

# GAUTENG PROVINCIAL GOVERNMENT

## Provincial Plans to Mitigate the Impact of the Covid-19 Pandemic Provincial Economies - including Employment and Labour

13 OCTOBER 2020



**GAUTENG**  
PROVINCIAL GOVERNMENT  
REPUBLIC OF SOUTH AFRICA

**GGT2030**  
GROWING GAUTENG TOGETHER

# OVERVIEW

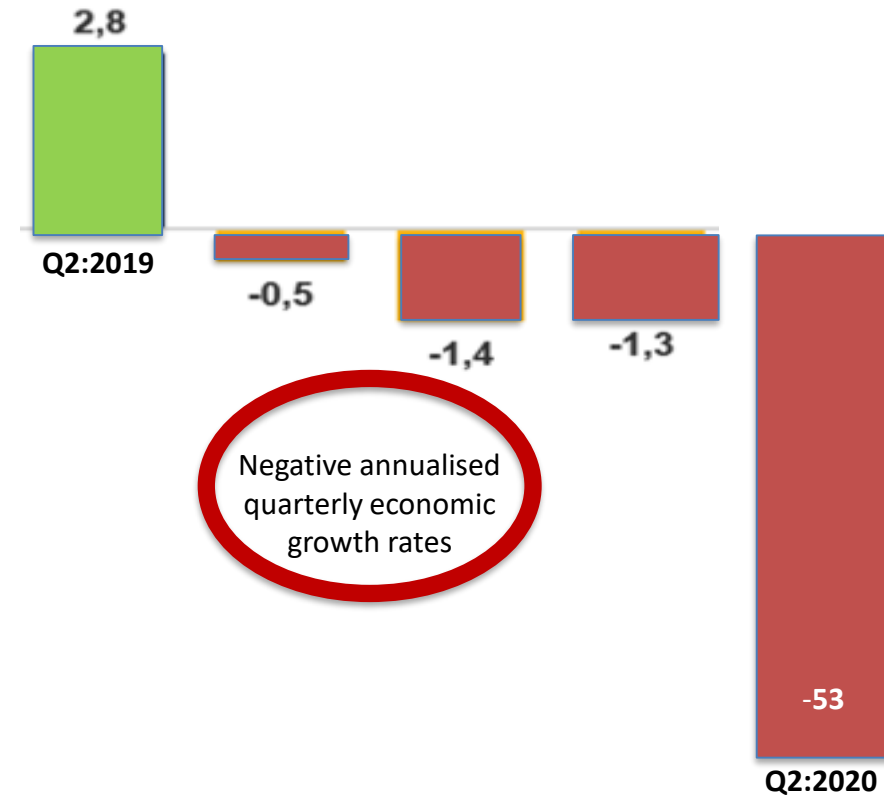
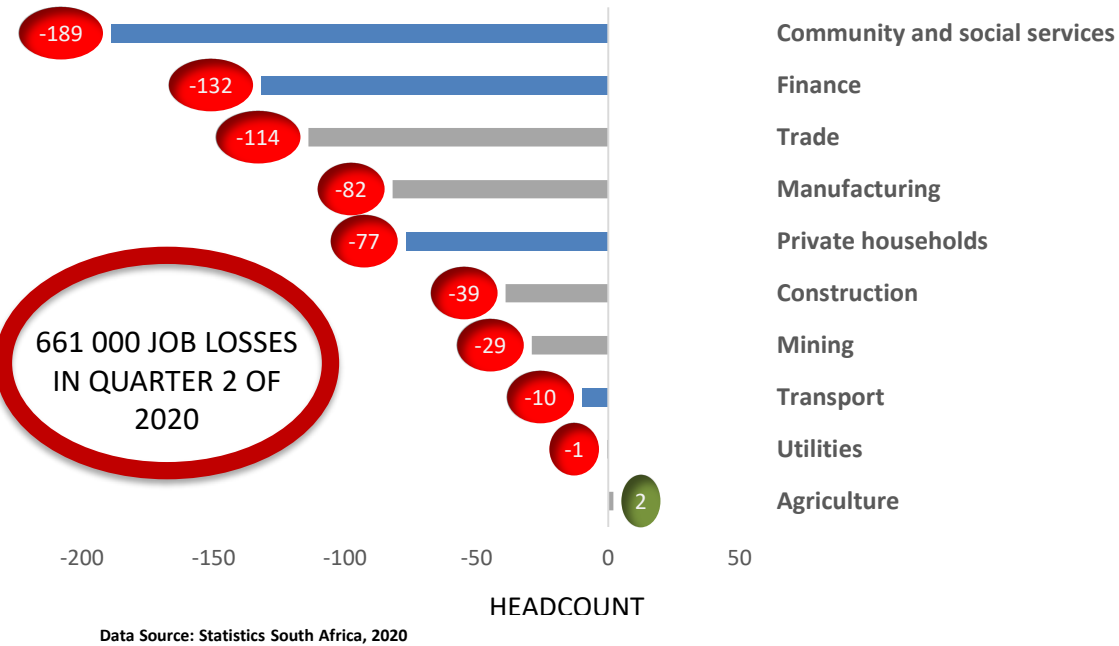
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**ECONOMIC CONTEXT: GAUTENG**

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**GAUTENG'S ECONOMIC RECOVERY PLAN**

## ECONOMIC CONTEXT: GAUTENG



Gauteng continues to be characterized by

- A fragile economy - as reflected by negative economic growth rates
- High unemployment rates; (**38.7%** expanded and **26.4%** official unemployment rates)
- Job losses.
  - ✓ The overall job losses (**661 000**) were driven by Community & social services (**-189 000**), Finance (**-132 000**) and Trade (**-114 000**).
  - ✓ Manufacturing shed **-82 000** jobs.

## MAJOR PROBLEMS ATTRIBUTED TO THE PANDEMIC

COVID-19 and the subsequent lockdown led to closure of companies and retrenchments in some cases, thus adding to employee and company related problems that existed prior to the pandemic.



### Employee related problems included

- Employee absenteeism - reduced labor hours of work
- Disruptions of production input supply chains, thus reduced output
- Employee health issues
- Retrenchments

Social distancing

- Reduction in labor hours
- Reduced demand in most sectors
- Increased demand in some sectors
- Reduction to business and consumer confidence

Travel Restrictions

Reduced mobility of labor and resources

## GROWING GAUTENG TOGETHER (GGT2030)

### The Economic response is anchored on GGT2030 Action points

- Driving inclusive economic growth to benefit SMMEs, cooperatives, township businesses, youth, women and persons with disabilities.
- Improved access to funding, grants and access to market (procurement).
- Increased infrastructure spend to create jobs
- Rezone taxi ranks into retail and commercial hubs
- Special Economic Zones (SEZ) in Gauteng corridors.

## GAUTENG ECONOMIC COUNTERMEASURES – ACTION AREAS

### • (1) SMME & TOWNSHIP ENTERPRISE EMPOWERMENT

- SMME FINANCE SUPPORT (PARTNERSHIP FUND) OF 250 M FROM THE FISCUS
- AIMED AT EXPANDING PROCUREMENT FROM SMMEs ( FINANCING WORKING CAPITAL, CASH LOANS AND PURCHASE ORDERS)
- BUSINESS DEVELOPMENT SUPPORT FOR SMMEs
- SUPPORTING TOWNSHIP ECONOMIC DEVELOPMENT THROUGH REGULATORY REFORM & PROGRAMMES

### • (2) INFRASTRUCTURE AS A BOOSTER FOR DISTRICT DEVELOPMENT

- USING ECONOMIC AND SOCIAL INFRASTRUCTURE PROGRAMMES TO CREATE LOCAL EMPLOYMENT ( CURRENTLY QUANTIFIED AT R40 BN
- INDUSTRIAL PARKS, SEZs SCHOOLS, HOSPITALS, NATURE CONSERVATION AND TOURISM RESERVE
- IMPLEMENTATION THROUGH GIFA, GGDA & INVESTMENT SCHEMES IN PARTNERSHIP WITH DBSA WHICH WILL UNLOCK PRIVATE SECTOR FUNDED DEVELOPMENT

### (3) PARTNERSHIPS WITH THE PRIVATE SECTOR

- DETERMINING LOCAL WORK PROGRAMMES FOR SECTORS THROUGH ACTION LABS (EG. GREEN ECONOMY , MANUFACTURING, ADV MANUFACTURING, ICT,AGRO)
- SECTOR SPECIFIC SUPPORT INITIATIVES RUN BY DEPARTMENTS & AGENCIES
- SECTOR-SPECIFIC LOBBYING & ADVOCACY WITH NATIONAL STRUCTURES

### (4) SPECIAL ECONOMIC ZONES & HIGH GROWTH FIRMS:

- PROMOTION AND FACILITATION OF INVEST IN SPECIAL ECONOMIC ZONES AS INVESTMENT ANCHORS PARTNERSHIPS TO DEVELOP NETWORK INDUSTRIES IN GP & REDUCE COST OF DOING BUSINESS (EG. RAIL FREIGHT)

## GAUTENG ECONOMIC COUNTERMEASURES – PROGRESS

### (1) SMME & TOWNSHIP ENTERPRISE EMPOWERMENT

#### **SMME FINANCIAL SUPPORT**

- **SMME Partnership Fund:**
  - ✓ Work underway for finalise the legal requirements
- **Taxi economy programme:** DBSA and GPG have agreed outline principles to set up a dedicated vehicle for development financing of the Taxi Economy

#### **SMME NON-FINANCIAL SUPPORT**

- **The Township Economic Development Act** is Gazetted and extensive consultation is underway
- **Gauteng Local Content and Production Framework :** Consultations are underway
- **Capacity Building programmes** across all GPG depts underway, including incubators for local content sourcing

#### **CO-ORDINATED PROCUREMENT FOR MARKET ACCESS TO SMMEs**

### (2) INFRASTRUCTURE AS AN ECONOMIC BOOSTER/ CATALYST INFRASTRUCTURE INVESTMENT SCHEMES

- Plans for development of corridor specific investment schemes underway, at different stages. Private sector participation being lobbied
- **The master-plan for the New Smart City in Lanseria :** Consultative webinars on masterplan were held with Property Developers/ large land owners, experts in waste/water/electricity infrastructure, human settlements and social infrastructure leads and ICT experts. Master-plan is being updated, ahead of wider release to public November 3rd, for final comment before it is submitted to local governments for endorsement.

#### JOB CREATION THROUGH GPG INFRASTRUCTURE:

##### **TASEZ**

- The build phase of the Tshwane Automotive Special Economic Zone, kicked off in early August.
- Direct manufacturing jobs are estimated at **2 388**
- Jobs during construction expected to be around **8 647**

##### **GDHuS – Human settlements investment**

- More than 11 857 jobs generated via capital spend

#### PILOT OF INTEGRATED FARE MANAGEMENT SYSTEM (IFMS):

The first pilot phase of the integrated fare management system (IFMS) will be formally announced, setting up all our major transport hubs as new sites of opportunity to grow the commuter economy, including new retail and commercial spaces across the GCR

## GAUTENG ECONOMIC COUNTERMEASURES – PROGRESS

### (3) PARTNERSHIPS WITH THE PRIVATE SECTOR

#### PUBLIC PRIVATE GROWTH INITIATIVE (PPGI) ACTION LABS

- Work is underway for Kick-off meetings for the first sequence of **Action labs** (Construction, Global Business Services (BPO) & Digital Industries, Advanced Manufacturing (including Automotive), Agribusiness & Agro-processing).
- **Tourism industry will be resuscitated through**
  - ✓ **Tourism Support Programme** initiated to bring the sector back to life across the GCR: **Tourism month (September) hosted by Gauteng province was used to communicate the importance of safe kick-start of tourism.**
  - ✓ **Tourism support initiatives:** 1017 Tourism entities were assisted through the national tourism relief fund
- PPGI Action labs with Transport & logistics, Energy, Creative & cultural industries, Industrial cannabis , Financial Services due in October 2020

### (4) SPECIAL ECONOMIC ZONES & HIGH GROWTH SECTORS: SPECIAL ECONOMIC ZONES

- **Tshwane Automotive SEZ**
  - ✓ Build phase initiated on 07-08-2020
- **Western corridor SEZ** : A dedicated task team has been established to develop a business case for the Western Corridor Special Economic Zone with Sibanye-Stillwater and Busmark/ West City Industrial park as anchor investors. Protea agro-processing park also positioned as potential SPV partners
- **Tambo springs SEZ** : engagements ongoing with Tambo Springs Development Co. to identify relevant pools of investors and link to Infrastructure SA Pipeline. Engagements being driven via Presidency to position complimentary investments in Freight Rail capacity in partnership with Transnet
- **Vaal river city SEZ** : will be a focal point of engagements with the Manufacturers' circle and other potential investors as part of the PPGI master plan on advanced manufacturing



## GAUTENG ECONOMIC COUNTERMEASURES – JOB CREATION PROSPECTS

### SMME SUPPORT

- 2,500 jobs in 2020/21 through GEP enterprise support
- GEP non-financial support to benefit 18,900 small enterprises over 5 yrs
- 1,110 SMMEs benefiting from GEP financial support over 5 years
- 15 auto sector incubatees
- 40 construction sector SMMEs allocated to work as part of human settlements value chain
- Over 900 agricultural sector SMMEs, approx. 100 meat farmers benefiting from cold-chain support ; 150 farmers to benefit from mobile abattoirs

### INFRASTRUCTURE DEVELOPMENT

11,857 jobs through human settlements build projects. SMMEs and youth to benefit immensely.

### INVESTMENT

- TASEZ: R17 Billion in private sector investment into Automotive corridor to generate 2000-plus long-term jobs and 8,000 jobs in course of construction

### PUBLIC PRIVATE GROWTH INITIATIVE

- Mass jobs will be created through local work programmes for industries through action labs. Expected job numbers to be determined in due course



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THANK YOU



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