



URBAN-ECON
Development Economists

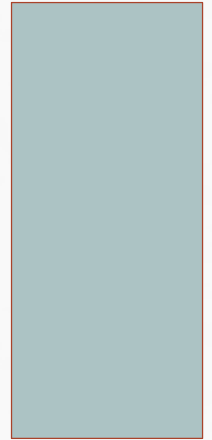
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LOCAL ECONOMIC DEVELOPMENT

SUMMIT



PURPOSE OF THE SUMMIT

- Present identified development opportunities
- Promote collaboration between business owners and the Lesedi Local Municipality
- Facilitate the implementation of LED interventions
- Consider the establishment of an LED Forum



WHAT IS LOCAL ECONOMIC DEVELOPMENT?

LED involves a collaborative effort by local stakeholders to create better conditions for economic growth and development.

OBJECTIVES

1. Realise comparative advantages
2. Job creation
3. Poverty alleviation
4. Partnership development
5. Remove obstacles to business
6. Encourage BEE

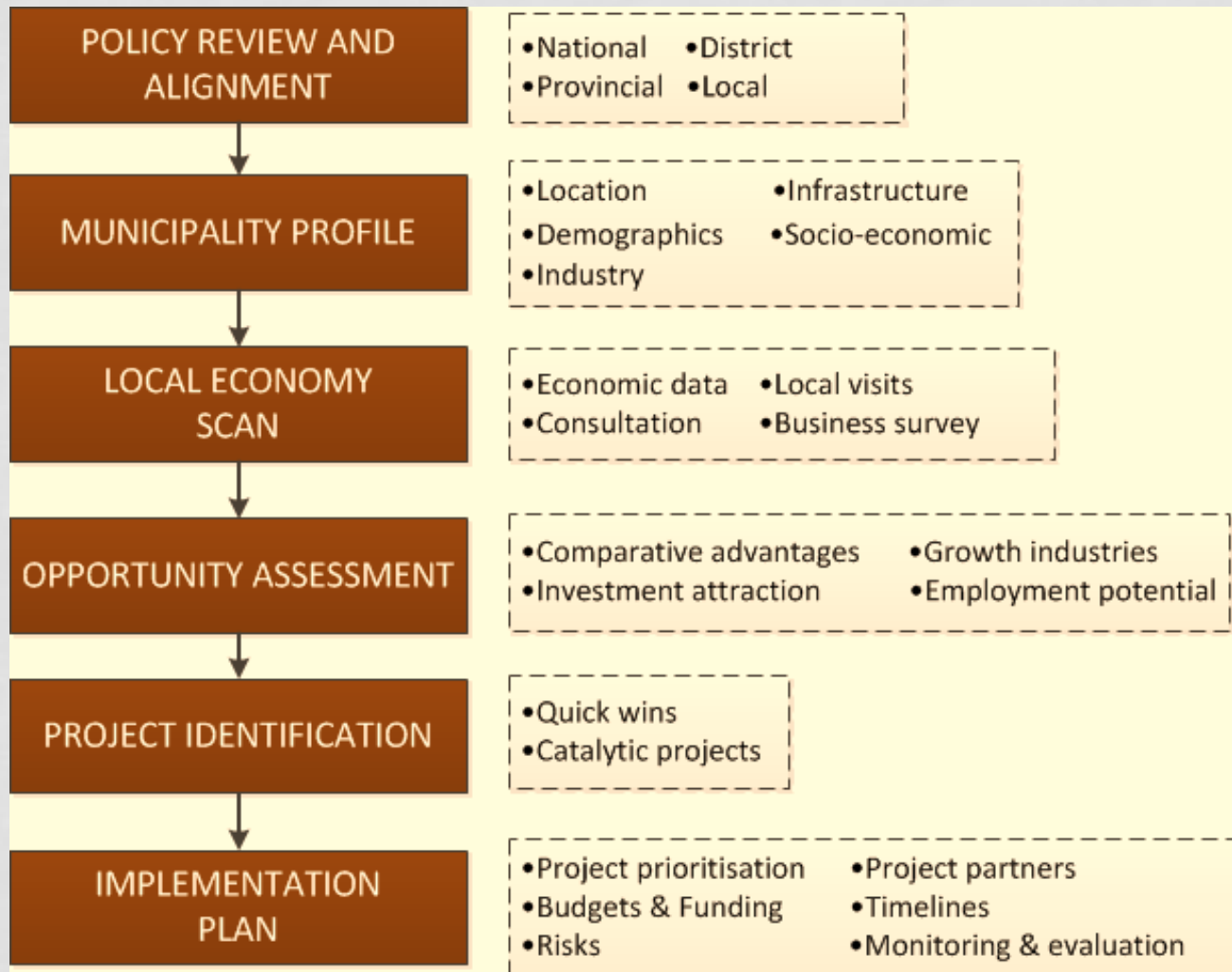
WHAT IS AN LED STRATEGY?

Acts as a blueprint for LED in the Municipality. To be utilised by the Municipal LED Unit in partnership with other local stakeholders.

OBJECTIVES

1. Analyse the local economy
2. Assess comparative advantages
3. Identify opportunities
4. Develop LED projects
5. Facilitate implementation

DEVELOPING THE STRATEGY



POLICY REVIEW AND ALIGNMENT

KEY POLICIES AND STRATEGIES

1. *National Development Plan*
2. *Industrial Policy Action Plan (IPAP) IV*
3. *Gauteng 2055*
4. *Gauteng Growth and Development Strategy*
5. *Sedibeng Growth and Development Strategy II*
6. *District and Local IDPs, SDFs and LED Strategies*

LED SHOULD FOCUS ON

1. Quick wins and catalytic projects
2. Sustainable job creation
3. Labour absorbing industries
4. Investment attraction
5. Rural and urban integration
6. Public-private partnerships

HIGHLIGHTS OF THE MUNICIPAL ASSESSMENT

1. Over 105 000 residents in 2013
 - *Average annual growth of 3.1%*
 - *44.2% of the population is under 25*
2. Relatively strong economic growth
 - *4.8% growth in 2011*
 - *Average annual growth of 3.0%*
3. Relatively diversified economy
4. Unemployment rate of 29.4%
 - *Sedibeng DM: 40.4%*
 - *Gauteng: 29.1%*
5. High level of service delivery
 - *Reliable electricity, water and refuse removal*

THE SMALL BUSINESS SURVEY

Surveyed over 160 small businesses in the Municipality

- *Formal and informal*
- *Heidelberg, Ratanda and Devon*
- *Representative of all industries*

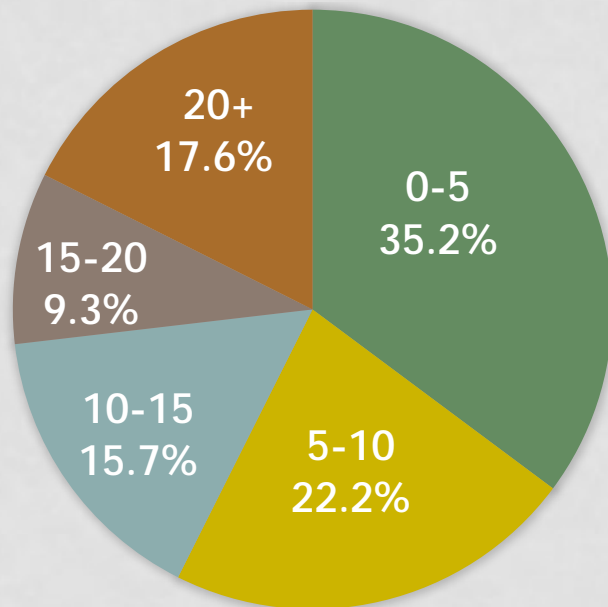
KEY FINDINGS

1. Relatively well diversified
2. Good business confidence
3. Strong representative organisation
4. Crime is not a major concern
5. General enthusiasm to participate in local development initiatives

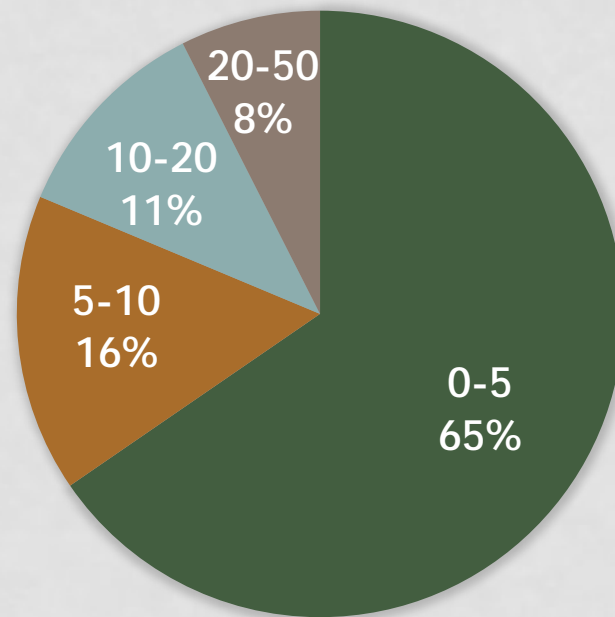
FORMAL SURVEY: SUMMARY

- 1) Large retail presence, but also represented in other industries
- 2) Vast majority are individually or family owned
- 3) 20% belong to a business entity/chamber

Years in Operation



Number of Employees



INFORMAL SURVEY: SUMMARY

- 1) Informal businesses are concentrated in **Ratanda** and the **Heidelberg CBD**
- 2) Primarily spaza shops, clothing and barbers
- 3) 15% belong to a representative/support organisation
- 4) More than half of informal business owners employ no extra staff
- 5) Average profit
 - In a good week: R1900
 - In a bad week: R800
 - Earn as much as R6000 a week and as little as R0

SWOT ANALYSIS

Strengths

- Location and accessibility
- Natural environment
- Good agricultural land
- Strong agro-processing
- Heidelberg CBD
- Active business chamber
- Good infrastructure & services

Weaknesses

- High unemployment Little economic potential in small rural communities
- Poor spatial integration
- Gradual decline in the Heidelberg CBD
- Skills shortages

Opportunities

- Underutilised land
- Large neighbouring markets
- Transport routes and facilities
- Gov. support for agriculture and agro-processing
- Industry participation in LED

Threats

- Global warming
- Potential water & electricity shortages
- Slow recovery in traditional export markets
- Industrial action

FOCUS
AREAS

1. Agriculture and Agro-Processing
2. Small Business and Retail
3. Urban and Township Revitalisation
4. Tourism Development
5. Transport and Logistics



AGRICULTURE AND AGRO-PROCESSING

OBJECTIVES, OPPORTUNITIES AND PROJECTS



OBJECTIVES

1. Business development and job creation
2. Household food security
3. Increased number of black farmers/producers
4. Fewer economic leakages
5. Beneficiation and product diversification
6. Increase market size and diversity



IDENTIFIED
OPPORTUNITIES

1. Strengthen the agriculture value-chain
2. Develop small-scale farmers and producers
3. Attract investment and projects to rural areas
4. Develop specialty and niche products
5. Export promotion and diversification

SMALL BUSINESS AND RETAIL

OBJECTIVES, OPPORTUNITIES AND PROJECTS



OBJECTIVES

1. Create income and employment opportunities
2. Increase entrepreneurial activity
3. Formalise informal traders and businesses
4. Increase the economic participation of black-owned businesses
5. Reduce barriers to entry



IDENTIFIED
OPPORTUNITIES

1. Maximise impact of the Heidelberg Mall
2. Business development and upgrades to the Heidelberg CBD
3. Business formalisation and support in rural areas
4. Consolidate a town centre in Ratanda

URBAN AND TOWNSHIP REVITALISATION

OBJECTIVES, OPPORTUNITIES AND PROJECTS



OBJECTIVES

1. Attract greater investment
2. Reduce the social and economic barriers between communities
3. Improve quality of life
4. Create an enabling business environment
5. Encourage tourism by improving business districts and tourism offerings



IDENTIFIED
OPPORTUNITIES

1. Improve the integration of Heidelberg and Ratanda
2. Invest in the development of business infrastructure
3. Encourage development of entrepreneurs
4. Promote the development of informal businesses

TOURISM DEVELOPMENT

OBJECTIVES, OPPORTUNITIES AND PROJECTS



OBJECTIVES

1. Promote the area as a tourism destination
2. Expand the target market
3. Improve the quality, visibility and accessibility of tourism offerings
4. Increase visitor numbers and spending
5. Create new small business and job opportunities



IDENTIFIED
OPPORTUNITIES

1. Market the region as a tourism destination
2. Increase the tourism impact of nature reserves
3. Promote heritage based tourism
4. Host an annual festival/event

TRANSPORT AND LOGISTICS

OBJECTIVES, OPPORTUNITIES AND PROJECTS



OBJECTIVES

1. Increase access to regional markets
2. Attract greater investment
3. Encourage local business development
4. Address the negative implications of transport
5. Improve the area's visibility and accessibility



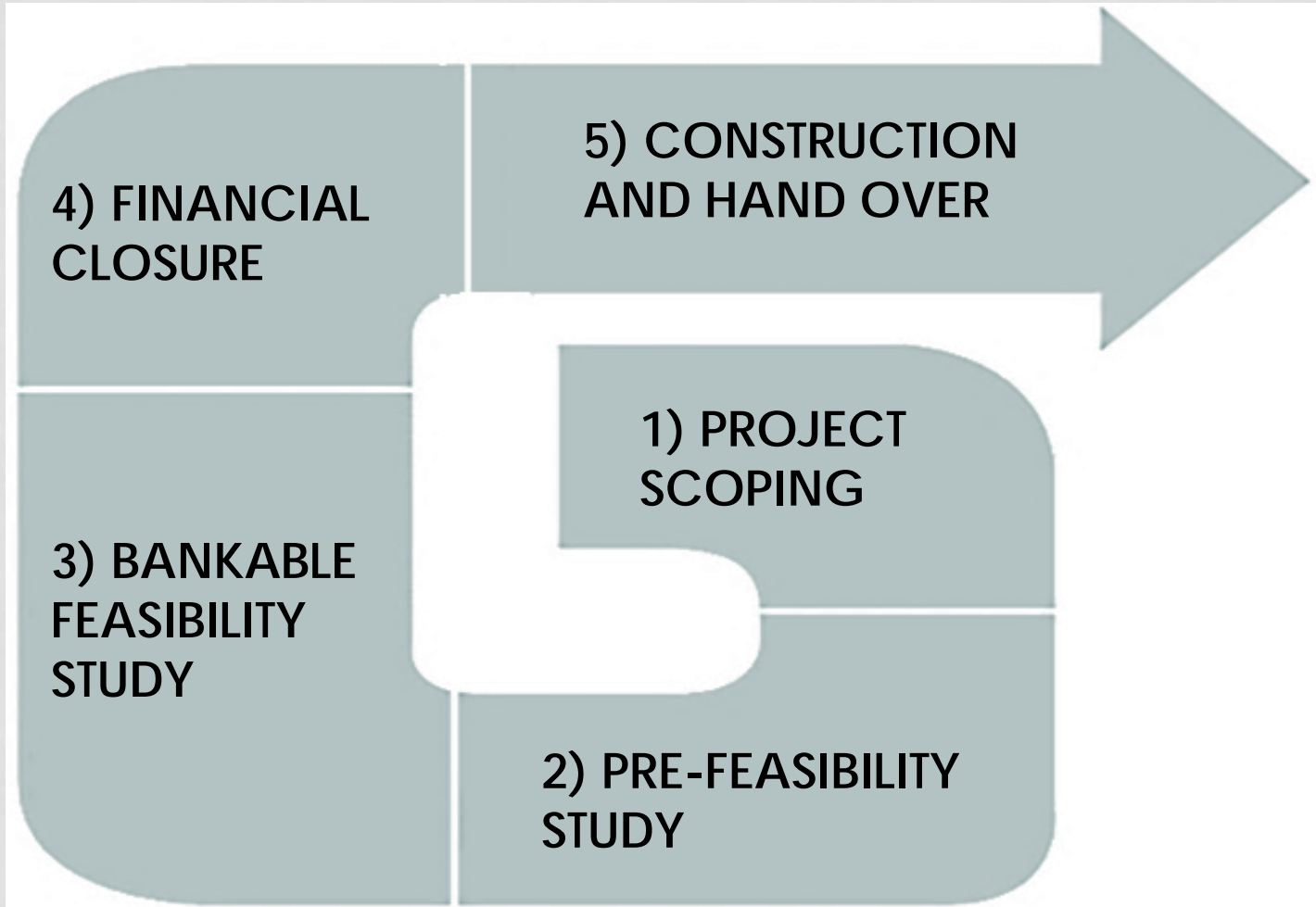
IDENTIFIED
OPPORTUNITIES

1. Maximise impact of the Transnet Bulk Liquid Terminal
2. Maximise opportunities relating to the Tambo Springs Inland Port
3. Address the impact of trucking
4. Facilitate tourism through transport interventions
5. Establish the region as a transport and logistics hub

PRIORITY PROJECTS

- Over 60 possible projects are identified in the LED strategy
- 15 projects are prioritised for implementation
- Implementation of these projects will be driven by the LED Forum

PROJECT LIFE-CYCLE



PROJECTS – Agriculture and Agro-Processing

PROJECT NAME		DESCRIPTION
1	Agro-Processing Cluster	<ul style="list-style-type: none"> • Linked to the proposed fresh produce market • Incubator for small-scale agro-processors
2	Spin-Off Opportunities	<ul style="list-style-type: none"> • Identify through consultation with agriculture businesses • Provide information to local co-operatives and entrepreneurs
3	Local Procurement	<ul style="list-style-type: none"> • Encourage local procurement by commercial farmers • Communicate BEE opportunities
4	Value-Adding Enterprise	<ul style="list-style-type: none"> • Conduct a feasibility study for developing 'value-adding enterprise' as part of the Langzeekoegat Precinct
5	Implement the Vegetable Tannery	<ul style="list-style-type: none"> • Address the outcomes of the Vegetable Tannery Feasibility Study <ul style="list-style-type: none"> *Develop a Business Plan *Identify funding sources *Assess the potential for a leather goods incubator
6	Facilitate Partnerships	<ul style="list-style-type: none"> • Facilitate partnership between emerging farmers and big businesses • Encourage skills transfer and improve business management
7	Community Gardens	<ul style="list-style-type: none"> • Facilitate the development of community gardens
8	Fresh Produce Market	<ul style="list-style-type: none"> • Feasibility study for Fresh Produce Market and collection depot

PROJECTS – Agriculture and Agro-Processing

PROJECT NAME		DESCRIPTION
9	<i>Support CRDP Projects</i>	<ul style="list-style-type: none"> • Support existing CRDP projects • Identify and conceptualise interventions • Lobby the DAFF for support
10	<i>Facilitate land reform</i>	<ul style="list-style-type: none"> • Provide information and support to applicants • Acquire land for municipal commonage • Link applicants to available support programmes (LRAD, CASP)
11	<i>Small-Scale Farmers: Niche Products</i>	<ul style="list-style-type: none"> • Encourage small-scale farmers to produce niche products <ul style="list-style-type: none"> * Provide information * Link farmers to support mechanisms * Assist with supply contracts
12	<i>Langzeekoegat Precinct</i>	<ul style="list-style-type: none"> • Identify business linkages to the Langzeekoegat Precinct • Incorporate niche and speciality products into the proposed Langzeekoegat Precinct agri-village
13	<i>Agriculture Exports</i>	<ul style="list-style-type: none"> • Provide information and support <ul style="list-style-type: none"> * Overseas markets, * Quality control * Export regulations * Logistics

PROJECTS – Small Business and Retail

PROJECT NAME		DESCRIPTION
1	<i>Entrepreneurship Strategy</i>	<ul style="list-style-type: none"> • Identify specific challenges and opportunities • Develop readily implementable interventions
2	<i>Labour Transition Centre</i>	<ul style="list-style-type: none"> • Provide employment transition/internship opportunities • Bridge the gap between education/training and employment
3	<i>Partner in Entrepreneur Support</i>	<ul style="list-style-type: none"> • Partner with the private sector and Sedibeng College in the delivery of entrepreneurial support * Assist with sustainability of the SMME Help Desk
4	<i>Micro-Lending/ Micro-franchise Organisations</i>	<ul style="list-style-type: none"> • Identify potential franchise to be launched in Ratanda
5	<i>Review the policy and Regulatory Framework</i>	<ul style="list-style-type: none"> • Streamline the registration process • Improve accessibility for informal traders • Use of new technologies • Collective registration of business
6	<i>One-Stop Shop</i>	<ul style="list-style-type: none"> • Introduce a one-stop-shop in Ratanda • Create a mobile/temporary unit for other informal areas • Offer registration and trade licensing services and support info
7	<i>Access to Credit and Finance</i>	<ul style="list-style-type: none"> • Recruit micro-lending agencies and bank branches to Ratanda • Provide incentives

PROJECTS – Small Business and Retail

PROJECT NAME		DESCRIPTION
8	<i>Support Existing Retailers</i>	<ul style="list-style-type: none"> • Provide information on small business opportunities and support • Encourage retailers to adopt customer friendly practices <ul style="list-style-type: none"> * Longer business hours and credit facilities * Specialisation in certain products or markets.
9	<i>Formal Trading Stalls</i>	<ul style="list-style-type: none"> • Establish formal trading stalls near the Heidelberg Mall
10	<i>Attract Corporate Social Investment</i>	<ul style="list-style-type: none"> • Collaborate with major retailers on their Corporate Social Investment
11	<i>Audit the Cost of Doing Business</i>	<ul style="list-style-type: none"> • Identify and address barriers to business establishment • Identify viable business incentives
12	<i>Create an LED Forum: Urban and Township Dev.</i>	<ul style="list-style-type: none"> • Objective is business attraction and development • Facilitate the Heidelberg CBD improvements
13	<i>Compile a CBD Development Plan</i>	<ul style="list-style-type: none"> • Guide improvements over the long-term <ul style="list-style-type: none"> * Vision for the Heidelberg CBD * Infrastructure and service delivery improvements plan * Marketing strategy; * Profile of the 'ideal tenant mix * Identify beautification and other aesthetic interventions.

PROJECTS – Urban and Township Revitalisation

PROJECT NAME		DESCRIPTION
1	<i>Create an LED Forum: Business Partnerships</i>	<ul style="list-style-type: none">• Create an LED forum• Prioritise the establishment of partnerships between Heidelberg and township/rural based businesses• Support partnerships between big business and emerging enterprise; SMMEs; and black-owned business
2	<i>Encourage Increased Business Chamber Presence</i>	<ul style="list-style-type: none">• Encourage the Heidelberg Business Chamber of Business to increase their presence in the townships and rural areas<ul style="list-style-type: none">* Host meetings in Ratanda* Provide discounted membership rates
3	<i>Infill Development</i>	<ul style="list-style-type: none">• Infill development between Heidelberg and Ratanda<ul style="list-style-type: none">* Existing spatial and corridor development plans* Zone of Opportunity* Identify opportunities and investors* Prioritise infrastructure upgrades

PROJECTS – Urban and Township Revitalisation

PROJECT NAME		DESCRIPTION
5	<i>Establish a Revitalisation Fund</i>	<ul style="list-style-type: none"> • Finance the Heidelberg CBD and Ratanda Town Centre improvement projects • Possible sources of funding: <ul style="list-style-type: none"> * Tax revenue from the Heidelberg Mall and business owners * Government grants * Donations
6	<i>Make the CBD a Tourism Cornerstone</i>	<ul style="list-style-type: none"> • Utilise the Heidelberg CBD as the key tourism attraction <ul style="list-style-type: none"> * Support the CBD revitalisation project
7	<i>Identify Historic Buildings</i>	<ul style="list-style-type: none"> • Install signs/plaques identifying historical buildings and sites • Provide information on each.
8	<i>Ratanda Town Centre Development Plan</i>	<ul style="list-style-type: none"> • Compile a Ratanda Town Centre Development Plan • Expand on the recommendations made in the Urban Design Framework
9	<i>Skills and Entrepreneurship Development Centre</i>	<ul style="list-style-type: none"> • Ratanda Town Centre • Adult Basic Education and Training (ABET) • Further Education and Training (FET) courses • Partnership with Sedibeng College.

PROJECTS – Urban and Township Revitalisation

PROJECT NAME		DESCRIPTION
10	<i>Establish a Retail Centre in Ratanda</i>	<ul style="list-style-type: none"> • On Heidelberg Road in the proposed town centre * Extension of the existing commercial node
11	<i>Upgrade the Taxi Rank in Ratanda</i>	<ul style="list-style-type: none"> • Provide safe and secure facilities, shaded seating, etc. • Link to the proposed commercial centre
12	<i>Improve Transport Linkages</i>	<ul style="list-style-type: none"> • Improve transport accessibility and linkages * Between Heidelberg and Ratanda * Between rural villages and urban areas/job opportunities
13	<i>Business Formalisation in Township Economies</i>	<ul style="list-style-type: none"> • Support formalisation by streamlining registration, providing information, improving infrastructure and services * Support business growth and development * Improve safety and security * Create a new source of tax revenue

PROJECTS – Tourism Development

PROJECT NAME		DESCRIPTION
1	<i>Tourism Marketing Strategy</i>	<ul style="list-style-type: none"> • Create a brand for the area • Identify potential tourism offerings • Develop strategies for expanding the tourism market
2	<i>Tourism Website</i>	<ul style="list-style-type: none"> • Create a tourism website • Place more local information on the existing Gauteng and Sedibeng tourism website.
3	<i>Create Tourism Packages</i>	<ul style="list-style-type: none"> • Package well known and lesser known attractions • Offer through tourism operators and market on the website
4	<i>Marketing Campaign</i>	<ul style="list-style-type: none"> • Undertake a marketing/advertising campaign • Aim to expand the tourism market (business tourism, international visitors)
5	<i>Road Signage</i>	<ul style="list-style-type: none"> • Highlight the area as a tourism destination • Improve visibility and accessibility
6	<i>New Entrance to Suikerbosrand</i>	<ul style="list-style-type: none"> • New entrance along the R42 • Increase accessibility to the park • Improve linkages between the park and the Heidelberg CBD
7	<i>Uplift the Nature Reserves</i>	<ul style="list-style-type: none"> • Invest in signage, infrastructure and the trail system

PROJECTS – Tourism Development

PROJECT NAME		DESCRIPTION
8	<i>Host an Adventure Race</i>	<ul style="list-style-type: none"> Engage with running/biking organisations to host an event in the Suikerbosrand
9	<i>Market the Nature Reserves</i>	<ul style="list-style-type: none"> Provide information on tourism routes at the info centre, on the website and through other mediums
10	<i>Portfolio of Heritage Sites</i>	<ul style="list-style-type: none"> Compile a portfolio of heritage sites and identify their development needs (address where feasible)
11	<i>Heritage Walking Route</i>	<ul style="list-style-type: none"> Link historic buildings in and around the Heidelberg CBD Identify each site with a placard/sign and information
12	<i>Market the A.G. Visser House</i>	<ul style="list-style-type: none"> Market the art gallery Host events
13	<i>LED Forum: Tourism Development</i>	<ul style="list-style-type: none"> Tasked with identifying and organising a festival/event Identify, organise and support other tourism initiatives
14	<i>Annual Event or Festival</i>	<ul style="list-style-type: none"> Attract a greater number of visitors Increase the regions visibility as a tourism destination

PROJECTS – Transport and Logistics

PROJECT NAME		DESCRIPTION
1	<i>Investment in Jameson Park</i>	<ul style="list-style-type: none"> • Encourage transport, storage and logistics investment <ul style="list-style-type: none"> * Develop enabling infrastructure and services * Establish a 'transport and logistics park'
2	<i>Identify Transnet Related Business Opportunities</i>	<ul style="list-style-type: none"> • Identify business opportunities linked to the Transnet Bulk Liquid Terminal and the Vopak facility
3	<i>Attract Corporate Social Investment</i>	<ul style="list-style-type: none"> • Attract Corporate Social Investment (CSI) from Transnet Pipelines
4	<i>Identify Opportunities near the Inland Port</i>	<ul style="list-style-type: none"> • Identify and facilitate opportunities in areas adjacent to the Tabo Springs Inland Port <ul style="list-style-type: none"> * Development of an industrial park * Establishment of strategic storage facilities * Just-in-time manufacturing facilities * Support for the production of niche agriculture products
5	<i>Assess Trucking Related Projects</i>	Feasibility assessments <ul style="list-style-type: none"> * Serviced truck stop * Petrol station * Road freight facilities

PROJECTS – Transport and Logistics

PROJECT NAME		DESCRIPTION
6	<i>R42 Tourism Corridor</i>	<ul style="list-style-type: none">• Implement recommendations made in the Corridor Precinct Plan<ul style="list-style-type: none">* Preserving the Heidelberg CBD* Developing the 'zone of opportunity'* Accommodating medium intensity developments* Infrastructure investment* Creating a new entrance to the Suikerbosrand Nature Reserve
7	<i>Relocate the Heidelberg Bus Depot</i>	<ul style="list-style-type: none">• Conduct a feasibility study on relocating the Heidelberg Bus Depot into the Heidelberg economic area
8	<i>Transport Shuttles</i>	<ul style="list-style-type: none">• Develop shuttles between O.R. Tambo and the Heidelberg CBD<ul style="list-style-type: none">* Collaboration with local tourism operators* In conjunction with tourism packages

THANK YOU!