



SAKHA ITHEKU **SHAPE DURBAN**



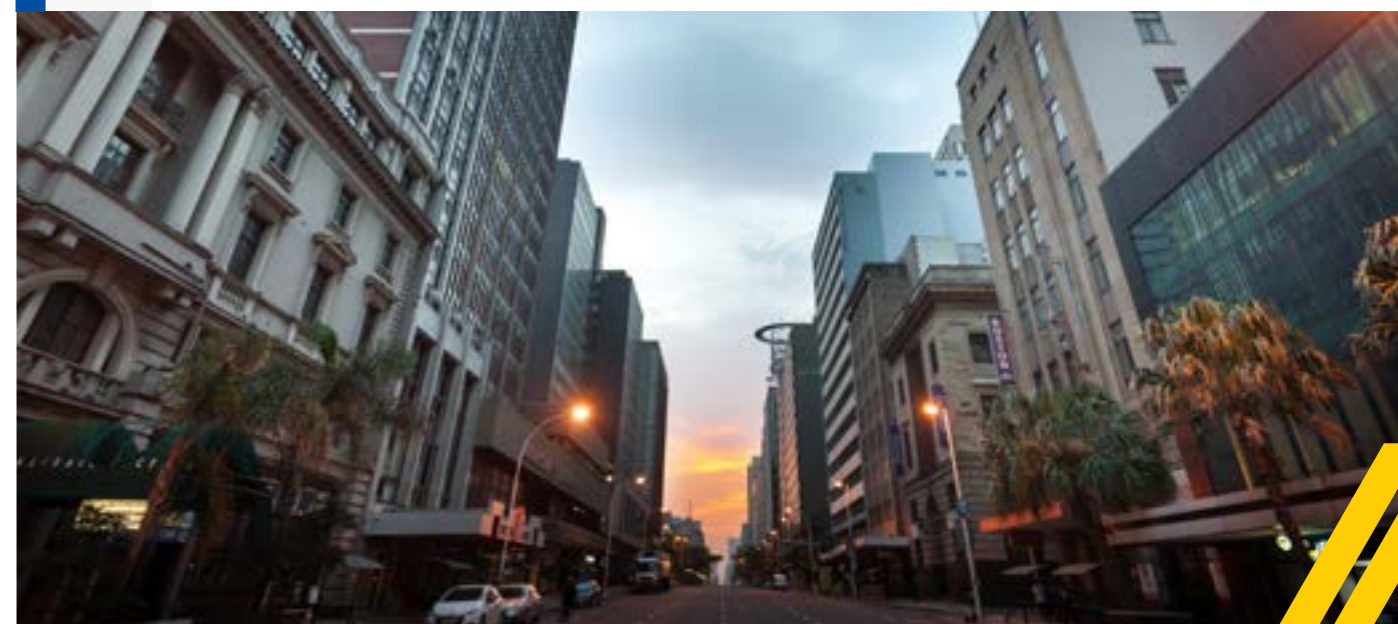
**Five Year Economic Recovery and
Shared Growth Path**

2022 - 2027

CONTENTS

4	CHAPTER 1	Time For Change
6	CHAPTER 2	Whole New World
8	CHAPTER 3	What's Happening in Mzansi?
8		3.1 National Context
8		3.2 eThekwini Context
9		3.3 Comparative SWOT Analysis
10		3.4 We're In This Together
10		3.4.1 Priorities of the National ERRP
10		3.4.2 Pillars of eThekwini's Economic Recovery Plan
11		3.4.3 The District Development Model (DDM)
12	CHAPTER 4	Key Priorities and Considerations for Sakha iTheku // Shape Durban
12		4.1 Key Consideration of Sakha iTheku // Shape Durban
13		4.2 Policy Considerations
14		4.3 Spatial priorities
14		4.4 Sectoral priorities
15		4.5 An Environmental Response
17		4.6 Green and Just Recovery
17		4.7 New Governance for Successful Recovery
18	CHAPTER 5	Life After Lockdown
18		5.1 Scenario 1: Mediocre - Road to Nowhere
19		5.2 Scenario 2: Consolidation - Stuck in the Middle
20		5.3 Scenario 3: Expansion - Sunshine and Sweetness

22	CHAPTER 6	Sakha iTheku Shape Durban Strategy
23		6.1 Strategic Focus Areas of the Strategy
23		SFA 1: Compact, productive, and liveable city that connects citizens with economic opportunities
26		SFA 2: Re-industrialised economy through localisation and investment in targeted industries
29		SFA 3: An inclusive and shared economy
32		SFA 4: Government that is capable, customer-centric, enabling, efficient and integrated
33		SFA 5: Vibrant tourism destination that celebrates its cultural and creative endowment
36		6.2 Economic Development Company
37	CHAPTER 7	Key Success Factors
38	CHAPTER 8	Conclusion
39	CHAPTER 9	Annexure



A TIME FOR CHANGE

In 2020 the world found itself battling the worst pandemic (Covid-19) in a century, which plunged the global economy into recession. eThekweni was already in recession at the start of the pandemic, and this has continued to deepen, resulting in increased unemployment and the closure of hundreds of micro and small businesses. The municipality responded quickly by developing an economic recovery plan which, alongside national measures, moderated the economic impact of Covid-19 while protecting the poor and most vulnerable groups. The eThekweni Economic Recovery Plan is now complete, paving the way for the Sakha iTheku // Shape Durban strategy, which represents a framework for collective action to rebuild and regenerate the local economy.

This strategy will not only address the impacts of Covid-19 on the local economy, but also the aftermath of the recent civil unrest in eThekweni. The recent riots in KZN have sent the province into an even more perilous economic state. The unrest, although sparked by political grievances and factions, was a direct result of the alarming rates of unemployment, inequality and poverty within the province. The priority for the Sakha iTheku // Shape Durban strategy is to rebuild the economy in a more inclusive and sustainable manner, by leveraging global trends such as Industry 4.0 (4IR) and the Green Economy.

The economic development strategy, in collaboration with Shape Durban and the eThekweni Economic Council, firmly supports the nation's call to build solidarity. The municipality and all its stakeholders are required to work together to rebuild an economy which works for all its people, an economy that fosters innovation, broadens access to all citizens and builds sustainability. The purpose of the report is to outline eThekweni Municipality's Sakha iTheku // Shape Durban strategy.

Road to Sakha iTheku // Shape Durban: Key Achievements

Prior to commencement of this strategy, the eThekweni's Economic Recovery Plan resulted in several key achievements.

MONITORING AND RESPONDING TO FINANCIAL POSITIONING AND HEALTH OF THE ECONOMY

- First economic recovery plan that was developed at a local government level in the country – which has been recognised by the National Treasury.
- Webinar presented on the World Bank Competitive Cities platform.
- 3% added to economic growth in 2020 as a result of the economic recovery strategy (according to PricewaterhouseCoopers).
- Established a hotline in April 2020 to rapidly respond to businesses in distress.
- Prevented the closure of many businesses through payment deferrals.
- Developed an economic impact modelling tool for eThekweni and facilitated training for officials.
- State of economy report presented on numerous internal and external platforms.
- Improved access to customer data to be used for more impactful influence on City decisions.

CREATING AN EXTRAORDINARY ENVIRONMENT FOR CONSTRUCTION AND INVESTMENT

- R2,34bn of foreign direct investment (FDI) was retained in 2020, while R3,5bn in FDI was attracted in the 2020/2021 financial year, and an estimated 2,400 new jobs were created.
- Investments by Defy, Cambridge University, and Denel on the production factory of the new Impilo ventilators with 17 local small, medium and micro enterprises (SMMEs) supplying locally sourced components.

- Various awards achieved, e.g., "CNN Money / International Investor" Award for the "Best FDI City" in Africa and Bloomberg Nominee for Best FDI Destination.
- Online planning application system and processing times reduced by 30%.
- Sakha iTheku // Shape Durban waiver of planning applications fees to facilitate a boost to the construction industry – with commercial space being approved to the value of R642 million.
- R217bn worth of catalytic projects being facilitated (which is expected to create 620,000 jobs) and progress being reported.
- City's 6-month capital budget expenditure created 3,900 jobs (2,100 operational and 1,800 construction)

RE-STARTING THE TOURISM SECTOR

- Prevented the closure of B&Bs through rates recategorisation.
- Awards through tourism marketing achieved.
 - Durban is nominated for: Africa's Leading Business Travel Destination 2021, Africa's Leading City Destination 2021 & Africa's Leading Festival & Event Destination 2021
 - The ICC is nominated for Africa's best international conference centre
 - King Shaka International Airport as Africa's Leading airport
 - Southern Sun Maharani and Elangeni as best conference hotel in Africa
 - Oyster Box as best leading Luxury Hotel in Africa
- 12 new blue flag beaches were awarded.
- Partnership with TIA360 (Tourism Investment Africa) – collaboration on tourism expansion.

SUPPORTING THE RURAL, TOWNSHIP AND INFORMAL ECONOMY

- Approximately 3,000 informal and township businesses received national support and a further 8,000 are currently being considered.
- Sourcing of municipal goods from small businesses supported transformation.

INDUSTRIALISATION AND GROWING KEY SECTOR

- Channelled online support through clusters (automotive, chemicals, clothing, furniture, etc) to member and non-member firms.
- 'Buy Local, Invest Local' campaign to support local businesses.

The conclusion and marked successes of the Economic Recovery Plan holds the City in good stead to commence with a new 5-year strategy, the Sakha iTheku // Shape Durban strategy.



CHAPTER 2

A WHOLE NEW WORLD

The International Monetary Fund's recent World Economic Outlook (2021) indicates that the global economy experienced an average annual GDP growth rate of -3.2% in 2020, which is the lowest since the Great Depression in the 1930s. The health crisis has set off a financial-economic crisis, amid a climate crisis. The lockdown and social distancing regulations have

led to a decline in global production and employment. Several countries and economies across the globe have fallen into recession.

The key influencing factors on the global economy that have been identified are:

- COVID-19 recession
- Green economy – a just transition
- Industry 4.0
- Brexit and trade wars
- Conflict in the Middle East
- Continental Free Trade Area – African Union
- Fiscal health of African trading partners
- Competition and issues of dumping

GLOBAL INFLUENCING FACTORS

Figure 1: Global Influencing Factors

Global trade in goods and services plummeted in the first and second quarters of 2020 as recorded by the World Trade Organisation (WTO). Among Durban's largest trading partners are the UK and neighbouring Southern African countries. Durban's exports to the UK consist of high value products such as motor vehicles and electrical machinery, while exports to markets such as China are mainly raw materials, metals, and other commodities. Although Brexit does pose some downward pressure for Durban manufacturers (since it

will dampen growth in the UK), more concerning is the financial health of the neighbouring African countries. Several of these countries, some being Durban's largest export markets, have developed large debt burdens which pose risks to their economies in the years to come. Some countries, such as Zambia, are likely to default on debt repayments and may suffer economic hardship.

GLOBAL CITIES: RESPONSES TO COVID-19

A Covid-19 city-response analysis of 56 sample cities was conducted in a study published by UN Habitat. The results show three main responses as most dominant.

- 1 The first is housing-related measurements that have been taken by many of the developed and developing cities. This serves to protect the housing of the most marginalised groups. Global recommendations that can be applied to eThekweni for housing measures include:
 - Supporting a comprehensive upgrading strategy for informal settlements.
 - Planning for mixed-use communities.
 - Legislation to protect against evictions and forced removals.
 - Ensuring long-term affordability of housing.
- 2 Second is the economic measures that have been implemented to assist the respective economies with recovery (which is currently being carried out on a national and local level).
- 3 The third dominant response is WASH (water, sanitation and hygiene). Although dominant, WASH data indicated that cities that experience economic hardships were less able to effectively implement Covid-19 mitigation measures, and thus require more investment to help prevent the spread of Covid-19. Recommendations for WASH measures include:
 - Ensuring emergency coverage through decentralised water and sanitation services.
 - Maintaining affordability for a minimum level of basic services.
 - Establishing stronger labour and health protection for waste workers.
 - Connecting underserved settlements and providing basic urban services.



WHAT'S HAPPENING IN MZANSI?

3.1 National Context

South Africa is fraught with numerous problems that have aggravated the effects of Covid-19. The country still grapples with legacy issues stemming from Apartheid, including a major skills deficit; underperforming public healthcare; poor education outcomes; lag in innovation and technology; and rampant inequality. The downward pressure on the economy caused by the national debt and investment downgrades; electricity constraints; the unsustainable growth in social spending; and government inefficiency have created an environment of low business confidence and uncertainty. Any attempt to rebuild the economy must address these issues. Recent trends indicate that significant attention must be given to the effects of technological changes and Industry 4.0; climate risk and water as a limited resource; as well as matters associated with the conservation and promotion of biodiversity in the natural environment.

The South African economy is characterised by unsustainable growth in its national debt burden, due in part to the State-owned utility Eskom. Due to high levels of debt, Eskom has repeatedly been unable to meet national demand for electricity, which was largely responsible for the economic recession that the country found itself in at the end of 2019. The resulting energy crisis contributed to the sovereign rating downgrade to sub-investment grade by Moody's followed by a further downgrade in November 2020. While the electricity constraints are substantial and long-term in nature, government's legislative amendments which allow for municipalities to generate their own electricity is a significant opportunity for eThekweni to work with the private sector to encourage, promote, and generate renewable energy for the region.

Covid-19 brought a significant additional challenge to an economy that was already struggling with recession and deep structural challenges. According to the South African Reserve Bank (SARB) real GDP contracted by 7% in 2020 - the highest since 1920. The hard lockdown

had a significant impact on economic activity in Q2 of 2020. This has resulted in tax collection plummeting in 2020 and national debt levels accelerating in the short and medium term. Stats SA first quarter 2021 data indicates that South Africa recorded GDP growth of 1.1% in Q1 of 2021, following GDP growth of 1.4% in Q4 of 2020. The national unemployment rate (narrow definition) in the first quarter of 2021 has been reported at 32.6%, remaining mostly unchanged from the fourth quarter of 2020. The recent social unrest in KZN (and parts of Gauteng) has threatened an estimated 105,000 jobs (and counting), while Covid-19 continues to spread in the midst of the third wave. The economic devastation resulting from the unrest, together with the fast-spreading Covid-19 delta variant have pushed the local economy back onto a downward spiral, in spite of the recovery efforts made during 2020. Nevertheless, an opportunity exists to use this period of crisis to make much needed structural changes and return the national economy onto a positive growth trajectory.

A massive social relief and an economic support package of R500 billion announced by the President to mitigate against the impact of Covid-19 in the country. This package forms part of the second tier of the country's 3-phase economic response to stabilise the economy; address the decline in supply and demand; and protect jobs. The social relief and economic support package for the second phase will cater for an increased health budget to respond to the pandemic; the relief of hunger and social distress; support to affected companies and workers; and the phased re-opening of the economy. The third phase of the national Economic Reconstruction and Recovery Plan is to jumpstart the recovery of the economy as the country emerges from the pandemic.

3.2 eThekweni Context

The eThekweni economy is pillared on three platforms.

- Firstly, strong logistics infrastructure consisting of the Port of Durban; the road and rail network; a growing freight and passenger international airport; and the Dube TradePort Special Economic Zone (SEZ).

- Secondly, the combination of the port as well as the presence of a strong agricultural sector in the province has given rise to a sophisticated manufacturing sector with eThekweni being the second largest concentration of manufacturing activity in the country (after Johannesburg).
- Thirdly, the presence of scenic beaches; a sporting and events industry; and a sub-tropical climate which has spurred the growth of the tourism industry.

At the close of 2020, eThekweni continued to be a significant contributor to the country's economy, contributing 10.1% to South Africa's total GDP¹. The city is one of five major metros in the country, and hosts the third largest economy behind Tshwane (11% of national GDP) and Johannesburg (15% of national GDP), and followed by Cape Town (10% of national GDP) and Ekurhuleni (6.7% of national GDP).

According to the Stats SA Living Conditions Survey, eThekweni residents are less able to access higher order goods (such as a computer or a car) than their counterparts in Gauteng and Cape Town. This means that the local market, while important, is not significantly large enough to fuel the growth needed to address the structural economic challenges. This points to the need for export-led growth which includes improving the competitiveness of existing firms, attracting new FDI and promoting tourism. A strong need to focus on tradable sectors should be a priority for the City.

The result is that eThekweni has lower disposable income and purchasing power than the other large metros, creating fertile ground for the vulnerability in communities that is needed to invoke mass uprisings. A clear and urgent growth strategy is necessary to avoid further occurrences of unrest.

3.3 Comparative SWOT Analysis

South Africa has great natural wealth, and this along with a strong constitution, thriving private sector, and established democracy set the country on a positive

growth path. eThekweni's favourable climate, maritime economy, agri-industry, and environmental assets position the region for success. Some significant challenges to growth include low business and investor confidence due to public sector and infrastructural instabilities; high levels of national debt; inequality and poverty; crime; and corruption.

There are, however, several opportunities presented to overcome these major issues by leveraging strengths to foster an environment for sustainable growth. On a national level, growth in the tourism industry, commodities markets, and African trade create opportunities to increase trade and investment. Local opportunities exist in improving port efficiency, the ocean economy, renewable energy production, and promoting agri-business and manufacturing to move toward an export-orientated economy.

The severity of threats to the economy have come to light as a result of the recent riots and social unrest that have shaken the region. The lack of economic growth, contraction of the economy, and major job losses have led to an increasing social burden. By the end of 2020, a staggering 56.2% of the working-age population in eThekweni was unemployed or was not an active participant in the workforce. This is the highest rate compared with the other major metros, indicating that eThekweni is carrying a disproportionately greater burden of economically inactive citizens. In addition, the average disposable income in eThekweni is lower than Cape Town, Johannesburg and Tshwane, which means that this lower income has to be stretched to support the greater social burden in the region, resulting in severe economic hardships. Additional threats include further waves of the Covid-19 pandemic, the rising social unrest that could persist, the national debt crisis, skills migration and the decline in tax revenue.



3.4 We're In This Together

Various recovery plans are underway at national, provincial, and municipal levels. It is integral for these plans to align in priority areas, outcomes, and in implementation. This section provides a brief comparative SWOT analysis at a national and local level; outlines the central priorities upon which the national Economic Reconstruction and Recovery Plan (ERRP) is developed; and outlines the pillars of phase one of eThekweni's Sakha iTheku // Shape Durban strategy. In addition to the aligned recovery plans, a useful tool that can be utilised to ensure more cohesive and coordinated outcomes is the District Development Model (DDM). The supporting plans with the DDM form a web of interconnectedness that allow for effective synergies in the implementations of these plans.

3.4.1 Priorities of the National ERRP

The National Economic Recovery and Reconstruction Plan sets out to reposition the country onto a growth path by prioritising the following 9 priority areas:

1. Aggressive infrastructure investment
2. Employment orientated strategic localisation, reindustrialisation, and export promotion.
3. Energy security
4. Support for tourism recovery and growth
5. Green economy interventions
6. Gender equality and economic inclusion of women and youth
7. Mass public employment interventions
8. Strengthening food security
9. Macro-economic interventions

3.4.2 Pillars of eThekweni's Economic Recovery Plan

eThekweni's Economic Recovery Plan was founded on the following 11 pillars:

1. Monitoring and responding to the health of the Municipality and the economy
2. Facilitating the City's share of national support
3. Re-starting the tourism industry
4. Supporting the rural, township and informal economy
5. Creating an extraordinary environment for construction and infrastructure investment
6. Operationalising the Socio-Economic Relief Fund
7. Ensuring radical economic transformation in City procurement and expediting payments to small businesses
8. Building social coalitions and a Buy-Local Invest-Local campaign
9. Stabilising the city-owned entities
10. Public Employment Programme
11. Industrialisation and growth of key sectors

Figure 2: Pillars of eThekweni's Economic Recovery Plan

3.3.3 The District Development Model (DDM)

eThekweni Vision 2050 - A Leading Smart Port City Region that is Just, Safe, Resilient, Socially Cohesive and Culturally Expressive

The DDM promotes a joint, collaborative approach to governance at all levels. This allows for effective alignment of the respective recovery plans over the next 5-year period. The primary goal is to transform eThekweni into 'Southern Africa's Hub for Trade and Travel' by strengthening export sectors and tourism to secure inclusive, resilient, and innovative growth and employment outcomes, in a sustainable manner. This

should result in the following achievements. The eThekweni One Plan, an outcome of the DDM, is aimed at achieving the following goals over a 30-year period:

1. Improvement of service delivery and the development impact within the eThekweni metropolitan.
2. To localise and synergise the National Development Plan (NDP) with the associated key national plans, while maintaining a socio-economic and spatial development logic.
3. To express a coherent and predictable government approach in relation to key priorities through the One Plan, for growth and development of the eThekweni metropolitan.
4. To implement an impact performance framework tracking the commitments and spending of all three spheres of government.

The alignment opportunities for these goals of the One Plan and the SFAs of the Sakha iTheku // Shape Durban strategy are abundant. The advantage of Sakha iTheku // Shape Durban is that it aims to achieve the shared goals of the One Plan in a much shorter period of 5 years rather than the 30-years proposed by the One

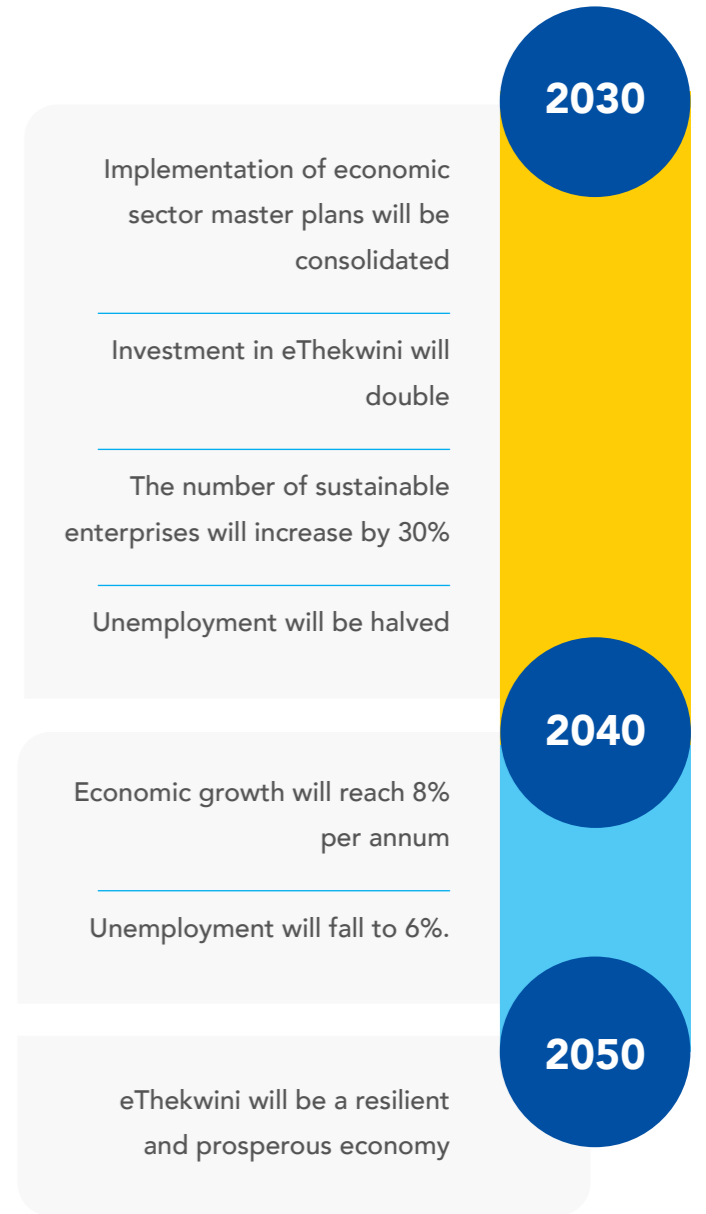


Figure 3: Expected Achievements of the District Development Model



CHAPTER 4

KEY PRIORITIES AND CONSIDERATIONS FOR SAKHA ITHEKU // SHAPE DURBAN

Sakha iTheku // Shape Durban is built on 7 pillars that form a sound foundation, from which strong policy recommendations can be made. These are presented below along with the spatial and sectoral priorities of

the strategy, as well as the environmental response followed in arriving at the strategy with an approach for a green recovery.

4.1 Pillars of Sakha iTheku // Shape Durban

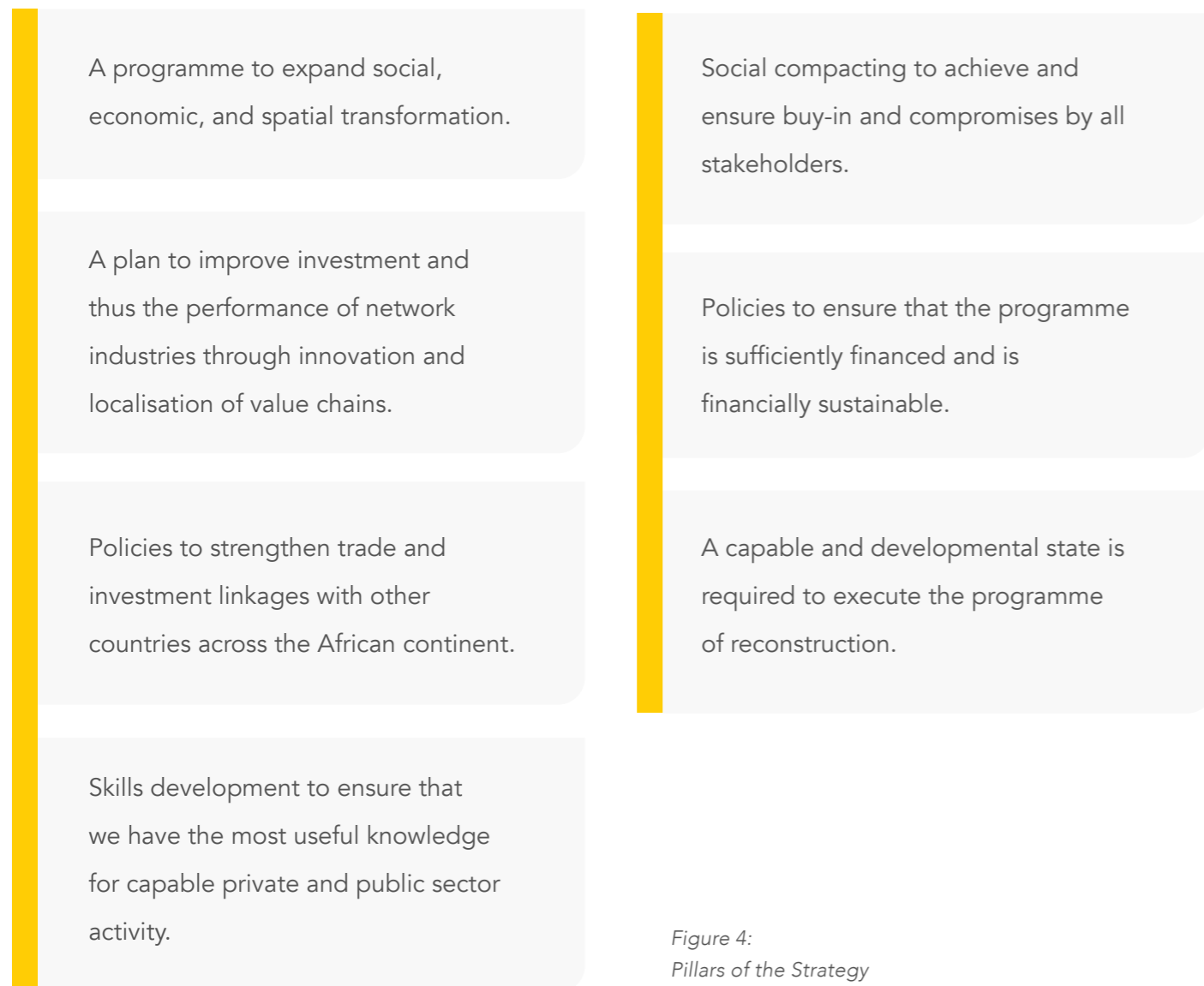


Figure 4: Pillars of the Strategy

4.2 Policy Considerations

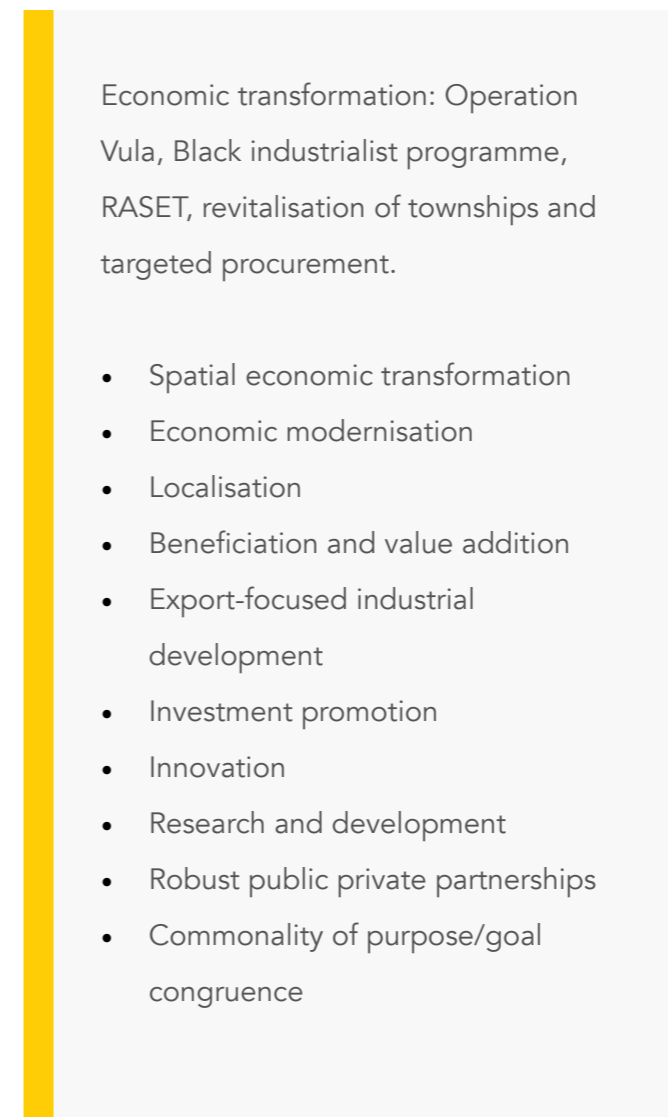


Figure 5: Policy Considerations for Sakha iTheku // Shape Durban

In addition to the policy considerations presented above, a framework of guiding principles² to be applied when developing policies should also be considered on the way forward. These are included below:



Figure 6: Framework of Guiding Principles



4.3 Spatial priorities

The following spatial and sectoral priorities have been outlined in the strategy:

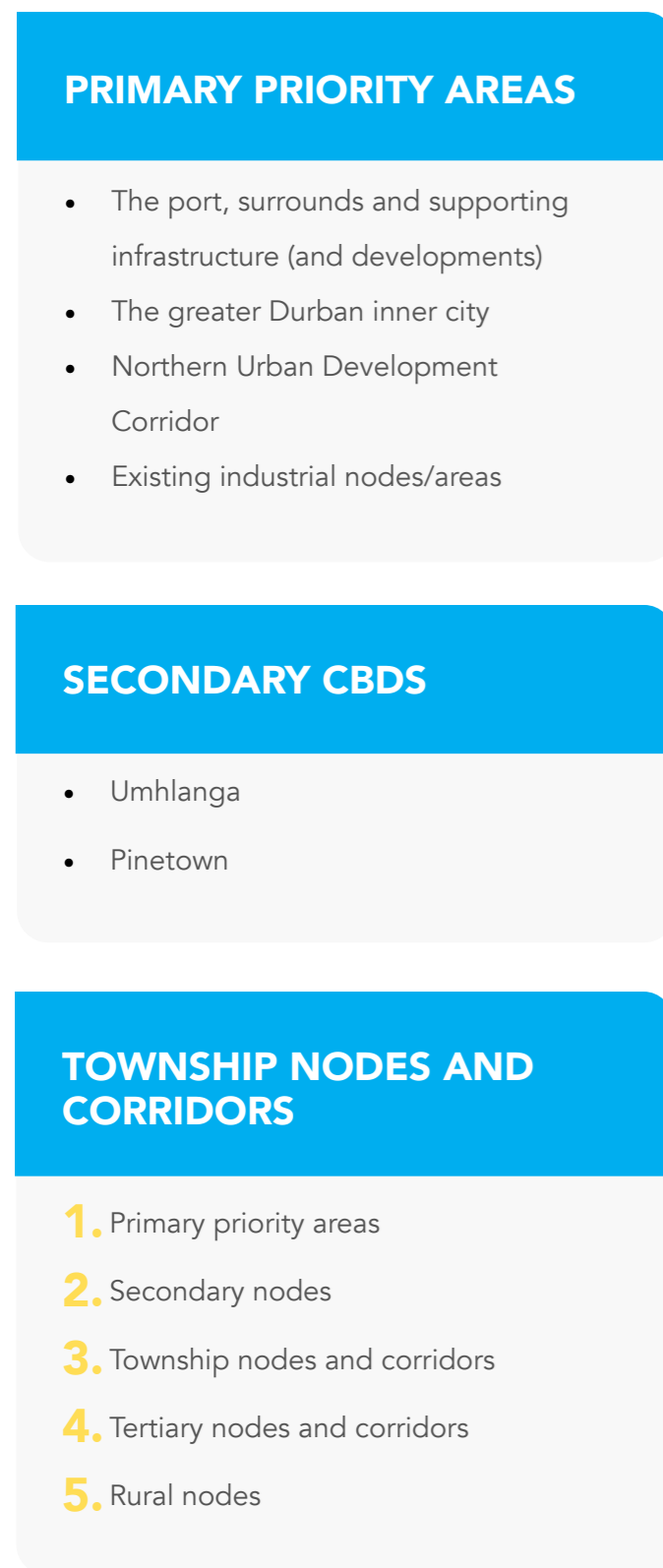


Figure 7: Spatial Priorities of the Strategy

4.4 Sectoral priorities



Figure 8: Sectoral Priorities of the Strategy



4.5 An Environmental Response

A greater consciousness for the natural environment and ecosystems that are impacted by economic development needs to be built into the plans for the future of eThekwini. Some of the key issues for consideration are:

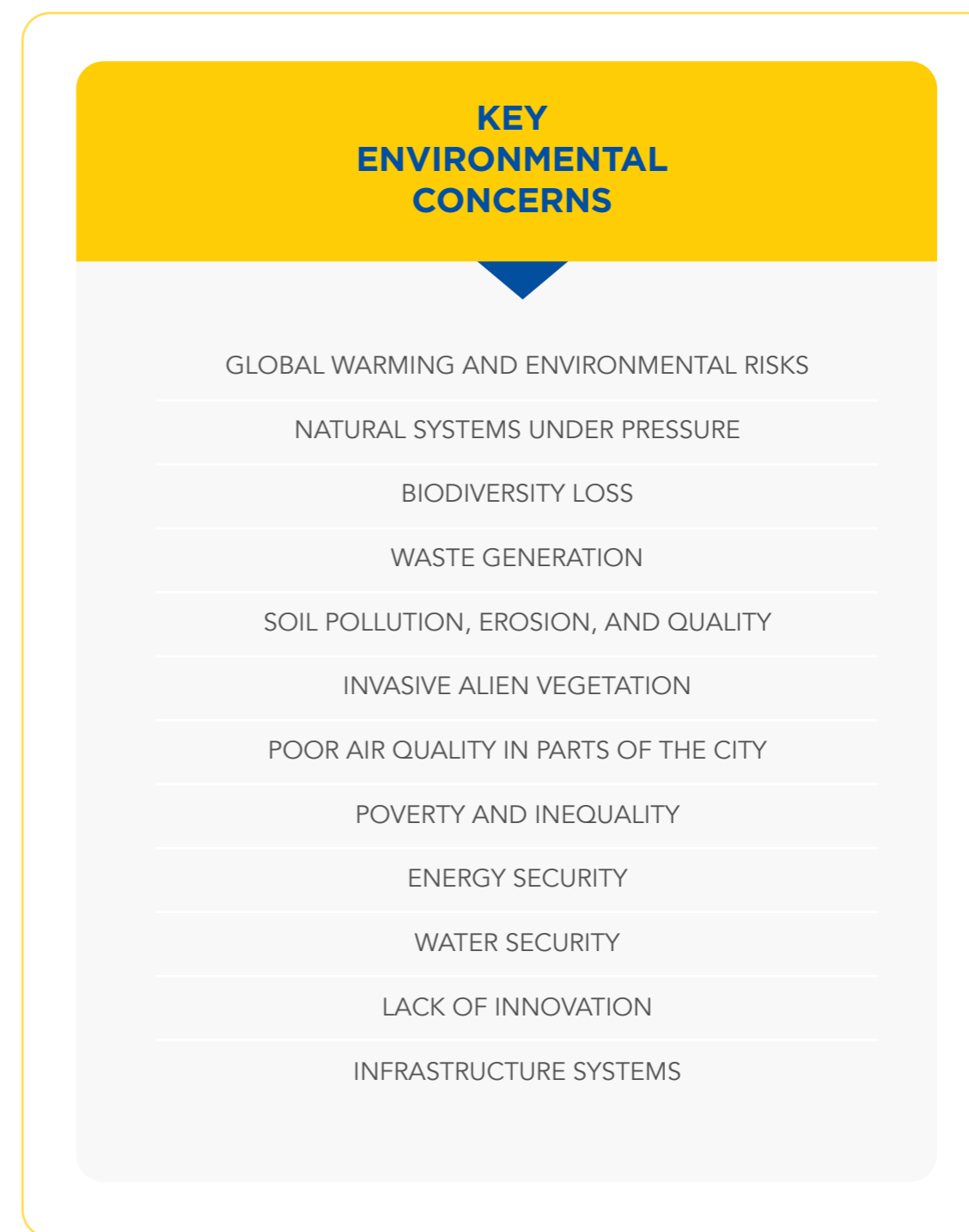


Figure 9: Key Environmental Considerations Shaping the Strategy

In order to address these issues the following response areas within the economy must be activated to achieve environmentally sustainable outcomes:

INDUSTRY TRANSITIONS

The key sectors requiring transition are petrochemical, plastics, and sugar. Special attention is to be given to carbon efficiency, innovation in R&D, water efficiency, and renewable energy.

CIRCULAR ECONOMY

Using this approach for municipal projects, through the support of special purpose vehicles and SMMEs, will reduce waste and environmental damage.

RENEWABLE ENERGY

The intention is to support SMMEs in this sector, especially via procurement through Independent Power Producers.

SPATIAL FORM

The goal is to build a more compact and integrated city, with improvements to public transport.

ENVIRONMENTAL SERVICES AND INFRASTRUCTURE

This will include improved maintenance and relief through the Expanded Public Works Programme (EPWP). Pollution control will play a major part in environmental protection with greater monitoring and enforcement by Environmental Health to ensure compliance within the chemicals industries

BIODIVERSITY

Regular Environmental Impact Assessments and impact monitoring is to be conducted. Rates incentives are to be offered as part of biodiversity protection programmes; which will involve long-term planning and risk mitigation.

ECO-TOURISM

Investment in tourism must be cognisant of the environmental impact. Private sector investment into eco-tourism is to be managed in an eco-friendly manner, with enhanced environmental protection and maintenance.

4.6 A Green and Just Recovery

The C40³ mayors have launched the Global Mayors Covid-19 Recovery Task Force which is responsible for guiding Covid-19 recovery policies that will assist cities in rebuilding the economy in an equitable, inclusive, and sustainable way⁴. The following principles have been shared to guide policymakers:

- The recovery, above all, must be guided by an adherence to public health and scientific expertise.
- Cities must strive for excellence in public services, public investment and increased community resilience in order to mitigate the risk of future threats (e.g., waves and variants of Covid-19, climate crisis etc.).
- Cities must leverage new technologies to accelerate the creation of new industries and green jobs. An innovative approach to job creation is needed in the following spaces: renewable energy, the circular economy, sustainable transport, and low-carbon infrastructure.
- Ensure support from the national government to secure further investments.
- Aim to attract direct investment from international and regional institutions.

eThekwini must commit to 'green job creation' within an inclusive economy that ensures equity for its citizens and resilience for its future, while prioritising the health and wellbeing of all constituents of the ecosystem.



4.7 New Governance for Successful Recovery

A report published by UN HABITAT makes recommendations on new governance measures as a means to embrace the 'new normal' that has arisen from Covid-19. The following recommendations must be considered at a municipal level:

1. Promote an integrated and co-operative approach between different levels of governance.
2. Ensure emergency preparedness that is effectively integrated into health governance.
3. Enhance public engagement by strengthening democratic decision-making structures.
4. Promote transparency and trust building to maximise public support and compliance.
5. Exploit the opportunities that digital technologies offer for improved governance, but alongside a clear commitment to equitable access and human rights.

Figure 10: Areas of Response



³ C40 is a global network of cities (of which Durban is a member), dedicated to addressing climate change

⁴ C40 Mayors' Agenda for a Green and Just Recovery, C40 CITIES 2020

CHAPTER 5

LOOKING FORWARD

Three different scenarios have been mapped out to depict the paths and outcomes of various potential approaches to be taken over the next 5 years. These scenarios take into consideration the global, national, and local contexts with varying action plans.

5.1 Scenario 1: Mediocre (Road to Nowhere)

Scenario 1 outlines the consequences of continuing to implement existing strategies and policies. In the case where the global economy contracts, trade in the Eurozone declines, and Covid-19 recovery is hindered, the following implications are forecasted:

AT A NATIONAL LEVEL

South Africa's national revenue shortfall will grow, while the debt-to-GDP increases to 140%. The electricity crisis will worsen, leading to a further decline in business and investor confidence. Plans for the SEZ programmes will be curtailed, and the 5-year average growth in GDP will contract by 1.2%. These outcomes will result in a deeper poverty crisis, increased unrest, and greater policy uncertainty.

AT A LOCAL LEVEL

This scenario describes doing the same thing, but expecting different results. Port inefficiency will persist, with poor investment in maintenance. Bulk infrastructure will inhibit the growth of the Northern Urban Development Corridor (NUDC) and Cato Ridge. eThekweni is then overlooked as a key investment destination, due to poor customer orientation and government inefficiency which, in turn, hampers business development. Durban will experience a more severe loss of talent as the tech sector migrates to Cape Town, while skilled workers migrate to Johannesburg, Cape Town and Gqberha. Social unrest will occur more frequently, with growing racial tension. The persistent outbreaks of unrest will be fuelled by the failure to address the fundamental drivers of high inequality, unemployment and poverty. This will lead to higher crime rates, and in turn reduced FDI and tourism, with further contraction of the local economy. The climate risk and bio-diversity challenges will also limit growth of the economy. This will lead to further business closures and insolvencies, inferring that eThekweni could lose 6-8% of real income from its top 100 businesses. GDP growth, real unemployment, and eThekweni's average revenue will make insignificant incremental improvements over the 5-year period.

5.2 Scenario 2: Consolidation (Stuck in the Middle)

Scenario 2 tells the story of the implementation of short-term relief and mitigation strategies. While impending crises may be averted, the medium-to-long term outcomes suffer. In this scenario the global economy recovers from the pandemic, reverting to a pre-pandemic state. The global technology and services sectors boom, while the trend in human investment grows. The following scenario outcomes are predicted:

AT A NATIONAL LEVEL

South Africa will experience superficial economic recovery, meaning it may not be long-term. The debt-to-GDP will stabilise at 100%, and the sovereign debt crisis will be temporarily averted. The incremental consolidation of state-owned enterprises (SOEs) could allow electricity constraints to somewhat stabilise, leading to less erratic business and investor confidence. Poverty and income inequality remains the same as it was pre-pandemic. There will be a 5-year average GDP growth of 2%.

AT A LOCAL LEVEL

This scenario describes the position of being stuck between change and déjà vu. There will be insignificant incremental improvements to port efficiency and to bulk infrastructure in the NUDC and Cato Ridge areas, while the inner city declines. The decision to implement the Economic Development Company (see Impact Priorities of ERRP) is made, however a lack of funds will dampen success. While there may be minor improvements applied to the electricity challenges and to human capital development, eThekweni will still be overlooked as a key investment destination. The technology sector will experience marginal growth, with talent migrating to Cape Town and Johannesburg. Climate risk and biodiversity will continue to conflict with economic growth. Real estate investment markets will expand only to benefit the wealthy consumer segment, while inequality only marginally declines. As a result, crime will persist at the current levels, with further sporadic outbreaks of riots and social unrest, as unemployment and inequality remain high. With little to no poverty relief, communities become more vulnerable. The 5-year average GDP and city revenue growth is forecasted to be positive but incremental.



5.3 Scenario 3: Expansion (Sunshine and Sweetness)

The third scenario, the most desirable of the 3, requires a fundamental departure to pave a path for both economic recovery and regeneration. This scenario sees the global economy recovering from the pandemic, with a new economic impetus. The global technology, services, and green energy sectors boom. Based on this, the following predictions are made:

AT A NATIONAL LEVEL

The country's economic recovery will be accelerated, and debt-to-GDP will stabilise at a more desirable 80%. The meaningful restructure of SOEs will result in solidified integrity of institutions, and electricity security will return. This will lead to improved business and investor confidence. A new and innovative approach to SEZs will attract further FDI. The introduction of 5G and 6G broadband, and increased internet access to citizens will improve education and livelihoods. The 5-year average of GDP growth is forecasted at 3.2%.

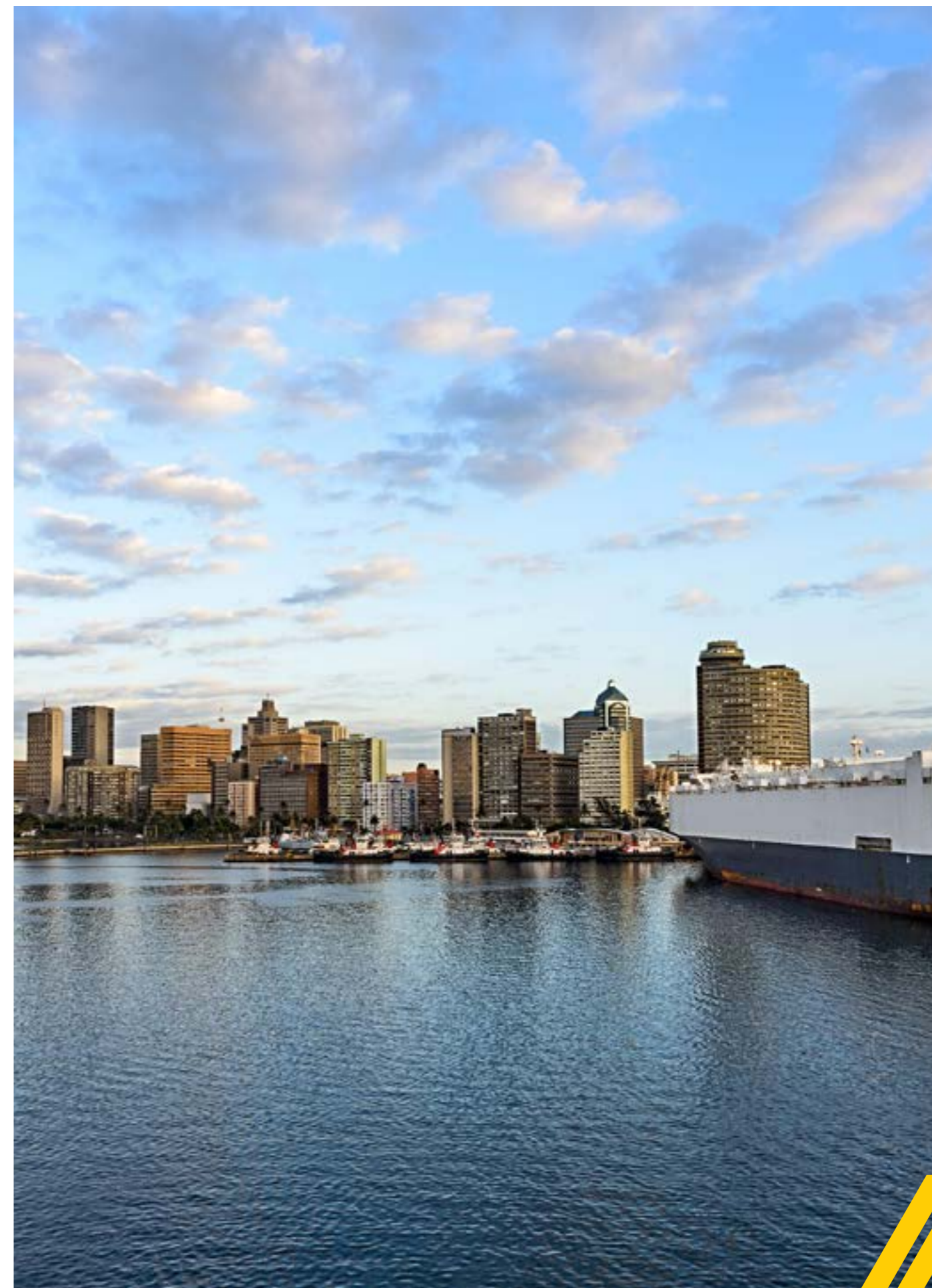
AT A LOCAL LEVEL

This scenario indicates that it is time for a step change. The port efficiency and capacity improves in a sustainable manner. Innovative approaches are applied to new bulk infrastructure finance, through partnerships with the private sector, to improve maintenance and facilitate upgrades. The Economic Development Company is established and effectively aids catalytic partnerships, with the top 10 catalytic projects being unlocked. The municipality can now prioritise economic development more effectively and successfully promote job creation. The inner city is regenerated and there is a shift from an import-orientated to an export-orientated market, capitalising on local initiatives. Electricity security is achieved through improvements in the national grid,

as well as major local green energy projects being administered. Human capital development grows, and entrepreneurship programmes are implemented at educational institutes. eThekwini can now attract key FDI and can become a key destination for investment in the export sectors. Additionally, innovation capabilities are boosted through an Innovation Hub/ SEZ, with high growth in subsidised internet access to middle- and low-income population groups. This will be initiated through the establishment of a dedicated company that will drive connectivity through municipal fibre. The tech industry is set to expand and growth in the green economy is achieved. The successful implementation of the proposed growth strategies will result in the 5-year average GDP rising to 3.5%, as eThekwini's average revenue grows by 1.8%.

A rapid and substantial investment in economic infrastructure is required to achieve the projected successes of scenario 3. eThekwini has fundamentally changed the way in which budgets are structured to accommodate economic development. This is a critical change that is required to ensure financial, economic, and social sustainability. The development and implementation of a separate Unrest Recovery Plan (URP) is underway and requires alignment and a coordinated effort in implementation between Sakha iTheku // Shape Durban and the URP.

eThekwini is now at a crossroads where, should there be a failure to implement the necessary strategies, the city will be plagued with spiralling inequality, rampant unrest, and dwindling finances due to disinvestment. It is time for a crucial step change, only then can scenario 3 be achieved. This is, by far, the most desirable scenario of the three on the road to recovery, hence scenario 3 forms the basis of the Sakha iTheku // Shape Durban strategy over the next 5 years.



SAKHA ITHEKU SHAPE DURBAN STRATEGY

Imagine a Durban where...

A mother casually strolls down the brightly lit street under the moonlight with her infant in confidence of their safety,

Where every citizen feels that they are making a valuable contribution to their society,

Where everyone who seeks work finds a meaningful way to earn an income,

Where good quality education is free for every child or youth,

Where every home has clean water and reliable electricity,

Where everyone breathes fresh air and values the natural environment,

Where safe, reliable, efficient, and affordable public transport is within walking distance from your home and work,

Imagine an eThekwini that works for its people.

In order to achieve this, eThekwini must capitalise on its strengths and opportunities while mitigating its weaknesses (such as the small local market).

Therefore, it is proposed that eThekwini become:

“A Leading Smart Port City Region that is Just, Safe, Resilient, Socially Cohesive and Culturally Expressive”

In order to create a liveable city that works for all its residents, there must be good health, quality education, a safe environment and well managed public and private spaces. Infrastructure must support inclusive growth and people must have equitable access to economic opportunities. To achieve success, the municipality must focus on its relative advantages, which include:

- Export competitiveness and supply chain integration
- Tourism development
- Manufacturing output with focus on African and foreign markets.

The need to target the growth in tradable sectors is based on the relative advantage of eThekwini as a location that is export competitive as well as the relatively small local market and buying power. Hence this will form the core of the strategy, and informs the following 5-year mission statement:

“Strengthening of export sectors and tourism in order to secure inclusive, resilient and innovative growth and employment outcomes, in a sustainable manner”

6.1 Strategic Focus Areas of the Strategy

The strategy is premised upon the following five key strategic focus areas (SFAs) which are critical in order to achieve the identified targets. Through the successful implementation of Sakha iTheku // Shape Durban, eThekwini aims to become:

1. A compact, productive, and liveable city that connects citizens with economic opportunities
2. A re-industrialised economy through localisation and investment in targeted industries
3. An inclusive and shared economy
4. A government that is capable, customer-centric, enabling, efficient and integrated
5. A vibrant tourism destination that celebrates its cultural and creative endowments

There are several challenges to be addressed within each strategic focus area. Interventions are required from eThekwini Municipality, together with various public and private sector partnerships. Each SFA is listed below and details the corresponding challenges, the chosen strategies, and the project fulfilment required to implement these strategies.



A compact, productive, and liveable city that connects citizens with economic opportunities

The region is faced with various socio-economic challenges related to stigmas and sentiments shared within groups of our society. Homelessness has become rife, creating a larger segment of the population that is extremely vulnerable and often viewed as ‘a burden to society’ due to the squalor and criminal activities associated with street-dwellers. High crime rates and poor governance lower citizens’ trust in the government. The region cannot expect to realise SFA 1 without addressing these societal shortfalls. The purpose of SFA 1 is to address the following challenges faced in eThekwini:

- Crime, poor maintenance, and unstable bulk infrastructure – all of which contribute toward the decline in economic precincts.
- The high rate of homelessness and street-dwellers, including the stigma attached to this group of society.
- Lack of cohesion, communication, and integration within the municipality, which has given rise to a lack of trust from citizens.
- Weak public transport systems that are not affordable for a large majority of the population that depend on this to commute to and from their jobs.

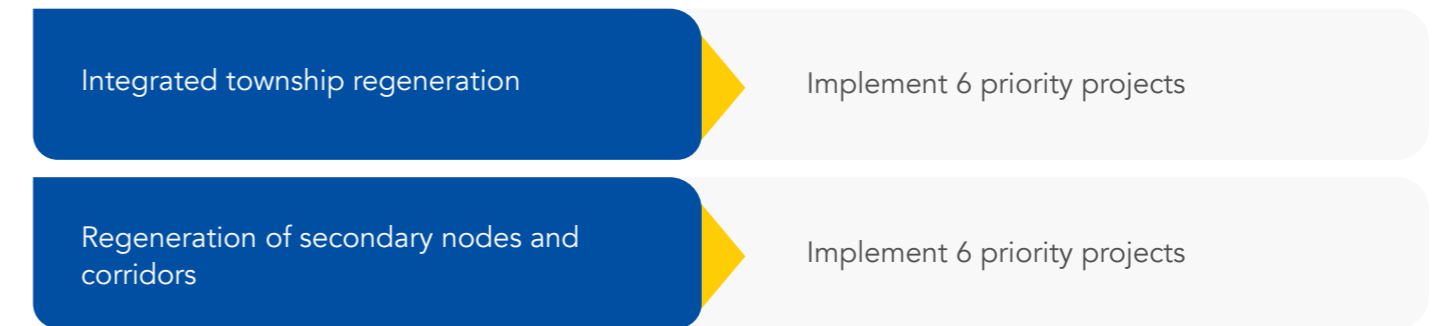
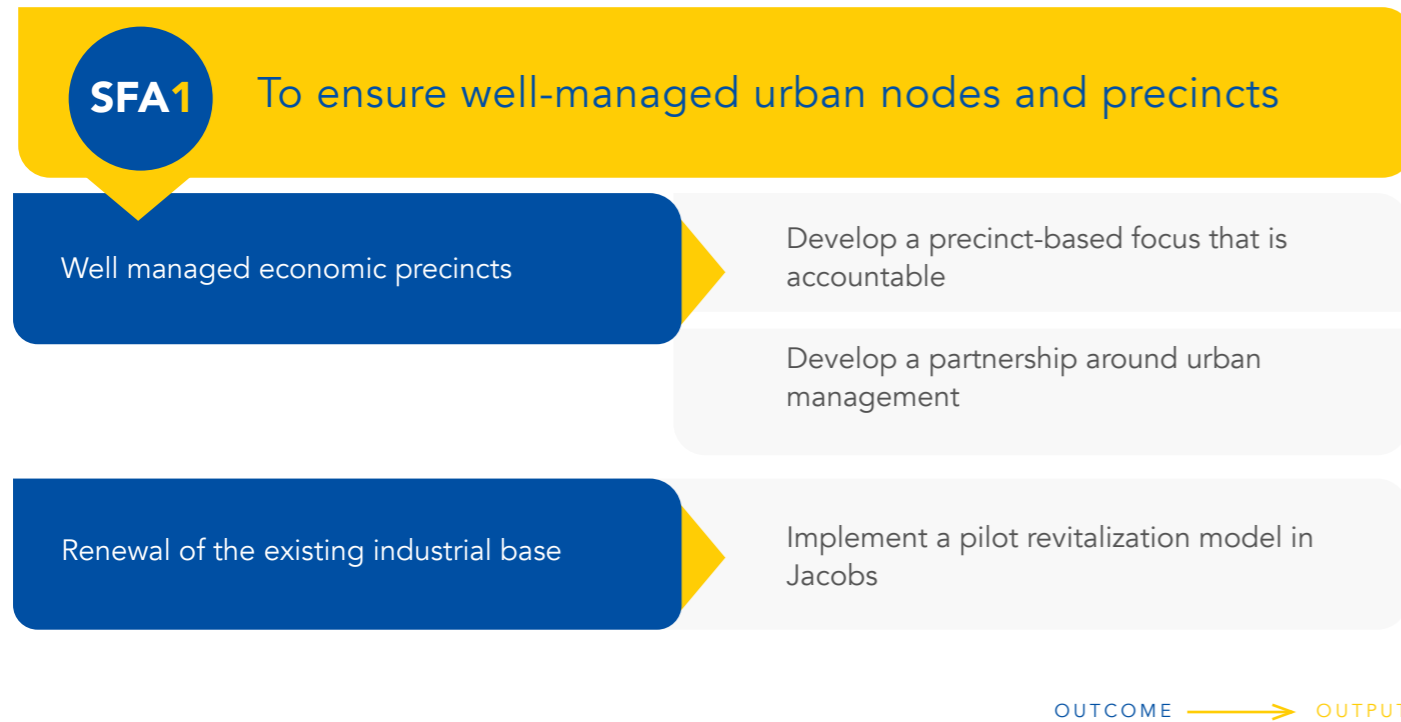
For eThekwini to achieve the goals of SFA 1, the following strategies must be implemented:



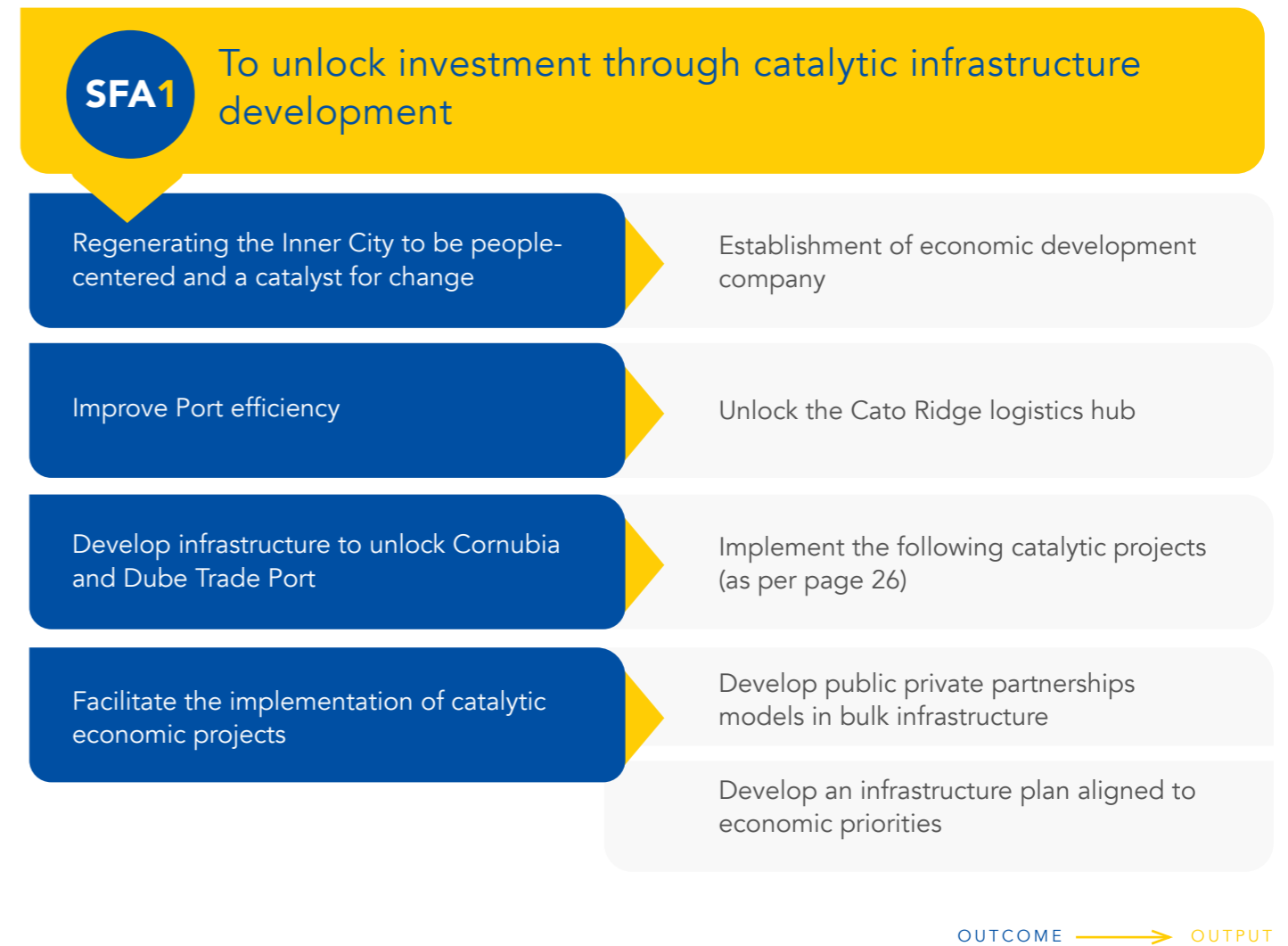
Strategic Outcome 1.1



Strategic Outcome 1.2



Strategic Outcome 1.3



The following catalytic projects will be facilitated by the municipality to ensure implementation:

- Repositioning and strategic investment into the Durban inner city and Point development
- Cornubia mixed-use growth sphere
- Dube TradePort Special Economic Zone
- Inyaninga industrial and mixed-use node
- Bridge City mixed-use township node
- Greater Corobrik industrial and logistics development
- Sibaya retail and residential node
- Cato Ridge Logistics Hub
- Hammersdale Keystone industrial and logistics node
- Newlands and P577 'mid-way' township node
- Science and Innovation Park
- Back of port redevelopment
- Virginia Airport redevelopment
- Ntshongweni multi-use node

Township and rural nodal regeneration will include the following key investments:

- Umlazi and Malukazi nodes and corridors
- Inanda, Ntuzuma, and KwaMashu Nodes and corridors
- Pinetown South Nodal development
- Mpumalanga New Town Centre
- Claremont and KwaDabeka upgrade
- Umgababa, Umnini, KwaXimba, Inchanga, and Hambanathi nodal developments

The following secondary nodes and corridors will be targeted for regeneration and investment:

- Pinetown central business district (CBD)
- Umhlanga CBD
- Transport corridors (Go Durban C1, C2 and C3 corridors)

Changes in policy direction are required in order to achieve ambitious changes in eThekwini.

POLICY CHOICE 1

Given the municipality's current limitations in its ability to fund bulk infrastructure, a public-private partnership model is a key way of achieving bulk infrastructure provision. The following two pilot projects have been identified to benefit from such partnerships:

- Ntshongweni Multi-Use Node
- Cato Ridge Logistics Hub

POLICY CHOICE 2

The municipality establishes an Economic Development Company – a commercial entity – focused on leveraging municipal land holdings and venture capital for optimal development. Such a strategy is in line with policy objectives and strategies defined by the municipality. The priority for such an entity will be inner city regeneration, along with other key strategic interventions. This approach will provide the flexibility needed to bring creative approaches to inner city redevelopment.

SFA2 Re-industrialised economy through localisation and investment in targeted industries

One of the most monumental challenges currently faced in the country (and region) is the energy crisis. The country's dependency on coal, together with poor investment and maintenance has placed increasing strain on the economy. Additionally, a large percentage of youth have been effectively excluded from the economy due to a lack of education and employment opportunities, leading to high youth unemployment rates.

The purpose of SFA 2 is to address the following challenges faced in eThekwini:

- Volatility in the provision of energy (load-shedding and carbon dependency), resulting in low levels of foreign direct investment.
- Youth are marginalised and lack the opportunities to become economically active participants – there is also a significant skills mismatch in the marketplace.
- Struggling to keep up with global industry trends related to innovation, Industry 4.0, and green initiatives.
- Lack of effective support systems for entrepreneurs and SMMEs, including poor access to information and the high cost of connectivity.

For eThekwini to achieve the goals of SFA 2, the following strategies must be implemented:

Strategic Outcome 2.1

SFA2

To become a preferred African destination for investment in tradable sectors

A competitive and world class Investment Promotion Agency

Identify target markets and firms

Undertake targeted investment attraction

Strategic FDI attracted in identified industries

Implement a marketing strategy

Undertake advocacy, monitoring and reporting

Provide competitive investment incentives

Strategic Outcome 2.2

SFA2

To become an export-driven economy that builds sustainable and localised value chains

Energy security achieved and green economy fostered

Investment in energy generation through the Economic Development Company

Establish an independent power producers programme

Develop the green economy and economy wide adoption of renewable energy and circular economy principles

OUTCOME → OUTPUT





The following policy choices are required for consideration:

POLICY CHOICE 3:

It is proposed that a commercial energy generation entity is established which can supply the municipality as well as the private sector with renewable energy where appropriate. In addition, eThekweni has issued a request for information in order to procure 400MW of new generation capacity from independent power producers. This is in line with the newly adopted Energy Transition Policy which is a phased transitional approach that will enable eThekweni to source 40% of its electricity from renewable sources by 2030. It is recommended that battery development by electrical entities be supported, as these will act as necessary energy storage facilities in future.

The following targeted industries are identified for support and development:

PORT, OCEAN ECONOMY AND LOGISTICS

- Maritime engineering, ship and boat building and repair
- Ocean tourism, oceanic study, renewable energy, and sport
- Logistics administration

MANUFACTURING (EXPORT ORIENTATION)

- Automotive supply chain
- Agri-processing and agri-business
- Chemicals
- Clothing, textiles, leather, and footwear
- Wood products, furniture, and pulp
- Electronics and electrical machinery.

INNOVATION, SERVICES, AND TECHNOLOGY

- Business process outsourcing (BPO)
- Information and communication technology (ICT) and innovation
- Life sciences and biotechnology

GREEN ECONOMY

- Renewable energy
- Biodiversity protection and regeneration

- Carbon efficiency
- Circular economy
- Eco-tourism
- Conservation and related public employment.

TOURISM

CREATIVE INDUSTRIES

The municipality will continue to use its current key enablers which include the establishment and support of industry clusters and special purpose vehicles which are measured against targeted outcomes.



An inclusive and shared economy

Many black South Africans remain excluded from the formal economy, which is both an Apartheid legacy issue, as well as a socio-economic problem. The high level of inequality and racial bias that is prevalent has become a debilitating factor that affects the standard of living of the average South African, and hampers economic growth. In eThekweni there is a large and growing informal economy, however the informal economy does not receive the adequate support that is required for informal entrepreneurs to grow their livelihoods.

The purpose of SFA 3 is to address the following challenges faced in eThekweni:

- Poor support provided to the informal economy.
- Township areas that were historically economically excluded still lack integration into the formal economy.
- Access to skills development, productive capital, and investment is limited.

For eThekweni to achieve the goals of SFA 3, the following strategies must be implemented:

Strategic Outcome 3.1



OUTCOME → OUTPUT



Strategic Outcome 3.2



OUTCOME → OUTPUT

SFA4 Government that is capable, customer-centric, enabling, efficient and integrated

A critical role of government is to create an environment that enables, promotes, and facilitates success. In the past, the municipality has lagged on several indicators, but has since instituted reforms through the Cities Support Programme’s ‘Sub-National Doing Business Reform’ process. Addressing the barriers and bringing about a mind-set shift within the municipality in particular, is critical to grow the local economy and create new jobs.

The purpose of SFA 4 is to address the following challenges faced in eThekweni:

- Lack of co-operative planning between municipality and stakeholders. The resultant silo effect within the municipality creates confusion and miscommunication, which hampers integration and long-term infrastructure planning.
- Decision-making processes are slow and cumbersome, resulting in low levels of business confidence tied to low customer satisfaction.
- Government inefficiencies and bureaucratic processes hinder the ability to do business, while the cost of doing business is relatively high, presenting a significant barrier to entrepreneurs and SMMEs. The apathetic culture within the municipality towards its customers also hampers the provision of assistance to those who require it.

For eThekwini to achieve the goals of SFA 4, the following strategies must be implemented:

Strategic Outcome 4.1

SFA4 To ensure that economic decision-makers and stakeholders are well empowered

Ensure that decision makers and stakeholders have accurate and insightful economic intelligence

- Ensuring the effective and representative functioning of the eThekwini Economic Council
- Develop one infrastructure plan across the Municipality and government
- Establish a smart learning lab which will initially focused on:
 - Procurement
 - Planning
 - Land value chain
 - Executive management dashboard
- Strengthen the economic intelligence and advisory service within the Municipality using data science and economic modeling

OUTCOME → OUTPUT



Strategic Outcome 4.2

SFA4 To become South Africa’s most business-friendly city

Drastically improving the business environment

- Build a customer orientation within the municipality through HR and skills training
- The City must create and nurture a municipal brand the engenders confidence
- Implement a Business Confidence Index (BCI) as a measure of success
- Implement a business environment enhancement programme which includes:
 - The sub-national doing business (SNDB)
 - Business process improvement and digitization programme

OUTCOME → OUTPUT

POLICY CHOICE 4
Establishment of a team of experts sourced from within the municipality, and supplemented where necessary, who will be tasked with implementing the critical policy shifts and strategic success factors contained within this strategy. This team will report to the Mayor and City Manager and be adequately resourced to implement the critical shifts within a defined period of time. This policy choice is aligned with the Key Success Factors (see Section 7).

SFA5 A vibrant tourism destination that celebrates its cultural and creative endowments

To capitalise on the opportunities presented by the local endowments of climate, ocean, heritage and skills at a community level, a key focus will be placed on this area, in order to turn endowments into employment opportunities, in a sustainable way.

The purpose of SFA 5 is to address the following challenges faced in eThekwini:

- A lack of brand awareness and poor support from national government; inadequate support of SMMEs within the tourism sector; the adverse impact of crime and grime; and limited growth and presence in higher value foreign markets.
- There is limited support for local artists and creative industries, often resulting in the migration of talent to Gauteng and Western Cape. There exists large unrealised employment potential in the cultural and creative industries.

For eThekwini to achieve the goals of SFA 5, the following strategies must be implemented:

Strategic Outcome 5.1



OUTCOME → OUTPUT

Strategic Outcome 5.2



OUTCOME → OUTPUT



6.2 Economic Development Company

An Economic Development Company will be established as a vehicle to drive the implementation of the Sakha iTheku // Shape Durban strategy and to aid in key development goals. The focus of the company will be to fuel investment toward property development in the inner city, back of port, and industrial zones. Direct investment will be channelled into green energy projects, thus encouraging entrepreneurial activities within a more sustainable and energy-efficient economy. The purpose of investment will be for the renewal of placemaking; improved urban management; more creative development; and the provision of effective solutions to homelessness in the region.

The 3 key focus areas of the Economic Development Company will be:

1. Property development - Municipal property will be made available to the Company for development purposes, as well as to transact with and use as collateral to raise funding against.
2. Venture capital investment – this will be driven toward green energy projects, as well as investment to support innovative start-ups in the commercialisation of products.
3. A non-profit component which is focused on renewal through placemaking, urban management, supporting creative industries in public spaces and addressing the plight of the homeless.



CHAPTER 7

KEY SUCCESS FACTORS

The following set of key success factors needs to be prioritised at a municipal, intergovernmental, and private sector level. These key success factors are required to support the implementation of the strategy.

Municipal Factors

- Establishment of strategic economic agency (focusing on inner city and back of port)
- Development of a venture capital fund and SMME investment pipeline
- Strategic and catalytic green energy development
- Development of automotive supplier park SEZ
- Establishment and resourcing of the investment promotion agency
- Develop an innovative model of bulk infrastructure funding to unlock NUDC and Cato Ridge, with a municipal focus on maintenance and upgrades.
- Implement a business improvement process within the municipality which uses technology adoption and citizen engagement to reengineer business processes to be more efficient and customer-centred
- Promotion of customer-centric and business-friendly culture within municipality
- Implement and promote localisation and transformation in procurement
- Leverage private sector tourism investment into key parks and cultural assets to create jobs and maintain assets.
- Abolishment of parking requirements in inner city and key nodes
- Work toward introducing a safe, efficient, and cost-effective public transport system that is aligned with economic nodes and corridors
- Develop an integrated safety and security plan for key economic nodes
- Establishment of a regional school-based entrepreneurship league and science and technology competition
- Development of an innovation park SEZ in partnership with universities and government departments
- Procurement of 400MW of green energy within the

next 5 years, through which SMME development is promoted

- Incorporating impact based reporting into the municipal reporting framework

Intergovernmental Factors

Encourage full and effective COVID-19 vaccination of the population

- Construction of second access to port
- Drive investment into tourism interface between the port and inner city
- Support technology adoption in KZN licensing function which introduces innovation and a significant improvement in efficiency, as well as customer orientation through partnerships (e.g. TVETs)
- Improve systems to facilitate appointments at Home Affairs, leading to a significant reduction in queues.
- Enhance entrepreneurship training at schools, TVETs, and universities
- Drive local innovation competitions and promote entrepreneurial culture in schools
- Improve alignment between industry skills requirements and education institutions
- Ensure national and provincial department are aligned to city's Skills Development Facilitator (SDF)
- Ensure more efficient infrastructure approvals
- Review of Municipal Finance Management Act (MFMA) to allow for innovation and creativity
- Support the localisation of master plans

Private Sector Factors

- Ensure continuous employee training, development, and innovation
- Commitment to transformation in alignment with industry targets
- Application of shared-value business models, drive for localisation, and development of innovative business models
- Adoption of carbon reduction processes and technologies
- Channelling investment into social challenges and programmes



CHAPTER 8

CONCLUSION

While the municipality's conservative approach has always ensured its stability, the same approach has not risen to meet the challenge of unemployment or transform the city into a place that works for all its people. Recent events have brought to light the palpable fragility of the region, and the desperation of its poorest citizens. The eThekweni Municipality finds itself at a defining crossroads. The municipality needs to move from conservatism to a more expansive mindset. The creation of commercial entities focused on power generation, property development and inner city regeneration, as well as the implementation of public-private partnerships are cornerstones of that shift. These do not necessarily point to several different companies, but rather the change in approach, which needs to undergo due diligence to determine the optimal structure. It is vital for both provincial and national governments to support eThekweni Municipality in this strategic turnaround plan as the region plays a crucial and indispensable role in the operations of the South African economy as well as the SADC region.

Implementation Plan

Once this strategy is approved, an implementation plan with a detailed resource plan will be sent to Council for consideration. It is recommended that the strategy receive approval in order for implementation to commence as soon as possible, so that eThekweni may begin to recover, regenerate, rebuild, and reposition itself onto a shared growth path.



CHAPTER 9

THE THEORY OF CHANGE

ANNEXURES



CURRENT CHALLENGES

There is a growing number of people living on the streets

There is a lack of an integrated response by government and role-player

The dominant narrative is to view them as a problem or in an in-human manner

Crime and poor maintenance are key drivers of decline in economic precincts

Decline in property value and economic output in the inner city

Uncertainty on bulk infrastructure delivery plans

Silo approach within municipality creates confusion

Spatial disintegration causes inefficiencies

The poor spend a high proportion of income on travel

STRATEGIC FOCUS AREA

SFA1

A compact, productive, and liveable city that connects citizens with economic opportunities

STRATEGIC OUTCOME

OUTCOME

OUTPUT

To become a city that recognises that all people are deserving of purpose, hope, and dignity

An inter-governmental approach to addressing homelessness

Establish an inter-governmental NPC

One stop centre for homeless

Develop the Inner City facility for homeless and drug rehabilitation

Business as an enabler for infrastructure

Engagement with business

Changing the narrative

Undertake awareness campaign

To ensure well-managed urban nodes and precincts

Well managed economic precincts

Develop a precinct-based focus that is accountable

Develop a partnership around urban management

Renewal of the existing industrial base

Implement a pilot revitalization model in Jacobs

Integrated township regeneration

Implement 6 priority projects

Regeneration of secondary nodes and corridors

Implement 6 priority projects

To unlock investment through catalytic infrastructure development

Regenerating the Inner City to be people-centered and a catalyst for change

Establishment of economic development company

Improve Port efficiency

Unlock the Cato Ridge logistics hub

Develop infrastructure to unlock Cornubia and Dube Trade Port

Implement the following catalytic projects (as per page 26)

Facilitate the implementation of catalytic economic projects

Develop public private partnerships models in bulk infrastructure

Develop an infrastructure plan aligned to economic priorities

CURRENT CHALLENGES

Low levels of FDI hampers growth and job creation

Load shedding negatively impacts industry and job creation

Industry 4.0 driving change

Industrial trend towards green economy

Global competition

There are low levels of innovation due to inadequate support

The youth are marginalised from the economy

A shortage and mismatch of skills is attributed to a lack of partnerships and low levels of access to opportunities to skilling

High costs of physical and virtual connectivity reduces competitiveness

Support systems for SMMEs (banks, government, etc) have critical failings

Poor access to information hinders business

STRATEGIC FOCUS AREA

SFA2

Re-industrialised economy through localisation and investment in targeted industries

STRATEGIC OUTCOME

OUTCOME

OUTPUT

To become a preferred African destination for investment in tradable sectors

A competitive and world class Investment Promotion Agency

Identify target markets and firms

Undertake targeted investment attraction

Strategic FDI attracted in identified industries

Implement a marketing strategy

Undertake advocacy, monitoring and reporting

Provide competitive investment incentives

To become an export-driven economy that builds sustainable and localised value chains

Energy security achieved and green economy fostered

Investment in energy generation through the Economic Development Company

Establish an independent power producers programme

Develop the green economy and economy wide adoption of renewable energy and circular economy principles

Competitive and growing export industries

Develop and support industry clusters in priority sectors to increase productivity and transformation

Catapult the innovation ecosystem

Develop an Innovation Hub (SEZ) through collaboration

Establish a venture capital investment fund and SMME pipeline in partnership with banks and other relevant stakeholders

Promote the design thinking methodology in Council and among youth

Establish an online innovation community and opportunities portal

Undertake rapid broadband commercialisation and community access via an NPC

CURRENT CHALLENGES

Low levels of FDI hampers growth and job creation

Load shedding negatively impacts industry and job creation

Industry 4.0 driving change

Industrial trend towards green economy

Global competition

There are low levels of innovation due to inadequate support

The youth are marginalised from the economy

A shortage and mismatch of skills is attributed to a lack of partnerships and low levels of access to opportunities to skilling

High costs of physical and virtual connectivity reduces competitiveness

Support systems for SMMEs (banks, government, etc) have critical failings

Poor access to information hinders business

STRATEGIC FOCUS AREA

SFA2

Re-industrialised economy through localisation and investment in targeted industries

STRATEGIC OUTCOME

To become an export-driven economy that builds sustainable and localised value chains

Develop the most enabling context in Africa for enterprise development

OUTCOME

Mainstream youth into the economy:

- Establish a school business league/fair
- Promote zero-rated websites assist youth
- Provide digital skills workshops
- Influence school curriculum

Create small business zones/collectives centred on key industries

Create an enabling environment for skills through partnerships with all stakeholders

Establish an NPC to drive fibre access and commercialisation

Implement a strategic product-based localisation programme

OUTPUT

CURRENT CHALLENGES

Many Black people are still excluded from the economy

High inequality is prevalent which has a racial bias

There is a large and growing informal economy which is diverse

Informal economy is poorly supported

Former township areas were economically excluded and still lacks integration into economy

Access to skills is limited and education outcomes are still below similar countries

Access to productive capital in townships is low

Low levels of localisation and high income leakage

Low levels of inward investment in townships

Productive sectors are poorly developed in townships

STRATEGIC
FOCUS
AREA

SFA3

An inclusive
and shared
economy

STRATEGIC OUTCOME

OUTCOME

OUTPUT

Development of an entrepreneurship ecosystem that fosters growth

The social and solidarity economy supported

Implement and grow public employment schemes such as EPWP, Zibambele, etc., to provide poverty relief and temporary employment.

Create a social procurement programme that includes: Bulk procurement, Agri parks, Contractor development and construction material, City garage, informal trader bulk buying, School nutrition programme, Community soup kitchens

Develop a rural social enterprise programme

A radical transformation in ownership of the means of production

Cross-sectoral radical economic transformation programme

Attract investment into township and rural nodes and corridors, using government investment as a catalyst for private sector investment

Develop the skills development academy aimed at engaging and improving outcomes in the TVET sector

Establish enterprise development catapult through targeted product supply chains on BBBEE SMMEs

Implementation of the radical agrarian socio-economic transformation (RASET)

Accelerating productive businesses in the township economy through hubs and innovations in key sectors: container/ food trucks, creative industries hubs, automotive hubs, furniture hubs, clothing and footwear hubs, etc.

CURRENT CHALLENGES

Lack of co-operative planning between Municipality and stakeholders

Silo approach within municipality creates confusion

Lack of integrated and long term infrastructure planning

Decision making process is slow

Low levels of business confidence tied to low customer satisfaction

Council decisions are often not led by evidence

Government inefficiency and red tape hinders business

High cost of doing business in EM is a barrier to SMMEs

Unhelpful and unfriendly culture within the Municipality towards its customers

STRATEGIC FOCUS AREA

SFA4

Government that is capable, customer-centric, enabling, efficient and integrated

STRATEGIC OUTCOME

OUTCOME

OUTPUT

To ensure that economic decision-makers and stakeholders are well empowered

Ensure that decision makers and stakeholders have accurate and insightful economic intelligence

Ensuring the effective and representative functioning of the eThekweni Economic Council

Develop one infrastructure plan across the Municipality and government

Establish a smart learning lab which will initially focused on:

- Procurement
- Planning
- Land value chain
- Executive management dashboard

Strengthen the economic intelligence and advisory service within the Municipality using data science and economic modeling

To become South Africa's most business-friendly city

Drastically improving the business environment

Build a customer orientation within the municipality through HR and skills training

The City must create and nurture a municipal brand the engenders confidence

Implement a Business Confidence Index (BCI) as a measure of success

Implement a business environment enhancement programme which includes:

- The sub-national doing business (SNDB)
- Business process improvement and digitization programme

CURRENT CHALLENGES

EM and KZN has substantial tourist attractions

Tourism is labour intensive and can absorb low skilled labour

Tourism has underperformed in relation to its potential

Low brand presence and poor support from national government

SMMEs require support to develop within tourism sector

Crime and grime impacts tourism

Domestic market presence but limited growth in higher value foreign markets

High levels of local creative talent are not translated into commercial success

Limited support for local artists and creative industries

Migration of talent to Gauteng and Western Cape due to greater support and opportunities

Large unrealized employment potential in cultural & creative industries

STRATEGIC FOCUS AREA

SFA5

A vibrant tourism destination that celebrates its cultural and creative endowments

STRATEGIC OUTCOME

To become a top-of-mind African tourism destination

Entrepreneurship growth through the rich cultural and creative heritage and expression

OUTCOME

A strong destination brand that influences the behavior of its target market

Destination experience and offering that supports the brand promise

Film and media sector that promotes enterprise growth

Cultural and creative industries that is well developed and celebrates Durban

OUTPUT

Develop a new tourism product and marketing strategy

Undertake bold and aggressive brand development and positioning

Develop 'brand synergy' through brand partnerships with the private sector

Establish a developmental events strategy linked to the city's brand

Undertake a product development strategy and implementation plan

Leverage business tourism investment into neglected nature reserves and cultural assets

Grow the film and media industry through the Durban Film Office and Film Studio

Develop a film studio through partnership with the industry

Support township and rural artists

Undertake a Creative and Cultural industry strategy

Take creative industries onto the street and public places (audience development and linked to urban renewal)