



KWAZULU-NATAL
PROVINCIAL GOVERNMENT
REPUBLIC OF SOUTH AFRICA



Social Unrest Relief Measures and Rebuilding Efforts



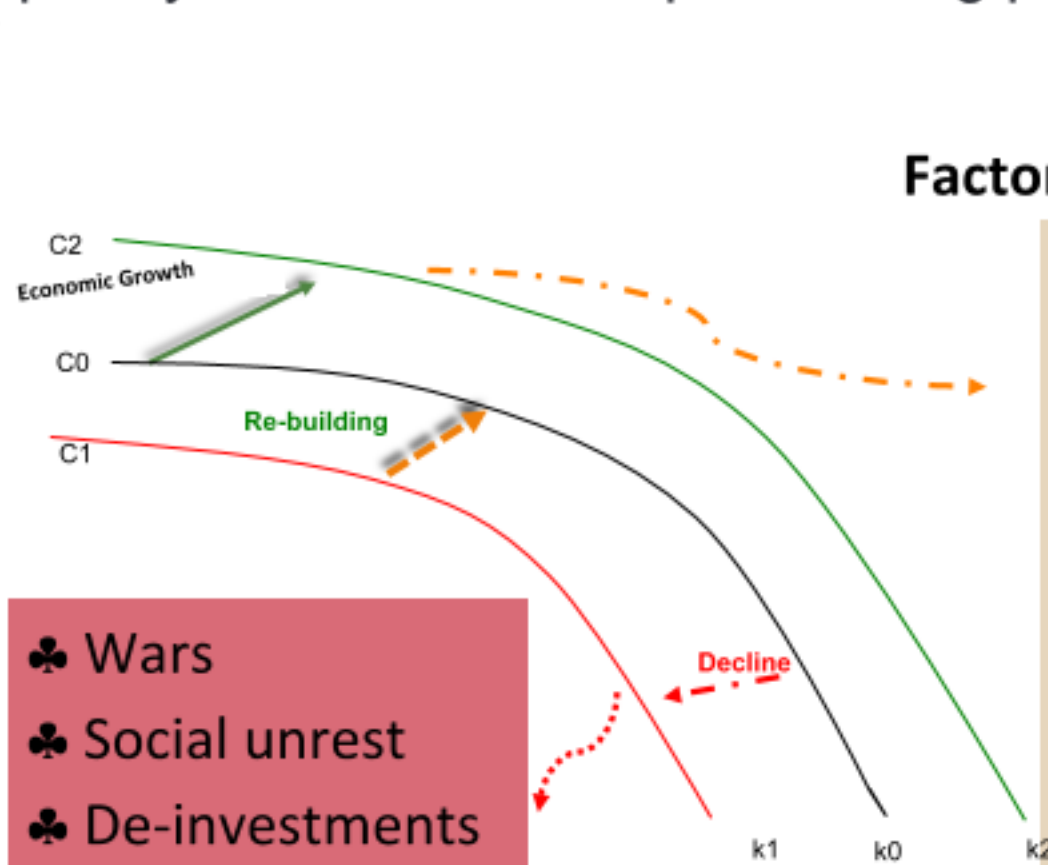
Economic Overview

- The KwaZulu-Natal economy has gone through two consecutive episodes of devastation: the **great Covid-19 lockdown** and the **recent social/civil unrest**.
- Covid-19 disrupted global value chains that constrained both Aggregate Supply and Demand. Unemployment has remained high as a result of poor economic activity, increased poverty and unemployment.
- Covid-19 impact was widespread across all sectors with Tourism, Manufacturing and Retail services being among the worst affected.
- In 2020, KwaZulu-Natal output registered a year on year decline of close to 7% and unemployment rose from around 27% in the 1st quarter of 2020 to 30.1% in the 1st quarter of 2020.
- Whilst the KwaZulu-Natal economy showed signs of recovery from Covid-19 pandemic, continued lockdown measures coupled with the recent social/civil unrest that resulted in the destruction of property and infrastructure regressed the economy and reversed the gains of the year.
- There are other structural rigidities and bottlenecks in the economy that continue to constrain growth. Employment level of output (GDP) as follows”
 - Skills mismatch- unemployment
 - Sub-optimal utilisation of resources
 - Corruption
 - Inefficient institutions
 - Red tape

Rebuilding for sustainable Economic Growth

- Sustainable long-run trend of an increase in output over time.
- Not just a temporary fluctuation in output or using previously unde

Consumption Goods
 (C)



Factors that engender

- ♣ Wars
- ♣ Social unrest
- ♣ De-investments

- ♣ Investment in infrastructure
- ♣ Innovation
- ♣ New technologies
- ♣ Increase in productivity (Capital)
- ♣ New Investment in development (S)
- ♣ Increase in population
- ♣ Efficiency of institutions



Economic Output (GDP)

Aggregate Demand

- General rise of Prices of Goods as services- e.g. Building materials
- Reduced Private consumption (unemployment)
- Consumer indebtedness
- Social Grants- as demand stimulant
- Middle class retreat
- Declining per capita income in real terms- Population growth higher than

Aggregate Supply

- Rising imports of goods
- Reduced exports
- Redundant factors (labour)- Unemployment
- Destruction of Capital Machinery, buildings
- De-investments- capital flight
- Low business confidence
- Structural rigidities Energy, transport



1. All KZN business chambers
2. KZN Growth Coalition
3. KZN Economic Council
4. Black Business Federation
5. Individual big businesses - eThekweni
6. KZN Economic Council
7. Massmart
8. Black Business Federation (BBF)
9. Petroleum Sector
10. National Department of Tourism & Tourism Businesses in KZN affected
11. South Durban Community Alliance (fire at agro processing warehousing to unrest in the area)
12. Old Mutual
13. Shoprite
14. Clicks
15. SA Amcor
16. Core Electrical
17. Ezakheni Industrial Estate – Natal Pepper Company, Highlight Footwe

Engendering Economic Growth in the Province

- Repriorisation of budgets and prudent use of the Provincial contingency Fund.
- Urban Renewal and regeneration- Infrastructure support to most affected Municipalities and Small Towns rehabilitation programme.
- Road to Rail logistics strategy- Advocate for speedy implementation.
- Small Towns rehabilitation fund- Target towns that have been impacted negatively.
- Infrastructure support in townships and rural areas (Township business centres).
- Premier's Humanitarian Fund – call for a fund to assist SMMEs, affected workers and businesses.
- Rekindling of relief measures
 - Municipal Rate concessions to offset security costs
 - Property Rates taxes- infrastructure destruction
- Economic Transformation - Establish Community trust to encourage co-existence of different communities.
- Establishment of economic rebuilding and acceleration war room per district.
- Unlock and fast track implementation of Township economy strategy.
- Partnerships with DFIs (DBSA) for rapid infrastructure development.
- Fast track programmes identified in the KZN Economic Reconstruction and Transformation Strategy.



Process Flow/Met

Industry engagements

- Formulation of the KZN Economic Reconstruction and Recovery plan



Engagements with Social partners

- Social Compact signed on the 30th of April 2021



Implementation

- Implementation

Key Implementation Anchors

1. Agriculture & Agro-processing

2. Clothing & Textile

3. Creative Industries

4. Finance and Services

5. 4IR, ICT & Innovation

6. Health Innovation & Manufacturing

7. Industrial Development

8. Inform

*9. Infras
develop*

*10. Trad
Investm*

11. Mar

*12. Min
Benefic*

13. Oce

14. Tou



Social Compact Framework

- A demonstration of Goal congruence/commonality of the Government, Business, Civil Society and Labour in the Implementation of The KwaZulu-Natal Economic and Transformation Plan.
- The Social Compact demonstrates commitment to:
 - Protect Jobs
 - Joint monitoring of the Social compact
 - Grow the economy
 - Fast track implementation of programmes and projects



Business Relief Measures

Relief Measures	Criteria for Accessing the Fund
<p>Department of Small Business Development- Business Recovery Package.</p>	<ul style="list-style-type: none"> <input type="checkbox"/> Must have been affected by the Unrest <input type="checkbox"/> The funding is grant (60%) and loan (40%) eligible businesses must be SARS registered. <input type="checkbox"/> Loan payment will commence after 12 months and payments will last for 5 years. <input type="checkbox"/> Small enterprises with existing funding from other lenders are also considered. <input type="checkbox"/> Uninsured small enterprises to cover working capital, equipment and furniture. <input type="checkbox"/> Support for informal traders. <p>SMMEs can access a grant up to R1 million - R800 000 for tools, machinery and equipment and R200 000 for business development and training interventions.</p>
<p>National Empowerment Fund Economic Stabilisation and Rebuilding- R250 million.</p>	<ul style="list-style-type: none"> <input type="checkbox"/> Must have been affected by the Unrest <input type="checkbox"/> A maximum of R10 million loan funding will be provided per transaction (60% grant funding and 40% loan funding). <input type="checkbox"/> The funding will not accrue any interest. <input type="checkbox"/> The maximum tenure for the Loan is 60 months. <input type="checkbox"/> An amount of R3 million of the funding shall be convertible into a grant at the discretion of the NEF if the business achieves its milestones and developmental objectives. <input type="checkbox"/> All recipients will be required to have SASRIA or equivalent insurance going forward.
<p>Economic Stabilisation Fund IDC- R1.5 billion Package.</p>	<ul style="list-style-type: none"> <input type="checkbox"/> Must have been affected by the Unrest. <input type="checkbox"/> A maximum investment size of R30 million An amount of R3 million of the funding



Business Relief Measure

Relief Measures	Criteria for Accessing the Fund
<p>TIKZN- Business Support Fund</p>	<ul style="list-style-type: none"> □ Any small business can apply □ The fund is purely in grant form □ Consists of three categories as follows <ul style="list-style-type: none"> □ Upto R50,000 □ R50,000- R300,000 □ R300,000- R1 million
<p>SASRIA will be injected with R3.9 billion by National Treasury.</p>	<ul style="list-style-type: none"> □ The funds will cover insured businesses and SASRIA will work with other insurance companies □ SASRIA claims is up to a maximum of R500 million for assets. And there is additional wrap cover for corporates clients of up to R1 billion.
<ul style="list-style-type: none"> □ Nedbank 	<ul style="list-style-type: none"> □ Has committed R6,4 million to support clean-ups, humanitarian relief and infrastructure rebuilding. Nedbank also partnered with Gift of the Givers and UNICEF to deliver financial support and on-the-ground assistance to humanitarian relief and small-business-rebuilding efforts. □ The bank has since delivered 3000 food parcels to its employees and contractors and has funded a community-based bakery in Pietermaritzburg
<p>ABSA</p>	<p>Absa has committed R12.5 million to support recovery from the unrest, measures has been implemented by the bank including:</p>

KZN Road Show Information on Unrest Relief Program

- Bringing Together State Owned Entities (SOEs) For **An Information Of Available Relief Measures** To Rebuild The Province

- A workshop will be held on the 7th September 2021 at the KZN Dept Public Works Durban @ 9am, hosted by the dtic bringing **the IDC, NEF, SEFA, UIF, SAS Mutual** to present and discuss their Social Unrest relief packages.

- The aim is to bring these institutions and agencies to give information to coordinate informal traders who were adversely impact by the social unrest in a coordinated manner

Requested to assist with centralising D

Area	Date	Area
eThekweni- KwaMashu	8 Sep 2021	uMsinga
KwaDukuza	9 Sep 2021	Newcastle
uMshwathi	10 Sep 2021	Dr Nkosazana Dlamini Zuma
Msunduzi	13 Sep 2021	uMhlathuze



Summary of issues emerging Business Shows

Challenges relating to Application of Relief Measures	General Township Business Challenges	Opportunities
<ul style="list-style-type: none"> <input type="checkbox"/> Big businesses finding it hard to stay afloat beyond the social unrest as some have had to take on more debt to ensure continuity while waiting for insurance to pay; and <input type="checkbox"/> Limited feedback from insurance in terms of anticipated payments; <input type="checkbox"/> Potential for double dipping. <input type="checkbox"/> Majority of Informal Traders do not belong to business associations. <input type="checkbox"/> Lack of information of relief measures/ applications processes. <input type="checkbox"/> Turnaround is slow <input type="checkbox"/> No support (tax holidays) from Municipality. <input type="checkbox"/> Interpretation of forms. <input type="checkbox"/> Informal traders find it difficult to comply with the requirements of relief measures. <input type="checkbox"/> Delays in the processing of insurance 	<ul style="list-style-type: none"> <input type="checkbox"/> Most township business malls are not owned by people from the Townships <input type="checkbox"/> Administrative prices or utilities exorbitantly high making businesses uncompetitive; <input type="checkbox"/> Government relief measures/support is subjected to strenuous red-tape. <input type="checkbox"/> Limited business growth-Emerging in perpetuity (No transition plan) <input type="checkbox"/> Business security in townships is weak. <input type="checkbox"/> Compliance costs are also too high, Labour Regulations, Covid-17 Restrictions, Business Regulation and it is difficult to retain staff. <input type="checkbox"/> High Electricity, Water & 	<ul style="list-style-type: none"> <input type="checkbox"/> Revive Business centres damaged during the 1980s social unrest. <input type="checkbox"/> Use of local labour and materials during the rebuilding process; and <input type="checkbox"/> Better partnerships between government and business can be built <input type="checkbox"/> Township malls need to be driven by Township residences. <input type="checkbox"/> Support farms around Mooi River (72 farms that require urgent support) to ease unemployment. <input type="checkbox"/> Empowerment models for SMMEs. <input type="checkbox"/> Localisation of labour, building material during



Progress on SASRIA Claims

- SASRIA Estimated Claims of R22 billion- translates to KZN.
- 95% cases reported.
- 5% made up of small claims of less than R1 million.
- Top 10 claims amounts to R6 billion.
- Within 4 months all small claims will be paid up to the million.
- Overstatement of the losses
 - Discrepancy between Claimed value with SARS returns
- Dealing with Capital flight- **Forcing Reinstatement of structures**



KWAZULU-NATAL PROVINCE

ECONOMIC DEVELOPMENT, TOURISM
AND ENVIRONMENTAL AFFAIRS
REPUBLIC OF SOUTH AFRICA

Summary of Claims Received

SASRIA

eThekweni

Ugu

uMgungundlovu

uThukela

uMzinyathi

Amajuba

Zululand

uMkhanyakude

King Cetshwayo

iLembe

Harry Gwala



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REPUBLIC OF SOUTH AFRICA

Rand Value of Application Portfolio

Geographical Location	Applications Received By The Regional Office		Applications
	Number	Value	
EThekweni Metro	75	R 102 492 535,01	3
Zululand	3	R 1 492 054,35	1
Uthukela	4	R 2 702 798,56	1
Umgungundlovu	27	R 34 815 525,13	7
Umkhanyakude	5	R 3 867 252,00	2
Ugu District	22	R 14 429 596,44	6
King Cetshwayo	49	R 50 425 275,57	1
Ilembe	13	R 29 635 078,18	6
Harry Gwala	6	R 6 341 213,80	3
Amajuba	5	R 4 419 687,00	2



KWAZULU-NATAL PROVINCE

ECONOMIC DEVELOPMENT, TOURISM
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REPUBLIC OF SOUTH AFRICA

Rand Value of Application

Geographical Area	Applications Declined		Applications Referred To Other Dfi's		Applicat
	Number	Value	Number	Value	
EThekweni Metro	3	2 650 347,00	5	39 686 900,00	
Zululand	0	0,00	0	-	
uThukela	0	0,00	0	-	
uMgungundlovu	0	0,00	0	-	
uMkhanyakude	0	0,00	0	-	
uGu District	0	0,00	0	-	
King Cetshwayo	0	0,00	1	8 560 552,00	
iLembe	0	0,00	2	9 967 050,58	
Harry Gwala	0	0,00	0	-	



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ECONOMIC DEVELOPMENT, TOURISM
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Rand Value of Application

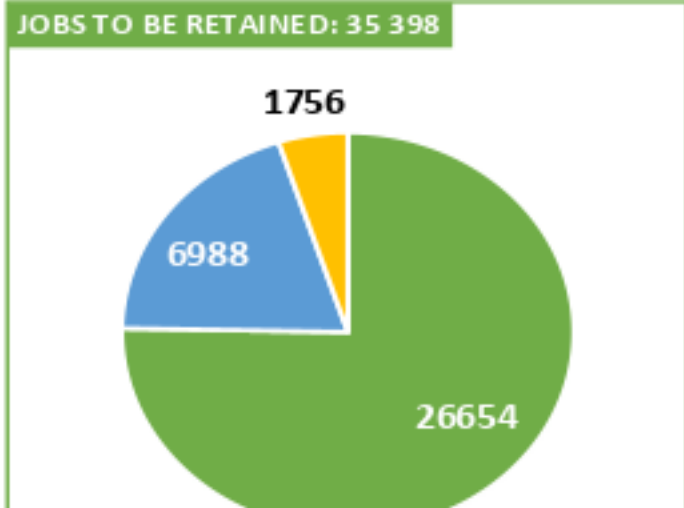
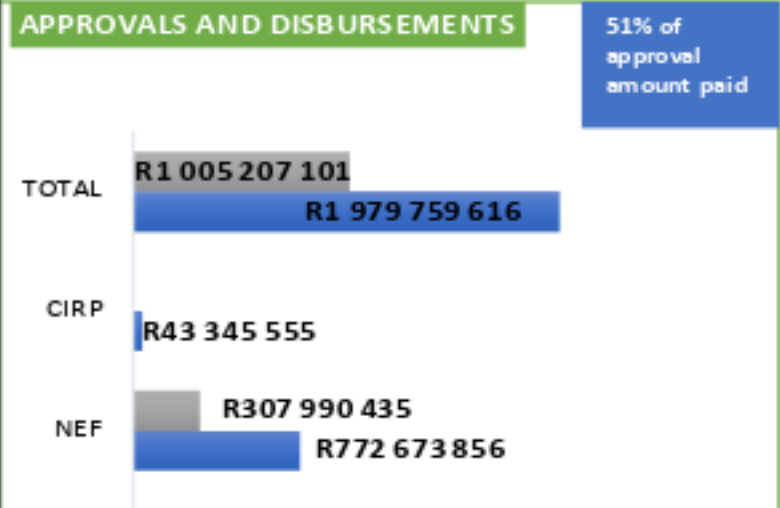
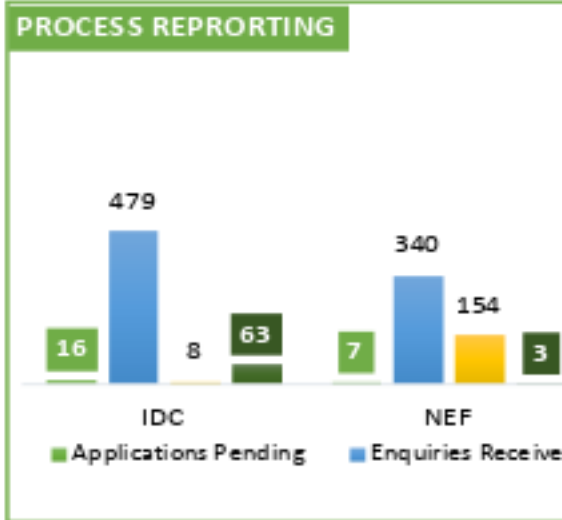
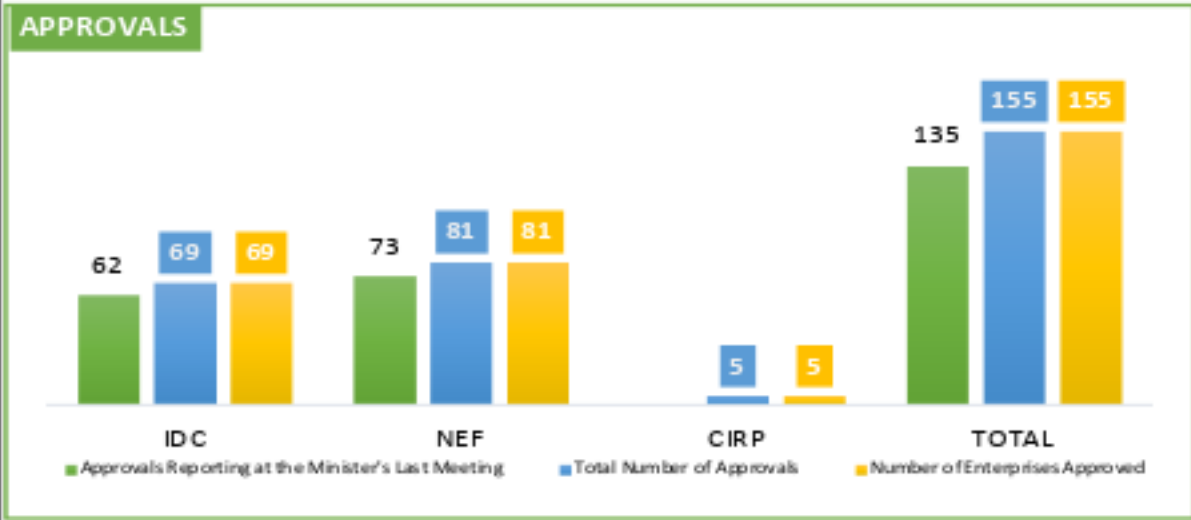
Geographical Area	Applications At Finance	
	Number	
EThekweni Metro	13	
Zululand	1	
uThukela	0	
uMgungundlovu	1	
uMkhanyakude	2	
uGu District	2	
King Cetshwayo	4	
iLembe	1	
Harry Gwala	0	

Rand Value of Applications CIRP

Geographical Area	Total of applications approved	Value (R) of app
eThekwini	39	
uMgungundlovu	3	
King Cetshwayo	3	
Ugu	4	
Amajuba	6	
uMzinyathi	1	
uThukela	0	
Harry Gwala	2	
uMkhanyakude	1	
Zululand	3	
iLembe	1	
KwaZulu-Natal	* 118	

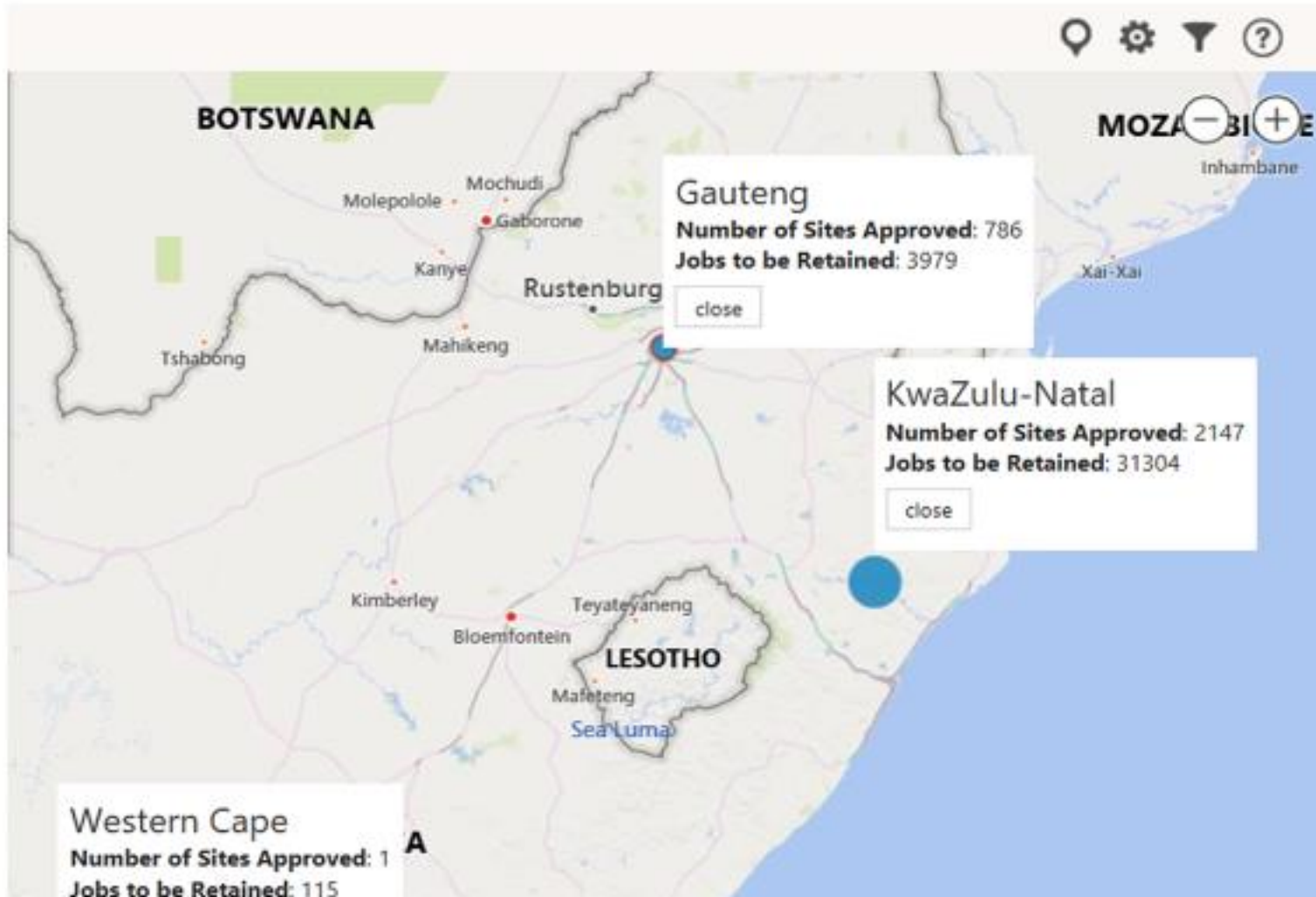


DTIC Economic Recovery



2

PROVINCIAL STATUS OF APPROVALS AND JOBS AND CIRP



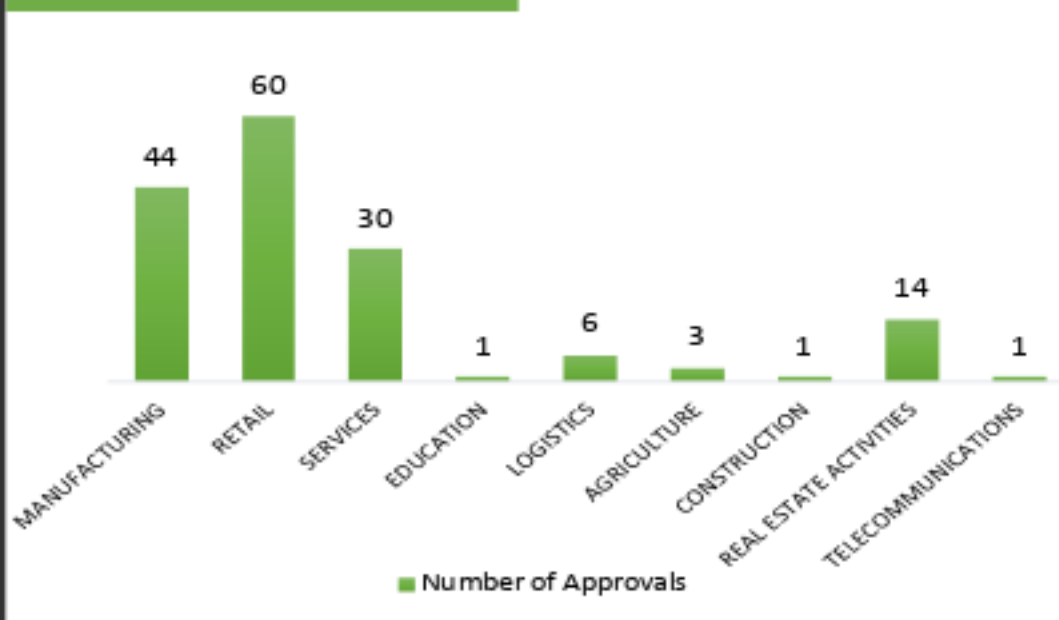
Number of En
City of Ekurhuleni Metro
City of Johannesburg Met
City of Tshwane Metro
Sedibeng District

Amajuba District
Harry Gwala District
King Cetshwayo District
Ugu District
Zululand District
eThekweni Metropolitan
iLembe District
uMgungundlovu District
uMkhanyakude District

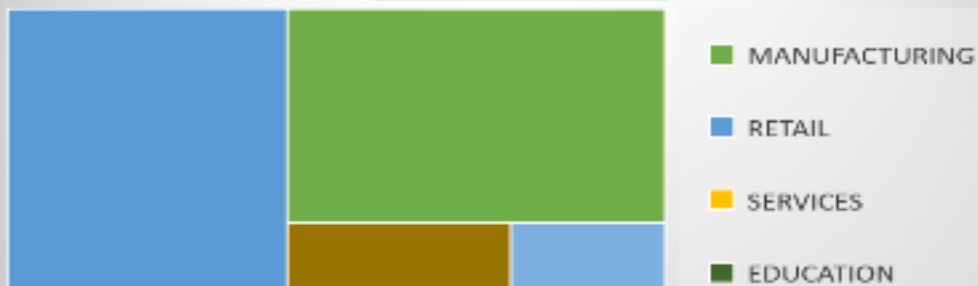


KEY SECTORS SUPPORTED BY THE DTIC FUNDS

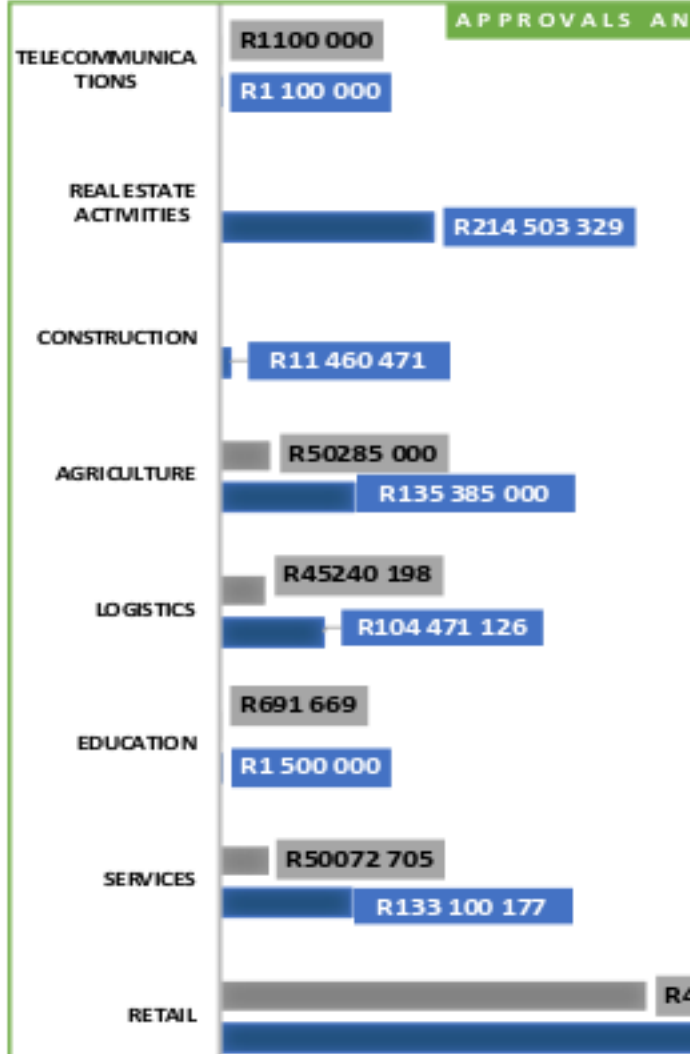
SECTOR APPROVALS: KEY SECTORS



JOBS TO BE RETAINED



APPROVALS AND AMOUNTS





CRITICAL INFRASTRUCTURE Reconstruction Project (CIRP) UPDATE AS AT 22 OCT 2021

21 APPLICATION
 RECEIVED

19 OF THE 21 HAVE
 INSURANCE

18 APPLICATIONS
 RECEIVED FOR KZN

11 SITE VISITS
 COMPLETED

STATUS OF APPLICATIONS

Count of Name of Project Sum of Total Cost (R) Sum of Expected CIRP Co

Approved

KZN	5	R90 244 778
Amajuba District Municipality	4	R63 000 000
Ilembe District Municipality	1	R27 244 778

Evaluation in progress

GP	1	R109 284 560
City of Johannesburg Metropolitan Municipality	1	R109 284 560
KZN	5	R305 690 455
Amajuba District Municipality	1	R43 600 000
Ilembe District Municipality	2	R140 134 915
King Cetshwayo District Municipality	1	R113 165 540
Zululand District Municipality	1	R8 790 000

Site visit to be scheduled

GP	2	R67 110 000
City of Johannesburg Metropolitan Municipality	1	R3 900 000
Ekurhuleni Metropolitan Municipality	1	R63 210 000
KZN	8	R793 261 796



CIRP UPDATE AS AT 22 OCT 2024

ALL 5 APPROVALS
ARE IN KZN

APPLICANT IS
ITHALA

ALL 5 ARE INSURED
WITH SASRIA

APPROVED PROJECTS	Sum of Total Cost (R)	Sum of Approved Amount
Amajuba District Municipality	R63 000 000	R31 500 000
Ithala Development Finance Corporation Ltd	R63 000 000	R31 500 000
Madadeni Industrial Estate Site 45	R15 000 000	R7 500 000
Madadeni Industrial Estate Site 50	R18 000 000	R9 000 000
Madadeni Industrial Estate Site 52	R10 000 000	R5 000 000
Madadeni Industrial Estate Site 73	R20 000 000	R10 000 000
Ilembe District Municipality	R27 244 778	R11 845 555
Ithala Development Finance Corporation Ltd	R27 244 778	R11 845 555
Isithebe Industrial Estate Site 184	R27 244 778	R11 845 555



CIRP UPDATE AS AT 22 OCT 2021

APPROVED PROJECTS

Name of Project	Estimated Start Date	Estimated End Date
Isithebe Industrial Estate Site 184	20-Sep-21	30-Apr-22
Madadeni Industrial Estate Site 73	20-Sep-21	30-Apr-22
Madadeni Industrial Estate Site 45	20-Sep-21	30-Apr-22
Madadeni Industrial Estate Site 50	20-Sep-21	30-Apr-22
Madadeni Industrial Estate Site 52	20-Sep-21	30-Apr-22

EVALUATION IN PROGRESS

Name of Project	Estimated Start Date	Estimated End Date
Protea Glen Shopping Centre	01-Aug-21	01-Mar-22
Mandeni Plaza	28-Jul-21	23-Sep-21
Sundumbili Shopping Centre	20-Sep-21	30-Apr-21
Ebany Shopping Centre	20-Sep-21	31-Jul-22

SITE VISITS SCHEDULED

Name of Project	Estimated Date
Diepkloof Square Shopping Centre	
Chris Hani Crossing	
Madevu Properties	
Ezinqoleni Investments	
Kwamashu Shopping Centre	
Umlazi W Shopping Centre	
Flamingo Light Industrial Park	
Theku Plaza	



Rand Value of Applications

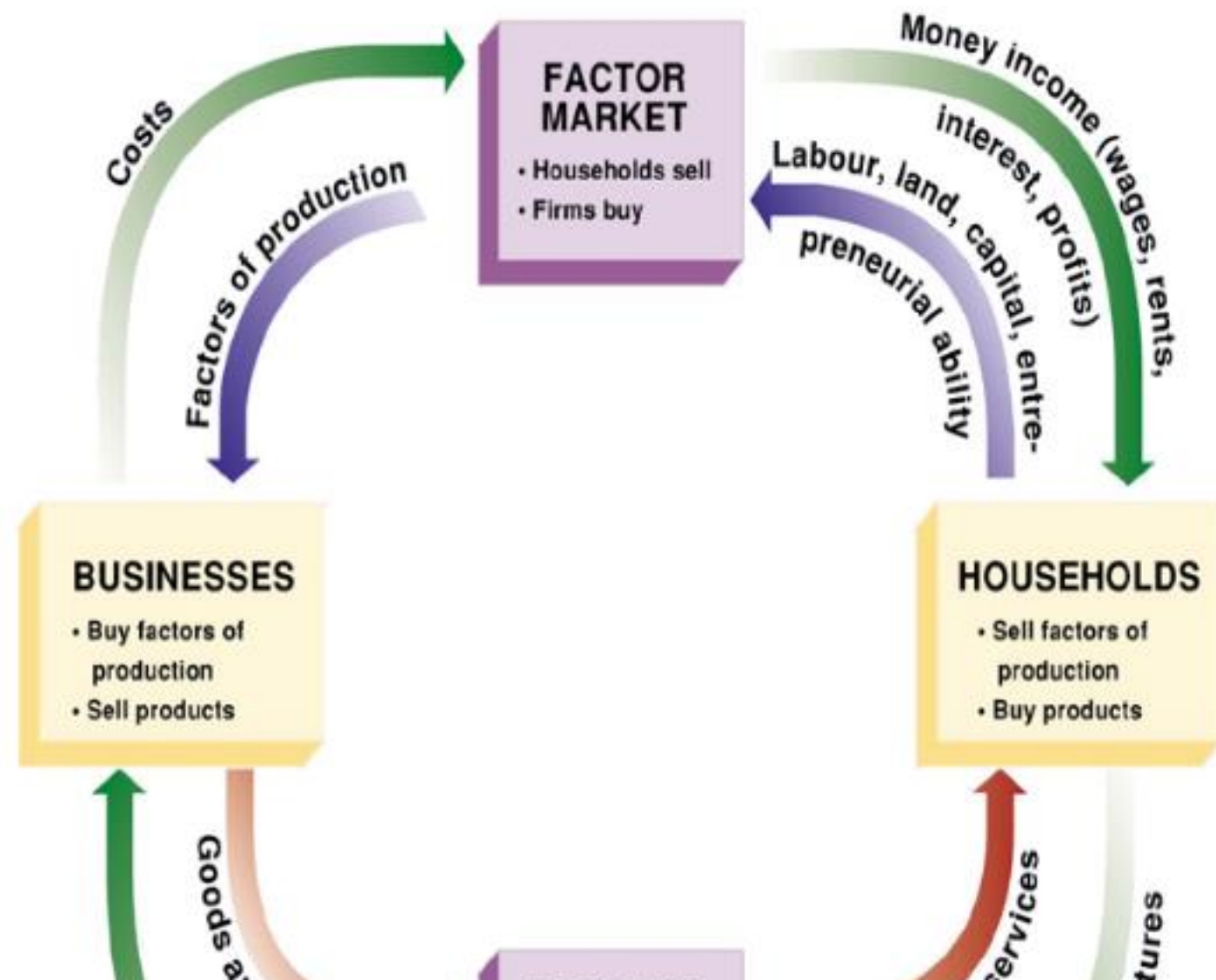
No.	Company Name	Amount Applied For	Outcome & Cur
1.	Ozzy's Clothing Store	R126 563	Recommended fo
2.	Parchie Logistics	R49 800	Recommended fo
3.	KwaSontshikazi	R1 235 000	Recommended fo
4.	Circle Park Pharmacy	R450 000	Referred back due to inco
5.	SF Universal Technology	R294 640	Referred back due to insu
6.	BS Abroad	R120 000	Declined due to applicant
7.	LE Eighty Nine	R90 000	Declined due to applicant
8.	IMC Presicion Plastics	R1 000 000	Application to be forwarded to
9.	SA Metering	R1 000 000	Application to be forwarded to
10.	Zulu Briding	R50 000	Application to be forwarded to



National Empowerment Fund

Pipeline - Geographic Spread				Approvals By D		
District Municipality	Province	Number	Value	Number of Firms	Number of Sites	V
Ethekwini	KZN	115	R1 439,25 m	32	61	
Umgungundlovu	KZN	54	R730,39 m	2	4	
Ugu	KZN	11	R111,31 m	2	4	
Amajuba	KZN	8	R78,88 m	2	4	
Uthukela	KZN	1	R43,59 m	0	0	
King Cetshwayo	KZN	17	R58,73 m	3	9	
Harry Gwala	KZN	3	R38,90 m	2	2	
Zululand	KZN	9	R22,84 m	3	3	
iLembe	KZN	4	R17,13 m	0	1	
Umkhanyakude	KZN	4	R17,37 m	1	1	
Umzinyathi	KZN	1	R1,69 m	0	1	
Johannesburg	GP	47	R149,91 m	14	19	
Ekurhuleni	GP	11	R100,93 m	2	4	
Sedibeng	GP	8	R33,19 m	5	7	
Tshwane	GP	1	R2,50 m	0	0	
West Rand	GP	1	R3,00 m	0	0	
TBC		61	R38,15 m	0	0	

Circular Flow of Income



- The Economic and Financial System through the Economic and Financial System and Consumer
- Businesses and Consumers are inseparable
- Dependability** function with
- Actions of firms are crucial for the success of the economy
- Harmonious

Role of Businesses

- Produce goods and services.
- Generate Exports.
- Generate Tax Revenue for Government.
- Contributes to National Output.
- Provides Employment.
- Provides investment- FDI/ Domestic.
- Investment by businesses in a local area brings
 - Innovation
 - New products



Role of Businesses in comm development



- Go beyond the employment provision to empowerment of local communities.
- Contribute to the development of communities that surround the company.
- Consider One-Hour Localisation. Ensure that at least 10% of value added is in communities around the company.
- Advance SMME development and localisation of value added.
- Community Trusts and Social Investment Funds.
- Multiplier Effect. Encourage investments in other indirect opportunities.
- Sustainable Trade and Investment. Promote a sustainable environment.

Role of Communities in Facilitating Business Growth



- Need to prevent claiming to be "Community" or taking it share. Community should to investments from
- Our business is o
- Create a conducive Business growth.
- Co-exist harmoni
- Use peaceful mea emanating from b
- Participate in programmes investment to communities.

Role of Government/ Partners

- Provide policies that engender business growth and community development.
- Private Sector procurement practices and policies should create space for local community provided they adhere to health and safety national regulations.
- Need to fast track the land ownership disputes and disbursements (Land Claims Commission).
- Unpacking the structure of BEE deal and agreeing to the development of the private sector.
- Re-visit the principles of the Social compact and commitment to the economy.
- All partners including Government to strengthen and invest in the economy.
- Dispel the notion that franchises and other Private corporations are only for specific groups.
- Promote social cohesion, community development and support coordination and stakeholder engagement.

- Rebuilding KZN and foster economic recovery requires concerted effort and astute leadership by Government, business and Labour.
- Constant research and monitoring the rebuilding process.
- Stability of logistics and supply chains.
- Guarantee security of business operations.
- Rebuilding of investor confidence.
- Ensuring the coexistence of business and communities- CSIs- community trust.
- Implement programmes to re-build social harmony and trust.



KWAZULU-NATAL PROVINCE

ECONOMIC DEVELOPMENT, TOURISM
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THANK YOU

**GROWING
KWAZULU-NATAL
TOGETHER**