



**KWAZULU-NATAL PROVINCE**

ECONOMIC DEVELOPMENT, TOURISM  
AND ENVIRONMENTAL AFFAIRS  
REPUBLIC OF SOUTH AFRICA



# PROVINCIAL TOURISM AND INVESTMENT COMMITTEE

## KWAZULU-NATAL ECONOMIC RECONSTRUCTION AND TRANSFORMATION PLAN

**17 September 2020**

GROWING KWAZULU-NATAL TOGETHER

# OUTLINE



- 1. Statement by the President**
- 2. Methodology**
- 3. Objectives**
- 4. Pillars**
- 5. Alignment with the National Policy Developments**
- 6. Pillars of the Reconstruction plan**
- 7. Key Implementation Anchors**
- 8. Recommendations**



# **Statement by President Ramaphosa on measures in response to Covid 19 21 April 2020**



- **“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, towns, villages and rural areas vibrant centres of economic activity”**

# Global Economic Performance

World  
Economic  
growth 2020:  
**-4.9%** (IMF  
Forecast)

No. of working  
hours lost globally  
in Q2 2020:  
**400 million full-  
time jobs  
equivalent**  
(ILO estimate)

Sub-Saharan  
Africa growth in  
2020:  
**-3.2%**  
(IMF forecast)

2<sup>nd</sup> quarter  
Exports declined  
**by 72.9%**  
Imports  
decreased by  
**54.2%**

Fixed investment  
spending in SA in  
Q2 2020:  
**-59.9% (q-o-q)**  
(Stats SA)

South Africa's  
Unemployment  
Rate:  
**2020 1<sup>st</sup>  
Quarter : 30.1%**

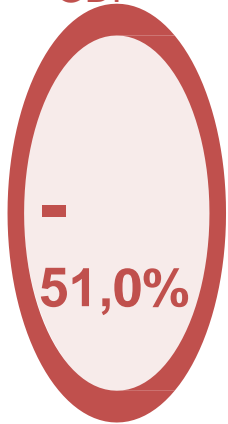
SA main budget  
deficit in fiscal  
year 2020/21:  
**14.6% of GDP**  
(National Treasury  
projection)

South Africa's  
economic growth:  
**2<sup>nd</sup> Quarter: -51%**  
**2020 = -8.0%**  
**2021 = +3.0 %**  
(EDTEA Forecast)

# Depressed Economic Growth

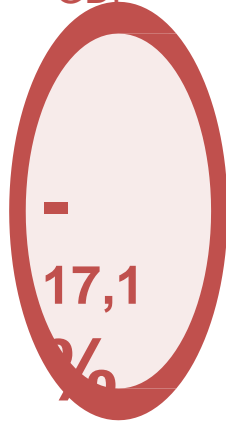
## South Africa

Real  
GDP



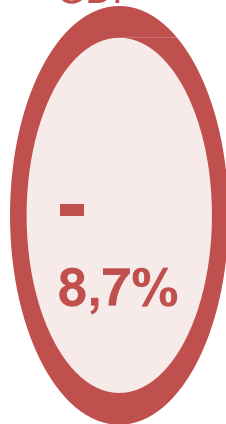
in Q2: 2020  
(quarter-on-  
quarter)  
Seasonally adjusted  
and annualised

Real  
GDP



in Q2:  
2020  
(year-on-  
year)  
unadjusted

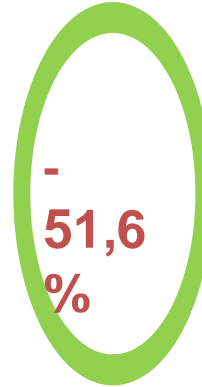
Real  
GDP



in Q2: 2020  
(6 month-6  
month)  
Unadjusted, year-  
on-year

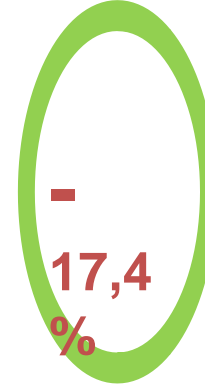
## KwaZulu-Natal

Real  
GDP



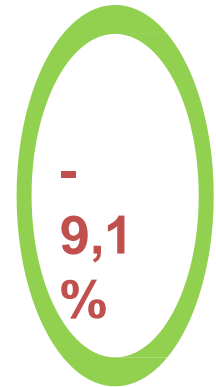
in Q2: 2020  
(quarter-on-  
quarter)  
Seasonally adjusted  
and annualised

Real  
GDP



in Q2:  
2020  
(year-on-  
year)  
unadjusted

Real  
GDP



in Q2: 2020  
(6 month-6  
month)  
Unadjusted, year-  
on-year

# Covid 19 changes that are likely to be sustained beyond the Pandemic

- Global consumer patterns have changed
  - Shrinking Middle income earners- unemployment
  - New consumer patterns- cautious spending
  - Digital economy- e-commerce, home entertainment
  - Experience more with less
  - Virtual workforce
  - Virtual meetings- Physical boardrooms are threatened
  - Conferencing business is threatened (Events, meetings, workshops)
  - Sit in restaurants are threatened
- **Covid 19 has accelerated three long-term trends:**
  - **The ever-increasing focus on health-** Positive impact on pharmaceuticals and food industries, a health nation
  - A rise in conscious consumption- negative impact on growth
  - Growing love for local- Local spending, negative impact on tourism
- Change in consumer patterns will decimate certain industries and strengthen some
- **Gargantuan appetite to travel-** will revive tourism and those countries with the right product will recover fast

# Objectives

1. To recalibrate, revitalise, restructure and transform the economy of the province to achieve sustainable growth and employment creation
2. Facilitate the access of relief measures by business
3. Reduce the risk of transmission of coronavirus pandemic amongst workers
4. Devise a process of managing the unintended socio-economic risks of Covid 19 Pandemic
5. 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

# Process flow/ Methodology

Industry engagements



Framework outlining the process to Economic Recovery

Appointment of a Think Tank/ Workstream (Webinars)

Formulation of the Reconstruction Plan

Implementation Plan



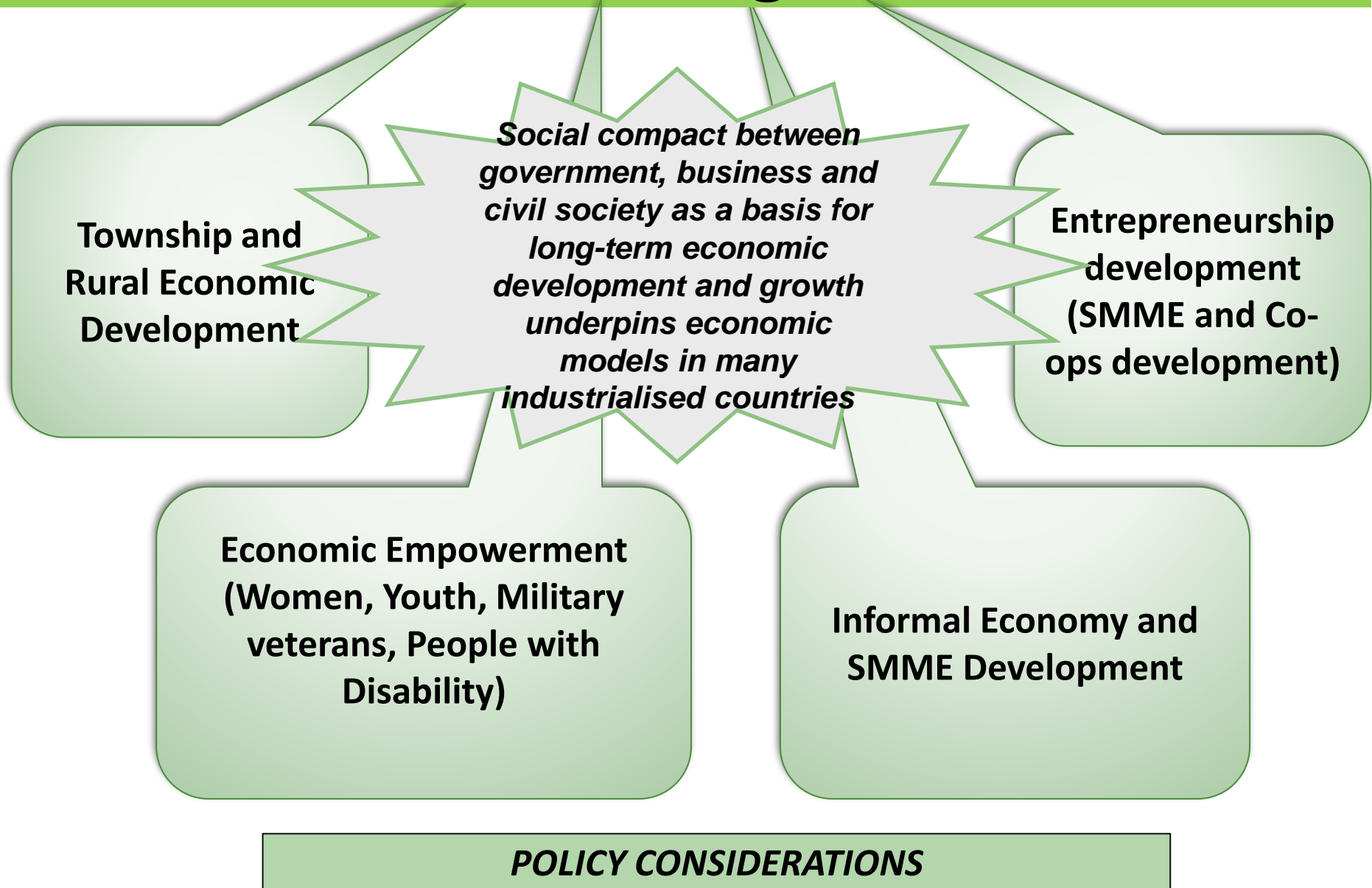
Engagements with Social partners



# Pillars of Economic Reconstruction and Transformation Plan

1. Aims to **expand social and economic transformation**
2. **Programme of investments to improve the performance** of network industries
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
5. **Social compacting** to achieve and ensure buy-in and compromises by all
6. Policies to ensure that the plan is **sufficiently financed and is financially sustainable**
7. **Capable and developmental state (officials)** is required to execute the programme of reconstruction

# Cross cutting issues



# Land and Agriculture

## Overview

- Although primary agriculture contributes less than 4% to KZN GDP it has strong backward and forward linkages with others sectors of the economy such as manufacturing and services sectors
- Agro-processing is the largest segment of the manufacturing sector
- Agriculture employs an estimated 140,000 people in the province
- A lot of rural households derive livelihoods from agriculture necessitating targeted support for the sector
- Covid-19 pandemic is impacting national, provincial and local food systems, disrupting macro- and micro-level agricultural value chains, posing risks to household food security.

## Key Initiatives

- Provision of PPE Supports for Farmers, Labour, Tenants (Covid Relief)
- 1Home 1Garden Household Food Security Initiatives
- Scale up implementation of farmer support programmes such as CASP, Lima/Letsema, RASET to support emerging and small-scale farmers through market access (Post Harvest), Logistics, credit, mechanization, logistics etc.
- Promote transformation within the fertilizer, seed production, agric chemicals, etc. through Agribusiness Black Industrialist support.
- Fast track implementation of Agri-hubs (Production and agro-processing)
- Increase investment in agricultural research to unearth new smart technologies and high yield crop varieties
- Link agro-production and agro-processing clusters to consolidate synergies
- Develop strategies to mitigate effects of climate change on food security
- Finalise the land reform programme to generate certainty and long term planning
- invest in Farm-gate and off-farm agricultural infrastructure
- Expanded training and mentorship programme for famers, farm workers & dwellers

# Industrial Development/ Manufacturing

## Overview

- Manufacturing sector contributes 17.4% to KZN Gross Value Added
- A total of 334 714 employed in the sector, of which 295557 are formal and 39200 are in informal
- 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
- Perpetual fall in contribution of manufacturing employment to KZN total employment signalling de-industrialisation

## Key Initiatives

- **Fast Track implementation of SEZs** project pipeline
- **Incubate Clothing and Textile SEZs and other industrial hubs including the Leather Industry Hub**
- Support **localisation** of value chains
- **Revive Industrial Estates** (Isithebe, Madedeni, EZakheni) and create linkages with private estates to increase investment propensity
- **Advocate for Trade Policy** change to support localisation
- **Government to commit to buying locally** manufactured products
- Avail land for Industrial Development in all Municipalities
- **Export led industrialisation** - Intra-Africa FTA (AfCFTA), SADC, non-traditional partners
- **Fast-track regulatory approvals** (reduce turnaround times)
- Continuous Research to measure impact of Covid 19

# Pharmaceuticals

## Overview

- The sector is proxied as **Electronic, sound/vision, medical & other appliances and** contributes about 0.2% to KZN Gross Value Added
- A total of 2374 people are formally employed in the sector
- Sector dominated by multinational companies with regional offices/ agents in the country
- Most health equipment and pharmaceuticals are imported
- Globally there has been a major disruptions in the global value chains
- 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;
- An opportunity to diversify market through the African Continental Free Trade area (AfCFTA);
- South African consumers are generally price takers- prices are determined in international markets

## Key Initiatives

- **Mentorship and 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**
- **Encourage/Promote and implement bulk buying programme** to support SMME Development (township and rural economy)
- **Partner with academic institutions** to provide input for the marketplace and innovation (**dev. of R&D**)
- **Develop training** centred around the needs of COVID-19 marketplace and innovations
- **Set up a COVID 19 Innovation Fund** to augment other innovation funding instruments to support development of innovative health technologies
- **Incentivise** the repurposing of production lines for manufacture of urgent cloth masks for general public.

# Clothing and Textiles

## Overview

- Clothing and textiles contributes about 1% to KwaZulu-Natal GDP
- **Largest manufacturing employer in the province-** 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
- Dominated by SMMEs
- Prior to Covid 19 lockdown in South Africa, the clothing and textiles was beset with the following challenges:
  - 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 in the value chain;
  - Access to raw materials (for example, medical fabric) for the manufacturing of for PPE;

## Key Initiatives

- **Diversification** of manufacturers from fashion to PPE (High demand of PPE from local manufacturers)
- Fast track the establishment of the **Clothing and Textile SEZ**
- With the China-USA Trade War - **Aggressively recruit investments** (Asia, Africa – Ethiopia, etc.) capitalizing on AGOA
- Support KZN businesses in **recruiting new technical investments/ partners** in particular African to diversify the sector
- An **innovative skills development strategy** to align to post-COVID-19 recovery
- **Increase localization** as stipulated in the R-CTFL masterplan
- Market Access (Government Institutions & Retail Twinning Arrangements)
- **Support Cotton production in Makhathini;**
- **Growing and cultivation of Hemp and other fibres**
- Strategic partnerships with HEIs e.g. DUT and Mfolozi TVET
- **Identify priority factories in distress and put in place interventions- economic Empowerment- Revival of Playtex and Frame**
- Forge partnerships with EDCON for black industrialisation (Value chains)
- Establish Factory shops/ Value shop centres
- Promote targeted procurement of PPEs

# Automotive Sector

## Overview

- Classified as Transport Equipment and employs 14 815 in the province, 9 242 people in eThekweni
- Comparative advantage sector (Toyota, Bell Equipment, Mahindra) - Location quotient of 1.3 and many SMMEs in the retail sector
- Relatively labour intensive and with strong linkages with metals, transport and services
- Vehicle sales via the dealer network is down by 37.4%
- Logistics value chain challenges
  1. Licensing offices are operating sporadically and many still closed (some have never re-opened)
  2. Taxi Boards remain closed (without operating licenses, dealers cannot hand over taxi and taxi cannot be used)
  3. Motor vehicle test stations have been limited to only testing 24 vehicles per day (some stations are also not operational)

## Key Initiatives

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

# Mining Sector

## Overview

- Mining contributes 1.5% to Gross Domestic Output (GDP) of the province and 10 888 people are employed in 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 Initiatives

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



# Tourism Sector

## Overview

- Estimated 10% contribution to KZN GVA
- Supports 740 000 direct jobs
- Linked to a number of Sectors – which directly or indirectly support tourism
- International & domestic travel to KZN was 800 000 and 6.1 million respectively in 2009
- KZN premier domestic tourist destination offering diverse experiences
- KZN had started to attract direct regional & international flights – good for trade and tourism

## Key Initiatives

- **Events hosting:** virtual, big events post lockdown (Implement virtual events hosting strategy to drive destination promotion-
- **Key projects:** Iconic stature, investment projects that are have passed post feasibility stage
- **Domestic marketing:** use Tourism Ambassadors, Aggressive domestic marketing (**KZN Short left**) unique products for the local market
- **Tourism infrastructure:** rural/township lodges, homestays, signage, Visitor info centres
- **Aviation:** airline incentives, joint marketing, direct flights, cargo movement
- **Policy reforms:** skilling and reskilling, red tape reduction, lobbying for the sector to open
- **Food Tourism** – Food (Gastronomic) Festivals and promote traditional food and beer (uMqombothi)

# Informal Sector

## Overview

- Stats SA estimates show that KwaZulu-Natal accounts for about 15% of informal businesses in the country
- The informal sector constituted a total of 494 955, that is, 18% of the total employment in the province
- Contributes approximately 5% of the GDP
- This sector is likely to see a 10% growth in 2020 as a result of unemployment in the formal sector
- Sector has strong linkages with the rest of the economy

## Key Initiatives

- **Support:** Registration and permits; appropriate trading stores; cleanliness; packaging
- **Infrastructure:** Provide trading space in Ithala & municipal buildings; address water, waste, sanitation & storage provision
- **ICT:** Improved access to internet/ Wifi hot spots
- **Access to finance:** simplified applications, targeted instruments, create credible database
- Finalize and implement KZN **Informal Economy Masterplan**
- Include informal traders to **business law** to make access to capital easy
- Ensure that these measures benefit SMMEs and Coops in rural areas and townships

# Renewable Energy

## Overview

- RE is a key enabler for economic development
- The sector directly employs 81 200 people in the province in construction, installation and maintenance of RE infrastructure
- The cost of renewable energy generation has significantly gone down over the years creating immense opportunities for diversifying the national grid
- KZN's RE 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.
- Small-scale Solar PV installations and the associated services have potential to offer significant employment opportunities.
- The economic opportunity extends to the supply chain, including manufacturing and assembly of PV panels and components.
- Possibly the biggest competitive advantage that KZN possesses is that which emanates from the sugar and timber industries, which are amongst the largest in the country.

## Key Initiatives

- **Incentivise local manufacturing** of RE components such as solar modules, mounting frames, invertors, wind turbines
- Rapid roll-out of IRP implementing
- Finalise IRP (Policy support) to stimulate Renewable energy production and private sector participation
- Finalise the **Sugar Industry Masterplan** to allow for diversification of the Sugar Industry and acquisition of technology for biofuels/ co-generation
- Explore **development of wind farms** on KZN coastal areas- Private Sector
- Promote **small scale Solar embedded generation** - Municipal level (SALGA)
- Partner with local HEIs to introduce short term training programmes for installation and maintenance of RE infrastructure
- Waste Recycling to energy
- **Promote Biomass energy production in rural areas (Partnerships with Municipalities)- Pilot with iLembe District**

# SPORTS, CULTURE AND CREATIVE INDUSTRIES

## Overview

- The **Cultural and Creative Industries (CCIs)** are attracting increasing attention worldwide, as **drivers of economic growth, innovation and job creation.**
- The CCIs are one of the “**trending**” **professions**, with a annual **growth rate of 7%** between 2011 and 2016
- 29.5 million or **1% of global employment**
- In SA CCI contributes **3% to GDP** and is a significant **economic multiplier effect.**
- **Visual arts and crafts** account of the largest share (53%) of CCI GDP and Employment
- An estimated **1.1 million** or 6.72% of South Africans are employed in the CCI
- **KZN** has the largest share at 20.1% of CCI sector
- Sport contributes about 2% to national GDP.
- Together, Sport, Culture and Creative Industries contribute 5% to GDP.

## Key Initiatives

- **Development of Marine Sports and Recreation** (yachting, sailing, diving, sport fishing) and Marine Leisure Activities (eco-marine tourism, real estate, adventure and viewing)
- Promote the development of Sports wear, manufacturing value chain, development of **Equine industry across all districts**
- Simplified Social relief Grant for immediate support
- Policy and Legislation to enable participation and protection
- **Buy local campaign** (public and private sector)
- Marketing Campaign by **Promotion of local KZN talent** to drive demand
- **Infrastructure Support** - Accessibility to Facilities to become economically active
- **Technology Solutions** to Commercialize content Awareness Programmes
- Skills Development to improve quality and sustainability
- **SMME Incubation and support** for new designs for crafters
- **Implement Market access programme to export Arts and Crafts** into markets such as US, Germany, UK, China, etc
  - Marketing of sport infrastructure for the hosting of major events
  - Development of e-museum – incorporating digital museum collection and Hall of Fame
  - Repositioning of the Club Development Programme focusing on prioritised wards & DDM
  - Support of Clubs in the Province - Implementation of e-Sports

# OCEANS ECONOMY

## Profile

- KwaZulu-Natal has the unique value offering of two of the busiest ports in Africa;
- +600km kilometres of unspoilt coastline and inland waterways.
- A new emerging economic opportunity in the province is Marine Aquaculture (Mariculture); this untested field is another example of the diversity of untapped marine related resources in the province.
- Recent commencement of offshore oil and gas exploration along the KZN Coastline, with seismic investigation stretching from Port Shepstone to Kosi Bay presenting numerous opportunities for the local maritime industry.
- Two ports with complementary activities and consolidated freight routes
- KZN is strategically positioned on the east-west trade routes
- Durban -Largest container handling capacity in the Southern Hemisphere
- Richards Bay - Largest single coal export terminal in the world
- Large manufacturing base in Durban and Richards Bay

## Key Initiatives

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

# Construction

## Overview

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

## Key Initiatives

- Reprioritisation of Budgets towards high impact projects
- All private and public construction projects must be commenced
- Support all catalytic projects in the investment booklet
- Unblock red tape on all funded infrastructure projects
- Provide regulatory support to SMMEs in the construction sector
- Establish the construction agency
- Leverage SANRAL for speedy implementation of N3/N2 road upgrades projects
- Reprioritisation of Budgets towards high impact projects
- Unblock red tape on all funded infrastructure projects
- Provide regulatory support to SMMEs in the construction sector
- Fast track implementation of rural roads

# Transport and logistics

## Overview

- One of KZN's comparative advantages sectors due to the Durban and Richards Bay Ports
- The Transport and logistics sector contributes 9.9% of KZN Gross Domestic Product (GDP) and about 84 911 people are employed in the sector
- Sector faces operational efficiency challenges owing to congestion at ports and capacity constraints on N3 corridor
- Sporadic unrests related to employment of foreign truck drivers

## Key Initiatives

- Fast tracking expansion projects and increasing back of port operational efficiency
- Promote social cohesion through Economic council
- Promote empowerment through local ownership of freight trucks
- **Implement Programmes to reduce congestion**

# TELECOMMUNICATIONS AND DIGITAL ECONOMY

## Overview

- **Digitalisation improves competitiveness, enables trade and creates new opportunities for businesses.**
- **As the economy changes globally, those who don't embrace the digital economy risk being left out or left behind.**
- Only 34% of households have access to Internet in KwaZulu-Natal
- KwaZulu-Natal Ranks 5<sup>th</sup> in terms of internet access after Gauteng (54.7%), Western Cape (54.3%), Free State (42.1%) and Mpumalanga (40%)
- KwaZulu -Natal Coverage.
  - Government Connectivity **27%**
  - Private Residences **9%**
  - KZN Population **11 065 241**
  - Internet Active Users **5 331 063**
  - House hold ratios **4:1**
  - Top European countries enjoy Internet access of 86% to 96%.
- South Africa ranks 5<sup>th</sup> 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

## Key Initiatives

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



# Investment

## Overview

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

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

## Key Initiatives

- Aggressively **market KZN Investment Projects** through online platforms in India, Russia, China, USA, UK, Germany, Japan
- **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.)
- 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)
- Support investors to diversify and **focus on Export Led investments** (80 companies)
- Proactive **support for committed investments** to accelerate implementation (partner with Presidentially Announced Investments to ensure support for Implementation)
- 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

# Export Promotion

## Overview

- KZN exports totalled R139 billion in 2018 representing 18.6% of the provincial GDP
- Major exports include motor vehicles, aluminium, iron & steel, ores, slag and ash, machinery, paper, pulp, varying chemical products, mineral fuels, oils, mechanical appliances and electrical equipment
- The COVID 19 pandemic has highlighted the need to broaden the national export destination into other regions such as Africa

## Key Initiatives

- **Export promotion** – Assist 200 KZN companies to access new markets through product access programmes
- Link **banking institutions** with companies that secure export orders to provide guarantees for production
- **Product Market Analysis and Identification of Alternative Markets** (look at opportunities bequeathed by AfCFTA)
- **Develop Export Markets** for Clothing & Textiles, Leather and Foot ware, Arts and Crafts, Agro-processing, parts and components (Automotive, maritime)
- **Export Development:** Registration of KZN companies as exporters and compliance with food Safety, enhanced hygiene standards; in order to access international markets (township economy)
- **Implement KZN Companies export compliance** on Food safety and enhance hygiene standards for exports of food products into the Gulf Region (immediate focus on Oman, Bahrain, Saudi Arabia and UAE) and other markets)
- **Implement E-commerce and online opportunities** to be implemented (e-exhibitions and business to business Match-making opportunities)

# Red Tape

## Regulatory Instruments delaying projects

The following are major regulatory areas that need to be streamlined to fast track implementation of projects:

1. Applications for the subdivision of agricultural land in terms of the Subdivision of Agricultural Land Act, Act No. 70 of 1970;
2. Environmental impact assessments and records of decision required in terms of the National Environmental Management Act, Act No 107 of 1998 (NEMA);
3. Water Use License approvals in terms of Water Act;
4. Development approvals required in terms of the Spatial Planning and Land Use Management Act, Act No. 16 of 2013 (SPLUMA); and
5. Road access approvals by SANRAL and the Provincial Department of Transport;
6. National Building Regulations administered by DTI and Municipalities;
7. Unnecessary supply chain delays (capacity, efficiency, litigations)

## What needs to be done

1. Identify all projects facing regulatory approvals delays through the One-Stop shop
2. Establish efficient systems to intervene through working with the relevant authorities
3. Capacitate municipalities to fast track approvals
4. Establish rapid response mechanism to unblock red tape (political)

# Conclusion

1. **Commitment is required from all Social partners** to implementation the economic recalibration plan;
2. Ensure **economic transformation** (inclusivity and SMME participation) is part of the recalibration of the KwaZulu-Natal economic landscape;
3. Strong drive and **promotion of localisation opportunities** across all the sectors of the economy and promote buy local campaign;
4. Focus on **export oriented industrialisation** and consolidate regional integration in SADC and the African Continental Free Trade Area (AfCTA);
5. Strong drive, **political and technical will to unblock red tape** and streamline regulatory requirements for investments and infrastructure development
6. Fast track **public infrastructure development** (roads, water, rail, ports, broadband)
7. **Re-orient tourism towards the domestic market** to minimise impact;
8. **Streamline policy** (licencing, access to finance and Covid 19 relief measures); to engender growth in the informal economy

# Recommendations

1. Adopt the KwaZulu-Natal Economic Reconstruction and Transformation plan for implementation
2. Mandate the Premier to officially launch and unveil the KwaZulu-Natal Economic Reconstruction and Transformation plan and associated projects
3. Mandate the MEC for EDTEA to engage the KZN Economic Council to formulate a social compact for implementation of the plan by social partners
4. Direct each Department to formulate an operational plan to implement the Economic Reconstruction and Transformation plan
5. Ensure that the Implementation of the plan is monitored on a monthly and quarterly basis by the Premier's office
6. Direct each district to formulate a district wide recovery plan with operational/action plans per each Local Municipality

**THANK YOU**

**GROWING  
KWAZULU-NATAL  
TOGETHER**