High School	**52**	**3**	**14**	**9**	**6**	**4**	**6**	**10**
Fee charging	17	1	4	4	1	2	2	3
No Fee	35	2	10	5	5	2	4	7
Primary School	**119**	**8**	**36**	**9**	**8**	**15**	**19**	**24**
Fee charging	21	1	10	2	-	2	4	2
No Fee	98	7	26	7	8	13	15	22
Grand Total	**171**	**11**	**50**	**18**	**14**	**19**	**25**	**34**

Source: Western Cape Education Department, 2024

Functional literacy

Functional literacy refers to the ability of an individual to read, write, and engage with written texts in a way that allows them to effectively manage daily tasks and participate fully in society. This includes understanding and using information in various contexts, such as in the workplace, in educational settings, and in everyday life. Functional literacy goes beyond basic reading and writing skills; it encompasses the capacity to comprehend and apply information in practical situations.[62]

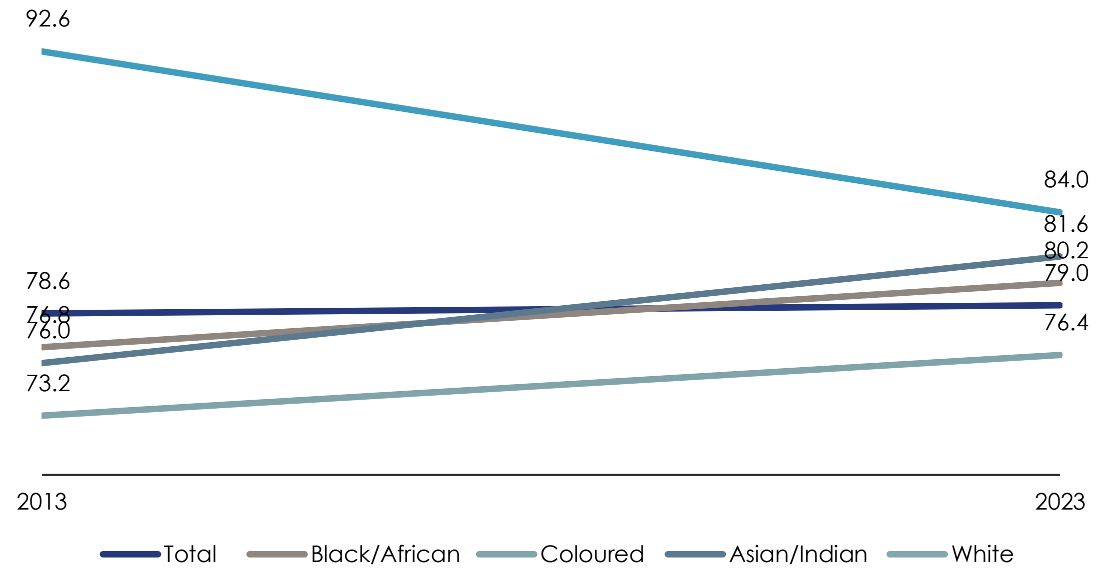
The functional literacy rate in the GRD has improved across all racial groups between 2013 and 2023, although the rate for the White population has declined. Notably, Asian or Indian people have seen the largest increase in functional literacy during this time period. These trends likely stem from increased government spending on education, targeted literacy programs, and improvements in socioeconomic conditions, which may have led to improved access to quality education and literacy resources.

The data shows that in 2013, the functional literacy rate for White people was the highest at 92.6 per cent. Coloured people had the second highest rate at 78 per cent, followed by Black African people and Asian or Indian people at 76.8 per cent and 76 per cent respectively. The total literacy rate was 78 per cent. By 2023, all racial groups had seen an increase in their functional literacy rates, but the rate for White people had declined to 84 per cent. Asian or Indian people had the largest increase, going from 76 per cent to 81.6 per cent, followed by Black African people who increased from 76.8 per cent to 80.2 per cent. The overall functional literacy rate had increased to 79 per cent.

These trends likely stem from a combination of factors. Increased government spending on education could have led to improved access to quality education for all racial groups. The implementation of targeted literacy programs specifically designed to improve functional literacy in certain groups might have led to the observed increases. Improvement in socioeconomic conditions, such as poverty reduction and increased employment opportunities, might have led to increased access to education and literacy resources. Changes in the racial composition of the GRD could also have played a role in the trends. This indicates that while the overall literacy rate has decreased, there is a positive trend in the Coloured and Asian or Indian populations, suggesting improvements in access to education and literacy programs for these groups.

62 Erik Jacobson, in International Encyclopedia of Education (Fourth Edition), 2023

Figure 131
FUNCTIONAL LITERACY RATE, Garden Route District, 2013–2023 (PER CENT)



Source: Quantec, 2024

Learner enrolment and learner-teacher ratio

In a concerted effort to combat youth unemployment and offer crucial classroom assistance, the WCED recruited 20 500 education assistants for the 2023 school year. This initiative falls under the Presidential Youth Employment Initiative (PYEI) and aims to support schools throughout the Province. This programme addresses the need for additional classroom support. It is crucial for creating work opportunities for unemployed youth throughout the Western Cape.[63]

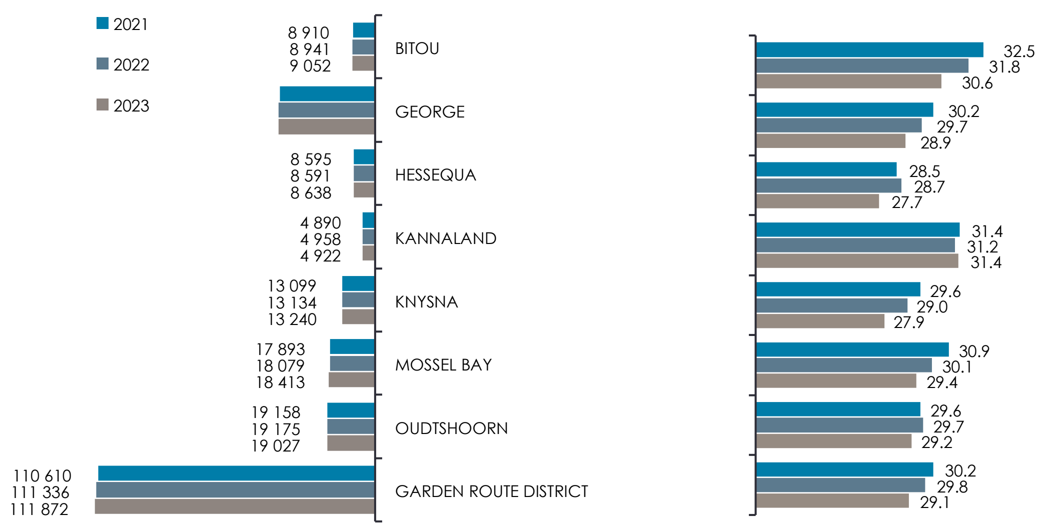
The number of learners enrolled has generally increased between 2021 and 2023 across the GRD, with the exception of Oudtshoorn. The total number of learners in the District increased to 111 872 in 2023, from 111 336 in 2022. Over the same period, the learner-teacher ratio has decreased from 29.8 in 2022 and to 29.1 in 2023, with the lowest ratio found in Hessequa (27.7), followed by Knysna (27.9).

The increase in learner enrolment is likely due to a combination of factors, including the growing population in the GRD, which is leading to an increase in the number of school-age children. More children are now attending school than ever before, which is partly due to efforts to improve access to education in South Africa.

The decline in the learner-teacher ratio is likely due to an increase in the number of teachers being employed in the education system of the GRD. This indicates that the Western Cape Education Department has done well at managing growing student populations while improving educational quality.

Overall, the learner-teacher ratios in the GRD are well below the Department of Education's recommended ratios of 40:1 for primary schools and 35:1 for high schools.[64] These lower ratios are crucial for personalised learning and individual attention, and were made possible by the recruitment of additional educational assistants to support the growing learner population.

Figure 132
LEARNER ENROLMENT AND LEARNER-TEACHER RATIO, Garden Route District, 2021-2023



Source: Western Cape Education Department, 2024

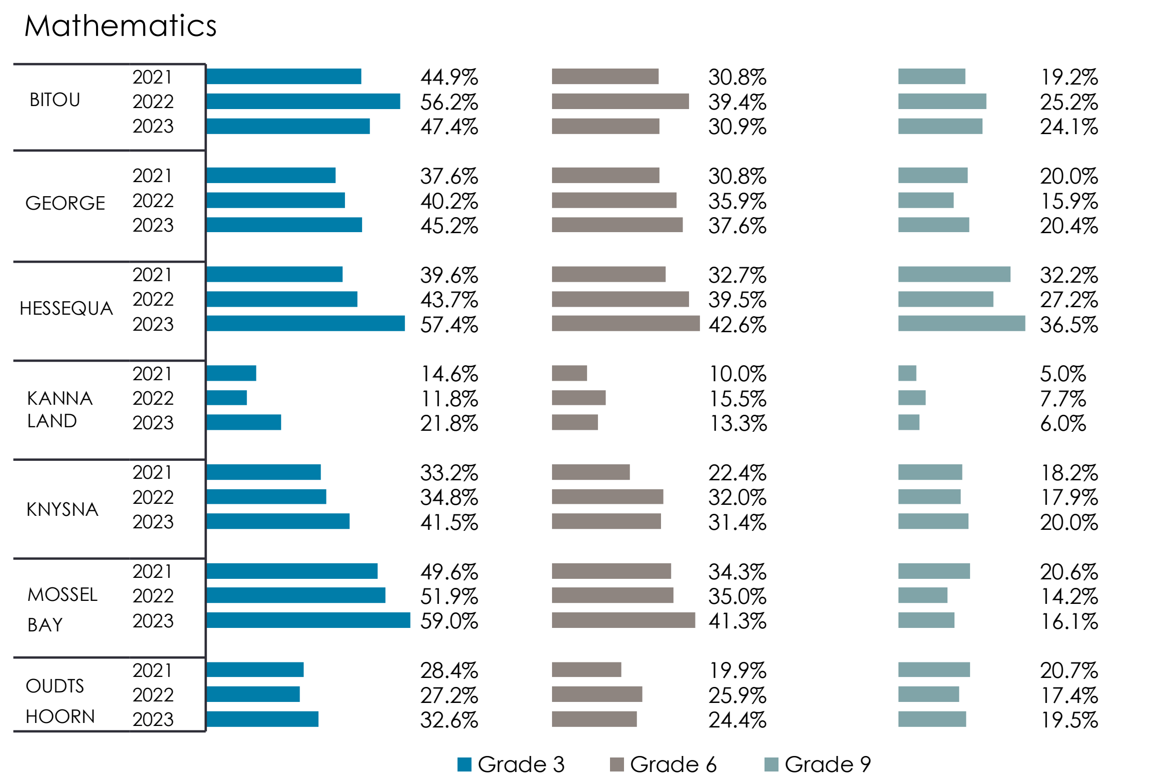
63 Western Cape Education Department, 2022.
64 2022 GRD Socio-Economic Profile.

Primary and high school educational outcomes

While the learner enrolment and learner-teacher ratio do not provide information about the quality of education, changes in pass mark data for English Language and Mathematics are critical indicators for education quality. Proficiency in these areas is fundamental for personal, academic, and professional success as they are essential skills needed for effective communication, problem-solving, critical thinking, and learning.

George maintains its economic lead in the district with a GDPR per capita of R61 616, a slight decrease of 1.2 per cent from the previous year. Knysna's GDPR per capita declined to R50 144, the largest contraction in the Municipalities by 2 per cent. Followed by Mossel Bay, with a GDPR per capita of R56 157, experiencing a decline of 1.8 per cent. Bitou's GDPR per capita declined to R50 385, a decrease of 1.3 per cent. Hessequa's GDPR per capita slightly decreased to R55 331, a marginal decline of 0.7 per cent. Oudtshoorn's GDPR per capita decreased to R41 338, a slight decline of 0.5 per cent. Kannaland's GDPR per capita increased to R40 510, a modest rise of 0.4 per cent from the previous year, marking the smallest decline among the Municipalities.

Figure 133
GRADE 3, 6 AND 9 MATHEMATICS PASS RATES, Garden Route District, 2021-2023

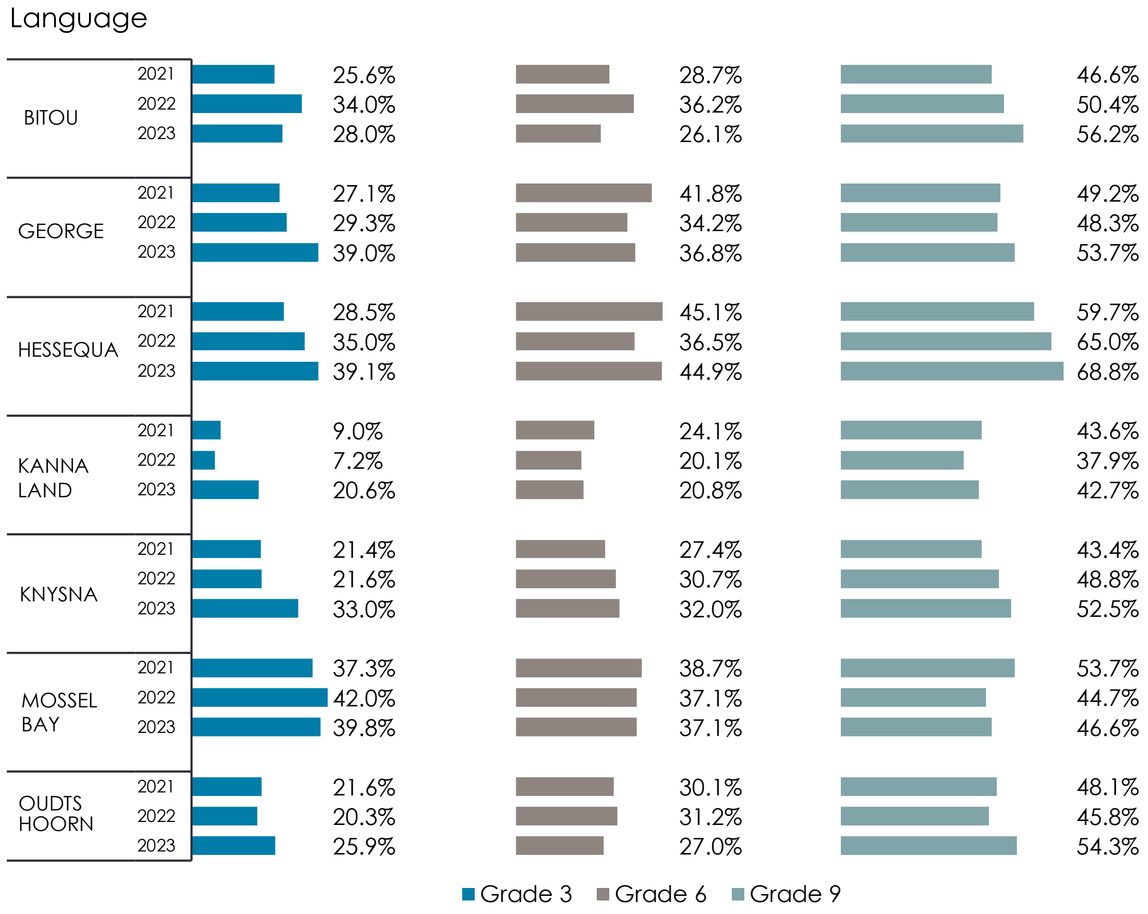


Source: Western Cape Education Department, 2024

In 2023, Bitou had a pass rate of 28 per cent in Grade 3, and 26.1 per cent in Grade 6. However, its Grade 9 pass rate is above average. George shows a slight increase in pass rates between 2021 and 2023. It has the highest pass rate for Grade 6 but has a slightly below-average pass rate for Grade 9. Hessequa shows a similar pattern to George, showing a slight increase in pass rates between 2021 and 2023. The pass rate for Grade 3 is above average, but the pass rate for Grade 6 is below average.

Kannaland has the lowest pass rate in the District for Grade 3 at 20.6 per cent in 2023, although it showed significant improvement from 9 per cent in 2021. Its Grade 6 pass rate is also below average. Knysna had an above average pass rate for Grade 3 and Grade 6, but exhibited below average pass rates for Grade 9. Mossel Bay has the highest pass rate for Grade 3, with pass rates above average for all grades. Oudtshoorn has above average pass rates for Language in Grade 3 and Grade 6 but has a below average pass rate for Grade 9.

Figure 134
GRADE 3, 6 AND 9 LANGUAGE PASS RATES, Garden Route District, 2021 - 2023



Source: Western Cape Education Department, 2024

The consistent underperformance of some Municipalities suggests potential contributing factors, including resource disparities, teacher quality, socioeconomic challenges, and educational infrastructure. Factors specific to each Municipality, such as socio-economic conditions, parental involvement, and community support, could also be driving the differences in pass rates.

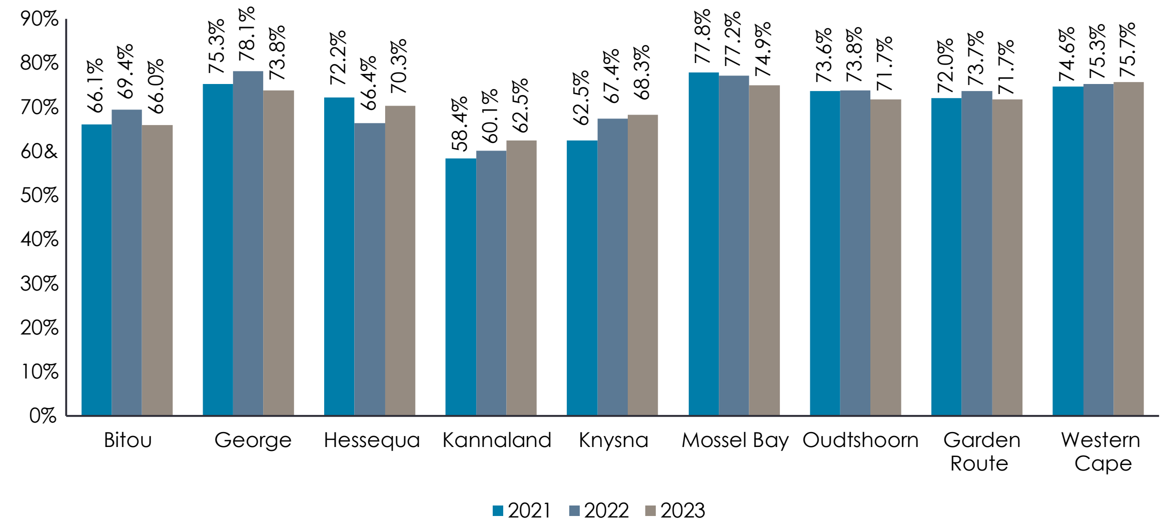
High school retention rates

The Grade 10 to 12 retention rate is obtained by comparing the number of Grade 12 learners of a particular cohort with the number of Grade 10 learners from the same cohort who were present two years earlier. This shows the proportion of students who progressed to Grade 12.

The Grade 10 to Grade 12 retention rates in the GRD municipal areas show a downward trend, with some municipal areas experiencing a more significant decline than others. The data reveals that 2022 saw a decrease in retention compared to 2021 in most municipal areas, with the exception of Knysna, Mossel Bay, and Oudtshoorn. However, in 2023, there has been an improvement in retention rates, as compared with 2022, across most municipal areas.

In Kannaland, the retention rate rose from 58.4 per cent to 60.1 per cent in 2022, then rose further to 62.5 per cent in 202. The most significant drop in retention rates from 2022 to 2023 was observed in George, where the rate fell from 78.1 per cent to 73.8 per cent. The key driving factors behind these trends are likely multifaceted and include economic conditions, access to quality education and resources, and socio-economic factors.

Figure 135
GRADE 10 TO 12 RETENTION RATE, Garden Route District, 2021 – 2023



Source: Western Cape Education Department, 2024

Matric educational outcomes

> To successfully complete Grade 12 and earn a National Senior Certificate (NSC), a student needs to score a minimum of 40 per cent in three subjects: at least 30 per cent in their home language; 30 per cent in two additional subjects, and 20 per cent in a sixth subject. A matriculant who obtains a bachelor's pass can enrol in a bachelor's degree course at a university. A learner must pass six of their seven subjects to get a bachelor's pass, achieving at least 40 per cent for the home language, achieve at least 50 per cent in four subjects, achieve at least 30 per cent in one other subject, achieve at least 30 per cent in the language of teaching and learning of the tertiary institution and pass at least 6 out of 7 subjects.

The matric pass rate for the municipal areas in the GRD has remained relatively consistent over the past three years, generally hovering around the 80 per cent mark. However, there are variations among specific municipal areas, with some exhibiting notable improvement in recent years, while others demonstrate a slight decline. The Bachelor's pass rate, on the other hand, displays a more pronounced downward trend, with most municipal areas experiencing a drop in the percentage of students progressing to tertiary education.

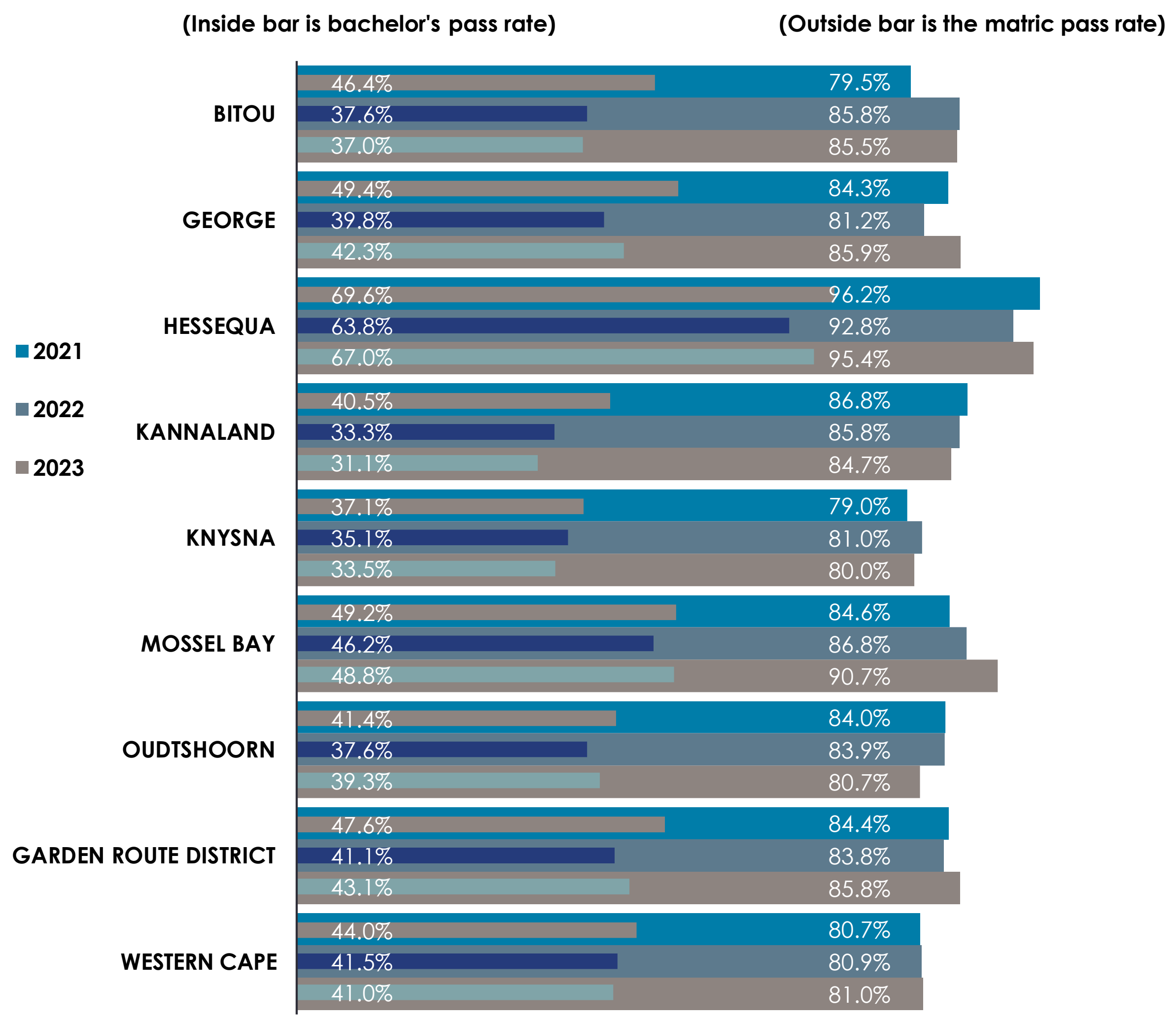
Most minicipal areas demonstrate a steady matric pass rate, indicating a relatively consistent performance in secondary education. For example, Bitou, George, and Mossel Bay have maintained a pass rate above 80 per cent throughout the period, showcasing consistency in educational quality. municipal areas like Oudtshoorn show positive trends, with their matric pass rate increasing from 2021 to 2023. This suggests successful implementation of educational improvement initiatives in these areas.

While most municipal areas exhibit stability, some, like Kannaland, show a slight decline in their matric pass rate. This could be attributed to various factors, including socioeconomic challenges or resource constraints, which need further investigation.

Across the board, the Bachelor's pass rate displays a significant decline from 2021 to 2023. This suggests challenges in the transition from secondary to tertiary education, potentially stemming from factors like inadequate preparation, financial limitations, or changing student aspirations. Although a general downward trend is observed, the extent of this decline varies across municipal areas. Some, like Hessequa, exhibit a smaller decline, while others, such as Kannaland, witness a more substantial drop. This highlights the diverse challenges faced by students in different regions.

While the trend is negative, some Municipalities, like Mossel Bay, exhibit a slight increase in their Bachelor's pass rate, signifying success in supporting students in their transition to higher education.

Figure 136
GRADE 12 PASS RATE AND BACHELOR'S PASS RATE, Garden Route District, 2021 – 2023



Source: Western Cape Education Department, 2024

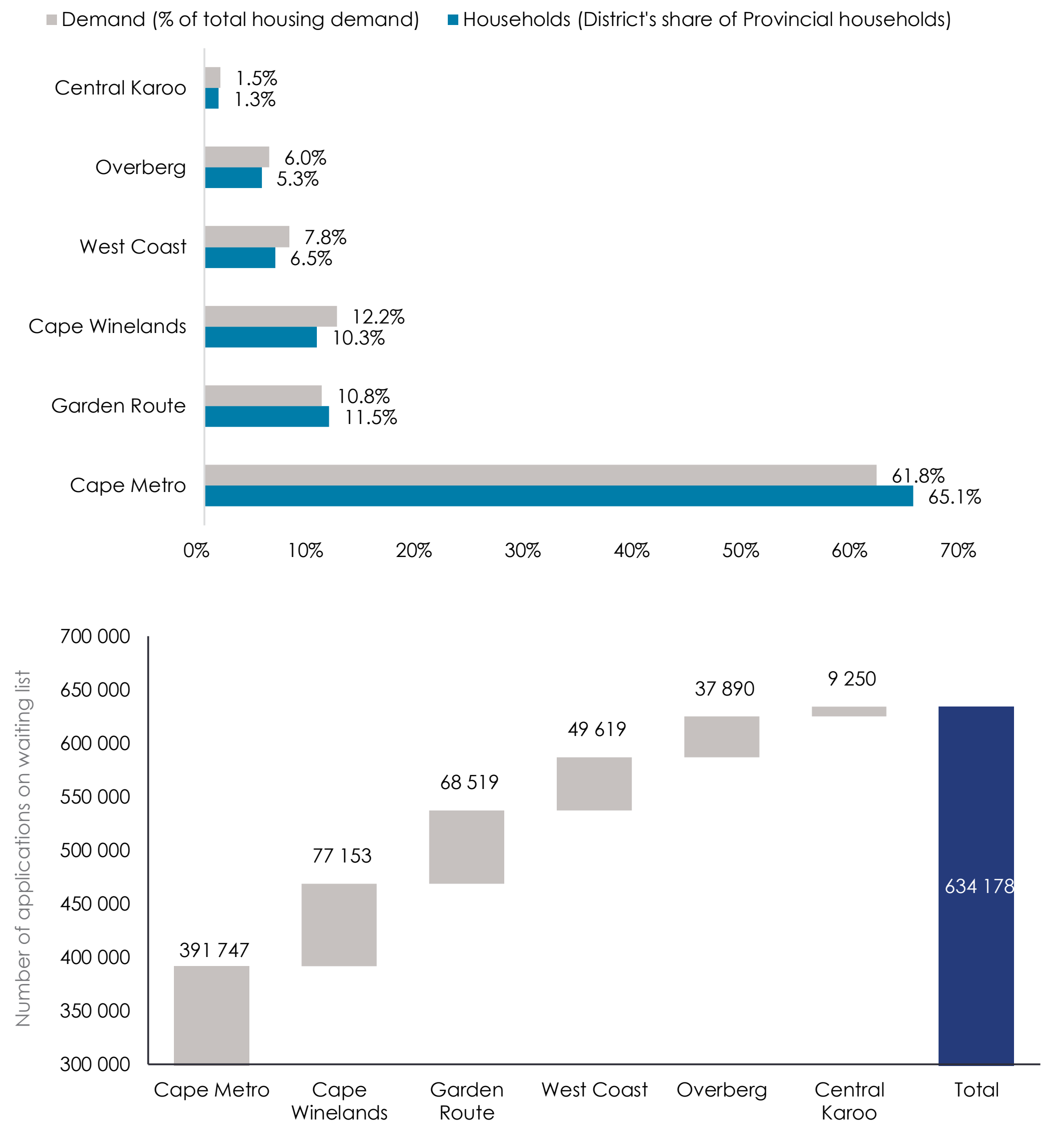
The improvement in pass rates can be attributed to increased support for learners with special needs, improved institutional management and governance, enhanced curriculum delivery and advice, and effective leadership in the Garden Route Education District. However, concerns remain regarding the decline in Bachelor's passes, which may affect youth employability and income levels.

HOUSING AND ACCESS TO BASIC SERVICES

Within the Province, demand for housing is measured by the number of applications on the waiting list at the Western Cape Housing Demand Database. Housing demand in the GRD is quite low compared to other districts and the Metro, accounting for 10.8 per cent of applications. Notably, the GRD recorded a modest increase of 3.3 per cent in demand for property, year-on-year, relative to other districts in the Province. This burgeoning demand in the region reflects the broader implications of urbanisation and the pressing need for effective housing solutions.

Figure 137

HOUSING DEMAND, WESTERN CAPE, 2023/24



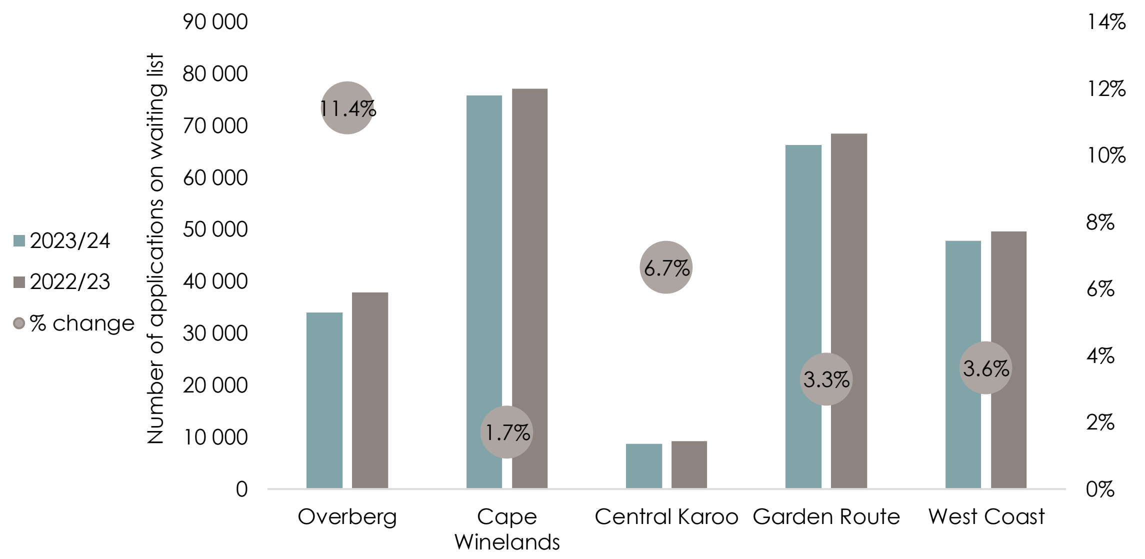
Source: Western Cape Housing Demand Database, 2024

Across the districts, the largest demand for housing was recorded in the OD, which recorded a year-on-year change of 11.4 per cent. This was followed by CKD, which recorded an increase in demand of 6.7 per cent from 2022/23. The increase in demand in the GRD and WCD is quite modest, roughly 3.3 per cent and 3.6 per cent. The CWD recorded the least growth in household demand, at 1.1 per cent. The demand for housing is driven by the proportion of informal dwellers and the inability of formal housing markets to meet the needs of low-income populations.

The housing sector in the GRD of the Western Cape saw a 3.0 per cent increase in property demand between 2022/23 and 2023/24. However, the GRD has 68 519 housing applications, the second highest number in the Province. This is partially explained by the District being home to around 11.3 per cent of the province's population. The GRD's population growth, coupled with its high unemployment rate and socio-economic profile, has led to an ongoing demand for government subsidised housing.

Figure 138

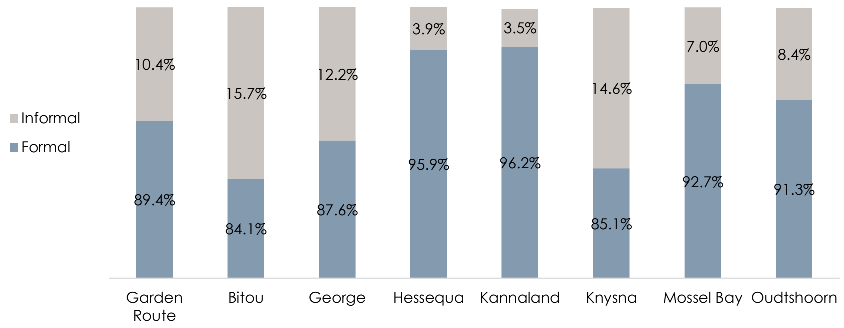
HOUSING DEMAND,DISTRICT COMPARISON, Garden Route District, 2022/23-2023/24



Source: Western Cape Housing Demand Database, 2024. Note: Data is unavailable for Cape Metro in 2022

At the District level, there are 89 per cent of formal dwellings, which is higher than the Provincial number of 84 per cent. However, housing structures are spatially different between and within local municipalities. Bitou and Knysna are experiencing rapid urbanisation, with informal settlements settling near the urban centres, that offer employment opportunities, access to services and infrastructure.

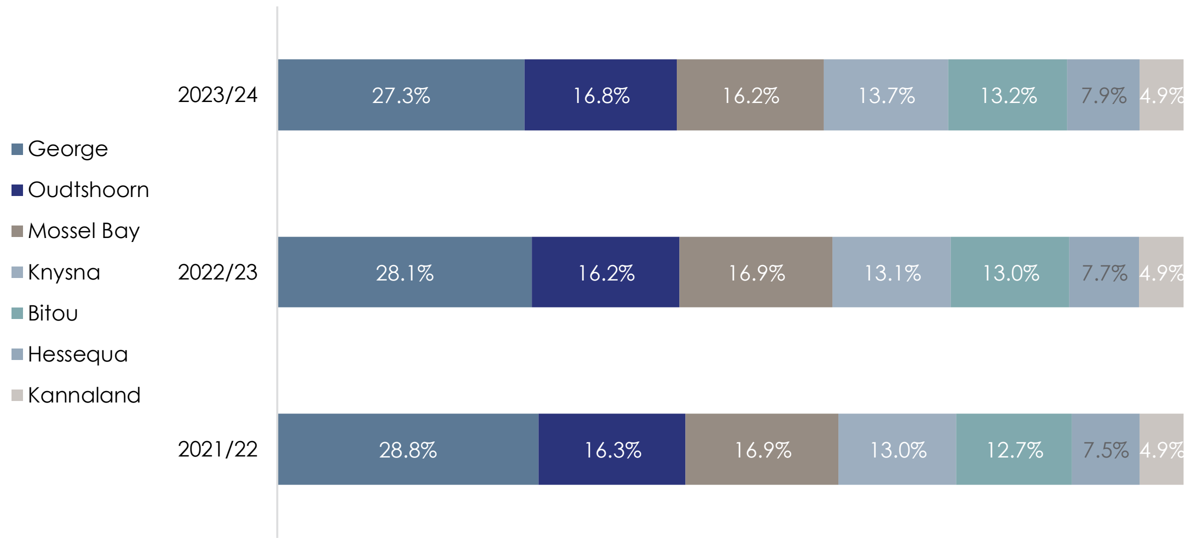
Figure 139
FORMAL AND INFORMAL DWELLINGS, Garden Route District, 2023



Source: Quantec, 2024

Within the GRD, two Municipalities have sustained the largest share of housing demand over the last three years: George (27.3 per cent) and Oudtshoorn (16.8 per cent). The consistent demand for housing in these areas is largely attributed to the increased population growth, education growth, opportunities and semigration.

Figure 140
PROPORTION OF MUNICIPAL HOUSING DEMAND, Garden Route District, 2021/22-2023/24



Source: Western Cape Housing Demand Database, 2024

Housing subsidies are a key tool the government uses to improve access to housing.[65] However, the income thresholds for these subsidies can limit access. Many deserving households earn more than the upper limit for the subsidy but do not qualify for commercial home mortgages, leaving them in a vulnerable position. The recently launched Housing Market Studies will be critical in shaping the housing policies across the various districts in the Province (see textbox below).

65 African Union for Housing Finance (AUHF), 2019

Housing Market Studies

The Western Cape Government has initiated the second round of Housing Market Studies (HMS) to support the ongoing implementation of the Western Cape Inclusionary Housing Policy Framework (WCIHPF). These studies, scheduled to conclude by the end of the 2024/25 financial year, are essential for understanding the dynamics of local housing markets and for shaping policies aimed at improving housing affordability and inclusivity across the province. There are three (Knysna, Bitou and Oudtshoorn) of seven municipalities participating in the Housing Market Study round II. The George and Mossel Bay Housing Market Studies have been finalised in round I but will be updated as part of the round II study in 2025/26.

Purpose of the Housing Market Study

The HMS aims to provide a comprehensive analysis of the residential property market by evaluating housing supply and demand across income segments, identifying affordability gaps, and examining the local housing stock, both owned and rental. The study is structured to answer pivotal questions, such as:

1. What types of housing are available, and what are the market trends in terms of value, location, and typology?
2. Are housing supply levels adequate to meet the needs of all income groups?
3. How are residents accessing housing, and is it affordable now and into the future?
4. What are the key drivers of housing development, and where are the opportunities for inclusionary housing?

By exploring these areas, the HMS informs municipalities on the effectiveness of their housing markets and identifies interventions to improve access to affordable and inclusive housing. The HMS also plays a crucial role in aligning housing delivery with spatial planning objectives, such as those outlined in Municipal Spatial Development Frameworks (MSDFs), Integrated Development Plans (IDPs), and other housing sector plans.

Use of the HMS

The findings from the Housing Market Studies will provide the municipality with evidence-based insights necessary for policy formulation, specifically enabling it to develop an Inclusionary Housing or Inclusionary Zoning Policy. By identifying where affordable housing is lacking and highlighting gaps in the market, the study will enable the municipalities to prioritize areas for inclusionary housing and determine income segments that require targeted interventions. It will also guide decisions regarding land use rights and incentives to stimulate affordable housing development.

Additionally, the HMS output will serve as a foundation for broader municipal policies aimed at promoting spatial justice and ensuring that housing markets function in a manner that supports both social and economic objectives. It will also highlight the potential for public-private partnerships and other collaborative approaches to address housing needs.

Importance to the Inclusionary Housing Policy

A critical outcome of the HMS is its contribution to the Inclusionary Housing Policy development process. The Cabinet adopted Western Cape Inclusionary Housing Policy Framework (WCIHPF) emphasizes the role of inclusionary housing in achieving spatially efficient and economically sustainable towns and cities. The HMS helps municipalities, like George, Mossel Bay, Oudtshoorn, Bitou and Knysna, by providing the necessary data to craft policies that respond to local housing dynamics. The studies' focus on affordability, housing supply, and demand will allow for a nuanced understanding of which income groups should benefit from inclusionary housing, ensuring policies are both equitable and practical.

The importance of this process is underscored by findings from the round 1 studies, such as those in Stellenbosch, George and Mossel Bay, where significant affordability gaps were identified. The studies revealed that a large portion of the population could not access market-driven housing solutions, necessitating the inclusion of more affordable housing in new developments. In response to these findings, Stellenbosch municipality developed an Inclusionary Zoning Policy. This aligns with the broader goal of the WCIHPF to ensure inclusive, accessible housing markets that cater to a wide range of income groups.

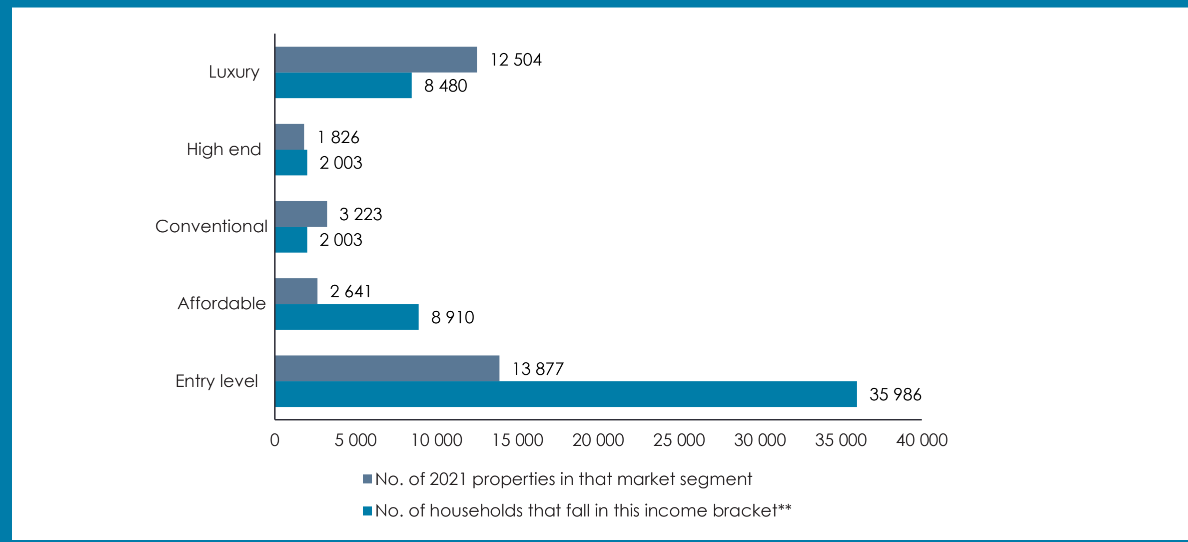
The Housing Market Study will play a key role in helping the Municipality align its housing strategy with both provincial goals and local realities, particularly in supporting the development of an effective Inclusionary Housing Policy. This evidence-based approach is essential for creating a more inclusive and spatially just housing market in the municipality. The sections below illustrate what the key findings from the George and Mossel Bay Housing Market Studies have shown.

Findings from the George Housing Market Study

In 2022, the George Housing Market Study was developed. This study looked at the housing market in the George city area only. Some of the high-level findings from this study are:

- There is an insufficient supply of entry market houses valued below R300 000, there are approximately 36 000 households in the George city area who earn less than R7 300 per month, and only about 13 900 properties in the lowest market segment.
- There is a significant gap in affordable housing valued between R300 000 and R600 000. Houses in the affordable segment make up 7.8% of total residential properties in the George city area, but 14.9% of households fall into the R7 300 – R14 750 monthly income bracket required to purchase a house at this value.
- There is an "oversupply" of residential properties in the luxury market valued over R1.2 million, as per the figure below, meaning that there are more households available in this market segment than the number of households that can afford them.

Figure 141
NUMBER OF PROPERTIES PER MARKET SEGMENT AND NUMBER OF HOUSEHOLD ASSOCIATED INCOME BRACKETS, George, 2021

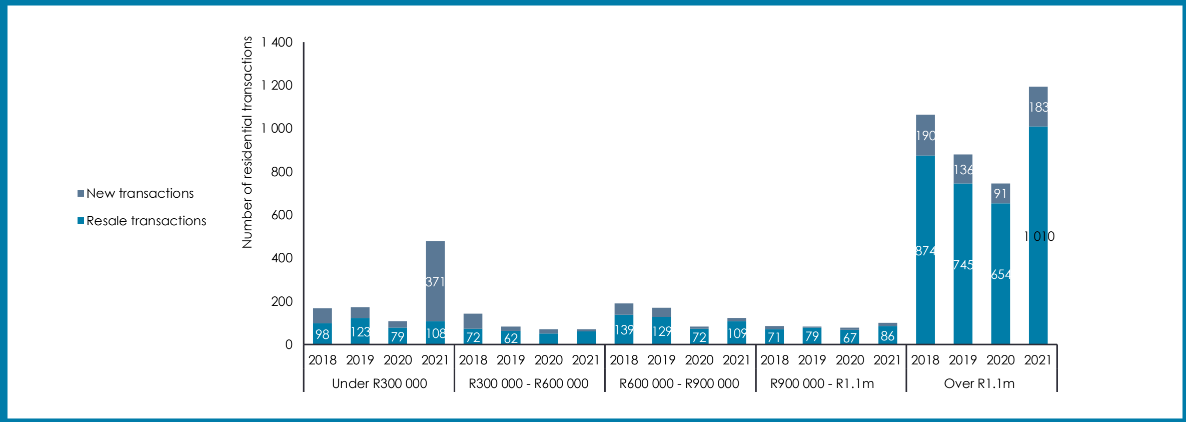


Source: Housing Market Studies George Report, 2022
**Assuming 7.75% interest rate, 20 year loan tenor, 30% premium to income ratio, 10% deposit and no FLISP.*
**Assuming even spread of number of households at each income level, within an income bracket.*

The figure below illustrates the number of new and resale transactions market segment. The George city area saw far more transactions over R1.2 million than below. Transactions of properties valued between R300 000 and R1.2 million were fewer than those in higher market segments. The exception was new construction in the entry market segment under R300 000, which was largely driven by the delivery of government-subsidised units.

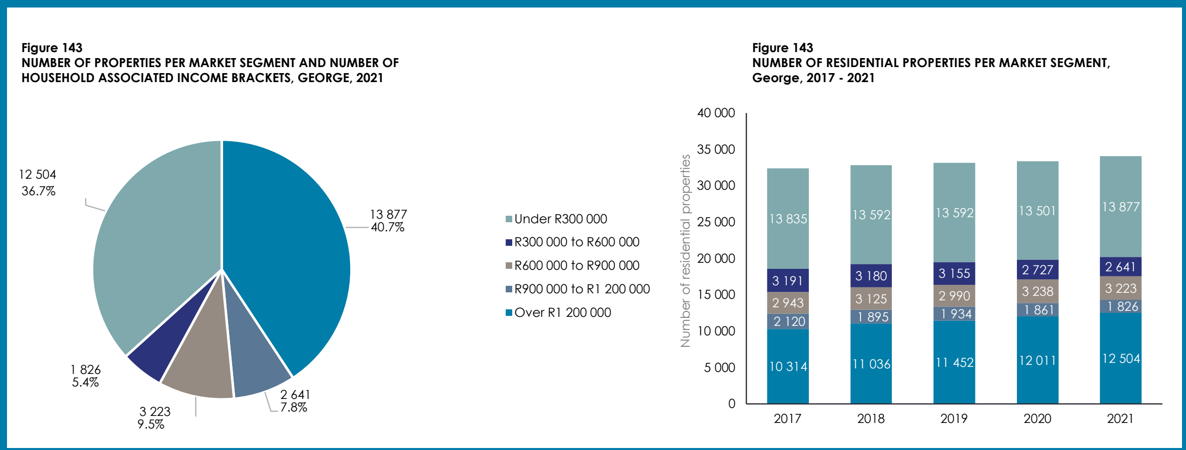
Figure 142

THE NUMBER OF NEW AND RESALE TRANSACTIONS MARKET SEGMENT, George, 2018 - 2021



Source: Housing Market Studies George Report, 2022

- The figure below illustrates the number of residential properties by market segment. Most properties under R300 000 were developed through government intervention with resale restrictions for houses under eight years old. Properties between R300 000 and R1.2 million are of current interest to government, investors and developers keen on providing more affordable housing, while houses valued over R1.2 million typically trade in more conventional and organic ways.



Source: Housing Market Studies George Report, 2022

- The total value of the residential property market of the George city area was R38.7 billion in 2021.
- Approximately 41% of the 34 071 residential properties in the George city area are in the entry market, 7.8% are in the affordable market, 9.5% are in the conventional market and 37% of properties are luxury houses valued over R1.2 million.

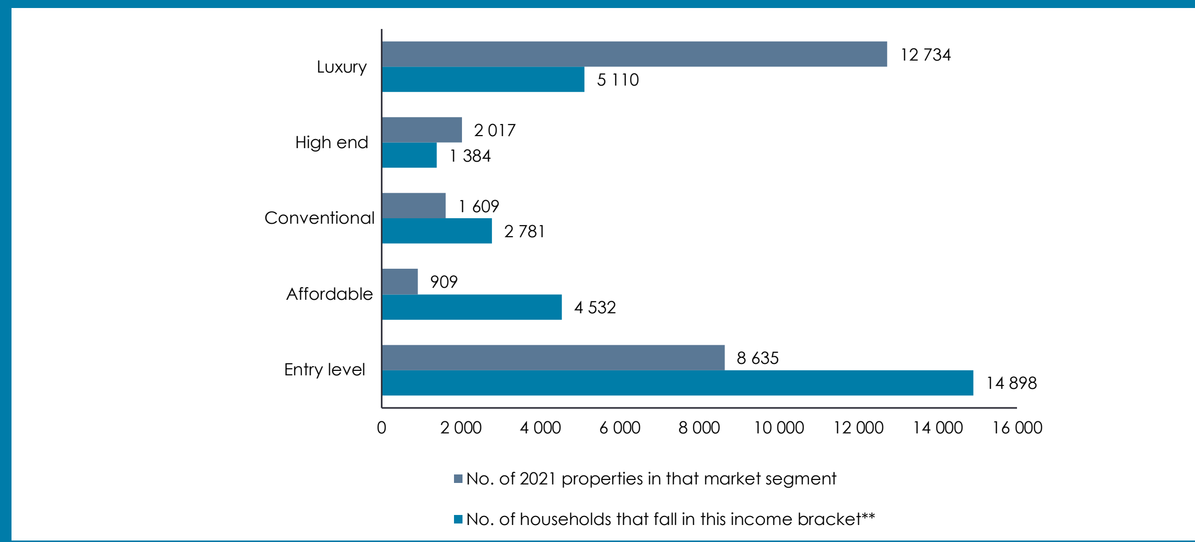
Findings from the Mossel Bay Municipality Market Housing Market Study

In 2022, the Mossel Bay Housing Market Study was developed. Some of the high-level findings from this study are:

- There are unmet housing needs for low-income households earning less than R22 200 / month. There are nearly 15 000 households in the lowest income bracket, earning R7 300 or less per month, and only around 8 600 properties in the entry level market, valued R300 000 or less. Similarly, in the affordable housing market segment (R300 000 to R600 000), there are around 900 houses, but an estimated 4 4500 households who theoretically earn enough to purchase a house in this value range. And then within the conventional segment (houses valued R600 000 to R900 000), there are roughly 1 600 properties, but more than 2 700 households in this income bracket.
- There is an "oversupply" of high-end and luxury properties. In the high-end segment of properties valued between R900 000 and R1.2 million, there is stock of approximately 2 000 houses, and only 1 400 households with incomes that would enable them to purchase a unit in this market segment. Similarly, there appears to be an oversupply of stock in the luxury segment over R1.2 million: there are around 5 100 households in the Mossel Bay city area who earn an income that would enable the purchase of a home over R1.2 million, and nearly 12 750 of these luxury homes.
- The figure below illustrates the number of properties per market segment.

Figure 144

THE NUMBER OF PROPERTIES PER MARKET SEGMENT AND NUMBER OF HOUSEHOLDS IN ASSOCIATED INCOME BRACKETS, Mossel Bay, 2021



Source: Housing Market Studies Mossel Bay Report, 2022

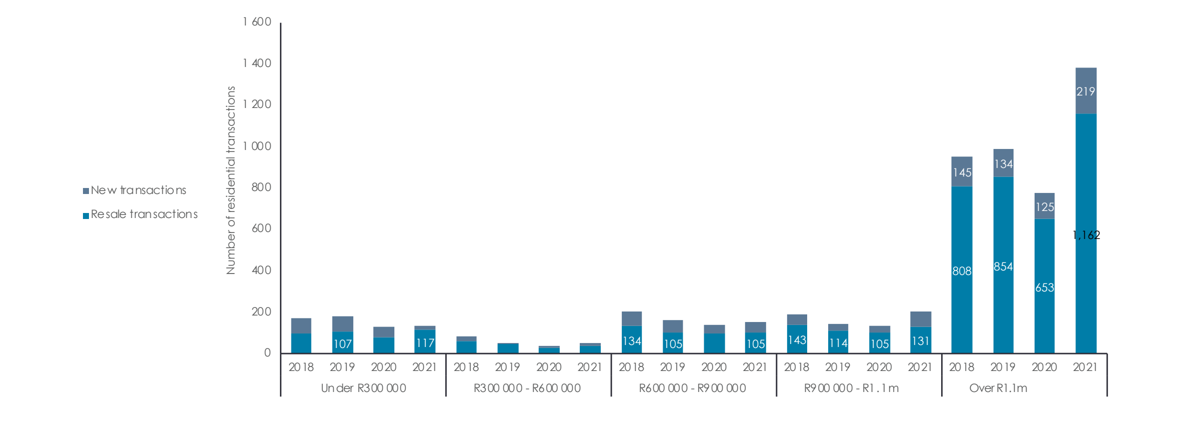
*Assuming 7.8 % interest rate, 20 year loan tenor, 30% premium to income ratio, 10% deposit and no FLISP.

*Assuming even spread of number of households at each income level, within an income bracket.

- The rental properties in the Mossel Bay city area are fairly expensive. The Mossel Bay municipality's average rent was around R9 000/month for freehold properties and around R6 200/month for sectional title units.
- The figure below illustrates the number of new and resale transactions market segment. In the last four years, the Mossel Bay city area saw far more transactions over R1.2 million than below. Transactions of properties valued between R300 000 and R1.2 million were significantly fewer than those in higher market segments.

Figure 145

THE NUMBER OF NEW AND RESALE TRANSACTIONS MARKET SEGMENT, Mossel Bay, 2018 - 2021



Source: Housing Market Studies Mossel Bay Report, 2022

- The figure below illustrates the number of residential properties by market segment. Most properties under R300 000 were developed through government intervention with resale restrictions for houses under eight years old. Properties between R300 000 and R1.2 million are of current interest to government, investors and developers keen on providing more affordable housing, while houses valued over R1.2 million typically trade in more conventional and organic ways.

Figure 146

NUMBER OF PROPERTIES PER MARKET SEGMENT AND NUMBER OF HOUSEHOLD ASSOCIATED INCOME BRACKETS, Mossel bay, 2021

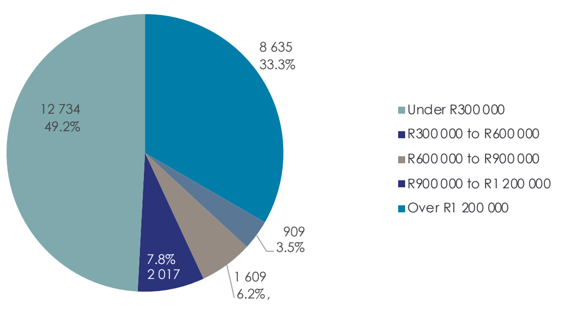
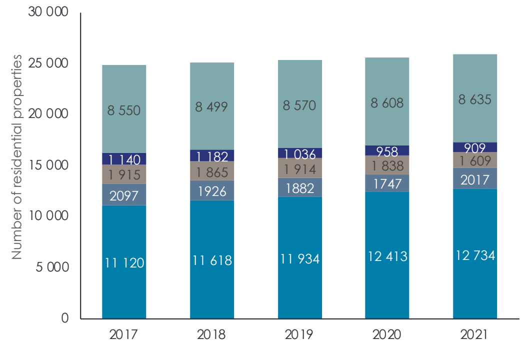


Figure 147

NUMBER OF RESIDENTIAL PROPERTIES PER MARKET SEGMENT, MOSSEL BAY, 2017 - 2021



Source: Housing Market Studies Mossel Bay Report, 2022

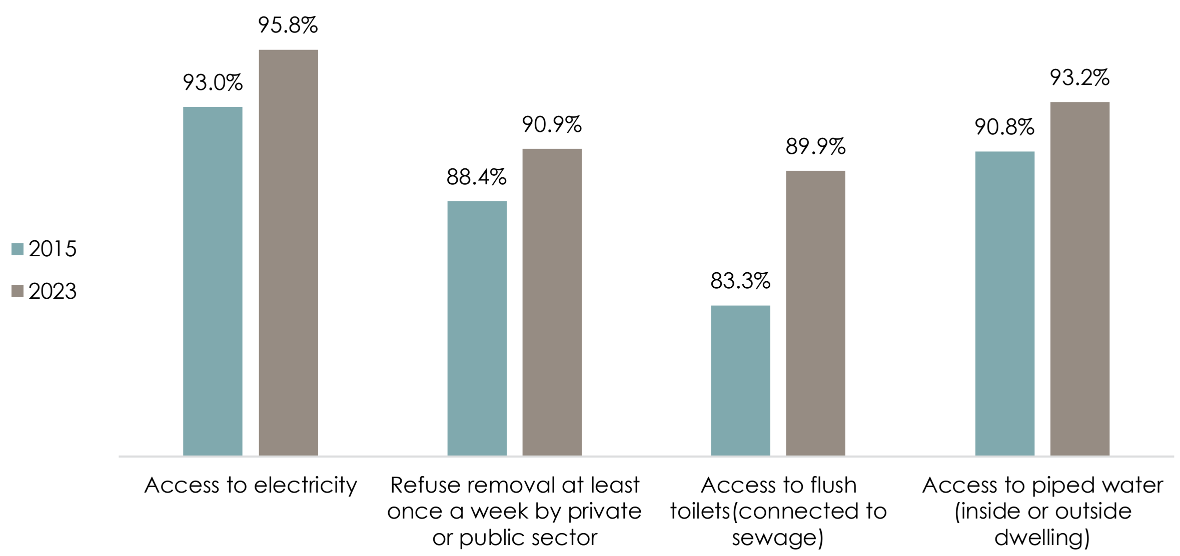
- The total value of the residential property market of the Mossel Bay city area was R33.84 billion in 2021.
- About a third of Mossel Bay city area's residential properties (33 per cent) are in the entry market (under R300 000) and only 4 per cent are in the affordable segment (R300 000 – R600 000) while 6 per cent are in the conventional market valued between R600 000 and R900 000.

ACCESS TO BASIC SERVICES

Municipalities are responsible for providing a range of basic services to ensure the well-being and quality of life of their residents. These services typically include: (i) access to clean and safe drinking water for all residents; (ii) provision of adequate sanitation services, including sewage systems and waste management; (iii) supply of reliable and affordable electricity, and (iv) disposing of household and commercial waste.

GRD has helped local municipalities deliver basic services to communities by (i) preparing and implementing strategic housing plans and linked human settlement sector plans, (ii) increasing funds for renewable energy especially in the Oudtshoorn and Kannaland Municipalities, investing in water response projects, to provide water in Municipalities facing water scarcity.

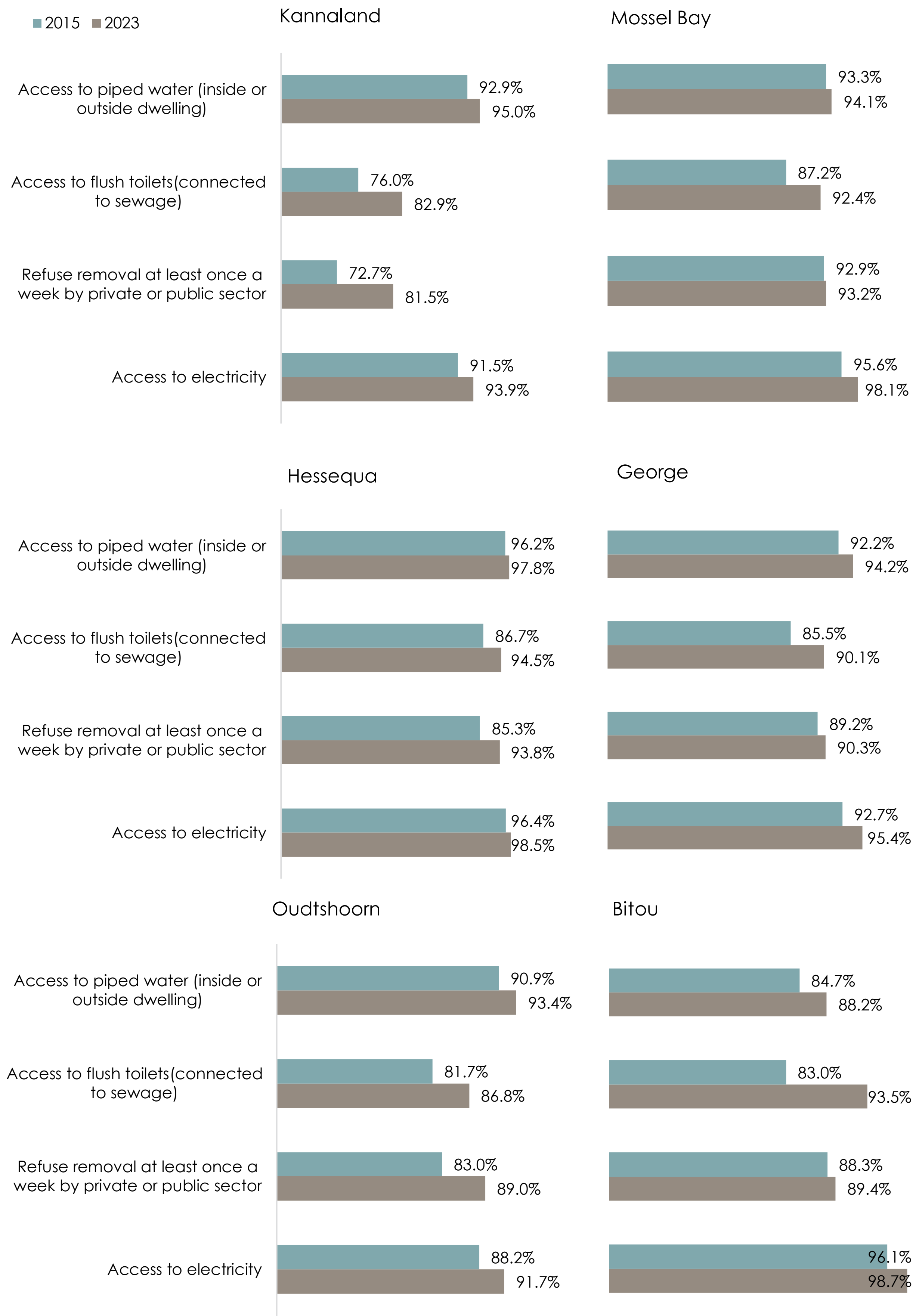
Figure 148
ACCESS TO BASIC SERVICES, Garden Route District, 2015 – 2023



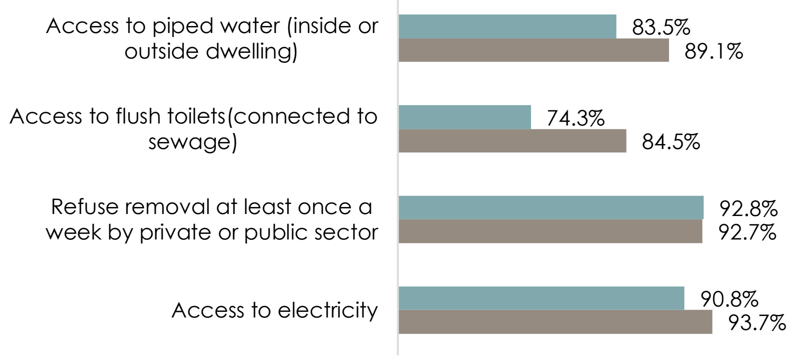
Source: Quantec, 2024.

Formal housing in the GRD is 89.4 per cent indicating the general level of access to basic services. However, there is a contrast between local municipalities such as George and Mossel Bay, which have high population densities, and is reflected in service delivery access. Municipalities such as Bitou and Knysna have the largest informal settlements in the District. This is due to rural migration, population growth, and a lack of affordable housing. There has however been a significant improvement in sanitation in the GRD. Between 2015 and 2023, Kannaland saw an 8.8 percentage point increase in refuse removal and a 6.9 percentage point increase in access to flush toilets. Access to flushed toilets in Knysna and Bitou increased by a significant 10.2 and 10.5 percentage points respectively between 2015 and 2023.

Figure 149
ACCESS TO BASIC SERVICES, Garden Route District, 2015–2023



Knysna



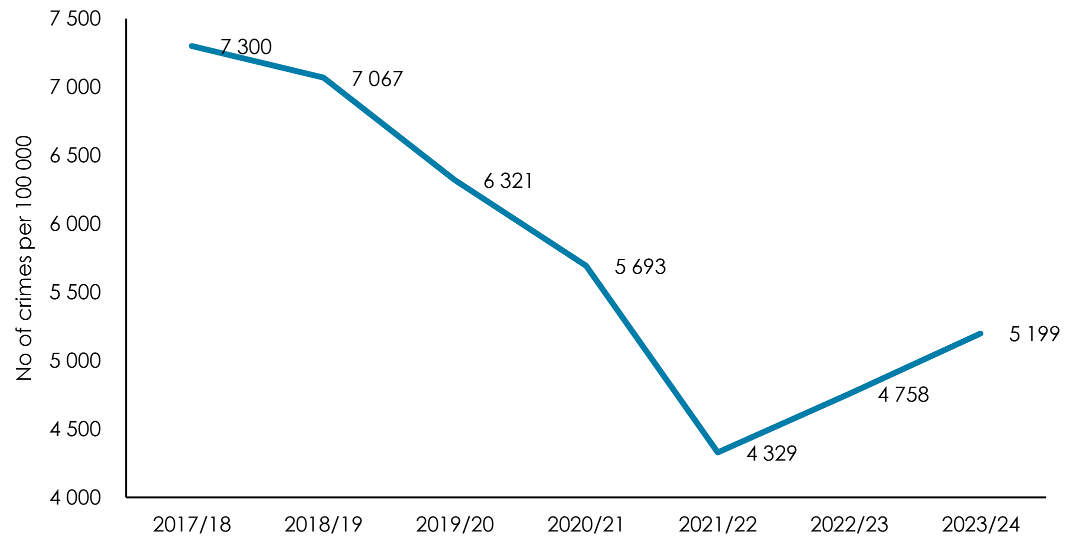
Source: Quantec, 2024.

CRIME

The WCG has invested in fighting against crime in the province, through large-scale programmes like the Law Enforcement Advancement Plan (LEAP), which was introduced in Cape Town in 2020. LEAP officers are deployed to work with the South African Police Service (SAPS) and other law enforcement agencies.

The Provincial Law Enforcement Agencies have contributed towards a reduction in crime levels in the last decade. Between 2017 and 2021, the number of serious crimes per 100 000 people has declined from 7 300 to 5 199, marking a 28.8 per cent decline. Notably thereafter, the number of serious crime incidents has increased. This growth in crime has been exacerbated by the prevailing socio-economic conditions that leave a significant proportion of the adult population with limited access to employment opportunities, and therefore, income.

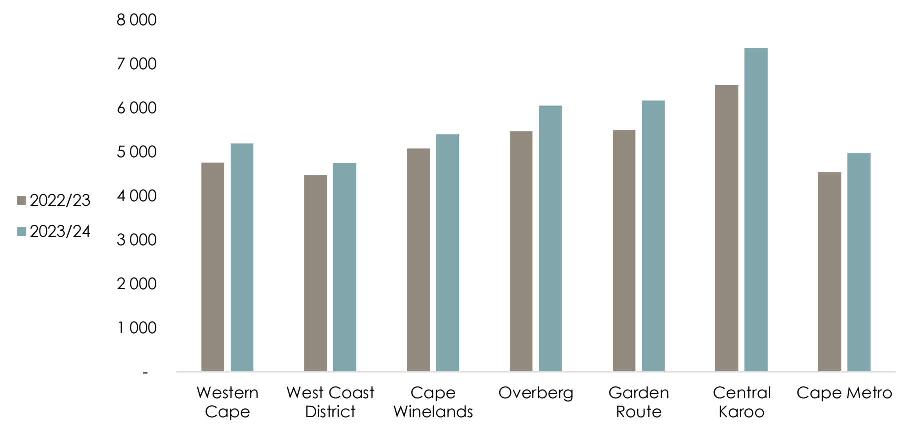
Figure 150
SERIOUS CRIMES PER 100 000 PEOPLE, Western Cape, 2017/18 – 2023/24



Source: Quantec, 2024.

The increase in the number of serious crimes in 2023/24 is universal in the Western Cape. Central Karoo recorded the highest increase in crime incidence, from 6 529 to 7 637 between 2022 and 2023. On the other hand, the lowest crime incidence was recorded in the Cape Metro, reaching 4 980 by 2023. The incidence of crimes across the districts is mostly explained by the socio-economic landscape.

Figure 151
SERIOUS CRIMES PER 100 000 PEOPLE, 2022/23-2023/24



Source: Calculated from SAPS, Quantec and Western Cape DSD, 2023

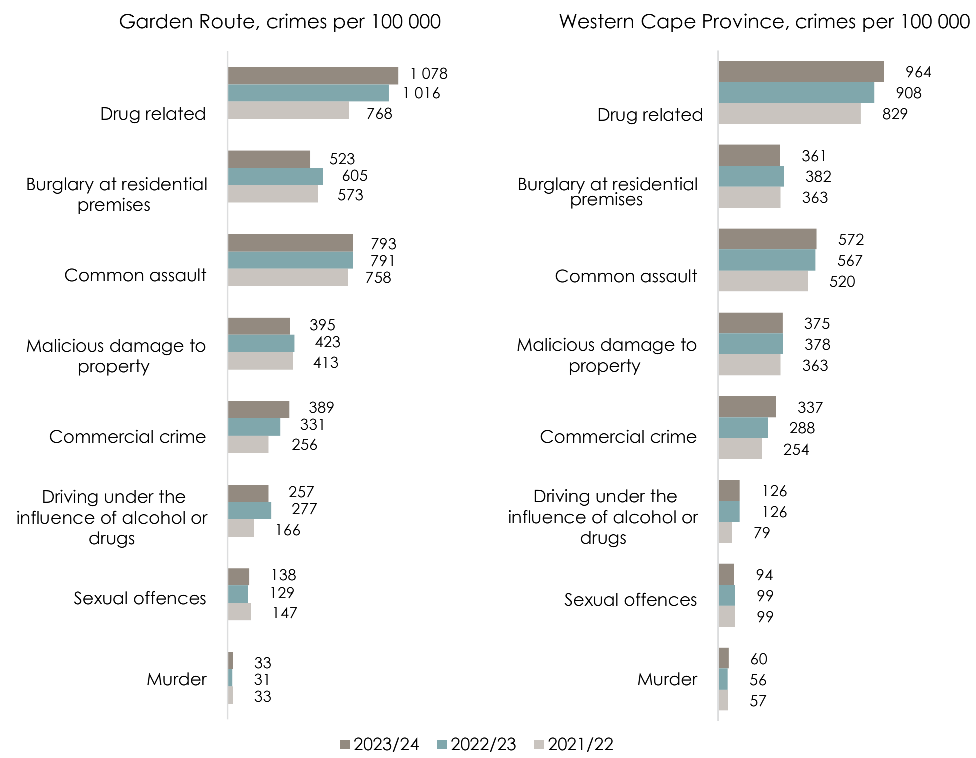
The GRD is renowned for its diverse natural beauty, tourism attractions, and outdoor activities, across the region. However, communities in the GRD have faced rising crime rates per 100 000 people since 2020. The COVID-19 lockdown in 2020/21 temporarily reduced crime as more people stayed home, limiting criminal opportunities. Key factors driving crime in the GRD include the absence of surveillance cameras, poor lighting, high unemployment, substance abuse, domestic violence, repeat offenses by released prisoners, seasonal labour influx, and social intolerance. However, crime has been increasing since the lockdown, with the 2023 rate exceeding pre-COVID-19 levels, except for common assault and murder offenses which remained the same.

The leading source of reported crime in GRD, which also recorded the largest increase in 2022 (1 016 per 100 000 people), was drug related crime, reporting 1 078 incidents per 100 000 people in 2023. Drug related crimes are closely correlated with high levels of poverty and inequality, and are also associated with low education and low-income levels. Common assault remained the same at 791 per 100 000 people, compared to 572 for the Province. The Western Cape reported a 7.0 per cent increase in murder cases in the year 2023, while the level in the GRD stayed the same.

Burglary at residential premises went down from 605 to 523, a 13.6 per cent decrease and higher than the 5.7 per cent decrease that was recorded Provincially. Commercial crime increased both for GRD and for the Province, recording 389 and 337 per 100 000 respectively. There was a small decrease in driving under the influence of alcohol or drugs in GRD, going down from 277 in 2022 to 257 in 2023 per 100 000. Visible policing and reinforcing road traffic rules continues to play a part in monitoring all road users, ensuring they abide by the rules. The number of offences of driving under the influence of drugs or alcohol stayed the same for the Province at 126 in the previous year and the current year.

Sexual offenses increased from 129 to 138 per 100 000 while the province saw a 5 per cent drop in these offenses from 99 to 94. Unfortunately, sexual offenses crimes are often exacerbated in societies that have high levels of alcohol and drug/substance abuse. Substances and alcohol impair one's judgement leading to poor decision making and increases propensity for arguments and tempers rising. Such crimes also tend to be under reported with victims failing to report to authorities or seeking help. Therefore, these published figures might not be a true reflection of actual offenses.

Figure 152
CRIMES PER 100 000 PEOPLE, Garden Route District, 2021/22 – 2023/24



Source: Calculated from SAPS, Quantec and Western Cape DSD, 2024

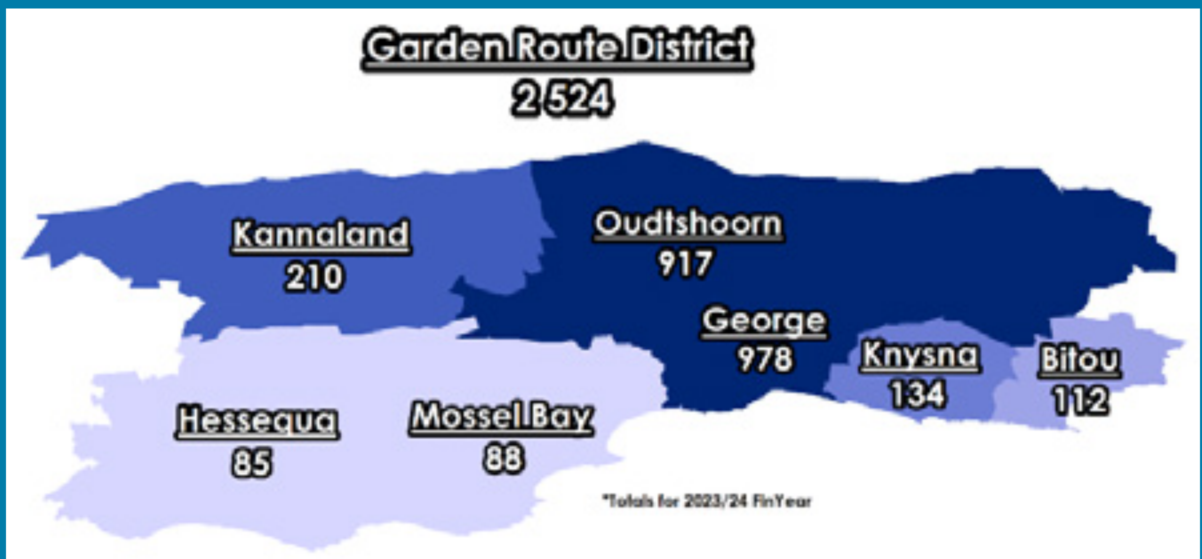
Given the constant rise in crime rates in the GRD, local authorities have established Local Safety Community Forums throughout the District except for Knysna who are yet to submit their safety plan. Municipalities are set to use these safety forums to access funding for effective crime prevention initiatives. GRD encourages respective communities to join their neighbourhood watches. Group joining details can be accessed at the local police stations.

GBV Prevalence: Insights from the Victim Empowerment Programme (VEP)

The Department of Social Development – Western Cape Government (DSD – WCG) initiated a geo-mapping project aimed at analysing psycho-social support gleaned from client records from the VEP. This project involved collaboration with internal service delivery teams and non-governmental (NGO) partners, focusing on utilising service delivery data to inform evidence-based decisions. The project enabled DSD-WCG to identify hotspots, monitor trends, and enhance the effectiveness of GBV interventions. The strategic use of service delivery data strengthens the provincial response to GBV and holds the potential to improve support services for victims within the Western Cape Province.

The project aligns with the National Strategic Plan on GBV and Femicide which recognises the need to assess the prevalence of GBV across the Province. The socio-economic implications of GBV are profound. The immediate and long-term consequences not only affect the physical and psychological well-being of individuals but also disrupt family structures, reduce workplace productivity, and impose significant healthcare and legal costs.

Figure 153
ACCESS TO GBV-RELATED SUPPORT SERVICES, GARDEN ROUTE DISTRICT, 2023/24

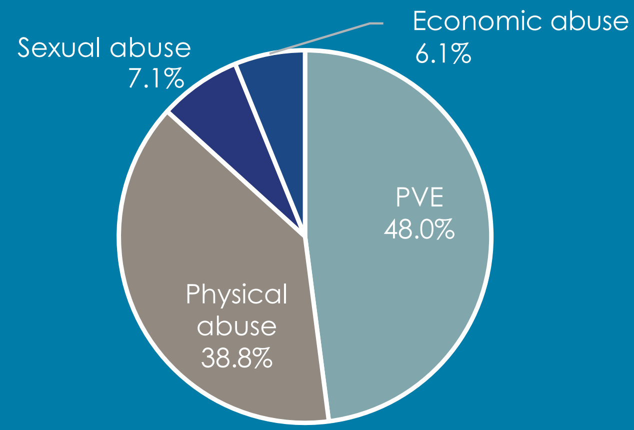


Source: Western Cape Department of Social Development, 2024

Analysis of abuse types in the GRD highlights the forms of GBV experienced by those accessing psychosocial support services. Psychological, verbal, and emotional abuse (PVE) accounted for 47 per cent of reported cases, with Physical abuse accounting for 38 per cent and sexual abuse 7 per cent and Economic Abuse 6 per cent.

A breakdown by municipal area reveals distinct trends. With George and Oudtshoorn accounting for over three quarters of the abuse types reported, 65.0 per cent of recorded clients in George reported Physical abuse, whereas in Oudtshoorn 65 per cent of the clients reported PVE. In Kannaland PVE were the most prevalent abuse, with 78 per cent followed by physical abuse. Knysna displayed a slightly different pattern, with PVE still being most prevalent abuse, followed by sexual abuse (28 per cent) and Physical abuse (26 per cent). Bitou and Mossel Bay had similar trends, with physical abuse being slightly more prevalent than PVE. In Hessequa more than half of the clients reported PVE as most prevalent abuse, followed by physical abuse with 38 per cent.

GBV remains significantly underreported. This underreporting is driven by multiple factors, including limited access to services, social stigma, fear of retaliation, distrust of authorities, and cultural norms that deter victims from seeking assistance. To effectively address GBV, it is crucial to implement targeted interventions that enhance access to services, build trust in institutional responses, and shift societal attitudes towards gender-based violence.

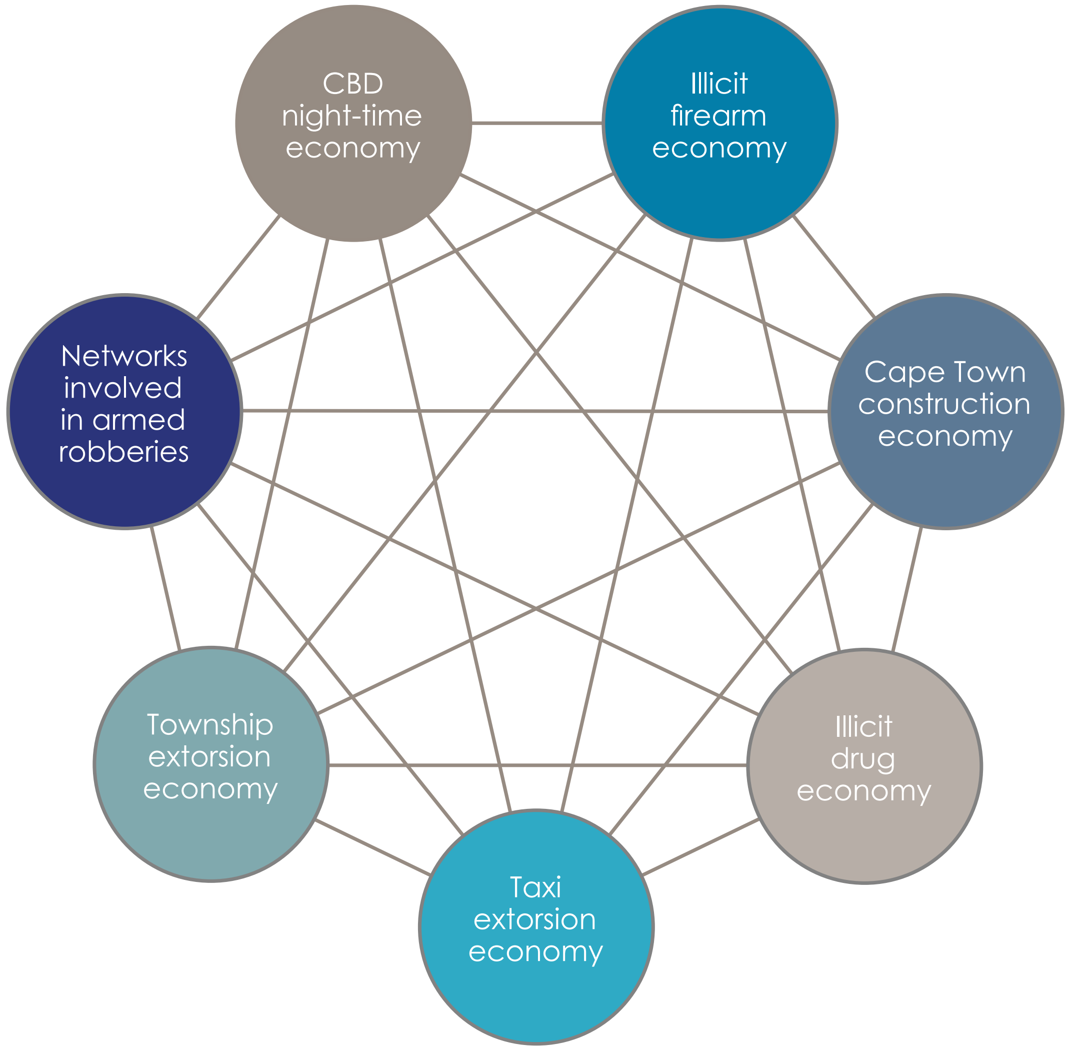


GENDER-BASED VIOLENCE (GBV)

refers to harmful actions perpetrated against individuals based on their gender, predominantly affecting women and girls, although men and boys can also be victims. It manifests itself in various settings, such as domestic environments, workplaces, and public spaces, and is often driven by unequal power relations. GBV is entrenched in societal norms and encompasses a broad range of abuses, including psychological, verbal, and emotional abuse; physical abuse; sexual abuse; economic abuse; discriminatory abuse; harassment; domestic violence; and hate crimes.

While not explicitly stated in the crime statistics reported by the SAPS nationally, violent crimes such as murder has been on the rise as a result of the increased presence and dominance of "extortion mafias". These so-called "mafias", seek to extort profits by bribing government officials and employing violence (murder and fires) has a detrimental impact socially and economically. The infographic depicts the linkages between extortion and their illicit economies. Swift implementation of high-quality crime intelligence accompanied by expeditious prosecutions is required for the country to continue its infrastructure growth trajectory.

Figure 154
INTERSECTIONS BETWEEN EXTORTION AND OTHER ILLICIT ECONOMIES, 2024



Source: The Shadow Economy - Uncovering Cape Town's Extortion Networks, 2024

Challenges within the policing and judicial systems, such as corruption, lack of resources, and inefficiency, can hinder the effective prevention and prosecution of crime, allowing criminal activities to flourish.

CONCLUDING REMARKS

Analysis of the GRD reveals a multifaceted landscape shaped by demographic shifts, economic activities, and social dynamics. The GRD, with a population of 667 636 in 2023, is experiencing steady growth driven by semigration and the appeal of its tourism, agriculture, and retail sectors. George, the largest urban hub, continues to attract residents, contributing to its 1.4 per cent annual growth rate, while Bitou's rapid urbanisation leads the District with a 3.0 per cent growth rate. Conversely, Oudtshoorn and Kannaland face challenges with negative growth rates due to lower urbanisation and fewer economic opportunities.

Household growth mirrors these trends, with George leading at 2.1 per cent and Bitou at 4.0 per cent, reflecting their economic vitality. However, Kannaland's decline in the number of households underscores the need for targeted interventions to address its rural challenges. The District's high urbanisation levels, particularly in Mossel Bay (96.8 per cent), highlight the ongoing shift towards urban living, necessitating robust infrastructure and service delivery.

The GRD's demographic composition, with a significant working-age population (65.1 per cent) and a nearly even gender distribution, presents opportunities for economic growth. However, the high proportion of children (24.7 per cent) and seniors (10.2 per cent) underscores the need for comprehensive social planning to support diverse age groups.

Income and inequality analyses reveal disparities, with the District's GDPR per capita at R53 866, below the Western Cape average. George and Mossel Bay lead in economic output, while Kannaland and Oudtshoorn lag, highlighting the need for economic diversification and targeted support. Median incomes vary, with George at R8 228 and Kannaland at R5 172, reflecting the economic disparities within the district.

The GRD's HDI of 0.712 in 2023, recovering from post-pandemic levels, indicates progress in income, education, and health. However, disparities persist, with Mossel Bay and Hessequa leading in HDI, while Kannaland lags, emphasising the need for equitable development.

Access to basic services has improved, with significant gains in sanitation and refuse removal. However, informal settlements in Bitou and Knysna highlight ongoing challenges in housing and service delivery. The District's crime rates, influenced by socio-economic conditions, underscore the need for comprehensive crime prevention strategies and community engagement.

Health indicators reveal mixed outcomes, with improvements in neonatal mortality and immunisation rates, but challenges in maternal health and severe acute malnutrition. The District's education system shows progress in enrolment and learner-teacher ratios, but disparities in educational outcomes and retention rates highlight areas for improvement.

In conclusion, the GRD's dynamic landscape presents both opportunities and challenges. Addressing economic disparities, enhancing service delivery, and fostering inclusive growth are critical for the district's sustainable development. Collaborative efforts between Government, communities, and stakeholders are essential to create a prosperous and equitable future for all residents of the GRD.

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Infographic Indicator References

Indicator	Source	Year
Land area Population density Households Gender Age Estimated population growth	Western Cape Government PPU, 2024. Provincial, District and local municipality population estimates by sex and age (2002 – 2037) based on Stats SA MYPE base year 2022	2024
Population	Stats SA, Census 2022 Provinces at a glance	2024
Average median income	Nell, A. & Visagie, J. Spatial Tax Panel 2014 – 2023 (dataset). Version 3. National Treasury Cities Support Programme and Human Sciences Research Council (producer and distributor)	2024
Indigent households	Western Cape Department of Local Government	2024
Access to services	Quantec, RHHF – Development Indicators – Households' facilities by population group at 2011 local municipal-/ward-based metro region level	2024
Tourism indicators	Wesgro, Cape Town Visitor Trends: Jan – Dec 2022	2024
Total GDPR Sectoral GDPR	Quantec, RGVA – Income & Production – Regional Output and GVA at constant 2015 prices, Subsidies, and Taxes by industry and 211 local municipal-/ward-based metro region level	2024
Total employment Sectoral employment	Quantec, REMP – Labour – Employment and compensation by skill level, industry and 2011 local municipal-/ward-based metro region level	2024
GDPR forecast	Quantec, RVGA – Income & Production – Regional Output and GVA at basic prices by industry and 211 local municipal-/ward-based metro region level Internal model forecasting methodology.	2024
GDPR per capita	Quantec, RVGA – Income & Production – Regional Output and GVA at constant 2015 prices, Subsidies, and Taxes by industry and 211 local municipal-/ward-based metro region level Western Cape Government PPU, 2024. Provincial, District and local municipality population estimates by sex and age (2002 – 2037) based on Stats SA MYPE, 2024	2024
Unemployment rate	Quantec, RUEM – Labour – Employment and unemployment by 2011 municipal-/ward-based metro region level	2024
International trade indicators	Quantec, TRD12 – RSA Regional Trade QSIC Quantec, TRD11 – RSA Regional Trade HST 4-digit	2024

Section C Infographic Indicator References		
Indicator	**Source**	**Year**
Households Gender Age Estimated population growth	Western Cape Government PPU, 2023. Provincial, District and local municipality population estimates by sex and age (2002 – 2037) based on Stats SA MYPE 2021 and MYPE 2024	2024
Population	Stats SA, MYPE 2024	2024
Average median income	Nell, A. & Visagie, J. Spatial Tax Panel 2014 – 2023 (dataset). Version 3. National Treasury Cities Support Programme and Human Sciences Research Council (producer and distributor)	2024
Indigent households	Western Cape Department of Local Government	2024
Race	Quantec, RPOP– Population, Number of Households and Densities by population group at 2011 local municipal-/ ward-based metro region level	2024

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