N/52

NELSON MANDELA BAY

METRO EC

The City is mostly referred to as the "friendly city" or the "water sports capital of Africa" and regarded as the official gateway to the scenic Eastern Cape Province and the world-renowned Garden Route.

PROFILE AND ANALYSIS
DISTRICT DEVELOPMENT MODEL

cooperative governance & traditional affairs
Department:
Cooperative Governance and Traditional Affairs
REPUBLIC OF SOUTH AFRICA

nelson mandela bay

STAY SAFE
SAVE SOUTH AFRICA

2030 NDP

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NELSON MANDELA BAY BY NUMBERS

1,334,883 POPULATION

GENDER

♀ 51.5%

♂ 48.5%

1634

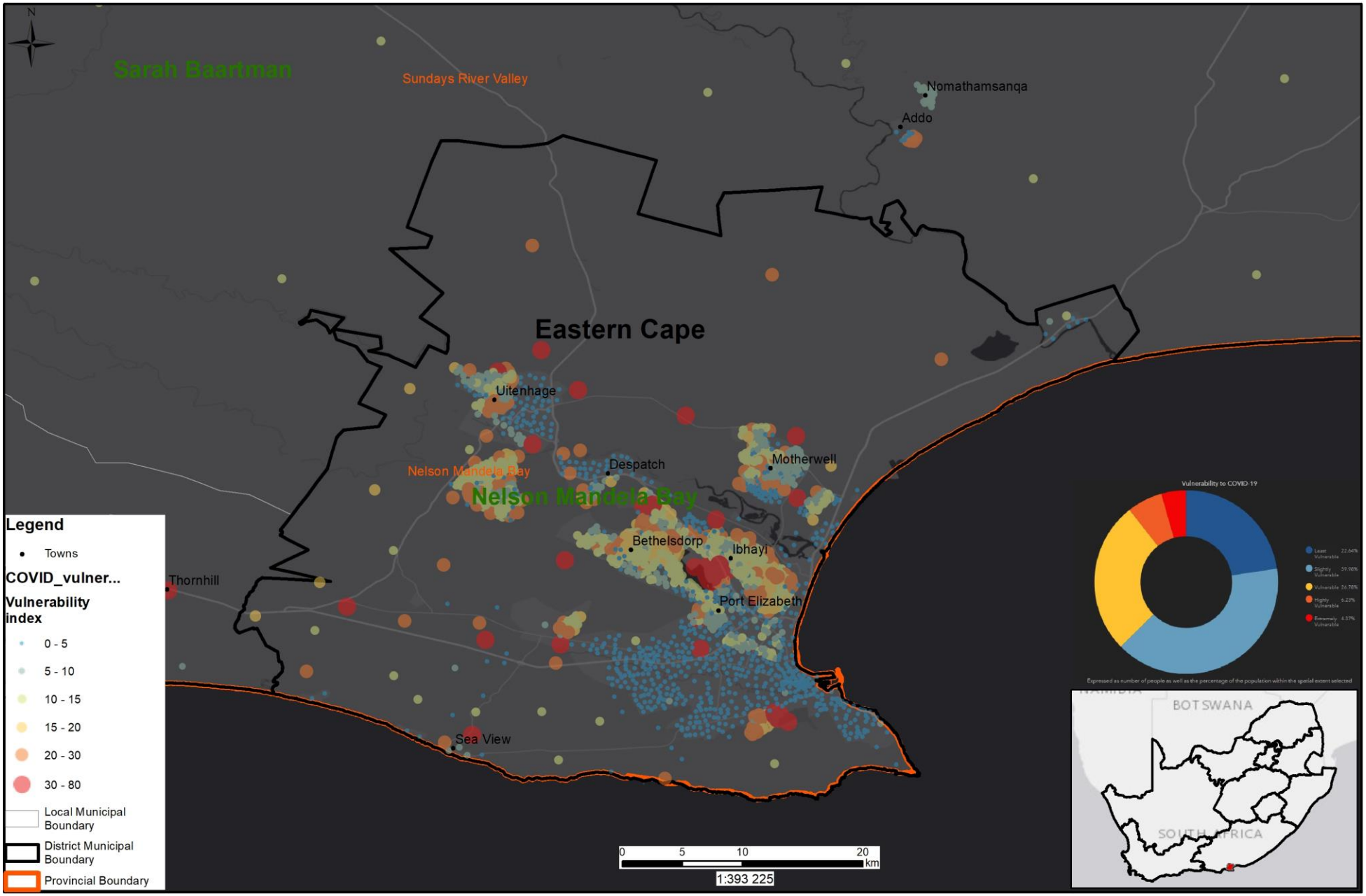
COVID-19 INFECTIONS (8/6/2020)

SA'S 2ND OLDEST CITY

HOSTS NOT ONLY THE BIG7, BUT IS KNOWN AS THE MOHAIR AND BOTTLENOSE CAPITAL OF THE WORLD

NEXT BIG THING

*Rehabilitation of the **Baaken River** to turn it and the valley into a recreational & tourist attraction site*


N
Sarah Baartman
Sundays River Valley
Nomathamsanqa
Addo
Eastern Cape
Uitenhage
Despatch
Motherwell
Nelson Mandela Bay
Nelson Mandela Bay
Bethelsdorp
Ibhayi
Port Elizabeth
Thornhill
Sea View
Legend
Towns
COVID_vulner...
Vulnerability index
0 - 5
5 - 10
10 - 15
15 - 20
20 - 30
30 - 80
Local Municipal Boundary
District Municipal Boundary
Provincial Boundary
0 5 10 20
km
1:393 225
Vulnerability to COVID-19
Expressed as number of people as well as the percentage of the population within the spatial extent selected
BOTSWANA
SOUTH AFRICA

EXECUTIVE SUMMARY

The City of Port Elizabeth is South Africa's second-oldest city, boasting its pristine scenic coastline that stretches along with a multitude of Blue Flag Beaches. Nelson Mandela Bay comprises of the City of Port Elizabeth and smaller towns of Uitenhage, Despatch and Colchester, all administratively governed by the Nelson Mandela Bay Municipality.

The City is mostly referred to as the "friendly city" or the "water sports capital of Africa" and regarded as the official gateway to the scenic Eastern Cape Province and the world-renowned Garden Route. Tourists, athletes and spectators who travel here get the unique opportunity to visit one of the most wildly beautiful and historically significant areas of the world. Nelson Mandela Bay boasts the Big 7 all within its municipal boundaries. It is also recognised as both the Mohair and Bottlenose Dolphin Capital of the World and home to the largest breeding colony of the African Penguin.

Situated on the shores of the Indian Ocean, this bustling seaport City flaunts an atmosphere of relaxed year-round fun and excitement. Warm, dry Summers and mild Winter temperatures entice water sports lovers throughout the year. The breath-taking seashore boasts a perfect combination of warm water, protected beaches and refreshing sea breezes. Here you will find some of the world's best sailing venues, first-rate scuba diving with colourful coral species, beautiful reefs and shipwrecks, perfect conditions for wind-surfing, angling, snorkelling, kite-surfing, fly-fishing and canoeing.

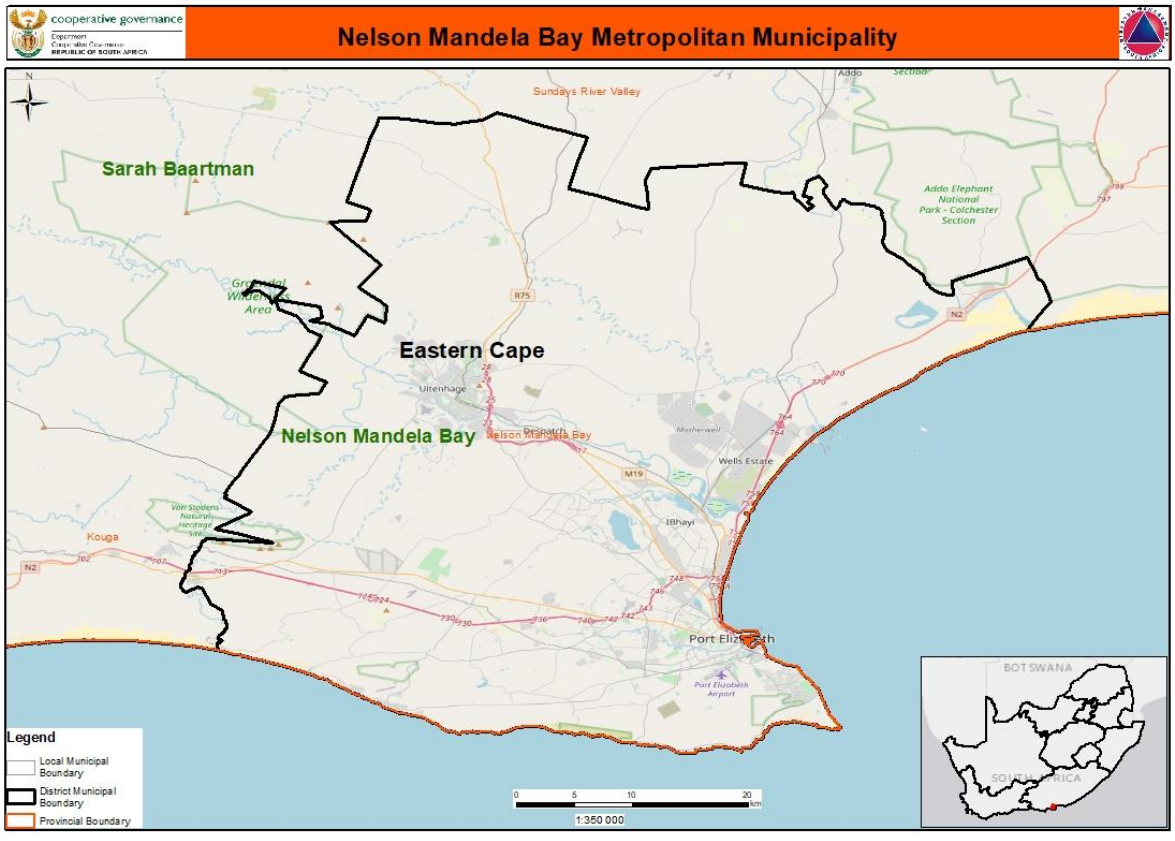
The City has consecutively been awarded the "Blue Flag Status" - an international award only given to those beaches that meet excellence in safety, amenities, cleanliness and environmental standards.
The infrastructure and accommodation facilities are well established and at par with global quality and standards. Revered as the "Mecca of Sport" in Africa, the Nelson Mandela Bay Municipality has a proven track record of successfully hosting local, regional and international sporting events and has become a City of choice for many event organizers and sporting federations.

1. Nelson Mandela Bay Metropolitan Municipality

1.1 Nelson Mandela Bay Contextual Perspective

The Nelson Mandela Bay Metropolitan Municipality (Area: 1 950km^2) is a Category A municipality established on 5 December 2000. Nelson Mandela Bay was the first City in South Africa to establish a fully integrated democratic local authority. The City is home to the Port Elizabeth International Airport, the only international air access point in the Eastern Cape Province. The City's maritime entry point showcases its developmental capabilities, boasting the most modern deep-water port in the Southern Hemisphere, the Port of Ngqura.

The Coega Industrial Development Zone (IDZ) is situated within the Nelson Mandela Metropolitan Municipality. The initiative is a multibillion-dollar industrial development complex customized for heavy, medium and light industries. It is adjacent to a deepwater port, the Port of Ngqura, and covers 110 km2 of land. The city's unique advantage of possessing two ports, namely Port Elizabeth Harbour and Ngqura, creates an opportunity for the city to establish a strong and vibrant maritime sector".



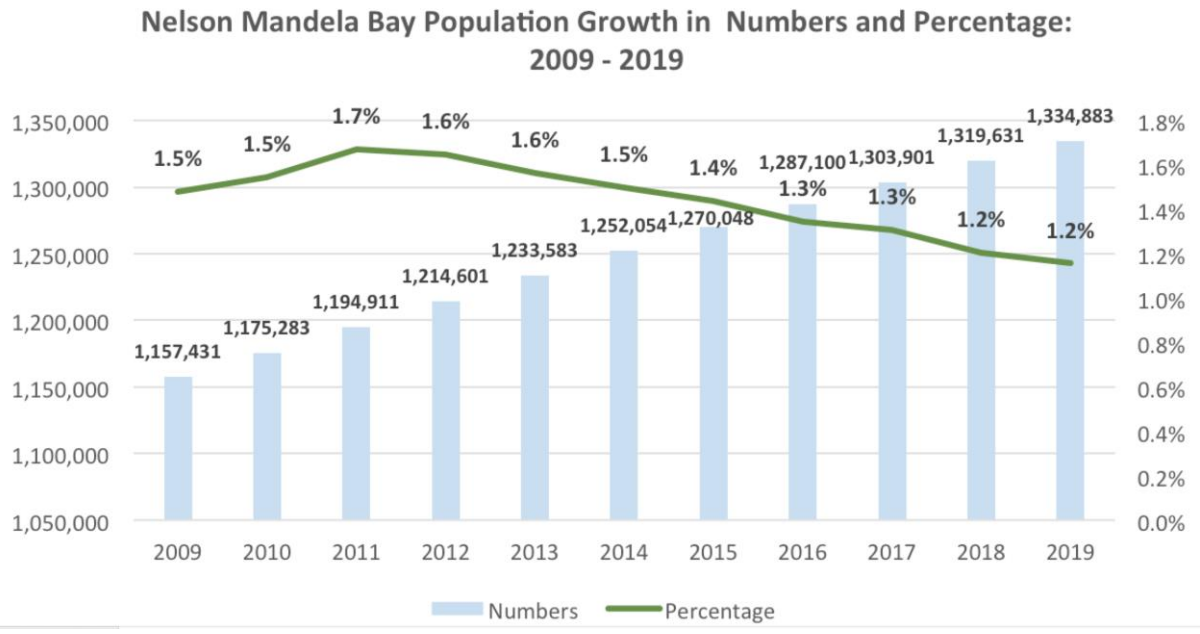
Nelson Mandela Bay is located on the southern coast of South Africa, on the shores of Algoa Bay. The Nelson Mandela Bay Municipality is one of two metropolitan municipalities in the Eastern Cape Province. It incorporates Port Elizabeth, Uitenhage and Despatch, with their surrounding agricultural areas, and has an area of 1959, 02 km². The Map below is a depiction that shows the location of the NMBM in South Africa and the Eastern Cape.

2. Social Development Profile

2.1. Key Demographics

2.1.1. Population and Household Profile

With 1.26 million people, the Nelson Mandela Bay Metropolitan Municipality housed 2.3% of South Africa's total population in 2018. Between 2008 and 2018, the population growth averaged 1.47% per annum, which is very similar than the growth rate of South Africa as a whole (1.61%). Compared to Eastern Cape's average annual growth rate (0.94%), the growth rate in Nelson Mandela Bay's population at 1.54% was close to double that of the province though lower than that of other metropolitan areas in South Africa, such as Ekurhuleni (2.1%) and Tshwane (2.6%). The Municipality has a total of 368 518 households, with an average size of 3.6 persons (CS 2016).



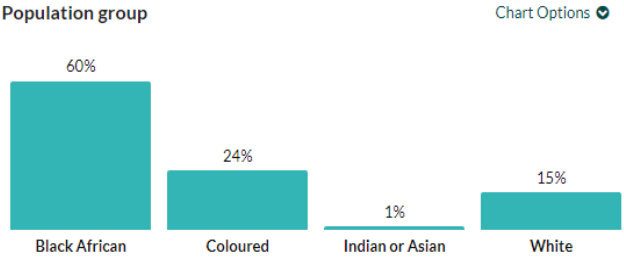
Population

1 263 051

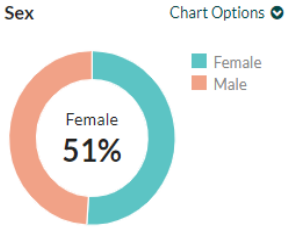
People

about one-fifth of the figure in Eastern Cape: 6,996,976L

less than 10 percent of the figure in South Africa: 55,653,654L



Source: Community Survey 2016



Source: Community Survey 2016

Households

368 518

Households

about one-fifth of the figure in Eastern Cape: 1,773,396L

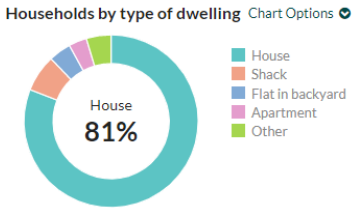
less than 10 percent of the figure in South Africa: 16,923,307L

6.9%

Households that are informal dwellings (shacks)

a little less than the rate in Eastern Cape: 7.38%

about half the rate in South Africa: 12.96%



Source: Community Survey 2016

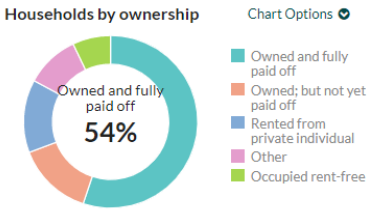
Household ownership

68.4%

Households fully owned or being paid off

about the same as the rate in Eastern Cape: 69.17%

a little higher than the rate in South Africa: 64.97%



Source: Community Survey 2016

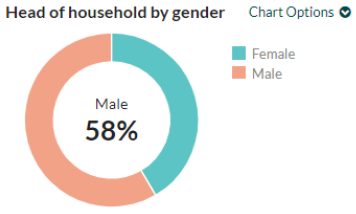
Head of household

41.6%

Households with women as their head

about 80 percent of the rate in Eastern Cape: 49.1%

about the same as the rate in South Africa: 41.32%



Source: Community Survey 2016

836

Households with heads under 18 years old

less than 10 percent of the figure in Eastern Cape: 23,143

less than 10 percent of the figure in South Africa: 111,471

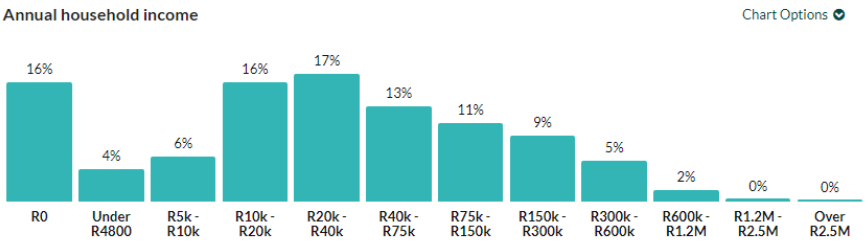
Annual household income

R29 400

Average annual household income

about double the amount in Eastern Cape: R14 600

about the same as the amount in South Africa: R29 400



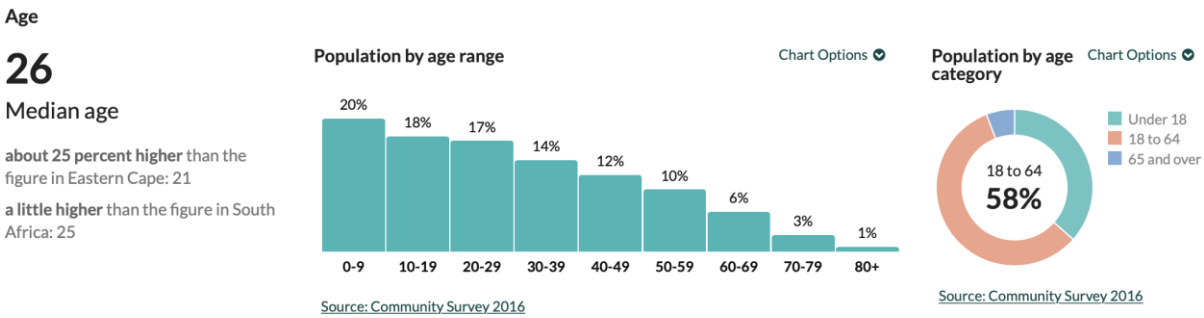
Source: Census 2011

During the 2018/19 financial year, 100% of qualifying households earning less than R3 200 per month (two-state pensions) had access to free basic services offered by the Municipality through its Assistance To The Poor Programme (ATTP). As of 30 June 2018, the value of the free basic services provided was R614 218 196, benefiting 101 645 qualifying households. Various types of service assistance were provided to local households as follows: 89 721 (water); 90 175 (sanitation); 73 593 (electricity); 80 221 (refuse removal); and 76 392 (rebate on rates accounts).

There is currently, further to the qualifying mentioned above households, a backlog of 4 229 applications in the system. This backlog is attributed to the precise nature of the verification processes. The Municipality continues to prioritise the processing of ATTP applications. ATTP applications are reviewed in a three-year cycle. Figure 1 indicates the proportion of registered indigent households in the municipal area over three financial years (2015/16 – 2017/18).

2.1.2. Age Profile

The Nelson Mandela Metropolitan Municipality population is a dominantly youthful population with an average age of 26 years old (MIPMIS, 2017). Figure 1 below represents the population distribution by age groups which gives a visual representation of how the total population of the municipality is.

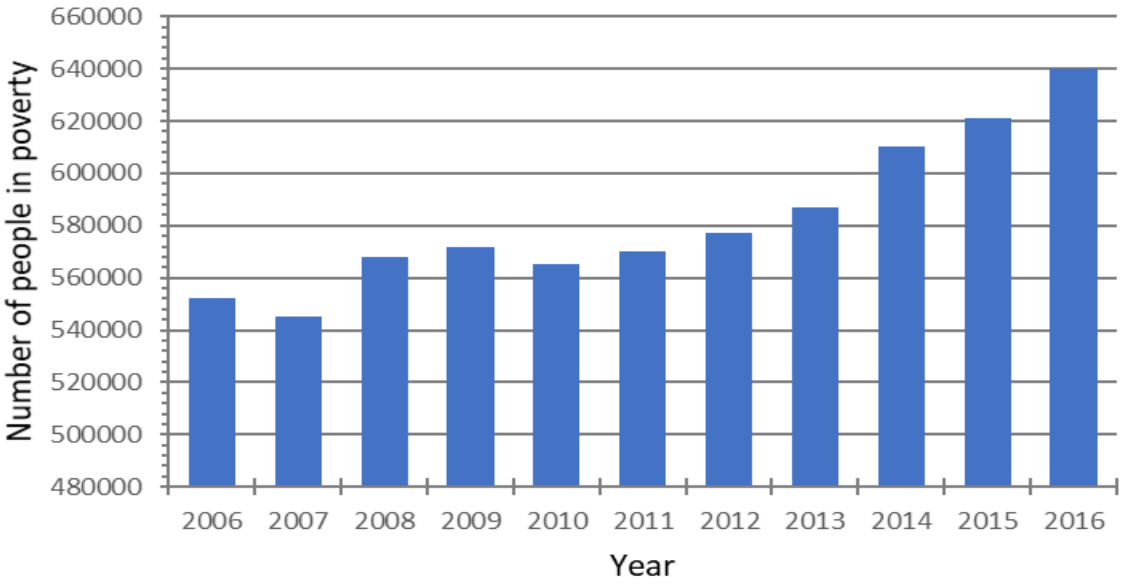


As can be seen, the younger age group makes up a larger portion of the population with the age group of 0-9 years old make up 20% of the total population followed by 18% from the 10-19 years old age group. The 80+ age group make up 1% of the total population (MIPMIS, 2017). According to Community Survey 2016, the population has slightly more females 51% of the total population compared to their male counterparts who make up 49% of the total population. Lastly, when the population is observed by the racial distribution, the Community Survey 2016 mentions that it is dominantly 60% of Black Africans, followed by 24% Coloureds, 15% White and 1% Indian or Asian.

Nelson Mandela Bay is characterized by a youthful population, with 26 years being the median age. In all the periods under discussion, female domination is noticeable, particularly in the age categories from 40 years upwards.

2.1.3. Poverty

According to StatsSA, the upper poverty line is defined as the level of consumption at which a person can buy both sufficient food and non-food items without sacrificing one for the other (ECSECC, 2017). The poverty rate over the years has been increasing in the Nelson Mandela Metropolitan Municipality. With an average annual poverty rate of 1.51%, the number of people in poverty in the Nelson Mandela Metropolitan Municipality increased by 15.98% from 552 000 people in 2006 to 640 000 people in 2016. Figure below represents the trend in the number of people in poverty from 2006 to 2016 in the Nelson Mandela Metropolitan Municipality.



Number of people in poverty from 2006 to 2016 (ECSECC, 2017)

2.1.4. Human Development Index and Gini coefficient

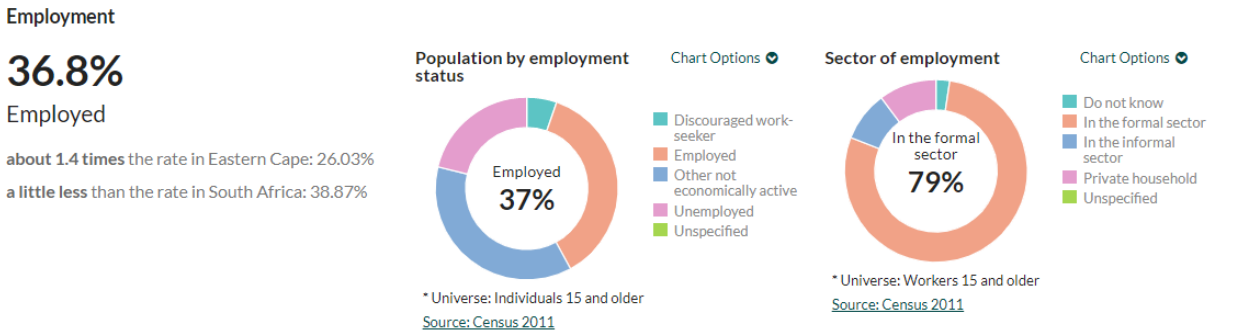
An important feature in the metropolitan has a high number of people that are not economically active and the high levels of unemployment. This is consistent with high levels of poverty and low levels of development (HDI). Nelson Mandela Bay also has a Gini Coefficient of 0.63 which is higher than that of the province at 0.62.

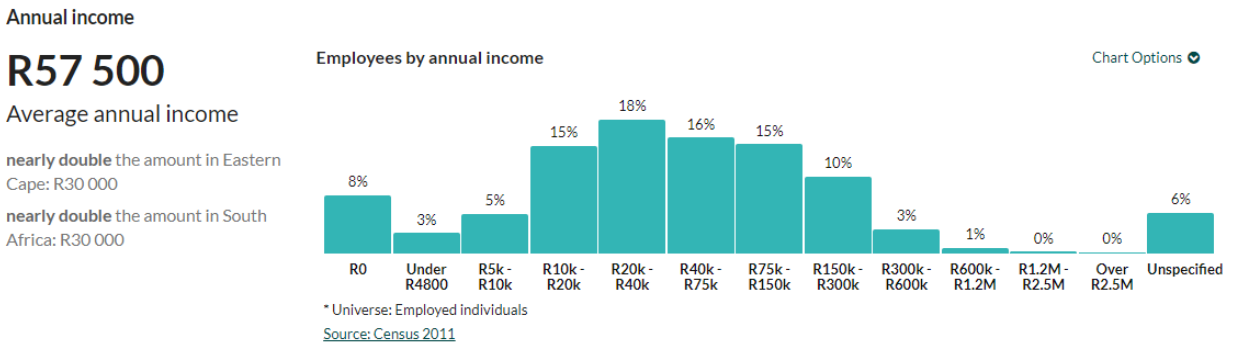
2.1.5. Unemployment/Employment

There is a higher level of unemployment rate in the Nelson Mandela Bay Metropolitan Municipality at 36,6% despite the largest economic sectors in the Nelson Mandela Metro namely: manufacturing, finance, community services and transport. Community

services, trade and manufacturing sectors are the sectors that create the most employment in the metro.

The metro is characterised by a weak enabling environment. This refers to the availability of service delivery and infrastructure. This factor is critical to attract investment opportunities to the area and should receive urgent attention. The chart below shows the employment level in the region:





2.1.6. Service Delivery Analysis

Below are service delivery performance highlights during the 2018/19 financial year:

Provision of integrated and sustainable human settlements:

- 359 state-subsidized housing units provided.
- 144 social housing units provided.
- 3 009 erven provided with permanent water and sanitation services.
- 910 households relocated from stressed informal settlements and other servitudes to Greenfield development areas.

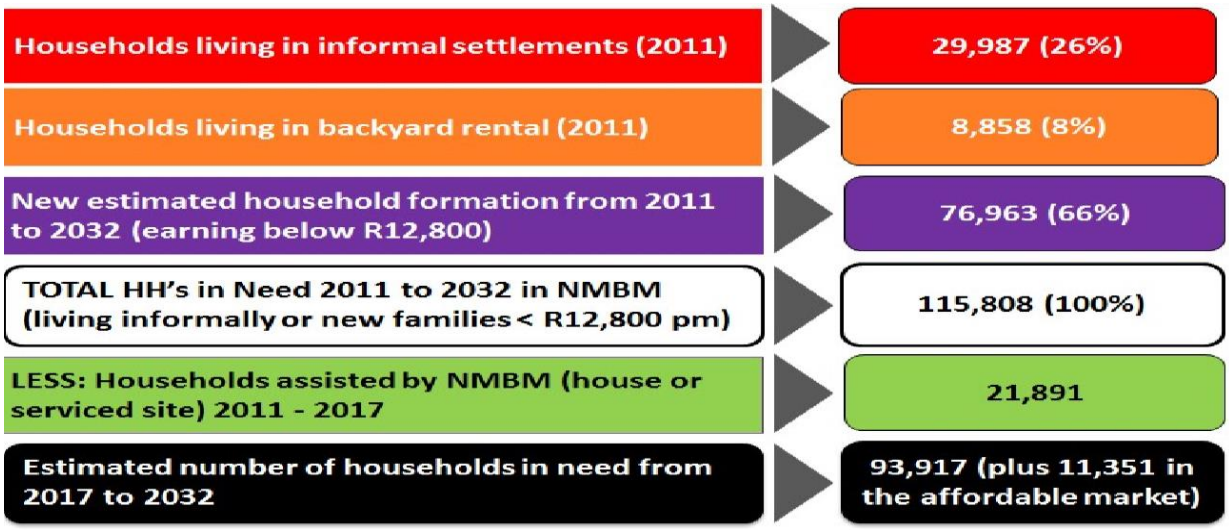
2.1.6.1. Housing

The assessment of the housing circumstances at 2016/17 financial year end indicates a housing need (should the NMBM not have delivered any new housing

since 2011) of 115,808 houses for lower income families. These are comprised of the following:

- 29,987 (26%) who were living in informal settlements (regardless of income) as at 2011;
- 8,858 (8%) who were living in backyard rental as at 2011;
- 76,963 (66%) who are estimated new household growth from 2012 to 2032 and are projected to be earning below R12,800 (excluding salary escalation). Of these at least 4,888 (42%) are estimated to have monthly incomes of R3 500 and less.

Between 2011/12 and 2016/17 a further 21,891 households were given access to state subsidised housing. This reduces the estimated number of households in need from 2017/18 to 2032 to 93,917 (see figure below). There is also a need to facilitate the delivery of approximately 11,351 affordable houses. Of these a portion is eligible for the Finance Linked Individual Subsidy Programme (FLISP) subsidy.

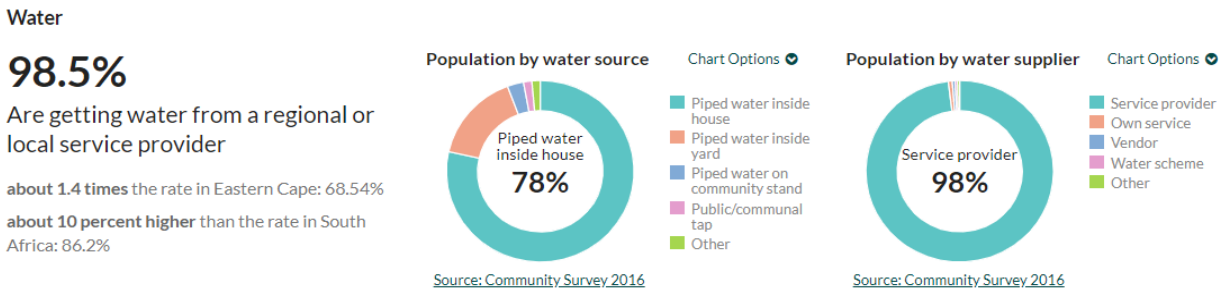


Housing Circumstance and Need to 2032
Source: BEPP Situational Analysis of Nelson Mandela Bay, 2020

2.1.6.2. Water

The provision of water of services to the Nelson Mandela Bay Municipality is mainly provided by the local or Regional provider and this makes 98.5 % of the water supplied to the municipality.78% of the dwellings are provided with a house connection of water,16% of the households have a standpipe in the yard, with a 3% of the water supplied from the communal stand and the remaining 1% being public or communal(Community survey,2016). Water sources provided to the municipality is dominated by local/regional water supplier (Stats SA,2011). IDP (2018) information for

Nelson Mandela Bay shows that 100% of the formal households are provided with erf water connection and that informal settlements have a communal stand within a radius of 200 m.

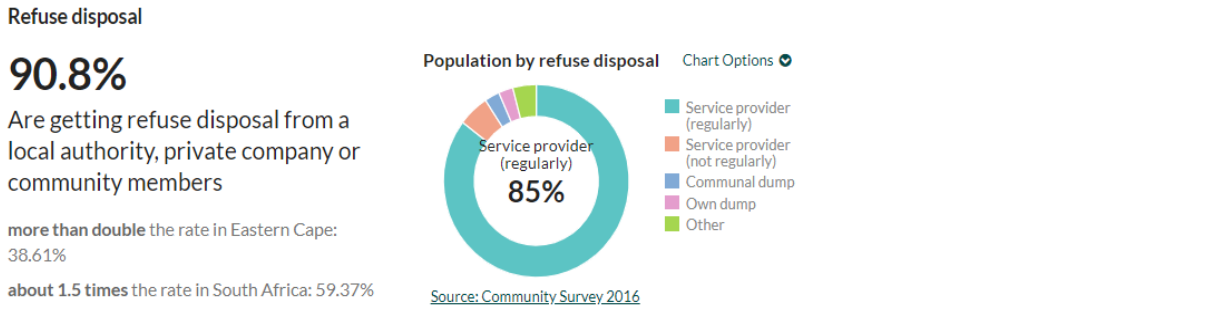


2.1.6.3. Sanitation

The backlog on sanitation facilities in the municipalities is very low, with only 0.9% of the population without access to any toilets (MIPMIS, 2018). 94% of the population has access to flush toilets,4% uses buckets and only 1% uses pit toilets. According to the IDP (2018) for Nelson Mandela Bay, all the formal households are provided with waterborne sanitation. Use of buckets in informal settlements has a 30.5% decrease from 23 479 over five years from 2012.

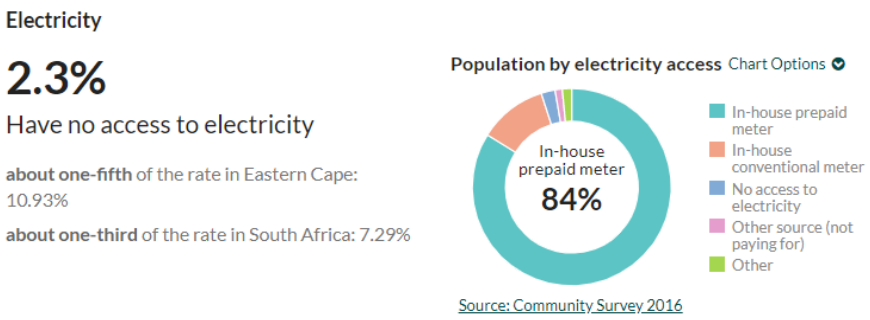
2.1.6.4. Refuse removal

The backlog on refuse disposal is also low since 90.8% of the population get the refusal disposal service, either from the local authority or the private company ,6% of the population uses either communal dump or their own dump and the remaining 4% uses other means of refusal disposal (MIPMIS, 2018).



2.1.6.5. Electricity

The Nelson Mandela Bay Municipal has a good service delivery compared to the rest of the province with only 2.3 % of the 1 263 051 population without access to electricity (MIPMIS, 2017).84% of the population is supplied with the in-house prepaid electricity and the 11% of the population has in-house conventional electricity (MIPMIS, 2017). 100% of the formal households in municipal have electricity connection ,with some unconnected informal settlements provided with solar panels to meet their electricity needs, the other portion of the informal settlements has no access to any form of electricity and are planned to be supplied with basic electricity of 20 amp.



2.1.6.6. Roads and Stormwater

Road infrastructure, (including Stormwater), is critical to support economic activities in Nelson Mandela Bay and has the capacity to support the current major public transport network routes. However, the Housing Subsidy (HSDG) does not allow for the tarring of internal and access roads. This results in increasing backlogs. The latter is of particular importance, as this also impacts on public transport. The backlog of tarring of gravel roads is approximately 600 km.

The cost to eliminate this backlog is approximately R4 billion. This backlog has occurred largely due to the fact that the housing development programme funded by the government only includes sufficient funding for gravel roads and the recent increase in the number of developments constructed.

Stormwater drainage inadequacies are experienced in disadvantaged areas, especially in newly developed areas because of limited funding for roads and stormwater construction. The scour of gravel from unsurfaced roads results in stormwater blockages.

2.1.6.7. Community Facilities

The table below relates to the delivery of social amenities. It shows actual delivery costs and includes the reality of housing costs (at minimum), internal reticulation,

bulk servicing, social amenities and retail opportunities based on the estimated housing needs.

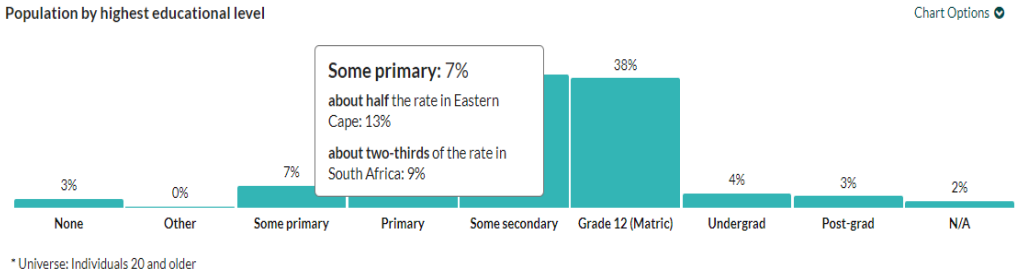
Cost of Community Infrastructure

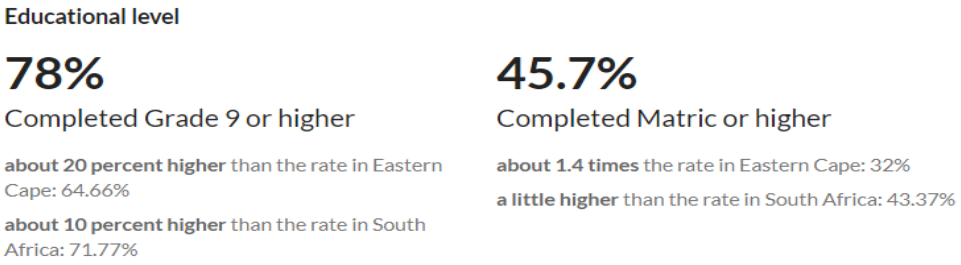
Estimated housing need for lower income households by 2032		
Current households in need (backyards / informal settlements)	38845	
Estimated new low income households by 2032	76963	
Total lower income household need (estimated)	115808	
Less: Households assisted with house or serviced site 2011-2019	25727	
Total estimated need for social infrastructure	90081	
Estimated cost for development	Cost per erf	Total cost
Housing Expenditure	R116,867	R 10,527,496,227
Indicative First Order Summary - Social Facilities		
Schools	R 27,346	R 2,463,355,026
Clinics	R 15,314	R1,379,518,450
Police Stations	R 6,563	R 591,165,571
Sports Facilities	R 2,188	R 197,088,220
Community Centres	R 8,751	R 788,253,791
Libraries	R 2,188	R 197,088,220
Parks and Recreation/Greening	R 2,188	R 197,088,220
Private Investment - Retail	R 27,346	R 2,463,355,026
Total - Social Facilities	R 91,883	R 8,276,912,523
NMBM Internal Reticulation (Basic Scraped Roads, Water & Sanitation)	R 31,439	R 2,832,065,567
NMBM Electricity Reticulation	R 13,553	R 1,220,876,801
Total Housing, Social Facilities & Internal Reticulation	R 253,742	R 22,857,351,118
NMBM Bulk Reticulation (Bulk water, sewer and roads and stormwater upgrade)	R 159,597	R14,376,639,341
Total Housing, Social Facilities and Bulk Infrastructure	R 356,770	R 37,233,990,459

Source: NMBM 2020

2.1.7. Education Provision

The Nelson Mandela Bay district has a total number of 324 schools, which consist of 269 ordinary public schools, 11 special needs schools, 25 independent schools and 19 Early Childhood Development (ECD) Centres. Learners aged 20 and above and have completed secondary education stand at 30%. This is lower than the provincial average of 32,8%. In 2019 the matric pass rate in the district was 80.7%, which is comparable to the rest of the province. At Higher Education of Learning there is one Public University, Various Private institutions as well as a number of FET's.





2.1.8. Healthcare Provision

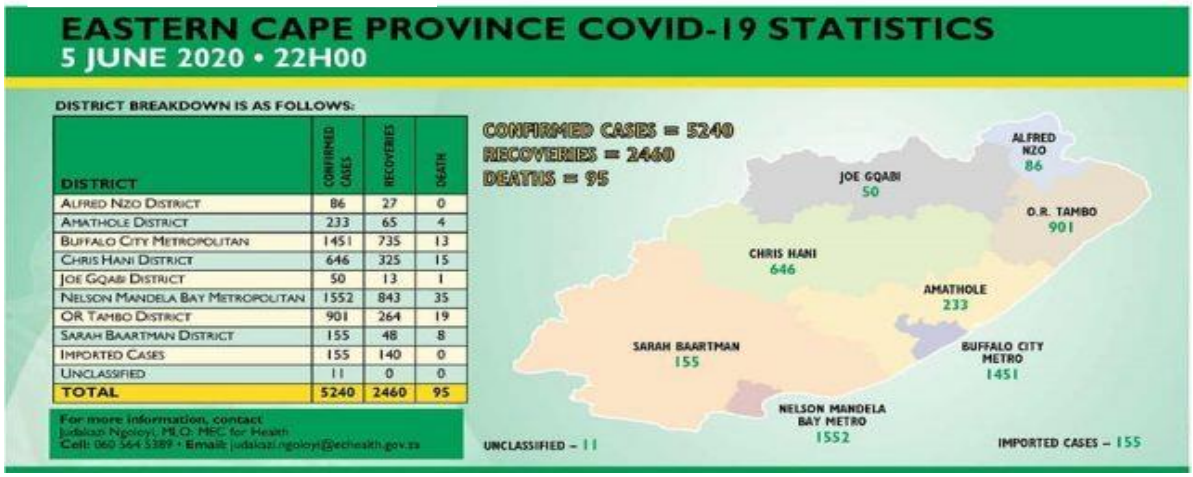
The Nelson Mandela Bay Health District which covers an area of approximately 200 000 hectares and is bordered by the Sundays River to the north, the van stadens River towards the south west and Greater Uitenhage/Dispatch areas towards the west of the metropolitan has the following facilities for health service delivery :

- 2 tertiary hospitals
- 1 regional hospital
- 4 specialized hospitals
- 1 district hospital
- 5 CHCs (5 with 24hours services) of which 3 are functioning as day centres
- 39 fixed clinics
- 4 satellite clinics
- 1 clinic with extended 12 hours' services from 07h00-19h00
- 7 mobile clinics and
- 4 private hospitals

2.1.9. Covid-19

In light of the Covid-19 pandemic, the Nelson Mandela Bay Stadium has been identified as one of the sites that can be utilised to accommodate people who might need to be isolated. The 35 000 seater venue for international rugby and football games has about 140 private suites, a doctor's room and several rooms for physiotherapy.

Covid-19 Eastern Cape Statistics

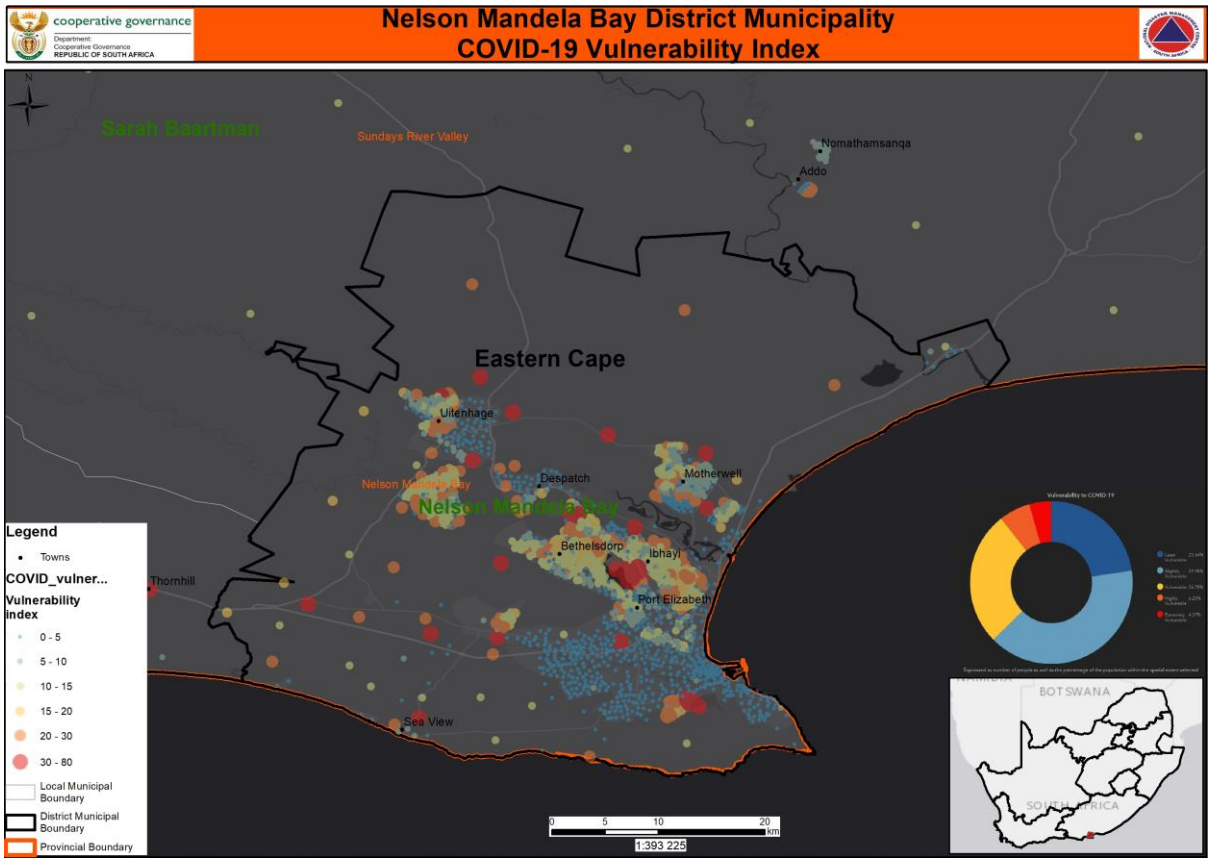


DISTRICT	CONFIRMED CASES	RECOVERIES	DEATH
ALFRED NZO DISTRICT	86	27	0
AMATHOLE DISTRICT	233	65	4
BUFFALO CITY METROPOLITAN	1451	735	13
CHRIS HANI DISTRICT	646	325	15
JOE GQABI DISTRICT	50	13	1
NELSON MANDELA BAY METROPOLITAN	1552	843	35
OR TAMBO DISTRICT	901	264	19
SARAH BAARTMAN DISTRICT	155	48	8
IMPORTED CASES	155	140	0
UNCLASSIFIED	11	0	0
TOTAL	5240	2460	95

For more information, contact
Judikazi Ngoloyi, MEC for Health
Cell: 060 564 5389 • Email: judikazi.ngoloyi@echealth.gov.za

The Council for Scientific and Industrial Research (CSIR) in collaboration with Albert Luthuli Centre for Responsible leadership have developed a set of COVID-19 Vulnerability Indicators using available data and knowledge. It identifies vulnerabilities present in communities and identifying areas in need of targeted coordinated interventions and early response. The purpose of the indicators is intended to support the early prevention/mitigation and preparedness phase of the disaster management cycle and informing disaster management decision making. It is not based on epidemiological modelling but a response to highlighting intervention areas due to underlying situation. The composition of the index follows two main factors, namely: transmission potential and health susceptibility.

Transmission potential areas identify areas that prevent social distancing to be practiced and where limitations of practicing good basic hygiene. The health susceptibility index denotes areas where large number of people are potential more susceptible to being adversely affected by COVID-10 due to factors such as age and underlying health conditions. The Johannesburg vulnerability profile is presented below. The map shows low vulnerability areas (blue dotted areas) versus areas with higher vulnerability (red dotted areas)



Consistent with vulnerability (including poverty and unemployment), limited access to healthcare, and population density the Soweto on Sea, New Brighton, Kwa Dwesi, and Kwa Nobuhle areas face the highest vulnerabilty as there is a concentration of informal settlements.

Area specific live GIS vunerability maps are available curtosy of CSIR at:
https://pta-gis-2-web1.csir.co.za/portal2/apps/opsdashboard/#/390a74fb10844c7a85396e60555a866d

"THE NELSON MANDELA BAY STADIUM HAS BEEN IDENTIFIED AS ONE OF THE SITES THAT CAN BE UTILISED TO ACCOMMODATE PEOPLE WHO MIGHT NEED TO BE ISOLATED"

Neson Mandela Bay Metropolitan

PICTURE: Arleen Wiese

In the Nelson Mandela Metropolitan Municipality has 16 police station according to the Crime Statistics Series Volume 4 2015-2016 (Stats SA, 2017). These police stations must deal with crime which occurs in the metropolitan municipality. Crime has a variety of categories of the type of crime that can be committed. In this section, focus will be on a select few. Some examples of general types of crimes taking place in the Nelson Mandela Metropolitan Municipality are murder, assault, robbery and burglaries.

Crime statistics have limitations in what they produce so there are discrepancies/inaccuracies with the data they provide. From the 2016 South African Cities Report titled “State of Urban Safety in South Africa”, the following are some of the crime rate statistics which they gathered for the Nelson Mandela Bay Metropolitan Municipality (IDP, 2017):

- Murder rate decreased from approximately 60 murders to 48 murders per 100 000 between 2005 and 2015;
- Assault with intent to inflict grievous bodily harm decreased from 650 to 420 per 100 000 between 2005 and 2015;
- Robberies at residential premises increased from approximately 10 to 50 per 100 000 between 2005 and 2015. This is similar with the trend of robberies at non-residential premises;
- Residential burglaries decreased from approximately 915 to 600 per 100 000 between 2005 and 2015.
- Furthermore, from the Eastern Cape Community Survey 2016, following was gathered (Stats SA, 2018); and
- 27 726 households experienced some type of crime in the last 12 months while 339 690 households did not experience any crime in the same time frame.

In comparing the crime rates to the province, other metropolitan municipalities and/or nation, the following was observed:

- The murder rate of the Nelson Mandela Metropolitan Municipality recorded the highest murder rate alongside Buffalo City of all South African Metropolitan Municipalities, but these cities have shown the greatest decrease over the 10-year period as well.
- The assault with intent to inflict grievous bodily harm showed similar trends with most of the other metropolitan municipalities and the national average.
- Robberies at residential and non-residential premises experienced consistent trends with other metro and national trends.

- The residential burglaries in the Nelson Mandela Metropolitan Municipalities was the highest in 2015 and went to be the fifth highest in 2015 of all the metropolitan municipalities in the country.
- Households in Nelson Mandela Metropolitan Municipality who experienced some type of crime contributed to 25.4% of the province while households in Nelson Mandela Metropolitan Municipality who did not experience some type of crime contributed to 20.6% of the province in the period of between 2015 and 2016

"The Nelson Mandela Metropolitan Municipality recorded the highest murder rate alongside Buffalo City of all South African Metropolitan Municipalities"

3. Environmental Features

Nelson Mandela Bay is an excellent value-for-money-family-fun-in-the-sun-holiday destination, named after Nelson Mandela - humanitarian, freedom fighter and world icon of peace - is located 763 km east of Cape Town, is regarded as the "official" gateway to the scenic Eastern Cape Province and the world renowned Garden Route and is sometimes referred to (by the people who know her best) as the "friendly city" or the "water sport capital of Africa". Nelson Mandela Bay is also recognised as both the Mohair and Bottlenose Dolphin Capital of the World and is home to the largest breeding colony of the African Penguin.

The only city that boasts the Big 7 (Elephant, Buffalo, Rhino, Lion, Leopard, Southern right whale and Great White Shark) within its municipal boundaries, Port Elizabeth (The Friendly City) is known for its over 40Km coast that boast a multitude of Blue Flag Beaches and hours of sunshine to enjoy them in. Port Elizabeth is also known as both the Mohair and Bottlenose Dolphin Capital of the World and the 5 Biome City.

Situated on the shores of the Indian Ocean, overlooking Algoa Bay, this bustling seaport city flaunts an atmosphere of relaxed year-round fun and excitement. Warm, dry Summers and mild Winter temperatures entice water sport lovers to Algoa Bay throughout the year. The breath-taking seashore boasts a perfect combination of warm water, protected beaches and invigorating sea breezes. Here you will find some of the world's best sailing venues, first-rate scuba diving with colourful coral species, beautiful reefs and shipwrecks, near perfect conditions for wind-surfing, angling, snorkelling, kite-surfing, fly-fishing and canoeing.

Another draw-card to the metro is the charming architectural profile which follows a chronological historical pattern throughout the city - starting with Victorian styles, followed by art nouveau, art deco and modern buildings. The biggest number of art deco buildings in South Africa is to be found in the city centre of Port Elizabeth.

In Uitenhage you can still find buildings from the 1800s in their original form. The Old Drostdy Museum built in 1809 is now the home of the Uitenhage Africana Museum. It is the ideal setting through which to experience the history of Uitenhage. The Old Railway Station built in 1875 which is reputed as one of the oldest railway stations in South Africa is another historical attraction found in Uitenhage. Vintage locomotives, a variety of coaches, period furniture and equipment are on display in this museum.

In addition, the city and environs offer a wide selection of attractions; the sheer diversity of which will excite and delight one. These include a rich historical heritage as well as nature-based eco-offerings, activities and experiences. The area supports the most diverse array of vegetation types in South Africa; six of the country's seven terrestrial biomes (bio geographic areas) are represented in the Eastern Cape.

4. Economic Drivers

4.1 Economic Overview

The Gross Domestic Product (GDP), an important indicator of economic performance, is used to compare economies and economic states. Definition: Gross Domestic Product by Region (GDP-R) represents the value of all goods and services produced within a region, over a period of one year, plus taxes and minus subsidies. The GDP-R can be measured using either current or constant prices, where the current prices measures the economy in actual Rand, and constant prices measures the economy by removing the effect of inflation, and therefore captures the real growth in volumes, as if prices were fixed in each base year.

Gross Domestic Product (GDP) – Nelson Mandela Bay, Eastern Cape and National total, 2008-2018 (R billions, current prices)

	Nelson Mandela Bay	Eastern Cape	National Total	Nelson Mandela Bay as % of province	Nelson Mandela Bay as % of national
2008	60.9	174.1	2,369.1	35.0%	2.6%
2009	65.7	191.2	2,507.7	34.4%	2.6%
2010	72.9	211.6	2,748.0	34.5%	2.7%
2011	77.5	226.1	3,023.7	34.3%	2.6%
2012	85.8	252.2	3,253.9	34.0%	2.6%
2013	92.8	273.3	3,540.0	34.0%	2.6%
2014	99.4	293.6	3,805.3	33.9%	2.6%
2015	107.3	316.3	4,049.9	33.9%	2.7%
2016	113.3	334.5	4,359.1	33.9%	2.6%
2017	122.0	358.6	4,653.6	34.0%	2.6%
2018	128.4	376.8	4,873.9	34.1%	2.6%

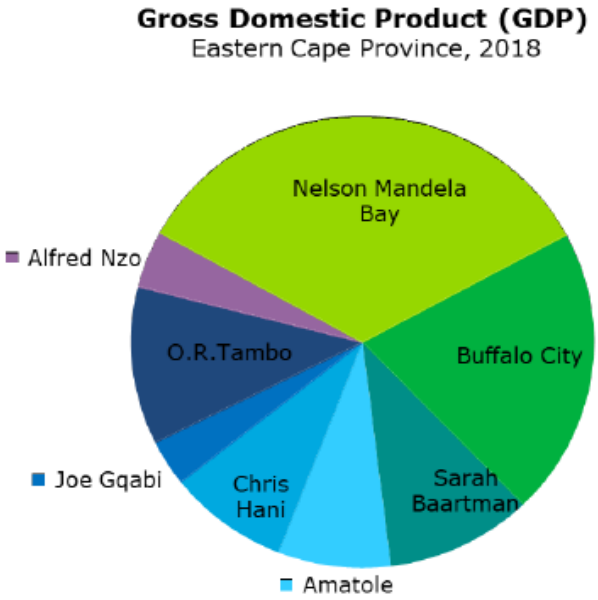
Source: IHS Markit Regional eXplorer

With a GDP of R 128 billion in 2018 (up from R 60.9 billion in 2008), Nelson Mandela Bay contributed 34.07% to the Eastern Cape Province GDP of R 377 billion in 2018 increasing in the share of the Eastern Cape from 34.97% in 2008. Nelson Mandela Bay contributes 2.63% to the GDP of South Africa which had a total GDP of R 4.87 trillion in 2018 (as measured in nominal or current prices). It's contribution to the national economy stayed similar in importance from 2008 when it contributed 2.57% to South Africa, but it is lower than the peak of 2.65% in 2010.

	Nelson Mandela Bay	Eastern Cape	National Total
2008	1.5%	3.2%	3.2%
2009	-2.2%	-1.0%	-1.5%
2010	4.3%	2.4%	3.0%
2011	4.3%	3.7%	3.3%
2012	2.6%	2.0%	2.2% Å
2013	1.5%	1.4%	2.5%
2014	0.9%	1.3%	1.8%
2015	1.1%	0.8%	1.2%
2016	0.9%	0.7%	0.4%
2017	0.7%	0.6%	1.4%
2018	1.0%	0.8%	0.8%
Average Annual growth 2008-2018	1.49%	1.26%	1.50%

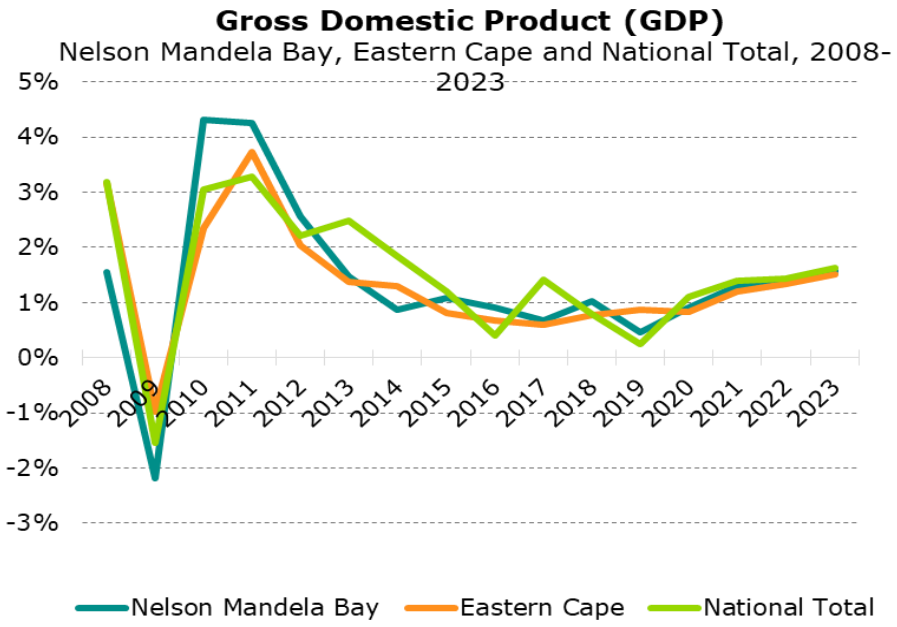
Gross Domestic Product (GDP) – Nelson Mandela Bay, Eastern Cape and National total, 2008-2018 (Annual Percentage Change, Constant 2010 Prices) Source: IHS Markit Regional eXplorer

In 2018, Nelson Mandela Bay achieved an annual growth rate of 1.03% which is a slightly higher GDP growth than the Eastern Cape Province's 0.78%, and is higher than that of South Africa, where the 2018 GDP growth rate was 0.79%. Contrary to the short-term growth rate of 2018, the longer-term average growth rate for Nelson Mandela Bay (1.49%) is very similar than that of South Africa (1.50%). The economic growth in Nelson Mandela Bay peaked in 2010 at 4.32%. Gross Domestic Product (GDP) – Nelson Mandela Bay Metropolitan Municipality and the rest of the Eastern Cape, 2018 (Percentage)



Nelson Mandela Bay had a total GDP of R 128 billion and in terms of total contribution towards Eastern Cape Province Nelson Mandela Bay ranked highest relative to all the regional economies to total Eastern Cape Province GDP. This ranking in terms of size compared to other regions of Nelson Mandela Bay remained the same since 2008. In terms of its share, it was in 2018 (34.1%) slightly smaller compared to what it was in 2008 (35.0%). For the period 2008 to 2018, the average annual growth rate of 1.5% of Nelson Mandela Bay was the fourth relative to its peers in terms of growth in constant 2010 prices.

It is expected that Nelson Mandela Bay will grow at an average annual rate of 1.12% from 2018 to 2023. The average annual growth rate of Eastern Cape Province and South Africa is expected to grow at 1.15% and 1.16% respectively.



Source: IHS Markit Regional eXplorer version 1854

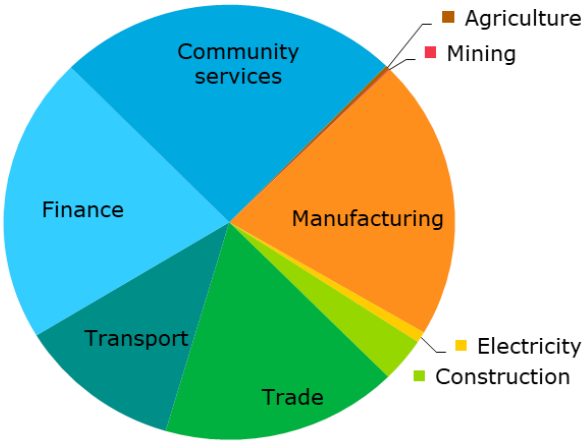
Gross Value Added (GVA) by Broad Economic Sector – Nelson Mandela Bay Metropolitan Municipality, 2018 (R billions, Current Prices)

	Nelson Mandela Bay	Eastern Cape	National Total	Nelson Mandela as % province	Nelson Mandela as % national
Agriculture	0.4	6.7	106.1	5.4%	0.34%
Mining	0.1	0.4	350.9	15.7%	0.02%
Manufacturing	23.2	43.6	572.9	53.2%	4.05%
Electricity	0.9	9.0	166.0	10.1%	0.55%
Construction	3.7	13.3	170.3	27.7%	2.16%
Trade	18.9	67.9	652.7	27.8%	2.89%
Transport	13.1	30.3	426.7	43.1%	3.06%
Finance	23.7	61.4	854.4	38.6%	2.78%
Community services	27.4	102.7	1,041.3	26.7%	2.63%
Total Industries	111.3	335.3	4,341.3	33.2%	2.56%

In 2018, the community services sector was the largest within Nelson Mandela Bay accounting for R 27.4 billion or 24.6% of the total GVA in the metropolitan municipality's economy. The sector that contributes the second most to the GVA of Nelson Mandela Bay is the finance sector at 21.3%, followed by the manufacturing sector with 20.8%. The sector that contributes the least to the economy of Nelson

Mandela Bay is the mining sector with a contribution of R 69.9 million or 0.06% of the total GVA.

Gross Value Added (GVA) by broad economic sector
Nelson Mandela Bay Metropolitan Municipality, 2018



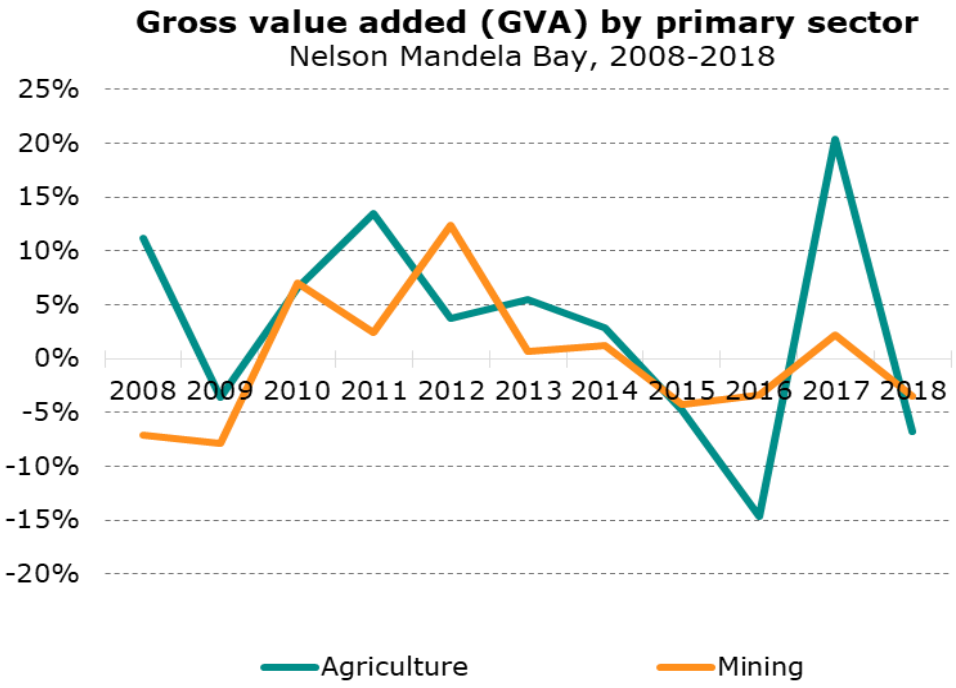
Source: IHS Markit Regional eXplorer version 1854

The community sector, which includes government services, is generally a large contributor towards GVA in smaller and more rural local municipalities. When looking at the regions within the metropolitan municipality, the Region C Sub-metro Region made the largest contribution to the community services sector at 37.72% of the metropolitan municipality. As a whole, the Region C Sub-metro Region contributed R 42 billion or 37.72% to the GVA of Nelson Mandela Bay, making it the largest contributor to the overall GVA of the Municipality.

"In 2018, Nelson Mandela Bay achieved an annual growth rate of 1.03% which is a slightly higher GDP growth than the Eastern Cape Province's 0.78%, and is higher than that of South Africa"

4.2 Primary Sector

The primary sector consists of two broad economic sectors namely the mining and the agricultural sector. The following chart represents the average growth rate in the GVA for both of these sectors in Nelson Mandela Bay from 2008 to 2018.

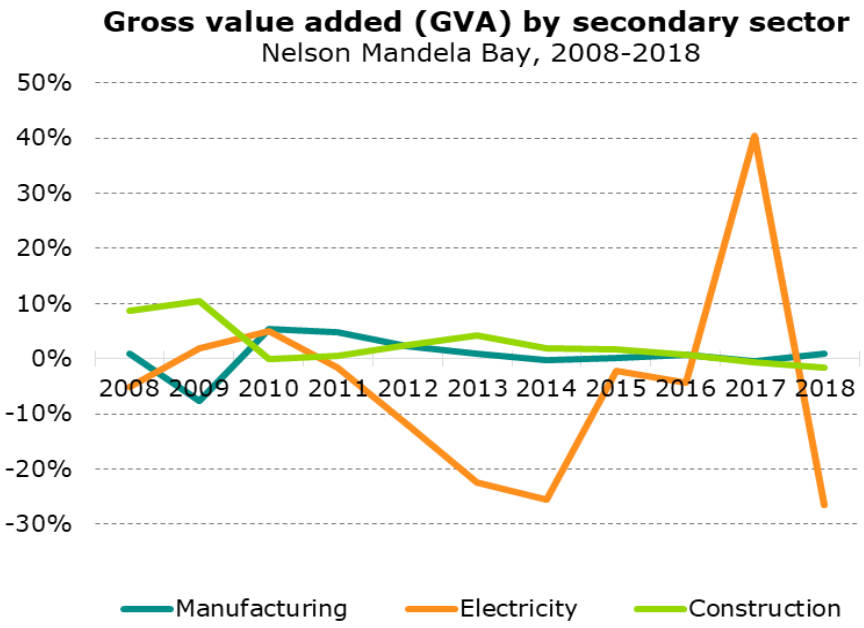


Source: IHS Markit Regional eXplorer version 1854

Between 2008 and 2018, the agriculture sector experienced the highest positive growth in 2017 with an average growth rate of 20.3%. The mining sector reached its highest point of growth of 12.4% in 2012. The agricultural sector experienced the lowest growth for the period during 2016 at -14.6%, while the mining sector reaching its lowest point of growth in 2009 at -7.9%. Both the agriculture and mining sectors are generally characterised by volatility in growth over the period.

4.3 Secondary Sector

The secondary sector consists of three broad economic sectors namely the manufacturing, electricity and the construction sector. The following chart represents the average growth rates in the GVA for these sectors in Nelson Mandela Bay from 2008 to 2018.

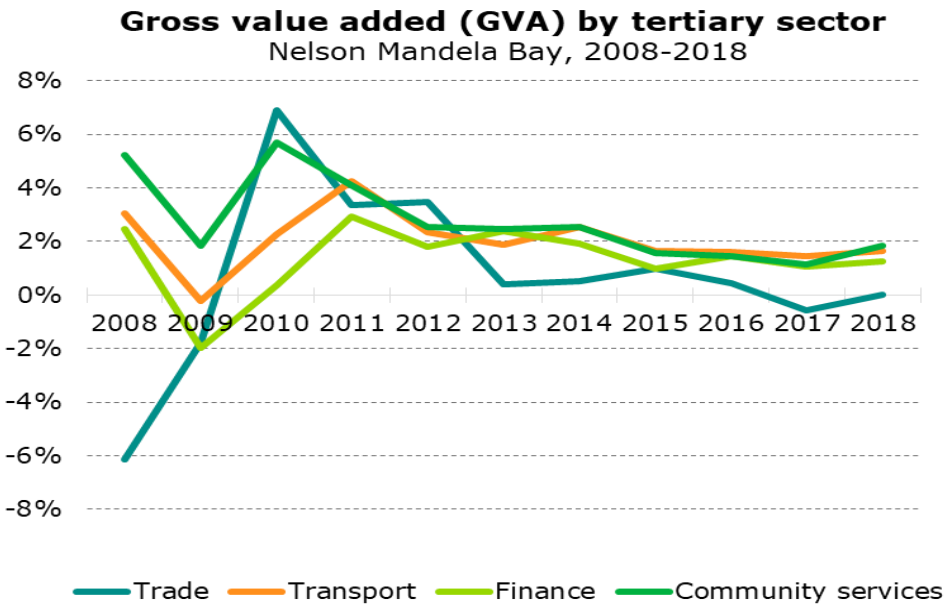


Source: IHS Markit Regional eXplorer version 1854

Between 2008 and 2018, the manufacturing sector experienced the highest positive growth in 2010 with a growth rate of 5.3%. The construction sector reached its highest growth in 2009 at 10.4%. The manufacturing sector experienced its lowest growth in 2018 of -7.7%, while construction sector reached its lowest point of growth in 2018 with -1.5% growth rate. The electricity sector experienced the highest growth in 2017 at 40.4%, while it recorded the lowest growth of -26.5% in 2018.

4.4. Tertiary Sector

The tertiary sector consists of four broad economic sectors namely the trade, transport, finance and the community services sector. The following chart represents the average growth rates in the GVA for these sectors in Nelson Mandela Bay from 2008 to 2018.



Source: IHS Markit Regional eXplorer version 1854

The trade sector experienced the highest positive growth in 2010 with a growth rate of 6.9%. The transport sector reached its highest point of growth in 2011 at 4.2%. The finance sector experienced the highest growth rate in 2011 when it grew by 2.9% and recorded the lowest growth rate in 2009 at -2.0%. The Trade sector had the lowest growth rate in 2008 at -6.1%. The community services sector, which largely consists of government, experienced its highest positive growth in 2010 with 5.7% and the lowest growth rate in 2017 with 1.1%.

"Between 2008 and 2018, the manufacturing sector experienced the highest positive growth in 2010 with a growth rate of 5.3%"

5. Catalytic Projects to Diversify and Grow the Economy

5.1. Nelson Mandela International Airport

Port Elizabeth International Airport is optimally positioned as a city airport which is an important gateway to the tourism market, and easily accessed by business. It is ideally located within 25 kilometres of the industrial cluster of the Coega Industrial Development Zone; one of the country's largest Special Economic Zone.

Port Elizabeth International Airport has a direct, indirect and induced impact on the growth of the economy in the regional sector.

In 2017 PE International Airport contributed R236 million towards GDP, which amounted to a 0.1% contribution to provincial GDP. The airport has also created 418 jobs in the region with a total income contribution of R74 million for employees in the regional sector.

6. Governance

6.1.1. Financial Health

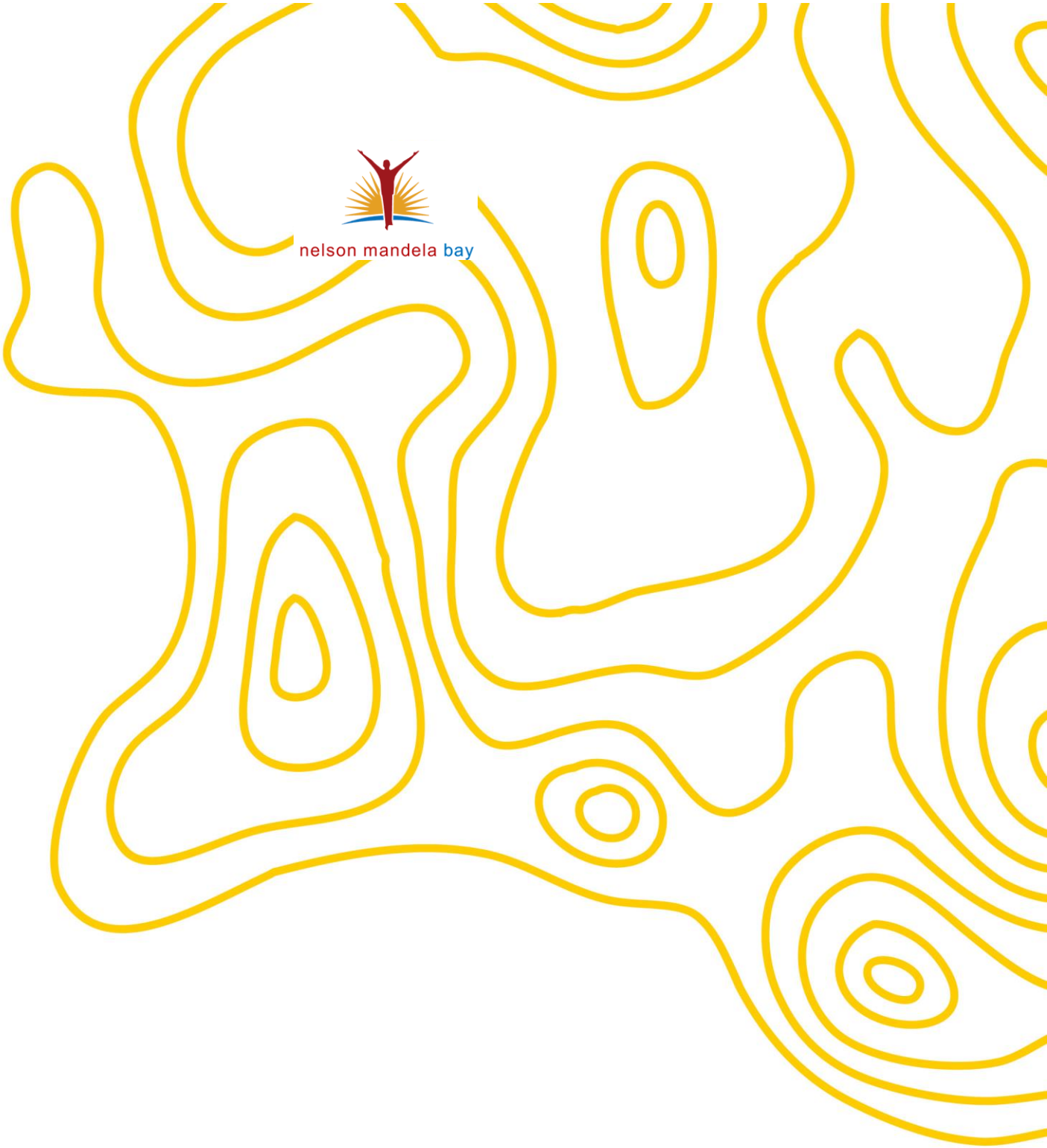
6.1.1.1. Audit Outcome

Nelson Mandela Bay Metropolitan Municipality has recently been given a qualified audit opinion by the Auditor-General South Africa (AGSA) which highlighted on the number of issues that the metro face. Among those mentioned were leadership instability, poor consequence management and ineffective control systems. Poor financial records and a R16.5bn irregular expenditure bill dating back to 2002 were also cited in the auditor-general's opinion.

Financial Results

All values: R'000	2018/19	2017/18	2016/17	2015/16	2014/15
AUDIT OUTCOME	n/a	Qualified audit	Qualified audit	Qualified audit	Qualified audit
FINANCIAL PERFORMANCE					
Property rates	2 117 762	2 007 605	1 639 399	1 502 463	1 332 135
Service charges	5 158 344	5 182 065	4 882 016	4 649 224	4 059 466
Investment revenue	146 946	155 484	121 035	113 354	83 294
Transfers recognised - operational	1 366 322	1 578 577	954 122	1 148 940	1 486 060
Other own revenue	510 460	618 384	1 322 117	1 314 995	1 176 696
Total Revenue (excluding capital transfers and contributions)	**9 299 835**	**9 542 116**	**8 918 690**	**8 728 976**	**8 137 650**

Source: Municipalities



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STAY SAFE
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2030 NDP