



## LOCAL ECONOMIC DEVELOPMENT (LED) STRATEGY 2019 -2023

1<sup>st</sup> Draft

## DEVELOPMENT OF LOCAL ECONOMIC DEVELOPMENT STRATEGY

Dr Beyers Naudé LM was established as a result of a merger between the former Municipalities of Camdeboo, Ikwezi and Baviaans, on 6 August 2016, which was also the date of the most recent Local Government Elections. Geographically the new Municipality makes up 49.19% of the Sarah Baartman District Municipality's landmass, with a low population density of 2.8 persons per km<sup>2</sup>, which is much lower than the District average of 7.7 persons per km<sup>2</sup>. The area is characterised by large tracts of commercial farmlands that are sparsely populated.

The most densely populated areas are found in and around the established main towns. There are vast distances between main centres; some of the smaller towns and settlements can only be reached by unsurfaced (gravel) roads, not all of which are being maintained on a regular basis. The most difficult areas to access are situated within the Baviaanskloof.

Key features include:

### **Tourism**

Unique natural and cultural heritage : Churches, Museums (e.g. Reinet House in Graaff-Reinet and the Owl House in Nieu-Bethesda), the Valley of Desolation, Camdeboo and Addo Elephant National Parks, Private Game Reserves, Baviaanskloof World Heritage Site, Baviaans Craft shop in Baviaanskloof & craft initiatives in Steytlerville, Vondeling and Rietbron, other attractions such as the old Blackstone engines and historical cemeteries in Willowmore, the Valley of the Flags in Steytlerville and the Old Fort in Jansenville.

### **Agriculture**

Biggest mohair producer in South Africa, wool and redmeat production (sheep, beef, goats), poultry, game and crop farming.

### **Commerce & Industry**

Mostly small businesses in most of the towns, with some larger industry and government departments in the bigger towns, such as Graaff-Reinet.

### **Infrastructure & Services**

Good infrastructure and basic services (water, electricity, sanitation and refuse removal) in urban areas, with free basic services and subsidized support to qualifying indigent households.

All three of the former Municipalities did have LED Strategic Plans in place, but not all were elapsed except the former Ikwezi LM. Furthermore now that the municipalities have been amalgamated an overarching LED Strategic has to be developed for the new Dr Beyes Naude Municipality, focussing on competitive and comparative advantages and their multiplier effects. The process of developing a new LED Strategic Plan, should result in the following outcomes:

LED Strategic Plan, with implementable Plan

- . Comprehensive Socio-economic survey,
- . Establishment of Socio-economic Database and Economic Barometer,
- . LED Institutional Framework, and
- . LED Vision Statement.

In conjunction with the above, the following activities should also be taking place :

- . Development of a Responsible Tourism Sector Plan,
- . Development of a Marketing Plan,
- . Development of Investment Attraction and Retention Strategies, etc.

### **Geographical Location of the Area**

Being situated in an arid area within the Sarah Baartman District, Dr Beyers Naudé LM faces many challenges, the biggest of which is water. Aberdeen and Nieu-Bethesda are in the fortunate position of having perennial springs that supply adequate and good quality water, which is used for both domestic consumption and irrigation. Graaff-Reinet gets its supply from the Nqweba Dam; when dry, the town is dependent on borehole water ~ an unreliable source as the water table drops drastically when the rain stays away... Other towns, such as Willowmore and Steytlerville, experience critical shortages at times and water quality is a problem in other areas, such as Jansenville. The lack of a sustainable and permanent water supply is probably the most inhibiting factor in the area's economic development, as it restricts both agricultural and industrial activities.

## Situational Analysis overview: Dr Beyers Naude Local Municipality

A better understanding of the demographic, economic and socio-economic environment could inform stakeholders to implement and monitor plans and policies that will allow for a healthy, growing and inclusive economy and society.

Understanding the changes in the composition of the population with respect to population group, age and gender is vital in the face of growing pressure on food, energy, water, jobs and social support on the country's citizens. An understanding of how the total fertility rates, age-specific fertility rates, sex ratios at birth, life expectancies and international migration affect the respective population groups, ages and genders is essential for effective planning on a spatial level. The first section of the Statistical Overview Report will aim to disentangle the changes in the Dr Beyers Naude Local Municipality demographics in context of other locals of the region, the districts, the Province and South Africa.

The second section will provide insights into the economic environment of Dr Beyers Naude Local Municipality in relation to the other local municipality in the region, the district, the province and South Africa's performance. The changing economic environment subsequently has an effect on the ability of the economy to create jobs. This section will therefore also include analysis on the employment and subsequent income dynamics of Dr Beyers Naude Local Municipality.

The third component of the Statistical Overview will investigate issues pertaining to the socio-economic environment of residents in Dr Beyers Naude Local Municipality. Analysis will include a review of the Human Development Index (HDI), Gini, poverty, education, population density, crime, bulk infrastructure, international trade and tourism indicators relative to that of the other locals of the region, the districts, the Province and South Africa.

### 1. DEMOGRAPHY

"Demographics", or "population characteristics", includes analysis of the population of a region. Distributions of values within a demographic variable, and across households, as well as trends over time are of interest.

In this section, an overview is provided of the demography of the Dr Beyers Naude Local Municipality and all its neighbouring regions, Sarah Baartman District Municipality, Eastern Cape Province and South Africa as a whole.

## 1.1 TOTAL POPULATION

Population statistics is important when analysing an economy, as the population growth directly and indirectly impacts employment and unemployment, as well as other economic indicators such as economic growth and per capita income.

TABLE 1. TOTAL POPULATION - DR BEYERS NAUDE, SARAH BAARTMAN, EASTERN CAPE AND NATIONAL TOTAL, 2006-2016 [NUMBERS PERCENTAGE]

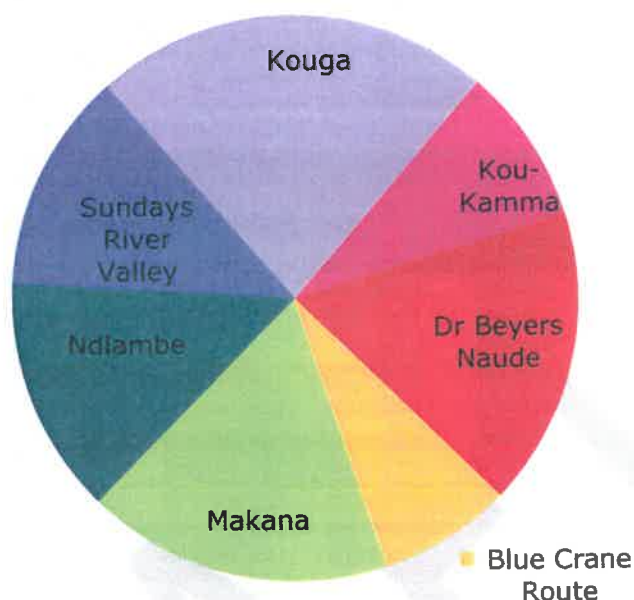
	Dr Beyers Naude	Sarah Baartman	Eastern Cape	National Total	Dr Beyers Naude as % of district municipality	Dr Beyers Naude as % of province	Dr Beyers Naude as % of national
2006	75,200	419,000	6,450,000	47,800,000	17.9%	1.17%	0.16%
2007	75,800	425,000	6,470,000	48,400,000	17.8%	1.17%	0.16%
2008	76,600	431,000	6,500,000	49,100,000	17.8%	1.18%	0.16%
2009	77,600	438,000	6,540,000	49,800,000	17.7%	1.19%	0.16%
2010	78,600	446,000	6,600,000	50,700,000	17.6%	1.19%	0.16%
2011	79,500	454,000	6,650,000	51,500,000	17.5%	1.19%	0.15%
2012	80,400	462,000	6,710,000	52,400,000	17.4%	1.20%	0.15%
2013	81,300	470,000	6,780,000	53,200,000	17.3%	1.20%	0.15%
2014	82,300	478,000	6,850,000	54,100,000	17.2%	1.20%	0.15%
2015	83,300	486,000	6,930,000	54,900,000	17.1%	1.20%	0.15%
2016	84,200	494,000	7,010,000	55,700,000	17.1%	1.20%	0.15%
<b>Average Annual growth</b>							
2006-2016	1.14%	1.65%	0.83%	1.54%			

Source: IHS Markit Regional eXplorer version 1070

With 84 200 people, the Dr Beyers Naude Local Municipality housed 0.2% of South Africa's total population in 2016. Between 2006 and 2016 the population growth averaged 1.14% per annum which is slightly lower than the growth rate of South Africa as a whole (1.54%). Compared to Sarah Baartman's average annual growth rate (1.65%), the growth rate in Dr Beyers Naude's population at 1.14% was close to half than that of the district municipality.

CHART 1. TOTAL POPULATION - DR BEYERS NAUDE AND THE REST OF SARAH BAARTMAN, 2016 [PERCENTAGE]

**Total population**  
Sarah Baartman District Municipality, 2016



*Source: IHS Markit Regional eXplorer version 1070*

When compared to other regions, Dr Beyers Naude Local Municipality accounts for a total population of 84,200, or 17.1% of the total population in Sarah Baartman District Municipality ranking as the most populous local municipality in 2016. The ranking in terms of the size of Dr Beyers Naude compared to the other regions remained the same between 2006 and 2016. In terms of its share Dr Beyers Naude Local Municipality was slightly smaller in 2016 (17.1%) compared to what it was in 2006 (17.9%). When looking at the average annual growth rate, it is noted that Dr Beyers Naude ranked fifth (relative to its peers in terms of growth) with an average annual growth rate of 1.1% between 2006 and 2016.

#### 1.1.1.1 POPULATION PROJECTIONS

Based on the present age-gender structure and the present fertility, mortality and migration rates, Dr Beyers Naude's population is projected to grow at an average annual rate of 1.1% from 84 200 in 2016 to 89 100 in 2021.

TABLE 2. POPULATION PROJECTIONS - DR BEYERS NAUDE, SARAH BAARTMAN, EASTERN CAPE AND NATIONAL TOTAL, 2016-2021 [NUMBERS PERCENTAGE]

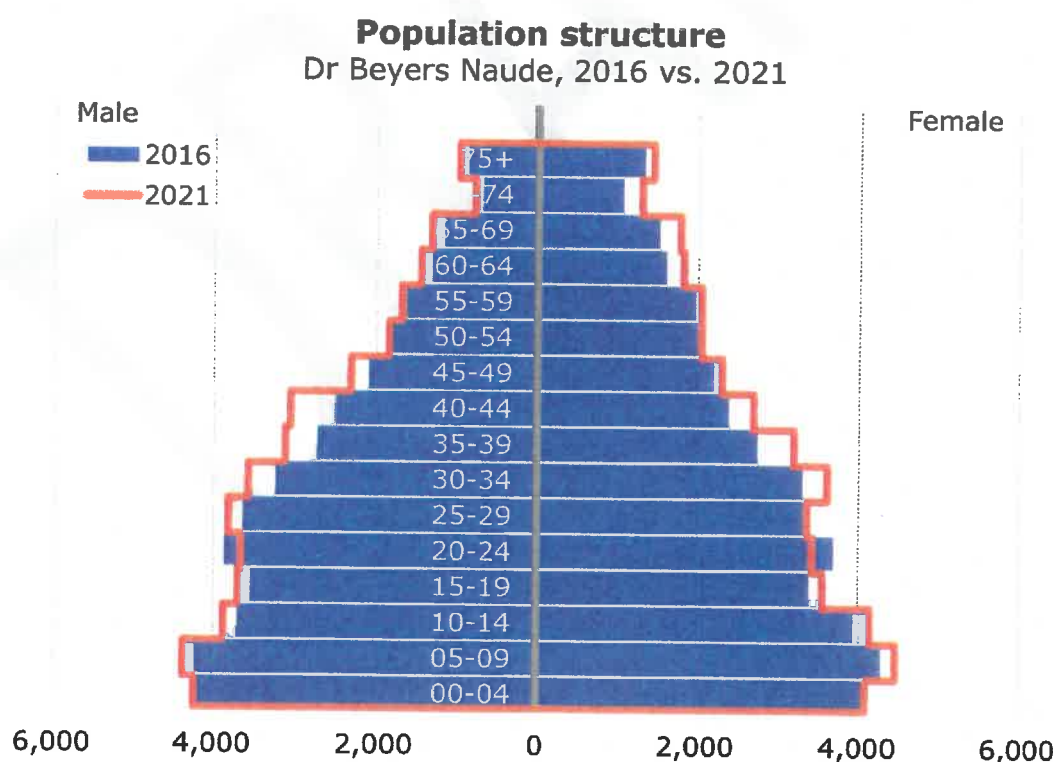
	Dr Beyers Naude	Sarah Baartman	Eastern Cape	National Total	Dr Beyers Naude as % of district municipality	Dr Beyers Naude as % of province	Dr Beyers Naude as % of national
2016	84,200	494,000	7,010,000	55,700,000	17.1%	1.20%	0.15%

	Dr Beyer Naude	Sarah Baartman	Eastern Cape	National Total	Dr Beyer Naude as % of district municipality	Dr Beyer Naude as % of province	Dr Beyer Naude as % of national
2017	85,200	502,000	7,080,000	56,500,000	17.0%	1.20%	0.15%
2018	86,200	509,000	7,160,000	57,400,000	16.9%	1.20%	0.15%
2019	87,100	516,000	7,240,000	58,100,000	16.9%	1.20%	0.15%
2020	88,100	523,000	7,310,000	58,900,000	16.8%	1.21%	0.15%
2021	89,100	530,000	7,380,000	59,600,000	16.8%	1.21%	0.15%
<b>Average Annual growth</b>							
2016-2021	1.13%	1.42%	1.05%	1.37%			

Source: IHS Markit Regional eXplorer version 1070

When looking at the population projection of Dr Beyer Naude Local Municipality shows an estimated average annual growth rate of 1.1% between 2016 and 2021. The average annual growth rate in the population over the projection period for Sarah Baartman District Municipality, Eastern Cape Province and South Africa is 1.4%, 1.0% and 1.4% respectively. The Eastern Cape Province is estimated to have an average growth rate of 1.0% which is very similar than that of the Dr Beyer Naude Local Municipality. South Africa as a whole is estimated to have an average annual growth rate of 1.4% which is very similar than that of Dr Beyer Naude's projected growth rate.

CHART 2. POPULATION PYRAMID - DR BEYERS NAUDE LOCAL MUNICIPALITY, 2016 VS. 2021 [PERCENTAGE]



Source: IHS Markit Regional eXplorer version 1070

The population pyramid reflects a projected change in the structure of the population from 2016 and 2021. The differences can be explained as follows:

- In 2016, there is a slightly larger share of young working age people between 20 and 34 (25.0%), compared to what is estimated in 2021 (24.1%). This age category of young working age population will decrease over time.
- The fertility rate in 2021 is estimated to be slightly higher compared to that experienced in 2016.
- The share of children between the ages of 0 to 14 years is projected to be slightly smaller (28.3%) in 2021 when compared to 2016 (29.1%).

In 2016, the female population for the 20 to 34 years age group amounts to 12.3% of the total female population while the male population group for the same age amounts to 12.7% of the total male population. In 2021, the male working age population at 12.4% still exceeds that of the female population working age population at 11.7%, although both are at a lower level compared to 2016.

## 1.2 POPULATION BY POPULATION GROUP, GENDER AND AGE

The total population of a region is the total number of people within that region measured in the middle of the year. Total population can be categorised according to the population group, as well as the sub-categories of age and gender. The population groups include African, White, Coloured and Asian, where the Asian group includes all people originating from Asia, India and China. The age subcategory divides the population into 5-year cohorts, e.g. 0-4, 5-9, 10-13, etc.

TABLE 3. POPULATION BY GENDER - DR BEYERS NAUDE AND THE REST OF SARAH BAARTMAN DISTRICT MUNICIPALITY, 2016 [NUMBER].

	Male	Female	Total
Dr Beyers Naude	41,200	43,000	84,200
Blue Crane Route	18,400	18,900	37,300
Makana	41,700	44,900	86,600
Ndlambe	32,100	34,800	66,800
Sundays River Valley	32,700	29,600	62,400
Kouga	55,900	56,300	112,000
Kou-Kamma	22,300	22,000	44,300
<b>Sarah Baartman</b>	<b>244,000</b>	<b>249,000</b>	<b>494,000</b>

Source: IHS Markit Regional eXplorer version 1070

Dr Beyers Naude Local Municipality's male/female split in population was 95.7 males per 100 females in 2016. The Dr Beyers Naude Local Municipality appears to be a fairly stable population with the share of female population (51.09%) being very similar to the national average of (51.07%). In total there were 43 000 (51.09%) females and 41 200 (48.91%) males. This is different from Sarah Baartman District Municipality as a whole where the female population counted 250 000 which constitutes 50.52% of the total population of 494 000.

TABLE 4. POPULATION BY POPULATION GROUP, GENDER AND AGE - DR BEYERS NAUDE LOCAL MUNICIPALITY, 2016 [NUMBER].

	African		White		Coloured	
	Female	Male	Female	Male	Female	Male
00-04	1,100	1,210	105	162	2,900	2,830
05-09	1,070	1,040	164	145	3,040	3,020
10-14	912	881	145	164	2,870	2,650
15-19	885	861	116	186	2,380	2,460
20-24	1,410	1,370	139	178	2,120	2,290
25-29	1,250	1,600	136	188	1,930	1,800
30-34	1,120	1,280	137	161	2,050	1,750
35-39	822	955	186	172	1,740	1,560
40-44	566	611	233	220	1,590	1,650
45-49	453	444	214	243	1,530	1,390
50-54	405	355	273	295	1,420	1,170
55-59	468	292	265	238	1,230	1,100
60-64	430	280	258	213	920	815
65-69	460	238	276	249	791	676
70-74	240	173	212	141	615	372
75+	261	163	396	251	673	457
<b>Total</b>	<b>11,900</b>	<b>11,800</b>	<b>3,250</b>	<b>3,210</b>	<b>27,800</b>	<b>26,000</b>

Source: IHS Markit Regional eXplorer version 1070

In 2016, the Dr Beyers Naude Local Municipality's population consisted of 28.03% African (23 600), 7.67% White (6 460), 63.87% Coloured (53 800) and 0.42% Asian (356) people.

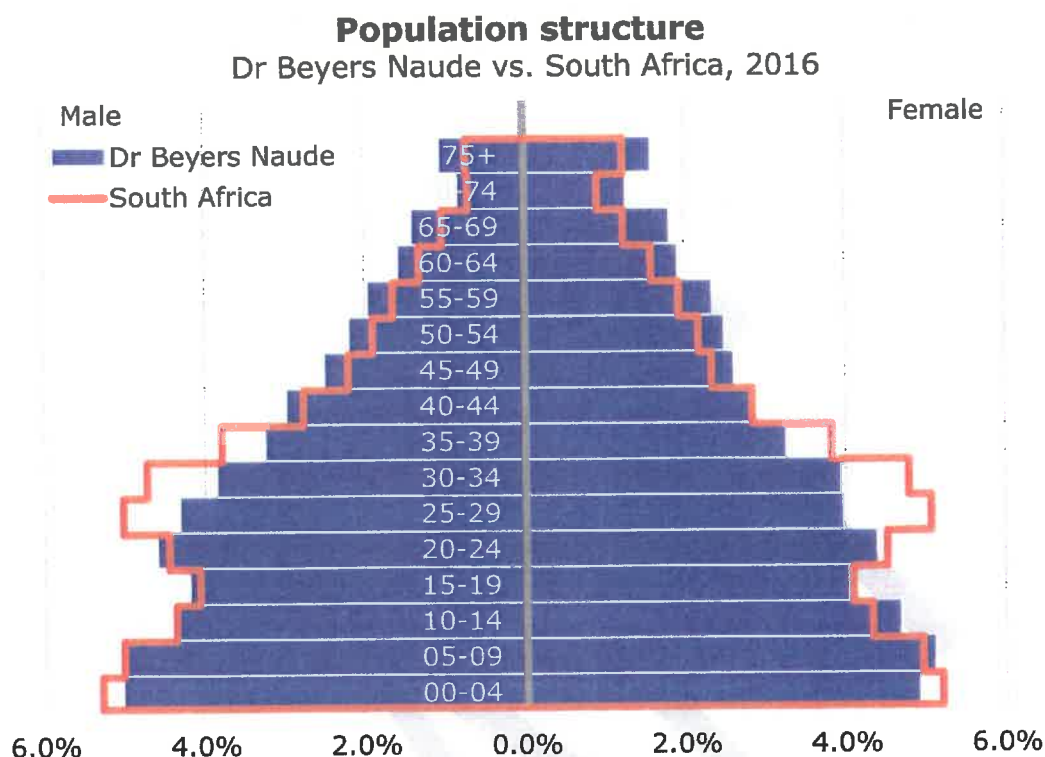
The largest share of population is within the babies and kids (0-14 years) age category with a total number of 24 500 or 29.1% of the total population. The age category with the second largest number of people is the young working age (25-44 years) age category with a total share of 28.3%, followed by the older working age (45-64 years) age category with 14 800 people. The age category with the least number of people is the retired / old age (65 years and older) age category with only 6 660 people, as reflected in the population pyramids below.

### 1.2.1 POPULATION PYRAMIDS

**Definition:** A population pyramid is a graphic representation of the population categorised by gender and age, for a specific year and region. The horizontal axis depicts the share of people, where the male population is charted on the left-hand side and the female population on the right-hand side of the vertical axis. The vertical axis is divided in 5-year age categories.

With the Coloured population group representing 63.9% of the Dr Beyers Naude Local Municipality's total population, the overall population pyramid for the region will mostly reflect that of the African population group. The chart below compares Dr Beyers Naude's population structure of 2016 to that of South Africa.

CHART 3. POPULATION PYRAMID - DR BEYERS NAUDE LOCAL MUNICIPALITY VS. SOUTH AFRICA, 2016  
[PERCENTAGE]

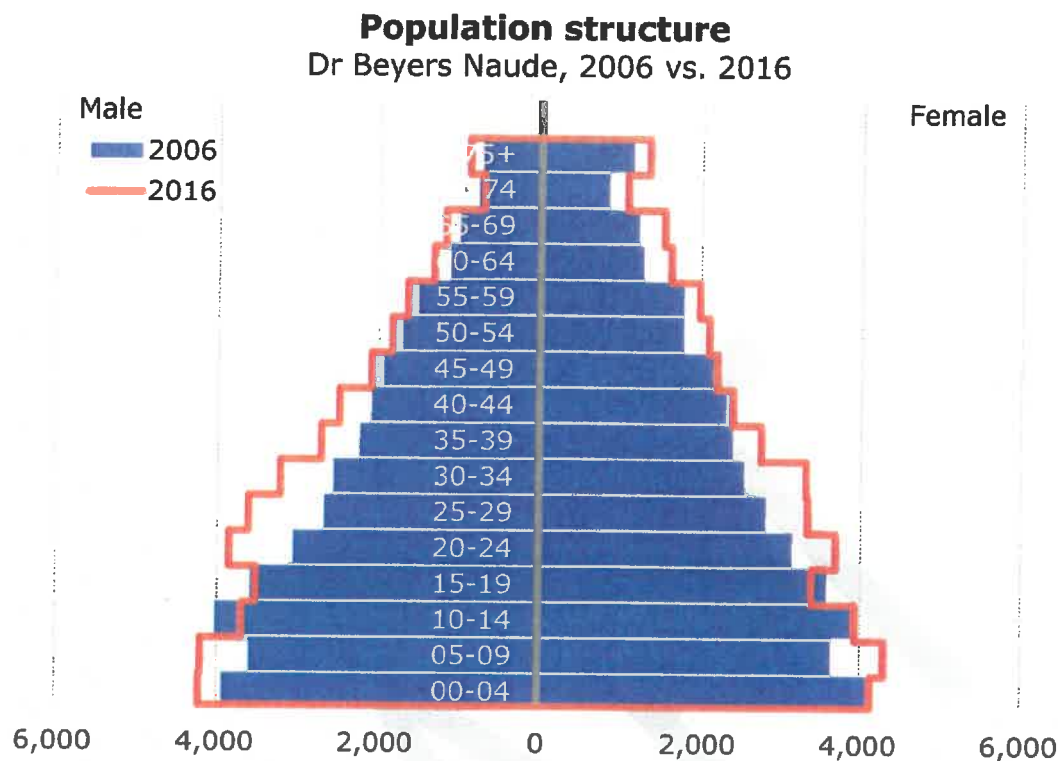


Source: IHS Markit Regional eXplorer version 1070

By comparing the population pyramid of the Dr Beyers Naude Local Municipality with the national age structure, the most significant differences are:

- There is a significant smaller share of young working age people - aged 20 to 34 (25.0%) - in Dr Beyers Naude, compared to the national picture (28.6%).
- The area seems to be a migrant sending area, with many people leaving the area to find work in the bigger cities.
- Fertility in Dr Beyers Naude is slightly higher compared to South Africa as a whole.
- Spatial policies changed since 1994.
- The share of children between the ages of 0 to 14 years is very similar (29.1%) in Dr Beyers Naude compared to South Africa (29.2%). Demand for expenditure on schooling as percentage of total budget within Dr Beyers Naude Local Municipality will therefore be lower than that of South Africa.

CHART 4. POPULATION PYRAMID - DR BEYERS NAUDE LOCAL MUNICIPALITY, 2006 VS. 2016 [PERCENTAGE]



Source: IHS Markit Regional eXplorer version 1070

Comparing the 2006 with the 2016 population pyramid for Dr Beyers Naude Local Municipality, interesting differences are visible:

- In 2006, there were a significant smaller share of young working age people - aged 20 to 34 (22.3%) - compared to 2016 (25.0%).
- Fertility in 2006 was slightly higher compared to that of 2016.
- The share of children between the ages of 0 to 14 years is significantly larger in 2006 (31.0%) compared to 2016 (29.1%).
- Life expectancy is increasing.

In 2016, the female population for the 20 to 34 years age group amounted to 11.3% of the total female population while the male population group for the same age amounted to 11.0% of the total male population. In 2006 the male working age population at 12.7% still exceeds that of the female population working age population at 12.3%.

### 1.3 NUMBER OF HOUSEHOLDS BY POPULATION GROUP

**Definition:** A household is either a group of people who live together and provide themselves jointly with food and/or other essentials for living, or it is a single person living on his/her own. An individual is considered part of a household if he/she spends at least four nights a

week within the household. To categorise a household according to population group, the population group to which the head of the household belongs, is used.

If the number of households is growing at a faster rate than that of the population it means that the average household size is decreasing, and vice versa. In 2016, the Dr Beyers Naude Local Municipality comprised of 21 500 households. This equates to an average annual growth rate of 0.84% in the number of households from 2006 to 2016. With an average annual growth rate of 1.14% in the total population, the average household size in the Dr Beyers Naude Local Municipality is by implication increasing. This is confirmed by the data where the average household size in 2006 increased from approximately 3.8 individuals per household to 3.9 persons per household in 2016.

TABLE 5. NUMBER OF HOUSEHOLDS - DR BEYERS NAUDE, SARAH BAARTMAN, EASTERN CAPE AND NATIONAL TOTAL, 2006-2016 [NUMBER PERCENTAGE]

	Dr Beyers Naude	Sarah Baartman	Eastern Cape	National Total	Dr Beyers Naude as % of district municipality	Dr Beyers Naude as % of province	Dr Beyers Naude as % of national
2006	19,800	116,000	1,570,000	13,000,000	17.1%	1.26%	0.15%
2007	19,900	118,000	1,590,000	13,100,000	16.9%	1.25%	0.15%
2008	20,000	120,000	1,620,000	13,400,000	16.6%	1.23%	0.15%
2009	20,200	124,000	1,670,000	13,700,000	16.3%	1.21%	0.15%
2010	20,300	126,000	1,680,000	13,900,000	16.1%	1.20%	0.15%
2011	20,400	128,000	1,700,000	14,200,000	16.0%	1.20%	0.14%
2012	20,700	130,000	1,720,000	14,500,000	15.9%	1.21%	0.14%
2013	20,800	132,000	1,730,000	14,700,000	15.7%	1.20%	0.14%
2014	20,900	134,000	1,740,000	15,000,000	15.6%	1.20%	0.14%
2015	21,200	137,000	1,770,000	15,400,000	15.5%	1.20%	0.14%
2016	21,500	139,000	1,810,000	15,800,000	15.4%	1.19%	0.14%
<b>Average Annual growth</b>							
2006-2016	<b>0.84%</b>	<b>1.89%</b>	<b>1.42%</b>	<b>2.02%</b>			

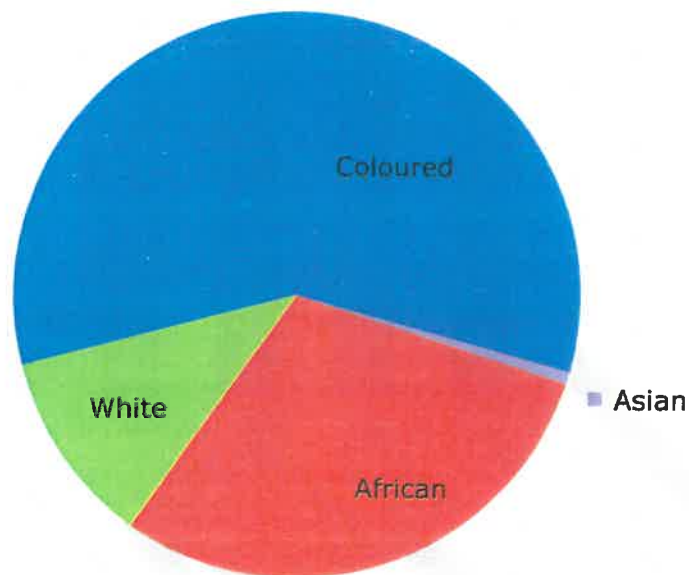
Source: IHS Markit Regional eXplorer version 1070

Relative to the district municipality, the Dr Beyers Naude Local Municipality had a lower average annual growth rate of 0.84% from 2006 to 2016. In contrast, the province had an average annual growth rate of 1.42% from 2006. South Africa as a whole had a total of 15.8 million households, with a growth rate of 2.02%, thus growing at a higher rate than the Dr Beyers Naude.

The composition of the households by population group consists of 58.4% which is ascribed to the Coloured population group with the largest amount of households by population group. The African population group had a total composition of 29.8% (ranking second). The White population group had a total composition of 11.1% of the total households. The smallest population group by households is the Asian population group with only 0.7% in 2016.

CHART 5. NUMBER OF HOUSEHOLDS BY POPULATION GROUP - DR BEYERS NAUDE LOCAL MUNICIPALITY, 2016 [PERCENTAGE]

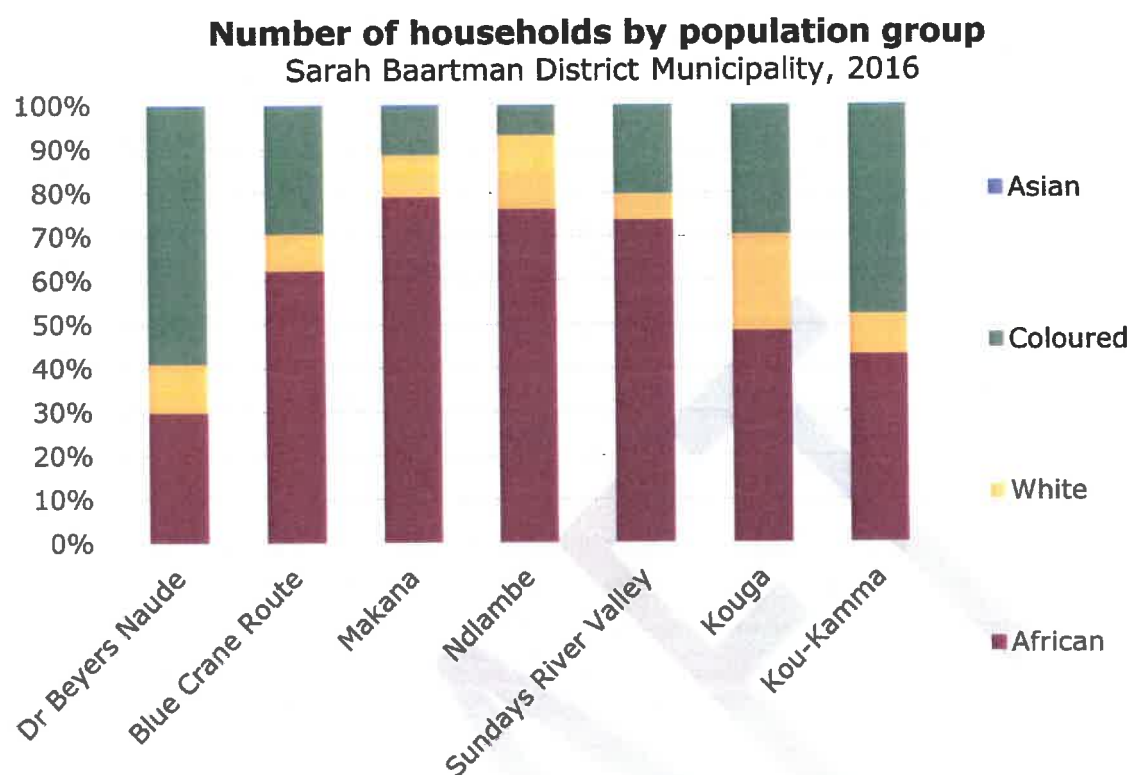
**Number of Households by Population group**  
Dr Beyers Naude, 2016



*Source: IHS Markit Regional eXplorer version 1070*

The growth in the number of Coloured headed households was on average 0.20% per annum between 2006 and 2016, which translates in the number of households decreasing by 244 in the period. Although the Asian population group is not the biggest in size, it was however the fastest growing population group between 2006 and 2016 at 24.66%. The average annual growth rate in the number of households for all the other population groups has increased with 0.78%.

TABLE 6. NUMBER OF HOUSEHOLDS BY POPULATION GROUP - DR BEYERS NAUDE LOCAL MUNICIPALITY AND THE REST OF SARAH BAARTMAN, 2016 [PERCENTAGE]



Source: IHS Markit Regional eXplorer version 1070

#### 1.4 HIV+ AND AIDS ESTIMATES

HIV and AIDS can have a substantial impact on the growth of a particular population. However, there are many factors affecting the impact of the HIV virus on population progression: adult HIV prevalence rates; the speed at which the virus progresses; age distribution of the virus; the mother-to-child transmission; child treatment; adult treatment; and the percentage by which the virus decreases total fertility. ARV treatment can also prolong the lifespan of people that are HIV+. In the absence of any treatment, people diagnosed with HIV live for approximately 10 years before reaching the final stage of the disease (called AIDS). When patients reach this stage, recovery is highly unlikely.

HIV+ and AIDS estimates are defined as follows:

The HIV+ estimates are calculated by using the prevalence rates from the HIV/AIDS model built by the Actuarial Society of Southern Africa (ASSA-2008). These rates are used as base rates on a provincial level. IHS slightly adjusted the provincial ASSA-2008 data to more accurately reflect the national HIV Prevalence rate per population group as used in the national demographic models. The ASSA model in turn uses the prevalence rates from various primary data sets, in particular the HIV/AIDS surveys

conducted by the Department of Health and the Antenatal clinic surveys. Their rates are further adjusted for over-reporting and then smoothed.

TABLE 7. NUMBER OF HIV+ PEOPLE - DR BEYERS NAUDE, SARAH BAARTMAN, EASTERN CAPE AND NATIONAL TOTAL, 2006-2016 [NUMBER AND PERCENTAGE]

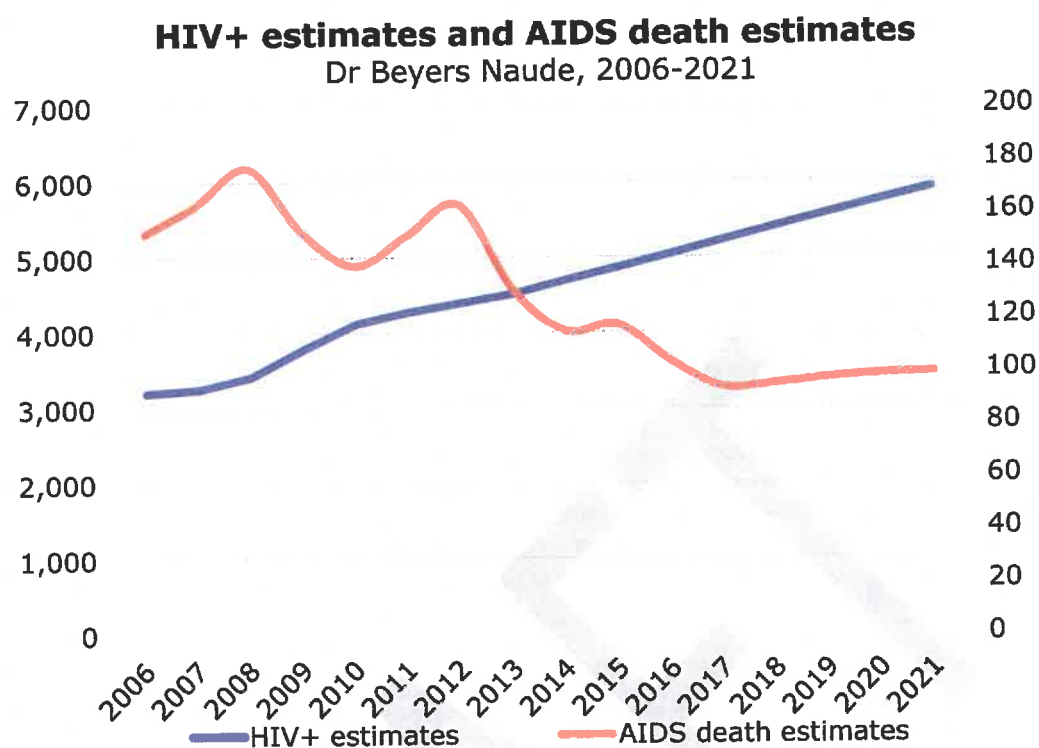
	Dr Beyers Naude	Sarah Baartman	Eastern Cape	National Total	Dr Beyers Naude as % of district municipality	Dr Beyers Naude as % of province	Dr Beyers Naude as % of national
2006	3,210	32,000	623,000	5,320,000	10.0%	0.52%	0.06%
2007	3,260	31,900	627,000	5,370,000	10.2%	0.52%	0.06%
2008	3,420	32,900	632,000	5,410,000	10.4%	0.54%	0.06%
2009	3,790	35,900	644,000	5,490,000	10.5%	0.59%	0.07%
2010	4,120	38,800	661,000	5,600,000	10.6%	0.62%	0.07%
2011	4,270	40,200	677,000	5,690,000	10.6%	0.63%	0.08%
2012	4,390	41,200	693,000	5,770,000	10.6%	0.63%	0.08%
2013	4,510	42,400	714,000	5,880,000	10.6%	0.63%	0.08%
2014	4,690	44,100	738,000	6,010,000	10.6%	0.64%	0.08%
2015	4,860	45,800	762,000	6,140,000	10.6%	0.64%	0.08%
2016	5,030	47,600	788,000	6,290,000	10.6%	0.64%	0.08%
<b>Average Annual growth</b>							
2006-2016	<b>4.59%</b>	<b>4.06%</b>	<b>2.37%</b>	<b>1.67%</b>			

Source: IHS Markit Regional eXplorer version 1070

In 2016, 5 030 people in the Dr Beyers Naude Local Municipality were infected with HIV. This reflects an increase at an average annual rate of 4.59% since 2006, and in 2016 represented 5.98% of the local municipality's total population. Sarah Baartman District Municipality had an average annual growth rate of 4.06% from 2006 to 2016 in the number of people infected with HIV, which is lower than that of the Dr Beyers Naude Local Municipality. The number of infections in Eastern Cape Province increased from 623,000 in 2006 to 788,000 in 2016. When looking at South Africa as a whole it can be seen that the number of people that are infected increased from 2006 to 2016 with an average annual growth rate of 1.67%.

*The lifespan of people that are HIV+ could be prolonged with modern ARV treatments. In the absence of any treatment, people diagnosed with HIV can live for 10 years and longer before they reach the final AIDS stage of the disease.*

CHART 6. AIDS PROFILE AND FORECAST - DR BEYERS NAUDE LOCAL MUNICIPALITY, 2006-2021 [NUMBERS]



Source: IHS Markit Regional eXplorer version 1070

Presenting the number of HIV+ people against the number of people living with AIDS, the people with AIDS added up to 152 in 2006 and 103 for 2016. This number denotes an decrease from 2006 to 2016 with a high average annual rate of -3.80% (or -49 people). For the year 2016, they represented 0.12% of the total population of the entire local municipality.

## 2. ECONOMY

The economic state of Dr Beyers Naude Local Municipality is put in perspective by comparing it on a spatial level with its neighbouring locals, Sarah Baartman District Municipality, Eastern Cape Province and South Africa.

The Dr Beyers Naude Local Municipality does not function in isolation from Sarah Baartman, Eastern Cape Province, South Africa and the world and now, more than ever, it is crucial to have reliable information on its economy for effective planning. Information is needed that will empower the municipality to plan and implement policies that will encourage the social development and economic growth of the people and industries in the municipality respectively.

### 2.1 GROSS DOMESTIC PRODUCT BY REGION (GDP-R)

The Gross Domestic Product (GDP), an important indicator of economic performance, is used to compare economies and economic states.

**Definition:** Gross Domestic Product by Region (GDP-R) represents the value of all goods and services produced within a region, over a period of one year, plus taxes and minus subsidies.

GDP-R can be measured using either current or constant prices, where the current prices measures the economy in actual Rand, and constant prices measures the economy by removing the effect of inflation, and therefore captures the real growth in volumes, as if prices were fixed in a given base year.

TABLE 8. GROSS DOMESTIC PRODUCT (GDP) - DR BEYERS NAUDE, SARAH BAARTMAN, EASTERN CAPE AND NATIONAL TOTAL, 2006-2016 [R BILLIONS, CURRENT PRICES]

	Dr Beyers Naude	Sarah Baartman	Eastern Cape	National Total	Dr Beyers Naude as % of district municipality	Dr Beyers Naude as % of province	Dr Beyers Naude as % of national
2006	1.8	12.9	142.2	1,839.4	14.2%	1.29%	0.10%
2007	2.2	16.1	168.2	2,109.5	13.8%	1.31%	0.10%
2008	2.3	17.1	174.1	2,369.1	13.6%	1.34%	0.10%
2009	2.6	19.1	191.2	2,507.7	13.4%	1.34%	0.10%
2010	2.8	21.2	211.6	2,748.0	13.4%	1.34%	0.10%
2011	3.1	22.8	226.1	3,023.7	13.5%	1.36%	0.10%
2012	3.5	25.6	252.2	3,253.9	13.7%	1.39%	0.11%
2013	3.9	27.0	273.2	3,539.8	14.3%	1.41%	0.11%
2014	4.4	28.9	293.9	3,807.7	15.1%	1.48%	0.11%
2015	4.6	30.7	315.6	4,049.8	14.9%	1.44%	0.11%
2016	4.9	32.8	338.7	4,337.0	15.0%	1.45%	0.11%

Source: IHS Markit Regional eXplorer version 1070

With a GDP of R 4.92 billion in 2016 (up from R 1.83 billion in 2006), the Dr Beyers Naude Local Municipality contributed 15.03% to the Sarah Baartman District Municipality GDP of R 32.8 billion in

2016 increasing in the share of the Sarah Baartman from 14.20% in 2006. The Dr Beyers Naude Local Municipality contributes 1.45% to the GDP of Eastern Cape Province and 0.11% the GDP of South Africa which had a total GDP of R 4.34 trillion in 2016 (as measured in nominal or current prices). Its contribution to the national economy stayed similar in importance from 2006 when it contributed 0.10% to South Africa, but it is lower than the peak of 0.11% in 2014.

TABLE 9. GROSS DOMESTIC PRODUCT (GDP) - DR BEYERS NAUDE, SARAH BAARTMAN, EASTERN CAPE AND NATIONAL TOTAL, 2006-2016 [ANNUAL PERCENTAGE CHANGE, CONSTANT 2010 PRICES]

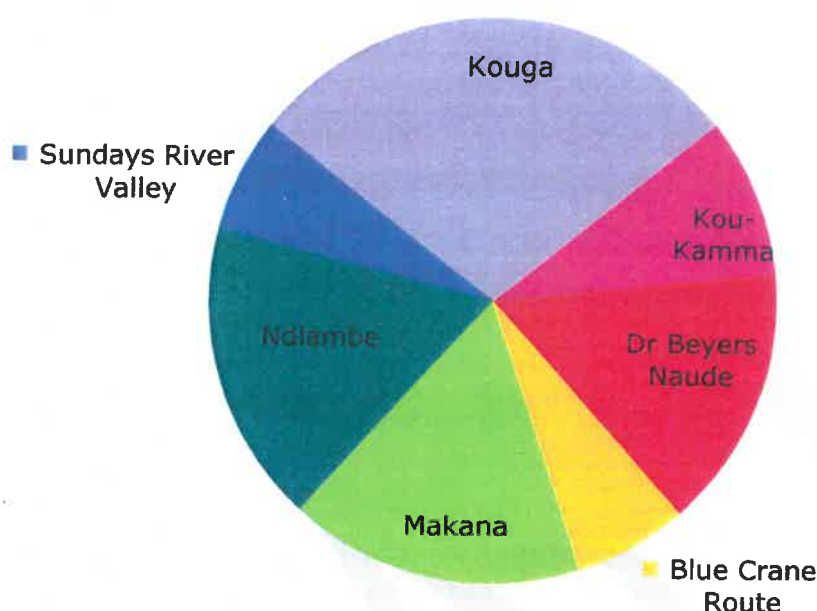
	Dr Beyers Naude	Sarah Baartman	Eastern Cape	National Total
2006	5.9%	9.3%	5.3%	5.3%
2007	7.5%	9.4%	5.3%	5.4%
2008	2.7%	6.0%	3.2%	3.2%
2009	-0.7%	1.5%	-1.0%	-1.5%
2010	6.1%	3.3%	2.4%	3.0%
2011	5.0%	4.5%	3.7%	3.3%
2012	3.4%	1.3%	2.0%	2.2%
2013	3.5%	-1.4%	1.4%	2.5%
2014	8.5%	0.7%	1.1%	1.7%
2015	-0.6%	-0.3%	0.7%	1.3%
2016	0.4%	-0.7%	0.3%	0.3%
<b>Average Annual growth 2006-2016+</b>	<b>3.52%</b>	<b>2.37%</b>	<b>1.89%</b>	<b>2.12%</b>

Source: IHS Markit Regional eXplorer version 1070

In 2016, the Dr Beyers Naude Local Municipality achieved an annual growth rate of 0.36% which is a very similar GDP growth than the Eastern Cape Province's 0.33%, but is higher than that of South Africa, where the 2016 GDP growth rate was 0.28%. Contrary to the short-term growth rate of 2016, the longer-term average growth rate for Dr Beyers Naude (3.52%) is significantly higher than that of South Africa (2.12%). The economic growth in Dr Beyers Naude peaked in 2014 at 8.49%.

CHART 7. GROSS DOMESTIC PRODUCT (GDP) - DR BEYERS NAUDE LOCAL MUNICIPALITY AND THE REST OF SARAH BAARTMAN, 2016 [PERCENTAGE]

**Gross Domestic Product (GDP)**  
Sarah Baartman District Municipality, 2016



Source: IHS Markit Regional eXplorer version 1070

The Dr Beyers Naude Local Municipality had a total GDP of R 4.92 billion and in terms of total contribution towards Sarah Baartman District Municipality the Dr Beyers Naude Local Municipality ranked fourth relative to all the regional economies to total Sarah Baartman District Municipality GDP. This ranking in terms of size compared to other regions of Dr Beyers Naude remained the same since 2006. In terms of its share, it was in 2016 (15.0%) slightly larger compared to what it was in 2006 (14.2%). For the period 2006 to 2016, the average annual growth rate of 3.5% of Dr Beyers Naude was the highest relative to its peers in terms of growth in constant 2010 prices.

TABLE 10. GROSS DOMESTIC PRODUCT (GDP) - REGIONS WITHIN SARAH BAARTMAN DISTRICT MUNICIPALITY, 2006 TO 2016, SHARE AND GROWTH

	2016 (Current prices)	Share of local municipality	2006 (Constant prices)	2016 (Constant prices)	Average Annual growth
Dr Beyers Naude	4.92	15.03%	2.44	3.45	3.52%
Blue Crane Route	2.12	6.47%	1.05	1.43	3.09%
Makana	5.52	16.87%	3.40	3.77	1.04%
Ndlambe	5.66	17.29%	2.99	3.77	2.34%
Sundays River Valley	2.14	6.54%	1.20	1.41	1.63%
Kouga	9.40	28.68%	4.79	6.23	2.67%
Kou-Kamma	2.98	9.11%	1.55	1.97	2.40%

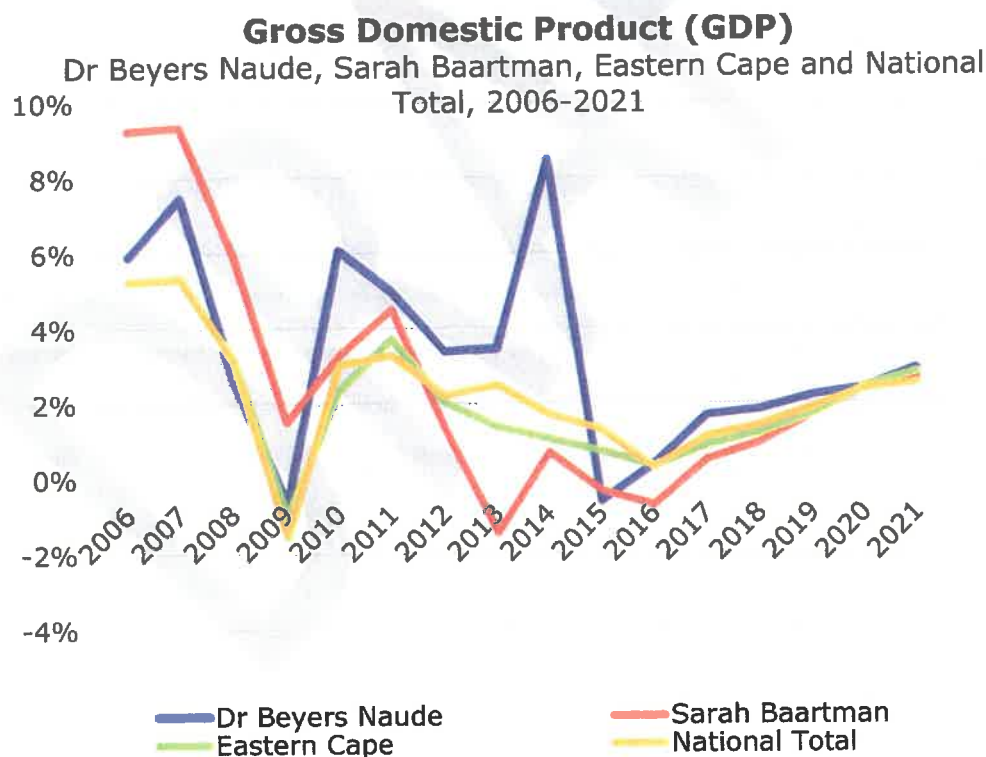
Source: IHS Markit Regional eXplorer version 1070

Dr Beyers Naude had the highest average annual economic growth, averaging 3.52% between 2006 and 2016, when compared to the rest of the regions within Sarah Baartman District Municipality. The Blue Crane Route local municipality had the second highest average annual growth rate of 3.09%. Makana local municipality had the lowest average annual growth rate of 1.04% between 2006 and 2016.

#### 2.1.1.1 ECONOMIC GROWTH FORECAST

It is expected that Dr Beyers Naude Local Municipality will grow at an average annual rate of 2.19% from 2016 to 2021. The average annual growth rate in the GDP of Sarah Baartman District Municipality and Eastern Cape Province is expected to be 1.63% and 1.79% respectively. South Africa is forecasted to grow at an average annual growth rate of 1.84%, which is lower than that of the Dr Beyers Naude Local Municipality.

TABLE 11. GROSS DOMESTIC PRODUCT (GDP) - DR BEYERS NAUDE, SARAH BAARTMAN, EASTERN CAPE AND NATIONAL TOTAL, 2006-2021 [AVERAGE ANNUAL GROWTH RATE, CONSTANT 2010 PRICES]



In 2021, Dr Beyers Naude's forecasted GDP will be an estimated R 3.84 billion (constant 2010 prices) or 16.1% of the total GDP of Sarah Baartman District Municipality. The ranking in terms of size of the Dr Beyers Naude Local Municipality will remain the same between 2016 and 2021, with a contribution to the Sarah Baartman District Municipality GDP of 16.1% in 2021 compared to the 15.7% in 2016. At

a 2.19% average annual GDP growth rate between 2016 and 2021, Dr Beyers Naude ranked the second compared to the other regional economies.

TABLE 12. GROSS DOMESTIC PRODUCT (GDP) - REGIONS WITHIN SARAH BAARTMAN DISTRICT MUNICIPALITY, 2006 TO 2021, SHARE AND GROWTH

	2021 (Current prices)	Share of district municipality	2006 (Constant prices)	2021 (Constant prices)	Average Annual growth
Dr Beyers Naude	7.08	29.66%	2.44	3.84	3.07%
Blue Crane Route	3.08	12.90%	1.05	1.60	2.82%
Makana	7.68	32.16%	3.40	4.02	1.13%
Ndlambe	7.91	33.12%	2.99	4.07	2.07%
Sundays River Valley	2.96	12.38%	1.20	1.50	1.50%
Kouga	13.07	54.74%	4.79	6.72	2.29%
Kou-Kamma	4.17	17.45%	1.55	2.12	2.10%

Source: IHS Markit Regional eXplorer version 1070

## 2.2 GROSS VALUE ADDED BY REGION (GVA-R)

The Dr Beyers Naude Local Municipality's economy is made up of various industries. The GVA-R variable provides a sector breakdown, where each sector is measured in terms of its *value added* produced in the local economy.

**Definition:** Gross Value Added (GVA) is a measure of output (total production) of a region in terms of the value that was created within that region. GVA can be broken down into various production sectors.

The summary table below puts the Gross Value Added (GVA) of all the regions in perspective to that of the Dr Beyers Naude Local Municipality.

TABLE 13. GROSS VALUE ADDED (GVA) BY BROAD ECONOMIC SECTOR - DR BEYERS NAUDE LOCAL MUNICIPALITY, 2016 [R BILLIONS, CURRENT PRICES]

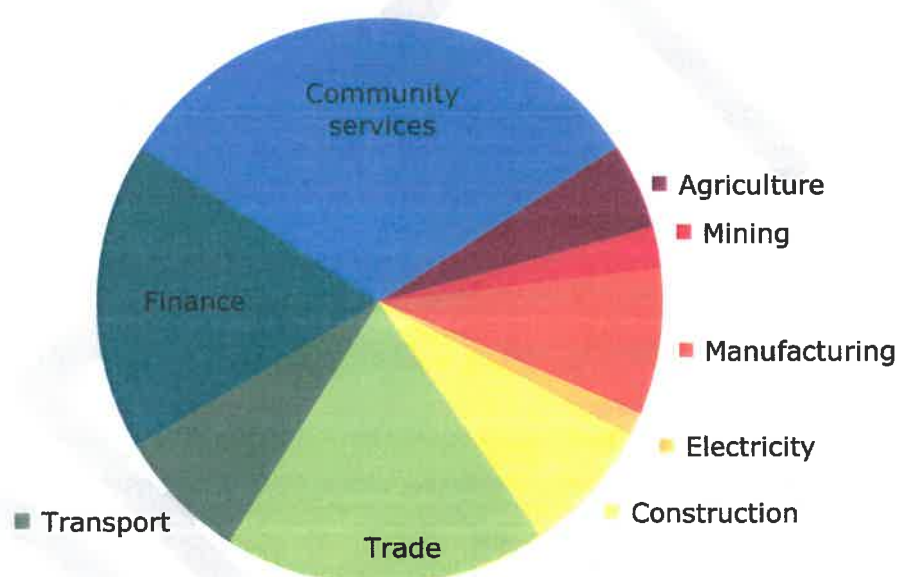
	Dr Beyers Naude	Sarah Baartman	Eastern Cape	National Total	Dr Beyers Naude as % of district municipality	Dr Beyers Naude as % of province	Dr Beyers Naude as % of national
Agriculture	0.2	2.3	5.9	94.4	9.6%	3.7%	0.23%
Mining	0.1	0.1	0.5	304.4	78.7%	19.9%	0.03%
Manufacturing	0.4	2.4	36.5	517.4	15.4%	1.0%	0.07%
Electricity	0.1	0.6	6.3	144.1	9.9%	1.0%	0.04%
Construction	0.3	2.4	13.1	154.3	14.0%	2.6%	0.22%
Trade	0.8	6.6	62.5	589.7	12.4%	1.3%	0.14%
Transport	0.3	2.2	27.7	389.2	14.9%	1.2%	0.09%
Finance	0.8	4.8	60.6	781.7	16.4%	1.3%	0.10%
Community services	1.4	8.5	89.7	894.2	16.4%	1.6%	0.16%
<b>Total Industries</b>	<b>4.4</b>	<b>30.0</b>	<b>302.6</b>	<b>3,869.5</b>	<b>14.8%</b>	<b>1.5%</b>	<b>0.11%</b>

Source: IHS Markit Regional eXplorer version 1070

In 2016, the community services sector is the largest within Dr Beyers Naude Local Municipality accounting for R 1.4 billion or 31.7% of the total GVA in the local municipality's economy. The sector that contributes the second most to the GVA of the Dr Beyers Naude Local Municipality is the trade sector at 18.6%, followed by the finance sector with 17.6%. The sector that contributes the least to the economy of Dr Beyers Naude Local Municipality is the electricity sector with a contribution of R 60 million or 1.36% of the total GVA.

CHART 8. GROSS VALUE ADDED (GVA) BY BROAD ECONOMIC SECTOR - DR BEYERS NAUDE LOCAL MUNICIPALITY, 2016 [PERCENTAGE COMPOSITION]

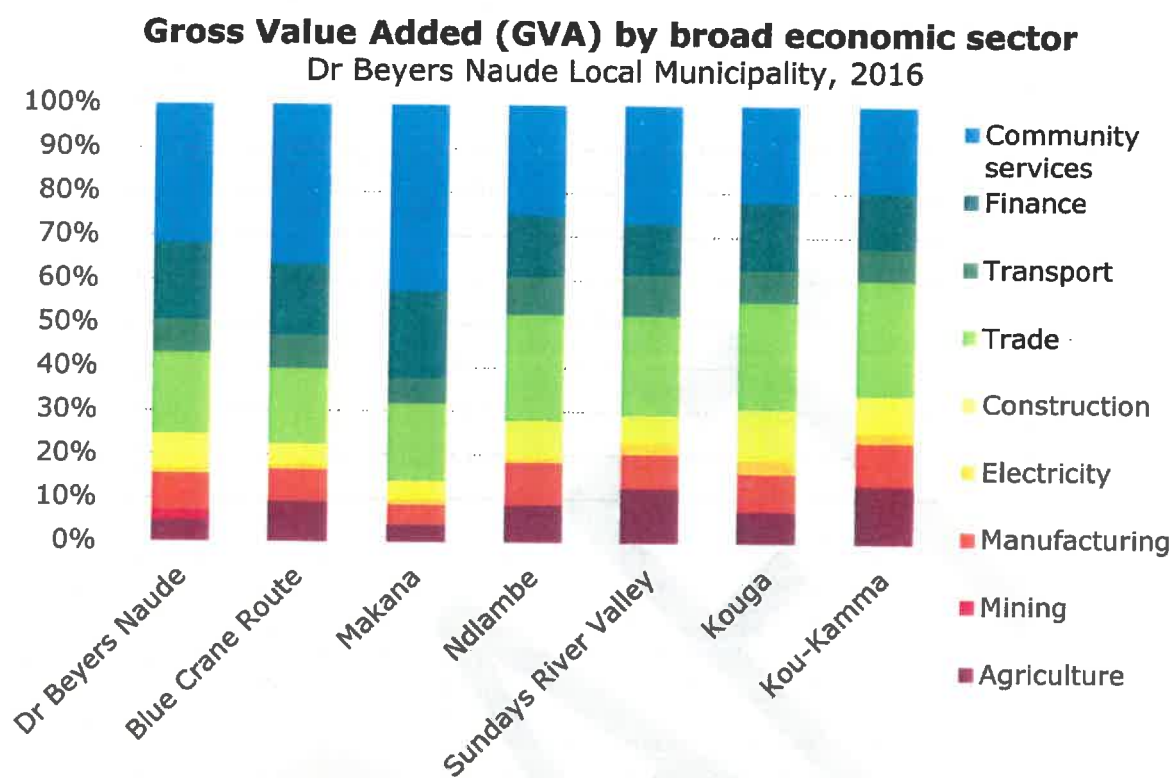
**Gross Value Added (GVA) by broad economic sector**  
Dr Beyers Naude Local Municipality, 2016



Source: IHS Markit Regional eXplorer version 1070

The community sector, which includes the government services, is generally a large contributor towards GVA. When looking at all the regions within the Sarah Baartman District Municipality, it is clear that the Makana contributes the most community services towards its own GVA, with 25.36%, relative to the other regions within Sarah Baartman District Municipality. The Makana contributed R 5.08 billion or 16.94% to the GVA of Sarah Baartman District Municipality. The region within Sarah Baartman District Municipality that contributes the most to the GVA of the Sarah Baartman District Municipality was the Kouga with a total of R 8.67 billion or 28.95%.

CHART 9. GROSS VALUE ADDED (GVA) BY BROAD ECONOMIC SECTOR - DR BEYERS NAUDE, BLUE CRANE ROUTE, MAKANA, NDLAMBE, SUNDAYS RIVER VALLEY, KOUGA AND KOU-KAMMA, 2016 [PERCENTAGE COMPOSITION]



Source: IHS Markit Regional eXplorer version 1070

### 2.2.1 HISTORICAL ECONOMIC GROWTH

For the period 2016 and 2006, the GVA in the finance sector had the highest average annual growth rate in Dr Beyers Naude at 4.28%. The industry with the second highest average annual growth rate is the construction sector averaging at 4.17% per year. The mining sector had an average annual growth rate of 2.05%, while the manufacturing sector had the lowest average annual growth of 1.20%. Overall a positive growth existed for all the industries in 2016 with an annual growth rate of 0.43% since 2015.

TABLE 14. GROSS VALUE ADDED (GVA) BY BROAD ECONOMIC SECTOR - DR BEYERS NAUDE LOCAL MUNICIPALITY, 2006, 2011 AND 2016 [R MILLIONS, 2010 CONSTANT PRICES]

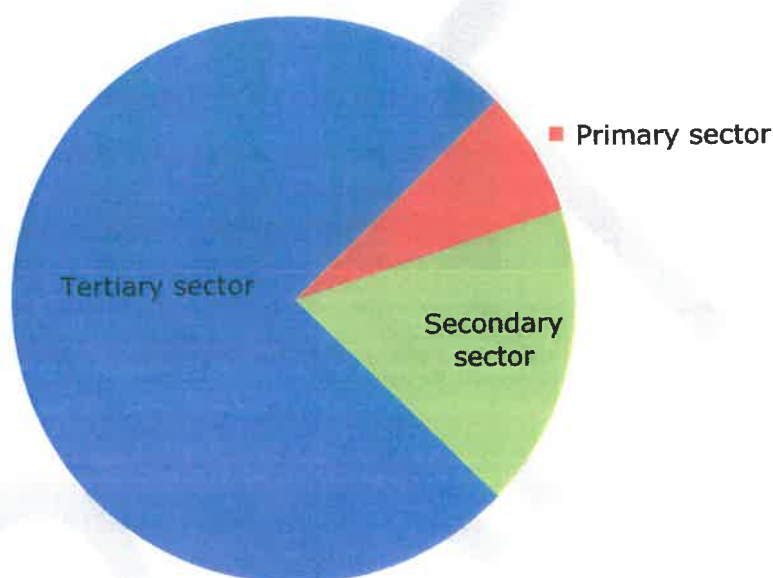
	2006	2011	2016	Average Annual growth
Agriculture	81.8	113.5	112.5	3.24%
Mining	130.1	142.3	159.4	2.05%
Manufacturing	251.2	289.1	283.0	1.20%
Electricity	17.0	24.8	22.6	2.90%
Construction	142.7	202.6	214.8	4.17%
Trade	374.1	449.4	551.0	3.95%
Transport	165.7	204.4	247.1	4.07%
Finance	367.5	450.1	558.9	4.28%
Community services	684.7	824.8	990.9	3.77%
<b>Total Industries</b>	<b>2,214.7</b>	<b>2,700.9</b>	<b>3,140.1</b>	<b>3.55%</b>

Source: IHS Markit Regional eXplorer version 1070

The tertiary sector contributes the most to the Gross Value Added within the Dr Beyers Naude Local Municipality at 75.4%. This is slightly higher than the national economy (68.6%). The secondary sector contributed a total of 17.4% (ranking second), while the primary sector contributed the least at 7.2%.

CHART 10. GROSS VALUE ADDED (GVA) BY AGGREGATE ECONOMIC SECTOR - DR BEYERS NAUDE LOCAL MUNICIPALITY, 2016 [PERCENTAGE]

### **Gross Value Added (GVA) by aggregate sector Dr Beyers Naude Local Municipality, 2016**



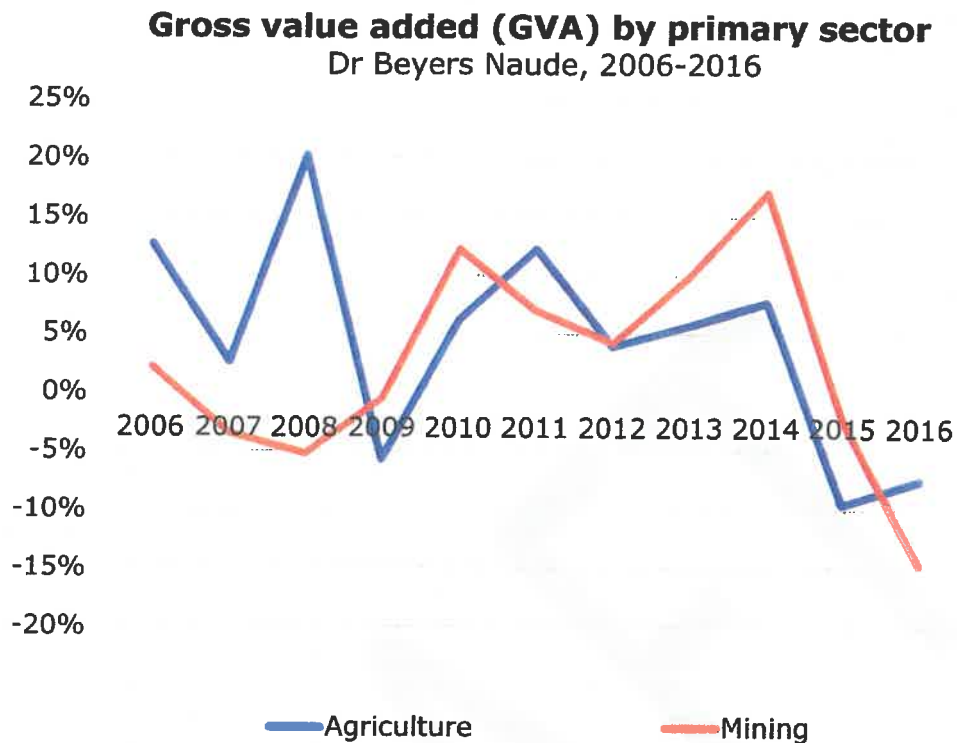
Source: IHS Markit Regional eXplorer version 1070

The following is a breakdown of the Gross Value Added (GVA) by aggregated sector:

#### **2.2.1.1 Primary Sector**

The primary sector consists of two broad economic sectors namely the mining and the agricultural sector. The following chart represents the average growth rate in the GVA for both of these sectors in Dr Beyers Naude Local Municipality from 2006 to 2016.

CHART 11. GROSS VALUE ADDED (GVA) BY PRIMARY SECTOR - DR BEYERS NAUDE, 2006-2016 [ANNUAL PERCENTAGE CHANGE]



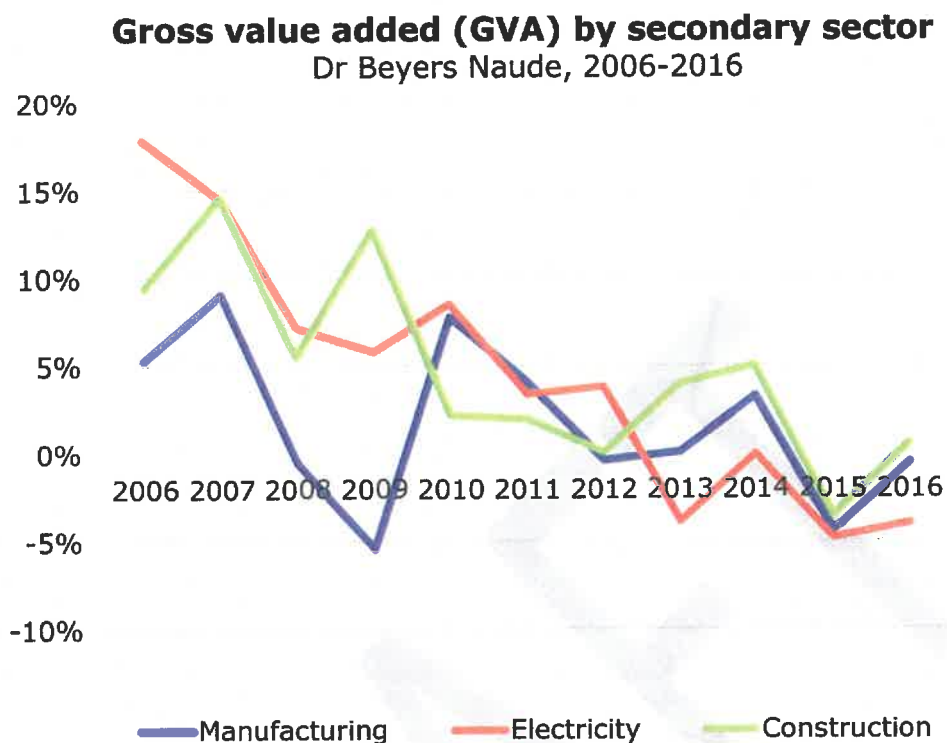
*Source: IHS Markit Regional eXplorer version 1070*

Between 2006 and 2016, the agriculture sector experienced the highest positive growth in 2008 with an average growth rate of 20.2%. The mining sector reached its highest point of growth of 17.2% in 2014. The agricultural sector experienced the lowest growth for the period during 2015 at -9.5%, while the mining sector reaching its lowest point of growth in 2016 at -14.6%. Both the agriculture and mining sectors are generally characterised by volatility in growth over the period.

#### 2.2.1.2 Secondary Sector

The secondary sector consists of three broad economic sectors namely the manufacturing, electricity and the construction sector. The following chart represents the average growth rates in the GVA for these sectors in Dr Beyers Naude Local Municipality from 2006 to 2016.

CHART 12. GROSS VALUE ADDED (GVA) BY SECONDARY SECTOR - DR BEYERS NAUDE, 2006-2016 [ANNUAL PERCENTAGE CHANGE]



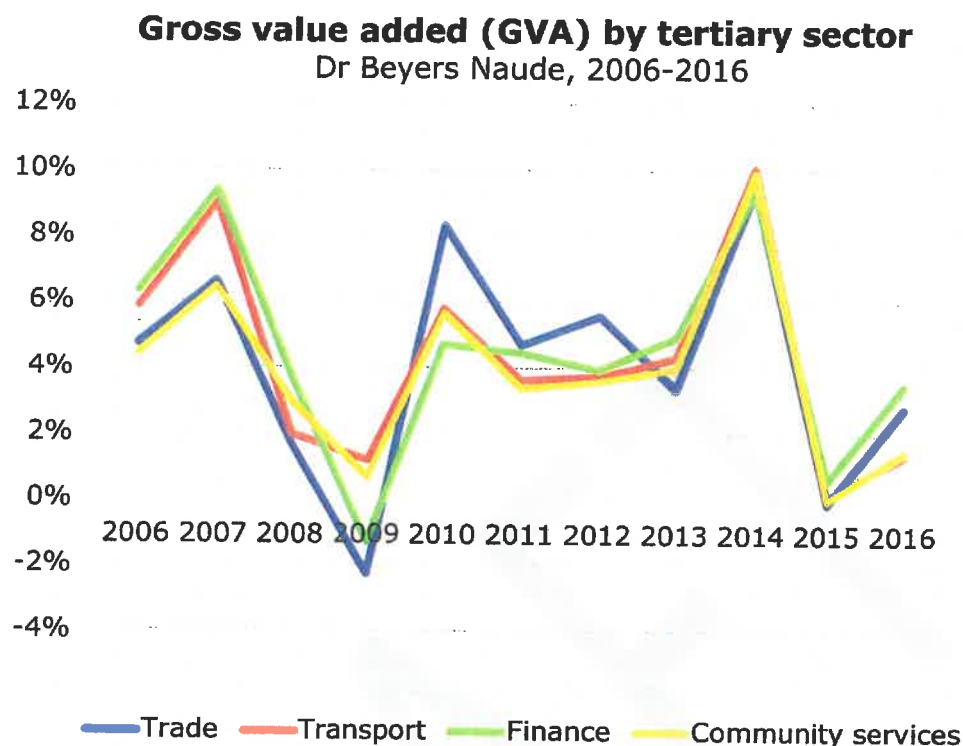
*Source: IHS Markit Regional eXplorer version 1070*

Between 2006 and 2016, the manufacturing sector experienced the highest positive growth in 2007 with a growth rate of 9.1%. It is evident for the construction sector that the highest positive growth rate also existed in 2007 and it experienced a growth rate of 14.6% which is higher than that of the manufacturing sector. The manufacturing sector experienced its lowest growth in 2015 of -5.4%, while construction sector reached its lowest point of growth in 2015 a with -3.5% growth rate. The electricity sector experienced the highest growth in 2006 at 17.8%, while it recorded the lowest growth of -4.8% in 2015.

### 2.2.1.3 Tertiary Sector

The tertiary sector consists of four broad economic sectors namely the trade, transport, finance and the community services sector. The following chart represents the average growth rates in the GVA for these sectors in Dr Beyers Naude Local Municipality from 2006 to 2016.

CHART 13. GROSS VALUE ADDED (GVA) BY TERTIARY SECTOR - DR BEYERS NAUDE, 2006-2016 [ANNUAL PERCENTAGE CHANGE]



*Source: IHS Markit Regional eXplorer version 1070*

The trade sector experienced the highest positive growth in 2014 with a growth rate of 9.4%. It is evident for the transport sector that the highest positive growth rate also existed in 2014 at 10.1% which is higher than that of the manufacturing sector. The finance sector experienced the highest growth rate in 2007 when it grew by 9.4% and recorded the lowest growth rate in 2009 at -1.3%. The Trade sector also had the lowest growth rate in 2009 at -2.3%. The community services sector, which largely consists of government, experienced its highest positive growth in 2014 with 9.9% and the lowest growth rate in 2015 with 0.0%.

### 2.2.2 SECTOR GROWTH FORECAST

The GVA forecasts are based on forecasted growth rates derived from two sources: historical growth rate estimates and national level industry forecasts. The projections are therefore partly based on the notion that regions that have performed well in the recent past are likely to continue performing well (and vice versa) and partly on the notion that those regions that have prominent sectors that are forecast to grow rapidly in the national economy (e.g. finance and telecommunications) are likely to perform well (and vice versa). As the target year moves further from the base year (2010) so the emphasis moves from historical growth rates to national-level industry growth rates.

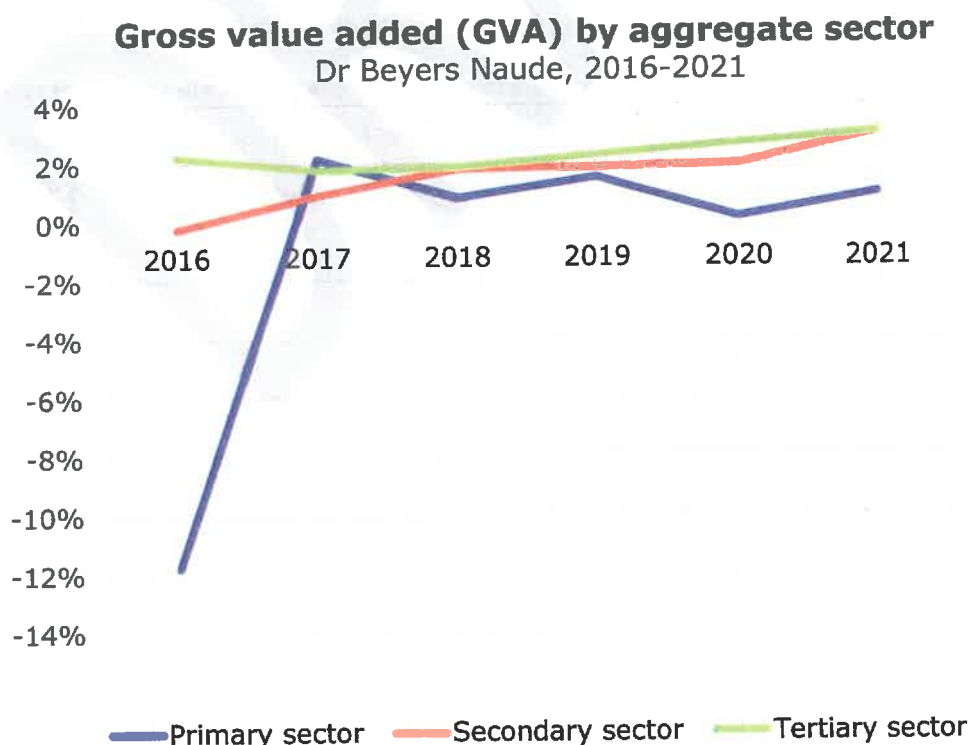
TABLE 15. GROSS VALUE ADDED (GVA) BY BROAD ECONOMIC SECTOR - DR BEYERS NAUDE LOCAL MUNICIPALITY, 2016-2021 [R MILLIONS, CONSTANT 2010 PRICES]

	2016	2017	2018	2019	2020	2021	Average Annual growth
Agriculture	112.5	116.3	117.9	119.8	121.9	124.1	1.98%
Mining	159.4	161.5	162.1	164.5	162.8	163.3	0.49%
Manufacturing	283.0	285.5	290.2	295.1	301.2	310.1	1.85%
Electricity	22.6	22.7	22.8	23.1	23.7	24.3	1.42%
Construction	214.8	217.1	221.8	226.6	230.8	238.3	2.09%
Trade	551.0	561.8	570.7	581.4	594.6	612.8	2.15%
Transport	247.1	252.1	259.5	267.1	276.0	286.4	3.00%
Finance	558.9	571.2	590.9	610.9	633.4	658.6	3.34%
Community services	990.9	1,004.5	1,013.4	1,030.9	1,052.6	1,076.5	1.67%
<b>Total Industries</b>	<b>3,140.1</b>	<b>3,192.5</b>	<b>3,249.2</b>	<b>3,319.4</b>	<b>3,397.0</b>	<b>3,494.5</b>	<b>2.16%</b>

Source: IHS Markit Regional eXplorer version 1070

The finance sector is expected to grow fastest at an average of 3.34% annually from R 559 million in Dr Beyers Naude Local Municipality to R 659 million in 2021. The community services sector is estimated to be the largest sector within the Dr Beyers Naude Local Municipality in 2021, with a total share of 30.8% of the total GVA (as measured in current prices), growing at an average annual rate of 1.7%. The sector that is estimated to grow the slowest is the mining sector with an average annual growth rate of 0.49%.

TABLE 16. GROSS VALUE ADDED (GVA) BY AGGREGATE ECONOMIC SECTOR - DR BEYERS NAUDE LOCAL MUNICIPALITY, 2016-2021 [ANNUAL GROWTH RATE, CONSTANT 2010 PRICES]



Source: IHS Markit Regional eXplorer version 1070

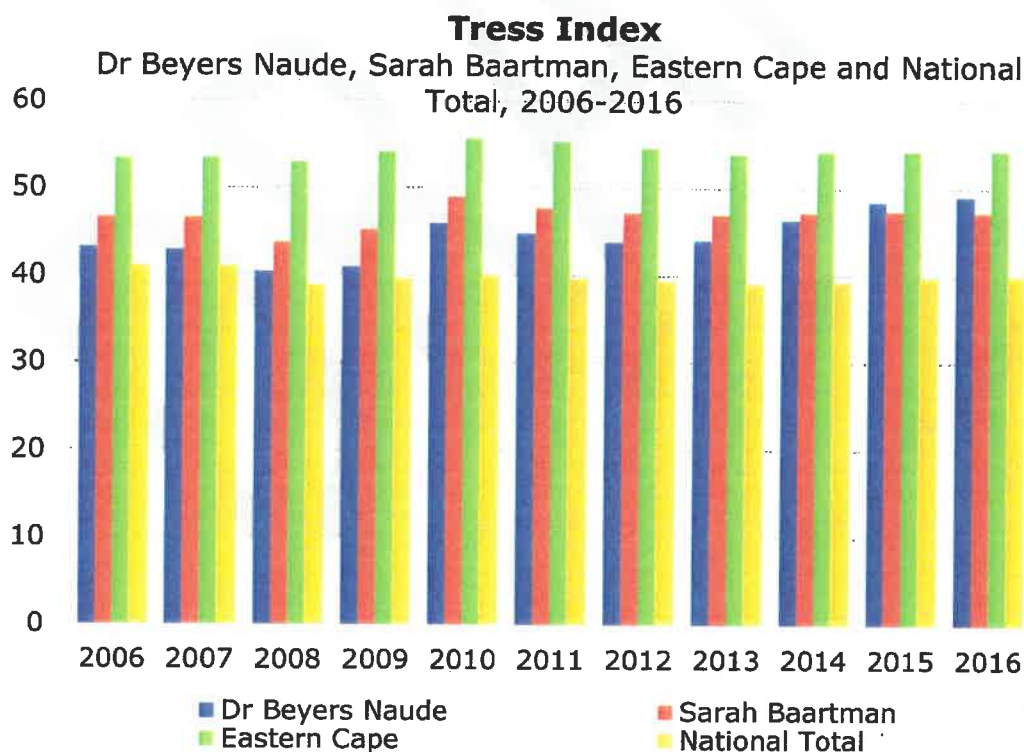
The Primary sector is expected to grow at an average annual rate of 1.12% between 2016 and 2021, with the Secondary sector growing at 1.93% on average annually. The Tertiary sector is expected to grow at an average annual rate of 2.33% for the same period.

*Based on the typical profile of a developing country, we can expect faster growth in the secondary and tertiary sectors when compared to the primary sector. Also remember that the agricultural sector is prone to very high volatility as a result of uncertain weather conditions, pests and other natural causes - and the forecasts presented here is merely a long-term trend rather than trying to forecast the unpredictable weather conditions.*

## 2.3 TRESS INDEX

**Definition:** The Tress index measures the degree of concentration of an area's economy on a sector basis. A Tress index value of 0 means that all economic sectors in the region contribute equally to GVA, whereas a Tress index of 100 means that only one economic sector makes up the whole GVA of the region.

CHART 14. TRESS INDEX - DR BEYERS NAUDE, SARAH BAARTMAN, EASTERN CAPE AND NATIONAL TOTAL, 2006-2016 [NUMBER]



Source: IHS Markit Regional eXplorer version 1070

In 2016, Dr Beyers Naude's Tress Index was estimated at 49.1 which are higher than the 47.4 of the district municipality but lower than the 47.4 of the province. This implies that - on average - Dr Beyers

Naude Local Municipality is more diversified in terms of its economic activity spread than the province's economy as a whole.

The Dr Beyers Naude Local Municipality has a concentrated agriculture sector.

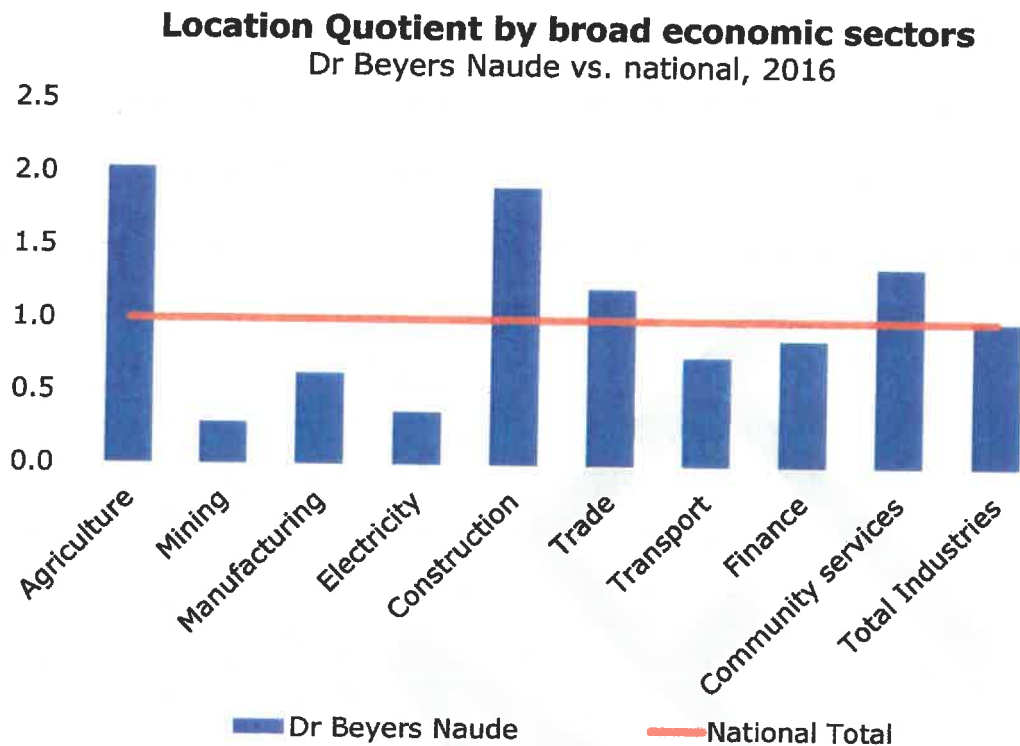
*The more diverse an economy is, the more likely it is to create employment opportunities across all skills levels (and not only - for instance - employment opportunities that cater for highly skilled labourers), and maintain a healthy balance between labour-intensive and capital-intensive industries. If both economic growth and the alleviation of unemployment are of concern, clearly there need to be industries that are growing fast and also creating jobs in particular the lower skilled categories. Unfortunately, in practice many industries that are growing fast are not those that create many employment opportunities for unskilled labourers (and alleviate unemployment).*

## 2.4 LOCATION QUOTIENT

**Definition:** A specific regional economy has a comparative advantage over other regional economies if it can more efficiently produce the same good. The location quotient is one way of measuring this comparative advantage.

If the location quotient is larger than one for a specified sector within a region, then that region has a comparative advantage in that sector. This is because the share of that sector of the specified regional economy is greater than the same sector in the national economy. The location quotient is usually computed by taking the percentage share of the sector in the regional economy divided by the percentage share of that same sector in the national economy.

CHART 15. LOCATION QUOTIENT BY BROAD ECONOMIC SECTORS - DR BEYERS NAUDE LOCAL MUNICIPALITY AND SOUTH AFRICA, 2016 [NUMBER]



*Source: IHS Markit Regional eXplorer version 1070*

For 2016 Dr Beyers Naude Local Municipality has a very large comparative advantage in the agriculture sector. The construction sector also has a very large comparative advantage. The community services also has a comparative advantage when comparing it to the South Africa economy as a whole, although less prominent. The Dr Beyers Naude Local Municipality has a comparative disadvantage when it comes to the mining and electricity sector which has a large comparative disadvantage. In general mining is a very concentrated economic sector. The Dr Beyers Naude Local Municipality area does have some mining, but this is very limited and fairly unimportant.

### 3. LABOUR

The labour force of a country consists of everyone of working age (above a certain age and below retirement) that are participating as workers, i.e. people who are actively employed or seeking employment. This is also called the economically active population (EAP). People not included are students, retired people, stay-at-home parents, people in prisons or similar institutions, people employed in jobs or professions with unreported income, as well as discouraged workers who cannot find work.

TABLE 17. WORKING AGE POPULATION IN DR BEYERS NAUDE, SARAH BAARTMAN, EASTERN CAPE AND NATIONAL TOTAL, 2006 AND 2016 [NUMBER]

	Dr Beyers Naude		Sarah Baartman		Eastern Cape		National Total	
	2006	2016	2006	2016	2006	2016	2006	2016
15-19	7,170	6,920	40,700	34,000	803,000	634,000	5,290,000	4,550,000
20-24	6,210	7,550	41,700	47,900	701,000	694,000	5,260,000	5,000,000
25-29	5,480	6,960	39,700	52,100	530,000	684,000	4,550,000	5,620,000
30-34	5,100	6,540	31,200	45,200	355,000	589,000	3,570,000	5,300,000
35-39	4,620	5,470	26,300	37,600	288,000	439,000	2,930,000	4,240,000
40-44	4,400	4,890	24,500	28,900	286,000	298,000	2,610,000	3,120,000
45-49	4,160	4,290	23,200	23,600	286,000	247,000	2,290,000	2,530,000
50-54	3,460	3,930	18,900	21,500	241,000	249,000	1,880,000	2,260,000
55-59	3,280	3,600	16,500	19,600	205,000	249,000	1,520,000	1,990,000
60-64	2,370	2,920	13,500	15,800	171,000	207,000	1,170,000	1,610,000
<b>Total</b>	<b>46,249</b>	<b>53,069</b>	<b>276,249</b>	<b>326,140</b>	<b>3,866,898</b>	<b>4,289,325</b>	<b>31,071,485</b>	<b>36,220,290</b>

Source: IHS Markit Regional eXplorer version 1070

The working age population in Dr Beyers Naude in 2016 was 53 100, increasing at an average annual rate of 1.39% since 2006. For the same period the working age population for Sarah Baartman District Municipality increased at 1.67% annually, while that of Eastern Cape Province increased at 1.04% annually. South Africa's working age population has increased annually by 1.55% from 31.1 million in 2006 to 36.2 million in 2016.

*In theory, a higher or increasing population dividend is supposed to provide additional stimulus to economic growth. People of working age tend to uphold higher consumption patterns (Final Consumption Expenditure, FCE), and a more dense concentration of working age people is supposed to decrease dependency ratios - given that the additional labour which is offered to the market, is absorbed.*

#### 3.1 ECONOMICALLY ACTIVE POPULATION (EAP)

The economically active population (EAP) is a good indicator of how many of the total working age population are in reality participating in the labour market of a region. If a person is economically active, he or she forms part of the labour force.

**Definition:** The economically active population (EAP) is defined as the number of people (between the age of 15 and 65) who are able and willing to work, and who are actively looking for work. It includes both employed and unemployed people. People, who recently have not taken any active steps to find employment, are not included in the measure. These people may (or may not) consider themselves unemployed. Regardless, they are counted as discouraged work seekers, and thus form part of the non-economically active population.

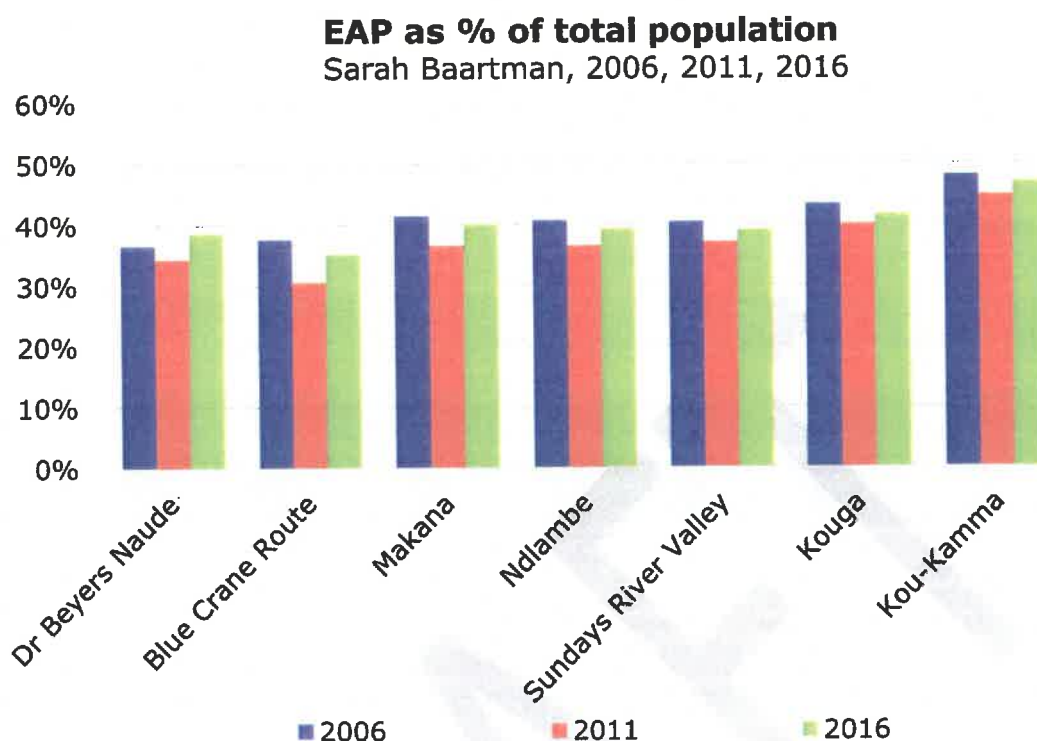
TABLE 18. ECONOMICALLY ACTIVE POPULATION (EAP) - DR BEYERS NAUDE, SARAH BAARTMAN, EASTERN CAPE AND NATIONAL TOTAL, 2006-2016 [NUMBER, PERCENTAGE ]

	Dr Beyers Naude	Sarah Baartman	Eastern Cape	National Total	Dr Beyers Naude as % of district municipality	Dr Beyers Naude as % of province	Dr Beyers Naude as % of national
2006	27,600	172,000	1,840,000	17,500,000	16.0%	1.50%	0.16%
2007	27,800	173,000	1,850,000	18,000,000	16.0%	1.50%	0.15%
2008	28,000	174,000	1,840,000	18,400,000	16.1%	1.53%	0.15%
2009	27,700	172,000	1,790,000	18,300,000	16.2%	1.55%	0.15%
2010	27,200	168,000	1,730,000	18,100,000	16.2%	1.57%	0.15%
2011	27,400	169,000	1,740,000	18,300,000	16.2%	1.58%	0.15%
2012	27,800	171,000	1,770,000	18,700,000	16.2%	1.57%	0.15%
2013	29,000	177,000	1,840,000	19,300,000	16.3%	1.57%	0.15%
2014	31,000	188,000	1,940,000	20,100,000	16.5%	1.60%	0.15%
2015	31,900	195,000	2,000,000	20,800,000	16.4%	1.60%	0.15%
2016	32,500	198,000	2,040,000	21,200,000	16.4%	1.60%	0.15%
<b>Average Annual growth</b>							
2006-2016	1.67%	1.43%	1.03%	1.92%			

Source: IHS Markit Regional eXplorer version 1070

Dr Beyers Naude Local Municipality's EAP was 32 500 in 2016, which is 38.63% of its total population of 84 200, and roughly 16.40% of the total EAP of the Sarah Baartman District Municipality. From 2006 to 2016, the average annual increase in the EAP in the Dr Beyers Naude Local Municipality was 1.67%, which is 0.244 percentage points higher than the growth in the EAP of Sarah Baartman's for the same period.

CHART 16. EAP AS % OF TOTAL POPULATION - DR BEYERS NAUDE AND THE REST OF SARAH BAARTMAN, 2006, 2011, 2016 [PERCENTAGE]



Source: IHS Markit Regional eXplorer version 1070

In 2006, 36.7% of the total population in Dr Beyers Naude Local Municipality were classified as economically active which increased to 38.6% in 2016. Compared to the other regions in Sarah Baartman District Municipality, Kou-Kamma local municipality had the highest EAP as a percentage of the total population within its own region relative to the other regions. On the other hand, Blue Crane Route local municipality had the lowest EAP with 35.2% people classified as economically active population in 2016.

### 3.1.1 LABOUR FORCE PARTICIPATION RATE

**Definition:** The labour force participation rate (LFPR) is the Economically Active Population (EAP) expressed as a percentage of the total working age population.

The following is the labour participation rate of the Dr Beyers Naude, Sarah Baartman, Eastern Cape and National Total as a whole.

TABLE 19. THE LABOUR FORCE PARTICIPATION RATE - DR BEYERS NAUDE, SARAH BAARTMAN, EASTERN CAPE AND NATIONAL TOTAL, 2006-2016 [PERCENTAGE]

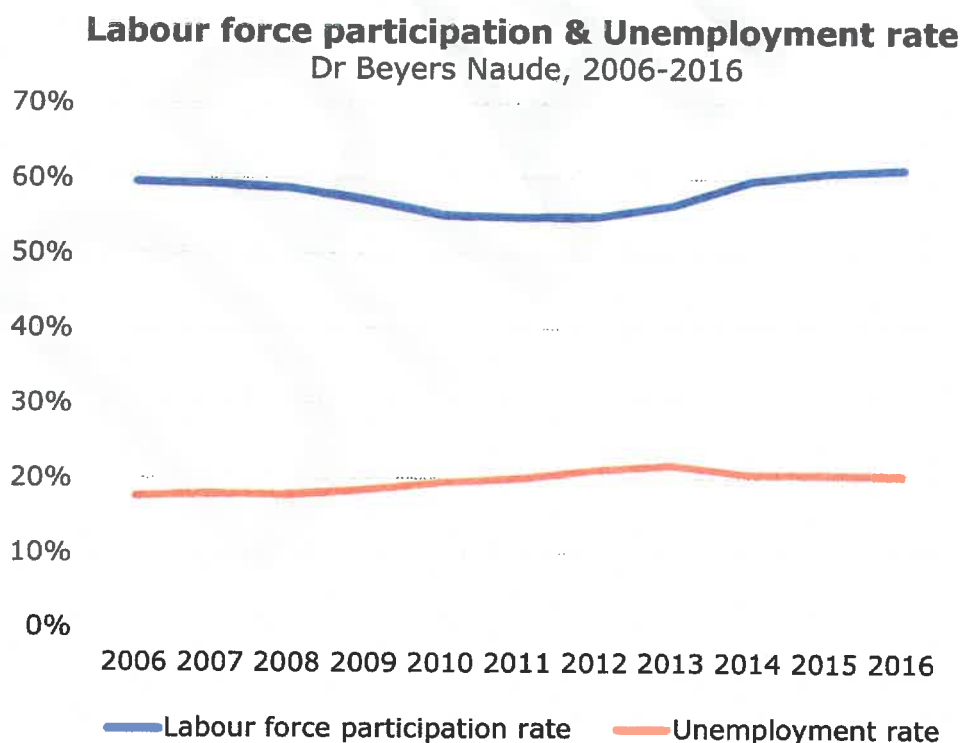
	Dr Beyers Naude	Sarah Baartman	Eastern Cape	National Total
2006	59.6%	62.3%	47.6%	56.4%
2007	59.3%	61.8%	47.3%	57.0%

	Dr Beyers Naude	Sarah Baartman	Eastern Cape	National Total
2008	58.8%	61.0%	46.5%	57.4%
2009	57.2%	59.2%	44.9%	56.2%
2010	55.2%	56.9%	42.9%	54.5%
2011	54.9%	56.3%	42.6%	54.3%
2012	54.9%	56.1%	43.1%	54.7%
2013	56.5%	57.1%	44.4%	55.7%
2014	59.8%	59.4%	46.2%	57.1%
2015	60.9%	60.7%	47.2%	58.1%
2016	61.3%	60.8%	47.5%	58.5%

Source: IHS Markit Regional eXplorer version 1070

The Dr Beyers Naude Local Municipality's labour force participation rate increased from 59.59% to 61.31% which is an increase of 1.7 percentage points. The Sarah Baartman District Municipality decreased from 62.31% to 60.83%, Eastern Cape Province decreased from 47.58% to 47.50% and South Africa increased from 56.37% to 58.51% from 2006 to 2016. The Dr Beyers Naude Local Municipality labour force participation rate exhibited a higher percentage point change compared to the Eastern Cape Province from 2006 to 2016. The Dr Beyers Naude Local Municipality had a higher labour force participation rate when compared to South Africa in 2016.

CHART 17. THE LABOUR FORCE PARTICIPATION RATE - DR BEYERS NAUDE LOCAL MUNICIPALITY, 2006-2016 [PERCENTAGE]

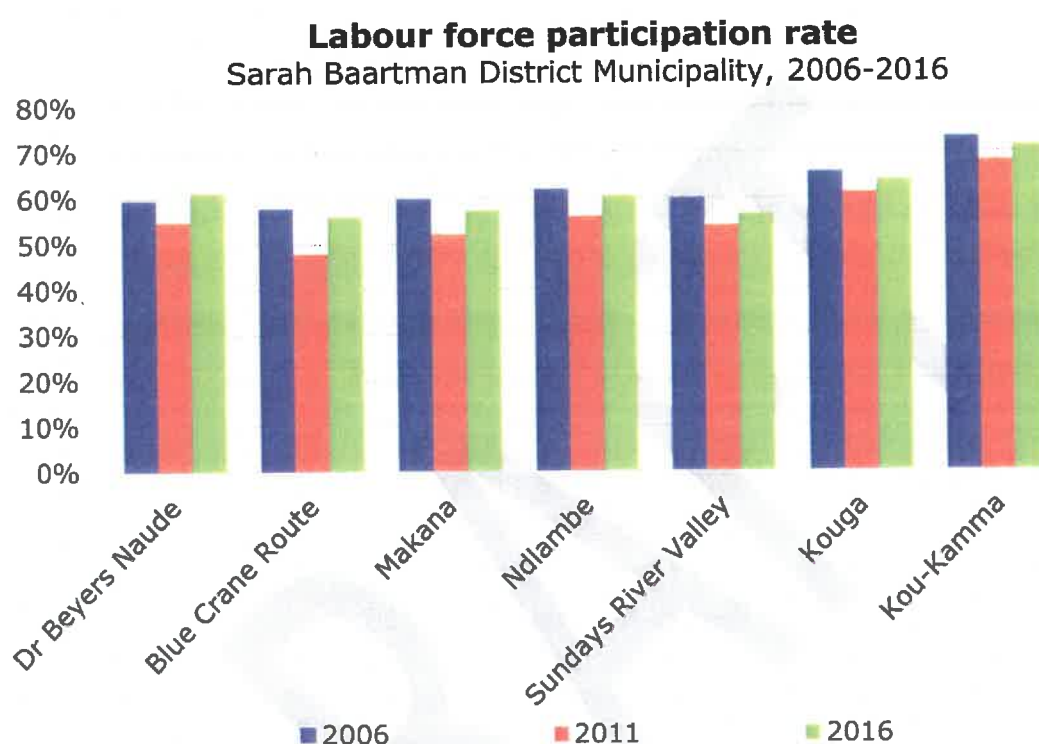


Source: IHS Markit Regional eXplorer version 1070

In 2016 the labour force participation rate for Dr Beyers Naude was at 61.3% which is slightly higher when compared to the 59.6% in 2006. The unemployment rate is an efficient indicator that measures the success rate of the labour force relative to employment. In 2006, the unemployment rate for Dr

Beyers Naude was 17.6% and increased overtime to 20.5% in 2016. The gap between the labour force participation rate and the unemployment rate decreased which indicates a negative outlook for the employment within Dr Beyers Naude Local Municipality.

CHART 18. THE LABOUR FORCE PARTICIPATION RATE - DR BEYERS NAUDE, BLUE CRANE ROUTE, MAKANA, NDLAMBE, SUNDAYS RIVER VALLEY, KOUGA AND KOU-KAMMA, 2006, 2011 AND 2016 [PERCENTAGE]



Source: IHS Markit Regional eXplorer version 1070

Kou-Kamma local municipality had the highest labour force participation rate with 71.2% in 2016 decreasing from 73.2% in 2006. Blue Crane Route local municipality had the lowest labour force participation rate of 56.0% in 2016, this decreased from 57.8% in 2006.

### 3.2 TOTAL EMPLOYMENT

Employment data is a key element in the estimation of unemployment. In addition, trends in employment within different sectors and industries normally indicate significant structural changes in the economy. Employment data is also used in the calculation of productivity, earnings per worker, and other economic indicators.

**Definition:** Total employment consists of two parts: employment in the formal sector, and employment in the informal sector

TABLE 20. TOTAL EMPLOYMENT - DR BEYERS NAUDE, SARAH BAARTMAN, EASTERN CAPE AND NATIONAL TOTAL, 2006-2016 [NUMBERS]

	Dr Beyers Naude	Sarah Baartman	Eastern Cape	National Total
2006	22,900	143,000	1,330,000	13,000,000
2007	23,000	144,000	1,350,000	13,500,000
2008	23,200	145,000	1,350,000	14,100,000
2009	22,800	142,000	1,320,000	14,000,000
2010	22,000	138,000	1,260,000	13,600,000
2011	22,100	139,000	1,260,000	13,800,000
2012	22,200	139,000	1,270,000	14,000,000
2013	22,900	141,000	1,310,000	14,500,000
2014	24,900	150,000	1,370,000	15,100,000
2015	25,700	157,000	1,420,000	15,500,000
2016	26,100	159,000	1,450,000	15,700,000
2006-2016	1.32%	1.08%	0.87%	Average Annual growth 1.87%

Source: IHS Markit Regional eXplorer version 1070

In 2016, Dr Beyers Naude employed 26 100 people which is 16.43% of the total employment in Sarah Baartman District Municipality (159 000), 1.80% of total employment in Eastern Cape Province (1.45 million), and 0.17% of the total employment of 15.7 million in South Africa. Employment within Dr Beyers Naude increased annually at an average rate of 1.32% from 2006 to 2016.

TABLE 21. TOTAL EMPLOYMENT PER BROAD ECONOMIC SECTOR - DR BEYERS NAUDE AND THE REST OF SARAH BAARTMAN, 2016 [NUMBERS]

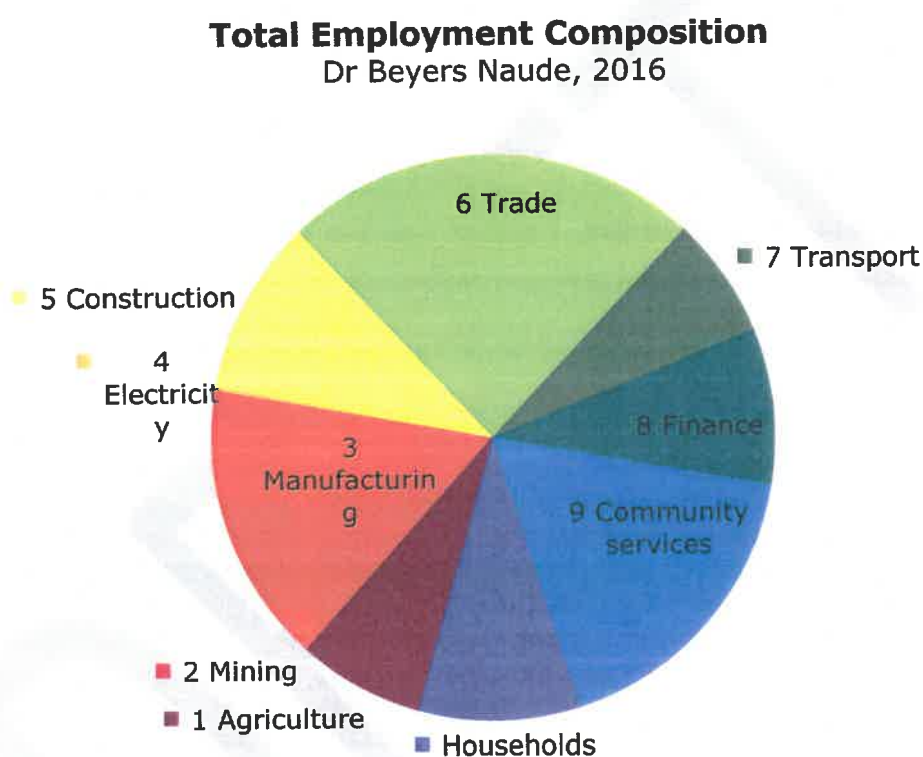
	Dr Beyers Naude	Blue Crane Route	Makana	Ndlambe	Sundays River Valley	Kouga	Kou-Kamma	Total Sarah Baartman
Agriculture	1,890	342	1,330	2,960	6,980	6,950	5,340	25,783
Mining	4	3	6	9	2	9	3	36
Manufacturing	4,210	1,350	2,830	1,380	1,290	2,820	1,770	15,657
Electricity	47	26	67	24	63	162	123	513
Construction	2,630	929	2,660	2,620	1,500	4,190	2,150	16,672
Trade	6,240	2,880	5,380	3,830	3,600	7,870	3,920	33,740
Transport	1,820	599	1,280	750	673	1,350	773	7,241
Finance	2,330	1,030	2,790	1,690	1,080	2,790	1,300	13,003
Community services	4,530	2,180	6,520	3,870	3,020	6,600	3,150	29,869
Households	2,440	1,240	3,000	2,460	2,090	3,600	1,830	16,657
<b>Total</b>	<b>26,100</b>	<b>10,600</b>	<b>25,900</b>	<b>19,600</b>	<b>20,300</b>	<b>36,300</b>	<b>20,300</b>	<b>159,172</b>

Source: IHS Markit Regional eXplorer version 1070

Dr Beyers Naude Local Municipality employs a total number of 26 100 people within its local municipality. The local municipality that employs the highest number of people relative to the other regions within Sarah Baartman District Municipality is Kouga local municipality with a total number of 36 400. The local municipality that employs the lowest number of people relative to the other regions within Sarah Baartman District Municipality is Blue Crane Route local municipality with a total number of 10 600 employed people.

In Dr Beyers Naude Local Municipality the economic sectors that recorded the largest number of employment in 2016 were the trade sector with a total of 6 240 employed people or 23.9% of total employment in the local municipality. The community services sector with a total of 4 530 (17.3%) employs the second highest number of people relative to the rest of the sectors. The mining sector with 4.23 (0.0%) is the sector that employs the least number of people in Dr Beyers Naude Local Municipality, followed by the electricity sector with 47.3 (0.2%) people employed.

CHART 19. TOTAL EMPLOYMENT PER BROAD ECONOMIC SECTOR - DR BEYERS NAUDE LOCAL MUNICIPALITY, 2016 [PERCENTAGE]



Source: IHS Markit Regional eXplorer version 1070

### 3.3 FORMAL AND INFORMAL EMPLOYMENT

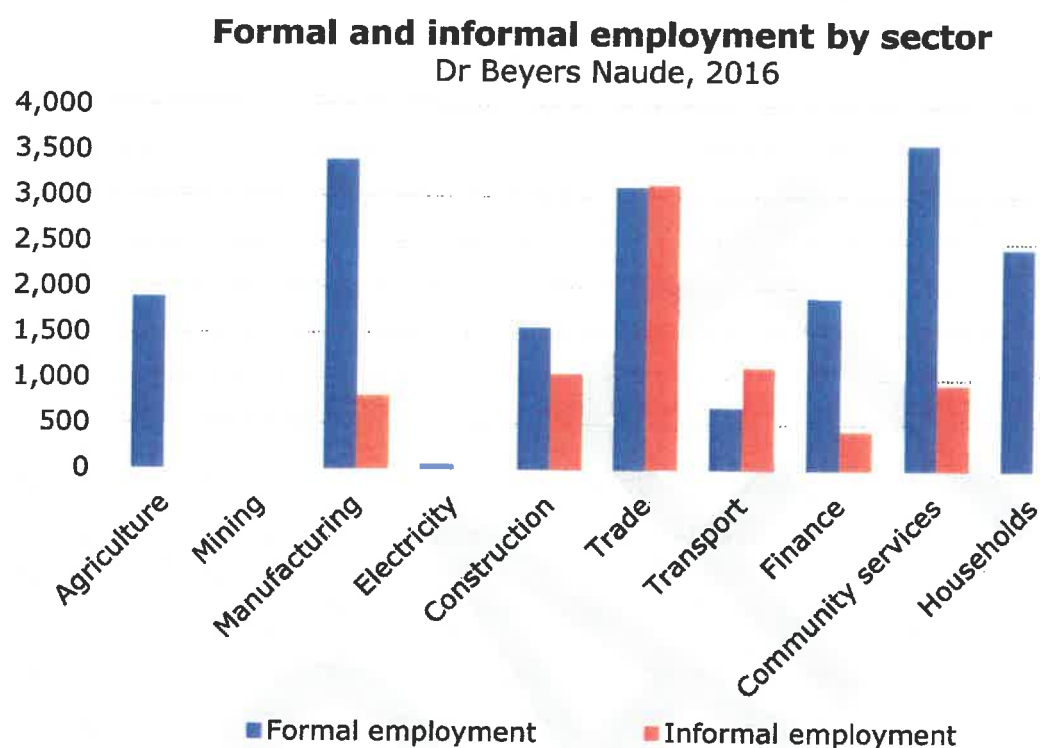
Total employment can be broken down into formal and informal sector employment. Formal sector employment is measured from the formal business side, and the informal employment is measured from the household side where formal businesses have not been established.

Formal employment is much more stable than informal employment. Informal employment is much harder to measure and manage, simply because it cannot be tracked through the formal business side of the economy. Informal employment is however a reality in South Africa and cannot be ignored.

The number of formally employed people in Dr Beyers Naude Local Municipality counted 18 600 in 2016, which is about 71.19% of total employment, while the number of people employed in the

informal sector counted 7 530 or 28.81% of the total employment. Informal employment in Dr Beyers Naude increased from 7 120 in 2006 to an estimated 7 530 in 2016.

CHART 20. FORMAL AND INFORMAL EMPLOYMENT BY BROAD ECONOMIC SECTOR - DR BEYERS NAUDE LOCAL MUNICIPALITY, 2016 [NUMBERS]



Source: IHS Markit Regional eXplorer version 1070

*Some of the economic sectors have little or no informal employment:*

*Mining industry, due to well-regulated mining safety policies, and the strict registration of a mine, has little or no informal employment. The Electricity sector is also well regulated, making it difficult to get information on informal employment. Domestic Workers and employment in the Agriculture sector is typically counted under a separate heading.*

In 2016 the Trade sector recorded the highest number of informally employed, with a total of 3 140 employees or 41.62% of the total informal employment. This can be expected as the barriers to enter the Trade sector in terms of capital and skills required is less than with most of the other sectors. The Finance sector has the lowest informal employment with 439 and only contributes 5.82% to total informal employment.

TABLE 22. FORMAL AND INFORMAL EMPLOYMENT BY BROAD ECONOMIC SECTOR - DR BEYERS NAUDE LOCAL MUNICIPALITY, 2016 [NUMBERS]

	Formal employment	Informal employment
Agriculture	1,890	N/A
Mining	4	N/A

	Formal employment	Informal employment
Manufacturing	3,400	813
Electricity	47	N/A
Construction	1,570	1,060
Trade	3,110	3,140
Transport	687	1,130
Finance	1,890	439
Community services	3,580	949
Households	2,440	N/A

Source: IHS Markit Regional eXplorer version 1070

*The informal sector is vital for the areas with very high unemployment and very low labour participation rates. Unemployed people see participating in the informal sector as a survival strategy. The most desirable situation would be to get a stable formal job. But because the formal economy is not growing fast enough to generate adequate jobs, the informal sector is used as a survival mechanism.*

### 3.4 UNEMPLOYMENT

**Definition:** The unemployed includes all persons between 15 and 65 who are currently not working, but who are actively looking for work. It therefore excludes people who are not actively seeking work (referred to as discouraged work seekers).

The choice of definition for what constitutes being unemployed has a large impact on the final estimates for all measured labour force variables. The following definition was adopted by the Thirteenth International Conference of Labour Statisticians (Geneva, 1982): The "unemployed" comprise all persons above a specified age who during the reference period were:

- "Without work", i.e. not in paid employment or self-employment;
- "Currently available for work", i.e. were available for paid employment or self-employment during the reference period; and
- "Seeking work", i.e. had taken specific steps in a specified reference period to seek paid employment or self-employment. The specific steps may include registration at a public or private employment exchange; application to employers; checking at worksites, farms, factory gates, market or other assembly places; placing or answering newspaper advertisements; seeking assistance of friends or relatives; looking for land.

TABLE 23. UNEMPLOYMENT (OFFICIAL DEFINITION) - DR BEYERS NAUDE, SARAH BAARTMAN, EASTERN CAPE AND NATIONAL TOTAL, 2006-2016 [NUMBER PERCENTAGE]

	Dr Beyers Naude	Sarah Baartman	Eastern Cape	National Total	Dr Beyers Naude as % of district municipality	Dr Beyers Naude as % of province	Dr Beyers Naude as % of national
2006	4,860	30,100	512,000	4,510,000	16.1%	0.95%	0.11%
2007	4,980	30,300	503,000	4,460,000	16.4%	0.99%	0.11%

	Dr Beyers Naude	Sarah Baartman	Eastern Cape	National Total	Dr Beyers Naude as % of district municipality	Dr Beyers Naude as % of province	Dr Beyers Naude as % of national
2008	4,990	29,600	488,000	4,350,000	16.8%	1.02%	0.11%
2009	5,120	29,700	483,000	4,370,000	17.3%	1.06%	0.12%
2010	5,300	30,000	480,000	4,490,000	17.7%	1.10%	0.12%
2011	5,480	30,300	485,000	4,570,000	18.1%	1.13%	0.12%
2012	5,880	33,200	508,000	4,690,000	17.7%	1.16%	0.13%
2013	6,310	36,800	542,000	4,850,000	17.1%	1.16%	0.13%
2014	6,390	38,100	569,000	5,060,000	16.8%	1.12%	0.13%
2015	6,580	38,700	582,000	5,290,000	17.0%	1.13%	0.12%
2016	6,680	39,900	591,000	5,540,000	16.7%	1.13%	0.12%

Average Annual growth						
2006-2016	3.23%	2.85%	1.44%	2.07%		

Source: IHS Markit Regional eXplorer version 1070

In 2016, there were a total number of 6 680 people unemployed in Dr Beyers Naude, which is an increase of 1 820 from 4 860 in 2006. The total number of unemployed people within Dr Beyers Naude constitutes 16.74% of the total number of unemployed people in Sarah Baartman District Municipality. The Dr Beyers Naude Local Municipality experienced an average annual increase of 3.23% in the number of unemployed people, which is worse than that of the Sarah Baartman District Municipality which had an average annual increase in unemployment of 2.85%.

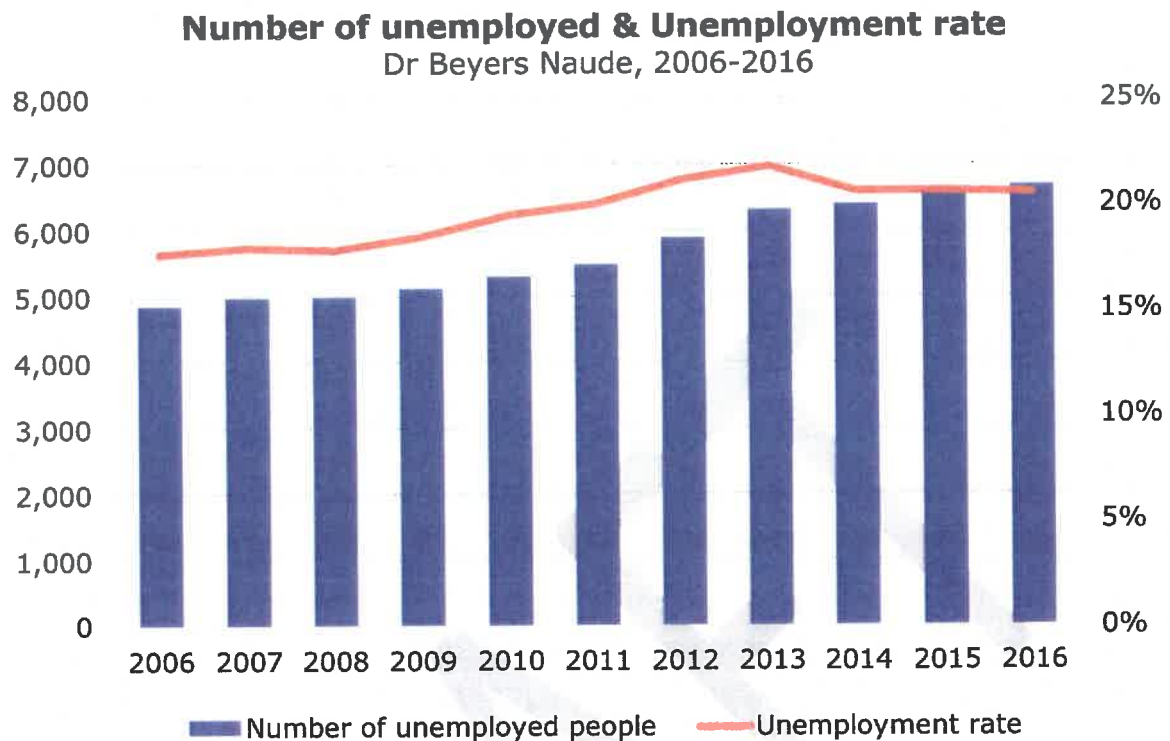
TABLE 24. UNEMPLOYMENT RATE (OFFICIAL DEFINITION) - DR BEYERS NAUDE, SARAH BAARTMAN, EASTERN CAPE AND NATIONAL TOTAL, 2006-2016 [PERCENTAGE]

	Dr Beyers Naude	Sarah Baartman	Eastern Cape	National Total
2006	17.6%	17.5%	27.8%	25.8%
2007	17.9%	17.5%	27.2%	24.8%
2008	17.8%	17.1%	26.6%	23.6%
2009	18.5%	17.3%	26.9%	23.8%
2010	19.5%	17.9%	27.7%	24.8%
2011	20.0%	17.9%	27.9%	24.9%
2012	21.2%	19.4%	28.7%	25.0%
2013	21.8%	20.8%	29.4%	25.1%
2014	20.6%	20.3%	29.4%	25.1%
2015	20.6%	19.9%	29.1%	25.5%
2016	20.5%	20.1%	29.0%	26.1%

Source: IHS Markit Regional eXplorer version 1070

In 2016, the unemployment rate in Dr Beyers Naude Local Municipality (based on the official definition of unemployment) was 20.52%, which is an increase of 2.89 percentage points. The unemployment rate in Dr Beyers Naude Local Municipality is higher than that of Sarah Baartman. Comparing to the Eastern Cape Province it can be seen that the unemployment rate for Dr Beyers Naude Local Municipality was lower than that of Eastern Cape which was 28.99%. The unemployment rate for South Africa was 26.15% in 2016, which is a increase of -0.381 percentage points from 25.77% in 2006.

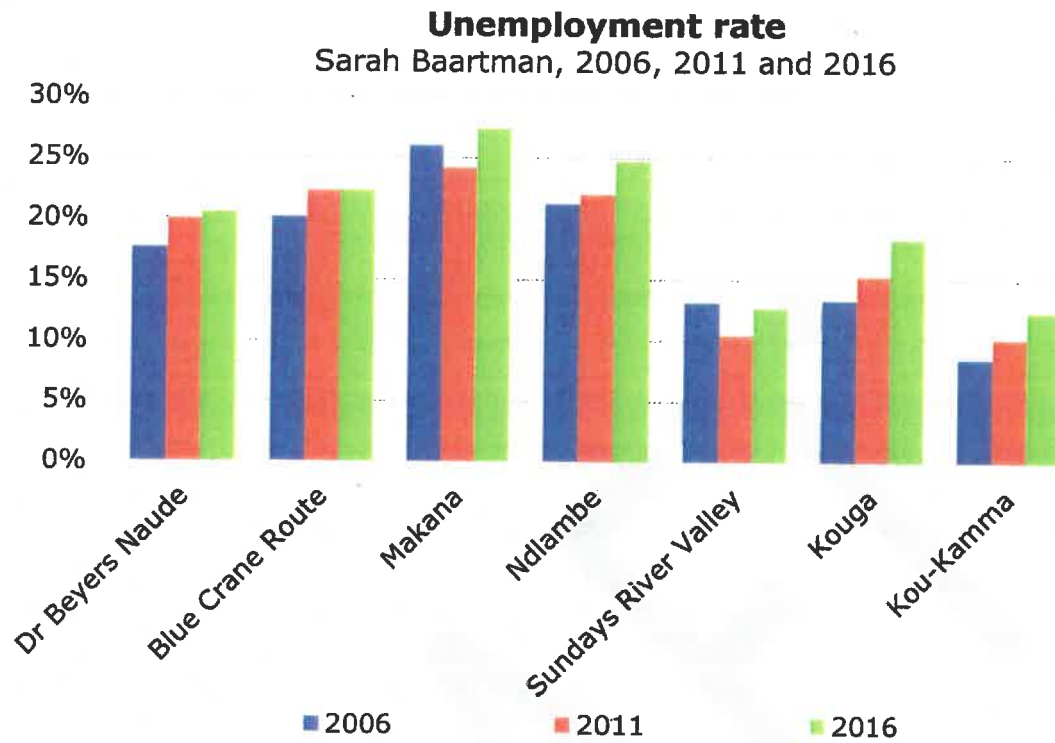
CHART 21. UNEMPLOYMENT AND UNEMPLOYMENT RATE (OFFICIAL DEFINITION) - DR BEYERS NAUDE LOCAL MUNICIPALITY, 2006-2016 [NUMBER PERCENTAGE]



*Source: IHS Markit Regional eXplorer version 1070*

When comparing unemployment rates among regions within Sarah Baartman District Municipality, Makana local municipality has indicated the highest unemployment rate of 27.4%, which has increased from 26.0% in 2006. It can be seen that the Kou-Kamma local municipality had the lowest unemployment rate of 12.4% in 2016, this increased from 8.6% in 2006.

CHART 22. UNEMPLOYMENT RATE - DR BEYERS NAUDE, BLUE CRANE ROUTE, MAKANA, NDLAMBE, SUNDAYS RIVER VALLEY, KOUGA AND KOU-KAMMA, 2006, 2011 AND 2016 [PERCENTAGE]



Source: IHS Markit Regional eXplorer version 1070

## 4. INCOME AND EXPENDITURE

In a growing economy among which production factors are increasing, most of the household incomes are spent on purchasing goods and services. Therefore, the measuring of the income and expenditure of households is a major indicator of a number of economic trends. It is also a good marker of growth as well as consumer tendencies.

### 4.1 NUMBER OF HOUSEHOLDS BY INCOME CATEGORY

The number of households is grouped according to predefined income categories or brackets, where income is calculated as the sum of all household gross disposable income: payments in kind, gifts, homemade goods sold, old age pensions, income from informal sector activities, subsistence income, etc.). Note that income tax is included in the income distribution.

Income categories start at R0 - R2,400 per annum and go up to R2,400,000+ per annum. A household is either a group of people who live together and provide themselves jointly with food and/or other essentials for living, or it is a single person living on his/her own. These income brackets do not take into account inflation creep: over time, movement of households "up" the brackets is natural, even if they are not earning any more in real terms.

TABLE 25. HOUSEHOLDS BY INCOME CATEGORY - DR BEYERS NAUDE, SARAH BAARTMAN, EASTERN CAPE AND NATIONAL TOTAL, 2015 [NUMBER PERCENTAGE]

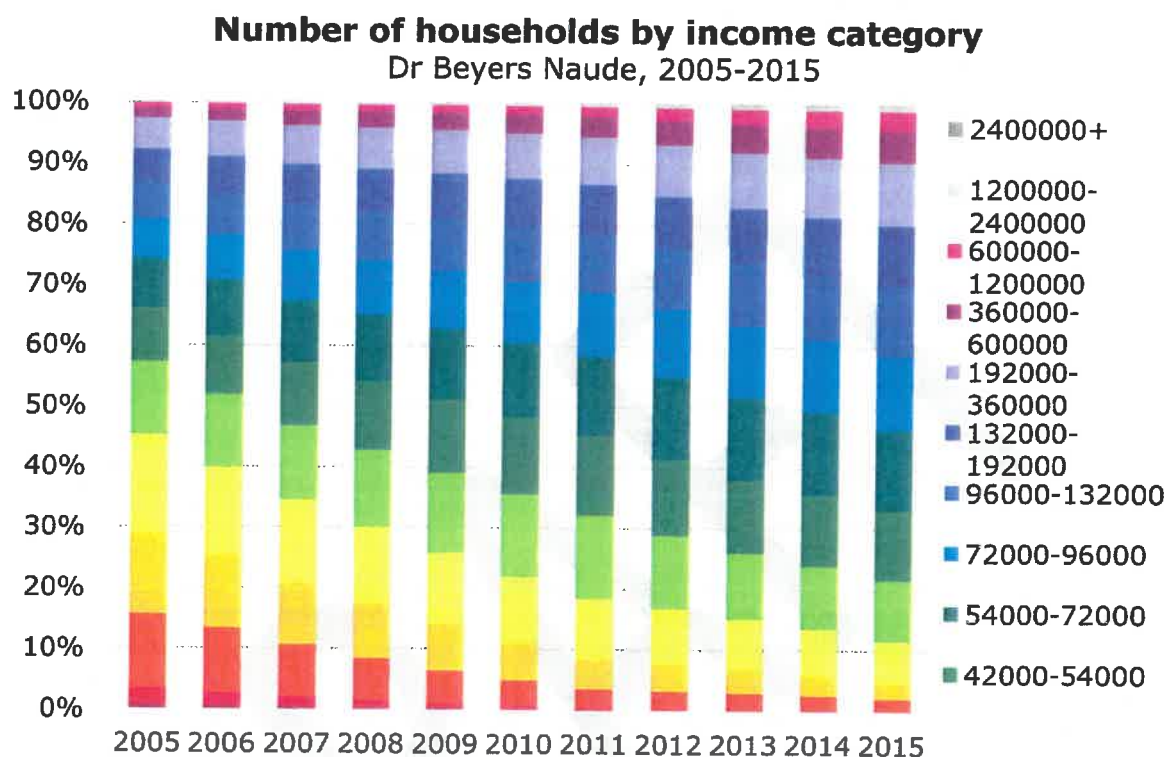
	Dr Beyers Naudé	Sarah Baartman	Eastern Cape	National Total	Dr Beyers Naudé as % of district municipality	Dr Beyers Naudé as % of province	Dr Beyers Naudé as % of national
0-2400	4	61	1,440	11,800	6.3%	0.27%	0.03%
2400-6000	47	552	11,800	92,100	8.6%	0.40%	0.05%
6000-12000	390	3,240	59,800	466,000	12.1%	0.65%	0.08%
12000-18000	611	5,110	87,100	686,000	12.0%	0.70%	0.09%
18000-30000	1,400	11,000	187,000	1,420,000	12.7%	0.75%	0.10%
30000-42000	2,130	15,300	244,000	1,790,000	13.9%	0.87%	0.12%
42000-54000	2,440	15,700	222,000	1,620,000	15.5%	1.10%	0.15%
54000-72000	2,830	16,800	219,000	1,640,000	16.8%	1.29%	0.17%
72000-96000	2,620	15,500	181,000	1,460,000	16.8%	1.44%	0.18%
96000-132000	2,450	14,000	153,000	1,390,000	17.5%	1.60%	0.18%
132000-192000	2,090	12,200	128,000	1,320,000	17.1%	1.63%	0.16%
192000-360000	2,200	13,400	139,000	1,610,000	16.4%	1.58%	0.14%
360000-600000	1,140	7,550	78,600	1,000,000	15.1%	1.45%	0.11%
600000-1200000	656	4,650	45,700	667,000	14.1%	1.44%	0.10%
1200000-2400000	179	1,290	12,600	207,000	13.8%	1.42%	0.09%
2400000+	32	233	3,320	49,300	13.8%	0.97%	0.07%
<b>Total</b>	<b>21,200</b>	<b>137,000</b>	<b>1,770,000</b>	<b>15,400,000</b>	<b>15.5%</b>	<b>1.20%</b>	<b>0.14%</b>

Source: IHS Markit Regional eXplorer version 1070

It was estimated that in 2015 11.55% of all the households in the Dr Beyers Naudé Local Municipality, were living on R30,000 or less per annum. In comparison with 2005's 45.22%, the number is significant

lower. The 54000-72000 income category has the highest number of households with a total number of 2 830, followed by the 72000-96000 income category with 2 620 households. Only 3.8 households fall within the 0-2400 income category.

CHART 23. HOUSEHOLDS BY INCOME BRACKET - DR BEYERS NAUDE LOCAL MUNICIPALITY, 2005-2015 [PERCENTAGE]



Source: IHS Markit Regional eXplorer version 1070

For the period 2005 to 2015 the number of households earning more than R30,000 per annum has increased from 54.78% to 88.45%. It can be seen that the number of households with income equal to or lower than R6,000 per year has decreased by a significant amount.

## 4.2 ANNUAL TOTAL PERSONAL INCOME

Personal income is an even broader concept than labour remuneration. Personal income includes profits, income from property, net current transfers and net social benefits.

**Definition:** Annual total personal income is the sum of the total personal income for all households in a specific region. The definition of income is the same as used in the income brackets (Number of Households by Income Category), also including the income tax. For this variable, current prices are used, meaning that inflation has not been taken into account.

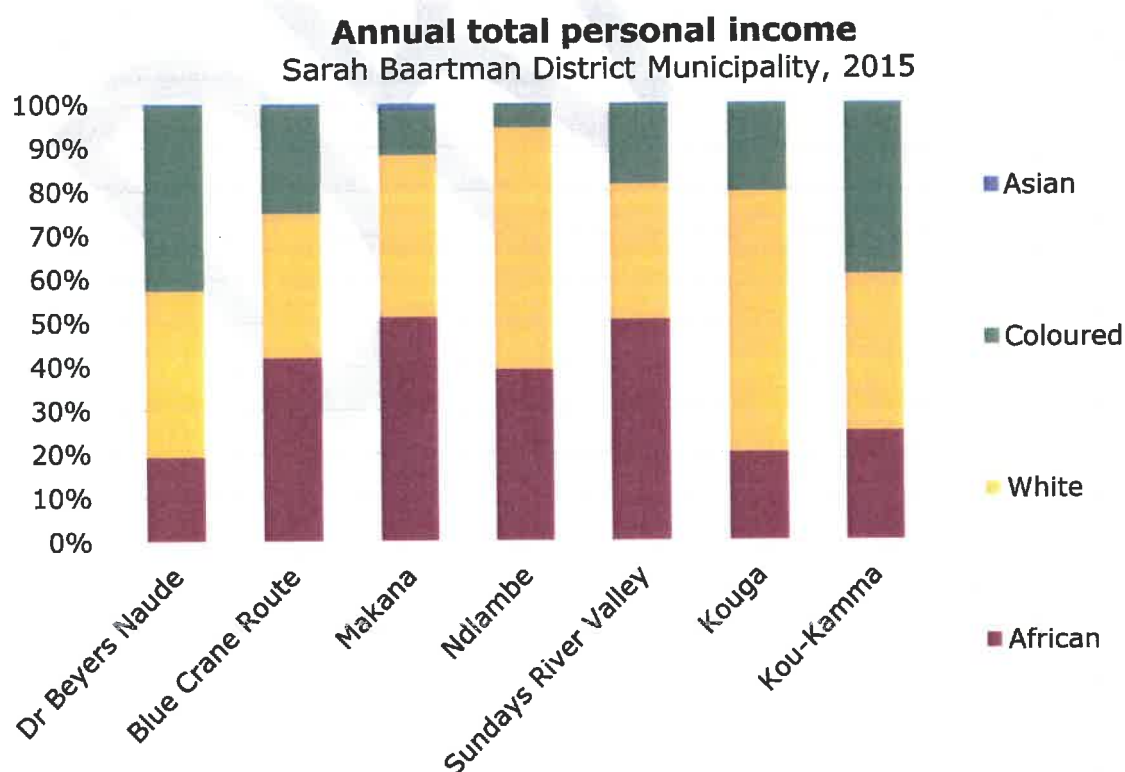
TABLE 26. ANNUAL TOTAL PERSONAL INCOME - DR BEYERS NAUDE, SARAH BAARTMAN, EASTERN CAPE AND NATIONAL TOTAL[CURRENT PRICES, R BILLIONS]

	Dr Beyers Naude	Sarah Baartman	Eastern Cape	National Total
2005	1.5	8.9	96.6	1,145.4
2006	1.6	9.9	106.6	1,259.4
2007	1.9	11.2	121.0	1,432.2
2008	2.0	12.4	134.0	1,587.9
2009	2.1	13.2	143.2	1,695.1
2010	2.2	14.2	154.0	1,843.3
2011	2.4	15.4	167.4	2,033.0
2012	2.7	17.2	186.3	2,226.5
2013	2.9	18.5	203.1	2,414.5
2014	3.1	20.1	217.4	2,596.7
2015	3.3	21.7	238.3	2,783.4
<b>Average Annual growth</b>				
2005-2015	<b>8.41%</b>	<b>9.35%</b>	<b>9.45%</b>	<b>9.28%</b>

Source: IHS Markit Regional eXplorer version 1070

Dr Beyers Naude Local Municipality recorded an average annual growth rate of 8.41% (from R 1.49 billion to R 3.35 billion) from 2005 to 2015, which is less than both Sarah Baartman's (9.35%) as well as Eastern Cape Province's (9.45%) average annual growth rates. South Africa had an average annual growth rate of 9.28% (from R 1.15 trillion to R 2.78 trillion) which is more than the growth rate in Dr Beyers Naude Local Municipality.

TABLE 27. ANNUAL TOTAL PERSONAL INCOME BY POPULATION GROUP - DR BEYERS NAUDE AND THE REST OF SARAH BAARTMAN [CURRENT PRICES, R BILLIONS]



Source: IHS Markit Regional eXplorer version 1070

The total personal income of Dr Beyers Naude Local Municipality amounted to approximately R 3.35 billion in 2015. The African population group earned R 643 million, or 42.07% of total personal income, while the White population group earned R 1.27 billion, or 38.08% of the total personal income. The African and the Asian population groups only had a share of 19.22% and 0.64% of total personal income respectively.

TABLE 28. ANNUAL TOTAL PERSONAL INCOME - DR BEYERS NAUDE, BLUE CRANE ROUTE, MAKANA, NDLAMBE, SUNDAYS RIVER VALLEY, KOUGA AND KOU-KAMMA [CURRENT PRICES, R BILLIONS]

	Dr Beyers Naude	Blue Crane Route	Makana	Ndlambe	Sundays River Valley	Kouga	Kou-Kamma
2005	1.49	0.62	1.50	1.43	0.72	2.33	0.78
2006	1.64	0.68	1.66	1.59	0.80	2.63	0.86
2007	1.85	0.76	1.91	1.79	0.92	3.03	0.95
2008	2.02	0.84	2.16	1.94	1.05	3.38	1.03
2009	2.11	0.88	2.35	2.03	1.15	3.61	1.06
2010	2.23	0.93	2.56	2.17	1.25	3.93	1.11
2011	2.39	0.99	2.80	2.36	1.37	4.35	1.18
2012	2.67	1.12	3.07	2.67	1.51	4.79	1.36
2013	2.92	1.08	3.28	2.92	1.57	5.26	1.47
2014	3.12	1.06	3.52	3.20	1.74	5.81	1.65
2015	3.35	1.57	3.61	3.37	1.97	5.93	1.90
2005-2015	8.41%	9.79%	9.19%	8.95%	10.60%	9.77%	9.25%

Source: IHS Markit Regional eXplorer version 1070

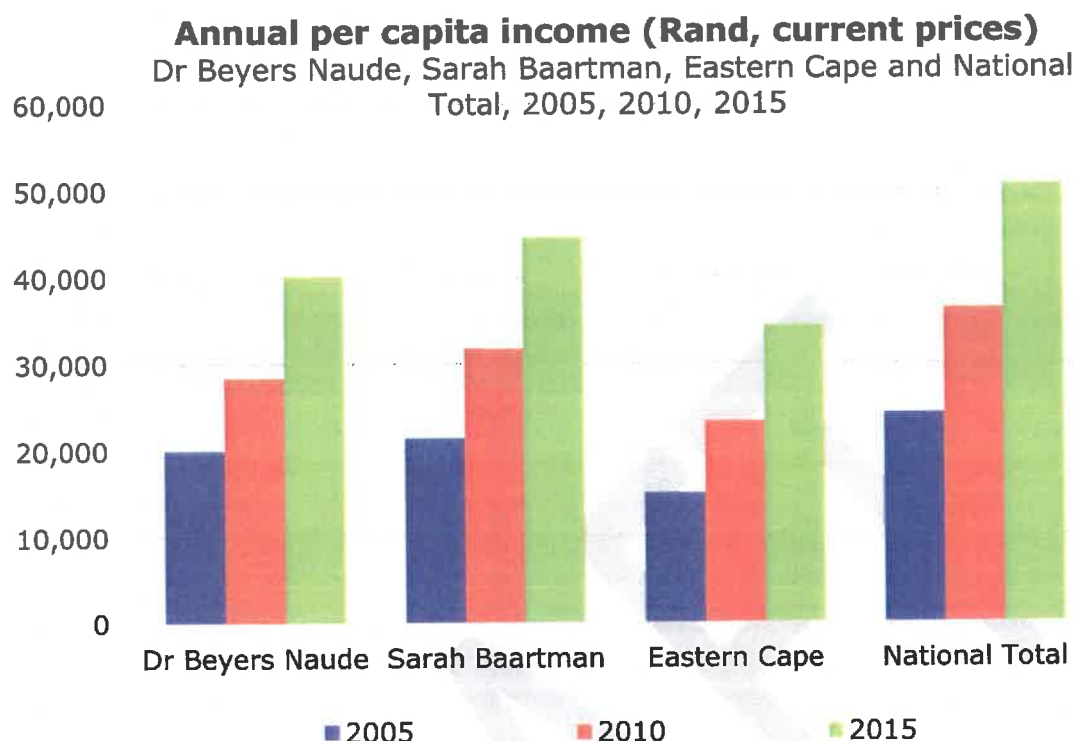
When looking at the annual total personal income for the regions within Sarah Baartman District Municipality it can be seen that the Kouga local municipality had the highest total personal income with R 5.93 billion which increased from R 2.33 billion recorded in 2005. It can be seen that the Blue Crane Route local municipality had the lowest total personal income of R 1.57 billion in 2015, this increased from R 618 million in 2005.

### 4.3 ANNUAL PER CAPITA INCOME

**Definition:** Per capita income refers to the income per person. Thus, it takes the total personal income per annum and divides it equally among the population.

Per capita income is often used as a measure of wealth particularly when comparing economies or population groups. Rising per capita income usually indicates a likely swell in demand for consumption.

CHART 24. PER CAPITA INCOME - DR BEYERS NAUDE, SARAH BAARTMAN, EASTERN CAPE AND NATIONAL TOTAL, 2015 [RAND, CURRENT PRICES]



Source: IHS Markit Regional eXplorer version 1070

Although the per capita income in Dr Beyers Naude Local Municipality is R 40,200 which is higher than the Eastern Cape (R 34,400), it is less than that of the Sarah Baartman District Municipality (R 44,600). The per capita income for Dr Beyers Naude Local Municipality (R 40,200) is lower than that of the South Africa as a whole which is R 50,700.

CHART 25. PER CAPITA INCOME BY POPULATION GROUP - DR BEYERS NAUDE AND THE REST OF SARAH BAARTMAN DISTRICT MUNICIPALITY, 2015 [RAND, CURRENT PRICES]

	African	White	Coloured
Dr Beyers Naude	27,900	196,000	26,400
Blue Crane Route	29,200	224,000	32,000
Makana	27,000	198,000	37,600
Ndlambe	25,400	208,000	36,500
Sundays River Valley	23,100	172,000	24,800
Kouga	25,200	190,000	27,100
Kou-Kamma	31,100	211,000	29,500

Source: IHS Markit Regional eXplorer version 1070

Kouga local municipality has the highest per capita income with a total of R 54,100. Ndlambe local municipality had the second highest per capita income at R 51,200, whereas Sundays River Valley local municipality had the lowest per capita income at R 32,200. In Dr Beyers Naude Local Municipality, the White population group has the highest per capita income, with R 196,000, relative to the other population groups. The population group with the second highest per capita income within Dr Beyers

Naude Local Municipality is the African population group (R 27,900). Some of the population groups - where there are less than 1,000 people living in the area were excluded from the analysis.

#### 4.4 INDEX OF BUYING POWER

**Definition:** The Index of Buying Power (IBP) is a measure of a region's overall capacity to absorb products and/or services. The index is useful when comparing two regions in terms of their capacity to buy products. Values range from 0 to 1 (where the national index equals 1), and can be interpreted as the percentage of national buying power attributable to the specific region. Regions' buying power usually depends on three factors: the size of the population; the ability of the population to spend (measured by total income); and the willingness of the population to spend (measured by total retail sales).

TABLE 29. INDEX OF BUYING POWER - DR BEYERS NAUDE, SARAH BAARTMAN, EASTERN CAPE AND NATIONAL TOTAL, 2015 [NUMBER]

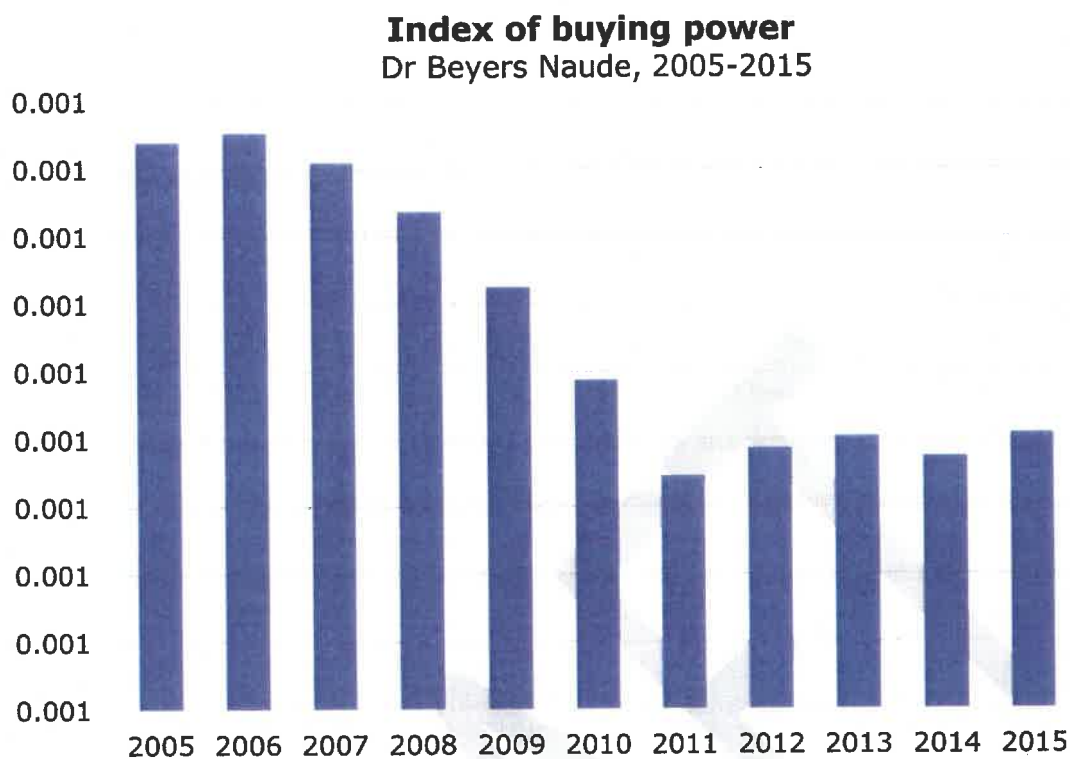
	Dr Beyers Naude	Sarah Baartman	Eastern Cape	National Total
Population	83,253	486,037	6,929,508	54,897,094
Population - share of national total	0.2%	0.9%	12.6%	100.0%
Income	3,346	21,697	238,316	2,783,400
Income - share of national total	0.1%	0.8%	8.6%	100.0%
Retail	937,352	6,087,255	71,077,172	855,879,000
Retail - share of national total	0.1%	0.7%	8.3%	100.0%
Index	0.00	0.01	0.09	1.00

Source: IHS Markit Regional eXplorer version 1070

Dr Beyers Naude Local Municipality has a 0.2% share of the national population, 0.1% share of the total national income and a 0.1% share in the total national retail, this all equates to an IBP index value of 0.0012 relative to South Africa as a whole. Sarah Baartman has an IBP of 0.0077, were Eastern Cape Province has and IBP index value of 0.089 and South Africa a value of 1 relative to South Africa as a whole. .

The considerable low index of buying power of the Dr Beyers Naude Local Municipality suggests that the local municipality has access to only a small percentage of the goods and services available in all of the Sarah Baartman District Municipality. Its residents are most likely spending some of their income in neighbouring areas.

CHART 26. INDEX OF BUYING POWER DR BEYERS NAUDE LOCAL MUNICIPALITY, 2005-2015 [INDEX VALUE]



*Source: IHS Markit Regional eXplorer version 1070*

Between 2005 and 2015, the index of buying power within Dr Beyers Naude Local Municipality increased to its highest level in 2006 (0.001291) from its lowest in 2011 (0.001189). The buying power within Dr Beyers Naude Local Municipality is relatively small compared to other regions and it decreased at an average annual growth rate of -0.69%.

## 5. DEVELOPMENT

Indicators of development, like the Human Development Index (HDI), Gini Coefficient (income inequality), poverty and the poverty gap, and education, are used to estimate the level of development of a given region in South Africa relative to the rest of the country.

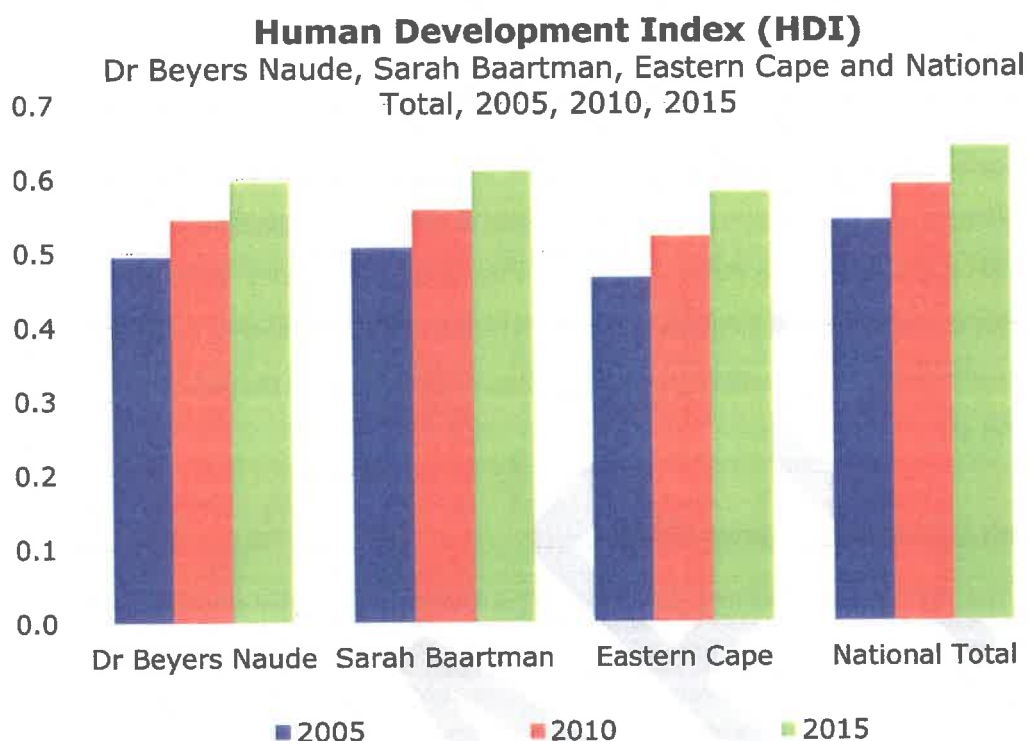
Another indicator that is widely used is the number (or percentage) of people living in poverty. Poverty is defined as the deprivation of those things that determine the quality of life, including food, clothing, shelter and safe drinking water. More than that, other "intangibles" is also included such as the opportunity to learn, and the privilege to enjoy the respect of fellow citizens. Curbing poverty and alleviating the effects thereof should be a premise in the compilation of all policies that aspire towards a better life for all.

### 5.1 HUMAN DEVELOPMENT INDEX (HDI)

**Definition:** The Human Development Index (HDI) is a composite relative index used to compare human development across population groups or regions.

HDI is the combination of three basic dimensions of human development: A long and healthy life, knowledge and a decent standard of living. A long and healthy life is typically measured using life expectancy at birth. Knowledge is normally based on adult literacy and / or the combination of enrolment in primary, secondary and tertiary schools. In order to gauge a decent standard of living, we make use of GDP per capita. On a technical note, the HDI can have a maximum value of 1, indicating a very high level of human development, while the minimum value is 0, indicating no human development.

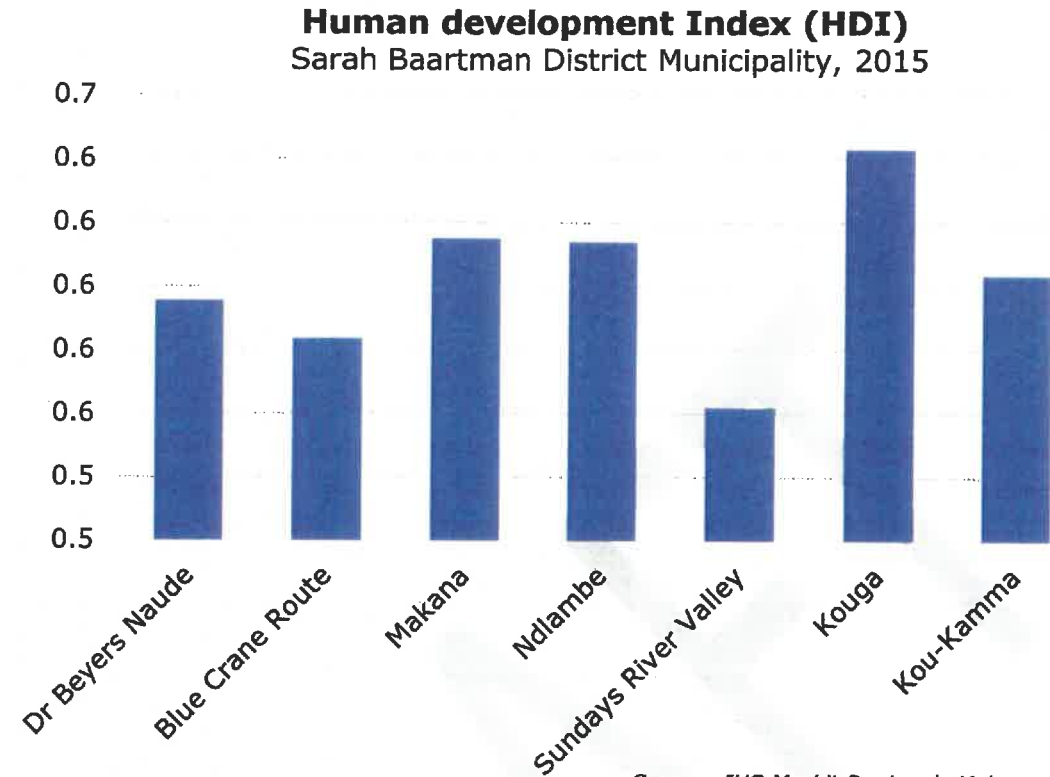
CHART 27. HUMAN DEVELOPMENT INDEX (HDI) - DR BEYERS NAUDE, SARAH BAARTMAN, EASTERN CAPE AND NATIONAL TOTAL, 2005, 2010, 2015 [NUMBER]



*Source: IHS Markit Regional eXplorer version 1070*

In 2015 Dr Beyers Naude Local Municipality had an HDI of 0.596 compared to the Sarah Baartman with a HDI of 0.609, 0.581 of Eastern Cape and 0.64 of National Total as a whole. Seeing that South Africa recorded a higher HDI in 2015 when compared to Dr Beyers Naude Local Municipality which translates to worse human development for Dr Beyers Naude Local Municipality compared to South Africa. South Africa's HDI increased at an average annual growth rate of 1.68% and this increase is lower than that of Dr Beyers Naude Local Municipality (1.88%).

CHART 28. HUMAN DEVELOPMENT INDEX (HDI) - DR BEYERS NAUDE, BLUE CRANE ROUTE, MAKANA, NDLAMBE, SUNDAYS RIVER VALLEY, KOUGA AND KOU-KAMMA, 2015 [NUMBER]



*Source: IHS Markit Regional eXplorer version 1070*

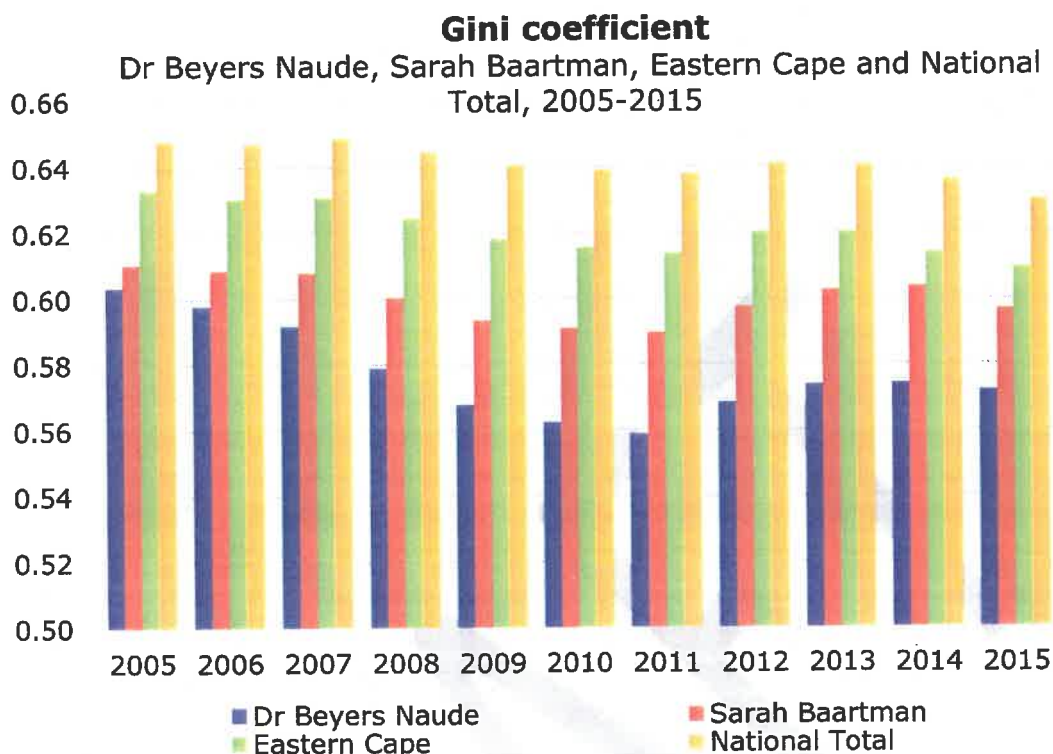
In terms of the HDI for each the regions within the Sarah Baartman District Municipality, Kouga local municipality has the highest HDI, with an index value of 0.643. The lowest can be observed in the Sundays River Valley local municipality with an index value of 0.562.

## 5.2 GINI COEFFICIENT

**Definition:** The Gini coefficient is a summary statistic of income inequality. It varies from 0 to 1.

If the Gini coefficient is equal to zero, income is distributed in a perfectly equal manner, in other words there is no variance between the high and low income earners within the population. In contrast, if the Gini coefficient equals 1, income is completely inequitable, i.e. one individual in the population is earning all the income and the rest has no income. Generally this coefficient lies in the range between 0.25 and 0.70.

CHART 29. GINI COEFFICIENT - DR BEYERS NAUDE, SARAH BAARTMAN, EASTERN CAPE AND NATIONAL TOTAL, 2005-2015 [NUMBER]



Source: IHS Markit Regional eXplorer version 1070

In 2015, the Gini coefficient in Dr Beyers Naude Local Municipality was at 0.572, which reflects a decrease in the number over the ten-year period from 2005 to 2015. The Sarah Baartman District Municipality and the Eastern Cape Province, both had a more unequal spread of income amongst their residents (at 0.597 and 0.609 respectively) when compared to Dr Beyers Naude Local Municipality.

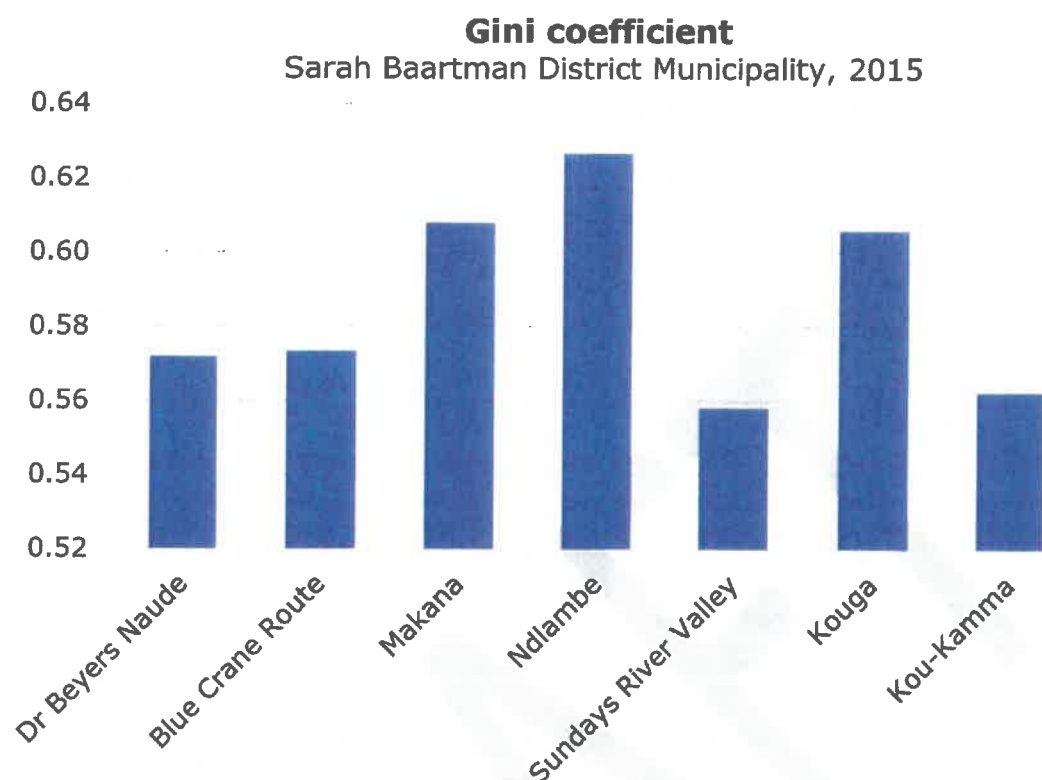
TABLE 30. GINI COEFFICIENT BY POPULATION GROUP - DR BEYERS NAUDE, 2005, 2015 [NUMBER]

	African	White	Coloured
2005	0.53	0.48	0.54
2015	0.53	0.43	0.48
2005-2015	0.09%	-1.24%	-1.22%

Source: IHS Markit Regional eXplorer version 1070

When segmenting the Dr Beyers Naude Local Municipality into population groups, it can be seen that the Gini coefficient for the African population group increased the most amongst the population groups with an average annual growth rate of 0.09%. The Gini coefficient for the White population group decreased the most with an average annual growth rate of -1.24%.

CHART 30. GINI COEFFICIENT - DR BEYERS NAUDE, BLUE CRANE ROUTE, MAKANA, NDLAMBE, SUNDAYS RIVER VALLEY, KOUGA AND KOU-KAMMA, 2015 [NUMBER]



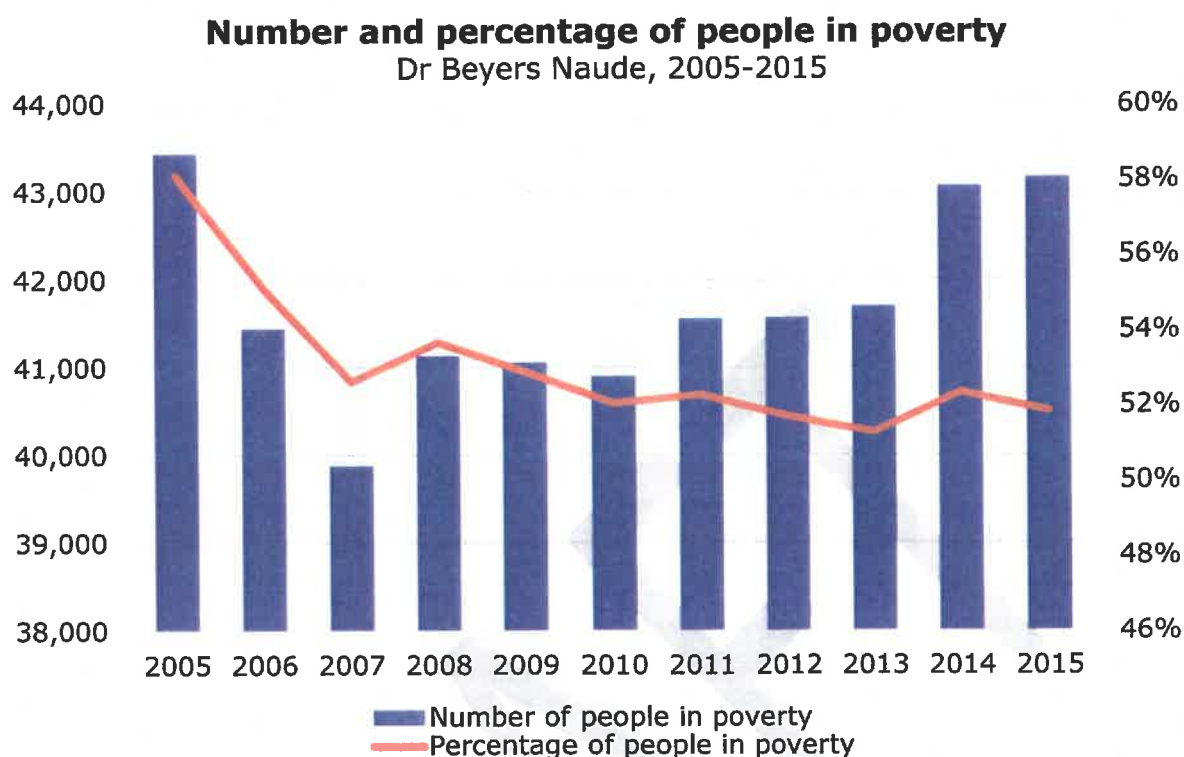
*Source: IHS Markit Regional eXplorer version 1070*

In terms of the Gini coefficient for each of the regions within the Sarah Baartman District Municipality, Ndlambe local municipality has the highest Gini coefficient, with an index value of 0.627. The lowest Gini coefficient can be observed in the Sundays River Valley local municipality with an index value of 0.558.

### 5.3 POVERTY

**Definition:** The upper poverty line is defined by StatsSA as the level of consumption at which individuals are able to purchase both sufficient food and non-food items without sacrificing one for the other. This variable measures the number of individuals living below that particular level of consumption for the given area, and is balanced directly to the official upper poverty rate as measured by StatsSA.

CHART 31. NUMBER AND PERCENTAGE OF PEOPLE LIVING IN POVERTY - DR BEYERS NAUDE LOCAL MUNICIPALITY, 2005-2015 [NUMBER PERCENTAGE]



*Source: IHS Markit Regional eXplorer version 1070*

In 2015, there were 43 200 people living in poverty, using the upper poverty line definition, across Dr Beyers Naude Local Municipality - this is 0.62% lower than the 43 400 in 2005. The percentage of people living in poverty has decreased from 58.10% in 2005 to 51.85% in 2015, which indicates a decrease of 6.25 percentage points.

TABLE 31. PERCENTAGE OF PEOPLE LIVING IN POVERTY BY POPULATION GROUP - DR BEYERS NAUDE, 2005-2015 [PERCENTAGE]

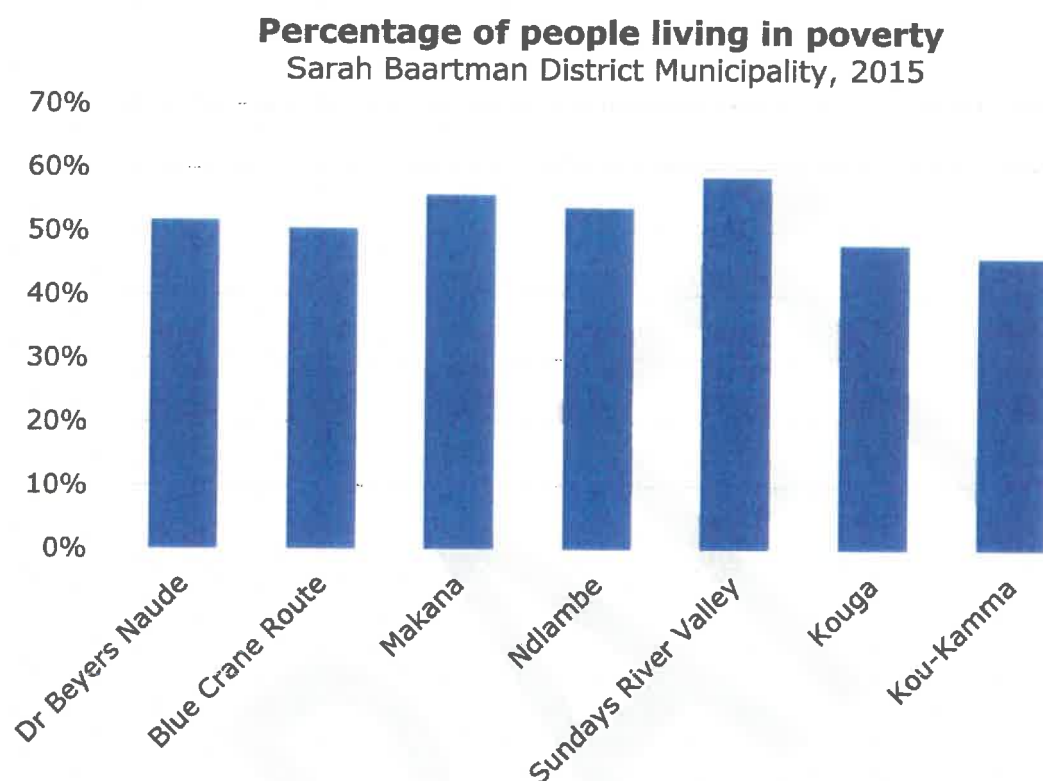
	African	White	Coloured
2005	68.2%	0.8%	63.1%
2006	66.1%	0.7%	59.2%
2007	64.7%	1.0%	55.7%
2008	65.9%	1.7%	56.4%
2009	65.4%	1.9%	55.2%
2010	62.9%	1.4%	54.7%
2011	61.7%	0.9%	55.4%
2012	61.6%	0.8%	54.4%
2013	61.6%	0.6%	53.6%
2014	62.6%	0.5%	54.7%
2015	62.2%	0.4%	53.9%

*Source: IHS Markit Regional eXplorer version 1070*

In 2015, the population group with the highest percentage of people living in poverty was the White population group with a total of 0.8% people living in poverty, using the upper poverty line definition. The proportion of the White population group, living in poverty, decreased by 0.382 percentage

points, as can be seen by the change from 0.81% in 2005 to 0.43% in 2015. In 2015 62.17% of the African population group lived in poverty, as compared to the 68.19% in 2005.

TABLE 32. PERCENTAGE OF PEOPLE LIVING IN POVERTY - DR BEYERS NAUDE, BLUE CRANE ROUTE, MAKANA, NDLAMBE, SUNDAYS RIVER VALLEY, KOUGA AND KOU-KAMMA, 2015 [PERCENTAGE]



*Source: IHS Markit Regional eXplorer version 1070*

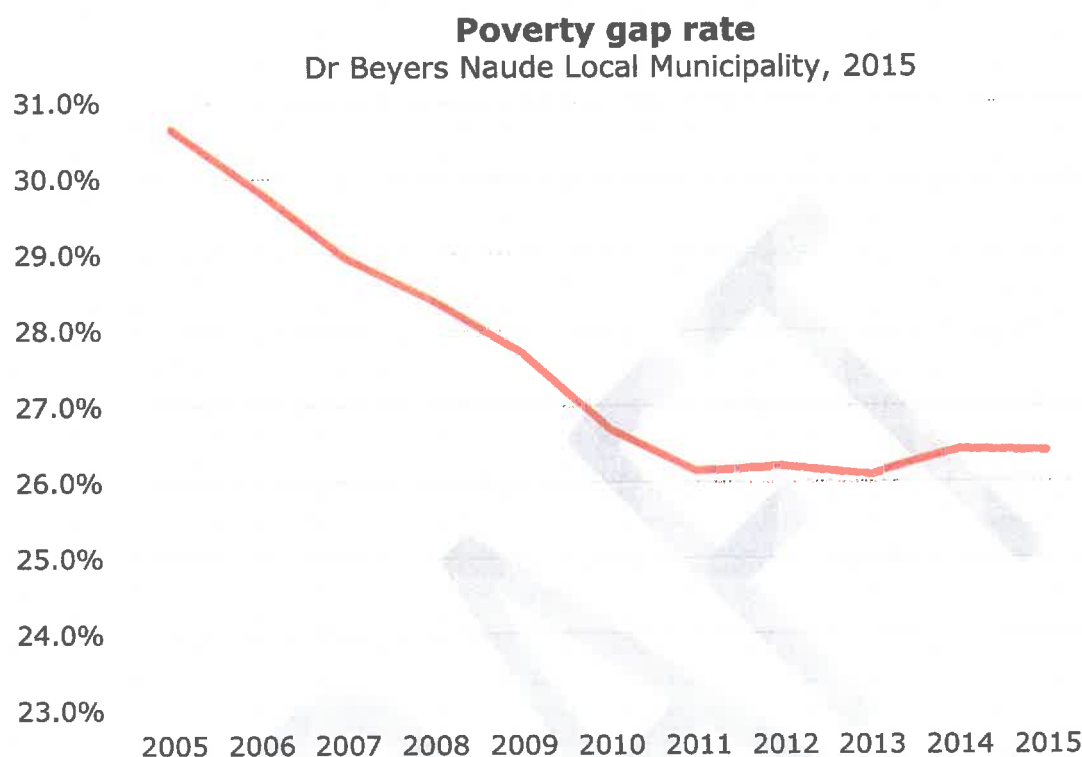
In terms of the percentage of people living in poverty for each of the regions within the Sarah Baartman District Municipality, Sundays River Valley local municipality has the highest percentage of people living in poverty, with a total of 58.7%. The lowest percentage of people living in poverty can be observed in the Kou-Kamma local municipality with a total of 46.0% living in poverty, using the upper poverty line definition.

### 5.3.1 POVERTY GAP RATE

**Definition:** The poverty gap is used as an indicator to measure the depth of poverty. The gap measures the average distance of the population from the poverty line and is expressed as a percentage of the upper bound poverty line, as defined by StatsSA. The Poverty Gap deals with a major shortcoming of the poverty rate, which does not give any indication of the depth, of poverty. The upper poverty line is defined by StatsSA as the level of consumption at which individuals are able to purchase both sufficient food and non-food items without sacrificing one for the other.

It is estimated that the poverty gap rate in Dr Beyers Naude Local Municipality amounted to 26.4% in 2015 - the rate needed to bring all poor households up to the poverty line and out of poverty.

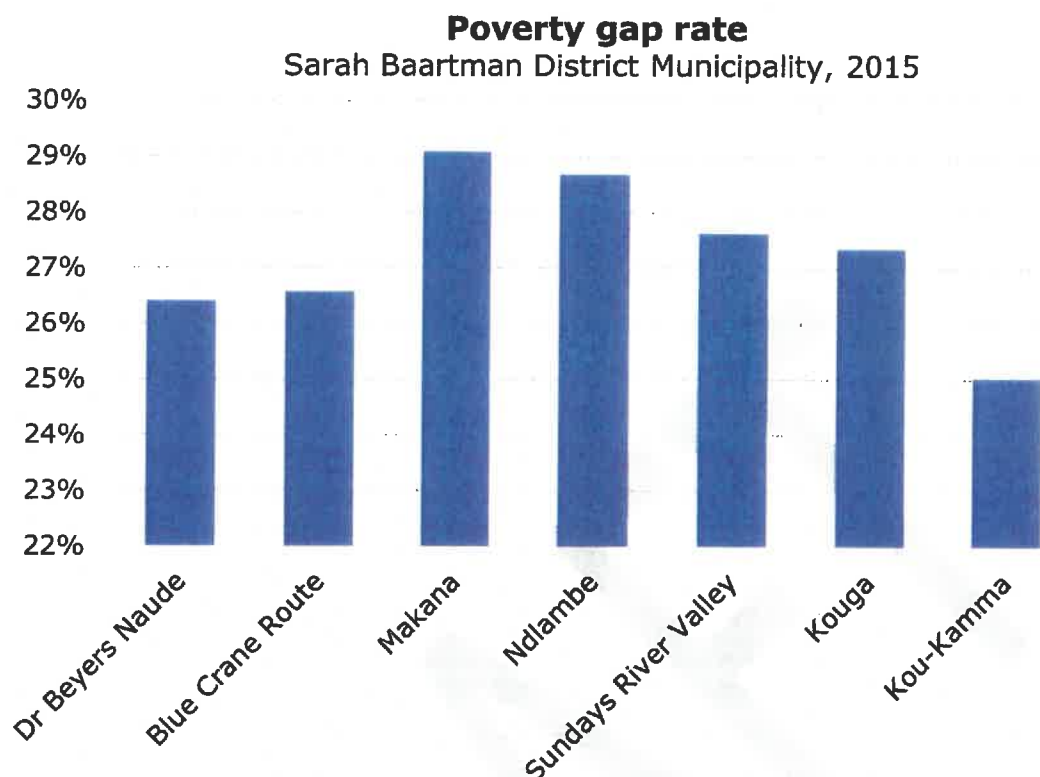
TABLE 33. POVERTY GAP RATE BY POPULATION GROUP - DR BEYERS NAUDE LOCAL MUNICIPALITY, 2005-2015  
[PERCENTAGE]



Source: IHS Markit Regional eXplorer version 1070

In 2015, the poverty gap rate was 26.4% and in 2005 the poverty gap rate was 30.7%, it can be seen that the poverty gap rate decreased from 2005 to 2015, which means that there were improvements in terms of the depth of the poverty within Dr Beyers Naude Local Municipality.

TABLE 34. POVERTY GAP RATE - DR BEYERS NAUDE, BLUE CRANE ROUTE, MAKANA, NDLAMBE, SUNDAYS RIVER VALLEY, KOUGA AND KOU-KAMMA, 2015 [PERCENTAGE]



*Source: IHS Markit Regional eXplorer version 1070*

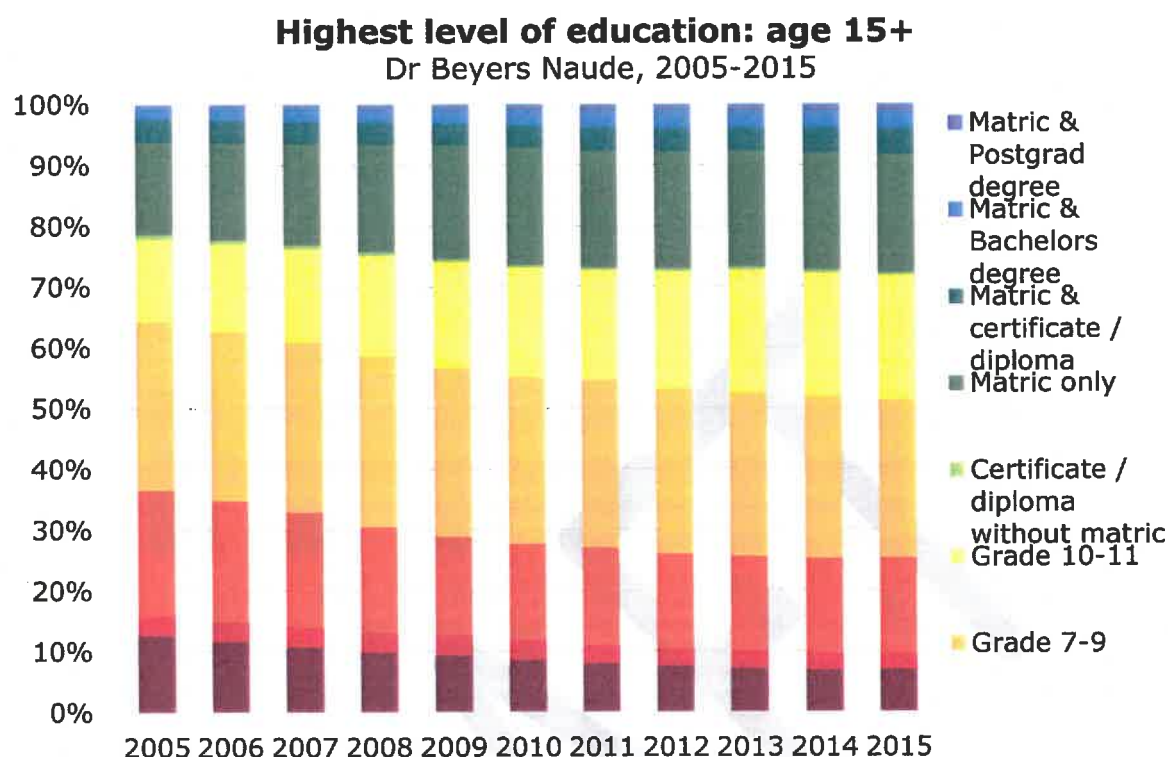
In terms of the poverty gap rate for each of the regions within the Sarah Baartman District Municipality, Makana local municipality had the highest poverty gap rate, with a rate value of 29.1%. The lowest poverty gap rate can be observed in the Kou-Kamma local municipality with a total of 25.0%.

## 5.4 EDUCATION

Educating is important to the economic growth in a country and the development of its industries, providing a trained workforce and skilled professionals required.

The education measure represents the highest level of education of an individual, using the 15 years and older age category. (According to the United Nations definition of education, one is an adult when 15 years or older. IHS uses this cut-off point to allow for cross-country comparisons. Furthermore, the age of 15 is also the legal age at which children may leave school in South Africa).

CHART 32. HIGHEST LEVEL OF EDUCATION: AGE 15+ - DR BEYERS NAUDE LOCAL MUNICIPALITY, 2005-2015  
[PERCENTAGE]



Source: IHS Markit Regional eXplorer version 1070

Within Dr Beyers Naude Local Municipality, the number of people without any schooling decreased from 2005 to 2015 with an average annual rate of -4.33%, while the number of people within the 'matric only' category, increased from 6,710 to 10,100. The number of people with 'matric and a certificate/diploma' increased with an average annual rate of 2.93%, with the number of people with a 'matric and a Bachelor's' degree increasing with an average annual rate of 6.54%. Overall improvement in the level of education is visible with an increase in the number of people with 'matric' or higher education.

TABLE 35. HIGHEST LEVEL OF EDUCATION: AGE 15+ - DR BEYERS NAUDE, SARAH BAARTMAN, EASTERN CAPE AND NATIONAL TOTAL, 2015 [NUMBERS]

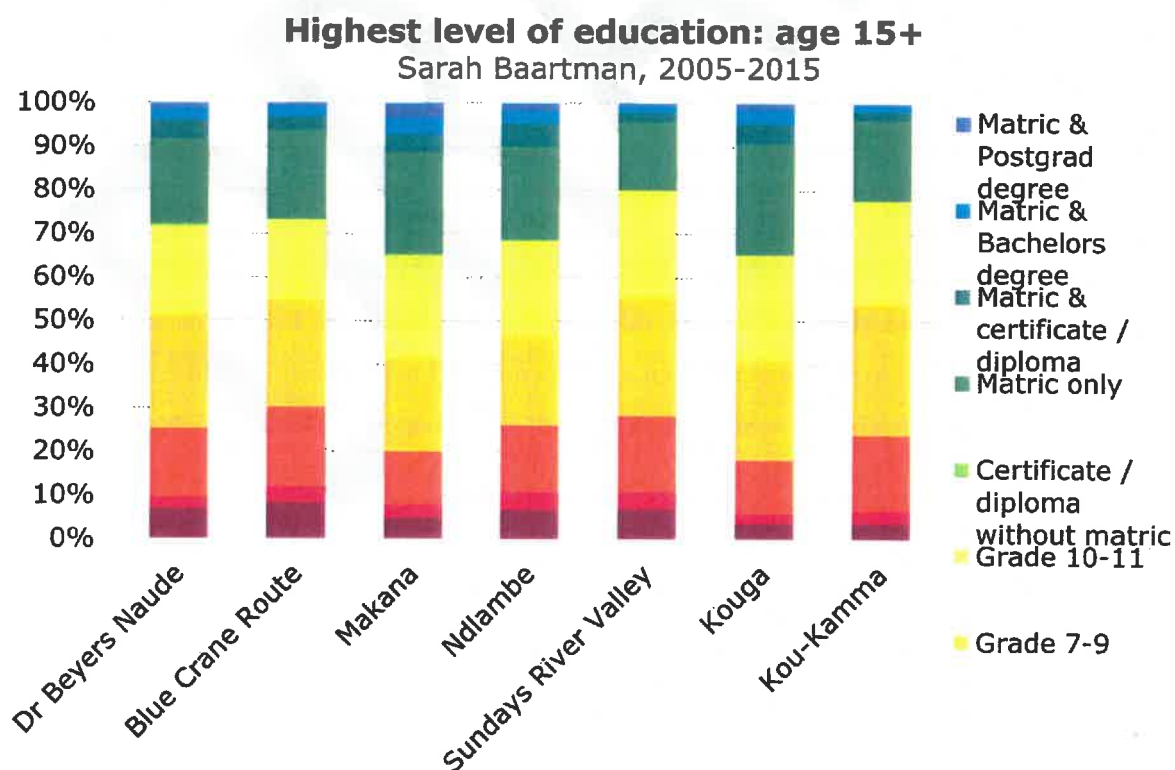
	Dr Beyers Naude	Sarah Baartman	Eastern Cape	National Total	Dr Beyers Naude as % of district municipality	Dr Beyers Naude as % of province	Dr Beyers Naude as % of national
No schooling	3,580	17,700	329,000	2,390,000	20.2%	1.09%	0.15%
Grade 0-2	1,370	10,200	128,000	721,000	13.4%	1.07%	0.19%
Grade 3-6	8,250	48,000	561,000	3,160,000	17.2%	1.47%	0.26%
Grade 7-9	13,500	77,700	919,000	5,950,000	17.4%	1.47%	0.23%
Grade 10-11	10,600	73,100	930,000	7,820,000	14.5%	1.14%	0.14%
Certificate / diploma without matric	221	831	14,700	169,000	26.6%	1.51%	0.13%

	Dr Beyers Naude	Sarah Baartman	Eastern Cape	National Total	Dr Beyers Naude as % of district municipality	Dr Beyers Naude as % of province	Dr Beyers Naude as % of national
Matric only	10,100	68,900	831,000	9,950,000	14.7%	1.22%	0.10%
Matric certificate / diploma	2,260	12,700	186,000	2,040,000	17.8%	1.22%	0.11%
Matric Bachelors degree	1,490	9,300	122,000	1,460,000	16.0%	1.21%	0.10%
Matric Postgrad degree	611	4,690	49,900	676,000	13.0%	1.22%	0.09%

Source: IHS Markit Regional eXplorer version 1070

The number of people without any schooling in Dr Beyers Naude Local Municipality accounts for 20.21% of the number of people without schooling in the district municipality, 1.09% of the province and 0.15% of the national. In 2015, the number of people in Dr Beyers Naude Local Municipality with a matric only was 10,100 which is a share of 14.68% of the district municipality's total number of people that has obtained a matric. The number of people with a matric and a Postgrad degree constitutes 15.98% of the district municipality, 1.21% of the province and 0.10% of the national.

TABLE 36. HIGHEST LEVEL OF EDUCATION: AGE 15+, DR BEYERS NAUDE, BLUE CRANE ROUTE, MAKANA, NDLAMBE, SUNDAYS RIVER VALLEY, KOUGA AND KOU-KAMMA 2015 [PERCENTAGE]



Source: IHS Markit Regional eXplorer version 1070

## 5.5 FUNCTIONAL LITERACY

**Definition:** For the purpose of this report, IHS defines functional literacy as the number of people in a region that are 20 years and older and have completed at least their primary education (i.e. grade 7).

Functional literacy describes the reading and writing skills that are adequate for an individual to cope with the demands of everyday life - including the demands posed in the workplace. This is contrasted with illiteracy in the strictest sense, meaning the inability to read or write. Functional literacy enables individuals to enter the labour market and contribute towards economic growth thereby reducing poverty.

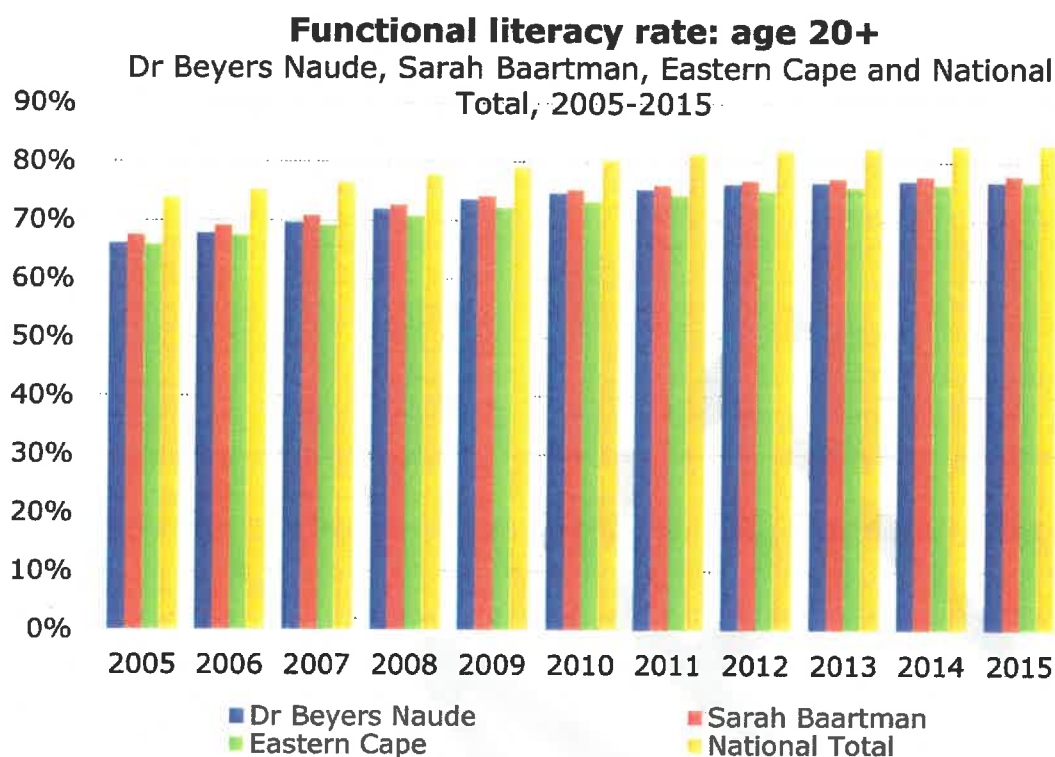
TABLE 37. FUNCTIONAL LITERACY: AGE 20+, COMPLETED GRADE 7 OR HIGHER - DR BEYERS NAUDE LOCAL MUNICIPALITY, 2005-2015 [NUMBER PERCENTAGE]

	Illiterate	Literate	%
2005	17,417	33,946	66.1%
2006	16,698	35,203	67.8%
2007	15,942	36,598	69.7%
2008	14,975	38,456	72.0%
2009	14,346	39,998	73.6%
2010	13,959	41,230	74.7%
2011	13,796	42,143	75.3%
2012	13,451	43,223	76.3%
2013	13,458	43,986	76.6%
2014	13,443	44,783	76.9%
2015	13,750	45,228	76.7%
<b>Average Annual growth</b>			
2005-2015	<b>-2.34%</b>	<b>2.91%</b>	<b>1.50%</b>

Source: IHS Markit Regional eXplorer version 1070

A total of 45 200 individuals in Dr Beyers Naude Local Municipality were considered functionally literate in 2015, while 13 800 people were considered to be illiterate. Expressed as a rate, this amounts to 76.69% of the population, which is an increase of 0.11 percentage points since 2005 (66.09%). The number of illiterate individuals decreased on average by -2.34% annually from 2005 to 2015, with the number of functional literate people increasing at 2.91% annually.

CHART 33. FUNCTIONAL LITERACY: AGE 20+, COMPLETED GRADE 7 OR HIGHER - DR BEYERS NAUDE, SARAH BAARTMAN, EASTERN CAPE AND NATIONAL TOTAL, 2005-2015 [PERCENTAGE]

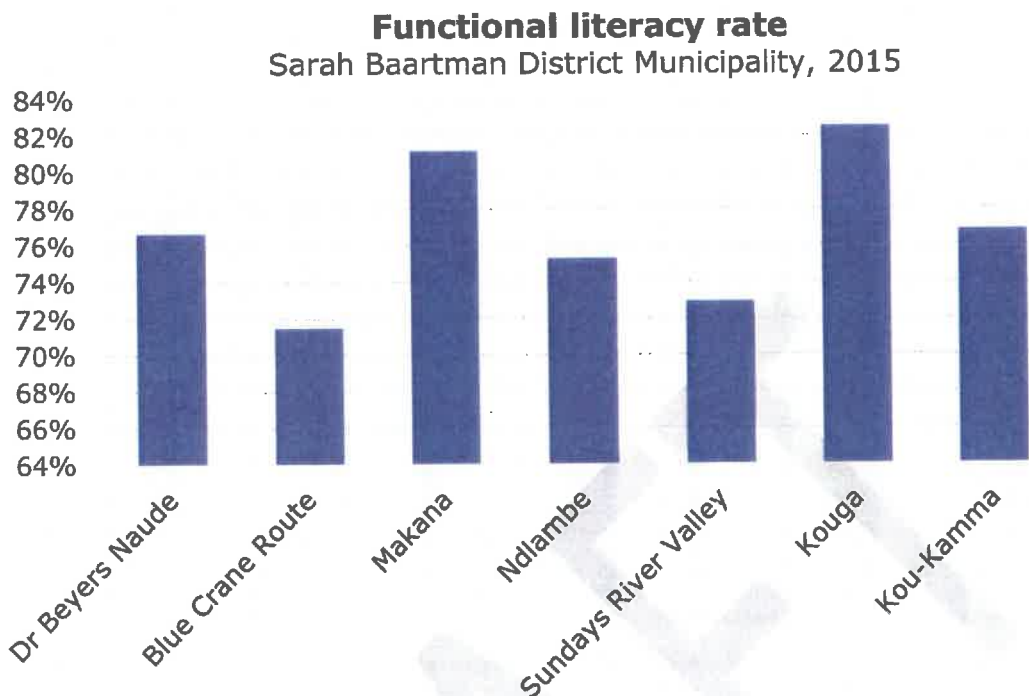


Source: IHS Markit Regional eXplorer version 1070

Dr Beyers Naude Local Municipality's functional literacy rate of 76.69% in 2015 is lower than that of Sarah Baartman at 77.80%, and is lower than the province rate of 76.75%. When comparing to National Total as whole, which has a functional literacy rate of 83.06%, it can be seen that the functional literacy rate is higher than that of the Dr Beyers Naude Local Municipality.

*A higher literacy rate is often associated with higher levels of urbanization, for instance where access to schools is less of a problem, and where there are economies of scale. From a spatial breakdown of the literacy rates in South Africa, it is perceived that the districts with larger cities normally have higher literacy rates.*

CHART 34. LITERACY RATE - DR BEYERS NAUDE, BLUE CRANE ROUTE, MAKANA, NDLAMBE, SUNDAYS RIVER VALLEY, KOUGA AND KOU-KAMMA, 2015 [PERCENTAGE]

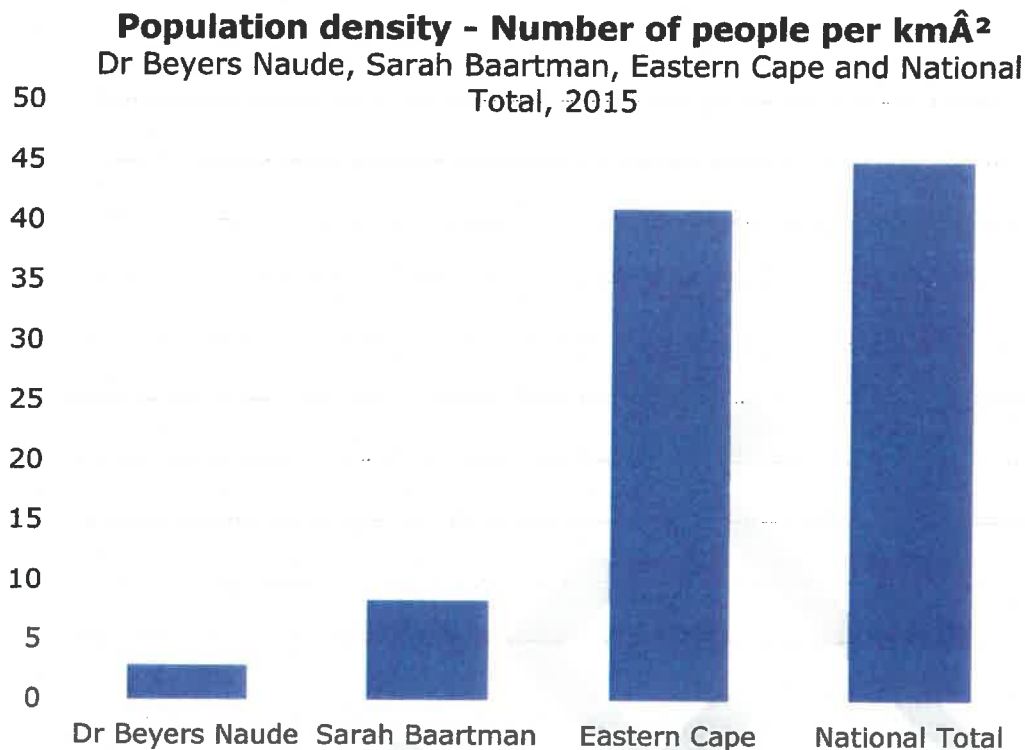


Source: IHS Markit Regional eXplorer version 1070

In terms of the literacy rate for each of the regions within the Sarah Baartman District Municipality, Kouga local municipality had the highest literacy rate, with a total of 82.5%. The lowest literacy rate can be observed in the Blue Crane Route local municipality with a total of 71.5%.

## 5.6 POPULATION DENSITY

CHART 35. Population density measures the concentration of people in a region. To calculate this, the population of a region is divided by the area size of that region. The output is presented as the number of people per square kilometre. Population density - Dr Beyers Naude, Sarah Baartman, Eastern Cape and National Total, 2015 [number of people per km]



*Source: IHS Markit Regional eXplorer version 1070*

In 2015, with an average of 2.91 people per square kilometre, Dr Beyers Naude Local Municipality had a lower population density than Sarah Baartman (8.35 people per square kilometre). Compared to Eastern Cape Province (41 per square kilometre) it can be seen that there are less people living per square kilometre in Dr Beyers Naude Local Municipality than in Eastern Cape Province.

CHART 36. POPULATION DENSITY - DR BEYERS NAUDE AND THE REST OF SARAH BAARTMAN, 2005-2015  
 [NUMBER OF PEOPLE PER KM]

	Dr Beyers Naude	Blue Crane Route	Makana	Ndlambe	Sundays River Valley	Kouga	Kou-Kamma
2005	2.61	3.26	17.44	32.56	7.84	30.70	10.59
2006	2.62	3.25	17.51	32.85	7.98	31.53	10.73
2007	2.64	3.25	17.69	32.90	8.20	32.44	10.78
2008	2.67	3.24	17.94	32.83	8.49	33.45	10.80
2009	2.71	3.24	18.23	32.87	8.79	34.55	10.85
2010	2.74	3.25	18.49	33.15	9.06	35.67	10.98
2011	2.77	3.26	18.70	33.60	9.29	36.80	11.16
2012	2.81	3.28	18.90	34.10	9.52	37.92	11.36
2013	2.84	3.30	19.12	34.64	9.74	39.00	11.57
2014	2.87	3.32	19.35	35.19	9.97	40.06	11.77
2015	2.91	3.34	19.57	35.75	10.19	41.06	11.97
2005-2015	1.08%	0.27%	1.16%	0.94%	2.66%	2.95%	1.23%

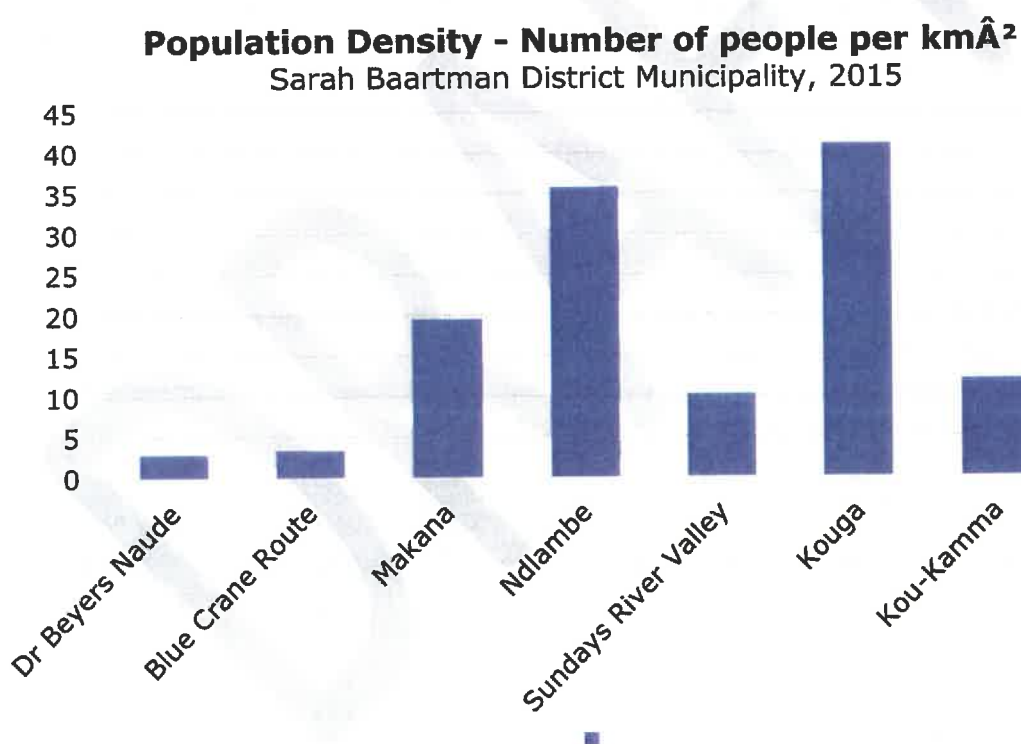
*Source: IHS Markit Regional eXplorer version 1070*

In 2015, Dr Beyers Naude Local Municipality had a population density of 2.91 per square kilometre and it ranked highest amongst its peers. The region with the highest population density per square

kilometre was the Kouga with a total population density of 41.1 per square kilometre per annum. In terms of growth, Dr Beyers Naude Local Municipality had an average annual growth in its population density of 1.08% per square kilometre per annum. The region with the highest growth rate in the population density per square kilometre was Kouga with an average annual growth rate of 2.95% per square kilometre.. The region with the lowest average annual growth rate was the Blue Crane Route with an average annual growth rate of 0.27% people per square kilometre over the period under discussion.

*Using population density instead of the total number of people creates a better basis for comparing different regions or economies. A higher population density influences the provision of household infrastructure, quality of services, and access to resources like medical care, schools, sewage treatment, community centres, etc.*

CHART 37. POPULATION DENSITY - DR BEYERS NAUDE, BLUE CRANE ROUTE, MAKANA, NDLAMBE, SUNDAYS RIVER VALLEY, KOUGA AND KOU-KAMMA, 2015 [PERCENTAGE]



*Source: IHS Markit Regional eXplorer version 1070*

In terms of the population density for each of the regions within the Sarah Baartman District Municipality, Kouga local municipality had the highest density, with 41.1 people per square kilometre. The lowest population density can be observed in the Dr Beyers Naude local municipality with a total of 2.91 people per square kilometre.

## 6. CRIME

The state of crime in South Africa has been the topic of many media articles and papers in the past years, and although many would acknowledge that the country has a crime problem, very little research has been done on the relative level of crime. The media often tend to focus on more negative or sensational information, while the progress made in combating crime is neglected.

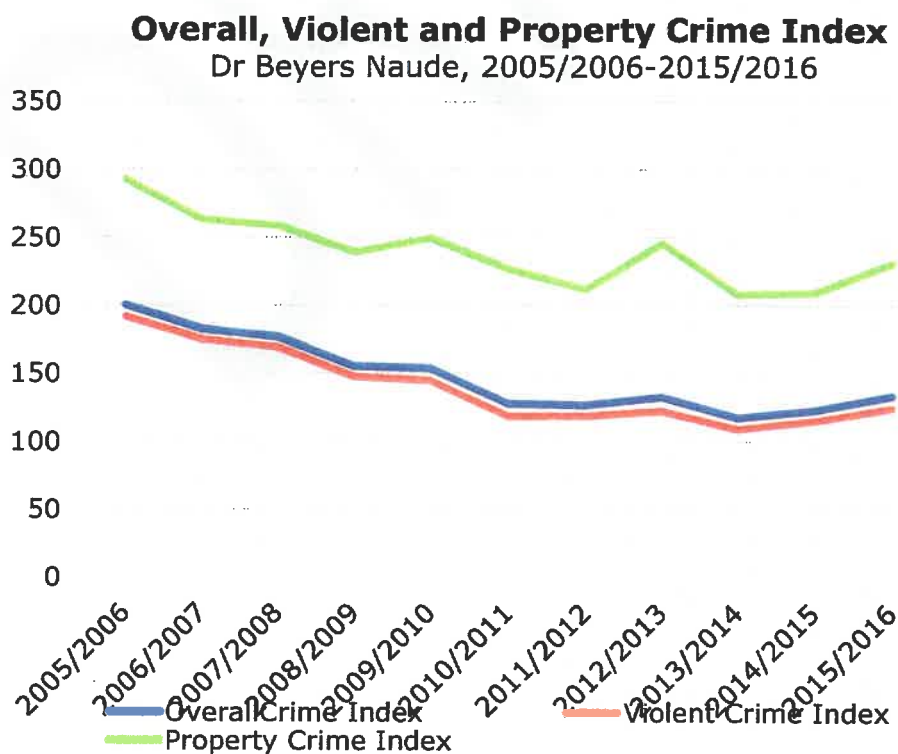
### 6.1 IHS COMPOSITE CRIME INDEX

The IHS Composite Crime Index makes use of the official SAPS data, which is reported in 27 crime categories (ranging from murder to crime injuries). These 27 categories are divided into two groups according to the nature of the crime: i.e. violent crimes and property crimes. IHS uses the (a) Length-of-sentence and the (b) Cost-of-crime in order to apply a weight to each category.

#### 6.1.1 OVERALL CRIME INDEX

**Definition:** The crime index is a composite, weighted index which measures crime. The higher the index number, the higher the level of crime for that specific year in a particular region. The index is best used by looking at the change over time, or comparing the crime levels across regions.

CHART 38. IHS CRIME INDEX - CALENDER YEARS (WEIGHTED AVG / 100,000 PEOPLE) - DR BEYERS NAUDE LOCAL MUNICIPALITY, 2005/2006-2015/2016 [INDEX VALUE]



Source: IHS Markit Regional eXplorer version 1070

For the period 2005/2006 to 2015/2016 overall crime has decrease at an average annual rate of 3.95% within the Dr Beyers Naude Local Municipality. Violent crime decreased by 4.20% since 2005/2006, while property crimes decreased by 2.33% between the 2005/2006 and 2015/2016 financial years.

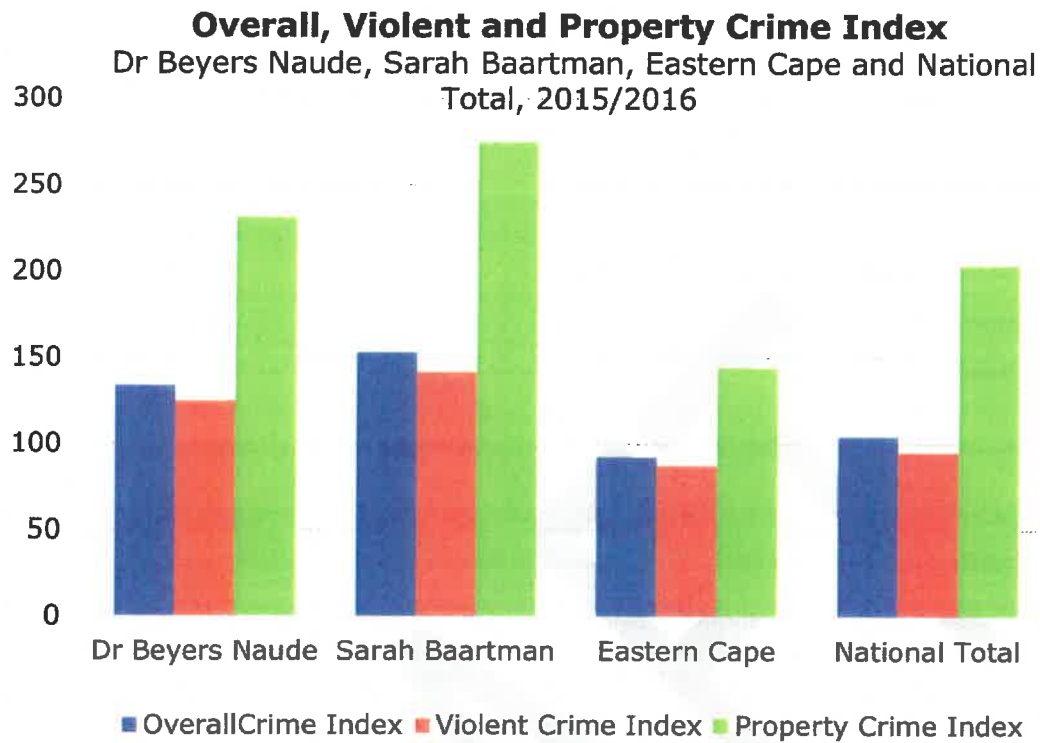
TABLE 38. OVERALL CRIME INDEX - DR BEYERS NAUDE LOCAL MUNICIPALITY AND THE REST OF SARAH BAARTMAN, 2005/2006-2015/2016 [INDEX VALUE]

	Dr Beyers Naude	Blue Crane Route	Makana	Ndlambe	Sundays River Valley	Kouga	Kou-Kamma
2005/2006	200.36	170.67	271.77	226.23	326.17	236.32	227.44
2006/2007	182.56	192.06	281.34	198.02	307.54	239.77	184.76
2007/2008	176.90	173.52	254.32	209.16	239.43	202.50	170.29
2008/2009	155.25	182.64	244.38	217.60	245.07	217.34	176.24
2009/2010	153.71	178.67	247.44	204.07	219.80	206.45	194.01
2010/2011	127.65	156.30	244.87	191.18	184.47	181.39	201.52
2011/2012	126.70	144.07	241.06	182.43	172.94	145.68	178.23
2012/2013	132.83	138.67	210.28	177.87	174.66	127.26	161.60
2013/2014	117.73	146.02	222.07	173.82	167.98	127.10	149.92
2014/2015	123.34	136.00	210.30	182.28	172.12	123.80	145.23
2015/2016	133.84	131.35	207.39	171.96	155.72	128.46	129.87
						<b>Average Annual growth</b>	
2005/2006-2015/2016	<b>-3.95%</b>	<b>-2.59%</b>	<b>-2.67%</b>	<b>-2.71%</b>	<b>-7.13%</b>	<b>-5.91%</b>	<b>-5.45%</b>

Source: IHS Markit Regional eExplorer version 1070

In 2015/2016, the Makana local municipality has the highest overall crime rate of the sub-regions within the overall Sarah Baartman District Municipality with an index value of 207. Ndlambe local municipality has the second highest overall crime index at 172, with Sundays River Valley local municipality having the third highest overall crime index of 156. It is clear that all the crime is decreasing overtime for all the regions within Sarah Baartman District Municipality. Kou-Kamma local municipality has the second lowest overall crime index of 130 and the Kouga local municipality has the lowest overall crime rate of 128. It is clear that crime is decreasing overtime for all the regions within Sarah Baartman District Municipality. The region that decreased the most in overall crime since 2005/2006 was Sundays River Valley local municipality with an average annual decrease of 7.1% followed by Kouga local municipality with an average annual decrease of 5.9%.

CHART 39. IHS CRIME INDEX - CALENDER YEARS (WEIGHTED AVG / 100,000 PEOPLE) - DR BEYERS NAUDE, SARAH BAARTMAN, EASTERN CAPE AND NATIONAL TOTAL, 2015/2016 [INDEX VALUE]



Source: IHS Markit Regional eXplorer version 1070

From the chart above it is evident that property crime is a major problem for all the regions relative to violent crime.

## 7. HOUSEHOLD INFRASTRUCTURE

Drawing on the household infrastructure data of a region is of essential value in economic planning and social development. Assessing household infrastructure involves the measurement of four indicators:

- Access to dwelling units
- Access to proper sanitation
- Access to running water
- Access to refuse removal
- Access to electricity

A household is considered "serviced" if it has access to all four of these basic services. If not, the household is considered to be part of the backlog. The way access to a given service is defined (and how to accurately measure that specific Definition over time) gives rise to some distinct problems. IHS has therefore developed a unique model to capture the number of households and their level of access to the four basic services.

A household is defined as a group of persons who live together and provide themselves jointly with food and/or other essentials for living, or a single person who lives alone.

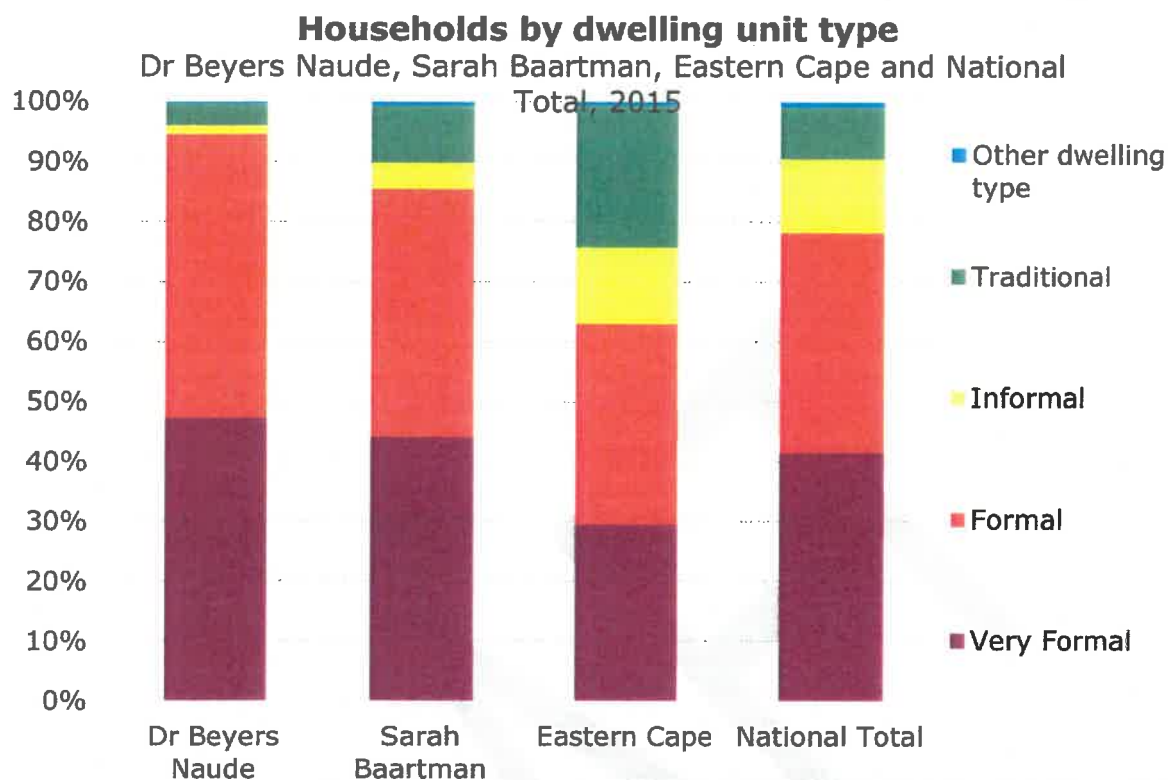
The next few sections offer an overview of the household infrastructure of the Dr Beyers Naude Local Municipality between 2015 and 2005.

### 7.1 HOUSEHOLD BY DWELLING TYPE

Using the StatsSA definition of a household and a dwelling unit, households can be categorised according to type of dwelling. The categories are:

- **Very formal dwellings** - structures built according to approved plans, e.g. houses on a separate stand, flats or apartments, townhouses, rooms in backyards that also have running water and flush toilets within the dwelling. .
- **Formal dwellings** - structures built according to approved plans, i.e. house on a separate stand, flat or apartment, townhouse, room in backyard, rooms or flatlet elsewhere etc, but without running water or without a flush toilet within the dwelling.
- **Informal dwellings** - shacks or shanties in informal settlements, serviced stands, or proclaimed townships, as well as shacks in the backyards of other dwelling types.
- **Traditional dwellings** - structures made of clay, mud, reeds, or other locally available material.
- **Other dwelling units** - tents, ships, caravans, etc.

CHART 40. HOUSEHOLDS BY DWELLING UNIT TYPE - DR BEYERS NAUDE, SARAH BAARTMAN, EASTERN CAPE AND NATIONAL TOTAL, 2015 [PERCENTAGE]



Dr Beyers Naude Local Municipality had a total number of 10 000 (47.32% of total households) very formal dwelling units, a total of 10 000 (47.35% of total households) formal dwelling units and a total number of 296 (1.40% of total households) informal dwelling units.

TABLE 39. HOUSEHOLDS BY DWELLING UNIT TYPE - DR BEYERS NAUDE AND THE REST OF SARAH BAARTMAN, 2015 [NUMBER]

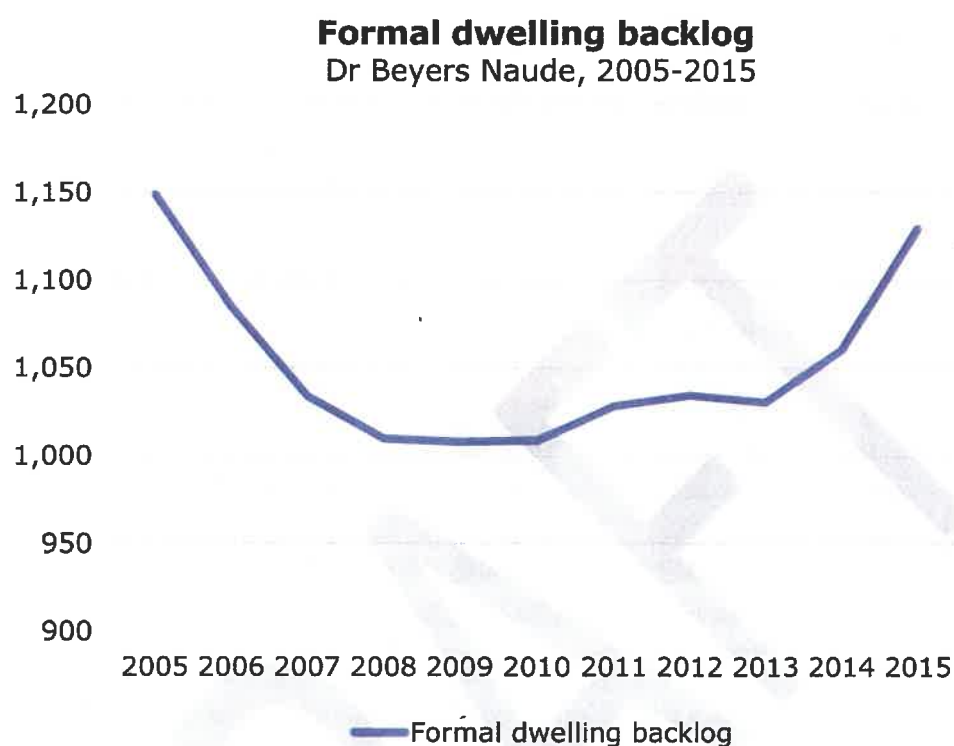
	Very Formal	Formal	Informal	Traditional	Other dwelling type	Total
Dr Beyers Naude	10,000	10,000	297	774	59	21,200
Blue Crane Route	3,920	5,690	98	322	17	10,000
Makana	9,580	10,100	1,080	1,340	98	22,200
Ndlambe	6,050	11,700	1,000	1,640	94	20,500
Sundays River Valley	4,330	9,440	555	2,350	88	16,800
Kouga	18,100	6,790	2,430	6,020	524	33,900
Kou-Kamma	8,280	2,960	388	521	53	12,200
<b>Total Sarah Baartman</b>	<b>60,337</b>	<b>56,660</b>	<b>5,845</b>	<b>12,966</b>	<b>934</b>	<b>136,742</b>

Source: IHS Markit Regional eXplorer version 1070

The region within the Sarah Baartman District Municipality with the highest number of very formal dwelling units is Kouga local municipality with 18 100 or a share of 30.06% of the total very formal dwelling units within Sarah Baartman. The region with the lowest number of very formal dwelling units

is Blue Crane Route local municipality with a total of 3 920 or a share of 6.50% of the total very formal dwelling units within Sarah Baartman.

CHART 41. FORMAL DWELLING BACKLOG - NUMBER OF HOUSEHOLDS NOT LIVING IN A FORMAL DWELLING - DR BEYERS NAUDE LOCAL MUNICIPALITY, 2005-2015 [NUMBER OF HOUSEHOLDS]



*Source: IHS Markit Regional eXplorer version 1070*

When looking at the formal dwelling unit backlog (number of households not living in a formal dwelling) over time, it can be seen that in 2005 the number of households not living in a formal dwelling were 1 150 within Dr Beyers Naude Local Municipality. From 2005 this number decreased annually at -0.17% to 1 130 in 2015.

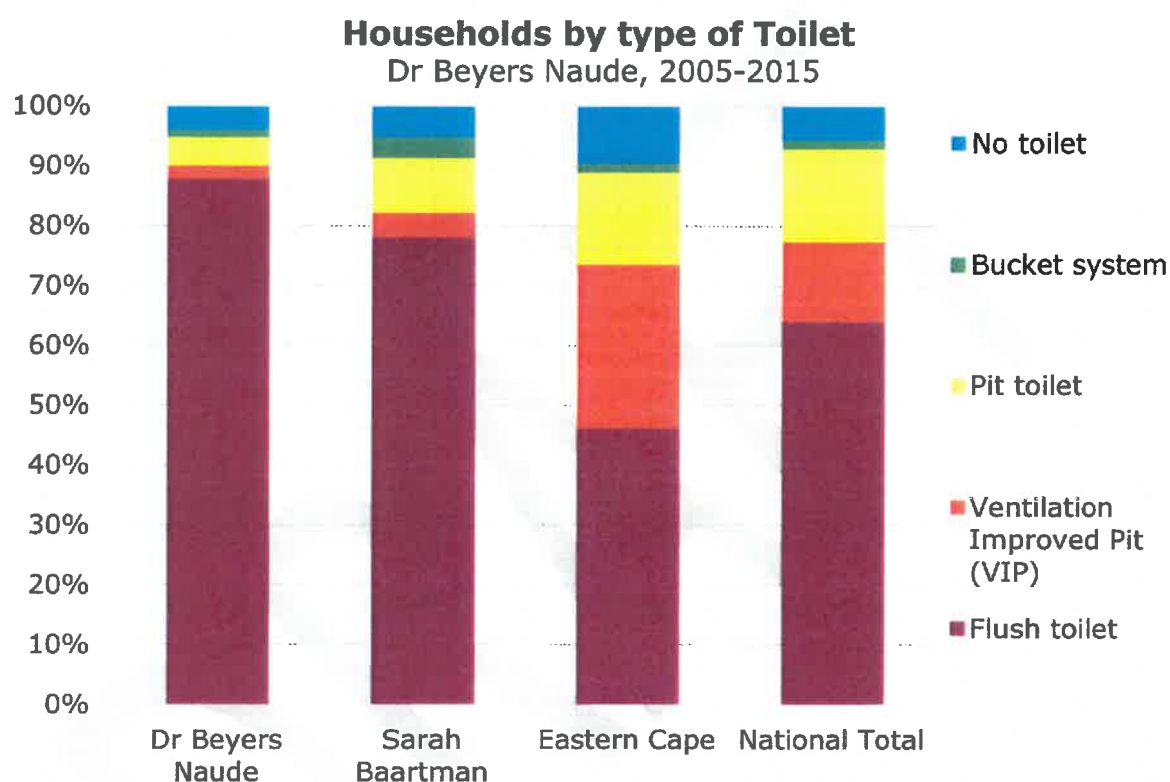
## 7.2 HOUSEHOLD BY TYPE OF SANITATION

Sanitation can be divided into specific types of sanitation to which a household has access. We use the following categories:

- **No toilet** - No access to any of the toilet systems explained below.
- **Bucket system** - A top structure with a seat over a bucket. The bucket is periodically removed and the contents disposed of. (Note: this system is widely used but poses health risks to the collectors. Most authorities are actively attempting to discontinue the use of these buckets in their local regions).
- **Pit toilet** - A top structure over a pit.

- **Ventilation improved pit** - A pit toilet but with a fly screen and vented by a pipe. Depending on soil conditions, the pit may be lined.
- **Flush toilet** - Waste is flushed into an enclosed tank, thus preventing the waste to flow into the surrounding environment. The tanks need to be emptied or the contents pumped elsewhere.

CHART 42. HOUSEHOLDS BY TYPE OF SANITATION - DR BEYERS NAUDE, SARAH BAARTMAN, EASTERN CAPE AND NATIONAL TOTAL, 2015 [PERCENTAGE]



Dr Beyers Naude Local Municipality had a total number of 18 600 flush toilets (87.86% of total households), 493 Ventilation Improved Pit (VIP) (2.33% of total households) and 982 (4.63%) of total households pit toilets.

TABLE 40. HOUSEHOLDS BY TYPE OF SANITATION - DR BEYERS NAUDE LOCAL MUNICIPALITY AND THE REST OF SARAH BAARTMAN, 2015 [NUMBER]

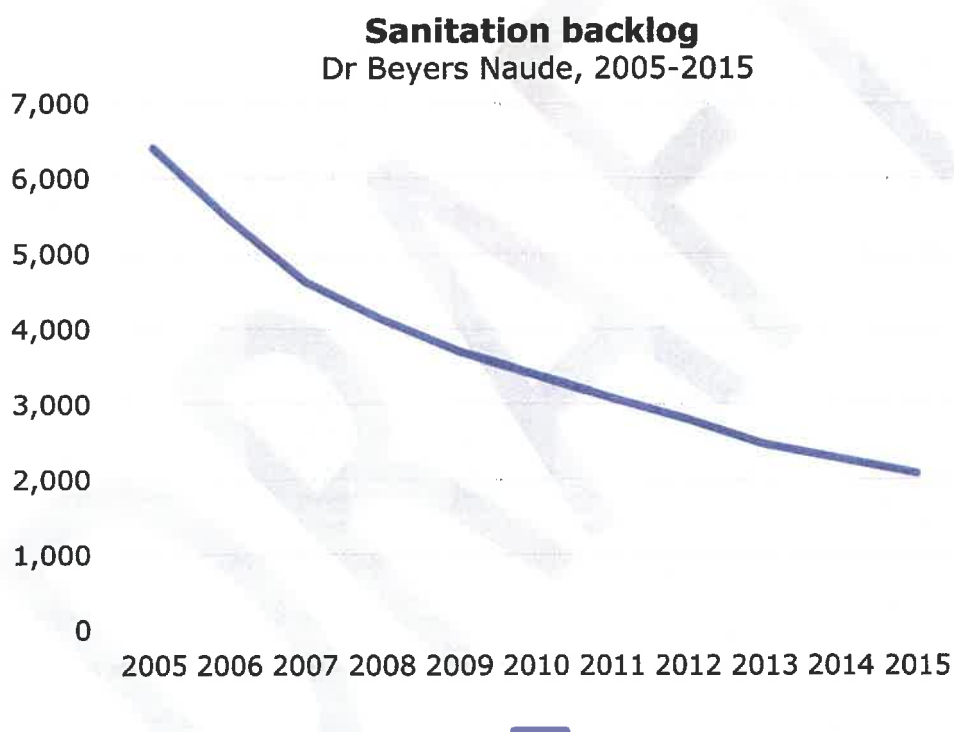
	Flush toilet	Ventilation Improved Pit (VIP)	Pit toilet	Bucket system	No toilet	Total
Dr Beyers Naude	18,600	493	982	252	847	21,200
Blue Crane Route	8,560	299	315	206	670	10,000
Makana	17,100	1,440	2,430	279	870	22,200
Ndlambe	14,300	1,810	3,170	105	1,090	20,500
Sundays River Valley	10,600	477	3,750	1,010	954	16,800
Kouga	27,300	764	1,140	2,700	2,010	33,900

	Flush toilet	Ventilation Improved Pit (VIP)	Pit toilet	Bucket system	No toilet	Total
Kou-Kamma	10,300	406	615	135	749	12,200
<b>Total</b>	<b>106,738</b>	<b>5,686</b>	<b>12,401</b>	<b>4,684</b>	<b>7,196</b>	<b>136,705</b>
<b>Sarah Baartman</b>						

Source: IHS Markit Regional eXplorer version 1070

The region within Sarah Baartman with the highest number of flush toilets is Kouga local municipality with 27 300 or a share of 25.56% of the flush toilets within Sarah Baartman. The region with the lowest number of flush toilets is Blue Crane Route local municipality with a total of 8 560 or a share of 8.02% of the total flush toilets within Sarah Baartman District Municipality.

CHART 43. SANITATION BACKLOG - DR BEYERS NAUDE LOCAL MUNICIPALITY, 2005-2015 [NUMBER OF HOUSEHOLDS WITHOUT HYGIENIC TOILETS]



Source: IHS Markit Regional eXplorer version 1070

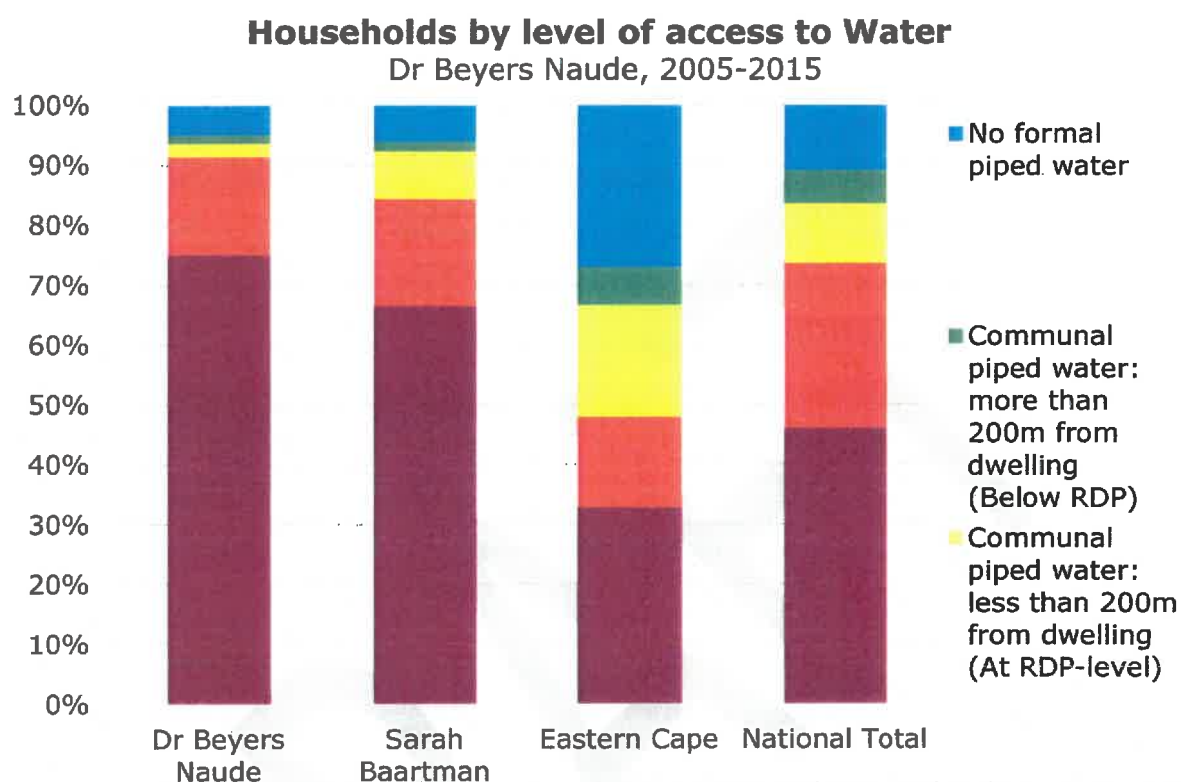
When looking at the sanitation backlog (number of households without hygienic toilets) over time, it can be seen that in 2005 the number of Households without any hygienic toilets in Dr Beyers Naude Local Municipality was 6 410, this decreased annually at a rate of -10.63% to 2 080 in 2015.

### 7.3 HOUSEHOLDS BY ACCESS TO WATER

A household is categorised according to its main access to water, as follows: Regional/local water scheme, Borehole and spring, Water tank, Dam/pool/stagnant water, River/stream and other main

access to water methods. No formal piped water includes households that obtain water via water carriers and tankers, rain water, boreholes, dams, rivers and springs.

CHART 44. HOUSEHOLDS BY TYPE OF WATER ACCESS - DR BEYERS NAUDE, SARAH BAARTMAN, EASTERN CAPE AND NATIONAL TOTAL, 2015 [PERCENTAGE]



Dr Beyers Naude Local Municipality had a total number of 12 900 (or 75.06%) households with piped water inside the dwelling, a total of 2 820 (16.43%) households had piped water inside the yard and a total number of 857 (4.99%) households had no formal piped water.

TABLE 41. HOUSEHOLDS BY TYPE OF WATER ACCESS - DR BEYERS NAUDE AND THE REST OF SARAH BAARTMAN, 2015 [NUMBER]

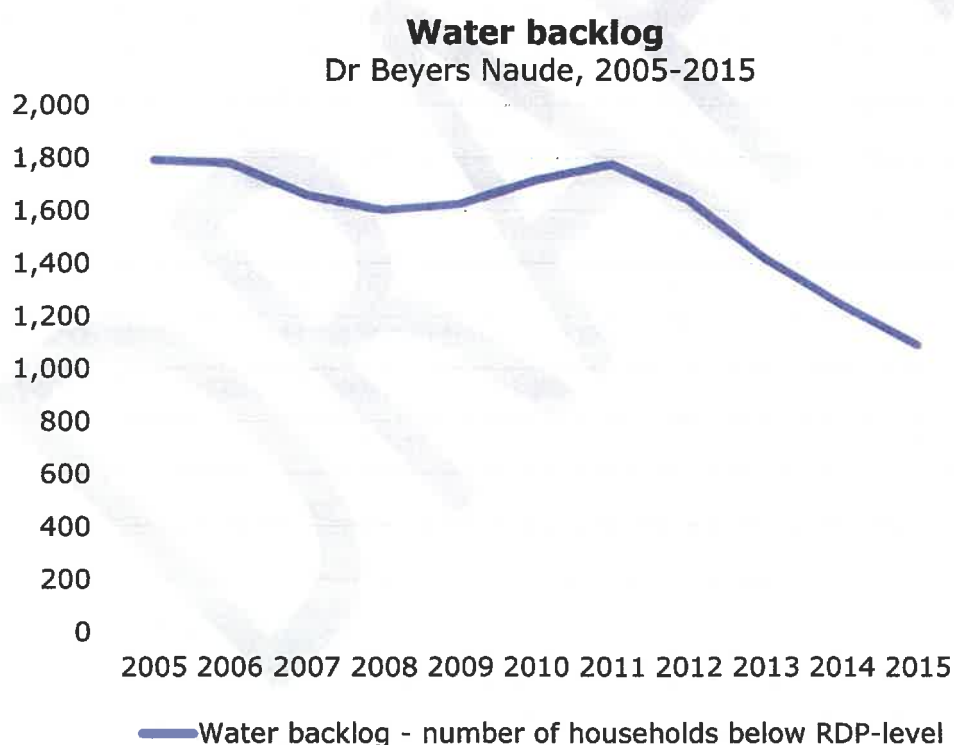
	Piped water inside dwelling	Piped water in yard	Communal piped water: less than 200m from dwelling (At RDP-level)	Communal piped water: more than 200m from dwelling (Below RDP)	No formal piped water	Total
Dr Beyers Naude	12,900	2,820	370	233	857	17,200
Blue Crane Route	6,110	1,430	272	126	452	8,390
Makana	12,700	3,520	1,360	238	1,180	19,000
Ndlambe	12,900	4,060	1,240	247	1,000	19,500
Sundays River Valley	9,460	3,160	1,810	411	1,670	16,500
Kouga	16,100	4,800	3,880	236	676	25,700
Kou-Kamma	6,530	851	127	338	1,220	9,070

	Piped water inside dwelling	Piped water in yard	Communal piped water: less than 200m from dwelling (At RDP-level)	Communal piped water: more than 200m from dwelling (Below RDP)	No formal piped water	Total
<b>Total Sarah Baartman</b>	<b>76,730</b>	<b>20,653</b>	<b>9,069</b>	<b>1,829</b>	<b>7,058</b>	<b>115,338</b>

Source: IHS Markit Regional eXplorer version 1070

The regions within Sarah Baartman District Municipality with the highest number of households with piped water inside the dwelling is Kouga local municipality with 16 100 or a share of 20.98% of the households with piped water inside the dwelling within Sarah Baartman District Municipality. The region with the lowest number of households with piped water inside the dwelling is Blue Crane Route local municipality with a total of 6 110 or a share of 7.96% of the total households with piped water inside the dwelling within Sarah Baartman District Municipality.

CHART 45. WATER BACKLOG - DR BEYERS NAUDE LOCAL MUNICIPALITY, 2005-2015 [NUMBER OF HOUSEHOLDS BELOW RDP-LEVEL]



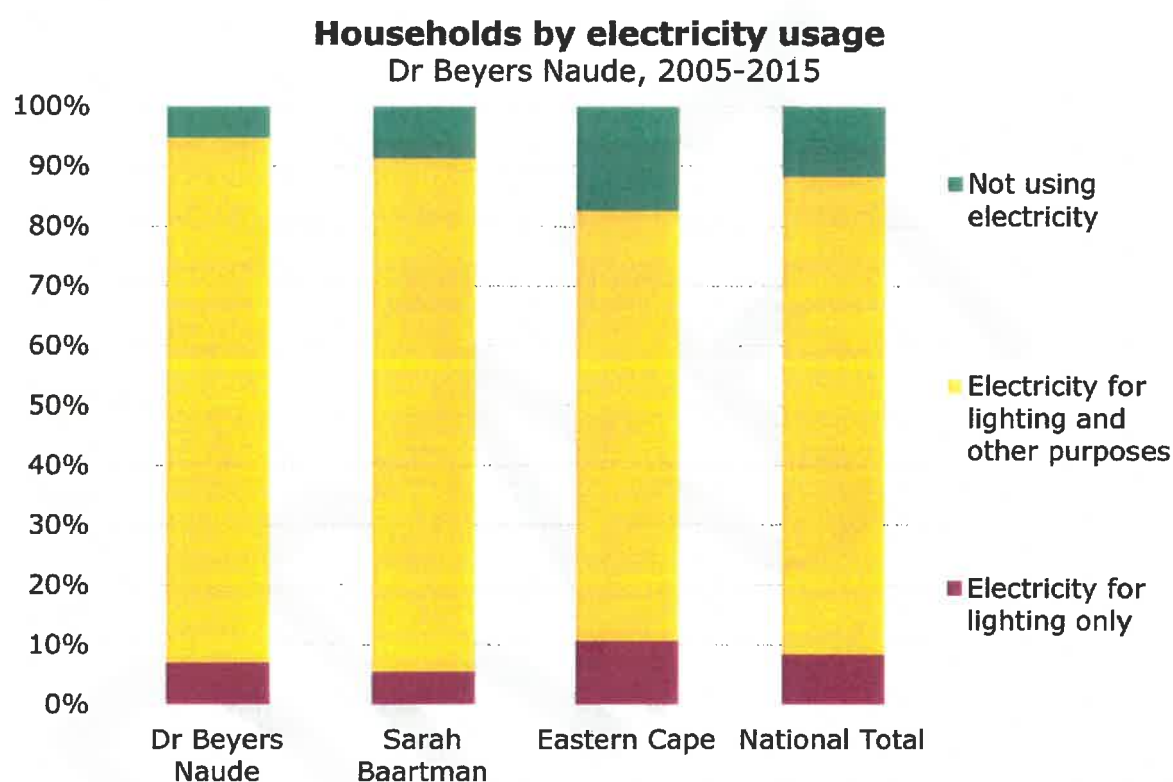
Source: IHS Markit Regional eXplorer version 1070

When looking at the water backlog (number of households below RDP-level) over time, it can be seen that in 2005 the number of households below the RDP-level were 1 790 within Dr Beyers Naude Local Municipality, this decreased annually at -4.85% per annum to 1 090 in 2015.

## 7.4 HOUSEHOLDS BY TYPE OF ELECTRICITY

Households are distributed into 3 electricity usage categories: Households using electricity for cooking, Households using electricity for heating, households using electricity for lighting. Household using solar power are included as part of households with an electrical connection. This time series categorises households in a region according to their access to electricity (electrical connection).

CHART 46. HOUSEHOLDS BY TYPE OF ELECTRICAL CONNECTION - DR BEYERS NAUDE, SARAH BAARTMAN, EASTERN CAPE AND NATIONAL TOTAL, 2015 [PERCENTAGE]



Dr Beyers Naude Local Municipality had a total number of 1 490 (7.00%) households with electricity for lighting only, a total of 18 600 (87.70%) households had electricity for lighting and other purposes and a total number of 1 120 (5.30%) households did not use electricity.

TABLE 42. HOUSEHOLDS BY TYPE OF ELECTRICAL CONNECTION - DR BEYERS NAUDE AND THE REST OF SARAH BAARTMAN, 2015 [NUMBER]

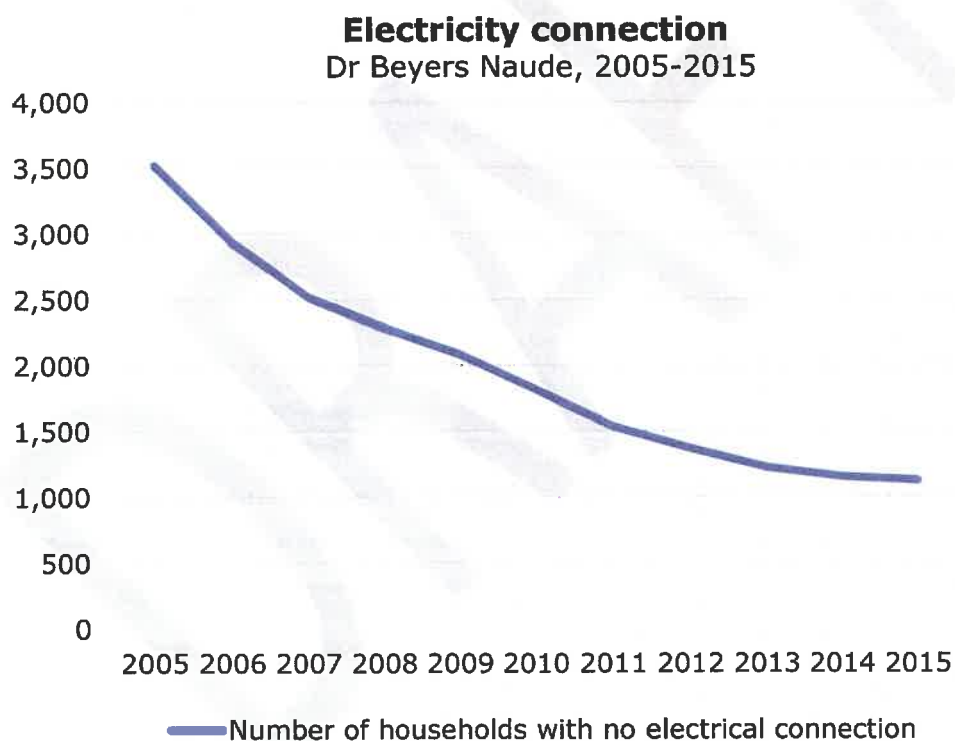
	Electricity for lighting only	Electricity for lighting and other purposes	Not using electricity	Total
Dr Beyers Naude	1,490	18,600	1,120	21,200
Blue Crane Route	889	8,200	963	10,000
Makana	1,670	19,300	1,240	22,200
Ndlambe	1,120	17,200	2,090	20,500
Sundays River Valley	1,280	13,200	2,250	16,800
Kouga	587	30,100	3,200	33,900
Kou-Kamma	486	10,700	993	12,200

	Electricity for lighting only	Electricity for lighting and other purposes	Not using electricity	Total
<b>Total Sarah Baartman</b>	<b>7,518</b>	<b>117,371</b>	<b>11,853</b>	<b>136,742</b>

Source: IHS Markit Regional eXplorer version 1070

The region within Sarah Baartman with the highest number of households with electricity for lighting and other purposes is Kouga local municipality with 30 100 or a share of 25.66% of the households with electricity for lighting and other purposes within Sarah Baartman District Municipality. The region with the lowest number of households with electricity for lighting and other purposes is Blue Crane Route local municipality with a total of 8 200 or a share of 6.98% of the total households with electricity for lighting and other purposes within Sarah Baartman District Municipality.

CHART 47. ELECTRICITY CONNECTION - DR BEYERS NAUDE LOCAL MUNICIPALITY, 2005-2015 [NUMBER OF HOUSEHOLDS WITH NO ELECTRICAL CONNECTION]



Source: IHS Markit Regional eXplorer version 1070

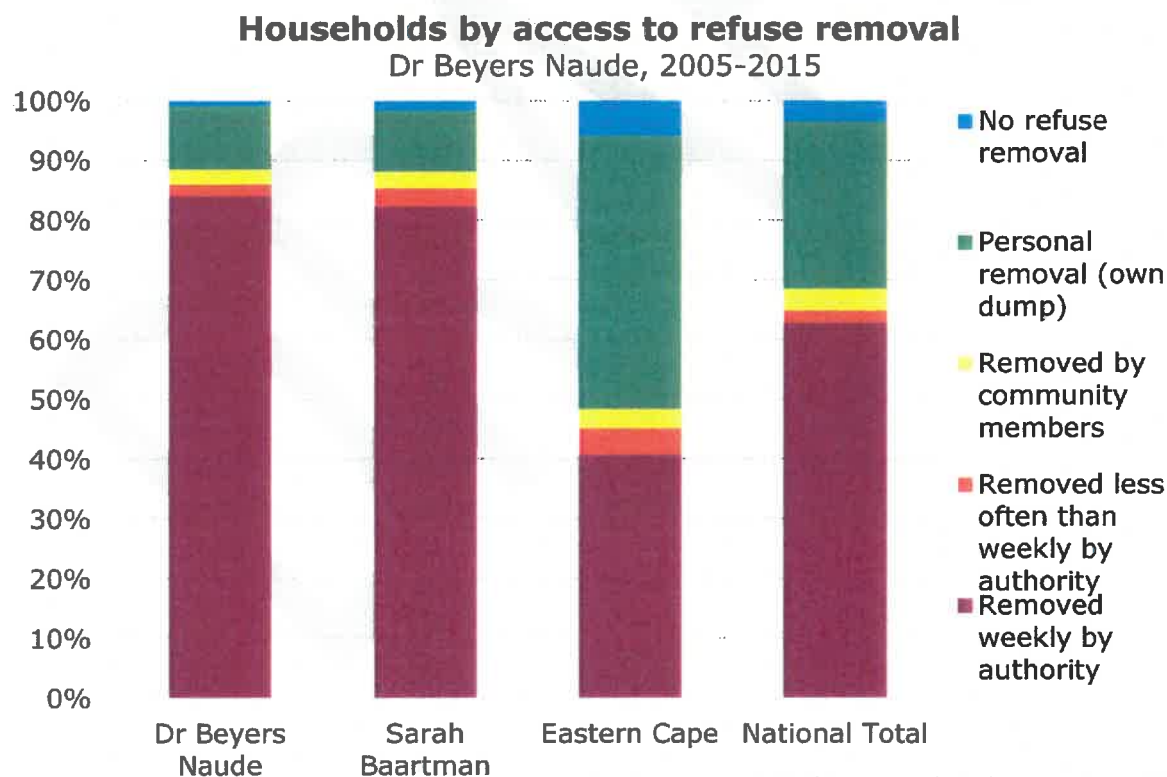
When looking at the number of households with no electrical connection over time, it can be seen that in 2005 the households without an electrical connection in Dr Beyers Naude Local Municipality was 3 520, this decreased annually at -10.79% per annum to 1 120 in 2015.

## 7.5 HOUSEHOLDS BY REFUSE DISPOSAL

A distinction is made between formal and informal refuse removal. When refuse is removed by the local authorities, it is referred to as formal refuse removal. Informal refuse removal is where either the household or the community disposes of the waste, or where there is no refuse removal at all. A further breakdown is used in terms of the frequency by which the refuse is taken away, thus leading to the following categories:

- Removed weekly by authority
- Removed less often than weekly by authority
- Removed by community members
- Personal removal / (own dump)
- No refuse removal

CHART 48. HOUSEHOLDS BY REFUSE DISPOSAL - DR BEYERS NAUDE, SARAH BAARTMAN, EASTERN CAPE AND NATIONAL TOTAL, 2015 [PERCENTAGE]



Dr Beyers Naude Local Municipality had a total number of 17 800 (84.02%) households which had their refuse removed weekly by the authority, a total of 448 (2.11%) households had their refuse removed less often than weekly by the authority and a total number of 2 230 (10.51%) households which had to remove their refuse personally (own dump).

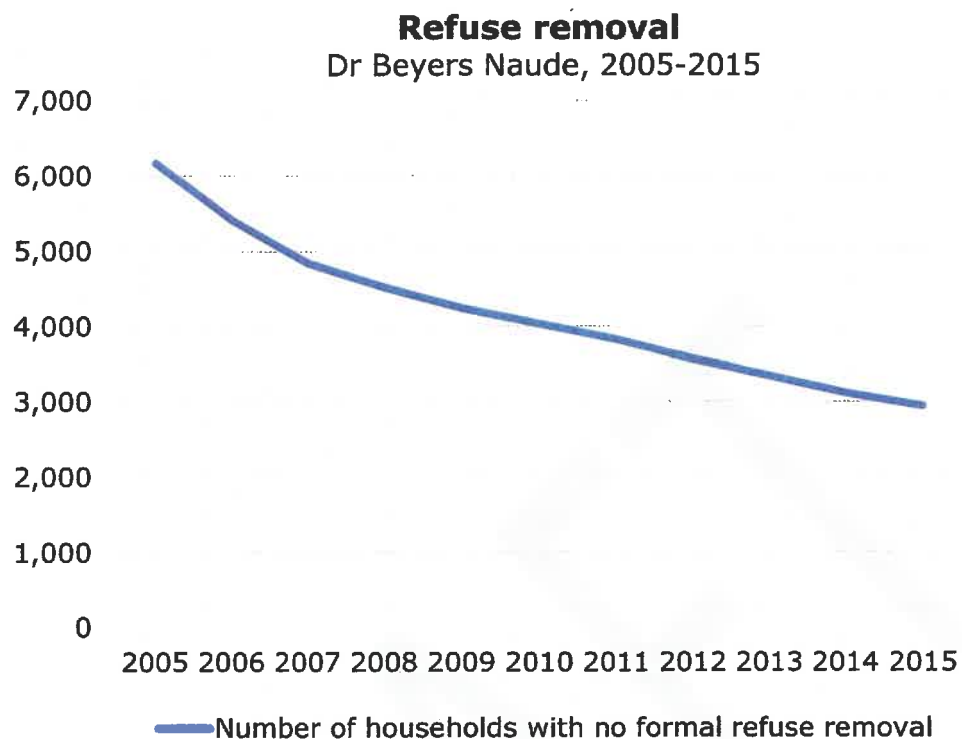
TABLE 43. HOUSEHOLDS BY REFUSE DISPOSAL - DR BEYERS NAUDE AND THE REST OF SARAH BAARTMAN, 2015  
[NUMBER]

	Removed weekly by authority	Removed less often than weekly by authority	Removed by community members	Personal removal (own dump)	No refuse removal	Total
Dr Beyers Naude	17,800	448	509	2,230	203	21,200
Blue Crane Route	8,560	90	260	973	171	10,100
Makana	20,100	408	526	852	247	22,200
Ndlambe	17,600	504	261	1,690	391	20,500
Sundays River Valley	10,900	844	312	4,280	418	16,800
Kouga	28,600	1,220	1,520	2,000	522	33,900
Kou-Kamma	8,920	793	274	1,920	293	12,200
<b>Total</b>						
<b>Sarah Baartman</b>	<b>112,589</b>	<b>4,309</b>	<b>3,662</b>	<b>13,946</b>	<b>2,246</b>	<b>136,753</b>

Source: IHS Markit Regional eXplorer version 1070

The region within Sarah Baartman with the highest number of households where the refuse is removed weekly by the authority is Kouga local municipality with 28 600 or a share of 25.44% of the households where the refuse is removed weekly by the authority within Sarah Baartman. The region with the lowest number of households where the refuse is removed weekly by the authority is Blue Crane Route local municipality with a total of 8 560 or a share of 7.60% of the total households where the refuse is removed weekly by the authority within the district municipality.

CHART 49. REFUSE REMOVAL - DR BEYERS NAUDE LOCAL MUNICIPALITY, 2005-2015 [NUMBER OF HOUSEHOLDS WITH NO FORMAL REFUSE REMOVAL]



Source: IHS Markit Regional eXplorer version 1070

When looking at the number of households with no formal refuse removal, it can be seen that in 2005 the households with no formal refuse removal in Dr Beyers Naude Local Municipality was 6 170, this decreased annually at -7.14% per annum to 2 940 in 2015.

## 8. TOURISM

Tourism can be defined as the non-commercial organisation plus operation of vacations and visits to a place of interest. Whether you visit a relative or friend, travel for business purposes, go on holiday or on medical and religious trips - these are all included in tourism.

### 8.1 TRIPS BY PURPOSE OF TRIPS

**Definition:** As defined by the United Nations World Tourism Organisation (UN WTO), a trip refers to travel, by a person, from the time they leave their usual residence until they return to that residence. This is usually referred to as a round trip. IHS likes to narrow this definition down to overnight trips only, and only those made by adult visitors (over 18 years). Also note that the number of "person" trips are measured, not household or "party trips".

The main purpose for an overnight trip is grouped into these categories:

- Leisure / Holiday
- Business
- Visits to friends and relatives
- Other (Medical, Religious, etc.)

TABLE 44. NUMBER OF TRIPS BY PURPOSE OF TRIPS - DR BEYERS NAUDE LOCAL MUNICIPALITY, 2005-2015 [NUMBER PERCENTAGE]

	Leisure / Holiday	Business	Visits to friends and relatives	Other (Medical, Religious, etc)	Total
2005	16,700	4,010	40,600	7,060	68,400
2006	17,800	4,090	43,300	7,590	72,800
2007	19,900	3,850	45,800	8,140	77,700
2008	21,200	3,720	47,700	9,370	82,000
2009	21,400	3,570	50,000	9,330	84,300
2010	22,700	3,750	52,300	9,100	87,900
2011	23,000	3,660	53,300	9,390	89,400
2012	22,400	3,830	52,800	9,060	88,100
2013	22,400	3,960	54,200	8,890	89,400
2014	20,100	3,910	49,200	7,990	81,300
2015	18,200	3,640	46,000	7,200	75,000
<b>Average Annual growth</b>					
2005-2015	<b>0.86%</b>	<b>-0.94%</b>	<b>1.25%</b>	<b>0.20%</b>	<b>0.93%</b>

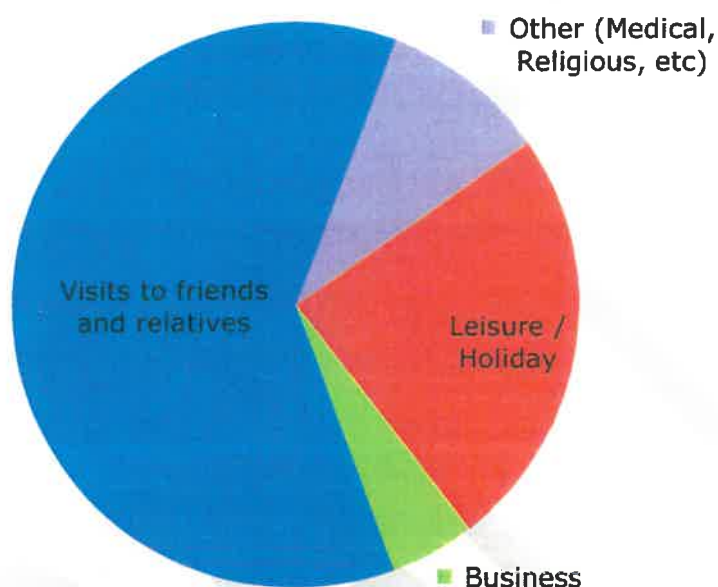
Source: IHS Markit Regional eXplorer version 1070

In Dr Beyers Naude Local Municipality, the Visits to friends and relatives, relative to the other tourism, recorded the highest average annual growth rate from 2005 (40 600) to 2015 (46 000) at 1.25%. The type of tourism with the highest volume of tourists was also the Visits to friends and relatives tourism with a total number of 46 000 annual tourist and had an average annual growth rate of 1.25%. The

tourism type that recorded the lowest growth was Business tourism with an average annual growth rate of -0.94% from 2005 (4 010) to 2015 (3 640).

CHART 50. TRIPS BY PURPOSE OF TRIP - DR BEYERS NAUDE LOCAL MUNICIPALITY, 2015 [PERCENTAGE]

### Tourism - trips by Purpose of trip Dr Beyers Naude Local Municipality, 2015



Source: IHS Markit Regional eXplorer version 1070

The Visits to friends and relatives at 61.27% has largest share the total tourism within Dr Beyers Naude Local Municipality. Leisure / Holiday tourism had the second highest share at 24.27%, followed by Other (Medical, Religious, etc) tourism at 9.60% and the Business tourism with the smallest share of 4.86% of the total tourism within Dr Beyers Naude Local Municipality.

## 8.2 ORIGIN OF TOURISTS

In the following table, the number of tourists that visited Dr Beyers Naude Local Municipality from both domestic origins, as well as those coming from international places, are listed.

TABLE 45. TOTAL NUMBER OF TRIPS BY ORIGIN TOURISTS - DR BEYERS NAUDE LOCAL MUNICIPALITY, 2005-2015 [NUMBER]

	Domestic tourists	International tourists	Total tourists
2005	60,800	7,610	68,400
2006	64,600	8,170	72,800
2007	69,400	8,280	77,700
2008	73,900	8,050	82,000
2009	76,600	7,680	84,300
2010	79,600	8,270	87,900
2011	81,200	8,160	89,400
2012	79,500	8,610	88,100

	Domestic tourists	International tourists	Total tourists
2013	80,700	8,780	89,400
2014	72,400	8,890	81,300
2015	66,800	8,220	75,000
			<b>Average Annual growth</b>
2005-2015	<b>0.95%</b>	<b>0.77%</b>	<b>0.93%</b>

Source: IHS Markit Regional eXplorer version 1070

The number of trips by tourists visiting Dr Beyers Naude Local Municipality from other regions in South Africa has increased at an average annual rate of 0.95% from 2005 (60 800) to 2015 (66 800). The tourists visiting from other countries increased at an average annual growth rate of 0.77% (from 7 610 in 2005 to 8 220). International tourists constitute 10.97% of the total number of trips, with domestic tourism representing the balance of 89.03%.

CHART 51. TOURISTS BY ORIGIN - DR BEYERS NAUDE LOCAL MUNICIPALITY, 2015 [PERCENTAGE]

### Tourism - tourists by origin Dr Beyers Naude Local Municipality, 2015



Source: IHS Markit Regional eXplorer version 1070

#### 8.2.1 BEDNIGHTS BY ORIGIN OF TOURIST

**Definition:** A bed night is the tourism industry measurement of one night away from home on a single person trip.

The following is a summary of the number of bed nights spent by domestic and international tourist within Dr Beyers Naude Local Municipality between 2005 and 2015.

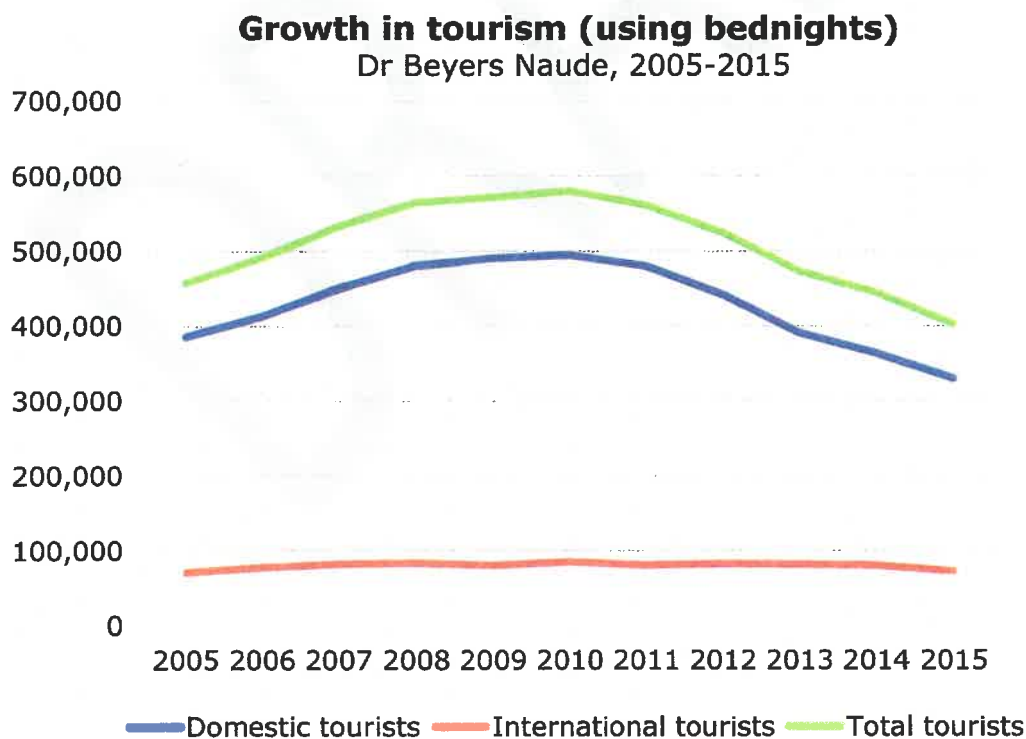
TABLE 46. BEDNIGHTS BY ORIGIN OF TOURIST - DR BEYERS NAUDE LOCAL MUNICIPALITY, 2005-2015 [NUMBER]

	Domestic tourists	International tourists	Total tourists
2005	386,000	71,800	458,000
2006	414,000	78,300	492,000
2007	451,000	82,700	533,000
2008	481,000	84,200	565,000
2009	491,000	80,800	572,000
2010	495,000	85,300	580,000
2011	480,000	81,400	562,000
2012	442,000	83,000	525,000
2013	391,000	82,000	473,000
2014	364,000	80,900	445,000
2015	330,000	72,600	403,000
			<b>Average Annual growth</b>
2005-2015	<b>-1.55%</b>	<b>0.11%</b>	<b>-1.27%</b>

Source: IHS Markit Regional eXplorer version 1070

From 2005 to 2015, the number of bed nights spent by domestic tourists has decreased at an average annual rate of -1.55%, while in the same period the international tourists had an average annual increase of 0.11%. The total number of bed nights spent by tourists decreased at an average annual growth rate of -1.27% from 458 000 in 2005 to 403 000 in 2015.

CHART 52. GROWTH IN TOURISM (USING BEDNIGHTS) BY ORIGIN - DR BEYERS NAUDE LOCAL MUNICIPALITY, 2005-2015 [NUMBER]



Source: IHS Markit Regional eXplorer version 1070

### 8.3 TOURISM SPENDING

**Definition:** In their Tourism Satellite Account, StatsSA defines tourism spending as all expenditure by visitors for their trip to the particular region. This excludes capital expenditure as well as the shopping expenditure of traders (called shuttle trade). The amounts are presented in current prices, meaning that inflation has not been taken into account.

It is important to note that this type of spending differs from the concept of contribution to GDP. Tourism spending merely represents a nominal spend of trips made to each region.

TABLE 47. TOTAL TOURISM SPENDING - DR BEYERS NAUDE, SARAH BAARTMAN, EASTERN CAPE AND NATIONAL TOTAL, 2005-2015 [R BILLIONS, CURRENT PRICES]

	Dr Beyers Naude	Sarah Baartman	Eastern Cape	National Total
2005	0.2	1.4	7.7	107.2
2006	0.2	1.7	9.3	126.9
2007	0.2	1.9	9.9	138.7
2008	0.3	2.1	10.9	152.5
2009	0.3	2.0	10.8	153.4
2010	0.3	2.2	11.5	167.2
2011	0.3	2.2	11.4	174.6
2012	0.3	2.4	12.1	199.9
2013	0.3	2.4	12.4	218.3
2014	0.3	2.6	12.6	238.7
2015	0.3	2.4	11.9	236.8
<b>Average Annual growth</b>				
2005-2015	<b>6.91%</b>	<b>5.64%</b>	<b>4.42%</b>	<b>8.25%</b>

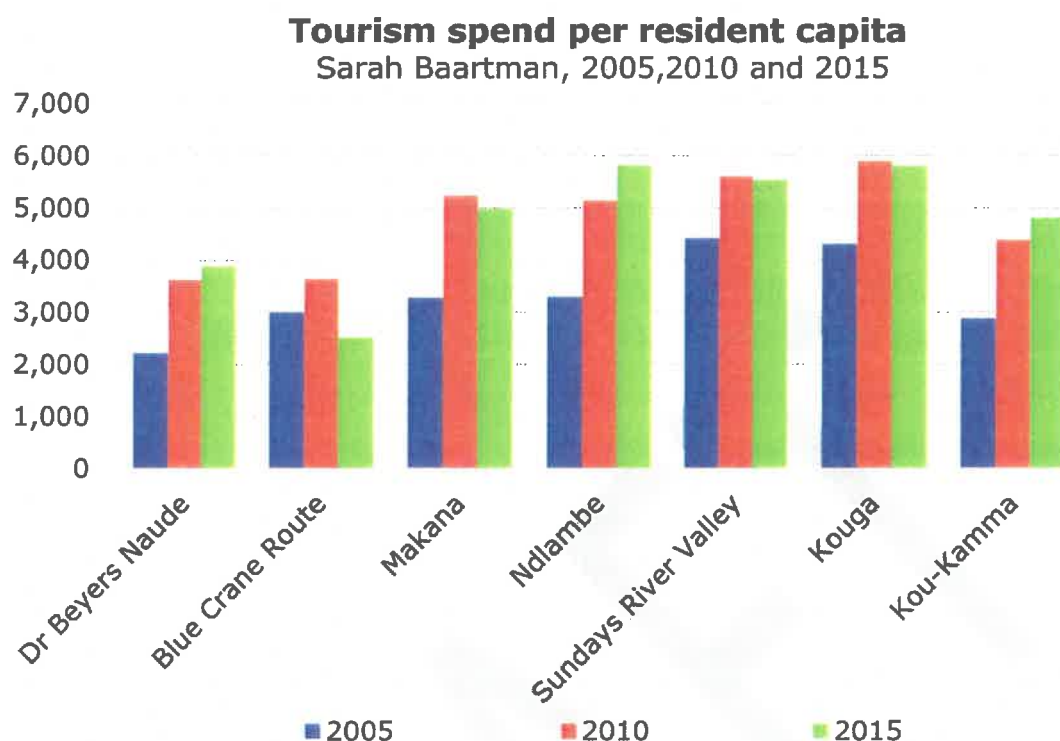
Source: IHS Markit Regional eXplorer version 1070

Dr Beyers Naude Local Municipality had a total tourism spending of R 324 million in 2015 with an average annual growth rate of 6.9% since 2005 (R 166 million). Sarah Baartman District Municipality had a total tourism spending of R 2.41 billion in 2015 and an average annual growth rate of 5.6% over the period. Total spending in Eastern Cape Province increased from R 7.72 billion in 2005 to R 11.9 billion in 2015 at an average annual rate of 4.4%. South Africa as whole had an average annual rate of 8.3% and increased from R 107 billion in 2005 to R 237 billion in 2015.

#### 8.3.1 TOURISM SPEND PER RESIDENT CAPITA

Another interesting topic to look at is tourism spending per resident capita. To calculate this, the total amount of tourism spending in the region is divided by the number of residents living within that region. This gives a relative indication of how important tourism is for a particular area.

CHART 53. TOURISM SPEND PER RESIDENT CAPITA - DR BEYERS NAUDE LOCAL MUNICIPALITY AND THE REST OF SARAH BAARTMAN, 2005,2010 AND 2015 [R THOUSANDS]



Source: IHS Markit Regional eXplorer version 1070

In 2015, Dr Beyers Naude Local Municipality had a tourism spend per capita of R 3,890 and an average annual growth rate of 5.77%, Dr Beyers Naude Local Municipality ranked sixth amongst all the regions within Sarah Baartman in terms of tourism spend per capita. The region within Sarah Baartman District Municipality that ranked first in terms of tourism spend per capita is Ndlambe local municipality with a total per capita spending of R 5,820 which reflects an average annual increase of 5.86% from 2005. The local municipality that ranked lowest in terms of tourism spend per capita is Blue Crane Route with a total of R 2,520 which reflects a decrease at an average annual rate of -1.72% from 2005.

### 8.3.2 TOURISM SPEND AS A SHARE OF GDP

**Definition:** This measure presents tourism spending as a percentage of the GDP of a region. It provides a gauge of how important tourism is to the local economy. An important note about this variable is that it does not reflect what is spent in the tourism industry of that region, but only what is spent by tourists visiting that region as their main destination.

TABLE 48. TOTAL SPENDING AS % SHARE OF GDP - DR BEYERS NAUDE, SARAH BAARTMAN, EASTERN CAPE AND NATIONAL TOTAL, 2005-2015 [PERCENTAGE]

	Dr Beyers Naude	Sarah Baartman	Eastern Cape	National Total
2005	10.6%	12.9%	6.1%	6.5%

	Dr Beyers Naude	Sarah Baartman	Eastern Cape	National Total
2006	11.2%	13.1%	6.5%	6.9%
2007	10.2%	11.5%	5.9%	6.6%
2008	11.0%	12.0%	6.2%	6.4%
2009	10.1%	10.7%	5.6%	6.1%
2010	10.0%	10.4%	5.4%	6.1%
2011	9.5%	9.7%	5.0%	5.8%
2012	9.1%	9.3%	4.8%	6.1%
2013	8.6%	9.1%	4.5%	6.2%
2014	7.9%	8.8%	4.3%	6.3%
2015	7.1%	7.9%	3.8%	5.8%

Source: IHS Markit Regional eXplorer version 1070

In Dr Beyers Naude Local Municipality the tourism spending as a percentage of GDP in 2015 was 7.10%. Tourism spending as a percentage of GDP for 2015 was 7.87% in Sarah Baartman District Municipality, 3.77% in Eastern Cape Province. Looking at South Africa as a whole, it can be seen that total tourism spending had a total percentage share of GDP of 5.85%.

## 9. INTERNATIONAL TRADE

Trade is defined as the act of buying and selling, with international trade referring to buying and selling across international border, more generally called importing and exporting. The Trade Balance is calculated by subtracting imports from exports.

### 9.1 RELATIVE IMPORTANCE OF INTERNATIONAL TRADE

In the table below, the Dr Beyers Naude Local Municipality is compared to Sarah Baartman, Eastern Cape Province and South Africa, in terms of actual imports and exports, the Trade Balance, as well the contribution to GDP and the region's contribution to total national exports and imports.

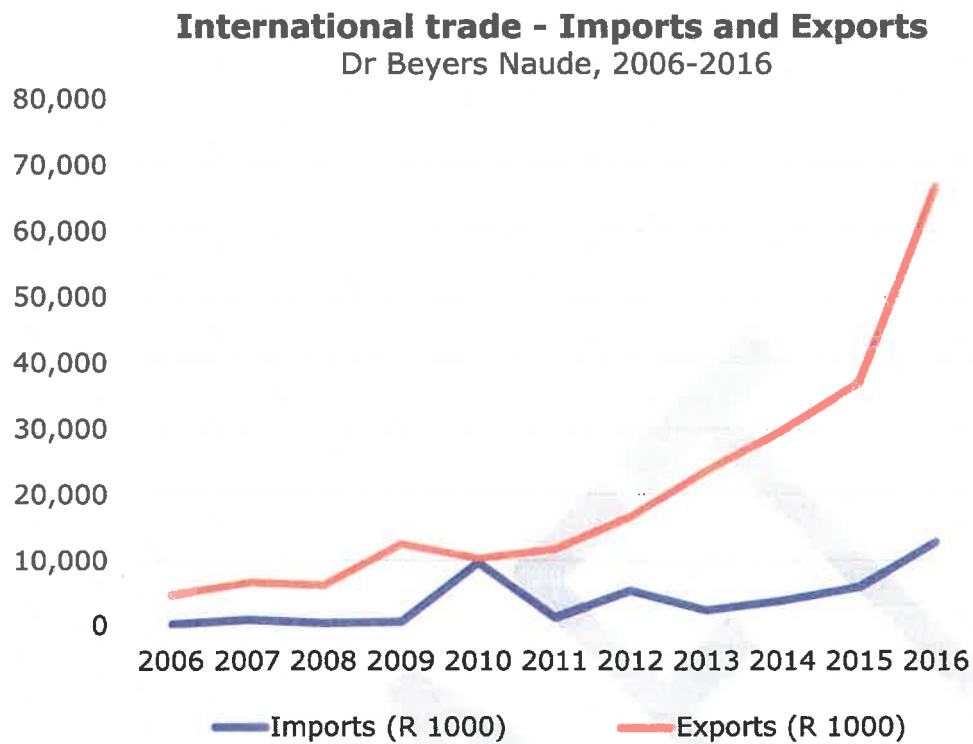
TABLE 49. MERCHANDISE EXPORTS AND IMPORTS - DR BEYERS NAUDE, SARAH BAARTMAN, EASTERN CAPE AND NATIONAL TOTAL, 2016 [R 1000, CURRENT PRICES]

	Dr Beyers Naude	Sarah Baartman	Eastern Cape	National Total
Exports (R 1000)	66,763	3,286,258	56,187,528	1,107,472,999
Imports (R 1000)	12,803	451,862	55,585,538	1,089,677,002
Total Trade (R 1000)	79,566	3,738,119	111,773,066	2,197,150,001
Trade Balance (R 1000)	53,960	2,834,396	601,990	17,795,997
Exports as % of GDP	1.4%	10.0%	16.6%	25.5%
Total trade as % of GDP	1.6%	11.4%	33.0%	50.7%
Regional share - Exports	0.0%	0.3%	5.1%	100.0%
Regional share - Imports	0.0%	0.0%	5.1%	100.0%
<b>Regional share - Total Trade</b>	<b>0.0%</b>	<b>0.2%</b>	<b>5.1%</b>	<b>100.0%</b>

Source: IHS Markit Regional eXplorer version 1070

The merchandise export from Dr Beyers Naude Local Municipality amounts to R 66.8 million and as a percentage of total national exports constitutes about 0.01%. The exports from Dr Beyers Naude Local Municipality constitute 1.36% of total Dr Beyers Naude Local Municipality's GDP. Merchandise imports of R 12.8 million constitute about 0.00% of the national imports. Total trade within Dr Beyers Naude is about 0.00% of total national trade. Dr Beyers Naude Local Municipality had a positive trade balance in 2016 to the value of R 54 million.

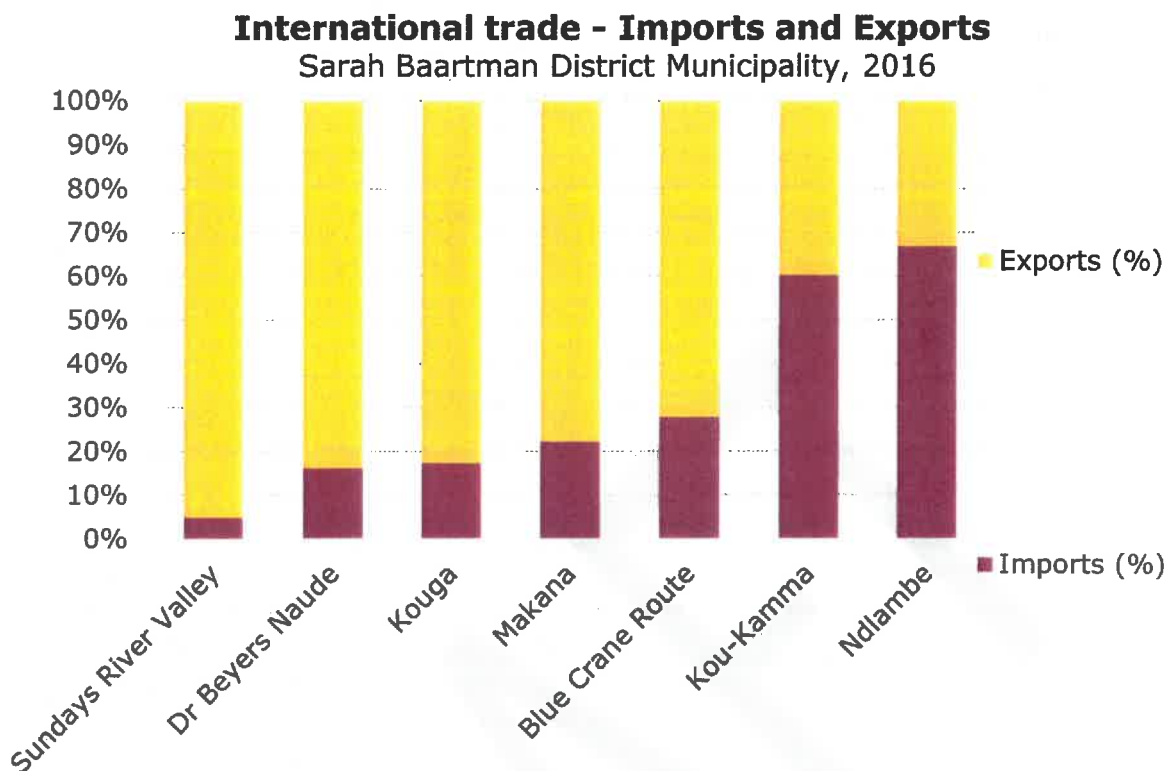
CHART 54. IMPORT AND EXPORTS IN DR BEYERS NAUDE LOCAL MUNICIPALITY, 2006-2016 [R 1000]



*Source: IHS Markit Regional eXplorer version 1070*

Analysing the trade movements over time, total trade increased from 2006 to 2016 at an average annual growth rate of 31.85%. Merchandise exports increased at an average annual rate of 30.23%, with the highest level of exports of R 66.8 million experienced in 2016. Merchandise imports increased at an average annual growth rate of 47.97% between 2006 and 2016, with the lowest level of imports experienced in 2006.

CHART 55. MERCHANDISE EXPORTS AND IMPORTS - DR BEYERS NAUDE AND THE REST OF SARAH BAARTMAN, 2016 [PERCENTAGE]



Source: IHS Markit Regional eXplorer version 1070

When comparing the Dr Beyers Naude Local Municipality with the other regions in the Sarah Baartman District Municipality, Sundays River Valley has the biggest amount of international trade (when aggregating imports and exports, in absolute terms) with a total of R 2.18 billion. This is also true for exports - with a total of R 2.08 billion in 2016. Kou-Kamma had the lowest total trade figure at R 9.35 million. The Kou-Kamma also had the lowest exports in terms of currency value with a total of R 3.72 million exports.

## PROPOSED LED PRIORITIES, OBJECTIVES AND STRATEGIES

The activities below serve as a guideline for the development of LED Priorities, Objectives and Strategies. There should be thorough consultation and public participation in the process.

### LED DIRECTORATE

- To create an enabling environment that will attract investment and stimulate economic growth & development.
- To have a fully-fledged and functional LED Directorate within the Municipality.
- Implement and apply the principles of Dr Beyers Naudé's LED Strategy Plan.
- Revise the Organogram and incorporate staffing requirements for the LED function.

### AGRICULTURE AS AN ECONOMIC DRIVER

As can be seen from the schematic illustration below, Agriculture forms a vital part of the country's economy and is the main economic driver in all three of the former Municipalities. Some agricultural data that was made available quite recently on the StatsSA website, is provided on the next few pages. There is uncertainty, however, about the accuracy of the data.

Progress has been made in recent years with the acquisition of land for the purpose of releasing it to emerging farmers. However, many of the beneficiaries lack the requisite skills