



ECONOMIC SECTORS, INVESTMENT, EMPLOYMENT AND INFRASTRUCTURE DEVELOPMENT (ESIED) CLUSTER

DRAFT KWAZULU-NATAL ECONOMIC RECONSTRUCTION AND TRANSFORMATION PLAN

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i. Introduction

On the 21st of April 2020, His Excellency President Ramaphosa addressed the nation on measures in response to Covid 19 crisis and had this to say:

"Our economic strategy going forward will require a new social compact among all role players- business, labour, community and government- to restructure the economy and achieve inclusive growth".

"We will forge a compact for radical economic transformation that advances the economic position of women, youth and persons with disabilities, and that makes our cities, women, towns, villages and rural areas vibrant centres of economic activity"

The President addressed the nation at an opportune time when the coronavirus pandemic/ Covid 19 global crisis was already causing untold human suffering around the world and already caused detrimental socio-economic effects to South Africa. As a result of the spread of the coronavirus, several governments have put in place far reaching lockdown measures that have affected every sector of the economy. The lockdown measures have also had serious socio-economic ramifications on companies and individuals. Cognisant of this, the KwaZulu-Natal provincial government is formulating an economy wide Economic Reconstruction and Transformation plan that aims to bring the economy back into growth trajectory. The purpose of this brief report is, therefore, to provide a framework for discussion with social partners and to propose a set of initial policy responses to counteract the impact of Covid-19 on the regional economy of KwaZulu-Natal. Although the impact of Covid-19 crisis is not yet known, it is common knowledge that the pandemic will have economy wide impact given the lockdown measures instituted by the South African Government and other countries around the world. It is anticipated that global GDP will shrink in 2020 if the pandemic is not stemmed and the current drastic measures are sustained. The post Covid-19 Economic Reconstruction and Transformation plan targets sectors that have higher economic linkages and greater employment creation potential.

The KwaZulu-Natal Covid-19 Economic Reconstruction and Transformation document is a plan of the Economic Sectors, Investment, Employment and Infrastructure Development (ESIEID) Cluster of the Executive Council of the provincial government. The goal of the recalibration and recovery plan is to resuscitate and transform the economy in order to achieve sustainable economic growth. The plan seeks to devise a programme of action to address the socio-

economic challenges caused by Covid 19 crisis and to avert further economic impact on the economy.

ii. Economic Overview

The start of 2020 has proven to be an arduous journey with the coronavirus spreading like a whirlwind in developing and developed economies alike. Covid-19 pandemic is the greatest risk the world economy has faced post the great depression. The outbreak of the COVID-19/Coronavirus has continued to send shock waves around the globe and South Africa has not been spared. In response to the Covid 19 crisis, several governments have put in place far reaching lockdown measures that have affected every sector of the economy. Whilst in South Africa the lockdown measures are expected to be lifted by the 30th of April 2020, global experiences show that these measures are likely to be extended in iteratively.

As a result, global growth prospects remain highly subdued and uncertain. Although the world economy had been projected to grow at about 2.4% in 2020, these projections are now highly pessimistic given that the coronavirus pandemic has brought considerable human suffering and economic disruptions (and halting production) in almost every country globally.

The IMF has referred to the coronavirus as a crisis like no other. The global lender expects that the **global recession** in 2020 will be far worse than in 2009, i.e. in the aftermath of the global financial crisis. This is as the measures (lockdowns) imposed by governments across the globe to contain the spread of the virus bring economic activity to a standstill. IMF has already forecast that the global economy will shrink by 3% in 2020, whilst the advanced economies will contract by 6.1% and economic growth in emerging & developing countries will decelerate by 1%. A number of countries have responded with unprecedented monetary and fiscal support measures to contain the economic fallout.

The South African economy was already in the longest business cycle downswing on record, the economy slipped into a technical recession during 2019:Q4, with a growing public debt trajectory. The South African economy was already struggling prior to Covid 19, with an average growth rate of 1% in 2019 owing to challenges such as low business confidence, low private sector investment, poor revenue collection, poor consumer spending and reduced competitiveness amongst other structural bottlenecks. Against this backdrop, the worst case scenario will see the South African economy contracting by about 7% with budget deficit projected to reach 11% of GDP in 2020/21 if no major fiscal and monetary measures to stimulate both supply and demand are not implemented. This is likely to worsen increase Government debt to more than 70% compared to the projected 65.6% in the 2020/21 national budget.

Prior to the implementation of the National Lockdown to curb the spread by the Covid19 pandemic, South Africa's unemployment rate hit a record high in the first quarter of 2020 (January to March) as key sectors shed jobs to an already fractured economy. This was evident from the recession experienced in the last two quarters of 2019, where the country's economy contracted by -0.8% and -1.4% in the third and fourth quarter respectively. The official unemployment rate increased to 30.1% in the first quarter of 2020, up from 29.1% in the final quarter of last year.

iii. Problem Statement

The Coronavirus pandemic/ Covid 19 global crisis has disrupted the functioning of the South African economy and is having serious socio-economic effects on the KwaZulu-Natal regional economy. The lockdown of the country has resulted in a number of unintended consequences, namely (i) a number of businesses have halted operations or are downscaling and some completely shut down as working capital is eroded and markets are shaken (ii) Government revenue has dwindled (the country lost an estimated 9 billion in April 2020 alone) (iii) it is believed that a number of workers have become unemployed (iv) poverty levels have soared as people (both formally and informally) lose their sources of income. As a result of this, it is inevitable that South Africa's economic output (GDP) will astronomically shrink in 2020, with estimates ranging from -6% to -14%. Analysts also believe that the economy that emerges post Covid 19 will be vastly different from the pre Covid 19 economic landscape. It is, therefore, important that KwaZulu-Natal provincial Government starts re-calibrating the economic trajectory of the province and put in place measures to revitalize the economy.

The obtaining economic situation characterised by lockdown, restrictions on economic activities have distorted markets and value chains locally and globally and will require extraordinary measures to:

- Formulate a programme of action to minimise the risk of transmission of Coronavirus amongst workers (**formal and informal**)
- Create a climate conducive for revival and expansion of existing businesses;
- Support, stabilise, and where necessary revive existing businesses to achieve full capacity utilisation
- Streamline regulations to expedite investments and infrastructure development;
- Create an environment conducive for small businesses to thrive;
- Alignment of budgets and incentives programmes to the new normal and the recalibration plan.

iv. Objectives

The main objective of this report is to:

- i. To recalibrate, revitalise, restructure and transform the economy of the province to achieve sustainable growth and employment creation
- ii. Facilitate the access of relief measures by business; and
- iii. Reduce the risk of transmission of coronavirus pandemic amongst workers in various sector of the provincial economy
- iv. Devise a process of managing the unintended socio-economic risks of Covid 19 crisis;
- v. Formulate an actionable short, medium and long term plan to address the economic impact **caused by Covid 19 crisis and** the pre-existing low level of economic growth

v. Pillars of Post- Covid 19 Economic Reconstruction and Transformation plan

1. A programme to expand social and economic and spatial transformation;
2. A programme of investment to improve the performance of network industries through innovation and localisation of value chains;
3. Policies to strengthen trade and investment linkages with other countries across the African continent;
4. Skills development to ensure that we have the right know-how for capable private and public sector activity;
5. Social compacting to achieve and ensure buy-in and compromises by all;
6. Policies to ensure that the programme is sufficiently financed and is financially sustainable; and
7. Capable and developmental state is required to execute the programme of reconstruction.

vi. Policy considerations

1. **Economic transformation**- The re-modelling of the KwaZulu-Natal economy post Covid 19 crisis should ensure the inclusivity and transformation of the economy. The contours of economic transformation in the province have been mapped with the formulation of programmes such as Operation Vula, Black industrialist programme, RASET, revitalisation of townships and targeted procurement.
2. **Spatial Economic Transformation**- The re-calibration plan should therefore endeavour to invest in infrastructure (Broad band, Road, water, sanitation, Housing) needed to modernise the regional economies. The plan should attempt to provide KwaZulu-Natal residences with the opportunity to participate in and benefit from an economy that is productive, sustainable and inclusive.
3. **Economic Modernisation** - There is therefore a need to build resilient, smart and sustainable infrastructure that support the development of smart or ubiquitous cities and towns in the province through efficient and smart infrastructure, Global connectivity, Highly skilled and productive

labour, innovation and strong and revitalised district economies amongst other factors.

4. **Localisation**- focuses on building local capacity in human capital, value chain through partnerships with local organisations and businesses for talent and infrastructure development. It is an opportune time to promote localisation in the province to take advantage of disrupted global value chains.
5. **Beneficiation and value addition**- The re-calibration of the KwaZulu-Natal regional economy will need to implement opportunities for beneficiation of minerals and metals prior to export.
6. **Export focused industrial development**- Key to the re-calibration of the economic landscape in KwaZulu-Natal is export development and taking advantage of opportunities bequeathed by regional integration, particularly within SADC and AfCFTA.
7. **Investment Promotion**- The province will need to step up efforts in both domestic and international investment attraction in priority sectors.
8. **Innovation**- There is need for KwaZulu-Natal's re-calibration strategy to focus on science, technology and innovation to build economic resilience to economic shocks brought about by the Covid 19 crisis
9. **Research and Development**- Increasing investment in research and development will create innovation and discovery of new information and technology
10. **Robust Public Private Partnerships**- The implementation of the Economic Reconstruction and Transformation plan requires robust public/private partnerships in a number of areas such as infrastructure delivery, investment and local economic development
11. **Commonality of Purpose/ Goal Congruence**- The Covid 19 crisis has highlighted the need for social partners to work towards a single goal in the fight against the coronavirus pandemic.

Vii. **Downside Risks**

1. If the pandemic infects more people and lasts longer- pressure on Public funds, very high risk for divestments and postponed investment decisions;
2. Duration of the Great Lockdown depends on the discovery of a vaccine (or cure of some sort);
3. Private Sector cash flow problems becomes long term capital and output declines;
4. Misalignment of the interventions identified with Budgets and APP;
5. Budget cuts and Reprioritisations may result in allocation of resources from catalytic projects
6. General Fiscal constraints facing Government encumbers implementation;
7. Red Tape, particularly cumbersome regulatory requirements prior to implementation of catalytic projects frustrate implementation and effective service delivery; and

8. Withdrawals and Leakages through unnecessary imports (products that can be produced locally) and resource misallocation and misappropriation.

viii. Sectoral Interventions

a. Land and Agriculture

The agriculture sector contributes about 4.4% to KwaZulu-Natal Gross Value Added (GVA). About 105 9191 people are employed in the sector, and this represented 4.8% of the total employment in the province. Although, agriculture contributes a rather miniscule contribution of national and provincial GDP, the sector has strong backward and forward linkages with both the productive economy and the services sector. The sector employs an estimated 140,000 people in the province.

The following changes are inherent in the KwaZulu-Natal agricultural sector.

- Ageing Farmers and Youth lack of interest in Agriculture;
- Climate change and the management of environmental risks;
- High proportion of unutilised land;
- Many emerging farmers face difficulties in accessing formal agricultural markets;
- Small Scale farmers face Poor infrastructure, inadequate property rights, low education, lack of credit access and the absence of innovative production implements;
- Rezoning of Agricultural land to other land use particularly in peri-urban areas; and
- Lack of interest in subsistence farming.

Key Initiatives

- i. Scale up implementation of farmer support programmes such as RASET to support emerging and small scale farmers through market access, credit, mechanization, logistics etc..
- ii. Increase investment in agricultural research to unearth new smart technologies and high yield crop varieties
- iii. Link agro-production and agro-processing clusters to consolidate synergies
- iv. Develop strategies to mitigate effects of climate change on food security
- v. Finalise the land reform programme to generate certainty and long term planning
- vi. invest in Farm-gate and off-farm agricultural infrastructure
- vii. Expanded training and mentorship programme for famers, farm workers & dwellers
- viii. Roll-out economic drought relief and local buying from commercial and small-scale farms

b. Industrial Development/ Manufacturing

Industrial development is a key driver of economic growth in the province. The phenomenal economic growth registered in most emerging markets such as China, India, Hong Kong, Malaysia, South Korea, and Singapore amongst others is attributed to rapid industrialisation in these countries. KwaZulu-Natal manufacturing sector contributes close to about 16% to total Gross Value Added (GVA) in the province. For a long period of time prior to the Covid 19 crisis, these indicators for KwaZulu-Natal have been falling. For example, the share of manufacturing output in total Regional Gross value added of the province has fallen from about 17.4% in 2010 to the current 15.4%. Manufacturing employs a total of 334 714 employed in the sector, of which 295557 are formal and 39200 are in informal

Therefore, prior to Covid 19, the provincial economy was beset by the following challenges:

- Low global growth leading to constrained aggregate demand.
- The increased influx of imports result in local companies struggling to remain competitive;
- Continuous decline in manufacturing output;
- Declining international competitiveness;
- Low levels of investment;
- Production bottlenecks caused by energy outages, infrastructure; and
- Concomitant and continuous fall in contribution of manufacturing employment to KZN total employment signalling de-industrialisation; amongst other challenges.

Key Initiatives

1. **Fast Track implementation of SEZs** project pipeline;
2. **Incubate Clothing and Textile SEZs and other industrial hubs including the Leather Industry Hub;**
3. Support **localisation** of value chains;
4. **Revive Industrial Estates** (Isithebe, Madedeni, EZakheni) and create linkages with private estates to increase investment propensity;
5. **Advocate for Trade Policy** change to support localisation;
6. **Government to commit to buying locally** manufactured products
7. Avail land for Industrial Development in all Municipalities;
8. **Export led industrialisation** - Intra-Africa FTA (AfCFTA), SADC, non-traditional partners; and
9. **Fast-track regulatory approvals** (reduce turnaround times).

c. Pharmaceuticals

Before the onset of the COVID-19 crisis, South Africa had entered into a challenging yet exciting time of change and potentially huge opportunities for

local innovative healthcare companies with the passing of the National Health Insurance (NHI) legislation.

Key Initiatives

- i. **Incubation of SMMEs/companies to** manufacture medical devices, med. equipment, consumables and hospital furniture (e.g. sanitizers, plastic devices, furniture, test kits, bed linen for hospitals, scrubs)- **Support the incorporation of A state Owned entity**
- ii. **Encourage bulk buying** to support SMME Development (township and rural economy)
- iii. **Partner with academic institutions** to provide input for the marketplace and innovation (**dev. of R&D**)
- iv. **Develop training** centred around the needs of COVID-19 marketplace and innovations
- v. **Set up a COVID 19 Innovation Fund** to augment other innovation funding instruments to support development of innovative health technologies
- vi. **Incentivise** the repurposing of production lines for manufacture of urgent cloth masks for general public.

d. Clothing and Textiles

The clothing and textile sector is largest manufacturing sub-sector employer in the province and is one of the most labour intensive sectors in the province employing about 90,000 people in the formal sector and close to 10,000 in the informal sector.

Key challenges facing the sector

- Lack of competitiveness due to influx imports- local manufacturing industry was only supplying about 30-35% whilst 65-70% is imported;
- Most SMMEs are uncompetitive, unprofitable and unable to pay minimum wages;
- Expensive raw materials;
- Low margin nature of the products manufactured in KZN (The province predominantly manufactures for the low-end market).
- Lack the innovative managerial and technical skills to drive sustainable operation efficiencies;
- Lack of support to the vibrant informal businesses in the sector;
- Delays in the shipment of imports due to disruptions I the value chain;

Key Interventions

- i. Facilitate access to raw materials (for example, medical fabric) for the manufacturing of for PPE;
- ii. Diversification of manufacturers from fashion to PPE (High demand of PPE from local manufacturers)

- iii. Fast track the establishment of the Clothing and Textile SEZ
- iv. With the China-USA Trade War - Aggressively recruit investments (Asia, Africa – Ethiopia, etc.) capitalizing on AGOA
- v. Local demand for PPE raw material from Textile mills
- vi. Inclusion of SMME's for the manufacturing of PPE
- vii. Support KZN businesses in recruiting new technical investments/ partners in particular African to diversify the sector
- viii. Lobby for incentives for Greenfield & brownfield investments particularly access to finance
- ix. An innovative skills development strategy to align to post-COVID-19 recovery
- x. Increase localization as stipulated in the R-CTFL masterplan
- xi. Market Access (Government Institutions & Retail Twinning Arrangements)
- xii. Support Cotton production in Makhathini;
- xiii. Growing and cultivation of Hemp and other fibres

e. Automotive Sector

KwaZulu-Natal has a relatively well developed automotive sector in the country with three Original Equipment manufacturers, that is, Toyota, Bell Equipment, Mahindra. Classified as Transport Equipment according to standard industrial classification (SIC), the sector employs 14 815 in the province, 9 242 people in eThekweni metro. Relatively labour intensive and with strong linkages with metals, transport and services.

Key Interventions

1. **Fast track the establishment** of the Automotive Supplier Park (ASP) bulk infrastructure development;
2. **Collaborate with MNCs** in the attraction of new investments into the ASP;
3. **Promote Localisation** of value chains- componentry manufacturing
4. **Promote innovation** within the sector- Development of First South African Car in KZN (Kenya, Mobius; Malaysia, Proton; Indian, Tata; Ugandan, Kiira etc.);
5. **Develop Research and Development (R&D)** Infrastructure to promote Electronic Vehicles;
6. **Policy support and incentives** for new investments for the ASP; and
7. Support **Import Replacement** through engendering the manufacturing of local products.

f. Mining

Mining contributes 1.5% to Gross Domestic Output (GDP) of the province and 10 888 people are employed in the sector. The sector relatively labour intensive and employs a large proportion of unskilled and semi-skilled labour. Mining activities are dominated by small sand minerals and coal.

Key Interventions

1. Promote Social cohesion, peace building initiatives of communities around mining operations;
2. Establish aluminium industrial hub in Richards Bay;
3. Support localization efforts to transform the mining sector;
4. Use public procurement to support black industrialists in the quarry industry;
5. Lobby for Zulti-South expansion project to commence; and
6. Promote the value-addition/beneficiation of minerals.

g. Tourism

The Tourism sector cuts across a number of sectors such as hotels and restaurants, air transport, transport, sporting events and retail trade amongst others. The sector contributes an estimated 10% to KwaZulu-Natal provincial Gross Domestic Product (GDP). The lockdown measures have put the tourism sector at a standstill with all the value chains such as guest house, conference centres, hotels, creative industries, rental cars, safari, call centres, tour guides amongst others having been affected. The hotel and restaurants sector for example, employs 76 794 people, whilst the air transport and transport supporting activities employs about 18 188 in 2019. The sector is facing the following challenges:

- Astronomic decline in tourists arrivals (both domestic and international)
- The sector is regarded as one of the high risk sectors for the transmission of Covid 19 pandemic;
- Lack of diversified product coverage;
- Concerns against crime.

Key Interventions

1. Events hosting: virtual, big events post lockdown (Mandela marathon, matric dance rave), e-sports, pitch to host PSL games
2. Key projects: Iconic stature, investment projects that are have passed post feasibility stage
3. Domestic marketing: use influencers, unique products for the local market
4. Tourism infrastructure: rural/township lodges, homestays, signage, Visitor info centres
5. Aviation: airline incentives, joint marketing, direct flights, cargo movement
6. Policy reforms: skilling and reskilling, red tape reduction, lobbying for the sector to open

h. Informal Sector

Statistics South Africa estimates show that KwaZulu-Natal accounts for about 15% of informal businesses in the country. The informal sector constitutes a total of 494 955 employment, that is, 18% of the total formal and informal

employment in the province. The sector contributes approximately 5% of the GDP and has linkages with sector such retail, automotive, clothing and textiles, tourism, creative economy amongst others. . Duo to the Covid 19 crisis, the informal sector is likely to see a 10% growth in 2020 as a result of unemployment in the formal sector.

Key Initiatives

1. Support: Registration and permits; appropriate trading stores; cleanliness; packaging;
2. Infrastructure: Provide trading space in Ithala & municipal buildings; address water, waste, sanitation & storage provision;
3. ICT: Improved access to internet/ Wifi hot spots;
4. Access to finance: simplified applications, targeted instruments, create credible database;
5. Finalize and implement KZN Informal Economy Masterplan; and
6. Include informal traders to business law to make access to capital easy.

i. Renewable Energy

Renewable Energy is a key enabler for economic development and the sector directly employs about 81 200 people in the province in construction, installation and maintenance of infrastructure. The biggest competitive advantage and opportunity that KZN possesses emanates from the sugar and timber industries, which are amongst the largest in the country. The sector incorporates a host of sustainable solutions including installation and supply of solar water heaters and heat pumps, solar energy, biomass, biogas, bio-fuels, wind, hydro and energy efficiency measures.

Key Interventions

1. Incentivise local manufacturing of RE components such as solar modules, mounting frames, invertors, wind turbines;
2. Rapid roll-out of Integrated Renewable Plan (IRP) implementation;
3. Finalise IRP (Policy support) to stimulate Renewable energy production and private sector participation;
4. Finalise the Sugar Industry Masterplan to allow for diversification of the Sugar Industry and acquisition of technology for biofuels/ co-generation;
5. Explore development of wind farms on KZN coastal areas- Private Sector;
6. Promote small scale Solar embedded generation - Municipal level (SALGA); and
7. Partner with local HEIs to introduce short term training programmes for installation and maintenance of RE infrastructure.

j. Culture and Creative Industry

The creative industry is defined as drama or theatre, music, film, creative writing, graphic design, photography and visual arts. It is sometimes referred to as Africa's untapped market", the cultural and creative industries (CCIs) have become a prominent element of economic strategy and policy dialogue globally and in South Africa over the past several decades. The Cultural and Creative Industries (CCIs) are attracting increasing attention worldwide as potential drivers of economic growth, innovation and job creation. KZN has the largest share at 20.1% of CCI sector.

Challenges affecting CCI

- **Design/Development stage-** Lack of access to materials as movement is prohibited (e.g. from raw materials for crafters and artists to accessing film locations and documentary subjects/archives/individuals)
- **Production cycle-** Accessibility to studios (e.g. music/art/film/dance, theatre); post-production facilities; manufacturing due to limitations of lockdown
- **Market Access-** Challenges lie in direct and indirect sales;
- **Loss of Sales and Future Revenue-** IP stolen; Piracy on the rise with reduced on-line sales; lack of delivery of goods/services; lack of quota system for broadcasters on local content and international content is king
- **Inability to access Relief Funds or available support-** Applications are considered non-compliant in banking accounts; company registration; literacy; language barrier; "free lancers", programmes on hold (e.g. training/bursaries/new funding etc.)

Key Interventions

1. Simplified Social relief Grant for immediate support;
2. Policy and Legislation to enable participation and protection;
3. **Buy local campaign** (public and private sector);
4. Marketing Campaign by **Promotion of local KZN talent** to drive demand;
5. **Infrastructure Support** - Accessibility to Facilities to become economically active;
6. **Technology Solutions** to Commercialize content;
7. Awareness Programmes;
8. Skills Development to improve quality and sustainability;
9. **SMME Incubation and support** for new designs for crafters; and
10. **Implement Market access programme to export** Arts and Crafts into markets such as US, Germany, UK, China, etc.

k. Oceans Economy

One of KZN's comparative advantages sectors due to the Durban and Richards Bay Ports and over 600km kilometres of coastline. The oceans economy is integrated with transport and logistics sector which contributes about 9.9% of KZN Gross Domestic Product (GDP) and about 84 911 people are employed in the sector. The transport and logistics sector faces operational efficiency challenges owing to congestion at ports and capacity constraints on N3 corridor and sporadic unrests related to employment of foreign truck drivers.

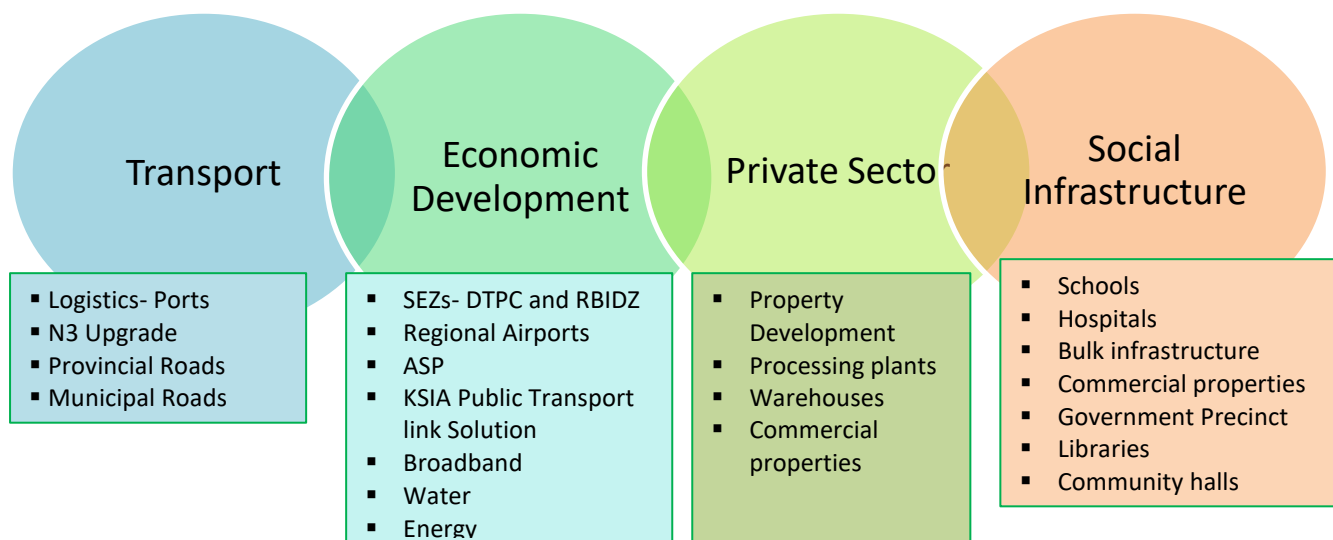
Key Initiatives

1. **Develop Ship Bunkering facility** in Durban;
2. Fast track construction of the **Cruise Terminal**;
3. **Stimulate Ship Building and Ship repairs industry** in the Province- Work with already established players in the industry;
4. **Government to commit to buying locally** manufactured products (Tug Boats, dredging equipment, Navy Ships, etc.);
5. Fast **track Oil and Gas exploration** and development;
6. Fast track development of **Fish processing plants**;
7. Promote **Aquaculture Farming** across the province;
8. **Development of Marine Sports and Recreation** (yachting, sailing, diving, sport fishing) and Marine Leisure Activities (eco-marine tourism, real estate, adventure and viewing); and
9. **Support for new SMME firms** entering the Maritime Value-Chain (funding and skills development).

I. Infrastructure Development

Infrastructure development is a catalyst for faster economic growth, employment and poverty alleviation. Higher economic growth rates witnessed in South Africa during the period 2004-2007 as a result of massive infrastructure build programme leading to the 2010 world cup attests to the importance of infrastructure in engendering faster economic growth. Infrastructure is an Economic Stimulus in the following ways:

- Drive up aggregate demand (demand for finished goods) in the short term;
- Create capacity that improves productivity in the medium to long term;
- Bring people who would have lost their jobs during the crisis back into employment; and
- Promote SMME development through empowerment targets.



Infrastructure development is directly linked with the construction sector which contributes about 4% to total Gross Geographical Output of the Province. The Sector employs 219 613 made up of 134 585 in the formal sector and 85,028 in the informal sector and has value chains with almost every sector such **Metals fabrication, Plastic, Forestry, Timber, Glass, steel industry, Mining and Quarrying, Tooling**. The Sector is also dominated by youths, SMMEs, informal players.

Key Interventions

1. Reprioritisation of Budgets towards high impact projects;
2. All private and public construction projects must be commenced;
3. Support all catalytic projects in the investment booklet;
4. Unblock red tape on all funded infrastructure projects;
5. Provide regulatory support to SMMEs in the construction sector; and
6. Establish the construction agency.
7. Fast tracking expansion projects and increasing back of port operational efficiency
8. Promote social cohesion through Economic council
9. Promote empowerment through local ownership of freight trucks

m. Telecommunications and Digital Economy

The advent of Covid 19 has brought the importance of information communication technology (ICT) sector to the fore. The lockdown measures implemented by several governments across the world including South Africa have seen a tremendous increase in the use of ICT in communication, business, commerce, education, social, media and communication in general. ICT has thus become part of the everyday life of South African citizens. The coronavirus pandemic has further exposed the nation to the inequality realities in terms of access to the broadband infrastructure, for example, whilst Schools in urban

areas have increasingly used e-learning during the lock down, this privilege remains a dream to most schools in rural areas.

The key Challenge facing KwaZulu-Natal in the ICT sector is limited internet coverage across the province, practically in rural areas. The following facts show that both South Africa and KwaZulu-Natal are still lagging behind global connectivity averages.

- South Africa ranks 5th in Africa in terms of internet access after Morocco (53%), Seychelles (47%), Egypt (44%), Tunisia (41%) and Mauritius (41%);
- In terms of internet speed, South Africans are accessing the Internet at an average speed of 2.3Mbps, whilst the global average stands at 14Mbps;
- Only 34% of households have access to Internet in KwaZulu-Natal; and
- KwaZulu-Natal Ranks 5th in terms of internet access after Gauteng (54.7%), Western Cape (54.3%), Free State (42.1%) and Mpumalanga (40%).

Key Interventions

1. Establish a broadband rollout PMU Develop and manage the broadband infrastructure rollout plan- Broadband will future proof the economy of KZN;
2. Roll out WIFI hotspots in rural centres;
3. Development of Community based network hubs to promote digital revolution and adoption of 4IR technologies (District ICT Hubs);
4. Leverage Social Corporate Investments (SCI) to develop WIFI hot spots in rural Area (promote SMME development);
5. Develop a SMME/ Innovator rapid acceleration support programme- to empower SMMEs to connect Rural Areas as Service provider;
6. Technology manufacturing plant; and
7. Promote localisation through targeted procurement.

1. INTRODUCTION

The Coronavirus pandemic/ Covid 19 global crisis is causing untold human suffering around the world and already caused detrimental socio-economic effects to South Africa. As a result of the spread of the coronavirus, several governments have put in place far reaching lockdown measures that have affected every sector of the economy. The lockdown measures have also had serious socio-economic ramifications on companies and individuals. Cognisant of this, the KwaZulu-Natal provincial government is formulating an economy wide Covid 19 Economic Reconstruction and Transformation plan that aims to bring the economy back into growth trajectory.

The purpose of this brief report is, therefore, to provide a framework for discussion with social partners and to propose a set of initial policy responses to counteract the impact of Covid-19 on the regional economy of KwaZulu-Natal. Although the impact of Covid-19 crisis is not yet known, it is common knowledge that the pandemic will have economy wide impact given the lockdown measures instituted by the South African Government and other countries around the world. It is anticipated that global GDP will shrink in 2020 if the pandemic is not stemmed and the current drastic measures are sustained. The post Covid-19 Economic Reconstruction and Transformation plan targets sectors that have higher economic linkages and greater employment creation potential.

The KwaZulu-Natal Covid-19 Economic Reconstruction and Transformation document is a plan of the Economic Sectors, Investment, Employment and Infrastructure Development (ESIEID) Cluster of the Executive Council of the provincial government. The goal of the Economic Reconstruction and Transformation plan is to resuscitate and transform the economy in order to achieve sustainable economic growth. The plan seeks to devise a programme of action to address the socio-economic challenges caused by Covid 19 crisis and to avert further economic impact on the economy.

In April 2020, the KwaZulu-Natal provincial Government enlisted the voluntary services of a Think Tank made up of experts from various sectors and industries to help re-calibrate the economy of the province. The Think Tank was mandated to undertake a detailed analysis of their respective sectors and to propose a set of interventions necessary to invigorate the provincial economy. This follows the impact of the Covid 19 global crisis that has disrupted economies around the world and the South African and the KwaZulu-Natal economies have not been spared. Members of the Think Tank were then requested to lead work streams and foster discussions amongst stakeholders in the following critical areas of the economy of the province:

- Agriculture;
- Industrial Development;
- Health Innovation and manufacturing;

- Clothing and Textiles;
- Creative Industries;
- Informal sector;
- Investment and Trade;
- Infrastructure Development;
- Tourism
- Fourth Industrial revolution (4IR), ICT and Innovation;
- Red tape; and
- Finance.

The purpose of this report is, therefore, two fold as follows:

- i. Propose a plan of action to minimise the risk of transmission of the coronavirus amongst workers across different sectors to minimise its impact on the provincial economy; and
- ii. Devise a programme of action to recalibrate and revitalise the economy of the province

1.1 Economic Overview

The start of 2020 has proven to be an arduous journey with the coronavirus spreading like a whirlwind in developing and developed economies alike. Covid-19 pandemic is the greatest risk the world economy has faced post the great depression. The outbreak of the COVID-19/Coronavirus has continued to send shock waves around the globe and South Africa has not been spared. In response to the Covid 19 crisis, several governments have put in place far reaching lockdown measures that have affected every sector of the economy. Whilst in South Africa the lockdown measures are expected to be lifted by the 30th of April 2020, global experiences show that these measures are likely to be extended in iteratively.

As a result, global growth prospects remain highly subdued and uncertain. Although the world economy had been projected to grow at about 2.4% in 2020, these projections are now highly pessimistic given that the coronavirus pandemic has brought considerable human suffering and economic disruptions (and halting production) in almost every country globally.

The IMF has referred to the coronavirus as a crisis like no other. The global lender expects that the **global recession** in 2020 will be far worse than in 2009, i.e. in the aftermath of the global financial crisis. This is as the measures (lockdowns) imposed by governments across the globe to contain the spread of the virus bring economic activity to a standstill. IMF has already forecast that

the global economy will shrink by 3% in 2020, whilst the advanced economies will contract by 6.1% and economic growth in emerging & developing countries will decelerate by 1%. A number of countries have responded with unprecedented monetary and fiscal support measures to contain the economic fallout.

The South African economy was already in the longest business cycle downswing on record, the economy slipped into a technical recession during 2019:Q4, with a growing public debt trajectory. The South African economy was already struggling prior to Covid 19, with an average growth rate of 1% in 2019 owing to challenges such as low business confidence, low private sector investment, poor revenue collection, poor consumer spending and reduced competitiveness amongst other structural bottlenecks. Against this backdrop, the worst case scenario will see the South African economy contracting by about 7% with budget deficit projected to reach 11% of GDP in 2020/21 if no major fiscal and monetary measures to stimulate both supply and demand are not implemented. This is likely to worsen increase Government debt to more than 70% compared to the projected 65.6% in the 2020/21 national budget.

Prior to the implementation of the National Lockdown to curb the spread by the Covid19 pandemic, South Africa's unemployment rate hit a record high in the first quarter of 2020 (January to March) as key sectors shed jobs to an already fractured economy. This was evident from the recession experienced in the last two quarters of 2019, where the county's economy contracted by -0.8% and -1.4% in the third and fourth quarter respectively. The official unemployment rate increased to 30.1% in the first quarter of 2020, up from 29.1% in the final quarter of last year.

1.2 Problem Statement

The Coronavirus pandemic/ Covid 19 global crisis has disrupted the functioning of the South African economy and is having serious socio-economic effects on the KwaZulu-Natal regional economy. The lockdown of the country has resulted in a number of unintended consequences, namely (i) a number of businesses have halted operations or are downscaling and some completely shut down as working capital is eroded and markets are shaken (ii) Government revenue has dwindled (the country lost an estimated 9 billion in April 2020 alone) (iii) it is believed that a number of workers have become unemployed (iv) poverty levels have soared as people (both formally and informally) lose their sources of income. As a result of this, it is inevitable that South Africa's economic output (GDP) will astronomically shrink in 2020, with estimates ranging from -6% to -14%. It is estimated that KwaZulu-Natal economy will also shrink at an average of -10%. Analysts also believe that the economy that emerges post Covid 19 will be vastly different from the pre Covid 19 economic landscape.

In April 2020, South Africa adopted a risk adjusted strategy to minimise the impact of lockdown on the economy whilst preventing transmission of the disease amongst workers. As more workers return to work, particularly, in less stringent levels of the risk adjusted strategy, chances of high coronavirus infections are high in sectors such a public transport, retail trade, informal sector and other services sectors. Against this backdrop, there is a need for government to put in place mechanism to reduce transmission of coronavirus across all the economic sectors.

It is, therefore, important that KwaZulu-Natal provincial Government starts re-calibrating the economic trajectory of the province and put in place measures to revitalize the economy. The following fundamental questions are germane as the Provincial Government embarks on this journey:

- a. How do we minimise the risk of coronavirus infections whilst minimising the impact of Covid 19 crisis on the economy?
- b. How do we achieve a strong and revitalised KwaZulu-Natal economy?
- c. How can we re-prioritise and efficiently use the scarce resources?
- d. How can we assist people to gain access to the public resources?
- e. How do we transform the economy in a productive, sustainable and inclusive manner?
- f. How do we achieve robust and rejuvenated district economies in the Province?
- g. How do we achieve goal congruence or commonality of purpose amongst all economic agents (social partners, producers and consumers) in the province?
- h. What have we learnt thus far about the virus, its impact and its implications for the future (e.g. lifestyle, environment etc.) viz the new normal as it is being called, the expectation that disease such as this will recur particularly as population increases cannot be sustained by exponential economic growth

that depletes finite environmental resources – wherein economic growth itself is not sustainable?

The obtaining economic situation characterised by lockdown and restrictions on economic activities have distorted markets and value chains locally and globally and will require extraordinary measures to:

- Formulate a programme of action to minimise the risk of transmission of Coronavirus amongst workers (**formal and informal**)
- Create a climate conducive for revival and expansion of existing businesses;
- Support, stabilise, and where necessary revive existing businesses to achieve full capacity utilisation
- Streamline regulations to expedite investments and infrastructure development;
- Create an environment conducive for small businesses to thrive;
 - Alignment of budgets and incentives programmes to the new normal and the Economic Reconstruction and Transformation plan.

1.3 Objectives

The main objective of this report is to suggest ways to:

- To recalibrate, revitalise, restructure and transform the economy of the province to achieve sustainable growth and employment creation
- Facilitate the access of relief measures by business; and
- Reduce the risk of transmission of coronavirus pandemic amongst workers in various sector of the provincial economy
- Devise a process of managing the unintended socio-economic risks of Covid 19 crisis;
- Formulate an actionable short, medium and long term plan to address the economic impact caused by Covid 19 crisis and the pre-existing low level of economic growth

2. POLICY CONSIDERATIONS

2.1 Economic transformation

South Africa is generally regarded as a middle income and emerging country and comparable with a number of developing and developed countries alike. However, the benefits of economic growth continue to be unevenly distributed. Significant disparities exist in terms of income inequality, unemployment, income, health and educational attainment across communities and race.

The re-modelling of the KwaZulu-Natal economy post Covid 19 crisis should ensure the inclusivity and transformation of the economy. The re-calibration of the provincial economy will ensure that the citizens of the province have equal opportunities to participate and contribute in a regional economy that is integrated with the global economy and share the rewards and benefits of economic growth.

The contours of economic transformation in the province have been mapped with the formulation of programmes such as Operation Vula, RASET and targeted procurement. Fast tracking implementation of these programmes is critical. The KwaZulu-Natal Provincial Government has adopted and mapped out radical economic transformation as a strategy to bring about real change.

The ordinary South Africans are despondent about establishments that are not bearing tangible benefits and significant changes on their lives. People want to see their lives changing for the better. The COVID 19 pandemic has made the situation even worse, inequalities that exist has been laid bare for everyone to see through disparities in access to medical care, food and financial resources. Surely, we don't want to see the same economy that excluded the majority before the COVID 19 pandemic.

South Africa is also seating sitting on the ticking time bomb. At more than 50% according to the poverty line, the number of people who are still trapped in poverty is alarming. Unemployment rate remains stubbornly high at 29.1% and the high levels of inequalities are expanding. What is most devastating is that women and youth bore the largest brunt of the unemployment quagmire. All classical economic theories (capitalism, neo-liberalism, socialism and communism) concur that this is a recipe for disaster.

Radical economic transformation entails a robust shift towards an economy that benefits all including the marginalised groups of the society such as youth, women, and people with disabilities. The approach deviates from the conventional view that posits that economic benefits will eventually trickle down to the poor as the economy grows. This approach further underscores the need for Government to be the catalyst for transformation through strategic interventions in the economy, in addition to enabling the efficient operation of the markets. The radical economic transformation programme is made up of five programmes as follows:

2.1.1 Operation Vula

The programme is centred on strengthening local economies and reorienting them to become effective centres of production, information processing and spatial economic development. As part of this initiative, localisation of value chains is critical to ensure sustainable and prolonged money circulation in the provincial economy (townships and rural areas) and generate production for other provinces and export markets. There is, therefore, need for Government to support localisation programmes by SMMEs, promote local economic development and export development initiatives by local small scale industries. The revitalisation of township and rural economies, Public Procurement, Radical Agrarian Socio-Economic Transformation (RASET) and Black Industrialist programmes. The following commodities have been identified for this programme: infrastructure development, agriculture produce i.e. fertilizers, bakery, furniture, and paper & toilet papers.

2.1.2 Public Procurement

Public procurement is a tool the government will use to transform the means of production and reverse the racial and spatial inequalities that are attendant in our economy. In this regard, the provincial government has resolved that the procurement policy must empower the historically disadvantaged, Africans in particular, within the ethos of a developmental state, pro-inclusive economic growth and non-racialism.

The provincial Government has thus endorsed the following procurement target breakdowns: women (30%), youth (35%), people with disabilities (5%), military veterans (10%) and across these targets and the sets aside in general 60% has to benefit Africans.

It is the vision of the provincial government to optimally utilise and leverage procurement resources to drive service delivery to further accelerate the economic and social transformation of KZN and further promote local economic development. This radical shift to position procurement at the centre of socio-economic transformation is not overlooking other fundamental pillars such as sustainability (which include factors such as relevance, resilience, efficiency and providing value for money) and transparency (fairness, competitiveness, accessibility and lead to reduction of costs).

2.1.3 Radical Agrarian Socio-Economic Transformation (RASET)

The KwaZulu-Natal provincial government has resolved that for land reform to be successful, the agrarian structure of the economy must also change. The current structure excludes the majority of small scale and emerging farmers. It is dominated by few large scale farmers who dominate the whole agriculture value chain. The provincial government has recently initiated Radical Agrarian Socio-Economic Transformation (RASET) program which is geared to mitigate agrarian challenges faced by the province.

RASET model is aimed at improving the value chain of food production and supply for under privileged farmers and emerging agro-businesses. It also seeks to create an alternative value chain in order to bypass structural barriers associated with the existing value chain. The model will also assist in creating opportunities for youth and women, increase food security, improve market opportunities for previously disadvantaged farmers and reduce dependency on state support as well as increasing agricultural land utilization.

2.1.4 Revitalisation of townships and rural economies

Six interventions to revive township and rural economies have been identified as follows:

- i. The setting up a Provincial Association of Traders and establishing district warehousing and bulk buying facilities;
- ii. The provision of business management skills;
- iii. Ensuring proper business licenses and permits to ensure compliance with legislation;
- iv. The restructuring of the township and rural economy- Ensure 55% national entities and 45% local entities occupancy levels at shopping malls; and
- v. Financial and business support.

2.1.5 Black Industrialists (BI) Programme

The National government incentive scheme aimed at creating more than 100 large and competitive black industrialists in key sectors identified in the Industrial Policy Action Plan, particularly in those sectors with potential to significantly drive economic growth. A Black Industrialists Programme Management Unit is being set up to provide technical support to potential KZN Black Industrialists in areas such as policy and legislation, feasibility studies, project packaging, EIAs, etc.

2.2 Spatial Economic Transformation

KwaZulu-Natal is predominantly rural with most district economies characterised by high preponderance of rurality. A few district economies are somewhat thriving, whereas the majority are consistently experiencing low economic activity, high unemployment, poverty and poor social outcomes. These districts also face lack of investment in infrastructure needed to boost their economies. The re-calibration plan should therefore endeavour to invest in infrastructure (Broad band, Road, water, sanitation, Housing) needed to modernise the regional economies. Irrespective of the district, the re-calibration plan should attempt to provide KwaZulu-Natal residents with the opportunity to participate in and benefit from an economy that is productive, sustainable and inclusive. To achieve this, implementation of the Provincial growth and Development Plan (PGDP) and the Provincial Spatial Economic Development Strategy (PSEDS) is important.

2.3 Economic Modernization

The Covid 19 global crisis has made the country to realise that when lives are threatened what matters most is the protection of South African citizens. To a certain degree countries have become somewhat protectionist as borders are closed and global value chains are disrupted. There is therefore a need to build resilient, smart and sustainable infrastructure that supports the development of smart or ubiquitous cities and towns in the province. Factors that will modernise the provincial economy include the following:

- i. Highly skilled and productive labour;
- ii. Efficient and smart infrastructure;
- iii. Global connectivity;
- iv. Efficient and affordable energy;
- v. Institutional capability excellence;
- vi. Macroeconomic stability and policy certainty;
- vii. Productive investments;
- viii. Strong and revitalised district economies; and
- ix. Environmental resource optimisation and utilisation.

2.4 Localisation

Localisation has always been part of the South African industrial development basket of policy tools. Localisation is an economic strategy that focuses on building local capacity in human capital, value chain through partnerships with local organisations and businesses for talent and infrastructure development. This strategy attempts to identify priority sectors or areas where KwaZulu-Natal has a comparative advantage and reduce overreliance on imports.

As global value chains are disrupted, nations will focus on feeding their own, using local production. It is an opportune time that customers become more accustomed to buying locally produced goods. The over reliance on imported goods from China and other Asian markets and the stigma attached to it caused by the origins of the virus potentially presents a bias towards locally produced goods.

The quest for localisation is not a call for autarky (economic independence without trade) or to close South African borders but to identify opportunities for local production. For a localisation strategy to succeed there is need for a supporting trade policy and to safeguard borders against counterfeit goods and dumping practices.

The localisation strategy will focus on the following key priorities:

- Encouraging local innovation;
- Building human capital;
- Supporting local companies to participate in value chains;
- Promote buy local;
- Export development;
- Lowering our carbon footprint and other greenhouse gas emissions;

- Food security and self-sufficiency;
- Promoting a healthy lifestyle; and
- Promotion of the circular economy.

2.5 Beneficiation and value addition

South Africa's export basket remains skewed towards raw commodities such as minerals and agricultural products. The re-calibration of the KwaZulu-Natal regional economy will need to implement opportunities for beneficiation of minerals and metals prior to export. The Province already has a mineral beneficiation strategy. There is also an opportunity to add value to agricultural products and many other sectors of the economy. Through this re-calibration plan there is, therefore, need to reorient the economy towards high value manufactured exports outside the automotive sector.

2.6 Export focused industrial development

Key to the re-calibration of the economic landscape in KwaZulu-Natal is export development or the so called export-led industrialisation strategy. This entails enhancing industrialization by focussing on exports of goods and services in which the province has a comparative advantage. At a global scale, South Africa's tradable sector may not be competitive as developed and emerging countries such as China, India, and Brazil amongst others will take the lead in the manufacturing and other high value sectors. However, South Africa's manufactured exports are more competitive compared to most of the countries on the continent.

2.7 Optimise Regional Integration

As world trade is disrupted, KwaZulu-Natal exporters should take advantage of the African market, which will soon be expanded through the African Continental Free Trade Area (AfCFTA) which is scheduled to be effective on the 1st of July 2020. AfCFTA is expected to provide South African exporters 90% duty free exports to a continental market of over 1.2 billion people. Through KwaZulu-Natal Trade and Investment, it is important to enhance the existing export promotion programmes that target increased intra-African trade as an anchor for economic growth.

KwaZulu-Natal should also look to promote the use and development of the North/South Rail Corridor, which runs from Richards Bay and Durban to Kolwezi in the Democratic Republic of Congo. This corridor will enable the export of goods into Africa as well as the beneficiation of metals and minerals from other countries in Africa (e.g. cobalt, lithium, copper) for export to the world.

2.8 Targeted Investment Promotion

The province will need to step up efforts in both domestic and international investment attraction in priority sectors. The fulcrum of the investment attraction programme will be to focus on investment that:

- Support beneficiation and value addition;

- Science, Innovation and technology;
- Support sectoral development; and
- Export development.

2.9 Innovation

There is need for KwaZulu-Natal's re-calibration strategy to focus on science, technology and innovation to build economic resilience to economic shocks brought about by the Covid 19 crisis. Innovation is the key driver of diversification and economic development, which increases the ability of economies to adapt to shocks and thrive. It is through innovation and technology that government can extend access to education and health, assess and monitor the health and environmental risks, connect people within and outside the communities and enable early warning systems.

2.10 Research and Development

Increasing investment in research and development will create innovation and discovery of new information and technology. Research and development thrust will enhance recalibration and reconstruction of KwaZulu-Natal economic landscape.

2.11 Robust Public Private Partnerships

The implementation of the Economic Reconstruction and Transformation plan requires robust public/private partnerships in a number of areas such as infrastructure delivery, investment and local economic development. As the Government faces constraints on public resources and finances, strong public and private partnership are important to implement government programmes and to address the funding gap.

2.12 Commonality of Purpose/ Goal Congruence

It is also important that the provincial government works with all the social partners using platforms such as the KwaZulu-Natal Economic Council and the Growth Coalition to ensure that the province moves in the same direction. The Covid 19 crisis has highlighted the need for social partners to work towards a single goal in the fight against the coronavirus pandemic. There is also need to strengthen institutional excellence and the ability of the bureaucracy to deliver the turnaround programme.

There a need for common understanding amongst social partners on the importance of compliance to the laws of the country as pivotal to the longevity sustainability of businesses. As was indicative during the Covid 19 lockdown period monitoring compliance with National Disaster regulations, many unscrupulous businesses who had flouted the laws on many levels where forced to shut down their doors, face arrests or even pay high fines and also in some cases face the might of the Competition Commission with their findings.

The flip side to growing the economy must be compliance with all legislative requirements of the country. To this end, Government will be embarking on a programme of encouraging commitment by Businesses toward compliance. The benefits of compliance are –

- That businesses demonstrate their intent and hold themselves accountable to support, strengthen the business sector and grow our economy;
- Government working together with local business to offer training and education on all legislative expectations to ensure that businesses are compliant and strengthened;
- To enhance the level of service standards offered by business to consumers;
- To strengthen business internal policies to comply with all the laws of the country;
- To build consumer/tourist confidence for business products and services offered by local business;
- To eliminate consumer complaints to government and eradicate financial liabilities for failure to comply with legislative requirements governing business practices;
- To strengthen local business brand promotion in the province;

Social partners with Government have a role to play in this issue of compliance. Over time improved compliance levels may result in further reduction of Red tape which is often a measure to compel compliance.

2. POLICY RESPONSES

Recovery Plans are generally of policy nature and most of such fiscal policies are a prerogative of the national government. Throughout the economic history of the world fiscal support has always been seen as a necessary and indispensable requirement to stimulate economic growth following a global economic slump or recession. The famous Keynesian Economics propounded by the British economist John Maynard Keynes during the 1930s was an endeavour to understand the great depression and the role of government in bringing the economy back to a growth trajectory. Keynes therefore advocated for (i) **increased government expenditure and (ii) lower taxes** to stimulate aggregate demand. Expansionary monetary and fiscal policies were instruments identified by Keynes to counteract economic slumps or recessions.

2.1 Monetary Policy support

The South African Reserve Bank has also responded by cutting the repo rate by 2.25% between January and April 2020. Whilst this is a notable achievement, there is need to reduce it even further given the heavy indebtedness of the South African consumers. There is also need to complement the interest rate regime with other quantitative easing approaches such as the **reserve ratio, treasury bills buy back** to increase liquidity in the market. **Increased liquidity in the economy will not only increase consumer spending but stimulate investment and economic growth.**

2.2 Fiscal Support/Stimulus

KwaZulu-Natal provincial government has responded to the recession by undertaking a number of policy responses such as the following:

- i. **Tax Relief packages** - South Africa has introduced a number of relief packages, tax incentives, delay in tax paye and reduced interest rates, much more is needed to bring about stability.
- ii. **Cheap loans to businesses**- Several Governments are also providing cheap loans to businesses to strengthen local economic value chains and encourage local production of goods for both the domestic and export markets;
- iii. **Municipal rates and Taxes**- Some municipalities have also responded to Covid 19 crisis by reducing rates, debt cancellations, interest payment reprieve and reduction in electricity and water tariffs;
- iv. **Loan repayments** – reduced interest rate payments for companies and SMMEs who are on Growth fund and iThala loan books;
- v. **SEZs Tenants**- Rental payment holidays were extended to businesses located in Dube Trade Port SEZs and Richards Bay IDZs

2.2.1 Covid-19 Industrial Stabilisation provincial Fund

Throughout the world and since the global financial recession, the role of government in stimulating the real economy through interventions to assist

distressed companies increased. Government's objective in assisting distressed sectors is always that of preventing the economy from free fall and sliding into de-industrialisation. De-industrialisation happens when the share of manufacturing in national employment and gross domestic product falls. The Covid 19 crisis has made de-industrialisation inevitable in most developing and emerging markets due to lock down measures instituted by governments around the world. Therefore, the government has an important role of preventing the unintended consequences of Covid 19 global crisis. A strong response is, therefore, needed to limit the damage from sudden stops in global demand for SA exports, domestic output (and demand), as well as foreign capital inflows.

It is inevitable that the low global demand as a result of factory closures in major markets and trading partners will have a major impact on the South African economy. As global value chains are disrupted and falling aggregate demand, it is important for KwaZulu-Natal and South Africa use fiscal stimulus packages to support local value chains and substitute global value chains that have been disrupted during and post the pandemic.

2.2.1.1 Purpose of the fund

Covid 19 crisis is already causing industrial instability with a number of companies worried that they may not be able to re-open their businesses. At a provincial level KwaZulu-Natal will need to put in place a **Covid-19 Industrial Stabilisation provincial Fund** that will target sectors that can have greater economic impact in terms of stimulating value chains and increasing employment creation potential of the province. Resource mobilisation is a necessary condition for the success of the government economic turnaround efforts post Covid 19.

The Covid-19 Industrial Stabilisation provincial Fund will be used to fund economic recovery interventions identified in this plan and can be used to assist companies or businesses such as small to medium (SMMEs), informal businesses to:

- (i)** Re-capitalisation (Equipment and machinery);
- (ii)** Wage subsidy to support employment;
- (iii)** Acquisition of essential raw materials;
- (iv)** Encourage localisation of value chains;
- (v)** Stimulate the production of exports
- (vi)** Value addition and beneficiation programmes
- (vii)** Increase employment; and
- (viii)** Any innovation programmes.

2.2.1.2 Stakeholders of the fund

For the province to raise substantial resources to assist businesses it is important that the fund be not limited to fiscal resources. The fund should be contributed by both the public and private sectors such as the national Covid fund.

The strategy should also be to assist provincial businesses and individuals to tap into the various national COVID -19 recovery funds instituted by the national government during the lockdown period including:

- National/Provincial Disaster Relief Grant;
- National Solidarity Fund;
- Small Business Fund;
- Small Business Debt Relief Financial Scheme;
- IDC COVID 19 Fund;
- IDC COVID Working Capital Fund;
- DRLD Food and Agricultural Sector Support Fund;
- DRLD Grant to Land Bank;
- Tourism Fund;
- SMME Business Growth Facility, etc.

3. LAND AND AGRICULTURE

3.1 Overview

The agriculture sector contributes about 4.4% to KwaZulu-Natal Gross Value Added (GVA). About 105 9191 people are employed in the sector, and this represented 4.8% of the total employment in the province. Although, agriculture contributes a rather miniscule contribution of national and provincial GDP, the sector has strong backward and forward linkages with both the productive economy and the services sector.

The province has a total of 6.5 million hectares of land for farming purposes of which 82% is suitable for extensive livestock production and 18% is arable land.

Covid-19 pandemic is adversely affecting national, provincial and local food systems, destabilising macro- and micro-level agricultural value chains, posing risks to household food security and threatening rural and urban lives alike.

3.2 Key Challenges in the agricultural Sector

The following changes are inherent in the KwaZulu-Natal agricultural sector.

- ix. Ageing Farmers and Youth lack of interest in Agriculture;
- x. Climate change and the management of environmental risks;
- xi. High proportion of unutilised land;
- xii. Many emerging farmers face difficulties in accessing formal agricultural markets;
- xiii. Small Scale farmers face Poor infrastructure, inadequate property rights, low education, lack of credit access and the absence of innovative production implements;
- xiv. Rezoning of Agricultural land to other land use particularly in peri-urban areas; and
- xv. Lack of interest in subsistence farming.

Table 1: Profile of the Agriculture Sector

Commodities	Average: 2019-2015					
	Employment	Production Value R'000	Black Farmer Share in Output	Commercial Farmers	Smallholder Farmers	Household Farmers
Field Crops						
Maize	29,289	27,038,097	4.7%	21,024	162,583	975,776
Sorghum	2,314	2,246,068	4.7%			
Soybean	7,654	5,698,270	4.7%			
Wheat	2,912	5,805,830	1.3%			
Barley	2,897	911,587	1.3%			
Cotton	3,876	1,967,187	2.4%			

Sugar	64,342	7,998,856				
Others	9,035	7,741,426	2.4%			
Horticulture						
Citrus	128,219	15,046,134	2.1%	1,924	4,516	56,712
Deciduous	79,443	15,660,627	3.0%			
Subtropical	31,565	3,989,635	6.2%			
Viticulture	163,441	7,057,260	1.6%			
Others	40,616	6,146,840	3.1%			
Potato	42,158	6,972,320	1.0%	3,573	10,538	120,117
Carrots	5,546	620,681	5.2%			
Tomato	9,764	2,364,149	8.6%			
Others	23,010	10,629,808	4.9%			
Livestock						
Wool	23,976	3,397,506	11.0%	13,601	123,443	1,174,696
Mohair	6,765	554,582	5.0%			
Cattle	89,752	31,992,265	34.0%			
Poultry	52,836	47,863,345	4.2%			
Mutton	18,532	6,777,228	10.0%			
Others	31,309	27,124,480	7.0%			

3.3 Spatial Agricultural Potential of the Province

- i. Vegetable production is suitable in all districts;
- ii. Horticultural production is also practiced in all districts except eThekweni;
- iii. Green mealies will perform best in Districts along the coast and in uMgungundlovu;
- iv. Sugarcane performs well in areas along coast and in Harry Gwala and uMgungundlovu;
- v. Beef production is suitable in Harry Gwala, uThukela, uMzinyathi, Amajuba, Zululand & uMkhanyakude;
- vi. Goats are most suitable in uMkhanyakude, Zululand, iLembe, uMzinyathi and King Cetshwayo;
- vii. Sheep production is mostly practiced in uMzimkhulu, uMgungundlovu and uMzinyathi although in other areas it is insignificant;
- viii. Pig Farming practiced widely in all districts;
- ix. Poultry production is suitable in all districts;
- x. Grain production is crucial as the challenge faced by livestock farmers revolves around high feed cost. Development of district Agri-Hubs specifically looking at feed-mills in areas that produce grain is essential; and
- xi. Agri-hubs will also include processing of wool and skin hides and other livestock.

3.4 Potential for Agriculture value Addition

- i. Biofuels and bio-energy: energy crops e.g. Bio-ethanol, bio butanol, biodiesel through production expansion of vetiver grass, Jatropha, ethanol, etc.;
- ii. Building and construction: production of hemp-lime building materials, straw materials, linseed, flax, etc.;
- iii. Fiber including paper, cloth, fabric, padding, string, twine and rope: through production of kenaf, cotton, flax, hemp, manila hemp & sisal;
- iv. Pharmaceuticals (traditional) and therapeutic proteins (novel) including botanical and herbal medicines, nutritional supplements: borage, cannabis sativa, Echinacea, Artemisia, tobacco;
- v. Renewable biopolymers – rubber, wheat, maize production for packaging, rubber, plastics; and
- vi. Specialty chemicals – essential oil production: lavender, linseed, oilseed, hemp oil.

3.5 Proposed Interventions

3.5.1 Short Term Interventions

Table 2: Agriculture Short Term Interventions

Programme	Specific Interventions	Responsibility
Post-Harvest Marketing Support for Small scale Farmers	<ol style="list-style-type: none"> i. Support an inclusive transport service market ii. Small Scale Farmer Marketing assistance- RASET programme Buy Back iii. Provision of Transport for harvesting to Sugar cane Farmers 	<ul style="list-style-type: none"> ▪ DARD ▪ EDTEA ▪ ADA ▪ SMMES ▪ Districts and Municipalities
Covid 19 Farmers relief scheme	<ol style="list-style-type: none"> i. Provision of relief funds to famers who harvest was affected during the lockdown 	DARD
Production Support	<ol style="list-style-type: none"> i. Provision of Relief to Farm workers affected by Covid ii. Increase and support active youth employees in the value chain between the producer and consumer iii. Invite and support participation of the commercial sector. 	DARD
Market access Support	<ol style="list-style-type: none"> i. Purchase and delivery of fresh farm produce to feed poor households, supply SMMEs and satisfy needs of supermarkets ii. Feeding scheme iii. Negotiate off take agreements with the market iv. Government Institutional support (hospitals, correctional services) v. Develop portal for marketing of agricultural 	DARD

Programme	Specific Interventions	Responsibility
	produce by small-scale farmers	
Immediate Covid 19 Support	i. Provision of PPEs for farm workers and small Processors (pack houses, abattoirs), initiate plans for immediate establishment of skills in fresh produce handling for storage and safety. ii. Concrete plan to identify and quantify Covid-19 impact on agriculture at all levels- hard facts of sector analysis.	DARD

3.5.2 Medium Term Interventions

Table 3: Agriculture Medium Term Interventions

Programme	Specific interventions	Responsibility
Revitalisation of existing irrigation Schemes	Undertake a detailed review of all existing schemes assessed against agreed policy (detailed audit of all government supported irrigation schemes)	DARD DARLR Districts and Municipalities
	Regularise and maintain each scheme according to approved policy add management	
	refurbishment, upgrading and business support for identified schemes	
	Develop producer capacity to optimise water use, resulting in increased crop yields, soil management and efficient water usage.	
Four 4 Agri-hubs (clustering all districts)	<ul style="list-style-type: none"> ▪ Development of agri -hub concept and the proposed model through stages ▪ Development of a detailed business plan which will encompasses the following: ▪ Development of district Agrihub Master Business Plans ▪ Establishment and rehabilitation of the existing facilities where necessary ▪ Establishment of New agri- Hub infrastructure ▪ Ensure that all four proposed Agri-Hubs are in compliant with food handling standards and legally registered ▪ Start operations ▪ Development of AH marketing strategy 	DARD, Districts and Municipalities
Agronomic Seeds and	Development and operation of: <ul style="list-style-type: none"> ▪ 5 Mega Nurseries - Own seedlings 	

Horticultural seedling production programme to support RASET farmers, food security and youth empowerment	<ul style="list-style-type: none"> ▪ Agronomic Seeds production- under irrigation and dry land ▪ Fruits Trees - propagation <ul style="list-style-type: none"> ○ Five research stations across the province follows: Cedara, Dundee, Kokstad, Makhathini, and Owen Sithole College (OSCA) ▪ While this is being rolled out, the existing infrastructure will be utilized Makhathini, Mjindi and Cedara Nurseries 	DARD, Districts and Municipalities
RBIDZ Agro-processing precinct	Expedite development of RBIDZ agro-processing precinct to provide market for small scale farmers and emerging entrepreneurs	RBIDZ King cetswayo uMhlathuze Local Municipality

3.5.3 Long Term Interventions

Table 4: Agriculture Long Term Interventions

Programme	Specific Interventions	Driving Agent
Crop hectare and yield	i. national and provincial charts and maps displaying crop yields, crop weather, micro-maps, and crop hectare animations	<ul style="list-style-type: none"> ▪ DARD ▪ Districts and Municipalities
Horticulture Production	ii. Training of Standardization and Quality Management (ISO 9001) ii. Horticulture Production for Export v. Support Packaging Facility for Export v. Use of technology	<ul style="list-style-type: none"> ▪ DTPC ▪ EDTEA ▪ ADA ▪ Districts and Municipalities
Poultry	i. Quality Management and Standardization Training ii. Production for Export ii. Support Packaging Facility for Export	DARD Districts and Municipalities
Livestock	i. Negotiate Meat Export Deal with the United States	TIKZN; EDTEA Districts and Municipalities
Crop production research and Development	i. Sound research-driven knowledge to be shared and leveraged by its users. ii. Quick stats database by commodity, province, district and year - information and the ability to query by commodity ii. Census of agriculture: taken every five years; comprehensive source of statistics portraying agriculture across provinces. v. Trends in agriculture: annual agricultural	DARD Districts and Municipalities

	statistics book, a reliable reference on agricultural production, supplies, consumption, facilities, costs, and return.	
4IR technology agriculture	<ul style="list-style-type: none"> ▪ Land analysis technology ▪ Water energy technology ▪ Data analyses Technology ▪ Pesticide technology ▪ Autonomous vehicle technology ▪ Crop technology ▪ Drone technology 	<ul style="list-style-type: none"> ▪ DARD ▪ Moses Kotane ▪ DTPC ▪ Districts and Municipalities

4. INDUSTRY DEVELOPMENT

4.1 Overview

Industrial development is a key driver of economic growth in the province. The phenomenal economic growth registered in most emerging markets such as China, India, Hong Kong, Malaysia, South Korea, and Singapore amongst others is attributed to rapid industrialisation in these countries. The value of manufacturing output in Gross Domestic Product (GDP) and the contribution of manufacturing employment to total employment are indicators used to measure the degree of industrialisation in a country.

KwaZulu-Natal manufacturing sector contributes close to 16% of total Gross Value Added (GVA) in the province.

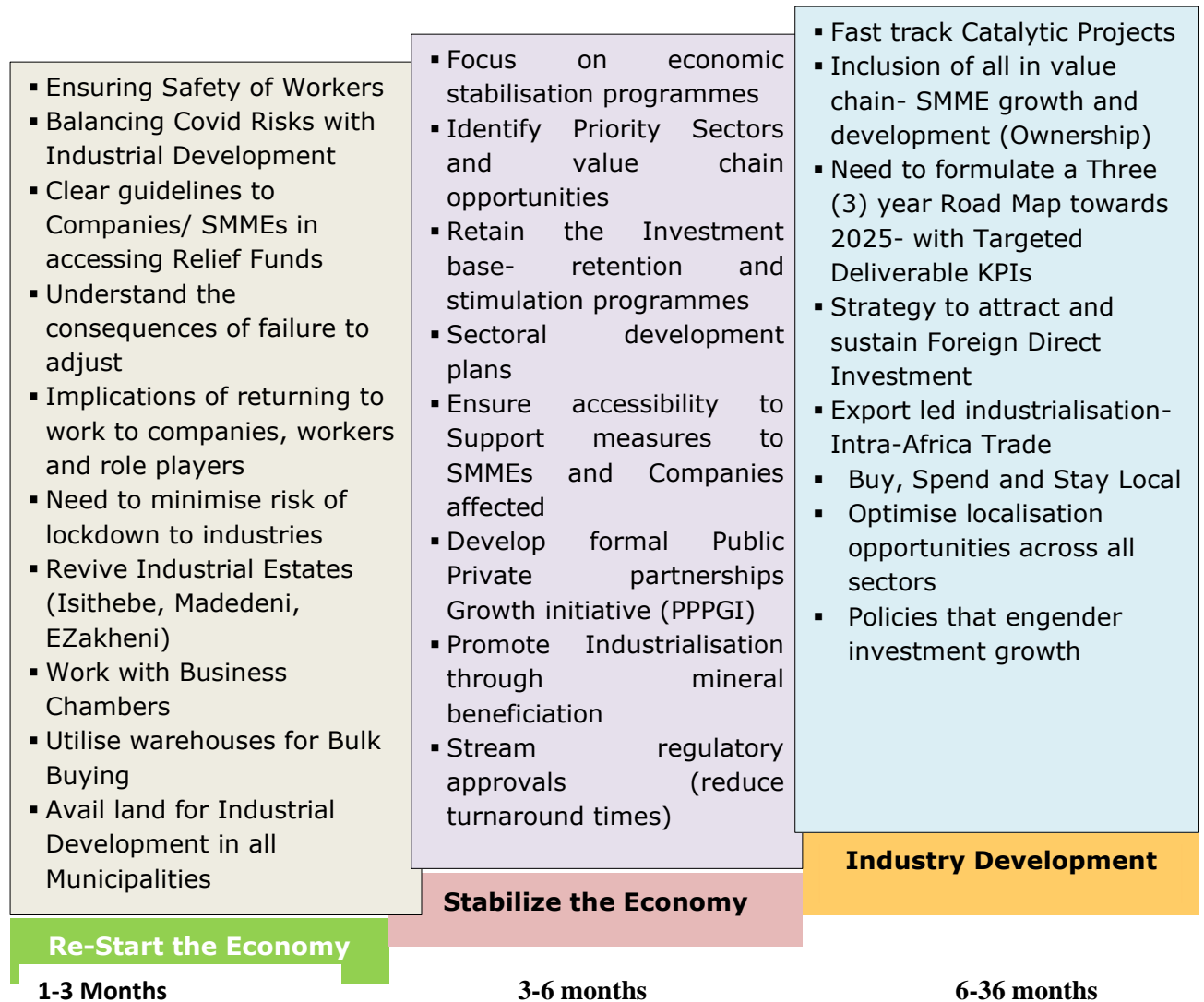
For a long period of time prior to the Covid 19 crisis, these indicators for KwaZulu-Natal have been falling. For example, the share of manufacturing output in total Regional Gross value added of the province has fallen from about 17.4% in 2010 to the current 15.4%. Moreover, the contribution of manufacturing employment to total employment has also witnessed a downward trend, declining from about 16.9% during the 1st quarter of 2010 to about 11.4% in the first quarter of 2017.

Therefore, prior to Covid 19, the provincial economy was beset by the following challenges:

- Low global growth leading to constrained aggregate demand.
- The increased influx of imports resulting in local companies struggling to remain competitive;
- Continuous decline in manufacturing output;
- Declining international competitiveness;
- Low levels of investment;
- Production bottlenecks caused by energy outages, infrastructure; and
- Concomitant and continuous fall in contribution of manufacturing employment to KZN total employment signalling de-industrialisation; amongst other challenges.

4.2 Phased Approach to industrialization

Figure 1: Covid 19- Phased Approach to Industrialization



5. PHARMACEUTICALS (HEALTH INNOVATION AND MANUFACTURING)

5.1 Overview

Before the onset of the COVID-19 crisis, South Africa had entered into a challenging yet exciting time of change and potentially huge opportunities for local innovative healthcare companies with the passing of the National Health Insurance (NHI) legislation. The NHI is based on the Constitutional directive of universal access to healthcare for all of the country's citizens, regardless of their social standing, political affiliation and material position. The biggest impediment to equal access to healthcare lies in the costs of healthcare products, across the value chain including pharmaceuticals, diagnostics, equipment, devices, information technology and others.

5.2 Key Strategic Issues to unlock Health innovation

- i. The proposed National Health Insurance (NHI) is a future game changer to the South African health service provision and the pharmaceutical and manufacturing of health products in the country;
- ii. An opportunity to diversify market through the African Continental Free Trade area (AfCFTA);
- iii. South African consumers are generally price takers- prices are determined in international markets due to the dominance of multinational companies in the local value chains through imports.
- iv. **Formulate a Health innovation and pharmaceuticals Innovation Strategy that aims to transform the industry Post COVID-19 crisis.** The strategy must address the current bottlenecks such a lack of preference market for local producers and reduce the entire cost of healthcare.
- v. **Identify opportunities in Digital health innovations;** leverage the newer Data technologies, and Artificial Intelligence.
- vi. Need to enforce regulated prices of pharmaceuticals in the market- **Pharmacies to remove their own mark-ups from the price of medicines and stick to the regulated single exit price mechanisms, with a nominal service charge (capped)**
- vii. There is need for an analysis of the Global Value Chains to re-create the local healthcare economy in a manner that benefits the most needy in society
- viii. A value chain analysis of what the healthcare requirements are from a product and Innovation perspective -a collaboration between the entrepreneurs and the Scientists/Innovators
- ix. Localisation of value chains- Local manufacturing of most of these products that are in short supply
- x. A publicly held Company which is tasked with developing, innovating and manufacturing these products.
- xi. Support already existing manufactures in the province to develop local value chains.

- xii. Interactive platform that allows innovators/SME's to showcase their innovations and ideas related to the fight against COVID-19

5.3 Health Products manufacturing in KwaZulu-Natal

There are currently a number of industries involved in the production of textile medical devices, plastic medical devices, Personal Protective Equipment (PPE), sanitizers and detergents.

Table 5: Current Medical Devices Manufacturing/Supply Opportunities in KwaZulu-Natal

CATEGORY	SUPPLIER/PRODUCER	COMPANY NAME	PRODUCTS SUPPLIED
PLASTIC MEDICAL DEVICE			
General Consumables	Medical Supplier	Logan Medical and Surgical (Pty) Ltd	Medical and surgical supplies
General Consumables	Medical Supplier	Palmed Medical and Surgical Supplies cc	Medical and surgical supplies
General Consumables	Medical Manufacturer	Unitrade Medical	Medical and surgical supplies
General Consumables	Medical Supplier	Mbali Medical Supplies cc	Medical, surgical, HSE and PPE supplies
General Consumables	Medical Manufacturer	Multisurge (Pty) Ltd	Medical, Surgical and Clinical Products
General Consumables	Medical Supplier	Neomedic Pty Ltd	Medical and surgical supplies
TEXTILE MEDICAL DEVICES			
CATEGORY	SUPPLIER/MANUFACTURER	COMPANY NAME	PRODUCTS SUPPLIED
Medical textiles	Supplier	Cotton Care cc	Medical devices
Medical textiles	Manufacturer	BSN medical (Pty)Ltd	Wound care products
Medical textiles	Manufacturer	Endomed	Medical supplies (wound care and dressing products)
Medical textiles	Manufacturer	Beier Drawtex	PPE and Safety Wear also wound care devices
Medical textiles	Manufacturer	Champion Health Care (Pty) Ltd	Healthcare
Medical textiles	Manufacturer	Priortex	Medical consumables (drapes, swabs, etc.)
Medical Diaper, Feminine	Manufacturer	Spunchem	Medical and Hygiene fabrics

Hygiene			
Medical textiles, Surgical Drapes	Manufacturer	Micro Med SA	Medical and surgical disposable drapes
Textiles	Manufacturer	Glodina	Towels

Table 6: Current Medical Devices Manufacturing/Supply Opportunities in KwaZulu-Natal

PERSONAL PROTECTIVE EQUIPMENT			
CATEGORY	SUPPLIER/MANUFACTURER	COMPANY NAME	PRODUCTS SUPPLIED
PPE	Manufacturer	Sims Safety	PPE and Safety Wear
PPE	Supplier	Dromex	PPE and Safety Wear
PPE	Supplier	Safety & Allied	PPE and Safety Wear
PPE	Manufacturer	North Safety	PPE and Safety Wear
PPE, Sanitizers	Manufacturer	KDH Group	PPE and Safety Wear
SANITIZERS AND DISINFECTANTS			
CATEGORY	SUPPLIER/MANUFACTURER	COMPANY NAME	PRODUCTS SUPPLIED
Sanitizers	Manufacturer	Steritech	Disinfectant
Sanitizers	Manufacturer	SaniChem Pty Ltd	Infection and Hygiene Control

Table 7: Post Covid-19 Medical Devices Manufacturing/Supply Opportunities in Kwazulu-Natal

CATEGORY	SUPPLIER/MANUFACTURER	COMPANY NAME	PRODUCTS SUPPLIED
BIOLOGICS			
Biologics	Manufacturer	National Bio products Institute	Pharmaceutical
MEDICAL EQUIPMENT			
Hospital Furniture, Medical Equipment	Manufacturer	Royal Medical Supplies	Medical equipment
Medical Equipment, Paramedic	Manufacturer	Be Safe Paramedical	Medical and surgical supplies
MEDICAL INFORMATION MANAGEMENT			
Information Management	Supplier	HIMSA	Healthcare Facilities
PHARMACEUTICALS			
Pharmaceuticals	Manufacturer	Aspen	Pharmaceutical

5.4 Innovations and Ideas

Development of an Interactive platform that allows innovators/SME's to showcase their innovations and ideas related to the fight against COVID-19.

Below are examples of Innovations and Ideas in the fight of COVID-19:

- The Manufacturing of Ventilators and Masks (TReNDS in Africa);
- The Manufacturing of PPE (The Royal Academy of Engineers);
- Manufacturing of Gloves;
- The Production of Viral Transport Media (VTM);
- Molecular Diagnostic Tests;
- Home-based Care;
- The Manufacturing of Face Shields;
- Digital Health Technologies for Maternal Health; and
- Market Readiness of Innovations/Ideas.

5.5 Ideas, Innovations and Repurposing In Kwazulu-Natal

Two radical approaches to reduce the cost of healthcare are proposed:

- **Local manufacturing of most of these products-** The COVID-19 crisis has revealed important new ways of Intellectual Property transactions as a result of the shut-down of global value chains. For example, items such as Ventilators, CPAPs, Rapid Diagnostics tests, and others that are the lifeblood of healthcare systems and are generally imported in countries like ours suddenly disappeared as the global North prioritised its domestic markets over the rest of the world. In a number of instances, President Trump has issued directives barring American companies from exporting critical supplies of Diagnostics (Cepheid, Abbot), and countries like Germany have utilised soft power premised on patriotic duty to prevail on companies like Roche to save their country first.
- A publicly held Company which is tasked with developing, innovating and manufacturing these products. The company will be guaranteed Advanced Market Commitments on the basis of low price guarantees (at least 50% on the prevailing market price); and 50% held by Government but operate from remuneration perspective like a Commercial company hiring the best, and paying them market rates. The company can consider the manufacturing of value chains.

Table 8: Innovations & Ideas: Current And Post Covid-19 Areas Of Innovations And Ideas In KwaZulu-Natal

Product Type	Company	COVID Post-COVID	Technology
Home based care	Rhyzotherm		Advanced patient monitoring
PPE	Royal Academy of Engineering	COVID	Design and 3D Printing of Masks

Face Shields	University of Sussex	COVID	Laser cutters
Ventilators and Masks	Trends in Africa	COVID	Free and Open Source scientific and medical Hardware (FOSH)
Gloves	Gemilatex	COVID	Condom manufacturing plant, can they make gloves?
Gloves	HBM-SA Health	COVID	Condom manufacturing plant, can they make gloves?
Spray bottles	Razco	COVID	Plastic bottle manufacturer, can they make spray bottles for sanitizer?
Spray bottles	I.R.P Engineering services	COVID	Plastic bottle manufacturer, can they make spray bottles for sanitizer?
Spray bottles	Speedy plastics	COVID	Plastic bottle manufacturer, can they make spray bottles for sanitizer?
Spray bottles	DM Plastics	COVID	Plastic bottle manufacturer, can they make spray bottles for sanitizer?
Eye Protection	SDM Eyewear	COVID	Do they have manufacturing capacity to make PPE eye protection?
Eye Protection	3d anaglyph	COVID	Is there a SA company manufacturing 3D glasses for movies? Can they make eye protection?
Doppler Ultrasound Device for foetal scans	Umbiflow	Post-COVID	Mobile ultrasound technology for foetal scans
Diagnostics	Hutano Diagnostics	Post-COVID	Infectious disease diagnostics
Rapid Diagnostics		Post-COVID	Use of LAMP technology and also antibody technology for rapid diagnostics
Biologics Manufacturing	Insulin	Post-COVID	Use of technology from ICGEB for Insulin and other biologics manufacture

Table 9: Other Products for localisation

Other Medical Opportunistic items for local production to be Pursued

- Intubation sets
- Laryngoscopes
- Ventilation tube sets
- Isolation plastic separation sheets for emergency ICU setup
- Oxygen hoods
- Continuous Positive Airflow Pressure (CPAP) units
- Gauze and Saline solutions
- Sterile water
- ECG Electrodes tabs

5.6 Health Manufacturing Action Plan

Table 10: Short Term Interventions

Program	Specific Interventions	Responsibility
Production of Personal Protective Equipment	<ul style="list-style-type: none"> • List of companies that are ready to manufacture PPE and other related products e.g. bed linen for hospitals, scrubs. • Sourcing of textile locally if possible or imports (diapers, swabs, scrubs, masks). Government should drive this process with a big local importer to monitor selling price to manufacturers, (Bulk buying). • General Textiles (repurposing lines for manufacture of cloth masks for general public) • Owners/users of 3D printers 	<ul style="list-style-type: none"> • EDTEA; TIKZN • Clothing and Textiles Cluster • Productivity SA • Bargaining councils clothing and textile. • Manufacturing companies.
Production of medical devices, equipment, furniture, and consumables	<ul style="list-style-type: none"> • List of companies that are ready to manufacture medical devices, equipment, hospital furniture and medical consumables (e.g. sanitizers, plastic devices, furniture, test kits) • Products should be export ready to assist nationally and cross-border countries or where required. • Government should drive this process with a big local importer to monitor selling price to manufacturers, (Bulk buying). • Identification and expansion of database of existing manufacturers with injection moulding and blow moulding technology • Consumable manufacturer, Hygiene Quality Assurance testing • General Textiles (repurposing lines for manufacture of cloth masks for general public) • Owners/users of 3D printers • Hygiene Quality Assurance testing • General Textiles (repurposing lines for manufacture of cloth masks for general public) • Owners/users of 3D printers 	<ul style="list-style-type: none"> • EDTEA • TIKZN • Productivity SA • SAPHRA • Manufacturing companies. • Districts and Municipalities

Program	Specific Interventions	Responsibility
Marketplace	<ul style="list-style-type: none"> • Approved platform aimed at supporting and showcasing the approved products/innovations identified within KZN which are ready for the market • Promote localisation within the health sector procurement • Leverage government preferential procurement provisions to support local producers • Facilitate twinning arrangements between local and international producers to optimise on R&D financing 	<ul style="list-style-type: none"> • EDTEA; TIKZN • Productivity SA • Brand SA • DOH • KZN Treasury • Districts and Municipalities
Scientific Research and Training Hub	<ul style="list-style-type: none"> • Institutions providing input for the marketplace and innovations and ideas. • Available training opportunities that are centred on the needs of the COVID-19 marketplace and innovations. • Evaluation of IP content of healthcare products • Partner with national academic institutions to develop training suitable for the health sector e.g. on biologics, hospital furniture, medical equipment, information management and pharmaceuticals 	<ul style="list-style-type: none"> • EDTEA; DOH; NHLS • SAPHRA • CSIR • Productivity SA • Private sector • UKZN, DUT, MUT; UniZulu • Districts and Municipalities
Financing and funding	<ul style="list-style-type: none"> • Platform aimed at matching investors to innovations • Research, training and development funds • Provision of relief funds to sustain/protect jobs; • Support to SMMEs • Re-Capitalisation Equipment 	<ul style="list-style-type: none"> • DFI's; IDC • Commercial Banks • DTI • SEDA/SEFA • Districts and Municipalities
Communication and Outreach	<ul style="list-style-type: none"> • Utilise various media platforms (radio, newspapers, social media, newsletters, imbizos) to disseminate up to date information topical issues such as COVID 19 • Facilitate media tours of government programmes & projects to ensure the media has first-hand information and report accurately • Utilise community radio stations to ensure wider reach to all citizens 	<p>Provincial Government</p> <p>Districts and Municipalities</p>

Program	Specific Interventions	Responsibility
Innovation	<ul style="list-style-type: none"> • Set up a COVID 19 innovation fund to augment other innovation funding instruments currently accessible to KZN entities and individuals to support development of innovative health technologies such as rapid diagnostic test kits, diabetes test kits, molecular diagnostics, biosimilar, foetal heart monitors, tracking applications etc. • Develop clear funding guidelines • Develop an innovation portal to increase knowledge and awareness of various funding platforms for innovation • Undertake a concrete analysis of the KZN innovation ecosystem to ensure informed interventions and resource optimisation • Set up a central coordinating body (e.g. KZN Innovation Council) comprising government, academic & research institutions, organised business, innovation experts and civil society to steer innovation in the province • Develop a plan to facilitate sharing of innovation support infrastructure such as incubators, laboratories, technology stations in the province. • Create a platform for innovators to show case their inventions e.g. an annual innovation expo • Prioritise STEM, entrepreneurial and innovation skills development 	<ul style="list-style-type: none"> • EDTEA • Universities • Science Councils • Business Chambers • MKI • TIKZN

Table 11: Medium Term Interventions

Programme	Specific Interventions	Responsibility
Support to SMME	<ul style="list-style-type: none"> • Building and designing and inclusive economy by leveraging innovation • Assistance with local and international marketing through IPA's by targeting investors • Reviewing import substitution products and funding thereof • Development of an ad-hoc health industry related one-stop shop for assistance with funding, product registration, access to marketplace, export readiness, etc. during this period • Support from the full value chain in terms of procurement optimization to yield efficient and increased outputs 	<ul style="list-style-type: none"> • DARD • ADA • DTPC • TIKZN • EDTEA • KZN Treasury • Districts and Municipalities

Government response to industry	<ul style="list-style-type: none"> • Outline of health spend and procurement • Supplier registration information sharing • SAHPRA approval • Packaging business case for insulin production (site, waste disposal , incentives) • Funding support for manufacturing of consumables, project funding, incentives • CSIR projects /research commercialisation • Feasibility funding • Information on market entry • Facilitation of funding for projects • Assistance with marketing (domestic and international) • Trade advisory , targeting and development • Investor targeting • Funding for product diversification with established manufacturers (e.g. engineering, injection moulding manufacturers) 	<ul style="list-style-type: none"> • EDTEA • IDC • KZNGF • TIKZN • KZN • Treasury • DOH • Districts and Municipalities
Innovation	<ul style="list-style-type: none"> • Setup of infrastructure for ICT and broadband 	<ul style="list-style-type: none"> • EDTEA

Table 12: Long Term Interventions

Programme	Specific Interventions	Driving Agent
Medical textiles	<ul style="list-style-type: none"> • Ongoing value chain analysis • Stakeholder identification • Opportunity marketing • Procurement spend and localisation strategies • Joint ventures, investment, partnerships 	EDTEA; TIKZN; DTPC; DTIC Districts and Municipalities
Medical plastics	<ul style="list-style-type: none"> • Ongoing value chain analysis • Stakeholder identification • Opportunity marketing • Procurement spend and localisation strategies • Joint ventures, investment 	EDTEA; TIKZN; DTPC; DTIC Districts and Municipalities
Consumable manufacturers	<ul style="list-style-type: none"> • Ongoing value chain analysis • Stakeholder identification • Opportunity marketing • Procurement spend and localisation strategies • Joint ventures, investment 	EDTEA; TIKZN; DTPC; DTIC; DOH; Treasury
Prosthetics	<ul style="list-style-type: none"> • Ongoing value chain analysis • Stakeholder identification • Opportunity marketing • Procurement spend and localisation strategies • Joint ventures, investment 	EDTEA; TIKZN; DTPC; DTIC; DOH; Treasury

Vaccines	<ul style="list-style-type: none"> • Ongoing value chain analysis • Stakeholder identification • Opportunity marketing • Procurement spend and localisation strategies • Joint ventures, investment 	EDTEA; TIKZN; DTPC; DTIC; DOH; Treasury
Insulin manufacturing by a global player or local promoters	<ul style="list-style-type: none"> • Ongoing value chain analysis • Stakeholder identification • Opportunity marketing • Procurement spend and localisation strategies • Joint ventures, investment 	EDTEA; TIKZN; DTPC; DTIC; DOH; Treasury
R & D	<ul style="list-style-type: none"> • Ongoing value chain analysis • Stakeholder identification • Opportunity marketing • Procurement spend and localisation strategies • Joint ventures, investment 	<ul style="list-style-type: none"> • EDTEA • TIKZN • DTPC • DTIC • MKI
Government response to industry	<ul style="list-style-type: none"> • Outline of health spend and procurement • Supplier registration information sharing • SAHPRA approval • Packaging business case for insulin production (site, waste disposal , incentives) • Funding support for manufacturing of consumables, project funding, incentives • CSIR projects /research commercialisation • Feasibility funding • Information on market entry • Facilitation of funding for projects • Assistance with marketing (domestic and international) • Trade advisory, targeting and development • Investor targeting • Funding for product diversification with established manufacturers (e.g. engineering, injection moulding manufacturers) 	<ul style="list-style-type: none"> • EDTEA • TIKZN
Propose support measured to supplement those	<ul style="list-style-type: none"> • Local procurement of medical textile and medical plastic products • Funding of import substitution project 	DOH; EDTEA; DOH; TREASURY MKI
Business support for government initiatives	<ul style="list-style-type: none"> • Product diversification in medical textiles and medical plastics and consumable manufacturing • Supplier register to be approached for specific products 	EDTEA Districts and Municipalities

Buy local and Localization	<ul style="list-style-type: none"> • Duties on imported products once there is enough supply • Funding by DFIs for local production of medical textiles, medical plastics, consumable and other simple value chains with established expertise • Incentives for cheaper production • COVID spend allocated by DFIs • Needs analysis of major requirement e.g. diabetes and affordability for prosthetics • NHI and local procurement • Diversification of existing value chains (textile industry, chemicals industry) • Funding for increasing production of existing manufacturers • Information sharing on COVID funding support • Mentorship of value chains in healthcare • Export development (AfcFA) • Business case for insulin production • Packaging of import substitution opportunities (case, funding, institutional support, incentives. Competitive advantage etc.) • Study on opportunities for prosthetics development • Funding of production for existing manufacturers e.g. Xylomed • International marketing of existing businesses for funding, business development , trade shows , contract manufacturing (e.g. Xylomed) • Information sharing on 	<ul style="list-style-type: none"> • EDTEA • TIKZN • MKI • Districts and Municipalities
Business Development and Mentorship	<ul style="list-style-type: none"> • COVID funding support and facilitation • Monitoring and evaluation • Support to new opportunities e.g. biologicals manufacturing • Marketing of opportunities e.g. Xylomed 	<p>MKI</p> <p>Districts and Municipalities</p>

6. CLOTHING & TEXTILE SECTOR

6.1 Overview

The clothing and textile sector has been in perpetual decline, losing employment from a peak of 95 636 in 2001 to about 86 008 in 2019, owing to a number of challenges, including the following:

- i. Lack of competitiveness due to influx imports- local manufacturing industry was only supplying about 30-35% whilst 65-70% is imported;
- ii. Most SMMEs are uncompetitive, unprofitable and unable to pay minimum wages;
- iii. Expensive raw materials;
- iv. Low margin nature of the products manufactured in KZN (The province predominantly manufactures for the low-end market).

The Clothing & Textile sector is KwaZulu-Natal's biggest employer of skills across the spectrum. The Clothing and Textile sector is one of the hardest hit in terms of Covid 19 due to factory closures that have affected most of the SMMEs. The closure of borders has also seen companies unable to import raw materials and equipment. The influx of cheap imports remains the largest threat to the industry.

Table 13: South Africa Clothing and Textiles spatial statistics

Region	KZN	WC	EC	Other provinces
Employment size	23092	15538	1000	11173
Number of factories	222	205	16	214
% of national clothing sector	45%	31%	2%	22%
% employed in non-complying factories	23%	7%	8%	57%

6.2 Covid 19 Crisis

The sector also faces the following challenges to better manage the advent of Covid 19 crisis:

- i. Lack the innovative managerial and technical skills to drive sustainable operation efficiencies;
- ii. Lack of support to the vibrant informal businesses in the sector;
- iii. Delays in the shipment of imports due to disruptions in the value chain; and
- iv. Access to raw materials (for example, medical fabric) for the manufacturing of PPEs.

6.3 Proposed Interventions

Table 14: Clothing and Textiles Short Term Interventions

Programme	Specific Interventions	Responsibility
Covid 19 Clothing and Textiles relieve for workers	<ul style="list-style-type: none"> ▪ Provision of relief funds to sustain/protect jobs; ▪ Support to SMMEs ▪ Re-Capitalisation Equipment 	<ul style="list-style-type: none"> • SEDAs • EDTEA • IDFC • Districts and
Support to Workers	Provision of Relief to Sector workers affected by Covid	<ul style="list-style-type: none"> • EDTEA, • Department of Labour • Districts and Municipalities
Business inspections	<ul style="list-style-type: none"> ▪ Strengthens zero tolerance on counterfeit products ▪ Border controls of smuggling ▪ Undertake business inspections 	<ul style="list-style-type: none"> • EDTEA • TIKZN • Districts and Municipalities
Production of Personal Protective Equipment	<ul style="list-style-type: none"> ▪ List of companies that are ready to manufacture PPE and other related products e.g. bed linen for hospitals. ▪ Sourcing of textile locally if possible and imports. Government should drive this process with a big local importer to monitor selling price to manufacturers, (Bulk buying). 	<ul style="list-style-type: none"> • EDTEA • Clothing and Textiles Cluster • TIKZN • Productivity SA • Bargaining councils clothing and textile. • Manufacturing companies. • Districts and Municipalities
Market Access	<ul style="list-style-type: none"> ▪ Government institutions (Hospitals, Prisons, Schools) for Blankets, Linen, Towels, cleaning equipment, security equipment etc. 	<ul style="list-style-type: none"> • EDTEA • DOH • TIKZN • SEDA • Districts and Municipalities
Clothing and Textiles Master plan	<ul style="list-style-type: none"> ▪ Fast track implementation of interventions in the master plan 	<ul style="list-style-type: none"> • EDTEA • Districts and Municipalities

Table 15: Clothing and Textiles Medium Term Interventions

Programme	Specific Interventions	Responsibility
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Support to SMME	<ul style="list-style-type: none"> i. Provide funding to SMMEs through OVF to acquire machinery and equipment and raw materials ii. Provision of training and Mentorship iii. Provision of Share Infrastructure for SMMEs iv. Quality assurance and standardisation training 	<ul style="list-style-type: none"> • DARD • ADA • DTPC • Districts and Municipalities
Twinning arrangements	<ul style="list-style-type: none"> i. Facilitate twinning arrangements between SMMEs and Big corporates such as Mr Price, Edgars 	<ul style="list-style-type: none"> • EDTEA • C&T cluster • Bargaining councils and relevant National organisations. • Districts and Municipalities

Table 16: Clothing and Textiles Medium to Long Term Interventions

Programme	Specific Interventions	Driving Agent
Fast Track Implementation of the Clothing and Textiles SEZ to secure strategic investments that will address the needs of clothing and textile in the medium to long term.	<ul style="list-style-type: none"> • Acquire licence and identify value chains within the corridor. • Stakeholder mapping • Broker anchor investor/s • Infrastructure development with strategic partnerships. • Identify the appropriate value chain companies as tenants. (linked to sourcing investors). 	<ul style="list-style-type: none"> • EDTEA • TIKZN • DTPC • DTIC • eThekini, uMgungundlovu, uThukela, Amajuba
<p>Development of Plant Fibre textile E.g. Hemp:</p> <p>Hemp is a type of cannabis with low levels of euphoric THC cannaboid and does not cause the high associated with its cousin, "Dagga".</p> <p>The long fibres of the outer part of the fast-growing hemp plant have been used for strong textiles such as jeans, shoes, ropes and sails.</p>	<ul style="list-style-type: none"> • Growing and cultivation hemp in KZN, SA and other neighbouring African states. • Strategic partnerships with Agricultural departments of Provinces, and other neighbouring states. • Partnership with CSIR (done a lot of research on plant-based fibres to manufacture textile). 	<ul style="list-style-type: none"> • EDTEA • Department of Agriculture • Agriculture Development Agency • TIKZN • Relevant District • Dube Trade Port • CSIR (relevant R&D dept.) • MKI

Programme	Specific Interventions	Driving Agent
<p>However, hemp can easily replace the use of cotton in the making of clothes. In contrast to the cotton industry which uses 50% of pesticides sprayed in the world, hemp requires no pesticides for cultivation. Hemp fibres are stronger, longer and more absorbent than cotton. It is mildew resistant, has better insulation properties, less prone to fading than cotton.</p>	<p>Partnership with Dube Trade Port to extend their lab facilities to cater for R&D activities.</p> <ul style="list-style-type: none"> • To set up a manufacturing facility at the C&T SEZ to support manufacturing plant fibre textile (HEMP AND OTHER PLANT FIBRES) • Source the funding through a focused investment drive. • To identify other sub sector investments to support the value chain within the SEZ. 	<ul style="list-style-type: none"> • Districts and Municipalities

7. AUTOMOTIVE

KwaZulu-Natal has a relatively well developed automotive sector in the country with three Original Equipment manufacturers, that is, Toyota, Bell Equipment, Mahindra. Classified as Transport Equipment according to standard industrial classification (SIC), the sector employs 14 815 in the province, 9 242 people in eThekweni metro. Relatively labour intensive and with strong linkages with metals, transport and services.

Through the industry engagements that were led by the MEC, the following are some of the challenges faced by the industry:

- i. Motor vehicle dealerships were closed for two and half months as a result of the hard lockdown – **no income**.
- ii. Dealerships tried to meet their financial commitments during the lockdown – impacted negatively on cash flow and retained capital.
- iii. Dealerships have had to reduce costs and many are in the process of restructuring their operational models and the outcomes are:
 - a. Closure of some dealerships.
 - b. Consolidation of dealerships – finding economies of scale.
 - c. Right sizing - resulting in staff retrenchments.
 - d. Year to date 30 June 2020 total vehicle sales via the dealer network is down by 37.4%
- iv. Majority of consumers are in financial distress and are try to restructure their current motor vehicle debit.
- v. Although there appears to be consumer demand for the purchase of motor vehicles – finance is being rejected based on affordability and consumers financial distress.
- vi. From a logistics value chain point of view the follow issues are negatively impacting dealers’ ability to conclude sales:
 - a. Licensing offices are operating sporadically and many still closed (some have never re-opened)
 - b. Taxi Boards remain closed (without operating licenses, dealers cannot hand over taxi and taxi cannot be used)
 - c. Motor vehicle test stations have been limited to only testing 24 vehicles per day (some stations are also not operational)

Key Interventions

- i. **Fast track the establishment** of the Automotive Supplier Park (ASP) bulk infrastructure development;
- ii. **Collaborate with MNCs** in the attraction of new investments into the ASP;
- iii. **Promote Localisation** of value chains- componentry manufacturing

- iv. **Promote innovation** within the sector- Development of First South African Car in KZN (Kenya, Mobius; Malaysia, Proton; Indian, Tata; Ugandan, Kiira etc.);
- v. **Develop Research and Development (R&D)** Infrastructure to promote Electronic Vehicles;
- vi. **Policy support and incentives** for new investments for the ASP; and
- vii. Support **Import Replacement** through engendering the manufacturing of local products.

8. MINING

Mining contributes 1.5% to Gross Domestic Output (GDP) of the province and 10 888 people are employed in the sector. The sector relatively labour intensive and employs a large proportion of unskilled and semi-skilled labour. Mining activities are dominated by small sand minerals and coal.

Key Interventions

- i. Promote Social cohesion, peace building initiatives of communities around mining operations;
- ii. Establish aluminium industrial hub in Richards Bay;
- iii. Support localization efforts to transform the mining sector;
- iv. Use public procurement to support black industrialists in the quarry industry;
- v. Lobby for Zulti-South expansion project to commence; and
- vi. Promote the value-addition/beneficiation of minerals.

9. OCEANS ECONOMY

One of KZN's comparative advantages sectors due to the Durban and Richards Bay Ports and over 600km kilometres of coastline. The oceans economy is integrated with transport and logistics sector which contributes about 9.9% of KZN Gross Domestic Product (GDP) and about 84 911 people are employed in the sector. The transport and logistics sector faces operational efficiency challenges owing to congestion at ports and capacity constraints on N3 corridor and sporadic unrests related to employment of foreign truck drivers.

Through the industry engagements that were led by the MEC, the following are some of the challenges faced by the industry: Key issues highlighted by the industry include the following:

- i. Financial support for capital projects and expansion;
- ii. Industry forthcoming to transformation opportunities in the sector;
- iii. Lacklustre response from Government to challenges facing the industry;
- iv. The absence of an operational Docking facilities limits business expansion;
- v. TPNA Short-term leases destabilises business;
- vi. TPNA does not participate in industry engagement forums;
- vii. Development of the markets to grow the industry; and
- viii. The ship building industry is not competitive due to lack of support by Government;
- ix. The need to fast track establishment of the boat building park
- x. Accelerate apprentice Training within the industry to build capacity
- xi. Implement proposals contained within the various strategies and policies as they are still relevant for the growth of the industry e.g. Operation Phakisa, Fleet position Strategy, KIMS, Comprehensive Maritime Transport Policy, Merchant Shipping Bill.

Key Initiatives

1. **Develop Ship Bunkering facility** in Durban;
2. Fast track construction of the **Cruise Terminal**;
3. **Stimulate Ship Building and Ship repairs industry** in the Province- Work with already established players in the industry;
4. **Government to commit to buying locally** manufactured products (Tug Boats, dredging equipment, Navy Ships, etc.);
5. Fast **track Oil and Gas exploration** and development;
6. Fast track development of **Fish processing plants**;
7. Promote **Aquaculture Farming** across the province;
8. **Development of Marine Sports and Recreation** (yachting, sailing, diving, sport fishing) and Marine Leisure Activities (eco-marine tourism, real estate, adventure and viewing); and
9. **Support for new SMME firms** entering the Maritime Value-Chain (funding and skills development)

10. **Improve efficiency of the Port booking system to decongest the port**

10. TOURISM

10.1 Overview

The standard industrial classification (SIC) codes do not identify tourism as a single sector for the determination of economic output. However, tourism sector cuts across a number of sectors such as hotels and restaurants, air transport, transport, sporting events and retail trade amongst others. Several economic researches estimate that tourism contributes close to 10% to KwaZulu-Natal provincial Gross domestic product.

The lockdown measures put in place both locally and globally have had an immediate and devastating impact on the tourism sector. Analysts in the tourism sector project the tourism sector to remain depressed for a long period of time even post Covid-19 crisis. The lockdown measures have put the tourism sector at a standstill with all the value chains such as guest house, conference centres, hotels, creative industries, rental cars, safari, call centres, tour guides amongst others having been affected. The hotel and restaurants sector for example, employs 76 794 people, whilst the air transport and transport supporting activities employs about 18 188 in 2019. These two sectors contribute about 4.3% to the economy of the province. In the conference centres, for example it is believed that the province lost more than R1 billion for cancelled events across the province. Passenger Numbers to/from King Shaka International Airport dropped from over 600 000 in December 2019 to only 163 in April 2020. The severity of this limitation on flights will negatively impact the industry significantly.

A nationwide survey of the impact of Covid19 on tourism businesses conducted by the National Department of Tourism (NDT) and Tourism Business Council of South Africa (TBCSA) shows the following results:

- Over 63% of businesses have already closed on a temporary basis, while 54% down scaled operations significantly;
- 28% of businesses were considering permanent closure;
- 37% of Businesses have reduced all their employees' wages, while 33% have furloughed all their staff and 7% have made all their staff redundant.
- The top three needs identified by KZN businesses are:
 - Support for cash flow (62.6%);
 - Financial support for recovery (59,7%); and
 - Tax reduction/deferments (47%).

10.2 Tourism Recovery Plan

10.2.1 Repurposing

Table 17: Tourism Interventions- Repurposing

Specific Interventions	Driving Agent	Short-term	Medium-Term	Long-Term	Priority	
Restaurants become: <ul style="list-style-type: none"> Prepared food delivery outlets; Bottle stores 	EDTEA and all provincial government and business stakeholders (esp. Usizo partnership) Districts and Municipalities	X	X		High	
Develop new tourism experiences to meet changing market needs (services, cultural, agro-tourism, religious-tourism etc.)		X	X	X	High	
Hotels/Accommodation catering for isolation, quarantine, step-down care and long-stay commuters		X			High	
Voucher system from government/private sector for use of facilities in lieu of financial relief		X			High	
Conference venues and stadiums converted to field hospitals		X			High	
Car Hire – transportation for essential services workers				X		Low
Repurposing Government Buildings					X	Medium

10.2.2 Support to SMMEs for Adapting / Reimagining the market

Table 18: Tourism Intentions- SMME support

Specific Interventions	Driving Agent	Short-term	Medium-Term	Long-Term	Priority
Tourism products (e.g. crafts) moving to online sales and adapting their product lines (e.g.	EDTEA, TKZN and all provincial government and business stakeholders (esp. Usizo partnership) Districts and Municipalities	X	X		High
Artists/public speakers to adapt		X	X		High
PCOs move conferences to digital		X	X		High
Augment existing websites or support new website		X	X		High
Training and support for the use of digital technologies to facilitate social distancing, e.g. mobile technology for guest		X	X		High
Tourism information offices to ensure they have representation online		X	X		High
Provincial tourism authority and municipalities to ensure that SMMEs are listed and promoted on their websites		X	X	X	High
Provide managerial support and mentoring		X	X	X	High
Business Retention and Expansion (BRE) programme		X	X		High
Create special incentives to support SMMEs short-term business operations access, training and hiring.		X	X		High
Chefs to offer online home cooking support/training		X	X		Low
Develop virtual tours of key tourism attractions and areas to showcase tourism offerings		X			Medium

10.2.3 Relief Packages

Table 19: Tourism Relief Support

Specific Interventions	Driving Agent	Short-term	Medium-Term	Long-Term	Priority
Database of all relief/support schemes are available	EDTEA, TKZN and all provincial government and business stakeholders Districts and Municipalities	X	X		High
Temporary relief package for Workers		X	X		High
Engage relief fund/service providers to analyse outcomes of sector's applications for support		X	X		High
Assist small businesses with online trading		X	X		High
Municipal Support Packages		X	X		High
Increase funding provided to Community Tourism Organisations-eThekweni Municipality has increased funding from R250 000 to R500		X	X		High
Residential rates holidays for Hotels and accommodation sector		X	X		High
Provide incentives for Film production in KZN		X	X		High
Support SMMEs with funding readiness/compliance and application		X	X		High
Develop and implement KZN support/relief packages		X	X		High
Investigate alternative funding mechanisms for tourism		X	X		High
Motivate for appropriate relaxations in elements on the sector's BEE scorecards				X	

10.2.4 Industry Communications

Table 20: Enhanced Industry Communication

Specific Interventions	Driving Agent	Short-term	Medium-Term	Long-Term	Priority
Information dissemination (tourism relief, UIF, Tax incentives)	EDTEA, TKZN and all provincial governments and business stakeholders Districts and Municipalities	X	X		High
Distribute handbook on Covid-related guidelines for the sector (especially relating to health and alert levels)		X	X		High
Provide webinars for industry stakeholders (Usizo campaign)		X	X		High
Develop central repository of information (e.g. TKZN website)		X	X	X	High
Provide Technical assistance to Business (tourism BEE charter)		X	X	X	High
Develop database of all businesses in the sector		X			High

10.2.5 Employee redirection/up skilling/service delivery

Table 21: Re-Skilling

Specific Interventions	Driving Agent	Short-term	Medium-Term	Long-Term	Priority
Redirect/Re-skill employees to provide temporary support services to other sectors	EDTEA and all provincial government and business stakeholders Districts and Municipalities	X	X		High
Skills for the digital economy – both in and out of the sector		X	X	X	High
Provide opportunities for unemployed/furloughed staff etc. to up skill themselves		X	X	X	High

Drive campaigns to instil the culture of service excellence.		X	X	X	High
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10.2.6 Sectoral Research/ Analysis

Table 22: Post Covid 19 Tourism Programme of Action

Specific Interventions	Driving Agent	Short-term	Medium-Term	Long-Term	Priority
Industry data Trends	EDTEA and all provincial government and business stakeholders	X	X	X	High
Data base of Covid 19 infections in the industry		X	X	X	High
Industry surveys		X	X	X	High
Consumer sentiments		X	X	X	High
Tourism value chains and Covid-19 impacts		X	X	X	High
Market intelligence in international source markets		X	X	X	High
Uptake on various forms of business relief/support		X	X	X	High
Track all visitor movements through KZN		X	X	X	High

Table 23: Health and Safety Measures

Specific Interventions	Driving Agent	Short-term	Medium-Term	Long-Term	Priority
Distribute guidelines on health and safety standards to be implemented within the tourism industry (reference national and associations material)	EDTEA and all provincial government and business stakeholders Districts and Municipalities	X	X		High
Provide guidance about sourcing of appropriate PPE (e.g. masks) & PPE 'starter packs'		X	X		High
Ensure alignment and input to national processes to de-risk the tourism sector		X	X		High

Create COVID free zones, such as restaurant and hotel clusters (see international examples)	X	X		High
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10.2.7 Promotions/Marketing

Specific Interventions	Driving Agent	Short-term	Medium-Term	Long-Term	Priority	
Voucher system for re-bookings at reduced rates (e.g. R2000 for R5000 of credit)	EDTEA and all provincial government and business stakeholders Districts and Municipalities	X	X		High	
Promote health and safety, including cleanliness of cities and towns		X	X		High	
Leverage South Africa's handling/leading the charge on COVID-19		X	X	X	High	
Keeping destinations top of mind, driving desire for travel		X	X	X	High	
Utilise social media platforms to ensure engagement and measurability		X	X	X	High	
Pay now stay later for accommodation sector		X			High	
Concentrate on local/domestic market and encourage locals to rediscover their local cities and towns				X		High
Tourism Ambassador drive with locals to instil a culture of ownership, so they actively drive tourism in their areas				X	X	High
Creating innovative communications for when markets re-open (e.g. focus on Easy, Safe, Enjoyable and diversity of offerings- KZN has it all)				X	X	High
Lobbying citizens to become tourism ambassadors				X	X	High
Campaigns for citizens to become travellers in their own province			X	X	High	

Leverage pent-up demand for travel (short stays in particular due to leave/income constraints, tailor by market)		X			High
Leverage Social media presence		X	X		High
Review the value proposition of KZN tourism		X	X		Medium
Offer affordable travel packages without eroding rates too much			X		High
Harness the full potential of social media and millennials in promoting the positive impact of travel again, particularly in domestic markets.			X		High
Roadshows and promotional workshops in major markets (domestic, Africa and overseas)			X		High
Relaunch the KZN tourism brand into the market, through a hard-hitting marketing campaign			X		Medium
Utilize various information offices to run campaigns to encourage travel			X		Medium
Boost off peak tourism products			X		Medium
Revisit attendance in major trade and consumer shows.			X		Medium
Incentivise companies to provide holiday vouchers to their staff to boost demand post crisis			X		Low
Strategic Airline re-engagement	X	X	X		

10.2.8 Sector Stakeholder Lobbying

Specific Interventions	Driving Agent	Short-term	Medium-Term	Long-Term	Priority
Include Tourism as a standing item in Covid-19 District Command Centre Agenda	EDTEA and all provincial government and business stakeholders	X	X		High
Motivate for support for large, medium and small industry players		X	X		High

Restructure Rental arrangements between landlords and tenants	ers	X	X		High
Property industry and banks need to work closely with hospitality industry		X	X		High
Reverse negative perception of health/safety issues in hotel/restaurant industry		X	X	X	High
Top leadership to motivate for national and provincial relief allocations to be proportionally distributed in the province		X	X	X	High
Review alert levels for restaurants/hospitality, many businesses are already well equipped from a hygiene and safety perspective		X			High
Work with the private sector to promote fair arrangements for consumers regarding cancellations and refunds (e.g. contractual arrangements)		X			High

10.2.9 Infrastructure Development / Tourism Investments

Table 24: Infrastructure/ Tourism Development

Programme	Specific Interventions	Driving Agent	Short-term	Medium-Term	Long-Term	Priority
Complementary tourism asset development in selected/strategic nodes/locations	EDTEA and all provincial government and business stakeholders			X	High	High
Provide incentives for investment	Districts and Municipalities			X	High	High

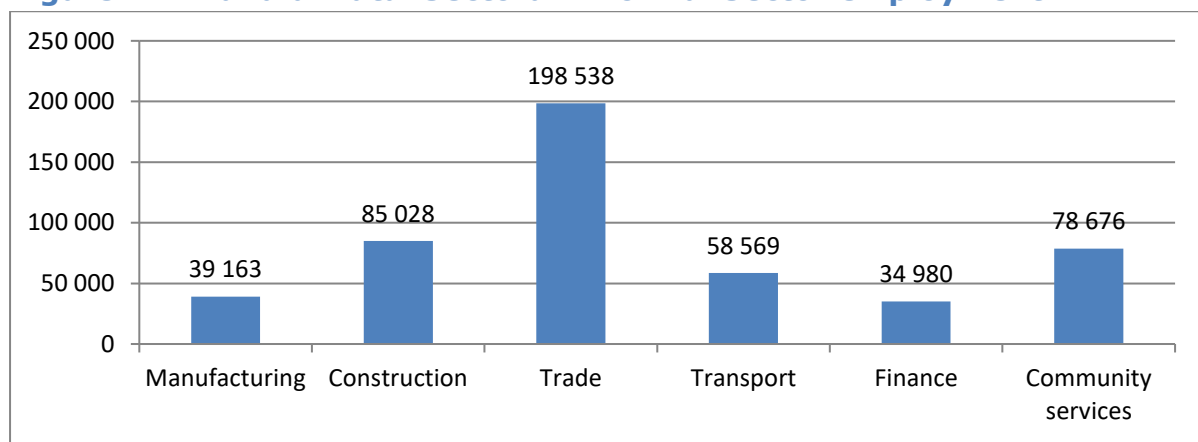
Resort developments, Gastronomic tourism, Airport Iconic attraction, passenger terminal				X	Vary	High
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11. INFORMAL ECONOMY

11.1 Overview

As of 2019, a total of 2 692 461 people were employed in both the formal and informal sectors in KwaZulu-Natal. In 2019, KwaZulu-Natal (15%) has the third largest informal sector after Gauteng (28.6%) and Limpopo (16.5%). The informal sector constituted a total of 494 955, that is, 18% of the total employment in the province. Due to the Covid 19 crisis, it is estimated that informal sector employment will grow by about 10% in 2020 as a result of unemployment in the formal sector.

Figure 2: KwaZulu-Natal Sectoral Informal Sector employment



Source: IHS Markit

Figure 2 above illustrates that the majority of informal traders are found in retail trade, construction and community services.

11.2 Challenges

The informal economy faces a number of challenges that include, *inter-alia*, the following:

- i. Lack of infrastructure such as trading shelter, water, sanitation, waste removal and storage;
- ii. Onerous process of acquiring Licences and trading permits;
- iii. Exclusion of informal traders from business law and small businesses or microenterprise definitions makes access to capital difficult; and
- iv. Too much enforcement from the Security forces.

11.3 Informal Sector Implementation Plan

Table 25: Informal Economy Short Term Interventions

Programme	Specific Interventions	Responsibility
Develop immediate plans and engage relevant support Departments and role players to ensure that all workers and economic units are able to survive during lockdown	Design a program/ plan for Community participation in Public Works initiatives across the province	<ul style="list-style-type: none"> COGTA, EDTEA, EPWP, Municipalities
	Conduct a meeting or discussions to prepare for safe and healthy public transport as more workers go back to work as from Level 3 of the Risk-Adjusted Strategy. (This process has already been initiated by <i>Qina Mshayeli</i> .)	<ul style="list-style-type: none"> KZN Transport, Qina Mshayeli, Taxi associations, Drivers' unions
	Province-wide engagement meeting with all relevant municipal structures to discuss the plan, achieve buy-in and implementation. Issues to be addressed in such meeting: <ul style="list-style-type: none"> management of public spaces including transport terminals; issuing of permits in spirit of getting informal economy workers and economic units back to work in accordance with each Level of the Risk-Adjusted Strategy; Role of EPWP Community Public Works participants going forward. 	KZN COGTA
Monitoring	Monitoring the progress of gradual phased lifting of lockdown restrictions on the work of workers and economic units in the informal economy	KZN Economic Council sub-Com; OTP, KZN CoGTA, KZN EDTEA, SALGA
Sectoral interventions	<i>Home-based workers</i> – get them registered on a database in anticipation of the large scale production of masks and other personal protective equipment (PPE), including mapping about how many members, what are they currently doing and what would be their capacity to produce masks and other PPE. Then share this database with relevant departments that would guarantee a transparent way of allocating government orders to all the home-based workers	KZN CoGTA, KZN EDTEA, SALGA, OTP, Clothing Council, Municipalities, SALGA, WIEGO/ILO, Private sector

	<p><i>Taxi drivers & conductors</i> – working with their employers in the taxi associations and the Dept. of Transport, assist them to source masks, gloves and hand-sanitiser for drivers and passengers</p>	<p>KZN Transport; ETA eThekwini; Taxi associations; Qina Mshayeli;</p>
	<p>Support waste pickers in implementing the Waste Pickers Integration Guidelines. There will also be need for support in registration and integration process as per the Guidelines.</p>	<p>KZN CoGTA; KZN EDTEA; SALGA; Premier’s Office; Municipalities; SALGA;</p>
<p>PUBLIC SPACE Integrated plan in central eThekwini</p>	<p>Intensive work in order to: (i) Avoid urban tension; (ii) Urgently re-establish conducive livelihood opportunities; (iii) Prioritize personal health & safety; (iv) Examine the prevailing legal environment applicable to informal workers and anticipate new/amended regulations; (v) Be a just framework. If eThekwini Municipality is willing to establish a task team to proactively prepare for the upcoming Risk-Adjusted Strategy, <i>Asiye eTafuleni</i>¹ has received undertakings from academic and provincial medical and health experts to willingly participate in such a task team.</p>	<p>eThekwini Metro; Asiye eTafuleni; Task Team members; BSU; Metro Police; Private sector</p>
<p>Community Health Care</p>	<p>Support KZN provincial community health care workers around PPE, training and their concerns in relation to their COVID-related work.</p>	<p>KZN Health & Social Development Depts; Private sector</p>
<p>Supporting informal financial services</p>	<ul style="list-style-type: none"> ▪ Public facilities, such as community halls, need to be secured for use by <i>stokvels</i>. At these venues, access to PPE should be provided. ▪ A community facilities protocol for their use by <i>stokvels</i>, using a booking system, should be developed. This should include provision for security at the venue as well as sterilisation after each 	<p>KZN CoGTA; KZN EDTEA; SALGA; Premier’s Office; Municipalities; SaveAct; Media; CBOs; NGOs</p>

¹ *Asiye eTafuleni* (AeT) www.aet.org.za – has already built up working relationships with informal traders over years of working in the Warwick Junction in Central Durban

	<p>meeting conducted at the facility.</p> <ul style="list-style-type: none"> ▪ A communication campaign is needed to alert <i>stokvels</i> (as is being done with churches) to the risks of meetings, and to adopt social distancing and safe practices. ▪ A multi-pronged communication approach should be developed, mobilising the media, local government structures, CBOs and NGOs to get the message through to communities. ▪ In such engagements, information can be offered on social protection policies (e.g. access to grants, GBV support, micro-enterprise opportunities) and how to manage money safely (through financial education content). 	
Elimination of Red Tape	Municipalities to issue permits and allow people to trade.	<ul style="list-style-type: none"> • KZN COGTA EDTEA • Municipalities • District Development Agencies (DDAs)
	<p>Establishment of well-functioning user-friendly One-Stop shops and/or call centres in every district and municipality</p> <ul style="list-style-type: none"> ▪ Develop ToRs for effective 1-stop shops 	
COVID-19 Industrial Stabilisation Provincial Fund	Establishment of Fund with simplified criteria that will ensure access to the millions of people operating in Informal Economy	EDTEA
<p>Development of Municipal Informal Economy support plans during Covid 19</p> <p>-31 May 2020</p>	<ul style="list-style-type: none"> • Evaluate the impact of COVID 19 impact to both survivalist and Micro enterprises (number of enterprises, type of enterprise, geographical spread, demographics) • Evaluate state of current Informal Economy Support Strategies and identify gaps based on COVID 19 impact on enterprises (Trading infrastructure – accommodation in municipal spaces, Temporal Permitting, Covid 19 relief Fund, any other support) • Develop a Province-wide database (IMS) for Informal actors • Departments to reorientation its human resource capacity to support municipalities to plan and implement 	<ul style="list-style-type: none"> • KZN COGTA • MLEDS & PLANNING, • EDTEA RLED & BUS REG, • Municipalities

	<p>COVID-19 response and mitigation initiatives</p> <ul style="list-style-type: none"> • Departments to develop guidelines and templates for municipalities to include Informal Economy programmes and projects into their Local Economic Development (LED) plans • Municipalities to delegate IE champions (official) in their LED units • COGTA to promote partnerships between municipalities and NGOs in support of COVID-19 programming 	
<p>Develop immediate plans and engage relevant support Departments and role players (DSDB, DOT) to ensure that all enterprises are able to survive during lockdown</p> <p><i>-30 June 2020</i></p>	<p>a. Develop Municipal guidelines on:</p> <ul style="list-style-type: none"> ▪ Permitting – types of permits required for what purpose ▪ Zoning – revising by-laws and relaxing or amending scheme conditions ▪ Re-demarcation/reallocation of sites (Social distancing) <p>b. PPE / Sanitizers supply/distribution</p> <p>c. Distribution of COVID-19 information / Intervention pamphlets in local language</p> <p>d. Staff reallocation for COVID-19 interventions/Municipal Support</p> <p>e. Develop a monitoring, evaluation and tracking mechanism for all COVID-19 interventions (Impact driven, should be linked to feedback mechanism)</p> <p>f. Redirect state funding to establish the Provincial COVID-19 Industrial Stabilisation Fund</p> <p>g. Simplify criteria to access government support</p> <p>h. Review Masterplan for COVID impacts and amend strategies and plans</p>	<ul style="list-style-type: none"> • KZN COGTA • MLEDS & PLANNING, • EDTEA RLED & BUS REG, • Municipalities, • DOT, • DSBD

Table 26: Informal Sector Spatial Economic transformation

Programme	Specific Interventions	Responsibility
Financing	Engaging the Finance MEC on budget allocations for gradual phased lifting of lockdown restrictions on the work of workers and economic units in the informal economy	KZN Finance
Enforcement	Educating provincial enforcement agents, as well as SAPS and SANDF, on the role of the workers and economic units on the informal economy in the economic recovery and the elimination of Red Tape which will enable them to get back to work	<ul style="list-style-type: none"> • KZN EDTEA • ICOREF • SAPS, SANDF
Sectoral compliance	Interventions to ensure access of domestic workers to UIF benefits and employer compliance with the Sectoral Determination for domestic workers	KZN DEL; COSATU; SADSAWU; EDTEA; ICOREF
	Interventions to ensure employer compliance with the Sectoral Determination in the minibus taxi industry, starting with a drive for the registration of all their drivers and registration with the Unemployment Insurance Fund	KZN DEL; COSATU; SATAWU; Qina Mshayeli; ICOREF;
	<i>Cross-border traders</i> – on re-opening of borders, introduction of the Simplified Trading Regime (STR) ² for informal cross-border traders.	DTI; DoH; DIRCO; EDTEA
4 th Industrial Revolution and	Smart investment in free Wi-Fi for all, including in townships and rural areas	<ul style="list-style-type: none"> • KZN EDTEA • KZN COGTA
Community involvement	Developing means and guidelines for supporting the role of informal workers in playing a prominent role in post-COVID-19 economic recovery, especially as they have the characteristic of being able to get back to work with minimal inputs.	<ul style="list-style-type: none"> • KZN COGTA • KZN EDTEA • SALGA • WIEGO/Street Net • NEDLAC CC (Community Constituency)

² STR was introduced within COMESA after negotiations with informal cross-border traders' organizations and SACBTA (Southern African Cross-Border Traders' Association) and adopted in principle by SADC in November 2017

Programme	Specific Interventions	Responsibility
COVID-19 Industrial Stabilisation Provincial Fund	<p>Start-up funds for stocks for workers and economic units going back to work after exhausting savings during beginning of lockdown:</p> <ul style="list-style-type: none"> ▪ Innovation funds for designers and builders of simple wash stations in taxi ranks and public spaces; ▪ Provision of subsidised masks to workers and customers in public space, gloves for those handing cash payments, sanitisers; ▪ Start-up funds for small-holder producers and promotion of protein-rich foods; ▪ Innovation funds for cooked foods vendors to partner with informal transporters to deliver meals to customers, to also open possibilities of developing new customer markets; ▪ Support and integrate informal finance institutions such as stokvels into programmes that support formalisation of Informal Economy actors (formalisation as defined by ILO); ▪ Wage subsidies to secure support and mentoring services linking informal workers and economic units to formal markets ▪ Bring the District Development Agencies (DDAs) and NGOs to the fore to support the disbursement of support funds. ▪ - Promote the establish of Cooperative Financial Institutions (CFIs) in municipalities 	COGTA EDTEA
Roll-out of the KZN Informal Economy Master Plan (to include, but not limited as the previous review process will guide this activity)	Development of Municipal Informal Economy - support plans (ensuring survival post COVID-19) – <i>by July 2020</i>	<ul style="list-style-type: none"> • COGTA MLEDS & PLANNING, • EDTEA RLED, • BUS REG
	Review of Provincial and Municipal Informal Economy policies/strategies – <i>by April 2021</i>	<ul style="list-style-type: none"> • COGTA MLEDS & PLANNING, • EDTEA RLED, • BUS REG
	i. Maximise access to the Provincial COVID-19 Industrial Stabilisation Fund – <i>by April 2021</i>	<ul style="list-style-type: none"> • EDTEA, • OTP
	Infrastructural Support for the Informal Economy – <i>ongoing</i>	<ul style="list-style-type: none"> • COGTA MLEDS, • EDTEA RLED

Table 27: Informal Economy Long Term Interventions

Programme	Specific Interventions	Responsibility
Monitoring	Develop an approach to monitor/follow what is happening at local and provincial government level in relation to phased & geographically distinct processes of economic recovery in different municipalities around the KZN province	<ul style="list-style-type: none"> • KZN EDTEA • COGTA/SALGA • R204 NTT
LED	Focus on ways of supporting and re-structuring the informal economy in post-Corona economic recovery, including more meaningful and participatory local economic development.	<ul style="list-style-type: none"> • KZN COGTA • KZNEDTEA • SALGA • Municipalities
Localisation	Develop means and guidelines for making workers and economic units in the informal economy central to the re-building of local value chains	<ul style="list-style-type: none"> • KZN CoGTA • KZN EDTEA • SALGA • Municipalities • Private sector
Public space	Prepare a just framework for and managing the re-occupation of public spaces during the remaining phases of lockdown and after the end of the State of Disaster	<ul style="list-style-type: none"> • KZN CoGTA • KZN EDTEA • SALGA
COVID-19 Industrial Stabilisation Provincial Fund	<ul style="list-style-type: none"> ▪ Unlocking informal economy ecosystems so that support activities (and industries) such as taxi and educare sectors are integrated into response and mitigation interventions; ▪ Wage subsidies could secure support and mentoring services linking informal workers and economic units to formal markets, working in partnership with Durban Chamber of Commerce, SaveAct, & others. 	EDTEA
Roll-out of the KZN Informal Economy Master Plan	<ul style="list-style-type: none"> • Establish Interdepartmental Committee on promotion of decent work and transitioning from the informal to the formal economy. This will be called the <u>KZN Covid-19 Response Sub-Committee</u> (KZN Covid -19 SC) reporting to the workstream and will be responsible for implementing the directives of the workstream – <i>by June</i> 	EDTEA BUS REG

	2021	
	Develop a Provincial Plan on protection on Informal Workers – <i>by September 2021</i>	KZN Cov-19 SC
	i. Review of Municipal Informal Economy Policies/ Strategies to incorporate ILO Recommendations – <i>by April 2021</i>	<ul style="list-style-type: none"> • COGTA MLEDS & PLANNING, • EDTEA RLED, BUS REG
	<ul style="list-style-type: none"> • Monitor and evaluate intervention programmes including impact on beneficiaries – <i>monthly</i> 	<ul style="list-style-type: none"> • EDTEA and KZN Cov -19 SC
New Social Compact	To be negotiated through KZN Economic Council, with representation & active participation of organised workers and economic units in informal economy	KZN Economic Council

11.4 Spatial Economic Transformation

Table 28: Spatial Economic Transformation

Program me	Specific Interventions	Indicator/ Deliverable	Time frame	Driving Agent
MANAGEMENT OF MUNICIPAL SPACE TO SUPPORT ECONOMIC DEVELOPMENT				
Short Term	Issuing of Social Distancing guideline based on COVID-19 trading regulation	Social Distancing guideline circulated to all municipalities	5 June 2020	COGTA-PIIS
	Create public awareness of the Social Distancing guideline	Social Distancing guideline to be issued to all informal and SMME to ensure proper communication with business	15 June 2020	All Municipalities
Medium-Term	Coordinate identification of new trading space	Assessment of current Trading Space and quantify the trading capacity	30 June 2020	All Municipalities LED/Planners/ GIS
		Mapping of existing space and potential new space and develop sharing times of available trading spaces if	30 July 2020	All Municipalities LED/Planners/ GIS

		required		
		Popup market and regulated streets times and identifying criteria and promotion of the township	30 July 2020	All Municipalities
		Identify space for mini factories to support cluster industrial hubs	30 August 2020	All Municipalities
		Audit the current Infrastructure to support economic development i.e. access to water and sanitation	30 September 2020 - March 2021	COGTA Spatial Planning
Long Term	Reviewing of Bylaw to support economic transformation and enable the economy to recovery	Reviewed municipal bylaws to unlock economic development and accommodate informal traders, township and rural economic transformation		COGTA/EDTE A All Municipalities LED/Planners/ GIS
		Provision of infrastructure to support the unblocked spaces	December 2021	COGTA/EDTE A All Municipalities
RED TAPE REDUCTION AND REGULATORY UNBUNDLING				
Short Term	Issue circular to all municipalities to fast track implementation of the automated database	Automate integrate systems implemented for issuing permit and business licence	30 June 2020	
Medium-term	Review the purpose and use of trading permit and review the process of accessing permit to reduce red	Status Quo report developed highlighting all the reasons for delaying the permit	30 August 2020	COGTA /EDTEA
		Closely monitor the issuing of permit and ensure their being	30 September 2020	COGTA /EDTEA

	tape.	regulated efficiently.		
	Process flow for issuing permit to informal traders and the requirements for the permit to be communicated to all business	Awareness championing conducted and Process flow communicated to all business	30 September 2020 – March 2021	EDTEA / All municipalities
POLICY DEVELOPMENT FRAMEWORK				
Short Term	Rapid review of Informal Economy and SMMEs to support economic transformation and enable the recovery	Review of Informal Economy profile for both urban, township and Rural Areas	30 June 2020	COGTA /EDTEA
Medium-term	Review of the Provincial LED Plan	Reviewed Provincial LED Plan to give framework for LED strategy review	30 June 2020	COGTA /EDTEA
Long Term	Review the LED Strategy	Review LED strategy assessment criteria and align with the IDP process plan	30 June 2020	COGTA /EDTEA
		Develop M & E tool and closely monitor and update the progress with the implementation of the Recovery plan	30 March 2021	COGTA /EDTEA
INSTITUTIONAL ARRANGEMNT TO BOOST ECONOMIC RECOVERY				
Short Term	A dedicated person need to be allocated to deal with Informal Economic Development issues especially for the medium	LED to allocate person to deal with informal traders issues so as to eliminate red tape	30 th June 2020	All municipalities

	to high			
	Resuscitate inclusive LED forum comprising of all sectors	Guidelines and TOR to be circulated to all LM to assist with the resuscitation of LED forum	15 th June 2020	COGTA/DED TEA
Medium Term	The implementation of the recovery plan requires robust public private partnerships	Identify and create partnership to support SMME and informal economy.	30 July 2020	All municipalities
		Establish a process with clear protocols, to support the implementation of key government and private sector projects	30 August 2020	All municipalities
		District Development Agency to facilitate funding and financing support	30 December 2020	All DDA's / DM/LM
Long Term	Ongoing monitoring of the established LED forum	Quarterly monitoring of the inclusive LED forum	30 March 2021	COGTA/DED TEA
<u>DIGITIZATION OF INFORMAL ECONOMY TO ALLOW 4TH INDUSTRIAL</u>				
Medium Term	Empower the people with new skills that allow them to participate in the new world of smart things.	Full implementation of the automated permit and business licence processes	December 2020	All Municipalities
Long Term	Improved access to internet facilities	E trading and public awareness	March 2021	All Municipalities
<u>GREEN ECONOMY</u>				
Long term	Review of LED strategy and integration of waste management guideline to informal economy policy	Waste Management guidelines incorporated to the reviewed LED strategy	March 2021	All Municipalities

12. CREATIVE INDUSTRY, SPORTS AND CULTURE

12.1 Overview

The creative industry is defined as drama or theatre, music, film, creative writing, graphic design, photography and visual arts. It is sometimes referred to as **"Africa's untapped market"**. The cultural and creative industries (CCIs) have become a prominent element of economic strategy and policy dialogue globally and in South Africa over the past several decades. The CCI – often called the creative economy or just the creative industry, comprises sub-sectors such as culture & digital technologies, craft, visual arts, performing arts, publishing industry, music industry, film industry, architecture, advertising, radio and video games. Despite a huge volume of empirical evidence highlighting the significance of the CCI particularly in developed countries such as the US, UK, Canada, Australia and China, the CCI have long been neglected in mainstream trade and industry policy in South Africa.

The Cultural and Creative Industries (CCIs) are attracting increasing attention worldwide as potential drivers of economic growth, innovation and job creation. A recent (May 2017) report by the World Economic Forum on The Future of Jobs and Skills in Africa listed the creative industries as one of "trending" professions, which had a growth rate of 7% between 2011 and 2016. South Africa's National Development Plan 2030 aims to create 11 million new jobs by 2030 through, amongst other things, targeting specific sectors, which could include the CCIs.

12.2 Key Facts

- i. The CCI is one of the fastest growing sectors in the global economy;
- ii. 29.5 million or 1% of global employments is located within the CCI;
- iii. The South African CCI accounts for an estimated 3% of the GDP;
- iv. An estimated 1.1 million or 6.72% of South Africans are employed in the CCI;
- v. The share of South CCI employment is larger than Agriculture, Mining, Transport Utilities;
- vi. Visual arts and crafts account of the largest share (53%) of CCI GDP and Employment;
- vii. The majority of people employed in CCI are blacks (73%); and
- viii. KZN has the largest share (20.1%) of CCI GVA and employment

12.3 Challenges affecting CCI

- i. **Design/Development stage-** The key issue is the lack of access to materials as movement is prohibited (e.g. from raw materials for crafters and artists to accessing film locations and documentary subjects/archives/individuals)
- ii. **Production cycle-** Accessibility to studios (e.g. music/art/film/dance, theatre); post-production facilities; manufacturing due to limitations of lockdown

- iii. **Market Access-** Challenges lie in direct and indirect sales; increased competition from non-suppliers e.g. PPE; interdependency links to other sectors e.g. tourism/events/performances are being prohibited; limited access to solutions through technology due to infrastructure and data issues
- iv. **Loss of Sales and Future Revenue-** IP stolen; Piracy on the rise with reduced on-line sales; lack of delivery of goods/services; lack of quota system for broadcasters on local content and international content is king
- v. **Inability to access Relief Funds or available support-** Applications are considered non-compliant in banking accounts; company registration; literacy; language barrier; “free lancers’, programmes on hold (e.g. training/bursaries/new funding etc.)

12.4 Key Stakeholders

The table below provides the key stakeholders and potential partners in crafting a proposal to support and rejuvenate the Creative industries per sub-sector:

12.5 Current status quo of the Creative Arts Industry

Sub-Sectors	Associations/Clusters	Government Institutions
Music	<ul style="list-style-type: none"> • Active community centres with music hubs, i.e. Indonsa Arts & Craft Centre • KUMISA • Recording Industry of SA (RISA) • Association of Independent Record Companies (AIRCO) • Collective Management Organisations • SAMIC • CCIFSA 	<ul style="list-style-type: none"> • DAC; • EDTEA; • DoE; • HET
Visual art	<ul style="list-style-type: none"> • Active community centres • libraries (e.g. Mbazwana library complex); • galleries, arts project spaces (Commercial and non-profit KZNSA) and • arts organizations (e.g. BAT; KZNSA, ASAI, African Art Centre, Amasosha, VANSA • craft associations • Photographic Associations 	<ul style="list-style-type: none"> • DAC; • EDTEA; • DoE; • HET; • DTI; • DURBAN ART GALLERY, TATHAM
Film	<ul style="list-style-type: none"> • SASFED • Industry associations e.g. Producers Guild, IPO, screenwriter’s guild • SA Guild of Actors • eThekwini film Association 	<ul style="list-style-type: none"> • EDTEA • NFVF • DTI • NDAC • DAC

	<ul style="list-style-type: none"> • CIFSA • Ster Kinekor, Nu Metro Theatres 	<ul style="list-style-type: none"> • KZNFC • DFO
Crafters	<ul style="list-style-type: none"> • <i>Active</i> community centres • libraries (e.g. Mbazwana library complex); • galleries (e.g. KZNSA) • arts organizations (e.g. BAT; VANSAs) • craft associations • CIFSA 	<ul style="list-style-type: none"> • DAC; • EDTEA; • DTI
Design (fashion)	<ul style="list-style-type: none"> • KZN Fashion Council (now absorbed into EDTEA) • CIFSA 	<ul style="list-style-type: none"> • DAC; • EDTEA; DoE; HED, DTI
Theatre (includes dance and drama)	<ul style="list-style-type: none"> • Playhouse Company • Bat Centre • Elizabeth Sneddon • Wushwini Arts Centre • K-CAP • Hexagon • Winston Churchill • CIFSA 	<ul style="list-style-type: none"> • DAC –Prov. • UKZN • EThekweni Metro • uMsunduzi

12.5.1 Visual and Arts

Historical issues with respect to the **visual art and craft sectors** are very much integrated within the current scenario, except they are made much worse as a result of **The COVID 19 Pandemic**: These include:

- Lack of access to raw materials, production facilities (e.g. recording studios, production equipment);
- Sustainability /Availability of Raw materials due to unscrupulous harvesting methods by “non-local” producers; – understand government response including monitoring...role of traditional and community leaders (protection of harvest)? Zululand/Jozini rural areas
- Market access;
- Loss of customers for their products; Increase registration of companies PPEs? Personal protective equipment to produce mass masks...cuts out existing companies and designers
- Continued loss of Intellectual Property (IP) by mis-representation or lack of acknowledgement for ownership of ideas; and
- Craft and crafters have largely been seen as a mass product by industry and quick sales are more a consideration rather than a focus on IP. Many crafters may sell the same or similar items with slight variations thereof.

12.5.2 Fashion Industry

This relates to emerging and established designers- apparel and accessories. The fashion industry is very one-on-one focused.

Challenges

- Restricted access to raw materials such as material, trims; due to lockdown restrictions;
- Covid-19 safe distance regulation: Cannot interact with potential clients on a one-on-one basis for personalized orders i.e. taking measurements for an apparel item;
- Restricted access to the market- provincial, national and international exposure opportunity: The shutdown of all events worldwide- Fashion Shows which has been the most effective platform for designers to gain popularity/exposure and to grow their customer database;
- Restricted selling and online deliveries of apparel, accessories during the lockdown's specified national levels; and
- Increase registration of companies for Personal protective equipment to produce mass masks cutting out existing companies and designers.

12.5.3 Cultural Tourism

This is related to the creative economies largely due to its ability to attract customers particularly for craft and related sales.

- Cultural tourism is linked to the production of **craft; of stories, of performance; music, and artworks**. Consider Rorkesdrift as an example, which became not simply a hospital and place of healing, but also a centre of learning and creative arts. These influenced the arts and craft sector during the Colonial and apartheid years providing one of the few spaces in the country where Black people were able to develop their creative skills until much later. These products (ceramics; tapestries) and artworks (printmaking) became known and sought after throughout the world. World renowned late Gerard Sekoto, John Mfaungejo, Allina Ndebele and others...such as Sam Nhlengethwa, Pat Mahoutla, Dumisani Mabaso, etc. are 'products' from these beginnings.
- There have been many attempts to develop centres and ideas like these but the support of these initiatives driven by communities themselves have historically been inconsistent as it requires commitment largely because these spaces are often complex to manage and are based in far-flung areas and leadership politics get in the way.
- While this is historically an issue, the emphasis on addressing this age-old problem will assist government in reducing reliance on aid specifically as a current and post-Pandemic scenario; as well as less total reliance on grants.

12.5.4 Music Industry

- The music industry much like most creative arts industries has been hit hard during the lockdown period due to cancelled events, concerts, festivals, etc.;
- Live performances which are a great source of income for most artists have been cancelled.
- An increase in music piracy as a direct result of the nationwide lockdown has been reported by the Recording Industry Association of South Africa (RISA) and

this is negatively affecting composers, songwriters and the owners of music recordings who are unable to collect royalties from their intellectual property.

- RISA statistics show that legally downloaded songs in the period preceding the lockdown have taken a knock and have decreased to 7 221 as opposed to an average of 8 170 songs per week, using a list of top 40 high priority titles).
- To remedy this, consumers must be encouraged to utilize existing music streaming platforms such as Spotify, Deezer, Joox, Apple Music, etc. as this will see copyright owners earning music royalties.
- Most artists are unable to apply for relief funds as they do not meet the criteria due to the following factors:
 - most artists to date have not registered their respective businesses
 - Musicians receive bookings randomly, meaning that most bookings are not received in advance.
 - Most artists do not have systems in running their art as a form of a commodity.
 - Many artists do not manage their art as businesses, thus do not comply with business expectations like a bank account, or registration of their service provision as a business.

12.5.5 Film Industry

The critical challenges facing the industry lie in:

- Pre-production planning in terms of location scouting/crew and cast selection cannot take place during Level 3;
- Productions apart from those filmed in controlled environments such as studios (for broadcasting) are postponed until level 1;
- No access to markets and production facilities e.g. studios/equipment/locations
- No access to post-production facilities (limited as edit suites are limited);
- No access to consumers as cinemas and film festivals are closed with consumers only able to access or view pre-recorded content online or through broadcasters;
- Limited protection through regulations results in the majority of filmmakers being considered as “freelancers” which may influence their ability to access the relief grants e.g. UIF as they were not considered employees;
- Access to funding slowed down as all programmes were on hold for funding new projects;
- Training programmes and industry workshops key to creating skills and knowledge have been stopped until alternative methods are identified:
 - In order to comply with the relevant regulations, the industry has developed production protocols which have major cost implications e.g. as a result of PPEs required for all cast and crew; Curfews limits filming hours (sector typically films 12-14 hours a day); Rewrites of storylines and productions schedules;
- Limited data to submit applications for various funds and relief;
- As Insurers are refusing to insure against the pandemic risk- producers would have to assume alone the full costs of the Covid-19 risks. No film or TV content

made with independent or institutional finance. Equally, TV production houses stand to be ruined by a lack of cover for Covid-related shutdowns, while freelancers will again receive no compensation for illness contracted while at work.

- ICASA amendments to local content regulations has granted a blanket exemption from any local content requirements 3 months after the lockdown (12-18 months)

12.6 Creative Industry Re-Calibration Plan

Programme	Proposed Intervention	Responsible Person/Stakeholder
Buy Local Campaign – Public Sector	Lobby for commitment to buying local products/services <ul style="list-style-type: none"> ▪ Projects to utilize services e.g. stock footage of cities ▪ Lobby ICASA and broadcasters to reverse the amendments to rather support local content ▪ Political leaders challenge – through social media 	Public Sector – DTI has a major role to play here
Buy Local Campaign – Private Sector	Lobby for Commitment of buying local by private sector – specific commodities will be identified in order to secure specific contracts <ul style="list-style-type: none"> ▪ Consideration of a tax rebate ▪ Known person of statute to challenge on social platforms – what did you buy today that is local? 	<ul style="list-style-type: none"> ▪ Private sector (has been attempted with Mr Price (Home Grown Range) before and Woolworths has a good programme to support local) ▪ Business Chambers ▪ Commercial Galleries–
Promotion of local KZN talent	<ul style="list-style-type: none"> ▪ Enter partnerships with media, radio and television to promote and market local artists e.g. interviews/performances/local content quotas. Consider funding through product placements ▪ Engage Netflix and Showmax holistically for a filmmakers’ 	<ul style="list-style-type: none"> ▪ Radio Stations <ul style="list-style-type: none"> ○ SABC Provincial Stations ○ Community Radio Stations ○ Private Radios (ECR & GagasiFM) ▪ TV programs (Uzalo, Imbewu) multichoice music programmes, kyknet and mzansi channels and 1KZN ▪ Social media, Print media ▪ Partnership with national influencers, online magazines, online show producers i.e. Klipdrift production
	Government agents which provide	KZNFC

Programme	Proposed Intervention	Responsible Person/Stakeholder
	funding to the sector should include contractual conditions for local spend e.g. Film Fund – 75% of crew utilised must be local crew ; events- local talent;	DTI NFVF IDC
	Large creative industry projects seeking permission to work in the province must have quota requirement condition in terms of local content e.g. Film Fund – local crew; events- local talent; fashion, art pieces	Private Sector
Accessibility to Facilities	<p>Provision of facilities (immediate EDTEA district offices) within communities to provide:</p> <ul style="list-style-type: none"> • Access to information • Assistance with applications for funding/support/compliance • Computer with access to WIFI/internet in order to provide: <ul style="list-style-type: none"> ○ Recording space ○ Downloading content ○ Digitization and storage ○ Database filing and updating • Longer terms solution are district creative hubs to include the above with rental office space (linked to incubation) • Unused and under-utilised government facilities should be identified and process initiated for service level agreements for artists and arts associations to access these spaces • Consideration for Call centres in the interim • Consideration of special permits for the sector e.g. travel/accommodation/curfew hours <p>Production spaces (e.g. compact</p>	EDTEA and DAC district offices

Programme	Proposed Intervention	Responsible Person/Stakeholder
	<p>simple film studios) Drive-in Facilities to provide access to content during lockdown stages for communities</p>	
<p>Technology Solutions to Commercialize content</p>	<ul style="list-style-type: none"> • Affordable Wi-Fi in communities • Streaming “live” performances <ul style="list-style-type: none"> ◦ Combine performances across sub-sectors • Streaming live fashion “shows” • Digital showrooms/retail/galleries • Fund innovation solutions for the sector through a special grant • Provision of “locked” devices at community level <ul style="list-style-type: none"> ◦ Limited to Recording and downloading facilities • Access to digital platforms (download content) • Virtual markets (e.g. music imbizo; DIFF) • Proudly “KZN” portal of content e.g. film products/music • Call centres for support to accessing funding as centres may not be accessible during lockdown 	<ul style="list-style-type: none"> ▪ Vodacom/EDTEA IT ▪ KUMISA ▪ Organizations such as BAT Centre ▪ Community of artists ▪ TIA ▪ EDTEA ▪ e.g. a new addition ...<i>Sendit.media</i> ▪ Marketing agencies
<p>Awareness Programmes (During COVID)</p>	<ul style="list-style-type: none"> • Compilation of an inclusive comprehensive database per sub-sector of all Practitioner/performers/artists (suggestion use UE graduates) • Encourage membership in associations • Communication through mass SMS • Frequently asked questions e.g. IP; applicable legislation per sub-sector • Animated/ verbalized “how to” • Financial Wellness advisory 	<p>EDTEA Industry Associations</p>

Programme	Proposed Intervention	Responsible Person/Stakeholder
	<p>(saving for the future)</p> <ul style="list-style-type: none"> • Information on industry associations • "Safety" operating Protocols for sectors reopening <p>Post lockdown – community shows</p>	
Skills Development	<p>Through partnering with tertiary institutions and TVET colleges (certified/accredited as well as non-accredited short-intervention programmes):</p> <ul style="list-style-type: none"> • Compliance • Business management • Marketing • Costing/Pricing • Communication strategies • COVID 19 protocols • IT solutions (using technology) • Basic Intellectual Property and Copyright, Patents 	<p>Vice Chancellors and Senate of Higher Department of Education SETA Higher Department of Education (MANCOSA and REGENTs are private and have effective initiatives in place) -Community and FET Colleges, -Accredited Training organisations</p>
SME Incubation	<p>The virtual incubation of companies through provision of support services in:</p> <ul style="list-style-type: none"> • Product design/conceptualization • Production methodologies • Marketing • IT solutions <p>District Creative Arts Hubs</p>	<ul style="list-style-type: none"> ▪ EDTEA SMME Development ▪ KZNFC ▪ SmartXchange
Policy and Legislation	<p>Lobby to have the drafted legislation finalized through extensive consultation across the sector- compile industry response:</p> <ul style="list-style-type: none"> • White paper: creative sector • Performing Protection Amendment Bill • Copyright Amendment Bill • ICASA Regulations regarding quotas for local content by broadcasters • Consideration of special 	<ul style="list-style-type: none"> ▪ Industry associations ▪ SAAVF ▪ NDAC working groups ▪ NFVF

Programme	Proposed Intervention	Responsible Person/Stakeholder
	<p>permits for the sector e.g. travel/accommodation/curfew hours</p> <ul style="list-style-type: none"> Lobby for insurance products for Creative Economies 	
Simplified Social relief Grant	<p>Simplify the current funding available to take into consideration the anomalies in the various sub-sectors e.g. compliance with specific documents - lack of company registration, banking account confirmation, contracts of performance etc.</p> <p>Allow for submissions in isiZulu</p> <p>Open pre-existing grant funding prioritising development and conceptualizing/design with reduced timelines.</p>	National DAC EDTEA KZNFC

12.7 Sports and Recreation

Sport plays an important role in building unity and social cohesion. Covid-19 has impacted the sport and recreation sector negatively with the cancellation of all activities. In the short-term, a Provincial Relief Fund was introduced to resuscitate the Sport & Recreation Sector. In the medium to long-term, the following measures, amongst others, will be considered to support the Sector:

- i. Focus on creating opportunities to revive the Sector and enable the preservation of livelihoods.
- ii. Stimulating **innovative** programmes (industrial modernisation) for sport enterprises to address the current societal challenges.
- iii. Supporting sport and recreation federations and entities through **Transfer payments** for innovative business plans aimed at injecting grassroots development and resuscitation of the industry.
- iv. **Stimulating the SMME's and cooperatives environment** by through procurement of goods and services and hosting a number of smaller sporting events to stimulate growth in a post COVID-19 environment.
- v. Creating **new funding opportunities** as innovative ways to promote sport and physical activity in times when people are restricted to their homes.

The following are the five Sports and Recreation sub-sectors of intervention:

Sector	Opportunities
Clothing and Textile Sector	Through radical economic empowerment there is need to involve SMMEs and Co-operatives in the manufacturing of sports Apparel such as soccer kits, net kits and moisture management T-shirts.
eSport	<ul style="list-style-type: none"> ▪ E-sports (also known as electronic sports, e-sports, or eSports) and e-Gaming is a form of gaming using digital platforms. ▪ E-sports often takes the form of organized, multiplayer video game competitions, particularly between professional players, individually or as teams. ▪ Strategies to grow the sector include the creation of technical hubs, school leagues, local and district competitions, provincial competitions, major events
Sport Tourism	Sports tourism refers to travel to play sports, watch sports, or to visit a sport attraction including both competitive and non-competitive activities such as Sports participation, Tourism with sports content, Luxury sports tourism, Sports events, and Sports training.
Equine Industry	<ul style="list-style-type: none"> ▪ Industry has an estimated national turnover of R2 billion ▪ Contributes to about 250 000 direct jobs in south Africa ▪ Value chain opportunities exist in the following <ul style="list-style-type: none"> ○ Skills development in corporatisation of administration, grooming, jockey and stewards development; ○ Horse breeding programme; ○ Production of Racing equipment ▪ Establishment of Provincial Equine academy ▪ Horse feed supply- need for localisation of feed stocks to promote economic empowerment of SMMEs and Co-ops Horse racing events- Establish events across the province
Club Development	The introduction of a Club Development System at Ward level will allow the department to take in a “basket of key services” to the Wards, LMs and Districts as espoused in the District Development Model.

12.7.1 Sports and Recreation Recovery Plan

PROGRAMME	INTERVENTIONS	RESPONSIBILITY
<p>Textile and Clothing Sector is a sector that has massive economic opportunities for SMMEs and Co-operatives. DSR procures a variety of sport apparel such as:</p> <ul style="list-style-type: none"> ▪ Soccer kits, ▪ Basket and Netball kits, 	<p>Manufacturing of the following items:</p> <ul style="list-style-type: none"> ▪ Soccer kits, ▪ Basket and Netball kits, ▪ Moisture management t-shirts <p>Other possible items:</p> <ul style="list-style-type: none"> ▪ Kits for other sporting codes such as indigenous games, 	<ul style="list-style-type: none"> ▪ Head of Department ▪ EDTEA ▪ Office of the Premier (Poverty Eradication) ▪ Co-operatives and SMMEs

PROGRAMME	INTERVENTIONS	RESPONSIBILITY
<ul style="list-style-type: none"> ▪ Moisture management t-shirts, ▪ Tracksuits, etc. 	<ul style="list-style-type: none"> athletics shorts and vests, ▪ Tracksuits, etc. 	
<p>Equine Sports is a global sector that has economic opportunities such as:</p> <ul style="list-style-type: none"> ▪ Veterinary Services; ▪ Equine academy ▪ Stewardship ▪ Jokey development ▪ Clothing and Textiles ▪ Horse/Jokey equipment ▪ Events and gaming ▪ Stud book development ▪ Farrier skills upliftment 	<ul style="list-style-type: none"> ▪ Infrastructure Investment ▪ Veterinary Services ▪ Stewardship Training ▪ Studbook Development ▪ Jokey Skills Development ▪ Horse Feeds ▪ Horse Equipment Production 	<ul style="list-style-type: none"> ▪ Head of Department ▪ KZN Gaming and Betting Board ▪ EDTEA ▪ Office of the Premier ▪ Agriculture & Rural Development ▪ Provincial Treasury
<p>e-Sports is a global sector that has economic opportunities such as:</p> <ul style="list-style-type: none"> ▪ Events and gaming ▪ Textiles ▪ Computer hardware and software 	<ul style="list-style-type: none"> ▪ Infrastructure Investment (Streaming, broadband, hardware) ▪ Software Development 	<ul style="list-style-type: none"> ▪ DSR ▪ KZN Gaming and Betting Board ▪ EDTEA ▪ Youth in Gaming industry ▪ Sport Confederation & Federations
<p>Sports tourism involves travel to a venue / destination for either observing or participating in a sporting event. This is one of the fastest growing segments of the travel industry today</p>	<ul style="list-style-type: none"> ▪ Marketing of sports infrastructure for the hosting of major events ▪ Development of sports museum ▪ Development of e-museum – incorporating digital museum collection and Hall of Fame 	<ul style="list-style-type: none"> ▪ KZNDSR ▪ EDTEA ▪ TKZN ▪ Durban Tourism ▪ KZN Sport Confederation
<p>Club Development & Sport Academies</p>	<ul style="list-style-type: none"> ▪ Establishment of clubs and upskilling of administration with governance & compliance. <ul style="list-style-type: none"> ○ Establish basic sport & recreation infrastructure. ○ Basic sport equipment ▪ Establishment of a Academy System to develop young 	<ul style="list-style-type: none"> ▪ DSR

PROGRAMME	INTERVENTIONS	RESPONSIBILITY
	talent	

13. INFRASTRUCTURE

The choice of infrastructure development stems from the need to balance short term relief against long term prosperity. As government focuses its energy and resources on the fight against the coronavirus pandemic/Covid 19 crisis, it is important to also look at the drivers of the economy that emerges beyond the pandemic. The following five critical issues support the need for Infrastructure development to ensure a post Covid 19 economic stimulus:

- i. **Beyond surviving the pandemic**- The world that emerges post COVID19 will undoubtedly be different;
- ii. **Infrastructure as an Economic Stimulus**
 - Drive up aggregate demand (demand for finished goods) in the short term;
 - Create capacity that improves productivity in the medium to long term;
 - Bring people who would have lost their jobs during the crisis back into employment; and
 - Promote SMME development through empowerment targets.
- iii. **Diversity of projects to enable a durable economy**-Within this context, projects spanning the following infrastructure categories must be considered to enable a more **DURABLE ECONOMY**:
 - New Capital – Acquiring new assets;
 - Capital expansion – Expanding capacity of existing assets;
 - Sustaining Capital – Maintenance and Asset Management; and
 - Operational Performance Improvement – Extract more output from existing assets or achieve the same outputs at a reduced operating cost.
- iv. **Maximising Benefit through Integration**- Generating positive impact at scale
- v. **Balancing Short Term Relief with Long Term Prosperity**- Invest in things that will recalibrate, reposition and reinvigorate the economy

13.1 Strategic actions to unleash potential

- i. The infrastructure delivery effort will start with an **UNPRECEDENTED COLLABORATION** across all spheres of government, SOEs and the private sector. It is recommended that a standing agenda item regarding **PRIORITISATION AND PROGRESS** of infrastructure delivery be added to the ESID Cluster meeting. The relevant National SOEs should be invited to join the specific sessions.
- ii. A consolidated **COMPREHENSIVE LIST OF CATALYTIC PROJECTS** across departments, municipalities, SOEs and the private sector is needed. Projects on this list are to be **RAPIDLY PRIORITISED** based on criteria outlined in table 1 below.
- iii. Integration of infrastructure delivery should pace investment and enablement of new manufacturing clusters. TIKZN, Industry and Manufacturing need to be **CONSULTED** in setting priorities.
- iv. The pandemic and subsequent need to accelerate infrastructure delivery has exacerbated the need for **PROCUREMENT TO BE MODERNISED** by going through a “business improvement exercise”. PEOPLE, PROCESSES and TOOLS

to be examined to ensure, that there is both capacity and capability within procurement teams, processes are not bloated and cumbersome and the tools keep pace with the times.

- v. **ALTERNATE DELIVERY** models like design and construct need to be considered to shorten implementation time frames through reducing the number of procurement events. This also encourages innovation from industry, if well managed.
- vi. **MODERNISE DESIGN AND CONSTRUCTION** by embracing digital delivery and this use of technology to make infrastructure more efficient and impactful.
- vii. Recognise fiscal constraints – explore **CREATIVE FUNDING APPROACHES**;
- viii. **REGULATORY MATTERS** are considered an impediment to doing business and the speedy delivery of infrastructure. There needs to be a multi-agency task team established, that will decide the **TEMPORARY EASING** on certain requirements and the **SWIFT APPROVAL** of others. This task team should comprise of decision makers or individuals with delegated decision-making authority.

13.2 Infrastructure for Immediate Funding

The initial focus of infrastructure delivery would be on provincial government and State Owned Entities (SOEs). Attention will also be paid to Municipal and Other Private Initiatives across the province. The objective should be to unblock all regulatory delays and any other red tape that might be delaying the projects.

Table 29: Provincial Government and SOE Infrastructure projects Prioritisation

Organisation	Project Types	Live-to be restarted	1-6 months	6-12 months	Beyond 12 months to be Reprioritised
Province of Kwa-Zulu-Natal (Several Government Departments)	New Capital	R 5.80bn	R 0.14bn	R 2.15bn	R 2.58bn
	Capital expansion (Upgrades & Additions)	R 12.07bn	R 1.40bn	R 19.27bn	R 8.40bn
	Maintenance Expenditure (Rehabilitation & Renovation & Maintenance & repair)	R 13.01bn	R 1.41bn	R 7.75bn	R 7.91bn
DTPC – Dube Trade Port	Various	R 0.01bn	R 0.36bn	R 0.61bn	R 1.02bn
Durban Aerotropolis	Various		R0.02bn	R 0.05bn	R 0.95bn
DTPC – Automotive	Various				R 1.90bn

Supplier Park					
SANRAL	Various	R 0.03bn	R 0.77bn	R16.3bn	R53bn
Umgeni Water	Various	R 16.28bn (over 5 years)			
Transnet	Various	R 29.57bn (over 5 years)			
Other Catalytic Projects	Various	R 26.5bn (Requires further development and prioritisation)			

13.3 Prioritisation of projects

In delivering the infrastructure projects, there is need to balance readiness with impact with a focus on deprived areas in the province as a means to address spatial economic transformation. A balanced score card with the following five (5) main areas of focus was used to identify projects that can be prioritised for delivery as part of the Economic Reconstruction and Transformation plan:

- Readiness;
- Investment Category;
- Scale / Size of Project;
- Duration Project; and
- Deprivation.

Using this model, it was possible to re-assess the significant extent of the Provincial Infrastructure Budget and to provide a basis for prioritising projects. The top ten projects are generally located in areas with significant deprivation challenges. The value of the projects is R917 million. The following are some of the spatial or regional projects that have been prioritised.

Table 30: Spatial Prioritisation of Infrastructure projects

Type of Infrastructure	Project Name	District Municipality	Project Cost (R'000)	Score	Ranking
New Building Construction	Construction of Nquthu Library	Umzinyathi	29 000	95.33	1
Medium Secondary School	Ekucabangeni Secondary School	Umzinyathi	73 179	92.78	2
Large Secondary School	Bhekabantu Secondary School	Umzinyathi	45 000	88.89	3
Road	Upgrade of P77 (km15 to	UGu	247 872	86.29	4

	km25)				
Large Combined School	Morningside Combined School	Umzinyathi	27 439	85.56	5
Office Building	Edumbe agric local office	Zululand	36 798	85.25	6
Vehicular Bridge	Construction of P752 - Buffalo River Bridge (km12 to km12)	Umzinyathi	79 450	85.20	7
Road	Upgrade of P17 (km39 to km47)	Umzinyathi	175 000	85.20	8
Road	Upgrade of P281 (km46,4 to km53,1)	Umzinyathi	94 000	85.20	9
Road	Upgrade of D1269 (km0 to km7)	Umzinyathi	110 000	85.20	10

13.4 Types of Infrastructure Projects

Kwazulu-Natal provincial government already has an infrastructure masterplan that identifies critical infrastructure programmes that are important to modernise the economy. KwaZulu-Natal infrastructure programmes that need to be prioritised as a recovery mechanism include both **economic** and **social** (hospitals, schools and housing). Some of the notable economic infrastructure programmes that need to be prioritised and unlocked for implementation include the N3 upgrade, port expansion, amongst others highlighted in Table 3 below.

Table 31: Infrastructure Projects for Immediate Funding

Project	Status	Champion
Transport		
Ports	<ul style="list-style-type: none"> Provincial Government must Facilitate the rollout of Port expansion programmes (back of port), terminal expansion, Cruise terminal completion 	Transnet, DOT, KZNDOT
N3 Corridor Upgrade	<ul style="list-style-type: none"> National Project Project funding of more R20 billion approved Great Potential to spur economic growth, SMME development and employment creation 	SANRAL

	<ul style="list-style-type: none"> Provincial Government needs to closely work with SANRAL to urgently resolve any regulatory requirements 	
Provincial Roads	<ul style="list-style-type: none"> Complete all work in progress road projects Provincial Roads maintenance and Repairs 	KZNDOT
Municipal Roads	<ul style="list-style-type: none"> Complete all work in progress road projects Municipal Roads maintenance and Repairs 	All e.g. Msunduzi
Economic Development		
Water	<ul style="list-style-type: none"> Fast track all the water Projects Explore water harvesting 	Private Sector, EDTEA, DTPC
Automotive Supplier park	<ul style="list-style-type: none"> Unblock all regulatory requirements for speedy implementation Reprioritise funding towards ASP infrastructure development 	EDTEA, DTPC, eThekweni
Dube Trade Port SEZs and Richards Bay IDZ Infrastructure	<ul style="list-style-type: none"> Fast track all infrastructure projects around the SEZs Prioritize the implementation of Aerotropolis, Special Economic Zones and Industrial Economic Zone 	EDTEA TIKZN DTPC RBIDZ
Clothing and Textile SEZs	<ul style="list-style-type: none"> Fast track all infrastructure projects around the SEZs 	EDTEA; TIKZN DTPC
King Shaka Public Transport link Solution	<ul style="list-style-type: none"> Fast track Feasibility study and implement Aggressive investor attraction (Anchor Investor) 	EDTEA/KZNDOT
Tourism Resorts Plans	<ul style="list-style-type: none"> Unblock all regulatory requirements for speedy implementation Potential to reignite tourism around the uKhahlamba region Prioritise funding towards the project 	EDTEA, Districts and Municipalities
Regional Airports Infrastructure	Fast track Pietermaritzburg, Mkhuze and Margate Airports Infrastructure projects	EDTEA, Districts and Municipalities
Energy	<ul style="list-style-type: none"> Explore alternative sources of energy Influence co-generation at sugar mills 	EDTEA DME DTIC Districts and Municipalities
Private Sector		
Private Sector	<ul style="list-style-type: none"> Identify major private sector projects- 	EDTEA/TIKZN

Projects	<p>Most require infrastructure development</p> <ul style="list-style-type: none"> ▪ Unblock and facilitate all private sector initiatives stuck in regulatory approval stages ▪ Property Development sector 	Districts and Municipalities
Social Infrastructure		
Schools	<ul style="list-style-type: none"> ▪ Fast track the completion of all Schools build projects ▪ Major Repair works ▪ Student accommodation 	DOE
Hospitals	<ul style="list-style-type: none"> ▪ Fast track the completion of all hospital infrastructure private/public ▪ Build temporary hospitals 	DOH Districts and Municipalities
Housing	<ul style="list-style-type: none"> ▪ Fast track the construction of all funded housing projects ▪ Unlock national new Priority Human Settlements and Housing Development Areas, 	Department of Human Settlements Districts and Municipalities
Government precinct	<ul style="list-style-type: none"> ▪ Utilise savings to design and construct a Provincial government precinct 	OTP/DPW

14. RENEWABLE ENERGY

14.1 Overview

Renewable Energy is a key enabler for economic development and the sector directly employs about 81 200 people in the province in construction, installation and maintenance of infrastructure. The biggest competitive advantage and opportunity that KZN possesses emanates from the sugar and timber industries, which are amongst the largest in the country. The sector incorporates a host of sustainable solutions including installation and supply of solar water heaters and heat pumps, solar energy, biomass, biogas, bio-fuels, wind, hydro and energy efficiency measures.

14.2 Key Interventions

1. Incentivise local manufacturing of RE components such as solar modules, mounting frames, invertors, wind turbines;
2. Rapid roll-out of Integrated Renewable Plan (IRP) implementation;
3. Finalise IRP (Policy support) to stimulate Renewable energy production and private sector participation;
4. Finalise the Sugar Industry Masterplan to allow for diversification of the Sugar Industry and acquisition of technology for biofuels/ co-generation;
5. Explore development of wind farms on KZN coastal areas- Private Sector;
6. Promote small scale Solar embedded generation - Municipal level (SALGA); and
7. Partner with local HEIs to introduce short term training programmes for installation and maintenance of RE infrastructure.

14.3 Overview

The advent of Covid 19 has brought the importance of information communication technology (ICT) sector to the fore. The lockdown measures implemented by several governments across the world including South Africa have seen a tremendous increase in the use of ICT in communication, business, commerce, education, social, media and communication in general. ICT has thus become part of the everyday life of South African citizens. The coronavirus pandemic has further exposed the nation to the inequality realities in terms of access to the broadband infrastructure, for example, whilst schools in urban areas have increasingly used e-learning during the lock down, this privilege has remained a reverie to most schools in rural areas.

The increasing usage of ICT in almost every aspect of life has seen the sector booming across the world. Technology allows limits the movement of people while goods and service continue to move freely and therefore the adoption of tools such as Drone technology and associated algorithms need to be expatiated. As a result, the sector remains one of least affected and one of the fastest growing sectors against the backdrop of Covid 19 global crisis. The pandemic has brought about opportunities to advance the growth of the sector through the use of current technologies, innovations and smart business processes. Furthermore, the ICT sector and infrastructure development in general are seen as some of the engines for economic modernisation of the 21st century economies. This is the advent of the fourth industrial revolution that has seen the increasing use of ICT and innovation to develop smart cities, increasing connectivity and globalisation. This has been made possible through broadband connectivity and the use of technology. Countries, regions and places with limited broadband connectivity are lagging behind in terms of economic development and maximising the potential benefits of the fourth industrial revolution.

The provincial government has formulated an ICT strategy which is ready for implementation. Focus going forward will be on implementation of the strategy and rolling out of broadband infrastructure across the province.

ICT also provides the opportunity for SMME's to create virtual storefronts and to market beyond their immediate geographic areas.

14.4 Value proposition

To ensure that KwaZulu-Natal becomes a smart province that produces technologies and e-business solutions for the region and the world, the following strategies will be pursued:

i. Efficient and effective Governance

Increase bureaucratic efficiency whilst enhancing transparency and accountability.

ii. Smart, connected Communities

Bridge the digital divide and empower the people with new skills that allow them to participate in the new world of smart things.

iii. Localisation of innovation and solutions

Increase international competitiveness through investment in local talent, innovation and invention and make KZN the centre of technology excellence.

iv. Economic growth and development

Grow the Technology and Innovation economic sector of KZN and increase its contribution to the KZN GDP.

14.5 Smart Technology Opportunities for KZN

The following technologies have been identified as strategic areas for promotion and investment to catapult KZN as a smart province:

- Telecommunications
- ICT infrastructure
- Cloud solutions
- Smart business systems
- Internet of Things (IOT)
- E-Learning
- Equipment manufacturing
- Robotics and mechatronics
- Block chain
- E-Sports
- Multimedia
- Smart Buildings
- Integrated Transport
- 3D Printing
- Cyber security
- Artificial Intelligence
- Telemedicine
- Smart agriculture
- Server hosting
- Software development (Derivco/ Micromaming was at one point the largest internet gaming software company in the world)

14.6 Quick win Opportunities for SMMEs

Table 32: Quick win Opportunities during lockdown

Sector	Opportunities
Health Screening	<ul style="list-style-type: none"> ▪ Covid 19 online screening ▪ Online surveys (Public opinion) ▪ Business impact surveys
Transport	<ul style="list-style-type: none"> ▪ Transport permits ▪ Commuter monitoring system ▪ Sanitiser schedule monitor
Business Meeting	<ul style="list-style-type: none"> ▪ Virtual meetings platforms ▪ KZN internet TV ▪ Virtual tourism
Telemedicine	<ul style="list-style-type: none"> ▪ GIS Hotspot mapping ▪ Remote Care ▪ Online Self-Assessment
Administration	<ul style="list-style-type: none"> ▪ Online funding applications ▪ e-Public participation platform ▪ Converged commas systems ▪ e-Public awareness
e-learning	<ul style="list-style-type: none"> ▪ Virtual classrooms (AR,VR enabled) ▪ 4IR skill learning ▪ Cell phone and laptop repair ▪ Virtual University ▪ Teacher analytics dashboards ▪ Online testing and exams
Public Places/ Schools	<ul style="list-style-type: none"> ▪ Touchless technologies ▪ Smart building surveillance ▪ Access control register automation ▪ RFID control for learners
Autonomous technology	<ul style="list-style-type: none"> ▪ Autonomous vehicles ▪ Drones for farming ▪ IoT for farming ▪ Farm registers database ▪ Seed monitoring and controls
Sports	<ul style="list-style-type: none"> ▪ e-Sports forum ▪ e-Sports tournament launch ▪ e-Gaming software development ▪ e-Sports learning assistant apps

14.7 Action Plan

The following four programmes have been identified:

14.7.1 Local Seed Money

The localisation of ICT expenditure and promotion of innovation and investment in entrepreneurship will develop the sector and create jobs.

Table 33: Local Seed Money

Programme	Specific Interventions	Responsibility
Short Term	Develop a Provincial digital economy development strategy.	EDTEA/OTP Business Chambers
	Develop a SMME/ Innovator rapid acceleration support programme	DST EDTEA
	Formulate a Smart province plan	SMMES
	Fourth Industrial Revolution Social Accord	Districts and Municipalities
Medium-term	Implementation of a Smart Province plan	EDTEA/OTP/ SMMES Districts and Municipalities
Long Term	Implement the Smart Province plan that is Cross Sectoral	EDTEA/OTP/ SMMES Districts and Municipalities

14.7.2 Invest in the future

Repurpose the entire ICT spend by the provincial Government and set aside funding for technology development and innovation programmes.

Table 34: Invest in the future

Programme	Specific Interventions	Responsibility
Short Term	Analyse Provincial spend on ICT and restructure the budget.	EDTEA Business Chambers
	Develop a commercialisation model to yield benefits from sunk costs	DST
Medium-term	Broadband rollout and the KZN digitisation strategy.	EDTEA/DTP EDTEA/MKI
	Innovations support and local entrepreneurs in the 4IR space.	SMMES Districts and Municipalities
Long Term	Roll out the Smart Province Strategy	EDTEA/OTP/DTP/MKI
	Innovation and Skills Development Centre	MKI/RBIDZ

14.7.3 Digitise KwaZulu-Natal

Province needs to take deliberate measures to digitize the economy.

Table 35: Digital infrastructure action plan

Programme	Specific Interventions	Responsibility
Short Term	Audit the current ICT Infrastructure and build a blueprint for future technologies	EDTEA Business Chambers
	Map and refine current processes to cater for Business continuity	DST OTP
	Develop a Provincial Master Systems plan	DTP
Medium-term	Implement Master System Plan projects	EDTEA/OTP
	Automate processes and integrate systems.	EDTEA/MKI SMMES Districts and Municipalities
Long Term	Repurpose and realign techno hubs, incubation centres as well as innovation hubs	EDTEA/OTP/ SMMES Districts and Municipalities
	Review master plan and improve implementation	

14.7.4 Bridge the digital divide

Province needs to take deliberate measures to develop ICT infrastructure across the province and digitize the province.

Table 36: Bridge the Digital Divide

Programme	Specific Interventions	Responsibility
Short Term	Establish a broadband rollout PMU to develop and manage the broadband rollout plan.	EDTEA DTP
	Establish a broadband rollout PMU to develop and manage the broadband rollout plan.	OTP Business Chambers
	Roll out WIFI hotspots in rural centres	DST
Medium-term	Rollout the KZN socio-economic broadband plan.	EDTEA/OTP/DTP/MKI
	Setup Technology manufacturing plants.	EDTEA/OTP/MKI
	Implement the 4IR skills development programme across all levels	EDTEA/MKI/ SMMES Districts and Municipalities
Long Term	Implement Master System Plan projects	EDTEA/OTP/ SMMES Districts and Municipalities
	Automate processes and integrate systems.	EDTEA/OTP

15. INVESTMENT AND TRADE

15.1 Overview

As KwaZulu-Natal prepares for economic recovery beyond the lockdown period, exports remain an important component of the Gross Domestic Product (GDP) or regional output. South Africa's exports constitute about 30% of Gross Domestic Product (GDP). It is important to note that a fall in exports will have an impact in GDP through the aggregate expenditure multiplier effect.

The following strategies are important to address the low investment climate in the province:

- i. The province must step up aggressive investment promotion programmes domestically and internationally;
- ii. Provide funding for Business retention programmes to assist both international and local investors to invest in the province;
- iii. Re-positioning KZN as a preferred and friendly investment destination; and
- iv. Provide industry support measures or incentives to stimulate investment.

The coronavirus pandemic has also had serious ramifications in terms of global investment flows. Low business confidence has engulfed the global economy since the discovery of the coronavirus and companies around the world have deferred investment decisions due to universal/ partial lockdowns and travel restrictions.

15.2 Export Development

Export development is a strategic economic development focus of the KwaZulu-Natal provincial government. The generation of exports is important to assist businesses with market fluctuations but also helps to meet the goals of government such as employment creation and economic growth.

Table 37: Export Development Action Plan

Programme	Specific Interventions	Driving Agent
Short-Term	Support for KZN Business to ensure they export in compliance with: <ul style="list-style-type: none"> • Ensure the registration of KZN companies as exporters • Food Safety and enhance hygiene standards • International Trade value-chain • Productivity SA, etc. 	<ul style="list-style-type: none"> • TIKZN • EDTEA • Business Chambers
Medium Term	Roll out of Export Competitiveness Enhancement Programme and include small and medium companies	TIKZN
Long Term	Implementation the following deliverables: <ul style="list-style-type: none"> ▪ Entry of KZN Black owned companies into the 	EDTEA; TIKZN; DTPC; RBIDZ; IDFC

	<p>export space</p> <ul style="list-style-type: none"> ▪ Optimise the existing investment tracking system and Export CRM platform ▪ Assist KZN companies with export development programmes ▪ Implement opportunities for branded provincial exhibitions and permanent displays in priority sectors and markets (BRICS, UK, US and Germany) 	
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15.3 Export Promotion

The Provincial Government will explore a number of export promotion activities to promote exports and the following measures will be considered:

- Trade Financing;
- Export Credit Guarantee Schemes;
- Export Subsidies;
- Export Surveys and Research/ market intelligence;
- Export Market Training Programs;
- Inward And Outward Buyer Missions;
- Joint Ventures;
- Toll Manufacturing;
- Trade Fairs and World Expositions; and
- Export Merchants.

Table 38: Export Promotion Action Plan

Programme	Specific Interventions	Driving Agent
Short Term	<ul style="list-style-type: none"> • Assist 200 KZN companies to access new markets through product access programmes • Link banking institutions with companies that secure export order to provide guarantees for production • Market Analysis and Identification of Alternative Markets (look at opportunities bequeathed by AfCFTA) • Food safety and enhance hygiene standards for exports of food products into the Gulf Region (immediate focus on Oman, Bahrain, Saudi Arabia and UAE) • Conduct market analysis for individual companies based on demand utilizing DSM • Ecommerce and online opportunities to be implemented (e-exhibitions and business to business Match-making opportunities) 	<p>TIKZN</p> <p>EDTEA</p> <p>Business Chambers</p> <p>Districts and Municipalities</p>

Programme	Specific Interventions	Driving Agent
Medium Term	<p>Export Funding -Working capital (revolving credit facility)</p> <p>ii. Ithala to create programme/export credit that will support KZN BBEE companies entering the export platform</p> <p>iii. TIKZN Financial Assistance Scheme to support 100 KZN companies:</p> <ul style="list-style-type: none"> • Funding for export of samples to potential customers • Virtual Exhibition to showcase products and services from KwaZulu-Natal • Funding for exhibition space. • Increase funding to support transportation of samples <p>iv. Create intra-trade business linkages for KZN Companies</p> <p>v. Support companies that focus on value addition rather than exporting raw materials</p> <ul style="list-style-type: none"> • Focus of resuscitating trade in SACU, SADC, AfCFTA 	TIKZN EDTEA Ithala Districts and Municipalities
Long Term Interventions	<p>Increase market access for companies through business matchmaking programmes</p> <p>Develop Women and Youth business in exports and ensure deal finalisation in prioritised markets</p> <p>Access of incentives for KZN Companies to increase their export propensity</p> <p>Market KZN products domestically through e-platforms and post level 1 – create backward linkages per sector</p>	TIKZN

15.4 Investment attraction

Table 39: Investment attraction Action Plan

Programme	Specific Interventions	Driving Agent
Short-Term	<ul style="list-style-type: none"> • Support investors to diversify and focus on Export Led investments (80 companies) • Enhance the investment plan of companies in order to accelerate investments (visitation to determine the need) • Aggressively market KZN Investment Projects through online platforms in 	<ul style="list-style-type: none"> • TIKZN • EDTEA • Business Chambers • DTPC • RBIDC • Districts and Municipalities

	<p>India, Russia, China, USA, UK, Germany, Japan</p> <ul style="list-style-type: none"> • Through the One Stop Shop, ensure the conversion of High Impact and Catalytic Projects in KZN (Cato Ridge Multi-modal, Wewe Driefontein, Blythedale, Tinley Manor, Mahindra Expansion, Ford, etc) • Accelerate the investments into the Pharmaceutical Industry, Health and medical Supplies, and production of PPE (import replacement) • Link Domestic Investors with Technical partners in key markets • Facilitate fast tracked implementation of the following pipeline projects: 	
Medium Term	<ul style="list-style-type: none"> • Support development of Automotive Supplier park; Oil and Gas Hub (Attraction of investors) • Implementation and establishment of Clothing and Textiles SEZ, and the clothing and textile corridor • Establishment of the Halaal Hub (Dube TradePort – Investors attraction through online platforms in the Gulf Region, Indonesia, Malaysia, Singapore and Thailand) • Promote and facilitate Toll Manufacturing under license • Diversify the local Agri-business initiatives with international partners and universities • Localization – secure funders for projects that supports import substitution in key focus areas such pharmaceuticals, ICT, Chemicals, Automotive and clothing and textiles 	TIKZN DTPC
Long Term	<ul style="list-style-type: none"> • Establish Command Council for Investment Attraction and Retention (deal with value proposition, investment attraction initiatives, funding for projects, black industrialists, etc) • Showcase KZN manufactured products in order to increase the propensity of new investment attraction • Appoint KZN Business Ambassadors / Envoys who will assist in the redirection of new investments to KZN • Create investment Projects in support of 	EDTEA; TIKZN; DTPC; RBIDZ; IDFC, DTIC

	<p>emerging sectors (Cannabis, ethanol, fibre, Gaming Machinery, etc)</p> <ul style="list-style-type: none"> • Creative investment project marketing through KZN's twinned provinces • Facilitate ten high-impact opportunities for KZN youth owned businesses 	
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The following investment pipeline is being facilitated:

Table 40: TIKZN Investment pipeline

Project Name	Description	Location	Value
Cato Ridge Logistics	Inland logistics hub	Cato Ridge	R20b
Kamal Steel	Scrap metal recycling and melting to manufacture steel	eThekwini	R800m
Ladysmith Bakery Project	Bread making project to supply.	uThukela	R40m
African Surgical Resource	Manufactures of textiles, which entailed yarn conversion to fabric.	Tbc	R400m
Digitan	Computer manufacturing business	eThekwini	R150m
Rowles Group Projects	Property Development Projects	eThekwini	R110m
Tinley Manor Beach Resort	Development of beach resort	eThekwini	R1.2b
Trestle Jack	Manufacturing of specialised yellow metal and truck jacks	RBIDZ	R60m
Coconut (Pty) Ltd	Processing of coconut	Dube Trade Port	R120m
Colenso Power	Energy Generation	Colenso	R9bn
Bhanga Nek Lodge	Development of the lodge and campsite facility	Umhlabuyalingana	R20m
Lilani Hotsprings	Development of the lodge and tourist facilities	Umvoti	R17m
Wewe Driefontein	Commercial property development	KwaDukuza	R20bn

15.5 Business retention and Expansion

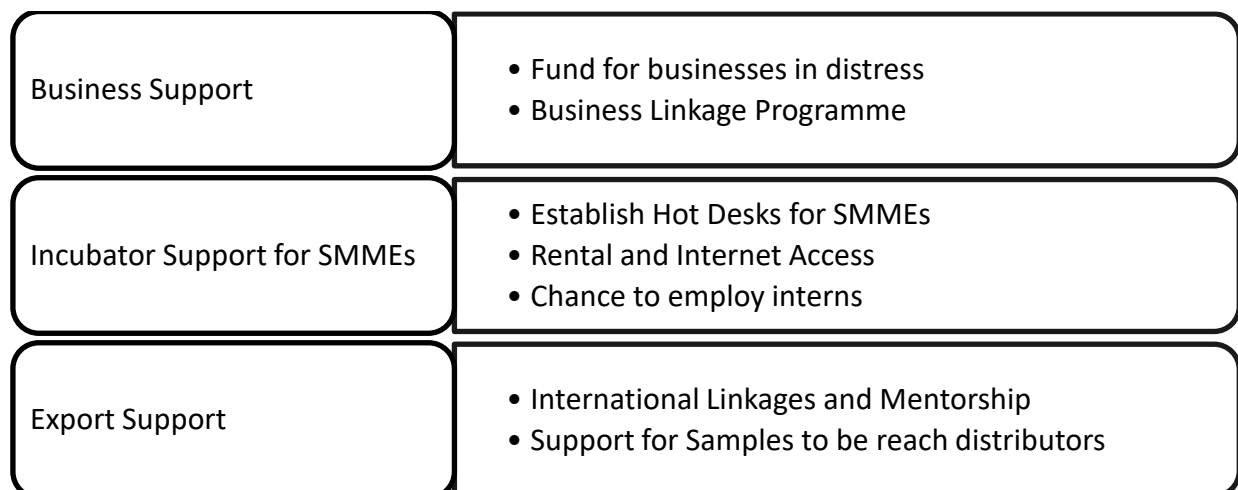
Table 41: Business Retention and Expansion Action Plan

Programme	Specific Interventions	Driving Agent																																													
Short-Term	<ul style="list-style-type: none"> • One Stop Shop to be the Nerve Centre for Facilitation of Covid-19 relief packages – support 4000 businesses • Establish SMME Hot Desks or Office Facility to support SMME’s that are in distress/evicted from their current offices – Offer free office space, internet access, access to information on opportunities pitch for additional work • Ease Red Tape that is blocking projects from being implemented through the Project brokering unit • Assist with financial support to qualifying businesses in distress through technical assistance fund, BEE Financial Scheme and Business Support Fund • Implement the buy local campaign in partnership with Proudly South Africa • Create a data-base of informal businesses in partnership with UKZN • Support 35 high value businesses and Industrial parks across the Province • Priorities the Projects announced during 2019 Presidential Investment Conference as follows: <table border="1"> <thead> <tr> <th>Sector</th> <th>Project Name</th> <th>Value</th> <th>Origin and Location</th> <th>Jobs</th> </tr> </thead> <tbody> <tr> <td>Agroprocessing</td> <td>Wilmar</td> <td>1,1b</td> <td>Singapore, RBIDZ</td> <td>190</td> </tr> <tr> <td>Agroprocessing</td> <td>Clover</td> <td>1,16b</td> <td>SA, DBN</td> <td>510</td> </tr> <tr> <td>Food and beverage</td> <td>Coca Cola</td> <td>14,7b</td> <td>USA, DBN</td> <td>250</td> </tr> <tr> <td>Mineral beneficiation</td> <td>Rio Tinto</td> <td>6,5b</td> <td>Australia, RBay</td> <td>1000</td> </tr> <tr> <td>Automotive</td> <td>Motherson</td> <td>120m</td> <td>India, DBN</td> <td>80</td> </tr> <tr> <td>Manufacturing</td> <td>Defy</td> <td>462m</td> <td>Turkey, Ladysmith</td> <td>211</td> </tr> <tr> <td>ICT</td> <td>Teraco</td> <td>3,3b</td> <td>SA, DBN</td> <td>TBC</td> </tr> <tr> <td>Manufacturing</td> <td>Corobrik</td> <td>200m</td> <td>SA,DBN</td> <td>300</td> </tr> </tbody> </table>	Sector	Project Name	Value	Origin and Location	Jobs	Agroprocessing	Wilmar	1,1b	Singapore, RBIDZ	190	Agroprocessing	Clover	1,16b	SA, DBN	510	Food and beverage	Coca Cola	14,7b	USA, DBN	250	Mineral beneficiation	Rio Tinto	6,5b	Australia, RBay	1000	Automotive	Motherson	120m	India, DBN	80	Manufacturing	Defy	462m	Turkey, Ladysmith	211	ICT	Teraco	3,3b	SA, DBN	TBC	Manufacturing	Corobrik	200m	SA,DBN	300	<ul style="list-style-type: none"> • TIKZN • EDTEA • Business Chambers • DTPC • RBIDC • MKI
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Manufacturing	Corobrik	200m	SA,DBN	300																																											
Medium Term	<ul style="list-style-type: none"> • Implement six KZN Municipal Business Retention and Expansion Programmes • Create Digital Marketing Platforms for Business Linkages with organisers of conferences and exhibitions 	TIKZN																																													

	<ul style="list-style-type: none"> • Partner with industry clusters and associations to implement SMME Supply Chain participation and Enterprise Development • Collaborate with DFI's to create working capital (revolving credit facility) to support KZN manufacturers • Toll Manufacturing under license • Localization – Import substitution • Partner with Chambers of Commerce and KZN Growth Coalition to implement business stability initiatives and SMME coaching and mentoring programs 	
Long Term	<p>Implementation of integrated trade and investment strategy. The following deliverables will be prioritised:</p> <ul style="list-style-type: none"> ▪ Develop a province-wide Cost of Doing Business process (i.e. such as the current NT CSP Sub-National Cost of Doing Business) to benchmark local regulatory and administrative processes, identify constraints and action solutions ▪ Support local government in identifying a focal point that can assist monitor the implementation of by-laws by and red-tape reduction ▪ Enhance the Business Health Index (incl. extending to company-level) and use it more effectively as an 'early warning system' to identify distressed businesses. 	EDTEA; TIKZN; DTPC; RBIDZ; IDFC, DTIC

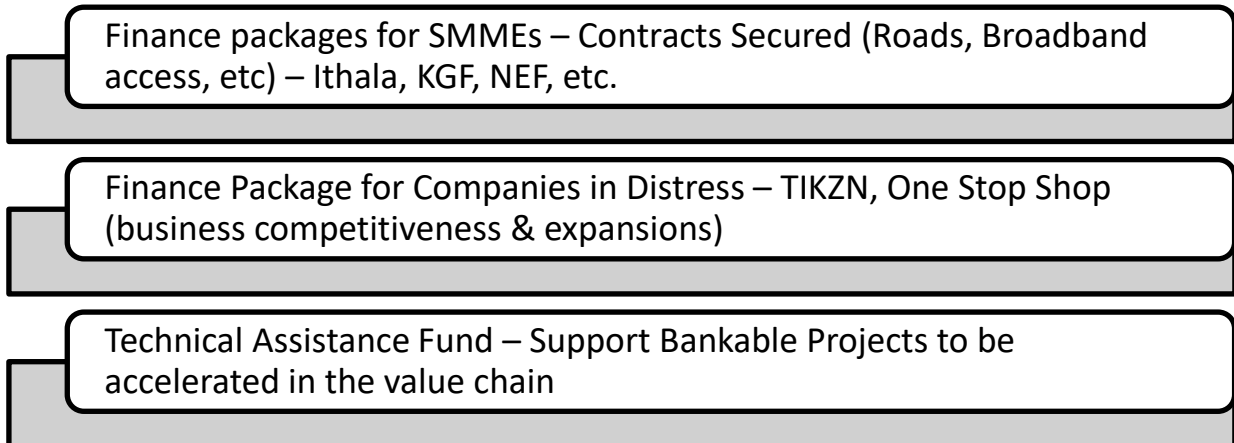
Model for Business Support

Figure 3: Approach: Business Support



Access to Finance Model

Figure 4: Funding Model



16. DFIS AND FINANCE

As at the onset of the lockdown on 27 March 2020, South African government has announced a broad range of measures to mitigate the worst effects of the pandemic on businesses, on communities and on individuals. These included amongst others:

- i. **The Unemployment Insurance Fund** - R40 billion to help employees who will be unable to work, as part of the effort to prevent jobs losses as a result of the lockdown.
- ii. **The Industrial Development Corporation** - R3 billion for the procurement of essential medical supplies
- iii. **The Solidarity Fund Solidarity** – was established to mobilise resources from companies, organisations and individuals to combat the coronavirus pandemic – raised over R2.2 billion

16.1 Support Measures Matric

Table 42: Available Covid 19 Stimulus packages

National	KZN	Private Sector
<ul style="list-style-type: none"> ▪ National/Provincial Disaster Relief Grant ▪ National Solidarity Fund ▪ Tourism Fund ▪ Small Business Support Fund ▪ IDC COVID-19 Fund ▪ IDC Working Capital Support Fund ▪ IDC COVID-19 Manufacturing Competitiveness Enhancement Programme (MCEP). ▪ Department of Agriculture, Land Reform and Rural Development Agriculture & Food Sector Support Fund ▪ SMME Relief Finance ▪ NEF Fund ▪ Covid-19 Temporary Employer-Employee Relief Scheme (COVID-19 TERS)- ▪ UIF National Disaster Benefit ▪ Department of Arts and Sports Artist Relief Fund 	<ul style="list-style-type: none"> ▪ KZNGF Payment Holiday (3 months) ▪ RBIDZ rent payment holiday (3 months) ▪ DTPC rent payment Holiday (3 months) ▪ Ithala Rent payment Holiday (3 months) ▪ TIKZN Business Support Fund ▪ Operation Vula COVID-19 Recovery Fund – create a stream to deal with Covid related funding 	<ul style="list-style-type: none"> ▪ Standard Bank Debt Holiday (3 months) ▪ Absa Debt Holiday (3 months) ▪ Nedbank Debt Holiday (3 months) ▪ Motsepe Foundation COVID Fund ▪ Opeinheimer Fund ▪ Rupperts Fund

16.2 THE ROLE OF COMMERCIAL BANKS

Commercial Banks have responded positively to the fight against Covid 19 crisis and have put in place measures to minimize economic impact of the crisis.

Table 43: Commercial Banks Covid 19 Relief measures

Bank	Relief Measures
ABSA	<ul style="list-style-type: none"> ▪ Mitigation strategies to address social impact to the poor, financing of SMMEs and distressed households. ▪ Payment relief plan to help customers financially impacted by COVID-19 (3 months, but attracting interest)
Al Baraka	<ul style="list-style-type: none"> ▪ 12 months loan payment holidays for businesses ▪ Loan will be interest-free, profit free and admin-cost free basis ▪ Direct link between the amount of loan and the number of employees employed by potential clients.
First National Bank	<ul style="list-style-type: none"> ▪ Payment break for clients in good standing with Business Loans (such as Business Loan, Business Revolving Loan or a Business Booster Loan) - with a turnover up to R20 million p.a. ▪ R100m lifeline for distressed SMMEs ▪ No instalments will be due for 3 months ▪ Speed point device rental fees and minimum merchant fees will be waived for some merchants who are in good standing but operate in distressed industries.
Nedbank	<ul style="list-style-type: none"> ▪ Payment holidays - No instalments will be due for 3 months ▪ Monthly minimum repayment for credit cards has been reduced from 5% to 2.5% of outstanding balance with immediate effect. ▪ For clients wishing to access fixed-term or notice investments, the early release penalty fee will be waived. ▪ Covid 19 SMME support
Standard bank	<ul style="list-style-type: none"> ▪ Partnering with government on COVID-19 on Term Loan Scheme for SMEs South African Future Trust (SAFT). ▪ STD Bank offers business loan instalment relief for SMMEs (payment relief) ▪ The banks also offers Financial relief for all customers ▪ Personal loan instalment relief for SME owners (3 months payment holiday) ▪ Free online Microsoft digital literacy course

16.3 Challenges

Whilst the government and private sector has availed a range of economic relief measures, the following specific challenges still need to be addressed as part of the economic recovery plan for the Province:

- i. **Awareness and access to information** – There is influx of information on relief measures available from both private and public sector. However, there is lack of consolidated information as well as central point of access.
- ii. **Support to SMMEs to navigate the application process** – There is also lack of understanding and knowledge on the best available relief option for individual businesses to maximise the benefit
- iii. **KZN Specific Relief Fund** - There is no KZN specific relief fund particularly in a form of a grant to support the most vulnerable businesses including informal economy, township businesses and in some instances SMMEs.
- iv. **Support for most vulnerable sectors of KZN** - Certain key businesses of the province have been hard hit by the lockdown and have little or no chance of resuming their operations after lockdown without injection of start-up capital.
- v. **Support for localisation and import substitution initiatives**

16.4 PROPOSED ACTION PLAN

No	Current Challenges	Proposed Solution	Outcome	Participating Entities	Time Frame
1.	Lack of consolidated information and Central point of access.	<ul style="list-style-type: none"> Each public entity and private banks to submit their simplified 1 pager document outlining what they offer. Create a portal system where all relief measures documents will be uploaded and updated accordingly. 	<ul style="list-style-type: none"> Improved Access to information Increased business participation 	ABSA, FNB, Standard Bank, Nedbank, NEF, SEFA, IDC, KZN Growth Fund, IDFC, iThala SOC, TIKZN, KZN Business Chambers Council	Short term
2.	There is also lack of understanding and knowledge on the best available relief option for individual businesses to maximise the benefit	<ul style="list-style-type: none"> Conduct webinar sessions to reach out to all businesses on offerings. Establish a miniature call centre facility of 2-3 personnel at the TIKZN Investor One Stop Shop to assist businesses. 	<ul style="list-style-type: none"> Better understanding by businesses of measures best suited to their circumstances Improved Access to information Increased business participation Comfort of visible support and assistance. 	ABSA, FNB, Standard Bank, Nedbank, NEF, SEFA, IDC, KZN Growth Fund, iThala Development Corporation, iThala SOC, TIKZN and KZN Business Chambers Council, EDTEA, TIKZN Investor One Stop Shop	Two Webinars proposed: 28 April 2020 07 May 2020 - Ongoing slots on Radio and other forms media. - Facility established and in operation by 01 May 2020
3.	There is no KZN specific relief fund particularly in a form of a	<ul style="list-style-type: none"> Establish a KZN Business Relief Fund through a fund-raising campaign. The grant fund to target 	<ul style="list-style-type: none"> Provision of non-refundable grant, very unique to relief 	Premier's Office, EDTEA, KZN Business Chambers Council, ABSA, FNB,	Launch of fund-raising campaign: 01 May 2020

No	Current Challenges	Proposed Solution	Outcome	Participating Entities	Time Frame
	<p>grant to support the most vulnerable businesses including informal economy, township businesses and in some instances SMMEs.</p>	<p>supporting informal businesses and rejuvenate township economy</p> <ul style="list-style-type: none"> ▪ The fundraising campaign to be championed by KZN Premier and EDTEA MEC ▪ The Campaign to be driven in partnership with KZN Business Chambers Council ▪ Both private and public sector targeted to contribute to this fund ▪ Align the support by big businesses to their enterprise development and CSI Initiatives. ▪ Both mass campaigns and direct targeting strategies will be used for fund raising. ▪ The fund to be governed and managed by ABSA (already have tools and systems to manage such a fund). ▪ Credible, transparent and fair criteria for processing and distributing grants to be developed. 	<p>measures currently on offer.</p> <ul style="list-style-type: none"> ▪ Prevent job losses ▪ Sustained and retained businesses that would otherwise shut down. ▪ Provides an opportunity of re-engineering operations in favour of new businesses 	<p>Standard Bank, Nedbank, NEF, SEFA, IDC, KZN Growth Fund, IDFC, SOC, TIKZN, NEF</p>	

No	Current Challenges	Proposed Solution	Outcome	Participating Entities	Time Frame
		<ul style="list-style-type: none"> Target to raise R10m in 4 weeks. 			
4.	Impact of Covid 19 lockdown on Businesses	<ul style="list-style-type: none"> Identify key businesses with major contribution to KZN economy that are in distress Develop tailor-made financial and non-financial support to retain and sustain the businesses (e.g. cheap loans to businesses, tax relief, reduced municipal rates and electricity tariffs) 	<ul style="list-style-type: none"> Business retention Prevention of job losses 	<ul style="list-style-type: none"> - EDTEA - TIKZN - KZN Business Chambers Council - ABSA - FNB - Standard Bank - Nedbank - KZN Growth Fund - iThala Development Corporation 	Short to medium term

No	Current Challenges	Proposed Solution	Outcome	Participating Entities	Time Frame
5.	Overreliance on Imports	<ul style="list-style-type: none"> ▪ Select priority sectors and package or identify projects that will result in quick turnaround and maximum impact. ▪ Establish a stimulus package, through private public partnership, to support development of these projects. ▪ Capacitate and support KZN head quartered companies and businesses to develop local value chains. ▪ Promote buy local campaign. 	<ul style="list-style-type: none"> ▪ Creation of new industries ▪ Improved localisation ▪ Reduced over reliance on imports ▪ Development of new skills ▪ New jobs created 	<ul style="list-style-type: none"> - EDTEA ▪ KZN Business Chambers Council ▪ ABSA ▪ FNB ▪ Standard Bank ▪ Nedbank ▪ New Development Bank ▪ DBSA ▪ IDC ▪ Land Bank ▪ TIKZN ▪ KZN Growth Fund ▪ iThala Development Corporation 	Medium to long term

17. RED TAPE / REGULATORY UNBUNDLING

17.1 Overview

One of the focus areas of recalibration of the KwaZulu-Natal economy is on the reduction of red tape and unbundling the regulatory framework to create a more business and investor friendly environment and to speed up the economic recovery process. Against this backdrop, there is need to increase efficiency of the Public service through streamlining supply chain management policies and regulatory approvals that have often been major encumbrances to both investment and implementation of infrastructure programmes.

17.2 Types of Red tape/ Regulatory Approvals

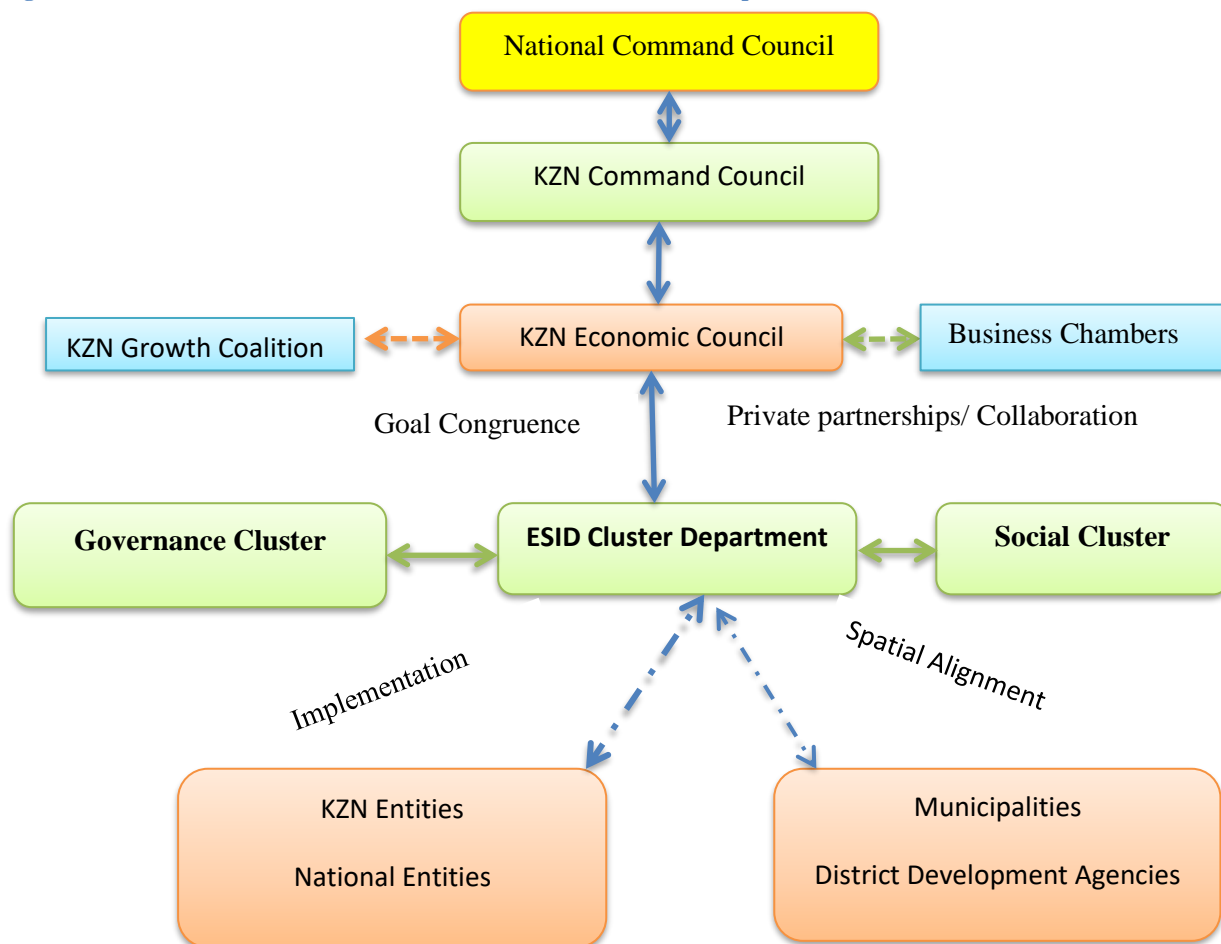
The most significant areas of concern which will have to be attended to by this Workstream in the short term are:

- i. Cumbersome supply chain management policies and procedures which may delay tender or Request for Proposal processes;
- ii. Applications for the subdivision of agricultural land in terms of the Subdivision of Agricultural Land Act, Act No. 70 of 1970;
- iii. Environmental impact assessments and records of decision required in terms of the National Environmental Management Act, Act No 107 of 1998 (NEMA);
- iv. Water Use Licence applications in terms of the National Water Act, Act No 36 of 1998.
- v. Development approvals required in terms of the Spatial Planning and Land Use Management Act, Act No. 16 of 2013 (SPLUMA);
- vi. Road access approvals by all road authorities (SANRAL, Provincial Department of Transport and relevant Municipal Transport/Road Authorities);
- vii. Building Regulations and Standards approvals required in terms of the National Building Regulations and Standards Act, Act No. 103 of 1977 (as administered by DTI and Municipalities);
- viii. Business establishment support and information on incentives and concession packages which is to be facilitated by the Department of Trade and Industry (DTI) and the Provincial Department of Economic Development, Tourism and Environmental Affairs (EDTEA); and
- ix. Duplication and gaps in services delivered by Government Departments and Agencies and the need for more synergistic support to be given to catalytic projects.

18. INSTITUTIONAL FRAMEWORK FOR IMPLEMENTATION OF THE PLAN

The KwaZulu-Natal Economic Reconstruction and Transformation plan demonstrates the need for robust stakeholder collaboration, buy in and alignment of plans to fight Covid 19 crisis and its impact on the regional economy of KwaZulu-Natal. The structure below shows the importance of social partners in implementing the plans. KwaZulu-Natal province is a spatial continuum of districts and eThekweni metro and there is a need to ensure the involvement of municipalities to achieve alignment, implementation and commonality of purpose.

Figure 5: KZN Covid 19 Economic Reconstruction and Transformation plan



19. RECOMMENDATIONS

- i. Commitment by all Social partners to ensuring implementation of Covid 19 health protocols and ensuring worker's safety;
- ii. ESIEID Cluster Departments formulate their respective implementation plans with budget allocations;
- iii. Setting up a Provincial Covid 19 Industrial Stabilisation Fund to provide assistance to companies affected by the crisis;
- iv. Ensure economic transformation (inclusivity and SMME participation) is part of the recalibration of the KwaZulu-Natal economic landscape;
- v. Premier's Call to action to all role players to implement the Covid 19 Economic Reconstruction and Transformation plan;
- vi. A publicly held Company to localise the production of Medical Equipment with a mandate to develop, innovate and manufacture of medical equipment for the domestic market and export;
- vii. Promote and capacitate companies already producing health equipment and pharmaceuticals;
- viii. Strong drive and promotion of localisation opportunities across all the sectors of the economy and promote buy local campaign;
- ix. Focus on export-oriented industrialisation and consolidate regional integration in SADC and the African Continental Free Trade Area (AfCTA);
- x. Strong drive, political and technical will to unblock red tape and streamline regulatory requirements for investments and infrastructure development
- xi. Advocate for policy support for the production of hemp as an alternative to cotton;
- xii. Fast track public infrastructure development (roads, water, rail, ports, broadband)
- xiii. Support localisation initiatives in the agriculture sector such as production and Sell of Day old Chicks in Rural areas, cities and Towns;
- xiv. Robust drive to promote localisation of horticulture products;
- xv. Establish KZN Pre & Post Covid 19 Food Value Chain Fund;
- xvi. Re-orient tourism towards the domestic market to minimise impact;
- xvii. Streamline policy (licencing, access to finance and Covid 19 relief measures); to engender growth in the informal economy;
- xviii. Ensure Multi-disciplinary team to unblock red tape and streamline regulatory approvals is empowered to make decisions and has authoritative voice;
- xix. Streamline regulatory approvals and reduce turnaround times for applications for industrial development initiatives in SEZs

20. IMPLEMENTATION FRAMEWORK

20.1 Land and Agriculture

Intervention	Project	District	Local Municipality	Budget Allocation	Funded /Not Funded	Responsible Person	Time Frame
Mechanisation	Multi-planting Season across the province	All	All	R80.8 m 120 Jobs	Funded	DARD	1 year
	Equipment support programme	iLembe eThekwini		R6.95m 100 Jobs	R60 m	DARD	1 year
	Empowerment of farmers through Equipment production and Ownership	Amajuba uMgungundlovu uMkhanyakude Zululand	All	R7.78m	Funded	DARD	1 Year
Household Food Security Initiatives, and Up-scaling implementation of Farmer Support Programmes to support Programmes such as emerging and small scale farmers through production support, market access, (Post Harvest), Logistics, mechanization, logistics	<ul style="list-style-type: none"> ▪ 1H1G ▪ Community Gardens ▪ Mushroom Projects ▪ Provision of the Multi-planting Season Intervention 	All 11 Districts	All 56 Local Municipalities	R71.9m	Funded	CD Agriculture & 11 District Directors	0-1 Year

etc.							
Support for Smallholder farmers (Poultry, livestock, vegetable, and winter field crops) in response to the COVID-19 relief through distribution of vouchers	COVID-19 Smallholder Farmer Disaster Relief Fund	All 11 Districts	All 56 Local Municipalities	R99,7m	Funded	CD Agriculture & 11 District Directors	3 Months
Development of Egg factories (Layer cluster)	Development of commercial Egg Production Cluster	ILembe and uThukela		R50m 300 Jobs	Funded	CEO:ADA	1 year
Value chain and localisation support for Industrial crops	Establish 8000 hectares under Cotton Production and revamping the ginnery and spinning plant at Makhathini	uMkhanyakude	Jozini	R140 m	Not funded	DARD supported by EDTEA and COGTA	5 years
	Advocate for Policy support for the production of Hemp	uMzinyathi, Harry Gwala	All	None		EDTEA	5 years
Develop strategies to mitigate effects of climate change on food security	Research is undertaking research on Indigenous Livestock to preserve genetic	All	All	In house as part of Research Station Operations	Funded	CD Research (DARD)	0-3 Years

	material as a factor that will allow adaptation and production despite climate change effects						
Resuscitate unproductive Land Redistribution & Restitution Farms	Land Reform Recapitalisation & Resuscitation	All	All	TBC. Estimated R5.5 billion	Not Funded fully.	CD: DALRRD & CD: Agricultural Development (DARD)	5 – 10 Years
Catalytic Project : Unlock Milk Cluster	Development of dairy infrastructure and value chain (dairy cows , processing facilities and equipment, and distribution)	Harry Gwala		R180m	Not funded	CEO ADA	5 Years
Catalytic Project: Unlock Goat Industry	Commercialisation of goat value chain	Umzinyathi, uMkhanyaku de and Zululand	All	R60m	Funded	CEO ADA	5 Years
Catalytic Project: Unlock Red Meat Value Chain	Development of beef cattle out-grower model and commercialisation of the cattle across the whole value	Zululand, uThukela, uMgungundlovu, Sisonke, uMzinyathi	All	R150m	Funded	CEO ADA & DARD (DDG: Rural Development , Veterinary Service)	5 years

	chain						
Catalytic Project : Unlock the Makhathini Flats	Bulk Infrastructure Fund (National Treasury) for Makhathini Expansion & Mjindi/Makhathini Social Facilitation	Umkhanyakude	Jozini	R4.8 bn	Not Funded	CEO ADA & DARD (DDG: Rural Development , Engineering)	5-10 Years

20.2 Agro-processing

Intervention	Project	District	Local Municipality	Budget Allocation	Funded/Not Funded	Responsible Person	Time Frame
Marketing Support Programme-	Small Holder Agriculture Market Link	Province-wide	KwaZulu-Natal	R10 million	Not Funded	DDG IED, EDTEA, DARD, DOT TIKZN, Municipalities	1 year
Value Chain Localisation support	Agro-processing Value Chain Support for Poultry, Red Meat, Dairy, Horticultural Products, Fruits (pine apple, Mango)	All Districts	All Municipalities	Industrial Stabilisation	Not funded	EDTEA, DARD, Municipalities	1 year
Agro-processing Skills Development Support	SMME/Small Holder farmers training programmes	All Districts	All Municipalities			EDTEA, DARD, Municipalities, MKI, HEIs	
Fast track implementation of Agri-hubs (Production and agro-processing) in partnership with DALRRD	Develop 4 Agri-Hub Clusters: <ul style="list-style-type: none"> ▪ uMkhanyakude, Zululand, King Centswayo; ▪ uMzinyathi, N11 uThulela and Amajuba; ▪ Ugu, Harry Gwala and uMgungundlo 	18 FPSU's in All Districts 11 Districts clustered into 4 Agrihubs	Aligned to <i>all</i> District and LMs	FPSUs : R144m AgriHubs : R30m (start-up)	Funded	CD: DALRRD & DDG: Rural Development (DARD)	5 Years

	vu; ▪ eThekwini, iLembe These will be supported by Farmer Production Support Units (FPSUs) e.g. : <ul style="list-style-type: none"> • Ndumo/Makhatini • Jikijela/Nsuze • Mooi River/Tugela Ferry • Malenge/Riverside 						
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20.3 Mining

Intervention	Project	District	Local Municipality	Budget Allocation	Funded/Not Funded	Responsible Person	Time Frame
Promote Social cohesion (Mining and Industry)	Continuous Engagement through Economic Council structures	Province-wide	KwaZulu-Natal	NA	N/A	EDTEA, Economic Council	1 year
Establish aluminium industrial hub	Unlock implementation	King Cetshwayo	uMhlathuze		Not funded	RBIDZ, TIKZN, EDTEA	1 year

Zulti-South expansion	Unlock implementation	King Cetshwayo	uMhlathuze	Private Sector	Private Sector	EDTEA, DARD, Municipalities, MKI, HEIs	on-going
Promote Beneficiation	Operationalise the Aluminium hub to unlock downstream beneficiation of minerals	King Cetshwayo	uMhlathuze			RBIDZ, TIKZN, EDTEA	On-going

20.4 Industrial Development

Intervention	Project	District	Local Municipality	Budget Allocation	Funded/Not Funded	Responsible Person	Time Frame
Market intelligence to identify value chain opportunities	Continuous research to measure impact of Covid 19 crisis on business	All	All	In-house	N/A	EDTEA/MKI Research	Continuous
Provincial Industrial Stabilisation Support	Relief Measures for business to stimulate localisation of value chains and export development (ALL Sectors)	All	All	R100 m	Not funded	EDTEA	3 months
Buy local campaign (public	In partnership with Proudly	Province-wide	KwaZulu-Natal	R15m	Not Funded	EDTEA TIKZN	1 year

and private sector) through active promotion and provision of technology driven platforms/markets- Entire production value chains (Primary and secondary sectors)	South Africa – implement a campaign that will encourage consumers and government to procure from local manufacturers						
Revive Industrial Estates (Isithebe, Madedeni, EZakheni)	DTIC- Critical Infrastructure program – Revitalisation of industrial parks	Ilembe	Mandini	R49.98m	Funded	GCEO: Ithala Dev Fin Corp Ltd	
	Clothing and Textile Hub	Amajuba	Madadeni	R100m	Partially Funded	GCEO: Ithala Dev Fin Corp Ltd	

20.4.1 Special Economic Zones

Intervention	Project	District	Local Municipality	Budget Allocation	Funded/Not Funded	Responsible Person	Time Frame
Fast Track implementation of SEZs Project Pipeline	Fast-track implementation of Clothing and Textiles SEZs	uMgungundlovu, uThukela, Amajuba	uMsunduzi, Mooi River, Alfred Duma and New Castle	Conceptualisation and Lobbying stage	Not funded	EDTEA, TIKZN and DTPC	3 years
DTPC and RBIDZ	TradeZone 1: Mini-Factories 18 units (250 sqm) ready for occupation by SMME, start-up operations, support services, mid and micro manufacturers	eThekwini	eThekwini	Completed in 2019/2020 Budget year	Funded	CEO: Dube Trade Port	1 year Operational
	TradeZone 1: Mid – Size Factory Units (2000+ sqm) Ready built, investor ready facility for mid-size manufacturers, larger SMME operations, and investor right sizing.	eThekwini	eThekwini	R100 million	Funded	CEO: Dube Trade Port	1 year to 18 months Construction start Jan 2021 Completion December 2021
	TradeZone 2: Bulk Infrastructure: 45ha of new industrial land within SEZ designated area. Roads, water, electricity, sewerage, fencing, gate	eThekwini	eThekwini	R150 million	Funded	CEO: Dube Trade Port	1 year to 18 months Construction start June 2020 Completion December 2021 Early site access

Intervention	Project	District	Local Municipality	Budget Allocation	Funded/Not Funded	Responsible Person	Time Frame
	houses. Sector Targets: Pharmaceuticals, medical, healthcare Electronics Agro-processing						for investors provided.
	AgriZone 2: 30 ha of investor ready serviced agricultural platforms Earthworks and civil infrastructure Agri- production and agri-processing for SMME and mid-scale companies	eThekwini	eThekwini	R239 million	Funded	CEO: Dube Trade Port	<ul style="list-style-type: none"> ▪ 1 year to 18 months ▪ Construction start September 2020 ▪ Completion February 2022 ▪ Early site access for investors provided.
	Dube City: Multi-purpose office facility 6000sqm on completed basement parking site. Innovation Centre for start-ups, SMME's, Research and Development, DTPC Investors Support Facilities, Laboratories.	eThekwini	eThekwini	R300 million	Funded (MTEF budget)	CEO: Dube Trade Port	2 -3 years
	Automotive Supplier Park- Phase 1: Phase 1 is a 100 ha development to provide industrial			<ul style="list-style-type: none"> ▪ R321 million ▪ Bulk Services 	<ul style="list-style-type: none"> ▪ Not Funded ▪ To be jointly developed and funded 		1 to 3 years Target construction start date September

Intervention	Project	District	Local Municipality	Budget Allocation	Funded/Not Funded	Responsible Person	Time Frame
	sites and value added support services for automotive Tier1 and Tier 2 suppliers to OEM's in support of APDP2 and national re-industrialisation. Toyota is first target OEM customer.	eThekwin i	eThekwini	<ul style="list-style-type: none"> ▪ R607 million ▪ N2 ▪ Interchange ▪ R612 million ▪ Internal Services ▪ Total: ▪ R1,54 billion 	<ul style="list-style-type: none"> ▪ Sanral ▪ DTPC/EDTEA ▪ eThekwini Municipality 	CEO: Dube Trade Port	2021 to completion 2023
RBIDZ	Bulk water supply to Phase 1F from Mandlazini	KCDM	uMhlathuze Municipality	<ul style="list-style-type: none"> ▪ R39,5 million 	<ul style="list-style-type: none"> • Not funded • Application for SEZ fund in progress 	CEO: RBIDZ	31 March 2021
	Rail Link Project – Phase 1F	KCDM	uMhlathuze Municipality	<ul style="list-style-type: none"> • R102 Million 	<ul style="list-style-type: none"> • Not funded • Application for SEZ fund in progress 	CEO: RBIDZ	31 March 2021
	Palm Oil Refinery Project	KCDM	uMhlathuze Municipality	i. R1.3 billion	<ul style="list-style-type: none"> • Privately funded 	CEO: RBIDZ	1 to 2 years Target construction start date September 2020 to September 2022
	Titanium Dioxide Plant	KCDM	uMhlathuze Municipality	v. R4.5 billion	<ul style="list-style-type: none"> • Privately funded • RBIDZ 	CEO: RBIDZ	1 to 2 years Target construction start

Intervention	Project	District	Local Municipality	Budget Allocation	Funded/Not Funded	Responsible Person	Time Frame
					responsible for Top Structure funding and feasibility studies (provided by DTIC)		date September 2020 to May 2021 for phase one. Phase two projected in the outer years.
	Expedite development of RBIDZ agro-processing precinct	KCDM	uMfolozi Municipality	ii. R39 million (for acquisition) iii. Funding for development to be determined	<ul style="list-style-type: none"> • Funded (only for acquisition) • Not funded 	CEO: RBIDZ	2-3 years target

20.5 Pharmaceuticals

Intervention	Project	District	Local Municipality	Budget Allocation	Funded/Not Funded	Responsible Person	Time Frame
Localisation of value chains	Mentorship and Incubation of SMMEs/companies- Target companies already in the value chain	eThekwin i, King Cetswayo , Amajuba, uMgungu ndlovu	eThekwini, uMhlathuze, New Castle, umsunduzi	COVID 19 Innovation Fund- R10 m	Not Funded	DDG Industry, EDTEA	1-2 years
	Unlock Pharmaceutical sector at DTP SEZ- CIPLA investments which is already building momentum	eThekwini	eThekwini	Prv Sector	Pvt Sector	DTPC/EDTEA	1-2 years
	Promote repurposing of production lines towards medical devices – textile and plastic to meet local needs (private and public)	eThekwini	eThekwini	Industrial stabilisation	Not Funded	EDREA	1-2 years
	Resurrect the manufacturing of biologicals project at Dube Trade Port e.g. insulin	eThekwini	eThekwini			DTPC TIKZN	1 year
	Set up a COVID 19 Innovation Fund	All	All	Industrial Stabilisation		EDTEA	3 months

	to augment other innovation funding instruments to support development of innovative health technologies						
	Pharmaceutical Industry Localisation: Provision of specialist common utilities facility in Dube TradePort TradeZone 2 to support the establishment of Pharmaceutical and medical manufacturing Provides for multiple companies to share energy, gas, steam, heating, cooling, effluent treatment and water systems. cluster	eThekwini	eThekwini	Estimated R300 million	Not Funded Expected public and private funding PPP Revenue Generating Commercial return on investment	CEO: Dube Trade Port	2 to 3 years
	Support the incorporation of A state Owned entity	All	All	Industrial Stabilisation	Not funded	EDTEA	2/3 years

20.6 Clothing and Textiles

Intervention	Project	District	Local Municipality	Budget Allocation	Funded/Not Funded	Responsible Person	Time Frame
Relief Measures	Provide a Recovery Fund for Clothing and Textiles (SMMEs and Black Industrialists)	All	All Industrial	R50 million (Loan +Grant)	Not funded	CEO: IDFC	3 months
	Competitiveness enhancement	KwaZulu-Natal	KZN		Not Funded	TIKZN	Immediate
Facilitate Market Access	Promote Targeted Procurement of PPEs and other CMT value chain opportunities (Government/Private)	All	All	None	None	Treasury/EDTEA	On-going
Procurement of Sport attire from small medium and micro-enterprises (SMMEs)	Sport attire warehousing	All	All	R13.4mil	Funded	EDTEA Office of the Premier	September 2020
Value chain and localisation support for industry crops	<ul style="list-style-type: none"> Supporting the cotton cluster and Programmes for regional cotton supply integration and beneficiation Policy support for Hemp production 	Whole KZN	Whole KZN	R15m	Not Funded	DDG Industry, EDTEA	3 years
Promote the Establishment of Factory shops/ Value shop centres	Forge partnerships with well-established retail companies such as Mr Price, Woolworths, Truworths/	Province wide	All	Recovery Fund	Not funded	DDG; Industry, EDTEA	3 months

Intervention	Project	District	Local Municipality	Budget Allocation	Funded/Not Funded	Responsible Person	Time Frame
	Foshini Group for black industrialisation (Value chains)						
	Pop-up shops	Province-wide	All	Recovery Fund	Not Funded	DDG; Industry, EDTEA	1 year
	Promote Twinning Arrangements, Toll and contract manufacturing	Province wide	All	Recovery Fund	Not funded	TIKZN	
Fast Track Implementation of the Clothing and Textiles SEZ	Licencing, infrastructure investment and investment attraction	uMgungundlovu, uThukela and Amajuba	uMsunduzi, Mooi River, Newcastle Alfred Duma,	Recovery Fund	Not funded	TIKZN, EDTEA, DTPC	3 years

20.7 Automotive

Project	Project	District	Local Municipality	Budget Allocation	Funded or Not Funded	Responsible Person	Time Frame
Provincial Relief Measures	Market support - Government commitment to Buy Local	All	All	Per Department Procurement plan		KZNDOT/ All Departments	On-going
	Relief Support-KZN DFIs Loan scheme	All	All	R20m	Not funded	EDTEA, IDFC, KZNGF	3 months
	Municipal	All	All	N/A	N/A	COGTA/ All	3

	Services support-holidays/disconnections					Municipalities	month s-review
	Improve efficiency of Licencing offices and clear backlog	All	All	N/A	N/A	KZNDOT	Immed iate
Incubation and enterprise development of Township Mechanics, Spray painters and panel beaters	Improve efficiency of Licencing offices	All	All	N/A	N/A	KZNDOT	Immed iate
	Auto Service Hubs	uMgungu ndlovu	Msunduzi	R30 m	Partially Funded (uMsunduzi-Edendale Auto Service Hub)	DDG: Industry, EDTEA	1 year Phase one, 2022 for operati onal integra tion
Automotive Supplier Park-phase 1	eThekwini	eThekwini	eThekwini	Funded	CEO: Dube Trade Port		3 years
Promote localisation and innovation	Buy local campaign and Government procurement-assist local companies with market access	Province wide	All	Not funded		TIKZN/ EDTEA/ Treasury	On-going

	South Africa Automotive Proto-type development	Province wide	All	Not funded	Innovation Fund	EDTEA/DTIC	5 years
	Bus Industry transformation	Province wide	All	Not funded	Innovation Fund	EDTEA/DTIC	5 Years
	Promote empowerment through local ownership of freight trucks	Province wide	All	Not funded	Innovation Fund	EDTEA/DTIC	5 years
	Promote Smart mobility- electric vehicles, electric charging infrastructure, Ride sharing, smart transport	Province wide	All	Not funded	Innovation Fund	EDTEA/DTIC	5 years

20.8 Oceans Economy

Intervention	Project	District	Local Municipality	Budget Allocation	Funded/Not Funded	Responsible Person	Time Frame
Stimulate Ship Building and Ship repairs industry	Boat and Ship Building support package	eThekwini/ King Cetshwayo	EThekwini/ uMhlathuze	Recovery	Not Funded	DDG Industry, EDTEA	March 2021
	Work with Marine Transport manufacturing industry to grow the industry- work with players and the Navy						

Intervention	Project	District	Local Municipality	Budget Allocation	Funded/Not Funded	Responsible Person	Time Frame
	Fast track establishment of the boat building park						
	Apprenticeship training to advance skills development						
	Development of Ship Docking and Bunkering facilities	eThekwini/King Cetshwayo	EThekwini/uMhlathuze	Recovery Fund	Not Funded	DDG Industry, EDTEA	3 years
Implement proposals contained within the various strategies and policies e.g. Operation Phakisa, Fleet position Strategy, KIMS, Comprehensive Maritime Transport Policy, Merchant Shipping Bill	Aquaculture development zone	iLembe/uMngungundlovu	KwaDukuza uMshwathi	Recovery Fund	Partially	DDG Industry, EDTEA	1-5 years
	Small Harbours	Ugu, iLembe, King Cetshwayo, uMkhanyakud e				DPW, DOT, EDTEA	3-5
	Promote Desalination Plant- Expensive to run	iLembe, eThekwini	KwaDukuza	Private		COGTA-coordination	3-5
	Lobby for the establishment of KZN Shipping Company	eThekwini	eThekwini	N/A	N/A	EDTEA	3-5

Intervention	Project	District	Local Municipality	Budget Allocation	Funded/Not Funded	Responsible Person	Time Frame
Development of Fish processing plants	Establishment of satellite fish processing facilities in coastal municipalities to add value to the small scale fisheries products.	ILembe, UGu, King Cetshwayo, UMkhanyakud e, Umhlabuyalina and EThekwini	Mtubatuba, and Ray Nkonyeni as pilot projects.	R6.2m	Partially Funded	DDG Industry, EDTEA	March 2021
Capacitate aspirant and emerging maritime businesses to enter or grow their maritime businesses	Incubation and Accelerator Project	Province-wide	Province-wide	R1.9m (partially funded to the tune of R450 000)	Partially Funded	MKI: CEO	July 2020 – March 2021
Facilitate the development of Mariculture	Mariculture Development Project	King Cetshwayo District Municipality	Mandeni	R2.7m	Not funded	MKI: CEO	July 2020 – March 2021
Facilitate the development of the Marine Sports and Recreation	Dive & Nautical Programme	Province-wide	Province-wide	R490 000	Funded	MKI: CEO	Oct 2020 – 31 March 2021
Oil and Gas exploration	Lobby and support for speedy implementation by the three	Ugu, eThekwini, King Cetshwayo	uMhlathuze	Private sector driven		RBIDZ	3/5 years

Intervention	Project	District	Local Municipality	Budget Allocation	Funded/Not Funded	Responsible Person	Time Frame
	companies with licences						

20.9 Tourism

Intervention	Project	District	Local Municipality	Budget Allocation	Funded/Not Funded	Responsible Person	Time Frame
Tourism Relief for distressed tourism (small) businesses	Roll out tourism relief for KZN's small businesses in distress	All districts and local municipalities	Beneficiaries across all local municipalities	R38 m	Funded	ACEO: TKZN Chief Director	July 2020 – March 2021
	Support to Municipalities Further provide support to Community Tourism Organisations (CTO) as prescribed.						
Host events for destination promotion	Food Tourism Festivals, Tourism Month Virtual Experience – September 2020; Virtual Dundee July – postponed to 26 September	Events to be spread in all district municipalities	Events to be geographically spread	R15 m	Unfunded	ACEO: TKZN Chief Director	July 2020 – 2021/22

Intervention	Project	District	Local Municipality	Budget Allocation	Funded/Not Funded	Responsible Person	Time Frame
	2020; Virtual Mandela Marathon – 11 October 2020; Festive Season virtual concerts						
Domestic destination marketing	Domestic marketing to attract tourists within South Africa to focus on promoting affording travel packages. Platforms to be utilised include digital, television, radio, print, billboards, utilisation of brand ambassadors, and content insertion in local productions.	All District municipal tourism offerings to be showcased in the destination marketing campaigns	Local municipal tourism offerings to be showcased in the destination marketing campaigns	R10m	Funded	ACEO: TKZN	July 2020 – March 2021
Destination Marketing in Africa	Marketing in the rest of the African continent upon	All District municipal tourism	Local municipal tourism offerings to be showcased	R4 m			To be

Intervention	Project	District	Local Municipality	Budget Allocation	Funded/Not Funded	Responsible Person	Time Frame
	opening up of borders. Interventions include travel agent workshops and training and in-country destination activations.	offerings to be showcased in the destination marketing campaigns	in the destination marketing campaigns		Funded	ACEO: TKZN	determined by the risk adjusted strategy
Destination Marketing	Phased Destination Marketing interventions align to government's Risk Adjusted Strategy, focused on the domestic market (South Africa), regional markets (Africa) and international markets.	All District municipal tourism offerings to be showcased in the destination marketing campaigns	Local municipal tourism offerings to be showcased in the destination marketing campaigns	R20 m	Funded	Tourism KwaZulu-Natal	2020/21
Food Tourism	Food tourism development- Traditional food and Beer (uMqombothi) and	All	All	R5 million	Not Funded	EDTEA/TKZN	March 2021

Intervention	Project	District	Local Municipality	Budget Allocation	Funded/Not Funded	Responsible Person	Time Frame
	Food Festival Events						
Enterprise Development	SMME Tourism Enterprise Development Programme	Small enterprises from all District municipalities will be invited to join the programme	Small enterprises from all local municipalities will be invited to join the programme	R5 m	Funded	Tourism KwaZulu-Natal	2020/21
Infrastructure development	<u>Howick Falls Precinct</u> Regeneration of the Howick Falls Precinct through tourism infrastructure development	uMgungundlovu	UMngeni LM	R 5 m	Funded	Chief Director	2020/21
	<u>Mandela Capture Site</u> Upgrading of access road, entrance gate & guardhouse at Mandela Capture Site	uMgungundlovu	uMngeni LM	R12.45m	Funded	Chief Director	2020/21

Intervention	Project	District	Local Municipality	Budget Allocation	Funded/Not Funded	Responsible Person	Time Frame
	<p><u>Lilani Hot Springs</u> Lilani Hot Springs entails repairs, maintenance of the existing structures as well as development of new infrastructure assets.</p>	uMzinyathi	uMvoti LM	R18.4 m	Funded	Chief Director	2020/21
Infrastructure development	<p><u>Mkuze falls</u> Upgrade and refurbishment of the lodge within Mkuze Falls Game Reserve owned by the Nkuzana Community Trust</p>				Funded	Chief Director	2020/21
Infrastructure development	<p><u>Thokazi Lodge</u> The project entails the upgrade and expansion of the offerings at the existing Thokazi Royal Lodge.</p>	Zululand DM	Nongoma LM	R 5m	Funded	Chief Director	2020/21
Infrastructure	<p><u>Ndumo Upgrade</u></p>	uMkhanyakud	Jozini LM	R 9.5 m	Funded	Chief	2020/21

Intervention	Project	District	Local Municipality	Budget Allocation	Funded/Not Funded	Responsible Person	Time Frame
development	The upgrade of Ndumo resort	e DM				Director	
Infrastructure development	<u>Bhanga Nek Lodge</u> The project is owned by KwaDapha Community Trust. It consists of 2 camp sites.	uMkhanyakud e DM	Umhlabuyalingana LM	R21.6 million	Funded	Chief Director	2020/21
Infrastructure development	<u>Visitor Information Centres</u> Upgrade and refurbishment of Umkhuze, Zamimpilo and Okhahlamba Tourism Information centres	Uthukela and Umkhanyakud e DM	Jozini LM Umtubatuba	R 2.5 Million	Not Funded	Chief Director	2020/21
Infrastructure development	<u>Ingodini Border Cave</u> Construction of a tourism facility in the Border Cave	uMkhanyakud e DM	Jozini LM	R8 900 000	Funded	Chief Director	2020/21

Intervention	Project	District	Local Municipality	Budget Allocation	Funded/Not Funded	Responsible Person	Time Frame
	area in Nkungwini,						
Infrastructure development	<p><u>The J. L. Dube Ohlange Heritage Precinct</u></p> <p>The project link Ohlange School and the Original residence as one National Heritage Site including the Museum.</p>	Ethekwini			Not Funded	Chief Director	2020/22
	<p><u>The Durban Eye Wheel Development</u> – construction of a giant/observation wheel along the Durban Beachfront.</p>					Chief Director	2020/22
Infrastructure development	<p><u>Eco-Cultural Resort in Chelmsford Nature Reserve, Ntshingwayo</u></p>	Amajuba DM	Newcastle LM		Not Funded	Chief Director	2020/23

Intervention	Project	District	Local Municipality	Budget Allocation	Funded/Not Funded	Responsible Person	Time Frame
	<p>Dam Budget Resort Development is an national priority linked to domestic tourism activation. The project is endorsed by the national Tourism Department.</p>						

20.10 Creative Industries, Sports and Culture

20.10.1 Creative Industries

Key Initiatives	Intervention	Project	District	Local Municipality	Budget Allocation	Funded /Not Funded	Responsible Person	Time Frame
Buy local campaign (public and private sector) through active promotion and provision of technology driven	<p>Define/Identify the “producers” of content through Develop database of local participants in the sector</p>	Creative Arts Database	ALL	ALL	R1m	Not Funded	EDTEA Industry Associations	4 months
	<p>Secure the Market commitment for local products Quota in</p>	KZN Film Fund – local content quotas	ALL	ALL	R8m	Funded	KZNFC	Immediate

Key Initiatives	Intervention	Project	Dist rict	Local Municip ality	Budget Allocati on	Funded /Not Funded	Responsi ble Person	Time Frame	
platforms/mar kets	govt contracts/funding	Local Product listing database	ALL	ALL	R1m	Not Funded	EDTEA Industry Associations	4 months	
	Active Promotion and Marketing MEC and Public Figures to participate in "social media challenge- I buy local – do you?" Enter partnerships with media, radio and television to promote and market local artists/producers Provide and market technology platforms to promote local content	Marketing campaign		ALL	ALL	<u>R3,8m</u> R2m-TV R1m - Radio R800k – Digi,PR Use of social media agency	Not Funded	Provincial Comms KZNFC Associations	6 months
		Develop and manage/host "Proudly" KZN E- Commerce Platform with payment gateway integration	n/a	n/a	R1m	Not funded	EDTEA Industry Partner	Development – 2 months Populating and managing – 12 months	
		Live streaming platforms –	n/a	n/a	R1.5m	Not funded	EDTEA KUMISA	Development – 2 months	

Key Initiatives	Intervention	Project	Dist rict	Local Municip ality	Budget Allocati on	Funded /Not Funded	Responsi ble Person	Time Frame
		performing arts and music with payment integration and ticket software						Populating and managing – 12 months
		Drive-in Cinemas (local content)	1 in each district	Venue availability	R200 000 per screening 1 per month R2,2m	Not funded	KZNFC	1st screening in Aug- 12 months programme
Accessibility to Facilities and Technology to become economically viable	Provision of District Creative Hubs within communities	District Community Hubs	1 in each district		R2m per centre?	Not funded	EDTEA and DAC	4 months
Simplified Social relief Grant	Provincial Relief Grant to cater for the additional costs associated with complying with the	“Protocols fund” -support existing and new events/project	ALL	ALL	R35m	Not funded	EDTEA KZNFC (Film) DAC (Arts)	1 month for set up Relief for 6 months

Key Initiatives	Intervention	Project	Dist rict	Local Municipality	Budget Allocati on	Funded /Not Funded	Responsi ble Person	Time Frame
	sector specific protocols	s						
		Collaborative short uplifting heritage films -social cohesion (local musician, artist, crafter partner with filmmaker)	2 projects per distr ict		R1.5m per project R33m	Not funded	KZNFC KUMISA	1 month setup 1 month call out Award and implementat ion – 6-8 months
Skills and Business Development to improve quality and sustainability	Critical training to enhance existing skills through increased productivity and competitiveness. <i>Initially as webinars</i>	<ul style="list-style-type: none"> • Business Compliance Training • “Know your Rights” Product Design for Crafters Marketing • Financial Wellness • IT solutions 	Online platforms through webinars Funding support to be provided to data through associations Use of the KZN Digital Centres once		Av cost of session incl facilitator , data time R45000 Each subject to be presente d	Not funded	EDTEA Industry association s	Once a month for 6 months

Key Initiatives	Intervention	Project	Dist rict	Local Municip ality	Budget Allocati on	Funded /Not Funded	Responsi ble Person	Time Frame
					monthly over 6 month period =R45000 *6*6			
PMU	Project Management Team	Drive the implementatio n of the above interventions			Project Manager and Assistant R1,2 p/a	Not funded	EDTEA	12 months
Promotion of Local KZN Talent Enter partnerships with radio to promote and market local artists (Performing artists are given a platform to highlight their talent, profiled	KZNDAC Radio Programme: Inanda FM Ikhwezi FM Maputaland FM Inqubeko FM UGu Youth Radio North Coast Radio UGu Radio	Ethekwini South and North Ilembe Umkhanyakud e Amajuba Umzinyathi UTHukela UGu Harry Gwala	All LMs		R550 00 0 (R50 000) per District	Funded through the COVID Relief Funding	Deputy Directors in respective Districts	08/06/2020 to 31/07/2020

Key Initiatives	Intervention	Project	Dist rict	Local Municip ality	Budget Allocati on	Funded /Not Funded	Responsi ble Person	Time Frame
and engage with their fans in various Community Radio Stations)								
Promotion of Local KZN Talent Provincial relief funding (For artists whose events were cancelled)	Virtual concerts	All Districts	All LMs		R 2.05m	Funded	Director: Special Projects	27/04/2020 15/05/2020 25/05/2020 16/06/2020
Provincial Relief Fund for Sport and Recreation Sector	Provincial Relief Fund to assist athletes, coaches, technical personnel, sport federations, recreational entities and the fitness industry in KZN affected by the cancellation of events	All Districts	All Local Municipalities		R7m	Funded	DSR	September 30
e-Sport	Creation of e-	All	All		R1mil	Funded	DSR	Sept 2020

Key Initiatives	Intervention	Project	Dist rict	Local Municip ality	Budget Allocati on	Funded /Not Funded	Responsi ble Person	Time Frame
	gaming platforms (Technical hubs) Procurement of consoles and containers							
Improve participation in Marine, Sailing and Water Safety Programmes, and creation of employment opportunities	Support of the Assistant Instructor Programme and the Creation of employment opportunities through the Programme	Creation and support of Water Sport Centres to hire out boats and other water crafts (Sailing, Rowing, Canoeing) and Developing a Water Culture in KZN	All		R500 000	Not Funded	SAIL Africa DSR	March 2021
Club Development Programme	<ul style="list-style-type: none"> • Academies & Clubs Skill Training • Support growth of clubs as businesses • Running of Netball & Football Leagues • Development of Virtual Clubs 	All	All		R4,500,000	Funded	DSR	Aug – Sept 2020

20.10.2 Equine Industry

Intervention	Project	District	Local Municipality	Budget Allocation	Funded/Not Funded	Responsible Person	Time Frame
Improving Traditional Horse Racing Administration	Institutionalisation of Horse Racing Admin	All 11 Districts	25 Local municipalities	R 295K	Partially funded	<ul style="list-style-type: none"> • DSR • KZN THRBA 	
Hosting of Major Events	Major Events Hosting	All 11 District	25 Local municipalities	R 2.62 mil	Partially funded	DSR	March 2021
	Support for Local events	All	All	R14mil	Partially funded	KZNDSR, EDTEA, TKZN, Durban Tourism, KZN Sport Confederation	September 2020
Financial Support	Financial Support to Horse Organisations	All 11 districts	25 Local municipalities	R 450K	Partially funded	Coastal Horse Care Unit	March 2021
	Provide support to tradition horse racing and breeding association to improve traditional equine	All 11 districts	25 Local municipalities	R295K	Partially funded	Traditional Horse Racing and Breeding Association	31 March 2021

	j. Provide support to Coastal Horse Care unit to training artisans and farriers	All 11 districts	25 Local municipalities	R 450K	Partially funded	Coastal Horse Care Unit	31 March 2021
	• Provide support to tradition horse racing and breeding association to improve traditional equine	All 11 districts	25 Local municipalities	R 295K	Partially funded	Traditional Horse Racing and Breeding Association	31 March 2021

20.11 Informal Economy

Intervention	Project	District	Local Municipality	Budget Allocation	Funded/ Not Funded	Responsible Person	Time Frame
Institutional Support.	Implementation of KZN Online Business Information management system for the issuing of permits and business licenses;	Whole province	All	R1 m	funded	EDTEA – Regulation services	March 2021
	Provide guidance to municipalities on reasonable institutional capacity required to adequately support the Informal Economy;		10 LMs (selected based on the needs assessment)	R1.5m (Through our PMU Project)	funding	EDTEA (regulation services and RLED)	
	Informal Traders working Capital support-Needs assessment completed		All	R20m	unfunded	EDTEA - RLED	March 2021
Infrastructure	Management and allocation of municipal space to support economic development		All municipalities	R5m	unfunded unfunded	COGTA and EDTEA (RLED)	March 2021
	Provide trading space in Ithala & municipal buildings; address water, waste, sanitation & storage provision	Province-wide	All	R20m	unfunded	IDFC	March 2021
	Provide mobile or customized ready to use					EDTEA (RLED)	March 2021

	infrastructure like containers, customized mobile homes, carts, display carts etc.						
	Provide clearly demarcated sites for placing these mobile units					Municipalities	
	Provide refrigerated or containers as storage spaces for informal traders				unfunded	EDTEA	
	Establishment of functional user-friendly One-Stop shops and/or call centres in every district/municipality		All municipalities	R10m	unfunded	Municipalities	March 2021
ICT	Improved access to internet/ Wifi hot spots		All municipalities	R0	unfunded	EDTEA(leverage of the current rollout of the Broadband in all municipalities	July 2020
	Provide internet café to be used by informal for centrally ordering stocks as part of bulk buying		All municipalities	R20.6 m	unfunded	EDTEA	July 2020
Access to finance	Establishment of COVID-19 Industrial Stabilization Provincial Fund - with simplified criteria that will ensure access to the millions of people operating in		All municipalities	R20m	unfunded	EDTEA (Regulation services)	March 2021

	Informal Economy - simplified applications process Develop an appropriate funding instrument for KZN						
Policy and regulatory reform –	Finalize and implement KZN Informal Economy Master plan Get KZN Cabinet to approve the Masterplan. Massive roll out of the Masterplan throughout KZN Development of a standard bylaw for the province of KZN		All	Estimated R20m	Un funded currently	EDTEA (regulation services)	March 2021
	Finalise and implement the KZN Business Bill		All	R0.00		EDTEA (regulation services)	March 2021
Create Awareness for traders	Development and Issuing of Social Distancing guideline and protocols based on COVID-19 trading regulation;		All municipalities	R5m	unfunded	COGTA / EDTEA and Municipalities	July 2020
	Create public awareness of the Social Distancing guideline						

20.12 Infrastructure Development

Intervention	Project	District	Local Municipality	Budget Allocation	Funded/Not Funded	Responsible Person	Time Frame
Reprioritisation of Budgets towards high impact projects	Development of Prioritisation Model	N/a	N/a	Not Required as in house resources being utilised		KZN DPW – Infrastructure Programme Management Unit: B Bournes-Harper	1 Year
All private and public construction projects must be commenced	KZN – Integrated Infrastructure Master Plan (KZN-IIMP)	All	Various	R18 Billion	Funded as per approved ECE's	KZN DPW – Infrastructure Programme Management Unit: B Bournes-Harper	1 Year
Establish the construction agency	Development of Strategic Infrastructure Development Agency (SIDA)	N/A	N/A	R3 million	Funded	KZN – DPW B Bournes-Harper	2 years
Fast tracking expansion projects and increasing back of port operational efficiency	KZN – Integrated Infrastructure Master Plan (KZN-IIMP)	Ethekwini	Ethekwini	R1 Billion	Funded	KZN DPW – Infrastructure Programme Management Unit: B Bournes-Harper & P Dorkin	5 Yrs

Support all catalytic projects in the investment booklet	KZN – Integrated Infrastructure Master Plan (KZN-IIMP)	All	Various	R920 Billion	R300 Billion Funded. The balance is unfunded	KZN DPW – Infrastructure Programme Management Unit: B Bournes-Harper	20 Years
Provide regulatory support to SMMEs in the construction sector	KZN – Integrated Infrastructure Master Plan (KZN-IIMP) with a focus on the N2 / N3 Upgrades & Govt Precinct	Ethekwini, Umgungundlovu Ilembe Ugu	Ethekwini, Mkhambithini Msunduzi Kwadakuza Ray Nyokeni	R23 Billion	Funded	KZN DPW – Infrastructure Programme Management Unit: B Bournes-Harper & SANRAL – Mr D Nkabinde	10 years
Promote social cohesion through Economic Council	KZN – Integrated Infrastructure Master Plan (KZN-IIMP)	N/A	N/A	Nil	Not Required	Infrastructure Task Team of Economic Council: KZN – DPW B Bournes-Harper	Ongoing

20.12.1 Road/Rail Infrastructure

Intervention	Project	District	Local Municipality	Budget Allocation	Funded/Not Funded	Responsible Person	Time Frame
Integrated Public Transport Solution	King Shaka Public Transport Link solution- Undertake a detailed feasibility and designs	eThekwini, uMgungundlovu, King Cetswayo, Ugu	eThekwini, uMsunduzi, uMhlathuze, Ray Nkonyeni	R50 million	Funded	DDG Industry, EDTEA/ DDG Public Transport, DOT	3 years
	Lobby for the development of the Durban-Johannesburg High speed train						
Road Network Expansion (Upgrading and New)	Road Upgrade from Gravel to Blacktop	Various Districts	Various Municipality	R1,16 billion	Funded as per approved ECE's	Infrastructure Programme Manager: SS Nkosi KZNDOT	Annual
New Construction projects	New Bridges	Various Districts	Various Municipality	R262,8 million	Funded as per approved ECE's	Infrastructure Programme Manager: SS Nkosi KZNDOT	Annual
	New Construction	Various Districts	Various Municipality	R77 million	Funded as per approved ECE's	Infrastructure Programme Manager: SS Nkosi	Annual

						KZNDOT	
Road Network Preservation	Rehabilitation of surfaced roads	Various Districts	Various Municipality	R2,68 billion	Funded as per approved ECE's	Infrastructure Programme Manager: SS Nkosi KZNDOT	Annual
Maintenance Programmes	Reseal	Various Districts	Various Municipality	R230 million	Funded as per approved ECE's	Infrastructure Programme Manager: SS Nkosi KZNDOT	Annual
	Maintenance	Various Districts	Various Municipality	R1.2 billion	Funded as per approved ECE's	Infrastructure Programme Manager: SS Nkosi KZNDOT	Annual

20.12.2 Road Infrastructure Empowerment Opportunities

Project	District	Local Municipality	Budget Allocation	Funded/Not Funded	Responsible Person	Time Frame
Expand Vukayibambe Routine Road Maintenance Programme from 2723 to 4000 work opportunities	All districts	All Local Municipalities	R 96 million	Fully funded	SS Nkosi : DDG TIRS	18 months
Upgrade of Local road L 1578 to create 135 work opportunities	eThekweni Metro	eThekweni	R 95 million	Fully funded	SS Nkosi : DDG TIRS	1 year

Sourcing of aggregates (lime, stones, quarry material etc) on various roads	Piloted in eThekweni, uMkhanyakude with an intension, to roll out in all district	All Local municipalities	R 100 million (estimate 10% of total for each road budget	Partially	SS Nkosi: DDG TIRS	3-5 years	

20.12.3 Aviation Sector

Intervention	Project	District	Local Municipality	Budget Allocation	Funded/Not Funded	Responsible Person	Time Frame
Robust Aviation sector that promote tourism development	King Shaka International Airport connectivity	eThekweni	eThekweni/Kwadukuza	R50 million	Funded	DTPC/TKZN	On-going
	KZN Regional Airports	uMgungundlovu, King Cetswayo, Ugu, uMkhanyakude, Zululand, Amajuba	uMsunduzi, uMhlathuze, uLundi, Newcastle, Ray Nkonyeni	R100 million	Funded	DDG Industry, EDTEA/ DDG Public Transport, DOT	3 years

20.12.4 Water Infrastructure

Intervention	Project	District	Local Municipality	Budget Allocation	Funded/Not Funded	Responsible Person	Time Frame
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Roll out security of water projects using WSIG, RBIG for high impact projects	Umkhamaas BWS			R20	Funded	Umgeni Water	2025
	Steven Dlamini Dam	Harry Gwala		R1b	Funded	Umgeni Water	2023
	Lower Mkomaas BWS			R3b	Funded	Umgeni Water	2023
	Cwabebi Dam	Ugu			Funded	Umgeni Water	2023
	Raising of the dam wall for Hezelmere Dam to increase capacity from 23million M3 to 43 million m3 per annum	Ethekwini		R600m	funded	Umgeni water	Ongoing
	Driefontein BWS	Uthukela		R250m	Funded	Uthukela District and Umgeni Water	Ongoing till 2025
	Umshwati BWS	Umgung undlovu		R857m	Funded	Umgeni Water and Umgung District	Ongoing till 2025
	Maphumulo BWS	Ilembe		R133m	Funded	Umgeni Water	Ongoing till 2023
	Greater Mpofana BWS	Umgung undlovu		R461m	funded	Umgeni Water	

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20.12.5 Housing Infrastructure

Intervention	Project	District	Local Municipality	Budget Allocation	Funded/Not Funded	Responsible Person	Time Frame
Roll out catalytic Housing projects	Greater Cornubia Phase 2(5000 units)- Pvt and Public	eThekwini	eThekwini	Funded		DOHS HDA	
	Empangeni IRDP – 6000 units (Private and Public)	King Cetshwayo		Funded		DOHS	
	Hide Park– Land acquisition for 4000 units completed	iLembe	KwaDukuza	Funded		HDA	
	Ntshongweni integrated human settlement	eThekwini	eThekwini	Funded		DOHS	
	Greater Dukuduku Project	uMkhanyakude		Funded		HDA	
	VULINDLELA RURAL HOUSING PROJECT (EPHP)	uMgungundlovu		Funded		DOHS	
	JBC Housing Project	Amajuba	Newcastle	Funded		HDA	

	8000 units- Planning for 2000 units completed (Public)						
	Amawothi Housing Project Public and Private	eThekwini	Phoenix and Verulum	Funded		DOHS	
	Bridge City Housing project	eThekwini	Kwamashu	Funded		HDA	
	eThekwini Inner city- addressing derelict buildings	eThekwini	eThekwini	Funded		DOHS	
	Newcastle Hospital Street Social Housing Project	Amajuba	Newcastle	Funded		HDA	

3.1 Telecommunications and Digital Economy

Intervention	Project	District	Local Municipality	Budget Allocation	Funded/Not Funded	Responsible Person	Time Frame
Set up of ICT Hubs in rural and township areas.	KZN Digital Centre's	eThekweni, Zululand, Harry Gwala, King Cetshwayo, uMgungundlovu, uGu	Dube City, uPhongolo, Kokstad, Umfolozi, Richmond, Umdoni	R6 000 000	Funded	MKI: CEO	31 March 2021
Connectivity and Broadband	Establish Broadband Project Management Office	Province-wide	Province-wide	R8 million	Funded	DDG Industry, EDTEA	July 2020
	Replicate the JL Dube broad band POC Model across all the Districts	Province Wide	All	R20 million	Not Funded	DDG Industry, EDTEA, DTPC, MKI	On-going
	Roll out WIFI hotspots in rural centre	Province-wide	Province-wide	40 million	Not Funded (leverage funding)	EDTEA, DTPC, MKI	March 2021
Develop a SMME/ Innovator rapid acceleration support programme	Empower SMMEs to connect Rural Areas as Service providers	Province-wide	Province-wide	20 million	Not Funded	DTP: CEO	March 2021

Techno Hubs	Digital Hub- A company appointed by the DTIC has resumed work during level 3	Ilembe	Mandini	R10 million	Not funded	GCEO: Ithala Dev Fin Corp Ltd	
	Refurbishment and Set up of IT, IOT and Data printing equipment	King Cetshwayo, Ugu, Amajuba	Province-wide	R9 million	Funded	DDG Industry, EDTEA	December 2020

3.2 Renewable Energy

Intervention	Project	District	Local Municipality	Budget Allocation	Funded/Not Funded	Responsible Person	Time Frame
Finalise the Sugar Industry Masterplan to allow for diversification of the Sugar Industry and acquisition of technology for biofuels/ co-generation	Business case development for an integrated bio-refinery to produce Ethanol of various grades and cellulosic. Also Ethylene, Bo Ethylene Oxide and Mono-Ethylene	King Cetywayo	Mhlathuze	R10m	Not funded	Simphiwe Fikizolo	July - March 2021

	Glycol adding value to SAFDA Sugarcane and bagasse as feedstock						
	Partnership with Brazil - Acquisition and best-practice on technology to promote Sugar Cane diversification- Bi-ethanol	Provincial	Provincial	R5 m	funded	EDTEA	March 2021
	Establish Renewable Energy farms (partnership with Germans) - COP 17	iLembe, eThekwini	KwaDukuza			EDTEA, COGTA	
Promote small scale Solar embedded generation - Municipal level (SALGA)	Feasibility study for small scale power generation to reduce household use of grid energy in municipalities with high Eskom debt	ALL		R3m	Not funded	COGTA	2021/22
	Roll out of retrofit programme for public buildings using labour intensive	all	all	R40m	Not funded	Public works and municipalities led by COGTA	Immediate

	mechanisms						
Waste Recycling to energy	Pilot waste to energy projects in secondary cities landfill sites – Msunduzi, Umhlathuze and Newcastle	Umgungu ndlovu, KCD and Amajuba	Msunduzi, Newcastle and Umhlathuze		Not funded	COGTA and DEDTEA	
	Roll out massive recycling programme for municipalities that generate waste and establish recycling plants – mass employment creation in circular economy	All	All	R15m per site	Not funded	COGTA and DEDTEA	
Promote Biomass energy production in rural areas (Partnerships with Municipalities)- Pilot with iLembe	Roll out Biogas project using cow dung by installing bio digesters to support rural municipalities and create labour intensive job	Ilembe	Maphumulo	R10m	Not funded	COGTA and EDTEA	July - March 2021

District	opportunities						
	Pilot biomass energy production for industrial parks to reduce electricity costs	Ilembe Newcastle	Mandeni Madadeni	R20m	Not funded	COGTA and EDTEA	2020/21

3.3 Trade and Investment

3.3.1 Investment

Intervention	Project	District	Local Municipality	Budget Allocation	Funded/Not Funded	Responsible Person	Time Frame
Improve the business environment and the overall doing business ranking in KZN	Doing Business In KZN Initiative	Whole of KZN	Whole of KZN	1 million	Funded	Farai Moyo	Ongoing
Project Brokering Unit – Easing of Red Tape and accelerating decision making on KZN’s Catalytic Projects	Capacitate the Project Brokering Unit	KwaZulu-Natal	KwaZulu-Natal	R2 500 000	Unfunded	TIKZN	Immediate
Expedite adoption and implementation of Draft KZN Integrated Trade and Investment Strategy	Draft Integrated Trade and Investment Strategy	Whole of KZN	Whole of KZN	-	Not Funded	Fikiswa Pupuma Farai Moyo TIKZN	Immediate
Business retention and expansion Programme Implementation	KZN Executive Liaison Campaign 8-Asides	All KZN districts	<ul style="list-style-type: none"> • Ethekwini • Ladysmith • Pietermaritzburg • Newcastle • Dundee • Ulundi • Port 	R2 million	Unfunded	TIKZN	Immediate
				R1 million	Funded	Farai Moyo	Ongoing

			Shepstone •Richards Bay •Greytown •Kokstad				
Aggressively market KZN Investment Projects through online platforms in India, Russia, China, USA, UK, Germany, Japan	Projects Marketing through Online seminars and conferences in key markets	All Districts RBIDZ DTP	All	R2.5m	Funded	TIKZN	July - March 2021
Partner with MNCs in the promotion of KZN and attraction of new investments for their home countries (e.g. Defy – Turkey and Eastern Europe; Toyota – Japan, ASEAN, etc.)	4 Targeted investment attraction initiatives using KZN based MNCs	All Districts RBIDZ DTP	All	R800 000	Funded	TIKZN	July - March 2021
Utilise the One Stop Shop Project Brokering Unit – to ensure implementation of high Impact and Catalytic Projects in KZN (Cato Ridge Multi-modal, Wewe Driefontein, Blythedale, Tinley Manor, Mahindra Expansion, Ford, etc)	High Impact and Catalytic Projects Brokering through One Stop Shop	All Districts	All	R1.5m	Unfunded	TIKZN	July - March 2021
Fast track implementation and	Conversion of Pipeline	All Districts	All	R4.5m	Unfunded	TIKZN Executive	July-March

conversion of pipeline projects	Projects to investment projects					Manager: Investment Promotion	2021
Accelerate the investments into the Pharmaceutical Industry, Health and medical Supplies, and production of PPE (import replacement)	Health and pharmaceuticals sector import replacement projects implemented	All Districts RBIDZ DTP	All	R3.5m	Unfunded	TIKZN Executive Manager: Investment Promotion	July-March 2021

3.3.2 Export Promotion

Intervention	Project	District	Local Municipality	Budget Allocation	Funded/Not Funded	Responsible Person	Time Frame
Enhance KZN's global competitiveness and market access	KZN Competitiveness Programme	Whole of KZN	Whole of KZN	R1 million	Funded	Farai Moyo	Ongoing
				R2,5 million	Partial fund	TIKZN	Immediate
Export promotion – Assist KZN companies to access new markets.	Export Promotion	All	All	R2.1m	Unfunded	TIKZN Executive Manager: Export Promotion	July - March 2021
Link banking institutions with companies that secure export orders.	Export Promotion	All	All		Unfunded	TIKZN Executive Manager: Export	July - March 2021

						Promotion	
Product Market Analysis and Identification of Alternative Markets.	Export Promotion and Export Development	All	All		Unfunded	TIKZN Executive Manager: Export Promotion	July - March 2021
Develop Export Markets for Clothing & Textiles, Leather and Foot ware, Arts and Crafts, Agro-processing, parts and components (Automotive, maritime)	Export Promotion and Export Development	All	All		Unfunded	TIKZN Executive Manager: Export Promotion	July - March 2021
Implement E-commerce/online trade opportunities (e-exhibitions and business to business Match-making opportunities)	Export Promotion and Export Development	All	All		Unfunded	TIKZN Executive Manager: Export Promotion	July - March 2021
Export Development: Registration of KZN companies as exporters.	Export Development	All	All	R1.4 m	Unfunded	TIKZN Executive Manager: Export Promotion	July - March 2021

Address regulatory and compliance issues to export i.e. Food Safety, enhanced hygiene standards, product certification and testing.	Export Development	All	All		Unfunded	TIKZN Executive Manager: Export Promotion	July - March 2021
Export development and training to include companies based in township economy to enable them to trade inter-provincially and export	Export Development	All	All		Unfunded	TIKZN Executive Manager: Export Promotion	July - March 2021

3.3.3 Business Retention

Intervention	Project	District	Local Municipality	Budget Allocation	Funded/Not Funded	Responsible Person	Time Frame
Proactive support for committed investments to	Please refer to Annexure A (List of Company	All	Annexure A	R2m TIKZN project	Funding raised by Project	TIKZN	2021

accelerate implementation (partner with Presidentially Announced Investments to ensure support for Implementation)	Expansion Projects)			facilitation costs	Promoters.		
Assist with financial support to qualifying businesses in distress through technical assistance fund, BEE Financial Scheme and Business Support Fund	<ul style="list-style-type: none"> Manolaya Trading (Pty), BEE Consortium to acquire Frame Knitting Manufacturers. Company targeted interventions (Eskort (Pty) Ltd.; SMMEs etc) 	eThekweni KwaZulu-Natal wide	Nkosi Langalibalele Municipality KZN wide	TIKZN Business Support Funds – R30m	Unfunded	TIKZN	2/2021
Support 35 high value businesses and Industrial parks across the Province	i. Please refer to Annexure B.	All	All	R2m	R20m Unfunded	TIKZN	2020/2021
Implement the buy local campaign in partnership with Proudly South Africa	<ul style="list-style-type: none"> Please refer to Annexure C. 	All	All	R2m	Unfunded	TIKZN led integrated government team.	2020/2021

Create a data-base of informal businesses in partnership with UKZN	This will be done via the TIKZN MOU with UKZN	All	All	R1m	Funding Required	TIKZN One-SS and EDTEA.	2020/2021
Implement six KZN Municipal Business Retention and Expansion Programmes	To be implemented with KZN Growth Coalition at 8A Side engagements.	6	6	R3m	Funding required.	TIKZN and EDTEA	2021
Partner with industry clusters and associations to implement SMME Supply Chain participation and Enterprise Development	MOU signed with Clusters	4 Clusters (Automotive, Chemicals, Clothing and Furniture)	Prioritised industrial hub locations.	R2m	Funding Required	TIKZN	2021
Business stability initiative for SMME Mentorship and coaching	TIKZN signed MOU with DCCI and KZN Growth Coalition. MOU with PMCB to be signed in July 2020. TIKZN partnership on the PUM Programme	All	All	R5m	Additional funding required.	TIKZN	2020/2021

4 APPENDIX 1: MONITORING AND EVALUATION INDICATORS

Table 44: ESID Cluster Data Collection

Sort Order	Indicator	Target	Data Element group	Responsible Department	Frequency of reporting			
					Weekly	Monthly	Quarterly	Calculated
SMMEs								
1	Number of SMMEs/Cooperatives provided with Covid 19 related information	Number	Health Compliance	EDTEA		x		
3	Number of small enterprises (SMMEs/Cooperatives) assisted to apply for the relief funds	Number	Sector development	EDTEA		x		
4	Number of small enterprises (SMMEs/Cooperatives) supported to participate in new value chain opportunities	Number	Sector development	EDTEA			x	
TOURISM								
1	Number of Hotels and lodges inspected for Covid 19 health compliance	Number	Health Compliance	TKZN/EDTEA		x		
2	Number of Hotels and lodges receiving relief support	Number	Sector development	TKZN/EDTEA		x		
3	Number of Destination marketing programmes	Number	Sector development	TKZN/EDTEA		x		
INDUSTRIAL DEVELOPMENT								

Sort Order	Indicator	Target	Data Element group	Responsible Department	Frequency of reporting			
					Weekly	Monthly	Quarterly	Calculated
1	Number of municipalities using the KZN Automated system to process trading permits	Number	Health Compliance	TIKZN/EDTEA /Business Chambers	x			
2	Number of social distancing guidelines developed to assist municipalities	Number	Health Compliance	TIKZN/EDTEA /Business Chambers	x			
3	Number of municipalities that have re-marked their trading spaces to facilitate social distancing	Number	Sector development	TIKZN/EDTEA			x	
4	Number of public awareness programmes for municipalities/traders on social distancing issues	Number	Sector development	TIKZN/EDTEA	x			
5	Number of municipalities that have developed LED/Finance/Support plans for informal economy during and post Covid 19	Number	Sector development	TIKZN/EDTEA			x	
6	Number of municipalities that have provided sanitization facilities for the trading spaces	Number	Public private partnerships	TIKZN/EDTEA	x			

Sort Order	Indicator	Target	Data Element group	Responsible Department	Frequency of reporting			
					Weekly	Monthly	Quarterly	Calculated
7	Number of informal traders that have been issued with valid permits as per the KZN Automated system	Number	Sector development	TIKZN/EDTEA			x	
8	Number of inspections targeting informal trading	Number	Sector development	TIKZN/EDTEA /KZND OH			x	
INFRASTRUCTURE DEVELOPMENT								
1	Number of construction sites inspected for Covid 19 health protocol compliance	Number	Health Compliance	INFRASTRUCTURE NERVE CENTRE/EDTEA/DOH/DOT		x		
2	Percentage of construction sites inspected that are compliant	%	Health Compliance	Infrastructure Nerve Centre/EDTEA / DOH	-	X		
3	Number of tests conducted per major construction site per district	Number	Health Compliance	INFRASTRUCTURE NERVE CENTRE/EDTEA/DOT		x		
4	Percentage of positive / negative results	%	Health Compliance	Infrastructure Nerve Centre/EDTEA / DOH	-	X		
5	Number of infrastructure projects facilitated for regulatory approvals	Number	Sector development	INFRASTRUCTURE NERVE CENTRE/EDTEA/DOT			x	

Sort Order	Indicator	Target	Data Element group	Responsible Department	Frequency of reporting			
					Weekly	Monthly	Quarterly	Calculated
6	Number of infrastructure projects with budgetary challenges	Number	Infrastructure	Infrastructure Nerve Centre/EDTEA/PT			x	
7	Value of projects budgetary challenges	Rand Value	Infrastructure	Infrastructure Nerve Centre/EDTEA/PT			x	
8	Number of Broadband infrastructure projects	Number	Infrastructure	EDTEA/DTPC/CO GTA/OTP/AWG 13			x	
9	Capacity of the Broadband projects (ie. How many users / connections can the infrastructure support)	Number	Infrastructure	EDTEA/DTPC/CO GTA/OTP/AWG 13			X	
10	Number of Rural Communities with free WIFI	Number	Infrastructure	EDTEA/DTPC/CO GTA/OTP/AWG 13			x	
11	Value of construction contracts awarded to SMME	Rand Value	Sector development	INFRASTRUCTURE NERVE CENTRE			x	
INFORMAL ECONOMY								
1	Number of public awareness programmes for municipalities/traders on social distancing issues	Number	Health Compliance	EDTEA/COGTA	x			
2	Number of municipalities that have developed						x	

Sort Order	Indicator	Target	Data Element group	Responsible Department	Frequency of reporting			
					Weekly	Monthly	Quarterly	Calculated
	LED/Finance/Support plans for informal economy during and post Covid 19 etc.							
3	Number of Screenings	Number	Health Compliance	DOH/EDTEA/COGTA	x			
4	Number of tests	Number	Health Compliance	DOH/EDTEA/COGTA	x			
5	Number of Informal Traders receiving support	Number	Sector development	EDTEA/COGTA			x	
6	Number of Permits issued to informal traders	Number	Sector development	EDTEA/COGTA			x	
7	Number of markets sanitized	Number	Sector development	EDTEA/COGTA		x		
8	Number of informal traders receiving marketing support	Number	Sector development	EDTEA/COGTA		x		
8	Number of inspections to informal trading markets per district	Number	Sector development	EDTEA/COGTA		x		
AGRICULTURE								
1	Number of smallholder farmers supported with Covid	Number	Sector development	DARD	x			

Sort Order	Indicator	Target	Data Element group	Responsible Department	Frequency of reporting			
					Weekly	Monthly	Quarterly	Calculated
	19 relief funds							
2	Number of hectares under food production	Number	Sector development	DARD		x		
3	Number of farm workers receiving relief support	Number	Health Compliance	DARD		x		
4	Number of Smallholder farmers supported to access markets	Number	Sector development	DARD		x		
5	Number of smallholder farmers supported with agricultural production advice	Number	Sector development	DARD		x		
6	Number of smallholder with agricultural infrastructure to support food production	Number	Sector development	DARD		x		
INVESTMENT AND TRADE								
1	Number of Export Development initiatives	Number	Sector development	TIKZN/ EDTEA/ Business Chamber			x	
2	Number of companies assisted with export development	Number	Sector development	TIKZN/ EDTEA/ Business Chamber			x	

Sort Order	Indicator	Target	Data Element group	Responsible Department	Frequency of reporting			
					Weekly	Monthly	Quarterly	Calculated
3	Number of export promotion initiatives	Number	Sector development	TIKZN/ EDTEA/ Business Chamber			x	
4	Number of new investment brokered into the province	Number	Sector development	TIKZN/ EDTEA/ Business Chamber			x	
CREATIVE INDUSTRY								
1	Number of Artists receiving Covid 19 support						x	
2	Number of new markets						x	

Health Manufacturing and Innovation

Indicator	Target	Responsible Department	Frequency of reporting			
			Weekly	Monthly	Quarterly	Yearly
Number of up to date databases of manufacturers of medical devices, equipment, furniture, consumables and PPE.	1	TIKZN	x			
Number of local producers assisted with broadening market access into Africa (export promotion)	Number	TIKZN			X	
Functional market access portal showcasing local produced products available	1	EDTEA			X	
Functional innovation portal showcasing innovative technologies or solutions to local challenges	1	TIKZN, MKI, EDTEA			X	
Functional provincial communication portal	1	OTP			X	
Annual innovation challenge hosted	1	EDTEA				X
Number of SMMEs accessing relief funds		EDTEA		X		
Number of SMMEs participating in new value chain opportunities		EDTEA		X		

