



12TH ISSUE
MARCH 2015



EDGE

Economic Development
& Growth in EThekweni



**INNOVATE
DURBAN**

CALLING ON YOUTH...

interested in getting
your hands on the **LATEST**
IBM TECHNOLOGY? want to be a
PROBLEM SOLVER
using technology?

want to
contribute in SOLVING
some of the challenges the eThekweni Municipality faces?

WANT TO BE A TECHNO business
OWNER?

Innovate Durban in partnership with eThekweni Municipality, IBM, ILO and the Government of Flanders is **inviting youth** to participate in the **Innovation Week Hackathon and enterPRIZE Challenge 2015**.

The Hackathon will be an opportunity to engage with IBM's computer programmers using the latest IBM Technology to address some challenges faced by the City. This will be followed by the enterPRIZE Challenge where participants will be given an opportunity to qualify for funding for feasible business ideas.

Candidates will be expected to complete an online application form for both the Hackathon and enterPRIZE Challenge. The top 100 candidates will be selected to participate in the Hackathon event.

Enter the 'Hackathon' and become a participant in this exciting competition

For more information go to innovate.durban.gov.za and register online
APPLICATIONS CLOSE ON 15 MAY 2015



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Welcome to the EDGE

Welcome to the twelfth edition of The EDGE, a quarterly economic bulletin that looks at the eThekweni economy, with a brief overview of the global and national context.

Published by the eThekweni Economic Development and Investment Promotion Unit, The EDGE aims to inform stakeholders of the latest developments and trends in eThekweni.

The theme of this edition centres on Innovation within eThekweni and the context of Smart Cities.

Information for this publication was obtained from sources believed to be accurate and reliable. The eThekweni Municipality and all other providers make no representations or warranties expressed or implied to any subscriber, person or entity as to the accuracy, timeliness, completeness, merchantability or fitness for any particular purpose of any of the information or forecasts contained herein.

Designed and edited by Truth Advertising.

Foreword by Her Worship the Deputy Mayor, eThekweni Municipality, Councillor Shabalala

Welcome to the 12th edition.

This edition has a special focus on Innovation as a key element cutting across all sectors. I believe that a lack of innovation and creativity is a serious challenge in the entrepreneurship sector and is one of the reasons for the failure of many businesses. In the latest version of the Industrial Policy Action Plan, Science, Technology and Innovation (STI) are recognised as key drivers of long-term economic growth, which today is increasingly led by the production and dissemination of knowledge for the enrichment of all fields of human endeavour, and wherein the ability to distribute and effectively exploit knowledge has become a major source of competitive advantage, wealth creation and improvements in the quality of life.

Governments are increasingly making innovation a key issue on policy agendas, recognising its potential to promote economic growth and address social and environmental challenges. The importance attached to innovation is reinforced in the national and international policy domain through, for example, the Innovation Strategy of the OECD (Organisation for Economic Co-operation and Development), the European Commission’s concept of the ‘Innovation Union’, and South Africa’s own 10-year plan ‘Innovation towards a knowledge-based economy’

The City has recognised that one of the keys to economic growth and job creation in the City is Innovation. Innovation and entrepreneurship forms a primary pillar in ensuring radical economic transformation in the City by driving social cohesion and ultimately improving the quality of life within the City. Innovation, as Minister Ebrahim Patel has stated, is one of the six components of radial economic transformation. Innovation provides an excellent means of ensuring the development and growth of small businesses and it was out of this recognition that the Innovate Durban project was conceptualised and initiated. The purpose is to highlight the importance of using the ingenious minds of society and channel their energy into becoming part of society’s solutions as opposed to being the problem. This programme will help in finding ways of putting research into practice and gain an understanding of real world problems, needs and aspirations. Innovation is not always born in a sterile lab or is not always about applications and technology. Innovative solutions to community challenges can be borne out of the creativity of community members. This was proven by Professor Anil Gupta who for more than two decades scoured rural India for its hidden innovations motivated by the belief that the most powerful ideas for fighting poverty and hardship will not come from corporate research labs, but from ordinary people struggling to survive.

The eThekweni Municipality partnered with various institutions and companies to launch the Innovate Durban brand.

The Innovation Programme has been implemented to drive economic development and increase employment in the region, with the objectives to:

- build a platform that brings the business and academic communities together to enable innovation that solves business challenges, drives economic growth and creates jobs
- lead innovation in the region by providing business access to innovation thinking and technology that will improve efficiencies and effectiveness of business operations
- support innovation skill development in the region by supporting academic institutions in course development and awareness
- build credibility for Innovate Durban and the platform through partnerships and associations with other key players in the innovation sector.

In addition, the City had the unique opportunity of hosting the 3rd International Conference on Innovation and Entrepreneurship 2015 for the first time in Africa and in our very own City, Durban. The Conference aimed at bringing under one roof world class business researchers, practitioners and academics with vast experience and knowledge that assisted the City’s entrepreneurs, employees and students to network, exchange ideas, gain new skills and information, resources and fostering potential partnerships with other participants from around the globe in order to be competitive.

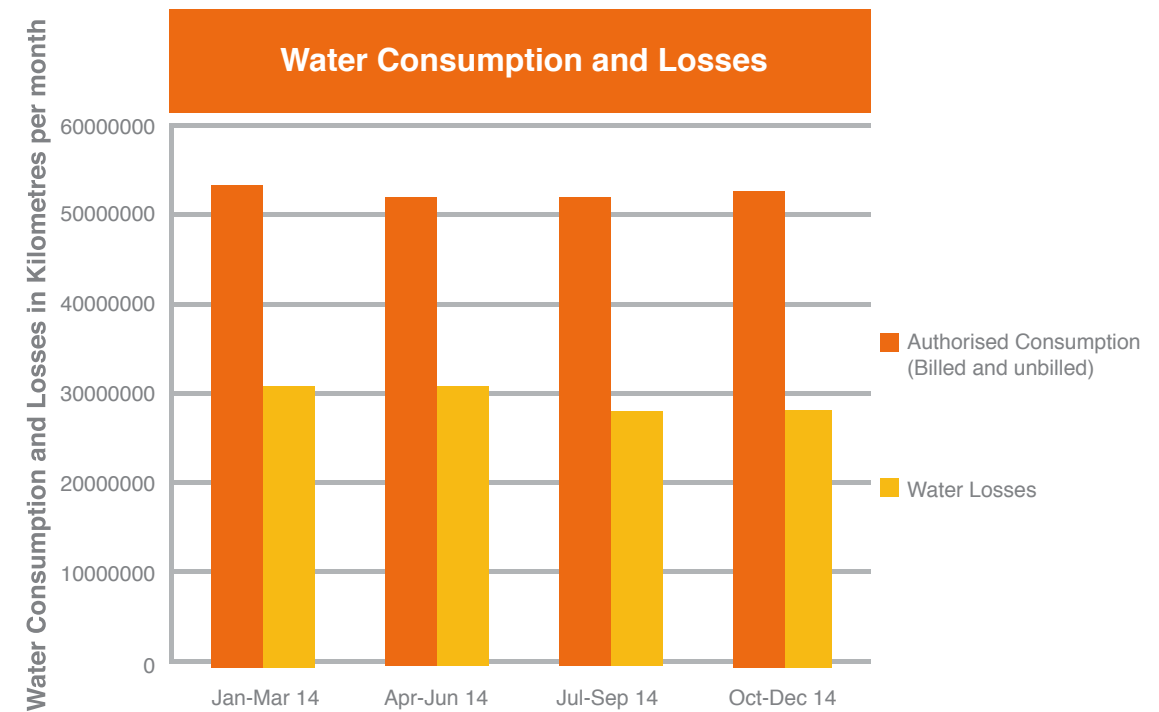
The upcoming Innovation Week consists of a number of activities which will be hosted between April and June 2015. This year, the focus will be on encouraging eThekweni citizens to become innovative, by introducing the concept of innovation to them and showing them that innovation is easy. The aim is to empower youth to become innovative and lead to them becoming entrepreneurs and contributing in a positive way to the eThekweni economy and their communities. We look forward to the participation of all citizens of eThekweni Municipality in all these initiatives.

As always, I thank the EDGE stakeholders and readers for their support, their comments and for attending our seminars. We look forward to your continued support in building an even stronger partnership for the rest of the year to take our great city forward and make significant strides towards economic growth and job creation.

Economic Overview

The main economic sectors in the local economy are manufacturing, finance, trade and community services. In 2013, the total GDP for the region was R217.7 billion (constant 2005 prices). The data for 2014 has not been released yet. The growth rate over the last 18 years has been at 3.4%, with the latest rate at 2.6%. This rate is not adequate to reach the growth targets of the National Development Plan, which requires a growth rate of at least 5%. EThekweni’s economy is dominated by the tertiary sector, with the manufacturing share of the economy steadily declining. In terms of employment, the biggest employer in the region is the community services sector (19%), followed by trade (18%) and manufacturing (17%). Innovation can play a significant role in boosting the manufacturing sector to ensure that it continues to create decent, sustainable jobs. It can also play a role in the development of the alternative forms of energy supply to cushion the effects of the recent power cuts, particularly in the vulnerable small business sector.

Key Indicators



Source: eThekweni Water and Sanitation Unit

The figure above displays water consumption and losses for the 2014 year. Authorised consumption refers to the volume of authorised metered and/or unmetered water taken by registered customers, the water supplier and others who are implicitly or explicitly authorised to do so by the water supplier, for residential, commercial and industrial purposes. One can see from the figure above that authorised consumption has been stable during the year. Water losses, which refers to the sum of physical leakage and commercial losses and are calculated from the difference between the total system input and the authorised consumption. The graph shows that water loss, on average, has declined during the year but more needs to be done to curb this as it is still at a high level. The Municipality is constantly monitoring this and seeking ways to curb the high water losses experienced in the region. On 15 November 2014 the President launched operation Phakisa in Durban. Significantly for Durban, this programme includes a number of projects around ship building and ship repairs as well as the replacement of ageing port infrastructure. It is very significant that this issue of EDGE focuses on port and logistics as over the next 10 years, we anticipate that this will be the biggest area of growth within the local economy. This is premised on the realization of a number of projects, including a radical shift from road based freight transport, to rail as well as a more efficient logistics system which provides the backbone for a more competitive economy.

Electricity							
MONTH 2014	Residential Consumption (kWh)	Business & General (kWh)	Bulk (kWh)	FBE (kWh)	Prepayment (kWh)	Streetlighting + Unmetered Supplies (kWh)	Total Electricity Purchases (kWh)
Jan – Mar	668,6m	553,8m	1,196bn	16,0m	186,9m	26,8m	2,806bn
Apr – Jun	654,1m	537,2m	1,144bn	16,1m	199,6m	26,8m	2,774bn
Jul – Sep	671,0m	538,1m	1,133bn	17,8m	205,0m	29,6m	2,815bn
Oct - Dec	635,9m	495,3m	1,219bn	20,9m	200,3m	28,1m	2,776bn
TOTAL	2,629bn	4,693bn	4,693bn	70,9m	791,9m	111,3m	11,172bn

Source: eThekweni Electricity Unit

Consumption of electricity across most categories has declined in the last quarter of 2014 (October to December), with the biggest decline experienced in the business and general category. This is expected during that period as many businesses commence their shutdown period during December, with operations up and running mid-January. The FBE (Free Basic Electricity) category has increased by approximately 18% in the last quarter. This has been the trend for the whole calendar year of 2014.

Land Use Management Applications Received and Finalised – Quarter (Oct – Dec 2014)						
REGION	NEW Received	RESUB Received	TOTAL Received	NEW Processed	RESUB Processed	TOTAL Processed
North	427	382	809	430	389	819
South	166	196	362	65	185	250
Central	750	824	1574	746	948	1694
Inner West	313	296	609	311	293	604
Outer West	251	227	478	252	249	501
TOTAL	1907	1925	3832	1804	2064	3868

Source: Development Planning and Management Unit, eThekweni Municipality

The table above, shows the number of Land Use Management applications received and finalised for each of the regions in eThekweni. The highest number of applications for the various categories received and finalised in the last quarter of 2014 (October to December) are in the central region, followed by the northern region.

Business Licensing

Business Licensing Applications Lodged

Business Licensing Applications Lodged					
MONTH 2014	Sale/Supply of meals for fixed premises	Provision of health facility or entertainment	Hawkers license for a food site	Accommodation Establishment	TOTAL
JAN - MAR	214	20	14	8	256
APR - JUN	419	27	87	10	543
JUL - SEP	627	30	36	17	710
OCT - DEC	515	32	3	8	558
TOTAL	1775	109	160	43	2067

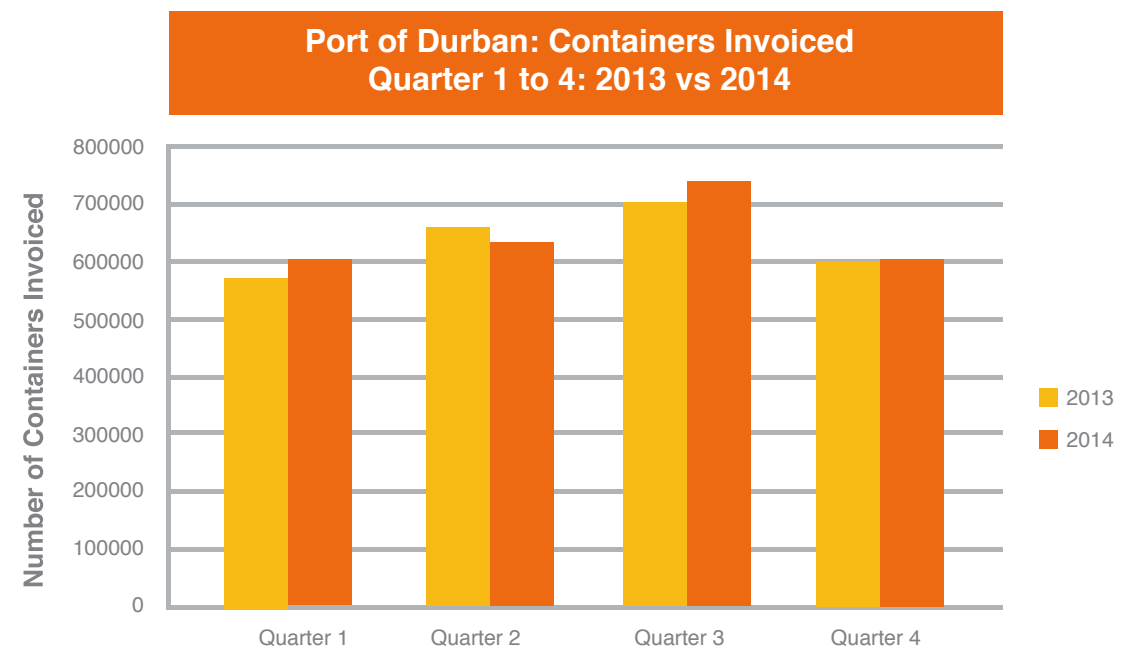
Business Licensing Issued					
MONTH	Sale/Supply of meals for fixed premises	Provision of health facility or entertainment	Hawkers license for a food site	Accommodation Establishment	TOTAL
JAN - MAR	188	40	5	6	239
APR - JUN	257	23	21	10	311
JUL - SEP	425	27	26	11	489
OCT - DEC	415	26	2	12	455
TOTAL	1285	137	54	39	1494

Source: eThekweni Municipality's Legal Services Unit

The tables above display the number of business license applications lodged and licenses issued during 2014. The number of business license applications lodged and issued has increased steadily throughout the year until September but a decline has been experienced across most categories in the last quarter.

Port of Durban

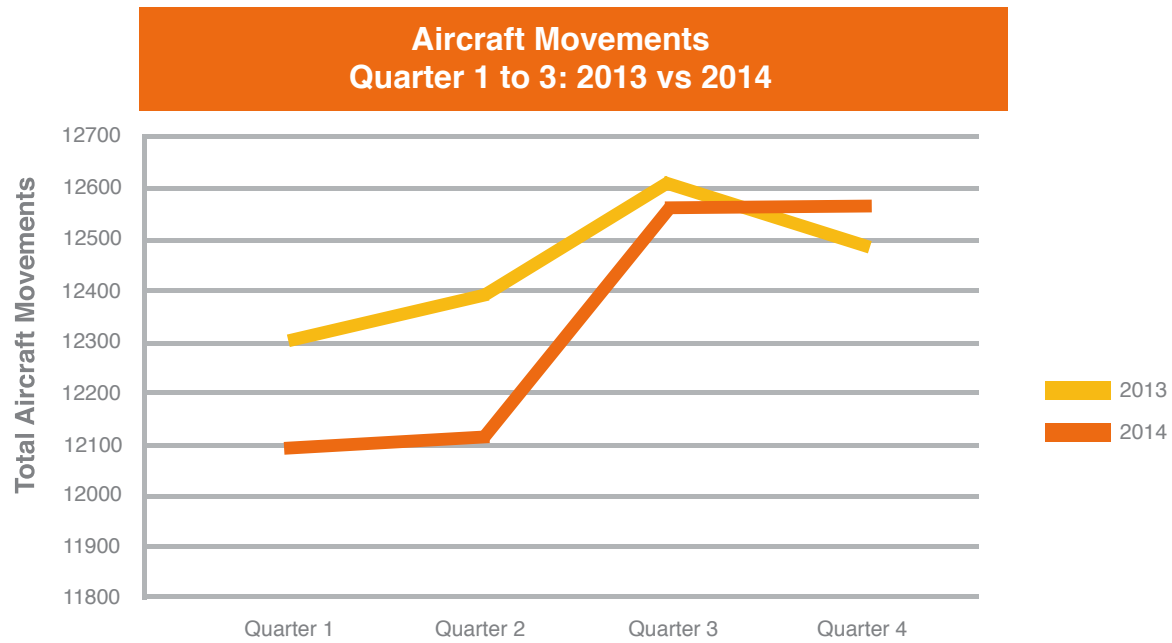
Number of Containers Invoiced



Source: Transnet National Ports Authority

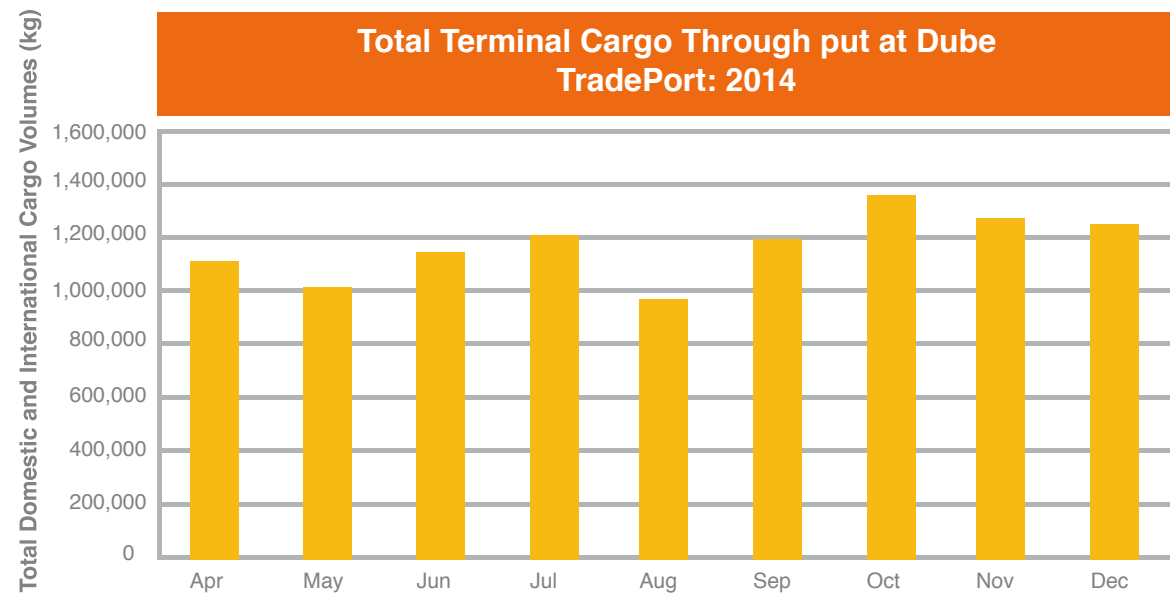
The number of containers invoiced during 2014 mirrors that of 2013. In both years, there has been a decline from the third to the fourth quarter.

Aircraft Movements in eThekweni



Source: Airports Company South Africa

The graph shows that although aircraft movements have sharply increased in 2014 from Quarter 2 to Quarter 3, there is a decrease in the last quarter, bringing it down to below the 2013 level. Overall, 2014 levels were significantly higher than 2013 levels.

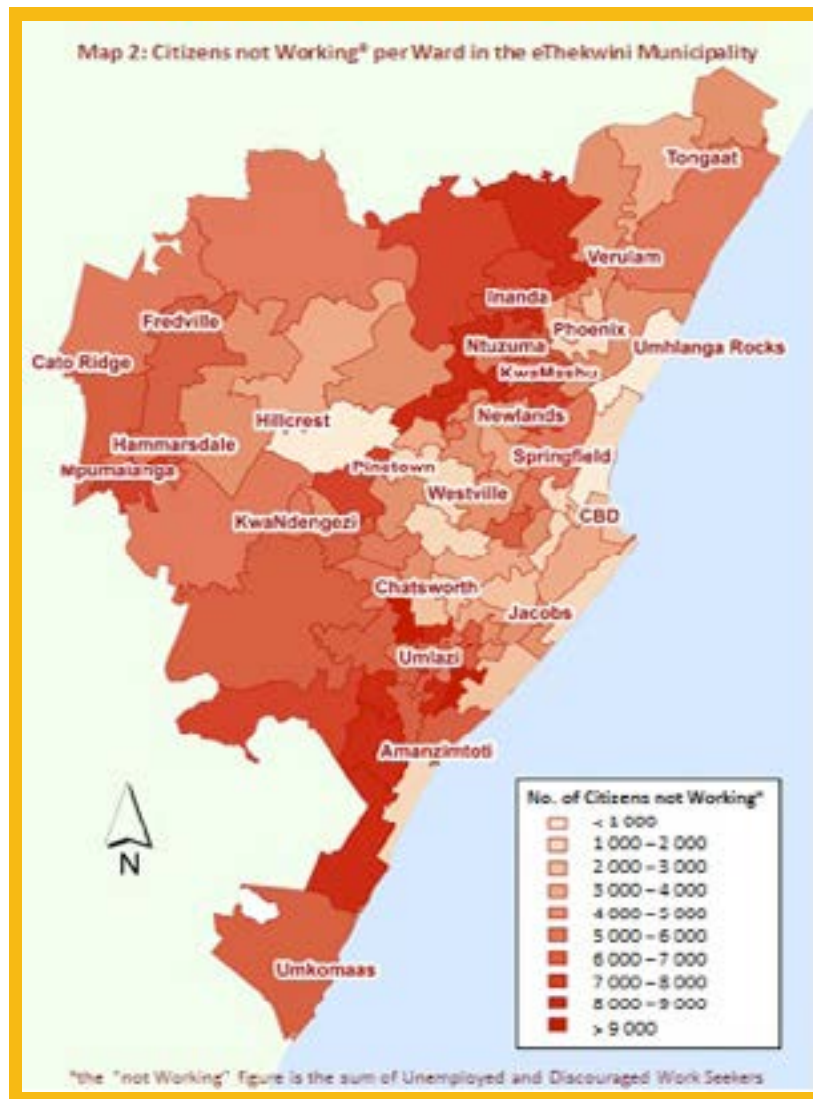


Source: eThekweni Municipality's Legal Services Unit

The graph above shows the total volume of domestic and international cargo passing through Dube TradePort from April to December 2014. One can see that the levels fluctuate but the average levels range between 1 000 to 1 200 tonnes for the year.

CREATING A BETTER FUTURE
REQUIRES CREATIVITY
IN THE PRESENT

Matthew Goldfinger



Mapped by Economic Development and Investment Promotion Unit using Census 2011 data

The map on the above shows the number of citizens not working per ward in eThekweni. The regions with the highest number of citizens not working are the southern and northern townships. These are also the regions with the largest population. There is development occurring in these areas in order to grow the regions and create sustainable jobs.

A Closer Look at Innovation

Innovation in the Global Sphere

Google became the leading search engine portal on the internet by innovating. Where does Google get its ideas from? It's staff, naturally! Google needs a constant stream of new ideas, so it encourages its staff in all disciplines to contribute ideas on an internal Web page. 'We never say, "This group should innovate and the rest just do their jobs,"', says Jonathan Rosenberg, Vice President of product management. 'Everyone spends a fraction of their day on research and development (R&D). They found that even employees who would normally be shy about volunteering an idea in a meeting are happy to post one to an intranet page. The best ideas are then discussed at Friday meetings, where individuals get a maximum of 10 minutes to present the most promising ideas. The meeting is kept short and action-oriented. Usually a person who came up with the idea is put in charge of turning it into a reality.'

The above extract is from 'The Leader's Guide to Lateral Thinking Skills' by Paul Sloane and highlights how a highly successful company encourages innovation in the workplace. Wikipedia describes innovation as "a new idea, device or process and is regarded as the application of better solutions that meet new requirements, or existing market needs. It is accomplished through more effective products, processes, services, technologies or ideas that are readily available to markets, governments and society. In many fields such as economics, innovation is generally considered to be a process that brings together various novel ideas in a way that they have a positive and useful impact on society. Innovation refers to the notion of doing something different rather than doing the same thing better". All can be innovative – individuals, communities, businesses, institutions, governments, countries, trading blocs and continents.

The world currently faces crucial challenges in the economic, social, environmental and political spheres, - all of which are inextricably linked as they impact and are impacted by each other. These challenges present a treasure-trove of opportunities for innovative ideas and products. In the environmental sector there is rapid advancement in clean technology development through innovative programmes and partnerships. In manufacturing, technological innovation is a major force in economic growth and focuses on some of the most distinctive features of innovation in the highly industrialized economies. Since the dawn of the industrial revolution, no industry has been immune to change. Innovation therefore represents a business's tenacity in evolving and adapting to the changing face of competition and market conditions.

Information technology (IT) has not only connected us globally like no other period in the past, but is also a fast and ruthlessly competitive sector. Companies are constantly reinventing themselves to seek new technological terrain and this industry will always be characterised by innovation – thinking in new ways and thereby revolutionising the world with new products or

services. You just cannot rely on doing what you did yesterday to stay on a fast growth trajectory, especially in IT.

As the world recovers from the worst financial crisis in many decades, global business and political leaders are aware that they must avoid repeating the same mistakes or adhering to ineffective policies that preceded it. One such mistake may be a lack of attention to innovation which may be needed in times of crisis, and affords businesses and government the opportunities to become forces of change. Innovation is the means to become that kind of force. The financial crisis has led to reduced output growth, rising unemployment and increased public debt. In order to recover from these, innovation may be one way in which countries find new and sustainable sources of growth.

There are various global initiatives and organizations that monitor and report on innovation trends, most notably the Global Innovation Index (GII) which focused on the 'human factor in innovation' in its 2014 report. The GI is a unique tool for refining innovation policies by providing a clear picture on the role of science, technology and innovation in sustainable development and for assessing where most efforts are urgently needed. The 2014 report points out that although it is essential that workers have advanced degrees as a starting point for innovation, this does not guarantee scientific or technological breakthroughs or other social innovations. Rather it is creative and critical thinking and the appetite for taking risks and thinking entrepreneurially that often matter. In addition, it is the effective implementation of new policies to help regions to retain, involve, or attract talented innovators. The report further asserts that some nations appear to take the lead in innovation capability over others and the reason for this disparity lies in the quality of human capital linked to the innovation activities carried out in these nations.

Focus on National Innovation Initiatives

The National Government's Department of Science and Technology (DST) is responsible for scientific research, which has various semi-independent agencies to carry out its work. One of them is the Technological Innovation Agency (<http://www.tia.org.za/>) which serves to provide funding with the objective of stimulating and intensifying technological innovation in order to improve economic growth and the quality of life of all South Africans by developing and exploiting technological innovations.

The Department recently announced that it entered into a ten-year partnership with IBM South Africa in an ICT Research & Development and Innovation Programme. The partnership commits IBM to an investment of R700-million in a programme involving academic development, and research components. The purpose is to build a new Research Africa facility in Johannesburg to be based at the University of Witwatersrand. The facility will focus on Big Data, cloud and mobile technologies to support the country's national priorities, drive skills development and foster innovation-based economic growth. The facility will attempt to partner with local universities, research

institutions, innovation centres, start-ups and government agencies to bolster the nation's emerging innovation ecosystem and help to develop the next generation technology skills.

Local Innovation

Locally, there has been a significant amount of work to date through the Economic Development and Investment Promotion Unit's (EDIPU) Sector programmes as well as initiatives undertaken by the Policy, Strategy Information and Research (PSIR) Department. The establishment of Industry clusters, active engagement with industries through workshops, forums and steering committees shows governments commitment to growing the economy in a more pro-active rather than reactive manner. There is constant research and project implementation that happens in the prioritized sectors through the sector programme. This enables industry together with EDIPU to exploit innovation initiatives in all aspects of industry to contribute towards growth and development of the economy.

The City also hosted an Innovation Summit, the first of its kind in Durban during June 2014. The Summit provided a platform for knowledge-sharing, capacity-building, networking and technology-based economic and social development. The City has also commissioned a study to explore the feasibility of locating an innovation precinct in Durban. The objective is to ensure that innovation and entrepreneurship are stimulated in eThekweni, to increase competitiveness in industry with the eventual outcome of creating more, sustainable jobs.

Other innovations within eThekweni Municipality include the The Green Hub which serves as a green technology demonstration building. Another innovative project by the Municipality was the conversion of methane gas at landfill sites into energy, in order to curb the effects of climate change.

With regards to financial management, innovative programmes and software has been developed to increase efficiency and improve customer service. In terms of SMME development, the City forged relationships with eight financial institutions to support SMMEs. This was an achievement, unique to eThekweni Municipality. Going forward, the IRPTN (Integrated Rapid Public Transport Network) project is an innovative service offering to citizens of eThekweni. The eThekweni Municipality's Municipal Institute of Learning (MILE), is another key aspect that is unique to eThekweni and has been developed exclusively for local government practitioners within South Africa and beyond. MILE hopes to position eThekweni as a learning City.

EThekweni is an innovative City with many more innovative projects being undertaken in the areas of water, environment and transport, to name a few.

Looking Ahead

Innovation has the potential to address urgent developmental challenges such as providing access to basic services, eradicating diseases or reducing hunger, increasing employment and improving literacy. The different spheres of government are trying to effect relevant policies to encourage innovation in all of these challenges. This is a monumental challenge as both the private sector and government must acknowledge that it cannot be done without the support of each other.

The long-term successes in any economy is certainly linked to a growing and well-educated work force, ample research and development spending by both public and private sectors, the availability of capital to fund expansion, and access to markets.

A crucial challenge for the education sector is to position mathematics education so that it capacitates learners with skills for creative problem solving and innovation in all sectors of society. However, it is also worth noting that innovation is not reserved for the educated, but is freely available to all who apply themselves to specific problems and situations. Indeed, many of the world's most useful and popular innovations were conceived that way. Ideas are often all around us if we look carefully. In his book Paul Sloane states that – in 1941 George de Mestral, while walking his dog in the Jura Mountains in Switzerland noticed many plant burrs attached to his trousers upon returning. He examined them under the microscope and saw that they contained tiny hooks which caught in the loops of his clothes. He developed artificial material to mimic nature and in so doing he invented Velcro.

Dan Bricklin developed the idea of the spreadsheet while working at Digital Equipment Corporation. When he could not convince his superiors to back the idea he quit and founded his own company, Visicalc. He developed the world's first spreadsheet, Visicalc. It became a bestseller and he eventually sold the company to Lotus. Alexander Graham Bell studied the workings of the human ear. He adapted the idea of the eardrum vibrating with sounds into the workings of a metal diaphragm, which led to the invention of the telephone.

These examples show the concept of adapting an idea that has worked in one environment and using them in another and are one of the most successful of innovation techniques.

Sector Strategies/Policies:

The main policies and strategies relating to innovation in the City are:

- 10 Year Plan for South Africa, for Innovation Towards a Knowledge-Based Economy; developed by the National Department of Science and Technology (DST) (2008-2018)
- Provincial Growth and Development Strategy (PGDS) (2011) developed by the KZN Provincial Planning Commission,
- Innovation Sector Strategy and Implementation

Business Plan - the 2013 Durban Innovation System for Manufacturing (DiSM) developed by EThekweni Municipality (EM).

The DST sees the drive toward innovation as part of a broader goal of developing the country's economy into a knowledge economy. This is ultimately to improve its competitiveness and growth; which provides the platform for South Africa's government to achieve its developmental mandate. The two key objectives where this is concerned, include the country producing adequate knowledge workers capable of building a globally competitive economy, and commercialising the results of scientific research.

To emphasise the role of innovation as a developmental tool, the PGDS has placed the province's innovation initiatives under its strategic goal of 'Job Creation' with the strategic objective of 'Enhancing the Province's Knowledge Economy'. At the time of the strategy's development, it was found that innovation in the province's economy was hampered because relationships between tertiary and public sector institutions were generally fragmented, and that where successful joint initiatives did exist, there were limited systems to acknowledge and measure their economic and socio economic impacts. EM has taken heed of such issues and has actively actioned two key recommendations by the strategy, which are proposed in the City's Economic Development and Job Creation Strategy ; the creation of an innovation hub. The Policy, Strategy, Information and Research department is currently in the process of beginning a pre-feasibility study for a hub and the development of mechanisms for partnerships with tertiary institutions (this - and more - is incorporated in EM's equivalent of an innovation strategy; or more accurately the Durban Innovation System for Manufacturing).

The Durban Innovation System for Manufacturing (DiSM) was developed by EM in 2013, emphasising that innovation supports economic development and employment, retains and expands existing businesses, and encourages new businesses and sectors by improving economic competitiveness. Manufacturing was selected because of its importance to the City's economy, but it was recommended that similar systems are developed for other key sectors too. The objective of this system is to establish a local tool that will bring together people, processes, infrastructure, funding and technology and enable them to look beyond their boundaries for expertise and new manufacturing ideas. The strategy recommends that it is stewarded by a Durban Innovation Representative Council (DIRC). A similar body of stakeholders (called Innovate Durban Stakeholder's Forum- (IDSF)) was recently formed in response, which includes government, business, tertiary education institutions, and financial institutions (this addresses the provincial issue of fragmented relationships between government and tertiary institutions). The Strategy recommends that this body oversee innovation through Local Technology Task Teams (TTT) per manufacturing cluster who operate from technology stations or R&D hubs (these currently already exist in a number of locations, including the Durban University of Technology (DUT) and University of KwaZulu-Natal (UKZN)). It recommends that they carry out innovation

research and experiments, and the development of prototype products (addressing the provincial goal of the commercialisation of scientific research). Ultimately, as the IDSF develops into the recommendations provided by the strategy, it is indeed promising and exciting that economic sectors in the city are closer to being desirable globally competitive developmental tools; as required by the policy and strategic framework at the national, provincials and local levels.

Innovate Durban

'Innovate Durban' is the Innovation Programme of the eThekweni Municipality and other key partners, currently being driven by the Policy, Strategy, Information and Research department within Economic Development and Investment Promotion. It was established in 2014 as part of the Smart City Initiative with the purpose of driving the innovation agenda within eThekweni. The programme has included a number of projects implemented by the city in collaboration with these key partners to support innovation. The aim is to create a common platform for innovation within the eThekweni region with the key purpose of making innovation easy and possible.

The Innovation programme is driven by projects focused on creating awareness, building capacity and skills, encouraging community involvement, boosting public and private sector innovation and creating fundamental linkages between all role players and innovation tools to make innovation easy and possible. These will culminate in a number of initiatives intended to offer idea thinkers, aspiring students and budding entrepreneurs the opportunity to share knowledge, build capacity, network and investigate technology-based economic and social development and increase awareness among the eThekweni Municipality regarding innovation.

The objectives of Innovate Durban include:

- To build a platform that brings the business and academic communities together to enable innovation that solves business challenges, drives economic growth and in turn impacts job creation.
- To lead innovation in the region by providing business access to innovative thinking and technology that will improve efficiencies and effectiveness of operations within their business.
- To support innovation skills development within the region by supporting academic institutions in course development and awareness.
- To build credibility for the Innovation Programme and platform through partnerships and associations with other key players in the innovation sector.

Current partners of Innovate Durban include:

- eThekweni Municipality
- Durban Chamber of Commerce and Industry
- University of KwaZulu-Natal
- Technology Innovation Agency
- IBM
- International Labour Organization
- Mangosuthu University of Technology
- United Nations Industrial Development Organization
- Financial institutions such as First National Bank, ABSA,

YOU NEED TO STOP
DOING SOMETHING OLD
IF YOU WANT
SOMETHING NEW,

Peter F Drucker

Standard Bank, Ithala
• Provincial government – KwaZulu-Natal Economic Development, Tourism and Environmental Affairs, and Trade and Investment KwaZulu-Natal
eThekweni Municipality is the founding member of Innovate Durban and its role is to provide an enabling environment for innovation in eThekweni. The role of the partners is to channel all their projects through Innovate Durban to ensure that the citizens of eThekweni are aware that there is a common platform for innovation and that all projects are part of a bigger programme with a wider network of partners.

Some of the projects that are currently being undertaken by Innovate Durban include:

Innovation Week 2015

Innovation Week was first held in 2014 and targeted youth in and around eThekweni. The week consisted of an Innovation Trek where youth were taken into the communities in eThekweni and tasked to come up with innovative solutions to the challenges being faced in these communities. This was a competition with very strict criteria. The winning group of the Innovation Trek won prizes and the commitment from the Municipality that they will try and implement the winning idea. Innovation Week 2015 includes two components, the first being the Youth Innovation Challenge and the second the Innovation Summit. Innovate Durban and eThekweni Municipality has partnered with IBM and the International Labour Organisation (ILO) for the Youth Innovation Challenge which consists of the Hackathon and the enterPRIZE Challenge. The Hackathon will entail tasking unemployed youth (school leavers and graduates) between the ages of 18 to 35 years old and start-ups, to create web-based applications in response to challenges faced by eThekweni Municipality. These challenges have a direct impact on service delivery within the region. The applications will be created using the IBM platform and software.

The enterPRIZE Challenge is the next stage of the competition where youth that participated in the Hackathon will take their ideas and transform them into a business case. This will then be pitched to a panel of judges who will assess and determine the winners. The ILO has committed to the establishment and support of the businesses that emanate from the enterPRIZE Challenge. eThekweni Municipality, IBM and the ILO have contributed significant prizes for the Youth Innovation Challenge. The Youth Innovation Challenge will lead up to the Innovation Summit. This will be a two day summit consisting of a number of guest speakers that will aim to empower eThekweni citizens to become more innovative. The summit will also include the Youth Innovation Challenge Awards Ceremony at the end of the second day.

Information on registration and the dates for the various activities, can be found under the section on 'Upcoming Activities' towards the end of the publication. Alternatively, more information can be found on the Innovate Durban website: <http://innovate.durban.gov.za> or email innovate.durban@durban.gov.za

• Innovation Precinct

One of the key projects within the Innovate Durban programme is the undertaking of a feasibility study to establish an Innovation Precinct within the city. This will be a 'one-stop shop' that will cater for the full spectrum of innovation needs of individuals, businesses and academics, from concept to commercialisation. The city is developing itself as a Smart City and an Innovation Hub/Precinct is critical in achieving this.

• Open Exchange

The purpose of this pilot project is to develop and maintain an Open Innovation Solution Platform within the eThekweni Municipality for one year. Open Innovation is used extensively worldwide as a means to accelerate internal innovation by looking externally for solutions to advance technology.

The platform seeks to connect Solution Seekers in industry and government with potential Solution Providers from SMMEs, tertiary institutions and research institutes. Solution Seekers post open innovation 'Challenges' on the platform in the form of a Challenge brief which describes a specific problem and business opportunity. Solution Providers respond to the Challenge by submitting proposals which are then packaged and evaluated by the Challenge owner, which then contracts with the preferred Solution Provider(s). Contracting may involve a variety of possible mechanisms including licensing, sale or co-development of the innovation.

• Innovation Needs Analysis

One of the key pillars of the Innovate Durban programme is research. A current study that is underway is the Innovation Needs Analysis.

South Africa's capacity to innovate cannot be doubted. The country boasts some of the most spectacular achievements in technological innovation in the world. An innovation is the implementation of a new or significantly improved product (good or service) or process, a new marketing method or a new organisational method in communities (youth and women, unemployed), public sector or private sector, looking at medium and large businesses and SMMEs. The purpose of the Innovation Needs Analysis is to conduct an audit of the innovation needs of these different sectors of the economy and develop appropriate methods for identifying the needs, possible weaknesses and strengths as well as the relative opportunities and threats of all factors affecting innovative performance. It is a fact-finding project, which identifies what innovation exists within these various groups as well as strong indications of what their needs are. The project is split into three parts, the first part dealing with the private sector.

Supporting Sustainable Growth in Innovation

Clustering for Growth

SmartXchange

SmartXchange is the brainchild of a multi-party consortium led by the eThekweni Municipality. The founding partners included Siemens Business Services, Durban University of Technology, and the Department of Trade and Industry. SmartXchange was established in 2004 and is a registered Section 21 company. Some of its other partners include Business Connexion, Bizworks, City Works, Deloitte, RSL Enterprise Solutions, Microsoft, Dimension Data and Internet Solutions.

SmartXchange is an innovation node and a dynamic young business incubation centre. It was established to support and promote the region's vision to become the technology hub in Africa. The concept was to provide a portal for the promotion of local ICT businesses, development of local ICT skills and creation of an environment attracting new ICT projects into the region whilst supporting local SMMEs.

The mandate of SmartXchange includes:

- Identification and assistance in developing a good quality ICT SMME database in KwaZulu-Natal
- Vehicle for public and private sector organizations to work together to realise the vision for KwaZulu-Natal becoming Africa's ICT hub
- Build a pool of skilled ICT workers that will enable local ICT businesses to flourish
- Support initiatives that work together to bridge the digital divide

Smart Cities – IBM Smarter Cities Challenge

Introduction

Cities everywhere are reinventing themselves. They are re-imagining essential systems, infrastructure and service delivery to promote growth, sustainability and enhancing quality of life. However, becoming a smarter city is a journey and cities continue to face complicated challenges. Many regions lack the resources to keep pace with rapid population growth while delivering services that citizens and businesses demand. Cities and other urban organizations must house and manage ever-increasing amounts and types of data, as well as contend with ageing infrastructures, resource scarcity and increased threats. At the same time, they face an evolving constituency, as advances in social and mobile technology further empowers citizens.

The IBM approach

This approach to smarter cities is based on insights drawn from many client engagements worldwide. With proven strength across the breadth of city operations, IBM is the essential partner for leaders working to transform their cities. Combining business, industry and technology

expertise, IBM provides integrated solutions to drive the transformative change cities need, from strategy to implementation. IBM brings insight from across industries to help visionary city leaders identify and activate fresh thinking, new approaches and critical partnerships.

City leaders worldwide have embraced innovative technology to help meet – and even exceed – citizen and business expectations while realizing the tangible benefits of being “smarter.”

The eThekweni Context

eThekweni Municipality won the Smarter Cities Challenge grant by IBM. The City's leadership had decided to focus on the challenges of slow economic growth, joblessness and poverty alleviation for the purpose of this exercise. IBM was tasked to deal with the challenge of economic development in order to alleviate poverty and all associated challenges around this. IBM conducted an assessment of eThekweni Municipality's economic development environment to determine the extent to which they impact on job creation, inequality and poverty alleviation challenges faced by the city. The objective was to identify the bottlenecks and gaps in current operations which are preventing the Municipality from achieving its optimum operational efficiency. The intention of this exercise was to create a roadmap for the city to ensure that the goals of the Economic Development and Job Creation Strategy are achieved.

In light of economic growth and job creation being a very broad area, the Team was tasked to focus on the four key sub-challenges:

1. An insufficiently developed entrepreneurial environment.
2. An insufficiently developed investment environment.
3. Skills mismatch between industry and government needs and what tertiary education is supplying.
4. Not maximising the Port and ocean advantage.

IBM achieved this by bringing in a team of experts from North America (North Carolina, Texas, New York and Canada) to conduct an assessment through meeting with all relevant line departments and various internal and external stakeholders (tertiary institutions, provincial government, SEDA, Durban Chamber of Commerce and Industry, eThekweni Maritime Cluster, etc.) as well as conducting site visits throughout the city. The municipal team provided access to data from various stakeholders both internally and externally. There were numerous forms of data that were relevant to this topic. The team also endeavoured to provide necessary data in the form of policies, strategies and research required for analysis.

The Outcome

The Municipality has received a draft assessment of the current economic environment in eThekweni Municipality and the impediments and challenges that are preventing the city from achieving the desired level of economic growth as well as job creation, a detailed strategy implementation plan for a holistic, integrated approach to achieving the desired state. This was done by reviewing

the current status, national strategy, and perceived gaps in the context of the existing policy framework and new government thinking on economic development and job creation within the eThekweni Municipality. It will be the prerogative of the municipal leadership to decide whether to implement or not and to prioritise an implementation plan.

Conclusion

As we move into the future we need to start thinking about how we are going to deal with the effects of climate change, poverty and peak oil that may be upon us sooner than we think. By encouraging innovation, creativity and learning amongst our practitioners it is hoped that the Municipality will be able to be resilient and adapt to these challenges converting them into opportunities. “You need a culture that high-fives small and innovative ideas and senior executives who encourage ideas.” In order to change the face of entrepreneurship in South Africa, we need to embrace an innovative culture that will pave the way for economic growth and job creation. Innovation ensures a sustained future for generations to follow!

Innovation: The path to economic growth

Author: Marc-Arthur Pierre-Louis, Senior Software Engineer, IBM

As with most things in life, innovation does not occur in a vacuum; it takes place within specific economic and cultural contexts. People don't innovate just for the sake of innovating; they innovate because there is a real need to improve something, whether it be processes, tools, materials, schools, municipalities, schedules, governments, practices, or our lives in general. The old adage, “necessity is the mother of invention,” rings true. And when people innovate to meet their needs, the innovations themselves become drivers of economic growth.

Durban is no stranger to innovation. The city is filled with talented and imaginative minds, as showcased in the Innovation Week event that eThekweni Municipality has hosted for the past two years. We at IBM applaud this innovative spirit and want to encourage a continued push to harness the enthusiasm and skill of the local population. Innovation and invention are complementary concepts: invention is about creating something where there was previously a gap, while innovation seeks to improve on an existing idea, tool, or process. But the concepts go hand in hand, and the fact is we invent while innovating, and we most certainly innovate while inventing. When we innovate, we can apply inventive solutions to address all kinds of challenges. The net result of this innovation/invention coupling is increased economic growth and positive social impact. This growth and impact is already happening to a great degree in eThekweni and Durban, and IBM is committed to helping push this outstanding progress further.

As the worldwide leader in patents for 22 consecutive years, IBM has repeatedly shown that you don't need to be the original inventor of a technology to innovate

around that technology. By innovating around an existing program, device, process, or other intellectual property, a person becomes an inventor or innovator in his or her own right. That inventor makes something better, more efficient, easier. As Tom Freston, the former CEO of MTV, says: “Innovation is taking two things that already exist and putting them together in a new way.”

This new way needs to improve on old functions if the innovation is to be meaningful. Then someone else sees another way to improve it, and the cycle begins again. This continuum, the never-ending search for betterment, moves a society forward and drives economic growth. Better ways of dispensing medicine, improved methods for providing education, more efficient treatment of a particular disease – each of these are obvious ways in which innovation helps drive growth and societal improvements. But less lofty innovations can be just as important: a faster way to make a purchase at a store, more efficient vessel management at a port, new and more dynamic exhibits at museums, a better surf board -- all of these innovations translate into economic growth, which in turn drives improvement in the daily lives of Durban's citizens.

Innovation equals progress

Our central message is that innovation is intrinsic to progress. And to have an impact, innovators need to ask essential questions:

- Is there a need to improve what we currently have?
- What is there to be gained in changing a current process?
- Does a change complicate lives or makes them easier?
- Is innovation moving us forward?

By strengthening the foundation on which everything else rests, we prepare for future endeavors; we gain the ability to scale up as business grows and more people take advantage of the improvements we have made. Having solidified our core knowledge, we enable and prepare for the expansion of our understanding, leading to a sort of radiating out of ideas, inventions, and inspiration, paving the way for future sustainable innovation.

This internal-to-external movement of ideas provides efficiency and time-saving measures that translate directly into economic growth, servicing greater numbers of economic entities, freeing up more resources that can then be assigned to more innovative initiatives. Time is valuable; anything that saves time while providing significant returns is a worthwhile investment. When innovation makes a product significantly better, the consumer base is more eager to use it – think of the store-front line-ups when a new version of a popular smart phone is released. People instinctively understand the culture of innovation; they see the value in improvement and are eager to embrace new capabilities. When we challenge ourselves and query the rationale and accepted wisdom under which we operate, we become more efficient and more productive -- innovation happens when we question the status quo.

New horizons

With a firm business foundation, we can engage in organic innovation, delving into our areas of influence to find new and exciting contributions. With our core knowledge consolidated, we can focus on the “not so obvious.” We are now ready to tackle broader problems that resonate on a global scale. This is where we catch fire, where we let our vision take us to undiscovered places. Think cellular technology, Facebook, Twitter, GPS navigational systems – these are solutions to problems we didn’t know existed. Yet they each serve a need, and have quickly become indispensable in people’s lives.

Think of the application revolution. There’s an app for everything, which is tremendously democratizing. Innovators of all stripes and persuasions are thinking about and servicing basic needs -- the playing field has been leveled. Our needs are not only being met by the deep thinkers of Silicon Valley, but by brilliant individuals around the globe who recognize a gap and then fill it. In Durban, for example, the technical workforce is looking to continue its foray into mobile application development. It wants to repeat the success of an application designed and developed in the city that was included in a suite published by mobile phone manufacturer Samsung on Android devices. Durban innovation has gone global, and that type of success should be recognized, publicized, and repeated. With that single innovation, Durban has shown its potential to inspire a whole generation of developers and attract global entrepreneurs who want to tap into the skills and resources the city has to offer.

eThekwini: The time is now

eThekwini Municipality is setting the stage for robust innovation in three key ways:

- It has identified the domains where it will promote innovative endeavors, first focusing inwardly and preparing to branch out.
- It is partnering with IBM and other “innovation factories” that provide tooling, methodology, cutting-edge CAMSS technology (Cloud, Mobile, Analytics, Social, Security), and professionals who will help bootstrap its innovative initiatives. (For example, IBM Bluemix, an open-standards cloud development platform, enables developers to create innovative solutions that will drive economic growth) .
- It has nurtured a community of professionals and organizations who are ready, willing and able to drive change. These individuals and groups are innovation incubators, from SmartXchange, to the Black IT Forum, to an ever-growing population of students being trained in the latest technologies.

IBM is excited to partner with eThekwini to help drive ongoing innovation. We’re looking to achieve meaningful solutions to the challenges identified by our respective experts in the month-long 2014 Smarter Cities Challenge that took place in Durban. In the upcoming Innovate Durban Hackathon (an event conceived at the aforementioned Challenge), IBM is providing internships to selected young innovators who show particular promise. IBM will also provide opportunities for young

entrepreneurs to participate in the SmartCamp program, which gives them the chance to compete against other bright young minds to win a variety of prizes. Young entrepreneurs will have access to IBM’s expert business and technical mentors and coaches. These students and young entrepreneurs are tomorrow’s employers and start-up owners, the economic engine that will create jobs, drive growth, build wealth, and lead eThekwini into the future.

Innovative spirit

Innovation knows no limits. There is nothing that we create that can’t be improved. In the words of Peter Drucker, founder of modern management: “Innovation is the specific instrument of entrepreneurship. The act that endows resources with a new capacity to create wealth.” Human beings have an instinctive need to create and re-create, establish and improve, innovate and innovate again. By harnessing our innovative spirit, we drive our economies, strengthen our communities, and improve our daily lives.

The Flywheel Effect of Innovation

Author: Rory Moore, CEO, Innovation Agency

South Africa has made huge progress over the past 20 years, the establishment of inclusive macro-economic policy, social assistance programmes and public asset delivery have allowed many formerly disadvantaged individuals to become more included in the overall economic activity taking place and the resulting welfare produced nationally. As a country however, there is still much work to be done in order to drive economic growth and inclusive upliftment. I believe that there are many areas where South African innovation can improve the socio-economic state of citizens at large. Innovation as a means through which economic development can take place is something that needs to be taken seriously both in private as well as public sectors.

Innovation is not simply about creating products or inventing new mechanisms and physical objects, innovation has a great deal to do with coming up with new, improved or revolutionary ways of doing things. In the most fundamental sense, there are two ways to improve economic growth: 1) A country can either increase the amount of inputs towards the productive process, or 2) find new (more effective), ways of utilising current inputs to achieve growth. In the case of South Africa, a combination of the two is required. We need to come up with new ways of introducing additional productive labour, as well as improve our current capital and labour output.

The flywheel for inclusive economic growth is innovation as it will allow us to address both methods of economic growth. One of the key areas that is needed in order to improve this growth is the establishment of effective innovation ecosystems in the public sector. An ecosystem of innovation allows social-based, collaborative ideas and sharing of knowledge to thrive. When we think about how transformative change occurs, it is quite clear and

easy to recognise that it stems from an idea, and typically there is much input and development of that idea before it is ready to be implemented and unleashed, usually for the benefit of the market.

The advantages of change can be incredible, but in order to reap the rewards of innovation, a mindshift needs to occur. People need to start seeing themselves as valuable, dynamic and contributing parts of the whole. It is important for innovation to become a part of what people do on a daily basis, not something that is separate and isolated from ones daily life. Innovation should not only be a part of an individual’s DNA, it should be a part of organisational DNA. If we intend to spur sustainable economic growth, drive socio-economic upliftment and make meaningful advancements as a country, South Africa needs Innovation.

Stimulating economic Growth through Innovation

Author: Dr Anitha Ramsuran, Manager: Innovation Skills Development, Technology Innovation Agency

In September 2014, market research and consulting firm Frost & Sullivan had presented its annual South Africa Frost & Sullivan Award for Technology Innovation Leadership to thin-film manufacturer Photovoltaic Technology Intellectual Property (PTiP) Innovations. With research and development and technology development funding from the Technology Innovation Agency (TIA), PTiP was established in 2005 to commercialize the intellectual property and patented technology developed within the University of Johannesburg. PTiP teamed up with German engineering group Singulus Technologies to open a new pilot CIGS manufacturing facility in Stellenbosch earlier this year which has the potential to create numerous jobs. The company is now looking to commercialise the manufacturing process of this entirely South African technology and in the process transform South Africa into a new hub for thin-film CIGS manufacturing and development for the whole of Africa.

Dave Pons, a Durban born serial innovator and winner of the 2014 Global Cleantech Innovation Award for Technology for Social Impact for his invention, Ceiling in a Can (CiC), is another example of a South African innovator stimulating social upliftment and economic growth through innovation. CiC is a new generation polymer that is transportable in cans on public transport. Ceiling installation is D.I.Y. The ceiling installation can be completed within 30 minutes. No tape measurement is needed, so it doesn’t matter if the rooms are of odd dimensions. It saves on household electricity and makes a better living environment.

Another Durban based innovator and runner up in the Global Cleantech Innovation Award, Desmond Seekola is making waves in the Low Cost Energy Efficient Wireless Meter Reading for Water and Electricity. He was one of the four national finalists for the 2014 Israel Embassy Startup Tel Aviv competition and the only one from KZN. These three innovation projects, with initial support/

funding from TIA are examples of how innovation is seen to change from the focus being solely on the invention to also considering how a particular invention can be used to better the lives of people and stimulate economic growth through job creation. TIA’s core business objective is to support the development and commercialisation of competitive technology-based services and products. The agency primarily uses South Africa’s science and technology base to develop new industries, create sustainable jobs and help diversify the economy.

Start-ups fuel our economic growth. They are the ultimate job creators who start with ingenious ideas, take risks and create value for the consumer. Our nation has been built by encouraging entrepreneurship and innovation. TIA has a key role in facilitating innovation through resourcing the process of technology development and de-risking the process to enable the private sector to come forward. These projects also point to key drivers that are necessary for an innovation start - up to succeed: an innovation ecosystem made up of both government and private players, innovation infrastructure, sound policies that supports enterprise development, a supportive environment for the development of entrepreneurial and business skills, access to markets and finance. By adopting policies such as a permanent research and development tax credit, more effective university knowledge commercialisation, improving STEM training, reasonable immigration reform, and regional economic clusters, we can build an innovation economy and sustain our long-term prosperity.

We need regional economic clusters that take advantage of innovation-rich geographic niches. There are several examples of successful and geographically-based clusters such as Silicon Valley in California and IT Hub in Bangalore, India. In each of these areas, there is a combination of creative talent associated with excellent universities, access to venture capital, and government policies that promote innovation through tax policy and/or infrastructure development.

Driving Growth and Development in eThekwini

Key Investments

Samsung Electronics Samsung Electronic is a global leader in technology, opening new possibilities for people everywhere. Through relentless innovation and discovery, they are transforming the worlds of television, smartphones, tablets, PCs, cameras, home appliances, printers, LTE systems, medical devices, semiconductors and LED solutions. They currently employ 286,000 people across 80 countries with annual sales of US\$216.7 billion. Samsung is in the process of establishing a manufacturing plant and warehouses in eThekwini. The production facility is nearing completion and offices are available for employees and line operators. This will be Samsung’s first manufacturing plant in South Africa, as their own facility. The total investment is estimated at approximately \$20 million until 2018. The facility is located at the Dube Tradeport and will

primarily focus on the production and manufacturing of Samsung televisions and monitors. This will be a full display solution production facility where Samsung will manufacture printed circuit boards using surface mount device machines and produce the product on an assembly line. The range will include, but not limited to, Samsung's latest range of high definition and ultra-high definition Smart televisions. Samsung brings more innovation to the market than any other company and the production facility will focus on manufacturing the latest range of Samsung Display solutions (televisions and monitors) for the South African market.

The planned phases can be listed as follows:

- **Phase 1:**
 - Discovering and hiring talented people in South Africa.
 - Televisions and Monitors – R220 million capital equipment. (US \$20 million), 200 direct and 2000 indirect jobs (mainly suppliers) to be created, facility to be built on a 30 000 m2 site in TradeZone 1, the size of the building will be 12 000m2
- **Phase 2:**
 - Specific training relating to Samsung technology and processes
 - Equipment installation
 - Refrigerators, washing machines etc, R1,2 billion investment, 5000 direct and 20 000 indirect jobs to be built on a 200 000m2 site in TradeZone 2, the size of the building will be 108 000m2
- **Phase 3:**
 - Production of television commences
- **Phase 4:**
 - Additional production line to be added in for the manufacturing of monitors.

Durban Film Office

Innovation at the Annual Durban FilmMart - Getting to grips with the world of Transmedia



Transmedia is a relatively new and innovative approach to storytelling in that it combines the use of media in all its variations such as movies, television, books, apps and websites to create and develop all the various aspects of a story. It focuses on working across these traditional media boundaries by using a combined implementation of these platforms of media to create a far richer experience that is refined and coordinated, and creates a living network of interactive users (instead of passive audiences) consuming and generating content without the limitations of being bound to a single form of media. Transmedia has the potential to transform the storytelling arena in a profound and meaningful way, and is already a visible force in Africa with twitter conversations about television content running simultaneously to broadcasts of popular programmes such as 'Big Brother Africa'. With the advent of Digital Terrestrial Television and increased access to the internet on the continent, transmedia is set to become the format de jour for both documentary and fiction content.

In partnership with the Durban International Film Festival, the Durban Film Office (DFO) recently hosted a transmedia Lab during the 2014 Durban FilmMart programme. The DFM Transmedia Lab engaged with three film and television projects in the lab that was led by Ingrid Kopp of the Tribeca Institute, New York. The producers and commissioning editors of the projects participated in a three-day programme which entailed analysing the existing project and conceptualizing a possible transmedia component for the project.

This was a first attempt for Durban to develop strategies in the world of Transmedia and the participating projects were astounded by the possibilities presented. "It's hard

enough making a film," explained Tribeca's Ingrid Kopp. "Now you have to do so much more in order for your film to make an impact." The Transmedia approach helps to maximise revenue for a film project in today's fragmenting and complex media environment, through inventive ways of packaging and advertising via the internet and "the mobile web", social media, video, audio, apps and more.

Durban director Madoda Ncayiyana and producer Julie Frederikse of the upcoming Hhola Hhola project commented "Vuleka Productions was honoured to be invited to take the film project, Hhola Hhola, to the Transmedia Lab held at Durban FilmMart. Led by the director of the Tribeca Film Institute's Digital Initiatives in New York, the 4-day workshop helped the DFO develop a plan to package and promote the Proudly Durban film. DFO learned that timing is key to successful marketing and that the strategy must be built in from the early days of a film's life and rolled out through its initial distribution and beyond. They also benefited from approaches used by fellow participants at the Transmedia Lab, e.g. in promoting a long-running reality TV series. Vuleka now aims to implement what was learned at the Lab to leverage the existing fan base for its first feature film, Izulu Lami, in developing multi-platform media to promote Hhola Hhola." The Durban Film Office is very excited about the opportunities the Transmedia approach will present for local content development, and has confirmed that the Transmedia Lab will become an annual feature in the Durban FilmMart Programme. In addition to this, the Durban Film Office intends programming a series of Transmedia workshops and information sessions over the next few years to assist local content producers in fully realising the potential of the Transmedia world.

Business Support, Markets and Tourism

Co-operative Development Programme

The primary aim of this programme is to improve and provide capacity to the Co-operatives so that they are able to operate as fully fledged and profitable businesses. This is also done to ensure the improvement of the quality of service or products rendered, sustained income generation, job creation and competitiveness with the aim of better positioning the co-operatives to take advantage of the opportunities emerging in local, provincial, national, continental and global markets. These capacity building programmes are provided through a series of business development workshops and training in various townships and rural areas within the eThekweni Municipality. The programme outline entails:

- Access to finance through financial stakeholder participation.
- Access to markets through exhibitions.
- Access to business information and promotion of business independence to stimulate competitiveness.
- Access to training e.g. governance, supply chain management, financial management, business management etc.

Furthermore, the programmes support co-operatives within the region eThekweni Municipality which are

involved and participating in specific targeted sectors such as:

- Manufacturing
- Agriculture
- Tourism
- Textile
- Arts and craft
- Construction
- Financial services

A co-operatives virtual incubation office has been set up for facilitating business support through:

- Access to IT services, access to mentorship.
- Weekly information sharing sessions held to disseminate information and expand network amongst co-operatives.

Co-operative Development Strategy

The draft eThekweni Co-operative Development Strategy has been developed to assist in the provision of support for Co-operative development in the eThekweni area. The overall aim of the strategy is to adopt a regulatory approach, wherein all stakeholders can add value and support the development of social enterprises in the form of Co-operatives.

Specific objectives of the Co-operative development strategy are to:

- To promote equality of Co-operatives within the Municipal area.
- To assist Co-operatives to participate in programmes aimed at improving their productivity.
- To contribute to sustainability of Co-operatives;
- To contribute to sustainable development of Co-operative members' communities;
- To enable the municipality to develop the Co-operatives working within the eThekweni region

Durban Tourism

Entertainment Districts as the Solution to Durban's Nightlife Challenges

South Africa's third-largest city, Durban, attracts the lion's share of South Africa's domestic tourists and offers a completely unique atmosphere. Durban has a mix of interesting products that, if properly packaged and developed, will increase the right mix of visitors to Durban, increase economic spend and ultimately lead to job creation.

The challenge

Product owners, who run businesses in two streets, stated that the challenges they are facing relate to:

- No options in terms of mixed entertainment and nightspots
- Mixed use zones – residents complaining about the loud noise
- Vagrants in parks make it unsafe for people to enjoy a night out
- Business owners complain that their business has declined over the years

A recent study undertaken by the Business Intelligence and Product Quality Branch of Durban Tourism indicated that a mere 20% of tourists to Durban were visiting local night spots. A conceptualized plan on how to improve Durban's night life recommended the formation of Entertainment Districts as a way forward.

Florida and Davenport Roads have been identified as the two areas in which to carry out a pilot study because products are already developed. It is just a matter of rezoning, revitalizing and ensuring a natural emergence of quality products with a guiding hand from the municipality. Should these entertainment districts prove successful; this model will be used in other regions of the City, including townships.

Vision:

Durban's mixed entertainment district, with one admission for all.

Purpose

Foster a natural emergence of character in a safe setting for the discerning tourist and the community.

The conceptualized plan looked at adjusting by-laws to suit the residents and businesses in the earmarked areas as well as the look and feel of these areas. Furthermore, it is likely that businesses, shopping centres and banks will remain open later at night in the future. Safety and security is a big issue and this will be addressed to ensure that all international and national visitors as well as local residents of Durban are able to come out at night and feel safe while enjoying all the entertainment these two areas have to offer. The entertainment districts will cater for all age groups.

Durban has a weather advantage all year round so the pavement cafe culture will definitely work well. This is where people sit at bars and cafes in the late afternoon and evening. It is vital to also create a culture of walking and cycling, to ensure that a centre of fun after dark in Durban exists. The entertainment district will be a diverse, vibrant nightlife offering that will improve the quality of life of people living in our city.

Feedback on Recent Events

Launch of Innovation Week 2015

Innovate Durban, partnered with IBM and the International Labour Organisation to launch Innovation Week 2015. This was held on the 4th March 2015 at the Maharani Hotel in Durban. Many organisations pledged their support for the project going forward. Attendees from business, NGO's, representatives of youth and start-ups, academia and government, were all present and the launch was well attended.

The Innovation Week project details are contained in section on Innovate Durban.

International Conference on Innovation and Entrepreneurship

Innovate Durban hosted the 3rd International Conference on Innovation and Entrepreneurship from 18 to 20 March 2015. This was the first time that the conference was held in South Africa and Durban was proud to be the host city.

The International conference on Innovation and Entrepreneurship (ICIE 2014) invited researchers, practitioners and academics from around the world to present their research findings, work in progress, case studies and conceptual advances in any branch of the above fields. The conference brought together varied groups of people with different perspectives, experiences and knowledge in one location. It aimed to help practitioners find ways of putting research into practice and researchers to gain an understanding of real-world problems, needs and aspirations.

The conference was held at the iconic Moses Mabhida Stadium in Durban and kicked off with the keynote address by Dr Taddy Blecher, a well-known proponent of innovation. The remainder of the conference was split into various streams, focussing on research undertaken on entrepreneurship education, gender inequality in entrepreneurship, innovation in universities, the role of Small, Medium and Micro Enterprises, creative industries, banking and finance, and entrepreneurial growth, to name a few. There was also a panel discussion on smart cities and their contribution to economic development. Ahmed Simjee of IBM, highlighted that there are three vital components of a smart city; charisma, resilience and vitality. Bold leadership is required, together with transparency and holistic connectivity.

For more information on the conference, please contact innovate.durban@durban.gov.za



2015 CALENDAR			
Launch	4 March	One-day Business Plan Workshop	2 June
Registrations Open for the 'Hackathon'	5 March	enterPRIZE Challenge Applications Close	12 June
Deadline for Submissions in the Hackathon	15 May	Final Judging Event	23 June
Hackathon Event	25-29 May	Youth Innovation Summit	24-25 June
Registrations Open for the enterPRIZE Challenge	28 May	Award Ceremony	25 June
Team Presentation to Judges	29 May		

Upcoming Events

Innovation Week 2015

The first part of Innovation Week 2015, the Youth Innovation Challenge, commences on the 25th to 29th May, with the Hackathon, powered by IBM. This will take place at the Unite Building at the University of KwaZulu-Natal and is only open to participants who have registered and been shortlisted for the Hackathon. Registration for the Hackathon opened on the 5th March and closes on the 15th May 2015.

The enterPrize Challenge registration opens on the 28th May 2015. This is open to all participants of the Hackathon. Registration for the enterPRIZE Challenge closes on the 12th June 2015.

The Youth Innovation Challenge leads up to the Innovation Summit which takes place on the 24th to 25th June 2015. The awards function for the Youth Innovation Challenge takes place on the second day of the Summit.

For registration and more information, please visit the Innovate Durban website on <http://innovate.durban.gov.za> or contact innovate.durban@durban.gov.za

Looking Ahead to the Next Edition

The EDGE looks at topical and current issues that affect decision-makers in eThekweni. The theme of our next edition will focus on the Property Sector in eThekweni. The latest available data on key economic indicators will also be provided.

The EDGE is produced by the eThekweni Economic Development and Investment Promotion Unit's Policy, Strategy, Information and Research (PSIR) Department. For feedback or queries, email Aurelia Albert on Aurelia.Albert@durban.gov.za or phone 031 311 4015.

