Local Economic Development Conference 2017

INTER-GOVERNMENTAL PARTNERSHIPS

Focus on international companies in local government
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AGENDA

Strengthening Inter-Governmental Partnerships for LED

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ABOUT SANEC

Southern African – Netherlands Chamber of Commerce

• SANEC is a membership-based organisation

• Facilitate trade and investment opportunities between Southern Africa and the Netherlands

• A network of over 200 organisations from South Africa and The Netherlands

• Provide business support to our member companies in accessing trade opportunities

• Organise Trade Missions delegations (e.g. municipalities, economic agencies)

• Organise networking and match-making events and roundtable discussions
Local Economic Development (LED) can be defined as *the process where local stakeholders shape and share the future of their territory*.

Local Economic Development (LED) is the process by which public, business and non-governmental sector partners work collectively to create better conditions for economic growth and employment generation.

- Create a culture of collaboration and skills sharing (e.g. Ekurhuleni and Breda).
- Regional strategies should seek to exploit the potential of a local municipality and seek strategically aligned partners (e.g. Ekurhuleni and Breda in Logistics).
- A Strategically planned LED is an effective approach to enhance economic development and reduce poverty through collaboration and partnerships from all stakeholders.
Local Economic Development and Partnerships

Key words in Local Economic Development (LED)

• Economic Growth

• Job Creation

• Reduce Poverty

• Skills Development

• Partnerships (Local and International)
Local communities will prosper if they are able to successfully find new sources of revenue…the best way to do this is to attract business enterprise to town.

Local authorities should create their own destinies:
- Reduce red tape in order to allow businesses to trade successfully
- Provide municipal support to local businesses
- Establish a trade office to assist in attracting investments

Factors in attracting FDI:
- Incentives to attract FDI
- Application and registration processes
- Availability of skills (TVETs)
- The state of infrastructure (ICT, electricity, roads and water)
Heineken Brewery in Sedibeng District – Midvaal Local Municipality

- R3.5bn investment into the municipality
- 80 hectare land area
- Over 3500 jobs created during construction
- More than 200 employed directly
- Over R1bn into local economy indirectly
- Indirect jobs created eg – delivery etc

- Expansion plans already underway
- More direct and indirect jobs

- Negotiated with municipality for permits
- Impact on local economy has led to economic growth in the surroundings
Vopak expansion—New Terminal in Lesedi Municipality

- R3bn investment in a new inland terminal
- 10,000 cbm capacity
- Connected to the Transnet multi product pipeline from Durban
- A result of a growing demand in petroleum

- Land availability is always a challenge
- Negotiated with Lesedi Municipality

- Jobs will be created during construction and operation of the terminal

- Impact on the Local Economy through direct and indirect job creation
The Ease of Doing Business with Municipalities Survey

Some Interesting Points Noted in the Survey

- Business Benchmarking Survey for Local Municipalities with SA based Dutch companies focusing on the ease of doing business with municipalities

- Some of the findings:
  - Registered offices in South Africa
  - Most have both foreign and local (BBBEE) shareholders for multinationals
  - Dominating sectors were Transport & Logistics, Healthcare and Agri companies
  - Businesses conducted in the Metros (Johannesburg, Cape Town and Durban)
  - Red tape was listed as one of the main challenges in doing business with municipalities
  - Location, quality of infrastructure and ICT were most recognised as attraction points
  - Time, Costs and Complexity were listed as the main challenges in doing business
  - Other positives note included the market opportunities afforded to conduct their businesses
Thank YOU