



# REVIEW AND ALIGNMENT OF LOCAL MUNICIPAL LEDS WITH BOJANALA PDM PLANS:

Rustenburg Local Municipality Local Economic Development  
Strategy, 2011



URBAN-ECON  
Development Economists



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## SECTION 1: INTRODUCTION

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Urban-Econ had been appointed by the Bojanala Platinum District Municipality (PDM) to review and align the Local Economic Development (LED) Strategies for four of its local municipalities. The Rustenburg Local Municipality (LM) is one of the four local municipalities that had been chosen.

The need to review and align the LED Strategies for the respective municipalities had arisen due to the fact that most of the municipalities have outdated LED strategies which do not take into consideration recent developments and are not aligned with recently completed documents. The lack of alignment with relevant documents includes the Bojanala PDM LED Strategy as well as the Bojanala PDM Growth and Development Strategy.

The Rustenburg LM is however unlike its sister municipalities, as its LED strategy had been compiled fairly recently, i.e. in 2009. This strategy however does contain a number of gaps, which this strategy intends to mitigate. These gaps include the following:

- Lack of alignment with all relevant documents
- Projects are clearly not distinguished in terms of their level of priority
- There aren't any credible business plans available for the individual initiatives in the identified economic sector
- Implementation time frames for initiatives are not indicated
- Possible donors and investors have not been identified for projects within the identified economic sectors

The Rustenburg LM LED Strategy will be compiled as a new report whilst still referring to the 2009 LED Strategy and ensuring that the important elements of the 2009 LED strategy are included in this report.

The remainder of this section will explain the following:

- project objectives,
- defining LED and the implication that it has on the Rustenburg LM ,
- defining the area under analysis,
- methodology followed, and
- roadmap to this report.

### 1.1. PROJECT OBJECTIVES

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Based on the gaps indicated above, the main objectives of this project are to:

- align the LED Strategy with all government policies and plan including those of the district municipality,
- ensure gaps identified in previous LED Strategies are covered in this strategy,
- ensure that the LED Strategy meets the vision, mission and objectives of the local stakeholders, and
- ensure the compilation of credible and implementable LED Strategies.

## 1.2. DEFINING LED AND THE IMPLICATION ON THE RUSTENBURG LM

Whilst LED has been an approach that has been adopted for number of years within South Africa, there still exists confusion and ambiguity regarding this concept.

Simplistically stated LED refers to all stakeholders and role-players working together towards improving the local economy. These stakeholders include the public sector, private sector as well local communities. One of the main challenges associated with LED has been the interpretation of this approach by key stakeholders. It is important to understand the difference between LED and other approaches to economic development. To clarify the interpretation of LED, different approaches to economic development are examined in Table 1.1. The approaches examined are community development, community economic development and LED.

**Table 1.1: Difference between LED and other approaches to economic development**

	<b>Community Development</b>	<b>Local Economic Development (LED)</b>	<b>Community Economic Development</b>
<b>Market Orientation</b>	No market orientation – social orientation in marginalised communities.	First economy orientation (e.g. mainstream, formal markets).	Second economy orientation (e.g. isolated, marginalized & informal markets).
<b>Project Ownership</b>	Ownership lies with the funder of the project (e.g. state, private donor, service provider) with the community helping to mobilise the project's implementation.	Ownership lies with individual businesses that are beneficiaries for the project and with government body applying funds to the project (e.g. local government).	Ownership lies with the community (either at larger or community group) with mobilisation through partnerships with NPOs and government bodies.
<b>Intended Outcomes of Project</b>	Infrastructure and capacity building (e.g. skills and basic infrastructural development)	Increase competitiveness of and support business environment within the local economy.	Increase retention and reinvestment of wealth in the local market and to transition and transform second economy with the first.

Source: Adapted from Basis for Decision-Making for the Implementation of Local Economic Development in the Limpopo Province of the Republic of South Africa, Study on Community Economic Development, July 2005

The table clearly highlights that LED seeks to improve the economic conditions within the local economy. This approach is market orientated and focuses on improving existing strengths. LED interventions are also owned by beneficiaries.

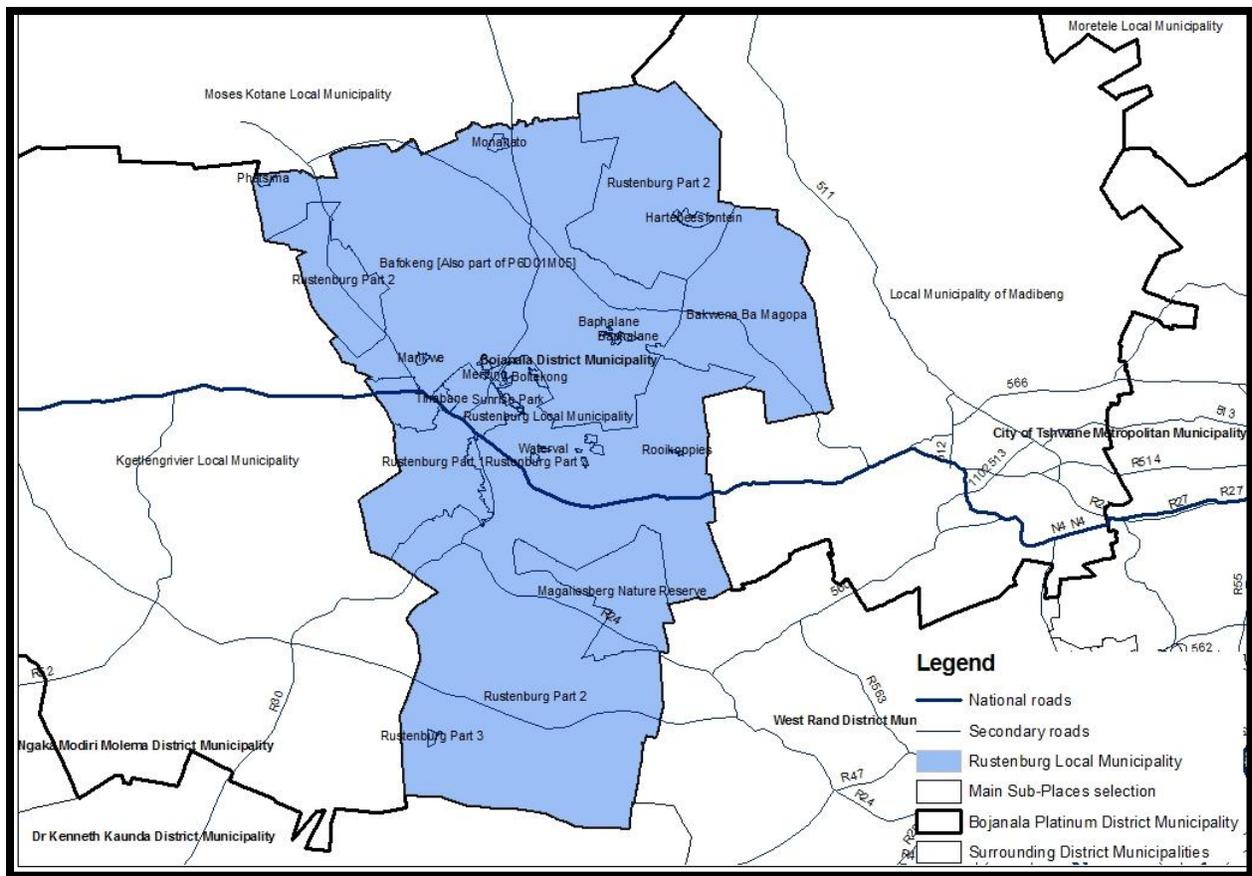
Therefore this LED Strategy will follow the underlying principles of Local Economic Development as indicated in Table 1.1 above.

1.3.DEFINING THE AREA OF ANALYSIS

The Bojanala Platinum District Municipality is one of the four district municipalities within the North West Province. Besides being surrounded by other districts in the North West Province, the Bojanala Platinum District Municipality also shares a border with the Limpopo and Gauteng Province.

The Rustenburg LM is found towards the southern end of the Bojanala Platinum District Municipality as indicated in Map 1 below. The local municipality is surrounded by three local municipalities within the Bojanala PDM namely the Madibeng LM, Moses Kotane LM and Kgetlengrivier LM. Furthermore, Dr. Kenneth Kaunda District Municipality (also in the North West Province) and the West Rand District Municipality (in the Gauteng Province) are situated in close proximity to the Rustenburg Local Municipality.

**Map 1.1: Rustenburg LM and Surrounding Municipalities**



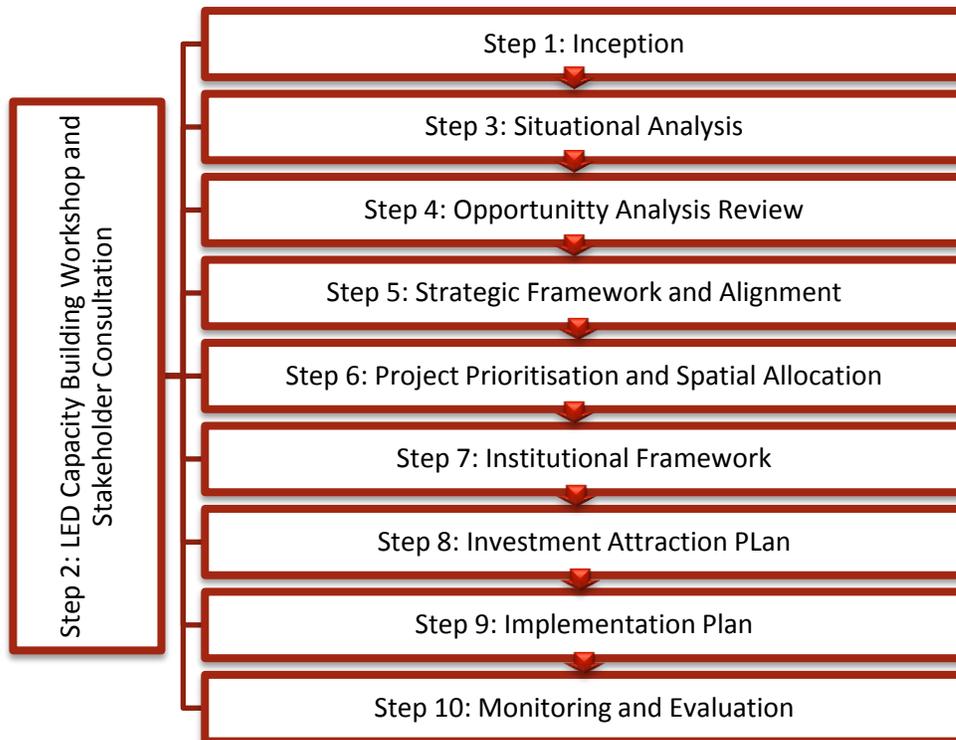
Source: Urban-Econ

The local municipality is fairly accessible as the N4 highway runs through the municipality and a number of secondary roads also traverse through the local municipality.

#### 1.4.METHODOLOGY FOLLOWED

In order to compile this strategy a number of steps were followed. These steps are presented in Figure 1.1 below. The steps followed have been categorized into ten distinct steps. Some of the steps followed overlap with the sections within the report, therefore only the following step 1(inception) and step 2 (LED capacity building workshop and stakeholder consultation) of the methodology followed is discussed in this sub-section.

**Figure 1.1: Methodology followed in the compilation of the LED Strategy for the Kgetlengrivier Local Municipality**



**Inception:** this involved meeting with the LED representatives from Rustenburg Local Municipality, to ensure that the consultant and municipality agree upon the goals and objectives of the study.

**Stakeholder consultation and capacity building workshop:** this relates to obtaining inputs from the local stakeholders. Communication with stakeholders is a key component, as it will ensure that the local municipality can identify with and take ownership of the LED Strategy.

#### 1.5.ROADMAP TO THIS REPORT

This section assists provides a brief outline of the sections which are contained within the report. The sections are as follows:

**Section 2 - Policy Review and Alignment:** the purpose of this section is to review all the relevant policies, plans and legislation that affect LED. This allows for the identification of guidelines that need to be considered in drafting the LED Strategy.

**Section 3 - Situational Analysis:** the purpose of this section is to provide a comprehensive background on the Rustenburg LM in terms of the socio-economic and economic characteristics of the local municipality.

**Section 4 - LED Framework:** this section will identify the economic vision, mission and objectives identified by stakeholders for the Rustenburg LM.

**Section 5 - Opportunity Analysis:** opportunities that could be implemented within the Rustenburg LM that could assist in improving the economic and socio-economic conditions of the municipality is presented in this section.

**Section 6 - Project Prioritisation and Spatial Allocation:** the opportunities identified in section five will be prioritised in this section using a list of criteria. In addition the area in which the projects could potentially be implemented is indicated in this section.

**Section 7 - Institutional Framework:** this section examines the institutions responsible for the implementation of the LED Strategy and provides recommendations to strengthen the effectiveness of the bodies responsible for LED implementation.

**Section 8 - Investment Attraction Plan:** as many of the opportunities cannot and will not be implemented by the Rustenburg Local Municipality, it is important to attract investors. This section will provide guidelines to attract investors to the Rustenburg local municipal area.

**Section 9 - Implementation Guidelines:** this section provides guidelines that will inform the implementation of the LED Strategy within the local municipality.

**Section 10 - Monitoring and Evaluation:** the final section of the report relates to the identification of a monitoring and evaluation framework. This framework will assist in determining the impact of implementing the LED Strategy within the local municipal area.

## SECTION 2: POLICY REVIEW AND ALIGNMENT

This section examines the various policies, plans and legislation that affects and should guide Local Economic Development with the Rustenburg LM. This is necessary to ensure that the various spheres of government work towards attaining the same goal and follow similar approaches towards achieving their goal. In addition, the local municipality is likely to obtain greater support (financially or otherwise) if the municipalities plans and programmes are aligned with those from the different government spheres.

As such this section will examine the various government policies and plans at the national, provincial, district and local municipality. The approach followed in reviewing the relevant documents will be to provide a summary/highlights of the relevant document and to indicate the implication of the strategy.

### 2.1. NATIONAL POLICIES, LEGISLATION AND PLANS

The following national documents will be reviewed in this sub-section:

- The Constitution (Act 108 of 1996)
- New Economic Growth Plan Framework, 2010
- The National Spatial Development Perspectives, 2003
- Broad Based Black Economic Empowerment (BBBEE)
- Framework for Economic Development: Department of Provincial and Local Government
- Local Government Municipal Systems Act (Act 32 of 2000) Local Government Laws Amendment Act (No.19 of 2008)
- Comprehensive Rural Development Programme,
- Regional Industrial Development Strategy (RIDS), 2006
- National Industrial Policy Framework (NIPF), 2007 and Industrial Policy Action Plan, 2010 (IPAP)
- A Mineral Beneficiation Strategy for the Minerals Industry of SA, June 2006, DME (now referred to as the DMR)
- Co-operative Development Strategy, 2004 - 2014
- National Tourism Strategy, 2010
- Energy Master Plan, 2007 – 2025
- Address of the premier, State of the Province Address, 2011
- The Integrated Strategy on the promotion of co-operatives & collective Entrepreneurship, 2008
- The national Strategic plan on HIV/AIDS 2007-2012

Each of these documents will be reviewed in the sub-sections to follow:

#### 2.1.1. The Constitution (Act 108 of 196)

The Constitution of the Republic of South Africa (Act 108 of 1996), Section 152 (1), outlines the objectives of local government as follows:

- To provide democratic and accountable government for local communities
- To ensure the provision of services to communities in a sustainable manner
- To promote social and economic development
- To promote a safe and healthy environment
- To encourage the involvement of communities and community organisations in the matters of local government.

From the above it can be noted that local government is clearly mandated to promote economic development within its area of jurisdiction.

#### **Alignment with LED strategy**

The Rustenburg LM is under constitutional obligation to promote economic development within the local municipality. Therefore, this LED Strategy is one action that acts to promote economic development within the local municipality.

#### **2.1.2. New Economic Growth Path Framework, 2010**

The New Economic Growth Path states that ‘there is growing consensus that creating decent work, reducing inequality and defeating poverty can only happen through a new growth path founded on a restructuring of the South African economy to improve its performance in terms of labour absorption as well as the composition and rate of growth.’

The main purpose of the new economic growth plan is to address unemployment, inequality and poverty. In particular the New Economic Growth Path identified achieving a goal of creating five million jobs by 2020. In order to achieve this, a number of job drivers have been identified. These job drivers are:

- Infrastructure for employment and development
- Improving job creation in economic sectors (agricultural value-chain, mining value chain, manufacturing, tourism and high level services)
- Seizing the potential of new economies
- Investing in social capital
- Spatial development

For the job drivers to facilitate job creations, a policy package is to be developed for these particular areas/sectors. The policies identified are distinguished between macroeconomic and microeconomic policies. The microeconomic policies relate to ten programmes, these are:

- Active industrial policy
- Rural development policy
- Competition policy
- Stepping up education and skills development
- Enterprise development
- Broad Based Black Economic Empowerment
- Labour policies

- Technology policy
- Developmental trade policies
- Policies for African development

#### **Alignment with LED strategy**

The new economic growth path is a critical document that indicates the new approach national government plans to take to develop the country. There are a number of job drivers as well as programmes that are applicable to the Rustenburg Local Municipality. These will be examined further in the latter sections of the report.

### **2.1.3. The National Spatial Development Perspective, 2003**

In order to address the distortions of the past apartheid space economy, the National Spatial Development Programme (NSDP) was adopted in 2003. This perspective programme provides an indication of potential in different geographic spaces across the country and is used as an instrument that informs the respective development plans of the national, provincial and local government, which include Integrated Development Plans (IDPs), Provincial Growth and Development Strategies (PGDSs) and the Medium Term Strategic Framework (MTSF).

The NSDP is to fundamentally reconfigure apartheid spatial relations and implement spatial priorities that meet the Constitutional imperative of providing basic services and alleviating poverty and inequality. It provides a set of principles and mechanisms for guiding infrastructure investment and development decisions. The NSDP serves as a tool for identifying key areas of tension and/or priority in achieving positive spatial outcomes.

The NSDP identified six categories of developmental potential which cover the spectrum of economic functions in a modern economy:

- Innovation and experimentation
- High value, differentiated goods
- Labour-intensive, mass-produced goods
- Public services and administration
- Retail and services
- Tourism

#### **Alignment with LED strategy**

The principles indicated in the NSDP will be used to inform the locations/spatial component that will be indicated for the opportunities identified within the Rustenburg local municipal area.

### **2.1.4. Broad Based Black Economic Empowerment**

The Black Economic Empowerment Commission (BEECom) has encapsulated a broad definition of BEE. It is an integrated and coherent socio-economic process, located in the context of the country's national transformation programme (i.e. the Reconstruction and Development Programme). It is aimed at redressing the imbalances of the past by seeking sustainable and equitable transfer and confers the ownership, management, and control of South Africa's financial and economic resources to the majority of its citizens. It seeks to ensure broader and meaningful participation in the economy by black people to achieve sustainable development and prosperity.

South Africa's transformation challenges can only be addressed in the context of a growing economy. However, economic growth in the absence of creative social and economic programmes is unlikely to reduce racial income inequalities. Furthermore, prevailing inequality, unemployment, and poverty have a detrimental impact on attracting new investment and economic growth. BEE is a national priority, which affects all sectors of the economy and should inform the LED strategy.

#### **Alignment with LED strategy**

The LED Strategy should seek ensure that the opportunities and recommendations provide assist in decreasing the existing inequalities that are still prevalent between different races.

#### **2.1.5. Framework for Local Economic Development: Department of Provincial and Local Government (DPLG)**

The Framework is intended to build a shared understanding of LED in South Africa and put into context the role of local economies in the national economy. It seeks to mobilise local people and local resources in an effort to fight poverty.

The Framework lays the basis for deepening community access to economic initiatives, support programmes and information for the coordination of economic development planning and implementation across government and between key role players.

#### **Alignment with LED strategy**

The Framework for LED is an important guideline that has considered in order to ensure that this LED Strategy is in line with the framework for LED.

#### **2.1.6. Local Government Municipal Systems Act (Act 32 of 2000) and Local Government Laws Amendment Act (No.19 of 2008)**

The Municipal Systems Act (Act 32 of 2000) lists the duties of a municipal council, within its financial and administrative capacity, as follows in Section 4(2):

- exercise the municipality's executive and legislative authority and use the resources of the municipality in the best interests of the local community,
- provide, without favour or prejudice, democratic and accountable government,
- encourage the involvement of the local community,

- strive to ensure that municipal services are provided to the local community in a financially and environmentally sustainable manner,
- consult the local community about:
  - the level, quality, range and impact of municipal services provided by the municipality, either directly or through another service provider; and
  - the available options for service delivery.
- give members of the local community equitable access to the municipal services to which they are entitled,
- promote and undertake development in the municipality,
- promote gender equity in the exercise of the municipality's executive and legislative authority,
- promote a safe and healthy environment in the municipality, and
- contribute, together with other organs of state, to the progressive realization of the fundamental rights contained in sections 24, 25, 26, 27 and 29 of the Constitution.

Section 26(c) of the Municipal Systems Act further specifies that the Integrated Development Plan of a local municipality must contain its Local Economic Development aims.

#### **Alignment with LED strategy**

The Municipal Systems Act will be considered to ensure that the LED Strategy is in line with the acts and laws governing local municipalities.

#### **2.1.7. The Comprehensive Rural Development Framework, 2010**

The Department of Rural Development and Land Reforms mandate according to the Strategic Plan (2010 – 2013) is to create a “vibrant, equitable and sustainable rural communities and food security for all”. In order to achieve this mandate the department has developed, amongst others, the Comprehensive Rural Development Programme (CRDP). The CRDP is aimed at being an effective response against poverty and food insecurity by maximizing the use and management of natural resources. The vision of the CRDP is to create vibrant, equitable and sustainable rural communities by ensuring the following:

- contributing to the redistribution of 30% of the country's agricultural land;
- improving food security of the rural poor;
- creation of business opportunities,
- de-congesting and rehabilitation of over-crowded former homeland areas; and
- expanding opportunities for women, youth, people with disabilities and older persons who stay in rural areas.

The ultimate aim of the CRDP is to achieve social cohesion and development in rural communities. It is based on the following:

- coordinated and integrated broad-based agrarian transformation,
- improved land reform programme, and
- strategic investments in economic and social infrastructure in rural areas.

### **Alignment with LED strategy**

There are a number of areas within the Rustenburg LM that are rural in nature and thus the Comprehensive Rural Development Programme is an important document that will be considered in order to develop these areas.

#### **2.1.8. Regional Industrial Development Strategy, 2006**

The Regional Industrial Development Strategy (RIDS) calls on all regions to build their industrial economies based on local competitive advantages and opportunities. It aims to bridge the first-second economy gap in South Africa based on the spatial development principles of the NSDP. Such a strategy focuses fundamentally on addressing the key obstacles to the functioning of the economy, primarily through infrastructural interventions which will better enable all regions to access markets and resources.

The strategic objectives may be summarized as follows:

- Attempt, as far as possible, to reduce economic disparities between regions, address the needs of both the first and second economies, and narrow the gap between them.
- Pay particular attention to the needs of those regions which are lagging behind the national norms.
- Enhance current regional strengths and lead sectors of the economy.
- Promote sustainable economic growth and employment in provinces and municipalities.
- Build regional competitive capabilities and firm-level support measures.
- Enhance regional performance in attracting foreign direct investment.

### **Alignment with LED strategy**

The RIDS is an important document for the Rustenburg LM Given the number of industries within the local municipality.

#### **2.1.9. National Industrial Policy Framework, 2007 and Industrial Policy Action Plan, 2010**

The National Industrial Policy Framework sets out governments broad approach to industrialisation that will achieve the targets sets out by ASGISA.

The vision of NIPF for industrial development is as follows:

- To facilitate the diversification of the South African economy beyond the current reliance on traditional commodities and non-tradable services
- Intensification of South Africa's industrialisation process and movement towards a knowledge economy
- The promotion of a more labour-absorbing industrialisation path with a particular emphases on tradable labour-absorbing goods and services and economic linkages that catalyse employment creation
- The promotion of a broader based industrialisation path, characterised by greater participation by historically disadvantaged individuals and marginalised regions in the mainstream of the industrial economy

- Contributing to industrial development on the African continent with an emphasis on building its productive capabilities

IPAP is an action plan that sets out in detail the key action and timeframes for the implementation of the industrial policy. An action plans had been compiled during 2007, however a new document has been released for the 2010/11 – 2012/13 period. The new or second IPAP identified three clusters which increased focus should be placed on. These are:

Cluster 1 – Qualitatively new areas of focus

- Realising the potential of the metal fabrication, capital and transport equipment sectors, particularly arising from large public investments
- ‘Green’ and energy-saving industries
- Agro-processing, linked to food security and food pricing imperatives

Cluster 2 – Scale up and broaden interventions in existing IPAP sectors

- Automotives, components, medium and heavy commercial vehicles
- Plastics, pharmaceuticals and chemicals
- Clothing, textiles, footwear and leather
- Biofuels
- Forestry, paper, pulp and furniture
- Strengthening linkages between cultural industries and tourism
- Business process servicing

Cluster 3 – Sectors with potential for long-term advanced capabilities

- Nuclear
- Advanced materials
- Aerospace

**Alignment with LED strategy**

Interventions such as Business Process Outsourcing identified in the new IPAP are some of the initiatives that need to be explored further.

**2.1.10. A Beneficiation Strategy for the Minerals Industry of SA, June 2006**

This strategy aims to transform the mining industry from being a ‘resource based to a knowledge based industry.’ In order to achieve this a co-ordinated approach to increase the beneficiation of minerals was proposed. In particular, value-addition within the following value-chains is proposed:

- Energy generation,
- Steel and stainless steel fabrication,
- Pigments and supper alloy production, and
- Jewellery making.

Planned interventions to assist in the implementation of the strategy have been identified. These interventions relate to the following:

- Regulatory incentive
- Mineral royalty act incentives
- Investment in R & D initiatives
- Commitment of producers to support local beneficiation in terms of availing access to minerals in South Africa readily
- Alignment of existing initiatives on skills development to required proficiency for optimizing beneficiation
- Ensure security of energy supply expand the economic policy to ensure international market access to locally beneficiated goods

This strategy is of particular importance to the district as the district needs to further ensure increased value addition to the numerous minerals found within the district.

#### **Alignment with LED strategy**

The Mineral Beneficiation Strategy is highly applicable to the Rustenburg LM given the high number of mines active within the area and the limited value-adding that occurs within the local municipality.

#### **2.1.11. Energy Master Plan 2007 – 2025**

According to the Energy Master Plan the security of electricity supply in South Africa has become very critical. However, energy supply is of extreme importance as a lack thereof could hamper economic growth.

The main outcome of this plan has been the identification of intervention plans that would support energy generation. The intervention plan consists of the following:

- Integrated Resources Plan
- Capacity Expansion Programme
- Total System Capacity and Reliability Plan
- Transmission Expansion Plan
- Regional Electricity Distributors (REDS)
- Electrification of Schools, Houses and Clinics
- Maintenance & Refurbishment of Generating Plant
- Accelerated Demand Side Management (this includes the inclusion of Private Power Producers (IPP))

### **Alignment with LED strategy**

Sufficient energy capacity is of significant importance to the local in order to support the growth of the local economy. The current situation related to energy supply will be examined in relation to the Energy Master Plan.

#### **2.1.12. National Tourism Strategy, 2010**

Tourism has grown considerably over the years within South Africa, however there are a number of opportunities for tourism that have not been fully exploited within the country. Furthermore, a number of challenges appear to hinder these opportunities. The National Tourism Strategy was therefore drafted in order to ‘inspire and accelerate the responsible growth of the tourism industry from 2010 to 2015.’

The framework followed in compiling this strategy is indicated below:

- Guiding principles – vision, mission and values
- Strategic objectives and targets
- Strategic thrusts/focus areas to achieve objectives
- Actions/interventions by focus area
- Institutional structure
- Responsibilities and budget
- Monitoring the strategy

The strategic thrusts identified within the strategy relate to the following:

- Policy, strategy, regulations governance & monitoring and evaluation
- Tourism growth and development (related to demand and supply)
- Enablers of growth
- People in tourism

### **Alignment with LED strategy**

The National Tourism Strategy will be examined in greater detail in terms of applicability to the Rustenburg LM when the tourism sector for the local municipality is examined.

#### **2.1.13. State of the Province Address, 18th February 2011**

The state of the province address was presented on the 18<sup>th</sup> of February 2011. The key component of the address was to recap on all that has been achieved, along with the work that still needs to be done within the North West Province.

In addressing the work that still needs to be done and the approaches that are to be followed, the following issues were addressed:

- Rural development,
- Fraud, corruption and internal management,
- Youth development,
- Skills development and bursaries,
- Education,
- Monitoring & evaluation systems,
- Provincial Growth & Development Strategy,
- Renewable energy,
- Tourism development,
- Initiatives to support businesses & SMME's,
- Agro-processing,
- Roads,
- Crime,
- Health, and
- Traditional leaders.

Rural development, skills development, monitoring and evaluation, renewable energy, tourism development and initiatives to support businesses and SMME's are some of the key issues that are discussed within the LED Strategy.

#### **Alignment with LED strategy**

The LED Strategy will discuss and focus on some of the issues mentioned within the state of the province address.

#### **2.1.14. The Integrated Strategy on the Promotion of Co-Operatives and Collective Entrepreneurship**

The purpose of this strategy is to 'create an integrated cooperative sector capable of contributing towards economic growth, poverty reduction and employment creation as well as assist in bringing about economic transformation and equitable society.'

According to the strategy, co-operatives are viewed as a global driver to economic growth. The number of co-operatives registered in South Africa has been growing substantially, although co-operatives in SA face a number of challenges.

In order to support co-operatives and mitigate the challenges facing co-operatives within South Africa, the following strategic pillars have been identified. These are:

- Strategic Pillar 1: To increase the supply for non-financial support services to cooperatives, cont.
- Strategic Pillar 2: Creating demand for Cooperatives products and services
- Strategic Pillar 3: Improve competitiveness of cooperatives and SMMEs
- Strategic Pillar 4: To increase the supply for financial support services to cooperatives

### **Alignment with LED strategy**

Co-operatives will be promoted within the LED Strategy as it allows for shared resources and knowledge. The strategy will also seek to ensure that the support is available for co-operatives within the municipal area.

#### **2.1.15. The National Strategic Plan on HIV/AIDS 2007-2012**

The National Strategic Plan on HIV/AIDS aims to meet the following:

- Reduce the rate of new HIV infections by 50% by 2011.
- Reduce the impact of HIV and AIDS on individuals, families, communities and society by expanding access to appropriate treatment, care and support to 80% of all HIV-positive people and their families by 2011.

In order to meet these aims the key priority areas of the strategy are:

- Prevention,
- Treatment, care and support,
- Research, monitoring, and surveillance, and
- Human rights and access to justice.

### **Alignment with LED strategy**

HIV/AIDS is a major issue facing the country, and it is particularly relevant to the Rustenburg LLM. This is because HIV/AIDS is prevalent in mining areas due to the fact that many migratory workers work within mines. Thus the municipality can assist in ensuring the prevention of AIDS within the local municipal area as it affects the productivity of workers and the it has a negative impact on the local economy.

## **2.2. PROVINCIAL POLICIES AND PLANS**

At provincial level, relevant policies and legislature to the LED process are:

- North West Growth and Development Strategy, 2007 Review
- North West Spatial Development Framework, 2011
- North West Agricultural Master Plan, 2010

### **2.2.1. North West Growth and Development Strategy, 2007 Review**

One of the deliverables by the province, while not a legislative requirement, is the compilation of a Provincial Growth and Development Strategy (PGDS). According to the Provincial Growth and Development Strategy Guidelines, this strategy is a critical tool to guide and coordinate the allocation of national, provincial and local resources and private sector investment to achieve sustainable development outcomes'.

The vision as determined by the PGDS is to build a society that:

- is truly united, non-racial, non-sexist and democratic,
- jointly focus and deliver on key national priorities,
- deliver services and channel resources in the most effective, efficient and sustainable way, and
- significantly reduce the dualistic nature of the South African economy into a single and integrated economy that benefits all.

According to the provincial GDS the following goals were identified to be achieved by 2014, these are:

**Socio-Economic Goal:** The Economic growth required to halve unemployment over a period of ten years has been calculated to average 6.6% per annum. This is considered the minimum economic growth that could create enough capacity and momentum to place the province on a virtuous cycle of integrated and sustainable growth and development during the next ten years (i.e. 2004 – 2014)

**Poverty Alleviation Goal:** Basic service delivery to eradicate backlogs and prepare the poor for future growth and development.

The PGDS also identified specific economic targets for the Bojanala PDM such as an annual increase in employment of 3 573 for the Bojanala PDM.

It should be noted that a new PGDS is currently being compiled and this should be reviewed once the document becomes available.

#### **Alignment with LED strategy**

The LED Strategy will look to be aligned with new PGDS as soon as it has been finalised.

### **2.2.2. North West Spatial Development Framework, 2009**

According to the North West Spatial Development Framework, the purpose of the framework is to ‘instill a sustainable spatial development trajectory for the Province that integrates various sectoral plans at a National and Provincial level as well as municipal IDP and MSDF level’. In achieving this, the framework identified a four intervention zones within the province along with key spatial structuring elements/principles that need to be considered. The four intervention zones identified relate to the following:

**Intervention Zone 1: Main Economic Growth Areas** with an immediate economic base and good infrastructure for priority investment and development spending. The Rustenburg LM, along with the Mosese Kotane LM, Madibeng LM and Moretele LM has been identified as one of the key priority areas within the province.

**Intervention Zone 2: Social Inclusion Areas** with high concentrations of people but low economic access and suitable for investment in people rather than in places. A number of areas within the local municipality have been identified as social inclusion area as well.

**Investment Zone 3: Potential Growth Areas** with potential economic base for priority development spending to kick start investment spending.

**Investment Zone 4: Environmentally sensitive areas** that require spending to rectify environmental imbalances and to protect the eco systems.

#### **Alignment with LED strategy**

The LED Strategy will make reference to the NW SDF when determining the locations for the identified opportunities within the Rustenburg LM.

#### **2.2.3. North West Agricultural Master Plan, 2010**

The purpose of the North West Agricultural Master Plan was to identify stakeholders and their roles in the agricultural sector in the North West province, produce a comprehensive resource audit, identify best practice related to land use options, identify economic opportunities, present an analysis of viable agricultural development system, create a project information library and the identify appropriate eco-technologies.

In achieving the above-mentioned goals of the project, the following economic opportunities were identified:

- Goat milk outsourcing scheme,
- Dairy outsourcing scheme,
- Goat meat production,
- Broiler outsourcing,
- Small-scale beef production,
- Animal feed production,
- Eco-tourism,
- Veld management plan,
- Taung irrigation scheme,
- Vegetable management plan,
- Grain and oilseeds,
- Perennial crops, and
- Ostriches.

#### **Alignment with LED strategy**

Approaches to retain and develop the agricultural sector will be the main element that needs to be obtained from the North West Agricultural Master Plan, given the increasing demand for land and other economic activities within the local municipality.

### 2.3. DISTRICT, POLICIES AND PLANS

The district policies and plans that are relevant to the LED Strategy that area examined are indicated below:

- Bojanala Platinum District Municipality LED Strategy, 2009
- Bojanala Platinum District Municipality Growth and Development Strategy, 2005
- Bojanala Platinum District Municipality Spatial Development Framework, 2006
- Bojanala Platinum District Municipality Agriculture and Rural Development Strategy, 2008
- Bojanala Platinum District Municipality Tourism Master Plan, 2009
- Draft Feasibility of Rural Economic Nodes within the Bojanala PDM, 2010

#### 2.3.1. Bojanala Platinum District Municipality LED Strategy, 2009

A LED Strategy was compiled for the Bojanala PDM through Project Khulis'umnotho (an initiative of the dti). This project involved 17 district municipalities selected by the dti and involved providing technical assistance and support to the district municipalities, whilst also capacitating these authorities along the way.

The LED strategy identified the following thrusts:

- Thrust 1: Human resource development
- Thrust 2: Expansion and retention of the agricultural activities
- Thrust 3: Sustainable development
- Thrust 4: Tourism development
- Thrust 5: Beneficiation and industrial development
- Thrust 6: Market development and promotion
- Thrust 7: Mining expansion

#### Alignment with LED strategy

The Bojanala PDM LED Strategy is a key document that will be used to inform and guide this strategy. Elements of the Bojanala PDM that have informed this document include the structure of that document, the opportunities identified within the Bojanala LED Strategy and recommendation related to the institutional structures for LED.

#### 2.3.2. Bojanala Platinum District Municipality Growth and Development Strategy, 2005

The district Growth and Development Strategy refines the provincial Growth and Development Strategy in order to align the district with the provinces' objectives.

The vision as presented in the district growth and development strategy:

“The Bojanala Platinum District accepts its pivotal role in realizing the growth and development goals and targets of the North West Province and all role-players commit themselves to creating a vibrant and growing economy and providing basic services and facilities to all citizens of the district”

The key pillars identified in the GDS are:

- Key Strategic Pillar 1: Secure economic development in Bojanala Platinum District Municipality that is sectorally and spatially diversified and benefits all residents

- Key Strategic Pillar 2: The development and acquisition of Institutional Capacity and Technology skills that will facilitate and support rapid Economic Development.
- Key Strategic Pillar 3: Compete effectively at regional, national and international level for new investment and retention of existing investment base

It should be noted that the district is finalizing a new growth and development strategy in line with the new PGDS. Once this document has been adopted, it is important to align the LED Strategy with this document.

#### **Alignment with LED strategy**

The identified guidelines and targets of the DGDS will be considered and structured in order to meet these targets.

### **2.3.3. Bojanala PDM Spatial Development Framework 2006**

The Bojanala PDM SDF provides the spatial framework for development in the District. The objectives of the SDF are as follows:

- Manage and use the district's natural and build environment in a sustainable manner
- Accommodate and promote sustainable economic development
- Ensure sustainable human settlements
- Ensure accessibility through the promotion and support of a multi-modal transportation system and network
- Promote and support viable and efficient infrastructure provision and management

In achieving these objectives, strategies were determined. These are:

- To consolidate the development in peri-urban development areas
- To enhance the development potential in the urban development areas
- To promote rural development
- To manage and protect district level open spaces and conservation areas
- To plan and manage the interface areas with Tshwane, City of Johannesburg and Mogale City.

Each strategy also contains specific land-use guidelines. The SDF also identified approaches required by the district and local municipalities in order to successfully implement and manage the SDF. This can be achieved by ensuring:

- Institutional capacity including (Human and Financial resources, Co-ordination and co-operation between responsible departments and agencies, Administrative performance within specific timeframes, Monitoring and evaluation of the system)
- Clear and common development policies and regulations
- Land Use Management Systems
- Economic incentives
- Appropriate participation and dispute resolution
- Zero tolerance to ensure: (The Protection of Public and Private investments, The Enforcement of Relations and by-laws, Rapid Response)

#### **Alignment with LED strategy**

As with the NSDF the principles and guidelines towards spatial development will be considered when identifying a locational component for the opportunities that will be identified for the Bojanala PDM.

#### **2.3.4. Agriculture and Rural Development Strategy, November 2008**

The objective of this report was to identify agricultural and rural development needs and opportunities and thereby provide proposals and recommendations regarding suitable interventions to address the identified needs and realise opportunities.

This was achieved by ensuring the following:

- A situational analysis and socio-economic overview of the BPDM that will serve as the backdrop and operating environment within which the proposed Strategy will be implemented
- A clear scoping of the agricultural sector outlining its current status, potential role, importance and contribution to development
- An identification of the Key Economic Drivers in Agriculture and Rural Development
- An identification of Opportunities to be exploited and Shortfalls & Constraints to be addressed

Development of the Agriculture and Rural Development Strategy with interventions and an implementation plan to include:

- Positioning and aligning the Strategy within the PGDS, DGDS, LARP and other strategic planning frameworks
- Directing and focusing of resources and support to realise high potential opportunities (built around the key economic drivers) and/or overcome current development constraints

#### **Alignment with LED strategy**

The Rural and Agricultural Development strategy for Bojanala PDM will be further explored in order to identify approaches in order to increase the level of accessibility and well as to increase the sustainability of rural areas within the Rustenburg LM more sustainable.

#### **2.3.5. Bojanala PDM Tourism Master Plan**

The Bojanala PDM Tourism Master Plan identified priority focus areas, aimed at developing the tourism industry in the District and yielding sustainable tourism developments and benefits of high quality for the area and its people.

This plan identified a total of 13 projects and programmes that also focused on short-term projects for the 2010 World Cup. In addition a comprehensive data base of the existing tourism facilities within the district was compiled.

### **Alignment with LED strategy**

As indicated with the National Tourism Master Plan, the Bojanala Tourism Master Plan will also be considered when examining the tourism sector for the Rustenburg LM.

#### **2.3.6. Draft Feasibility of Rural Economic Nodes within the Bojanala PDM**

The goal of the study was to identify rural areas within the district municipality that faces a significant number of challenges and to identify viable interventions which can be developed and implemented to broaden the economic base and address poverty within these areas. Therefore priority areas were identified for investment.

A number areas and interventions were identified. These will be examined in the latter sections of this report. In addition a number of interventions had been identified in order to support the identified rural nodes. These interventions include the use of technology to mitigate the challenges associated with rural areas, agricultural development, increased retail activities and so forth.

### **Alignment with LED strategy**

This report will be used to inform the rural development initiatives that will be identified for the local municipality.

#### **2.4. LOCAL POLICIES, PLANS AND STRATEGIES**

The Plans examined at a local level are:

- Rustenburg Local Municipality Spatial Development Framework (SDF) Review, 2010
- Rustenburg LED, 2009

##### **2.4.1. Rustenburg Local Municipality Spatial Development Framework (SDF) Review, 2010**

The 2010 SDF Review was compiled in order to update and ensure that the review took into consideration the new information and developments that had occurred since the 2005 SDF had been compiled. In order to achieve the stated objectives the 2010 SDF review examined the following, determining land-use, investigating the existing municipal infrastructure, guiding principles, spatial development objectives and priorities, development proposals and the management and implementation of the SDF.

An important deliverable of the SDF has been the identification of six development priorities. These priorities have been identified as:

- Priority 1: Integrated spatial development supported by the required bulk infrastructure development
- Priority 2: Accelerated and shared economic growth supported by creation of spatial economic opportunities
- Priority 3: Sustainable use and management of natural resources
- Priority 4: Integration of land use and transport development

- Priority 5: Creation of sustainable settlements through access to appropriate housing and social facilities
- Priority 6: Creation of opportunities for sustainable rural development

In line with the priorities and objectives, a number of proposals have also been suggested. These proposal relates to the following:

- Bio-physical environment
- Settlement pattern and urban development
- Social infrastructure facilities and services
- Spatial economic development
- Transport system
- Identified core areas for the implementation of the proposals

These proposals will be further examined when identifying the spatial components for the projects that will be identified for the Rustenburg Local Municipality. In particular the proposals related to spatial economic development is expected to significantly influence the opportunities that will be identified in the latter sections of the report.

#### **Alignment with LED strategy**

The proposals identified in the Rustenburg 2010 SDF will be considered when identifying the opportunities for the local municipality. In addition the SDF will also assist in providing a spatial component for the opportunities that will be identified.

#### **2.4.2. Spatial Tourism Plan for Rustenburg Municipal Area, Volume 2, June 2006**

The Spatial Development Plan for the Rustenburg LM indicated that the vision for tourism within the Rustenburg LM is to “To establish Rustenburg as a popular tourism destination in such a way that tourism becomes a recognized economic pillar that will enhance economic diversification, contribute to the principle of sustainable development and uplift the community through the creation of job-opportunities and poverty elevation”.

The spatial tourism plan identified inter alia, the following opportunities in order to achieve this vision for tourism within the Rustenburg LM:

- Establishment of routes. This includes the established of:
  - Scenic routes
  - Themed routes:
    - Cultural/heritage route
    - Eco-adventure route
    - Back to outdoors route
    - Mining tours
- Development of anchor projects namely:
  - Rustenburg Platinum Visitors Centre, and
  - Maikgantshoe Living Museum.
- Supporting projects related to the :
  - Vaalkopdam Nature Reserve

- Kgaswane Nature Reserve

#### **Alignment with LED strategy**

Many of the tourism opportunities identified for the Rustenburg LM are still applicable and will be re-examined when analysing the tourism sector for the Rustenburg LM.

#### **2.4.3. Rustenburg LED, 2009**

The Rustenburg LED compiled in 2009 included the identification of economic trends, principles of LED Strategies, proposed LED Strategies and monitoring and evaluation. Whilst the strategy provides a number of opportunities that could be effective in stimulating the local economy and contributing towards economic development, the strategy does contain a number of gaps which have been discussed in section one of the report. Notwithstanding the identified gaps the strategy and in particular the proposed LED Strategies are very important and will be incorporated into the report. Then proposed strategies identified are:

- Thrust 1: Develop an effective LED system to improve the local economy through four major initiatives
- Thrust 2: Establish effective partnerships to pursue pro-poor growth
- Agriculture and agro-processing sector strategic thrust:
- Tourism sector strategic thrust: develop RLM as a tourism destination linked to mining, agriculture & cultural heritage
- Manufacturing sector strategic thrust: focus on mining cluster establishment to enable growth in the beneficiation of local resource
- Retail sector strategic thrust: develop the retail sector to meet needs of mining, agriculture and tourism sectors
- Services sector strategic thrust: develop the services sector to meet the needs of mining, agriculture and tourism sector
- Transportation sector strategic thrust: develop a highly effective and diversified transport hub for the region

#### **Alignment with LED strategy**

The Rustenburg LED Strategy contains a number of opportunities and recommendations that are still relevant to the local municipality and thus will form the basis of the document.

#### **2.5. CONCLUSION**

This section examined and presented a brief summary of the relevant policies and programmes at the national, provincial, district and local levels. A more detailed examination of some of these documents will be provided, particularly within the opportunity analysis section of the report.

## SECTION 3: SITUATIONAL ANALYSIS

This section aims to identify the various elements and characteristics that define the Rustenburg Local Municipality. This is necessary as it allows for the identification of the strengths within the local municipality which enables the identification of related opportunities which the local municipality should support and further develop. Furthermore, understanding the various characteristics of the local municipality may also assist in identifying the weaknesses and threats which could then be mitigated.

In order to obtain a thorough understanding of the Rustenburg LM the following will be examined in the sub-sections to follow:

- Demographics,
- Socio-economic characteristics,
- Labour indicators, and
- Economic indicators.

### 3.1. DEMOGRAPHICS

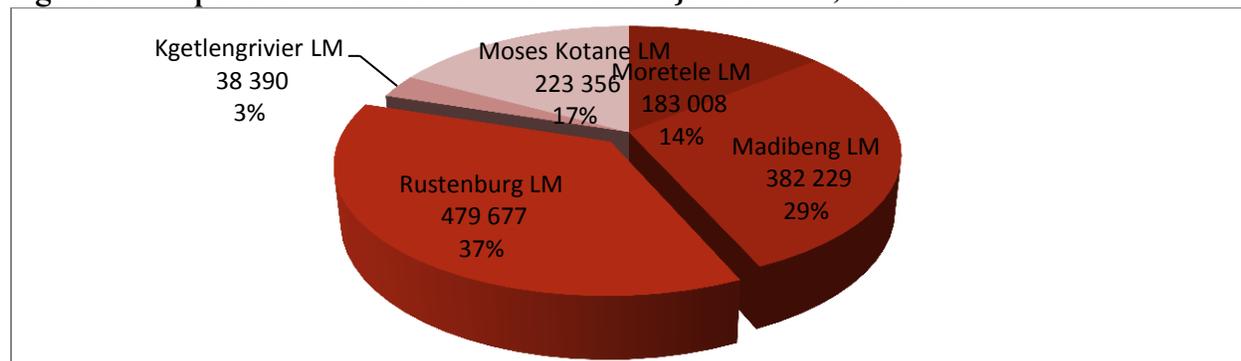
The section identifies the number and distribution of population and households within the Rustenburg LM. In order to determine this, the following indicators will be examined:

- Total population
- Population growth
- Total number of households
- Household growth
- Age and gender distribution

#### 3.1.1. Total Population

The total population for the Rustenburg LM is estimated at 479 677 for 2010. This means that the population for the Rustenburg LM contributes approximately 37% towards the district's population making it the local municipality which contributes the majority towards the district municipality. The other local municipalities that also contribute quite significantly towards the districts population are the Madibeng (29%) and the Moses Kotane LM (17%).

**Figure 3.1: Population Distribution within the Bojanala PDM, 2010**

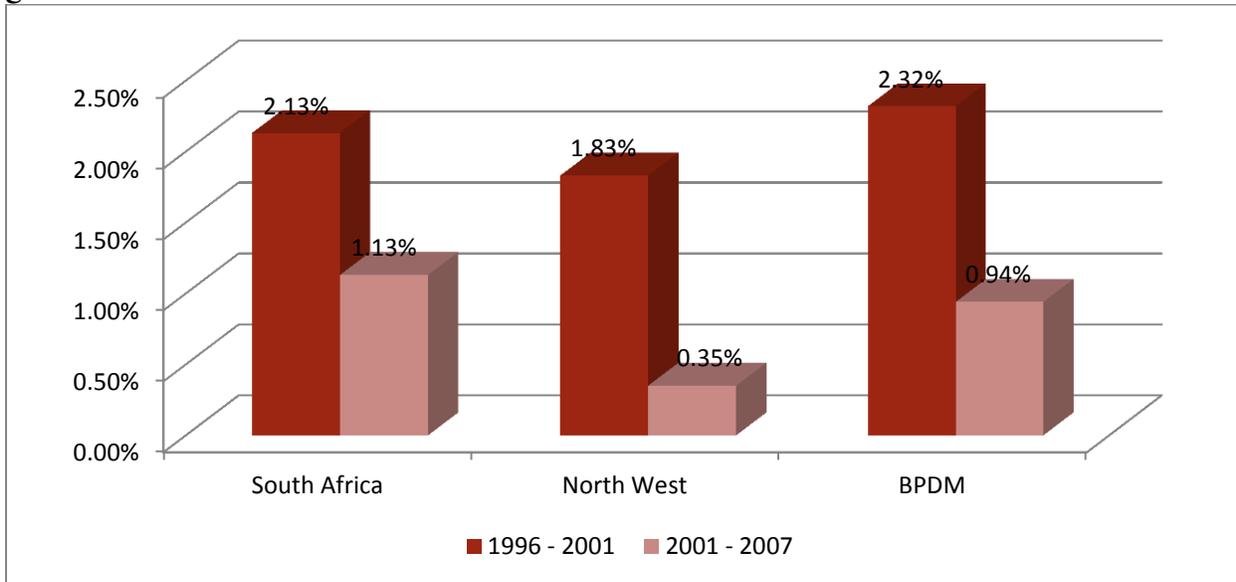


Source: Urban-Econ Calculation based Census 2001 and Community Survey 2007 Data,

### 3.1.2. Population Growth

The population within the national, provincial and district level grew at an average annual rate of 2.1%, 1.8% and 2.3% per annum during the 1996 – 2001 period. The growth rate for the more recent periods have however been much lower in the more recent periods as indicated in Figure 3.2 below at national, provincial and district level.

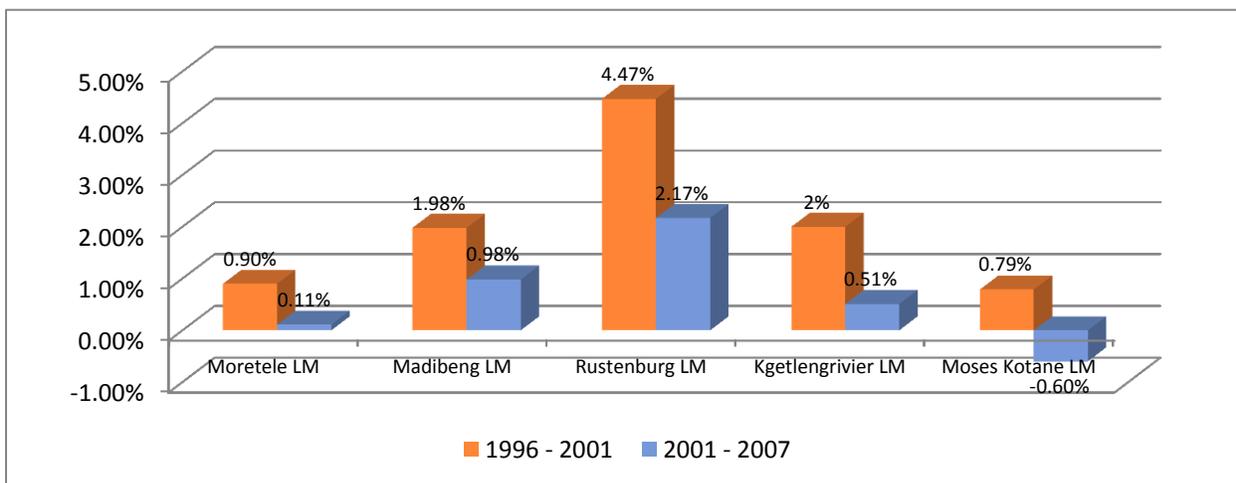
**Figure 3.2: Population growth at National, Provincial and District Level, average annual growth 1996 – 2001, 2001 - 2007**



Source: Urban-Econ Calculation based census, 1996, Census 2001 and Community Survey Data,

The Rustenburg LM grew at a faster rate than the above-mentioned areas as the average annual growth rate for both the 1996 -2001 period and the 2001 – 2007 period as presented in Figure 3.3. It can clearly be noted that the Rustenburg LM grew at a faster rate than its co-municipalities.

**Figure 3.3: Population growth per Local Municipality, 1995 – 2010**



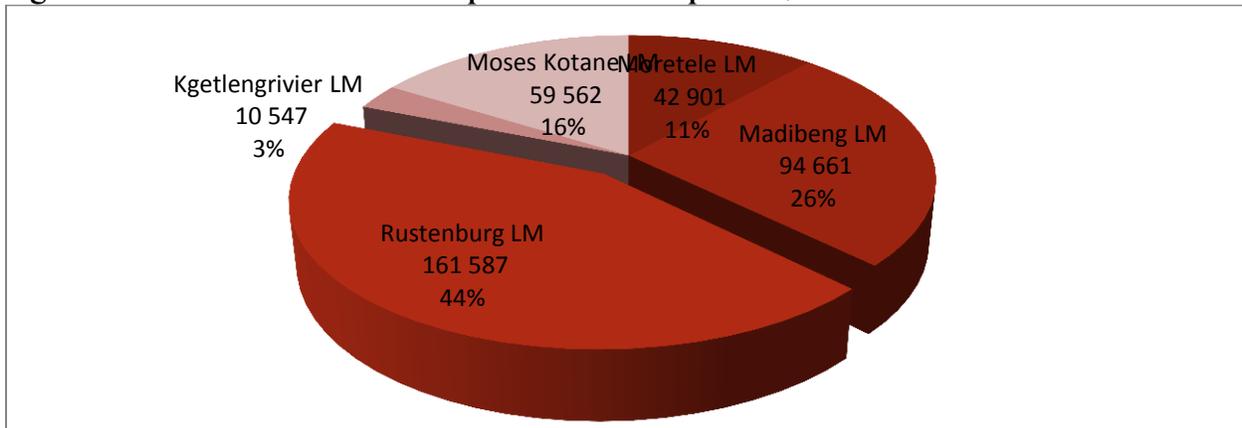
Source: Urban-Econ Calculation based census, 1996, Census 2001 and Community Survey

However like the other areas analyzed it can also be noted that the local municipality experienced much lower levels of growth in the 2001 – 2007 period in relation to the level of growth experienced during the 1996 – 2001 period.

### 3.1.3. Number of households

The Rustenburg LM also contributes quite significantly towards the total households within the district municipality, in line with the high contribution the Rustenburg LM made towards the district municipality population.

**Figure 3.4: Number of households per local municipalities, 2010**

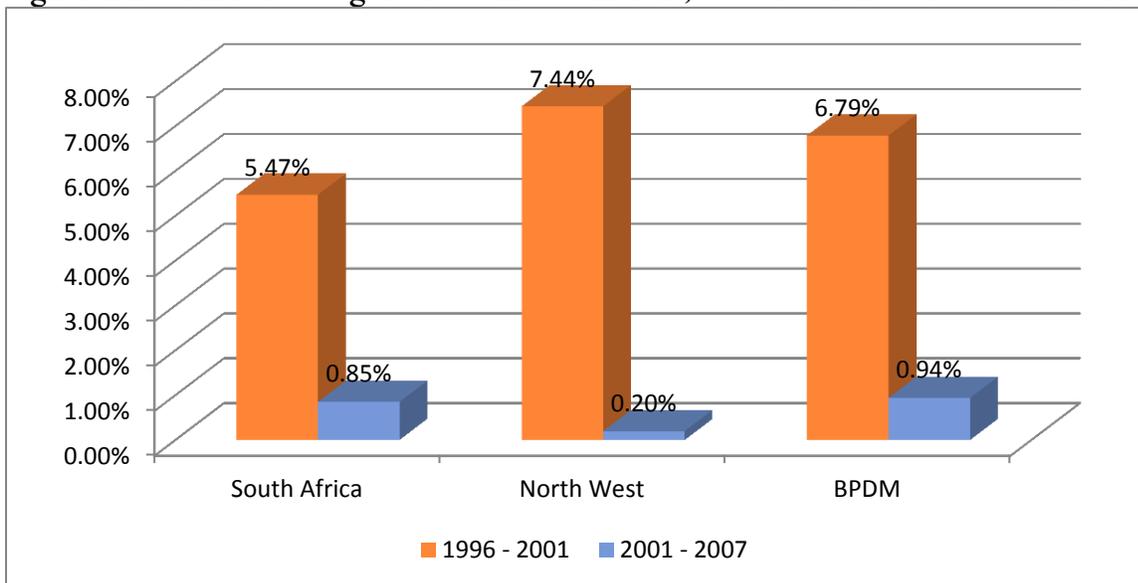


Source: Urban-Econ Calculation based Census 2001 and Community Survey 2007 Data,

### 3.1.4. Household growths

The average annual household growth (3.312%) for the Rustenburg LM in recent periods (2001 – 2007) is higher than the national (0.85%), provincial (0.20%) and district household growth (0.94%).

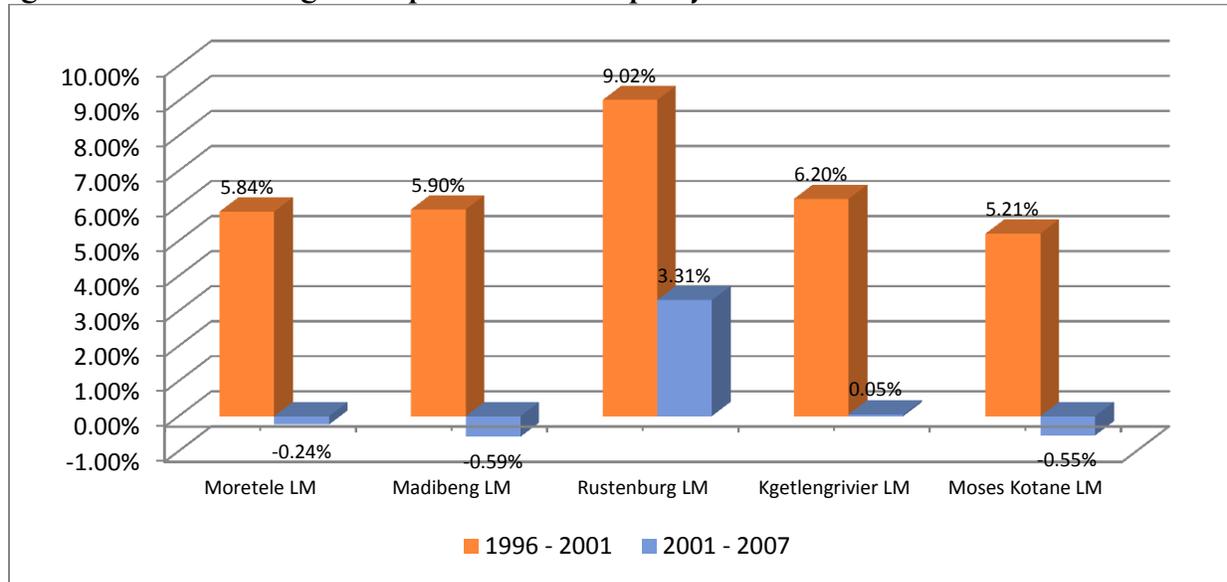
**Figure 3.5: Household growth at National, Provincial and District levels**



Source: Urban-Econ Calculation based census, 1996, Census 2001 and Community Survey Data

The household growth rate within the Rustenburg LM follows a similar pattern as the population growth as the household growth rate has also been declining over the years.

**Figure 3.6: Household growth per local municipality**



Source: Urban-Econ Calculation based census, 1996, Census 2001 and Community Survey Data 2007

### Implication of the demographic analysis

The Rustenburg LM contributes significantly towards the total population and household numbers within the district municipality. However, the number of persons and households within the local municipality is expected to grow at a much slower rate than had occurred in previous years.

## 3.2. SOCIO-ECONOMIC CHARACTERISTICS

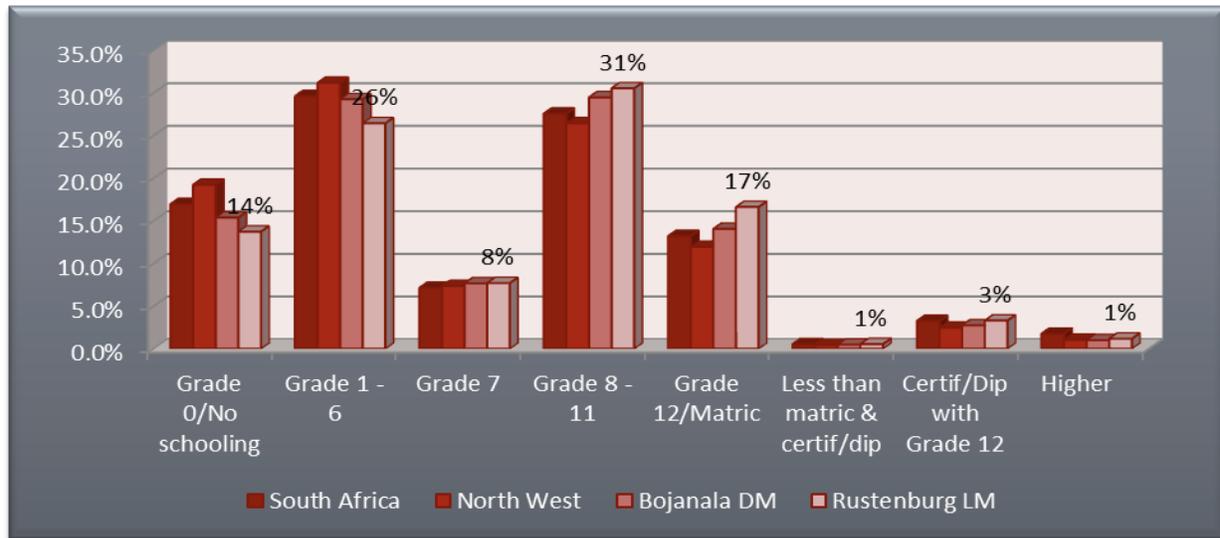
The purpose of this section is to examine the socio-economic characteristics within the Rustenburg LM. This will be determined by examining the following indicators:

- Education
- Level of skill
- Mode of transport
- Income levels
- Expenditure
- Social indicators

### 3.2.1. Education

According to Figure 3.7 below it can be observed that the Rustenburg LM appears to have fared well in terms of its population's level of education relative to the level of education at the national, provincial and district level. This is indicated by the high percentage of the population within the local municipality that have completed grade 12.

**Figure 3.7: Level of education at the national, provincial, district and local municipality level, 2007**



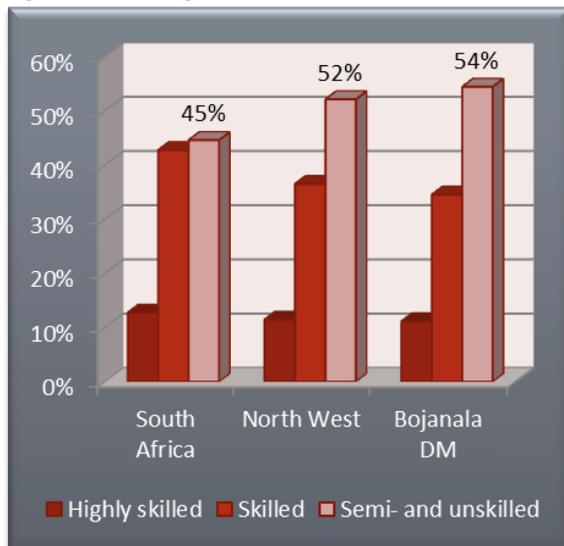
Source: Quantec Research, Standardised Regional Data, 2011

Whilst the Rustenburg LM has a comparatively higher level of education, it should be noted that it has not reached the desired level. The high numbers of persons that have no schooling (14%) as well as the limited number of persons who have obtained higher levels of education (2%) in particular, are areas which need to be improved.

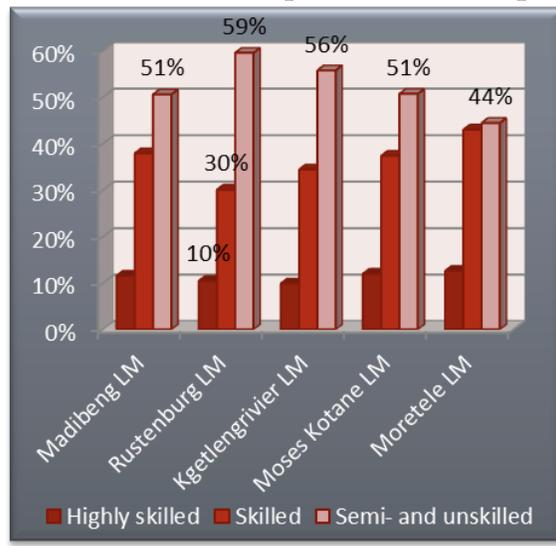
**3.2.2. Level of skill**

It is interesting to note that even though the population in the Rustenburg Local Municipality has a comparatively high level of education, a high number of people in the Rustenburg Local Municipality are classified as semi and unskilled workers.

**Figure 3.8: Regional Skills Levels, 2009**



**Figure 3.9: Level of skill per local municipality, 2009**



Source: Quantec Research, Standardised Regional Data, 2011

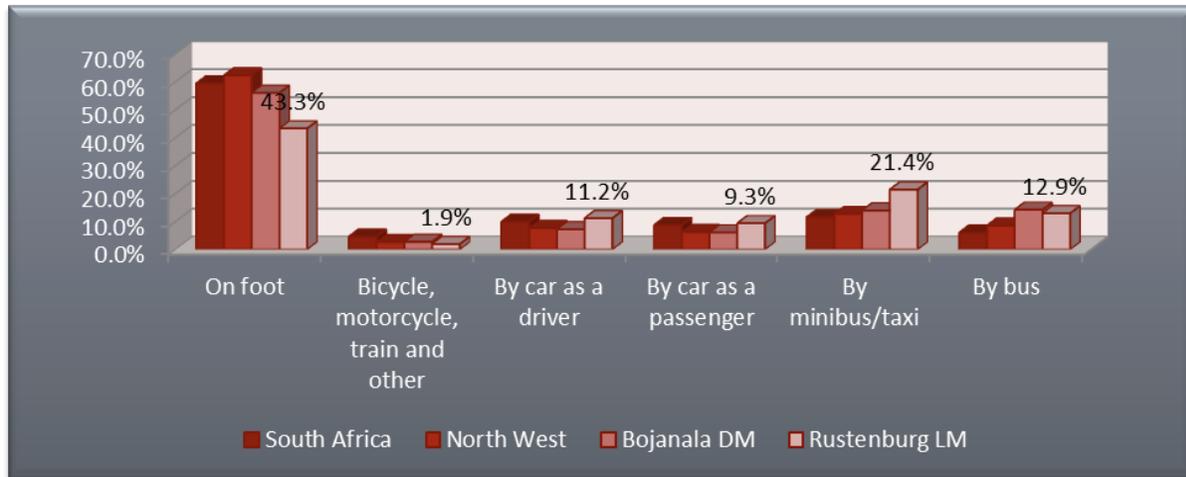
Source: Quantec Research, Standardised Regional Data, 2011

### 3.2.3. Mode of transport

In 2001 the main mode of transport for residents in Rustenburg LM was travelling by foot (43.3%), followed by utilising a minibus taxi (21.4%) and a bus (12.9%) in order to get to schools and work.

Based on Figure 10 it is noted that accessibility of transport is low as close to half the population still walked to school/work during 2001.

**Figure 3.10: Mode of transport for the national, provincial, district and local municipalities, 2001**

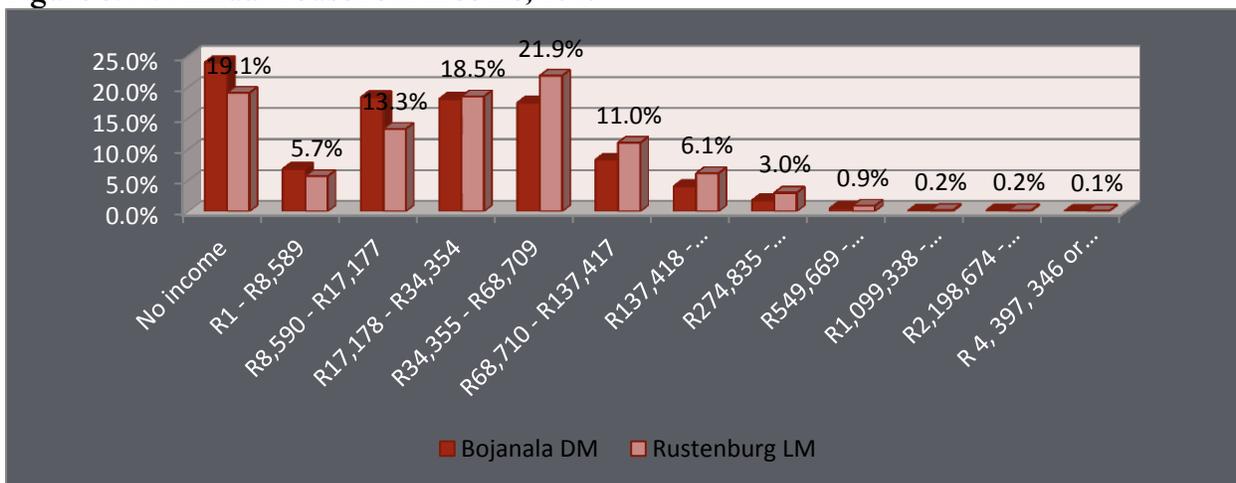


Source: Statistics SA, Census 2001

### 3.2.4. Income

The information depicted in Figure 3.11 indicates that the household incomes in the Rustenburg LM per annum range from no income to above a million rand. Whilst there are households who earned considerably high incomes per month; there are many households that have earned limited to no income.

**Figure 3.11: Annual household income, 2010**



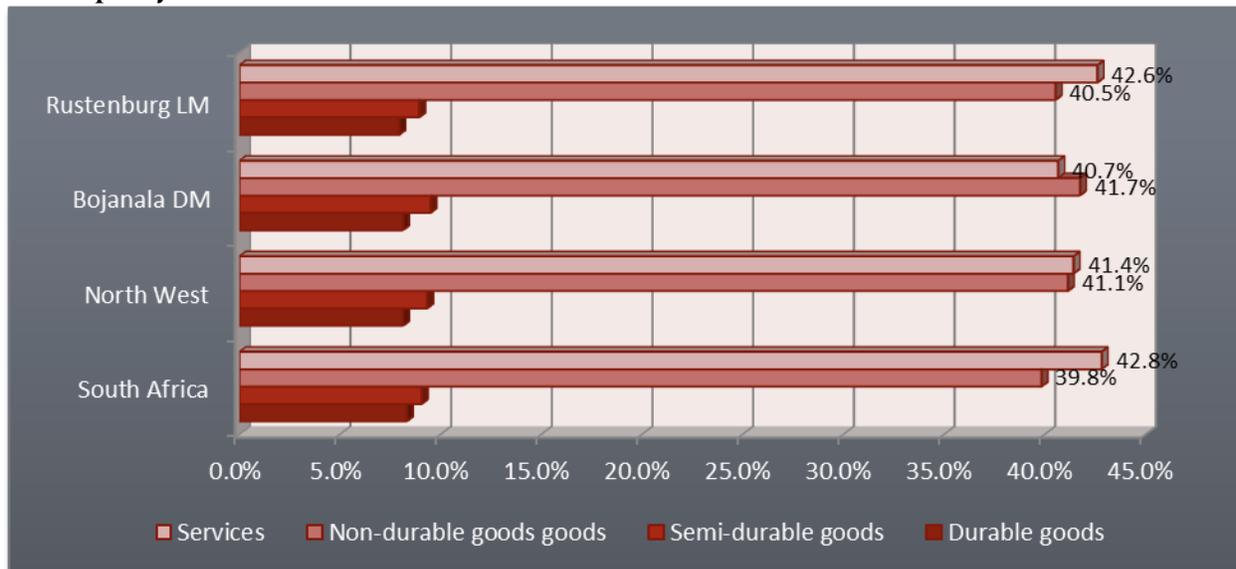
Source: Urban-Econ calculation based on Statistics SA, Census 2001 and CPI

Figure 3.11 indicates that the highest proportion of households (21.9%) in the Rustenburg LM earns an average income of R51 532 annually or R 4 294 monthly.

### 3.2.5. Expenditure

According to Figure 3.12 it can be observed that the greatest proportion of income within the Rustenburg LM is spent on services (42.6%) and the second largest expenditure category for the local municipality is non-durable goods and services. The expenditure presented for the local municipality is similar to breakdown in expenditure presented in South Africa and the North West Province, although it appears to be somewhat dissimilar to Bojanala PDM in which residents spend slightly more on non-durable goods (41.7%) and relative services (40.7%).

**Figure 3.12: Expenditure distribution at the national, provincial, district and local municipality levels**



The main non-durable goods spent on within the Rustenburg LM relates to food and beverages. This accounts for 26.8% of the total expenditure.

### 3.2.6. Social Indicators

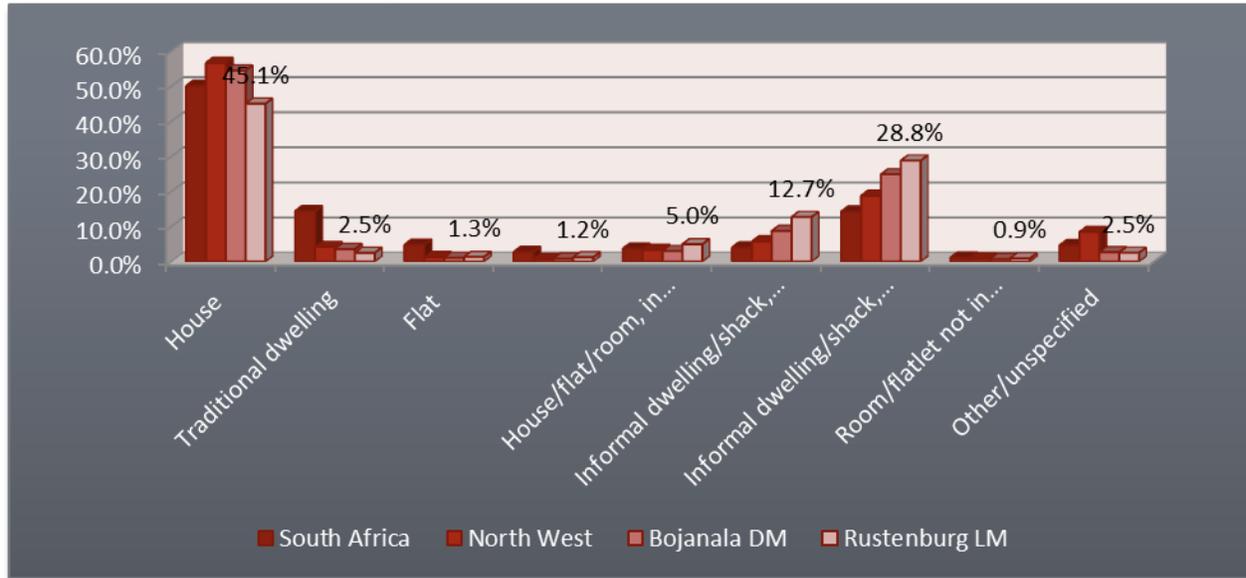
This section examines the access to basic services within the local municipality. In doing so, the following indicators will be examined:

- Access to housing
- Access to electricity
- Access to communication
- Access to refuse removal services
- Access to sanitation services
- Access to water

**a. Access to housing**

Within the Rustenburg LM one of the second most common forms of housing are shacks (within and not within a backyard) which are estimated to contribute 41.5% to total housing during 2007.

**Figure 3.13: Access to housing, 2007**



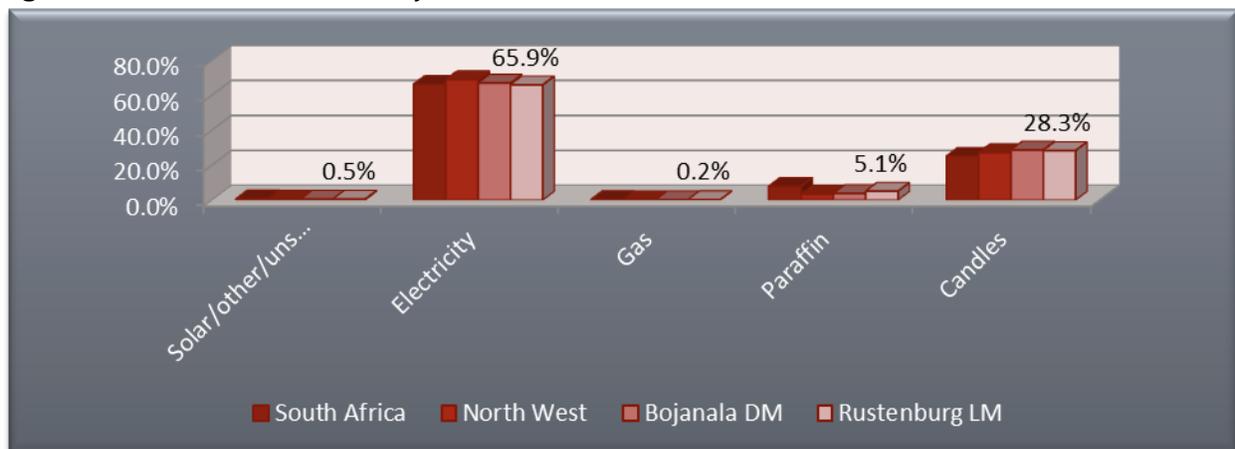
Source: Quantec, Community Survey, 2007

The lack of adequate housing has significant implications on the quality of life of its residents. Lack of proper housing could have detrimental effects on inter alia, the health of households, social behaviour and the level of productivity within the local municipality.

**b. Access to electricity**

A significant number of people (65.9%) have access to electricity, although there are still a considerable number of households that do not have access to electricity and need to make use of candles for lighting.

**Figure 3.14: Access to electricity, 2007**



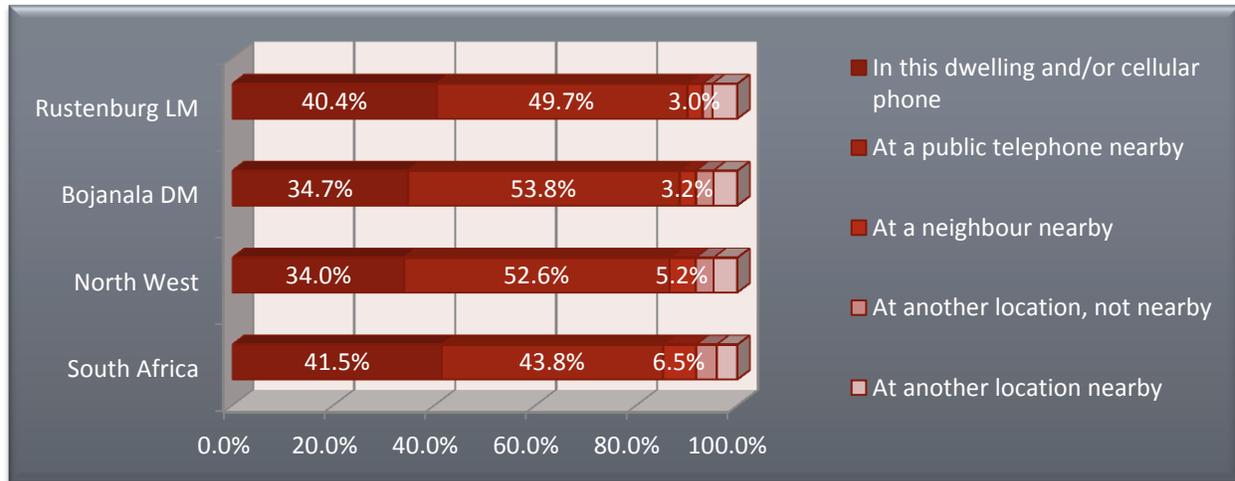
Source: Quantec, Community Survey, 2007

Figure 3.14 shows that the proportion of households which make use of candles for lighting is 28.3%, and this can have a negative effect on human development. For example, using a candle to study is not sufficient enough for provision of light.

**c. Access to communication**

In analysing access to communication of the residents, the results show that within the Rustenburg LM most people have access to a cellular phone and/or a public telephone nearby.

**Figure 3.15: Access to communication, 2007**



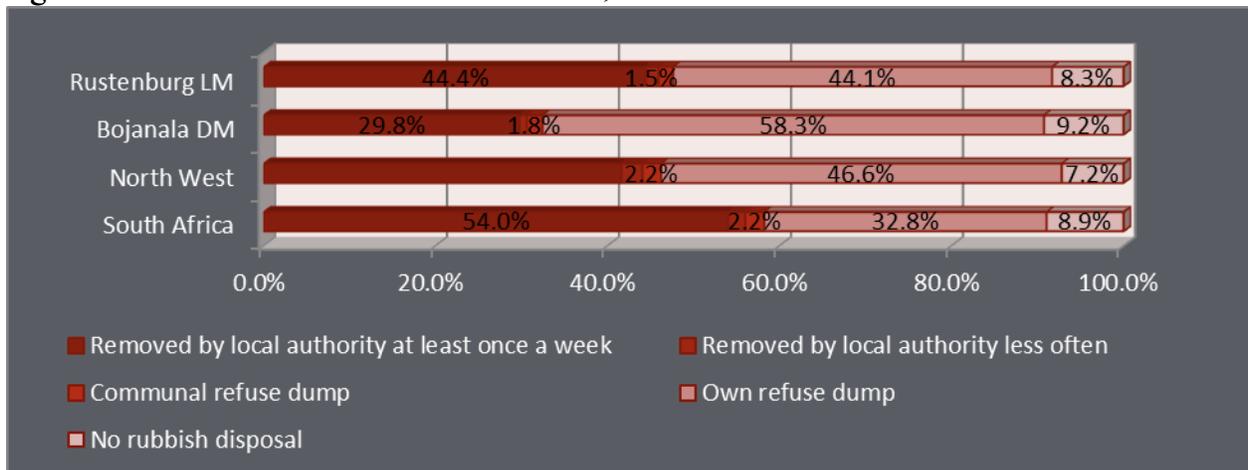
Source: Quantec, Community Survey, 2007

From Figure 3.15 above it is noted that 40.4% of residents within Rustenburg LM have access to communication inside the dwelling and/or cellular phone, while 49.7% of residents have access to communication through a public telephone nearby.

**d. Access to refuse removal services**

Refuse removal services within the Rustenburg LM were provided at least once a week by the local authority (44.4%) during 2007.

**Figure 3.16: Access to refuse removal service, 2007**



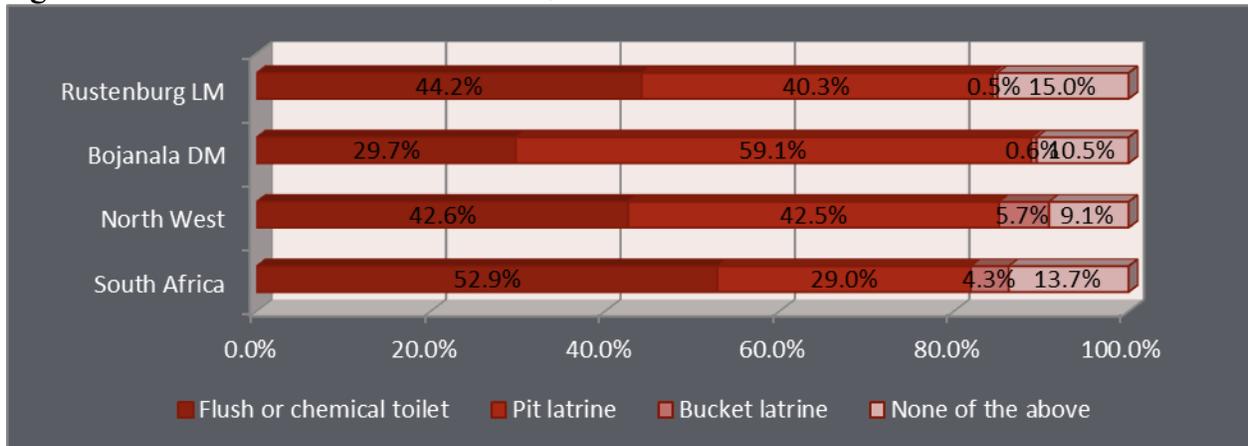
Source: Quantec, Community Survey, 2007

Figure 3.16 illustrates that a proportion of households (44.1%) that remove their own waste and this in turn could have a negative effect on the areas aesthetics.

**e. Access to sanitation services**

The results show that 44.2% of households in the Rustenburg LM have access to a flush or chemical toilet. Sanitation services are one of the most important services to the quality of life of the residents in the area.

**Figure 3.17: Access to sanitation services, 2007**



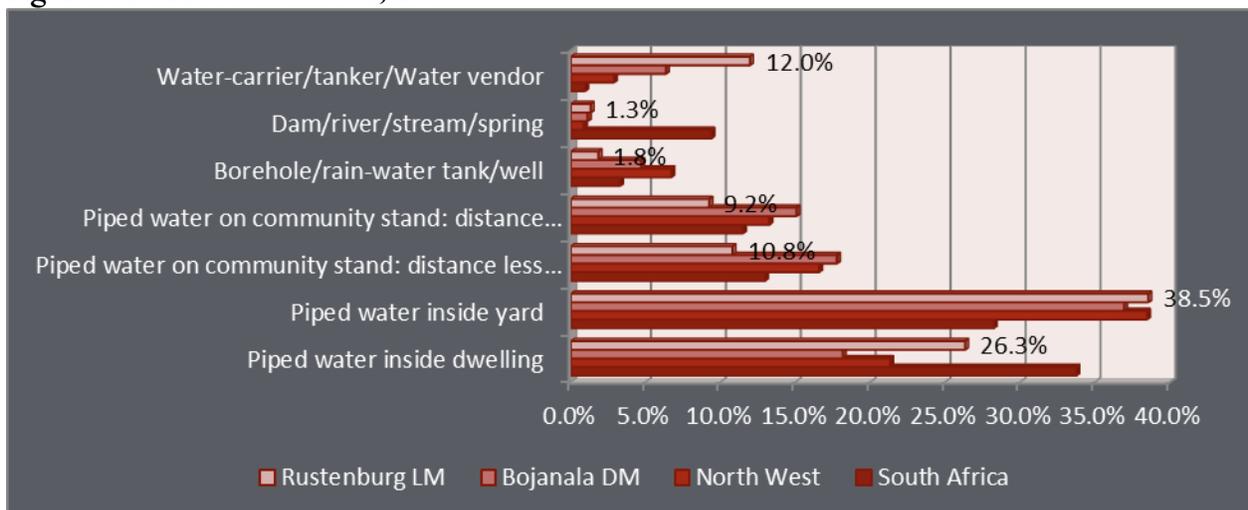
Source: Quantec, Community Survey, 2007

Although sanitation services are important services to human beings, according to Figure 3.17, there are still approximately 15% of households in the Rustenburg LM who do not have access to a flush/chemical toilet, a pit latrine or a bucket latrine.

**f. Access to water**

According to Figure 3.18 below, it is indicated that within the Rustenburg LM, 26.3% of the households have access to piped water inside the dwelling.

**Figure 3.18: Access to water, 2007**



Source: Quantec, Community Survey, 2007

Meanwhile, 38.5% of households in the Rustenburg LM has access to piped water only inside the yard, and not inside dwelling.

**Implication of the Socio-Economic characteristics**

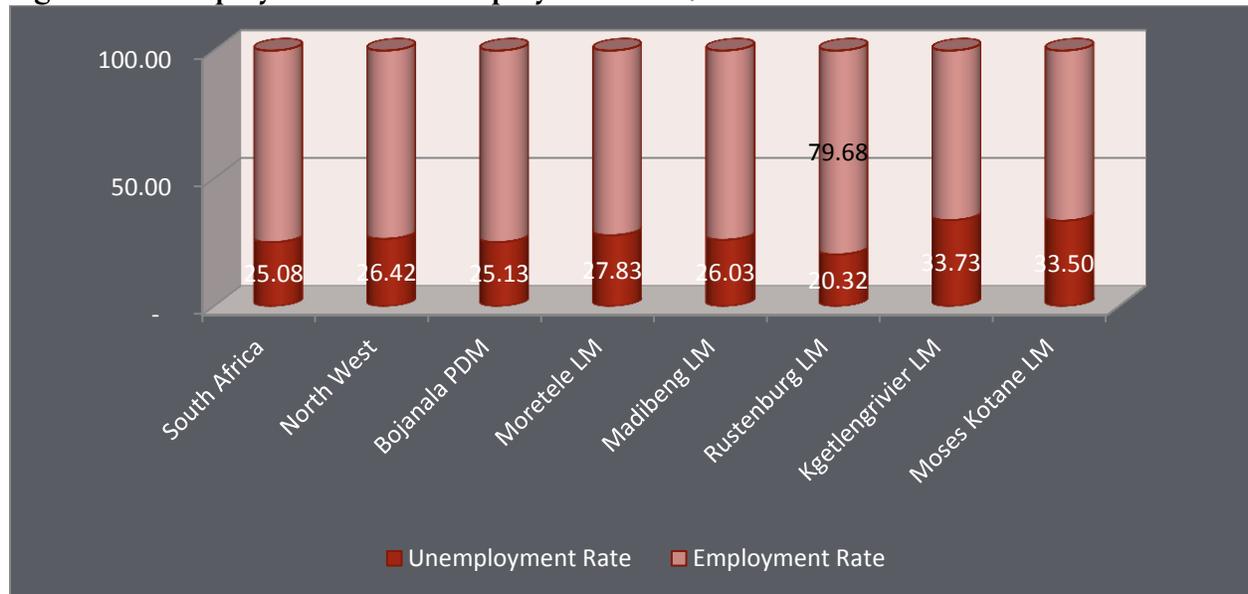
Within the Rustenburg LM the level of skill and education has not reached satisfactory levels; and the income levels are on average considerably low to moderate. Furthermore, the provision of basic services by the Rustenburg LM towards its residents needs to be improved. Based on the socio-economic characteristics identified for the local municipality, it is clear that the LED Strategy will need to improve the socio-economic conditions in the local municipality.

3.3. LABOUR INDICATORS

3.3.1. Employment and Unemployment Rate

The unemployment and employment rate for the Rustenburg LM is indicated in Figure 3.19 below.

Figure 3.19: Employment and Unemployment Rate, 2010



Source: Quantec, Standardised Regional Data, 2010

From Figure 3.19 it can be noted that relative to its co-municipalities, the Rustenburg LM seems to be experiencing low unemployment rates at 20.32%. However, the unemployment rate is still high as approximately 44 343 of persons who are looking for a job are unable to find one.

3.3.2. Participation rate

The participation rate refers to the labour force (i.e. those who are employed and those actively looking for work) divided by the potential economically active population (people between the ages of 15 – 65).

Figure 3.20: Participation rate, 2010



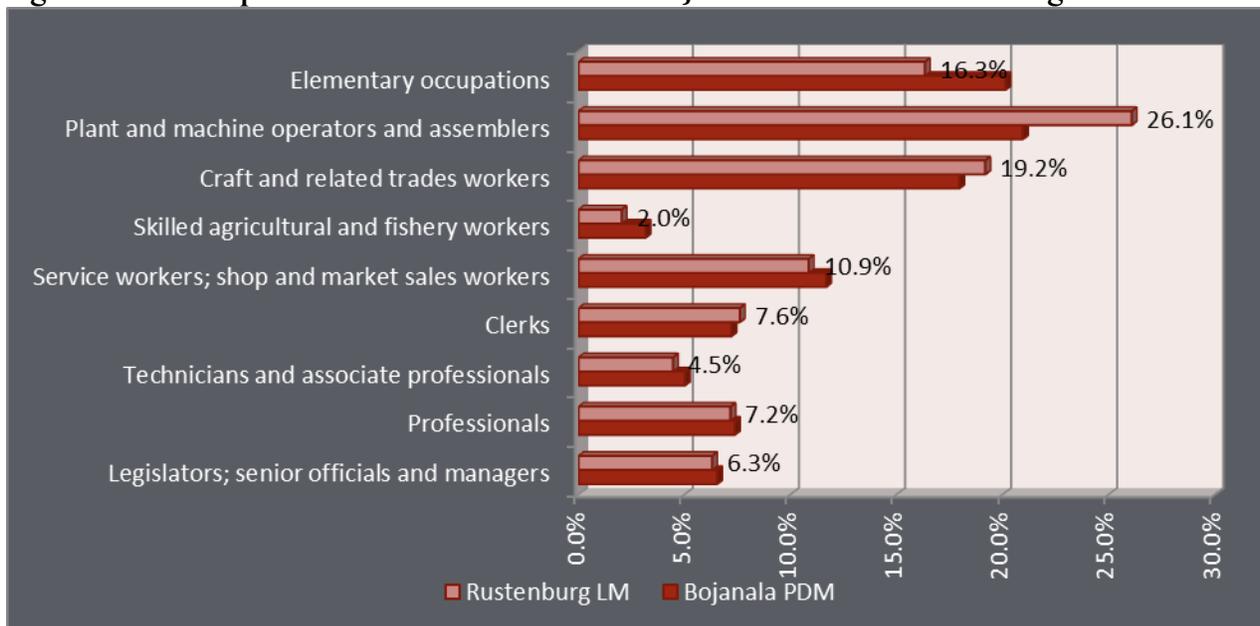
Source: Quantec, Standardised Regional Data, 2010

In comparison to other local municipalities the Rustenburg LM has a high participation rate (73.76%). This implies that households within the Rustenburg LM have a relatively lower number of dependents compared to other areas analysed.

### 3.3.3. Occupation

According to Figure 3.21 below, the most dominant occupation within the Rustenburg LM is the plant, machine and assemblers (26.1%) category.

Figure 3.21: Occupation of residents within the Bojanala PDM and Rustenburg LM



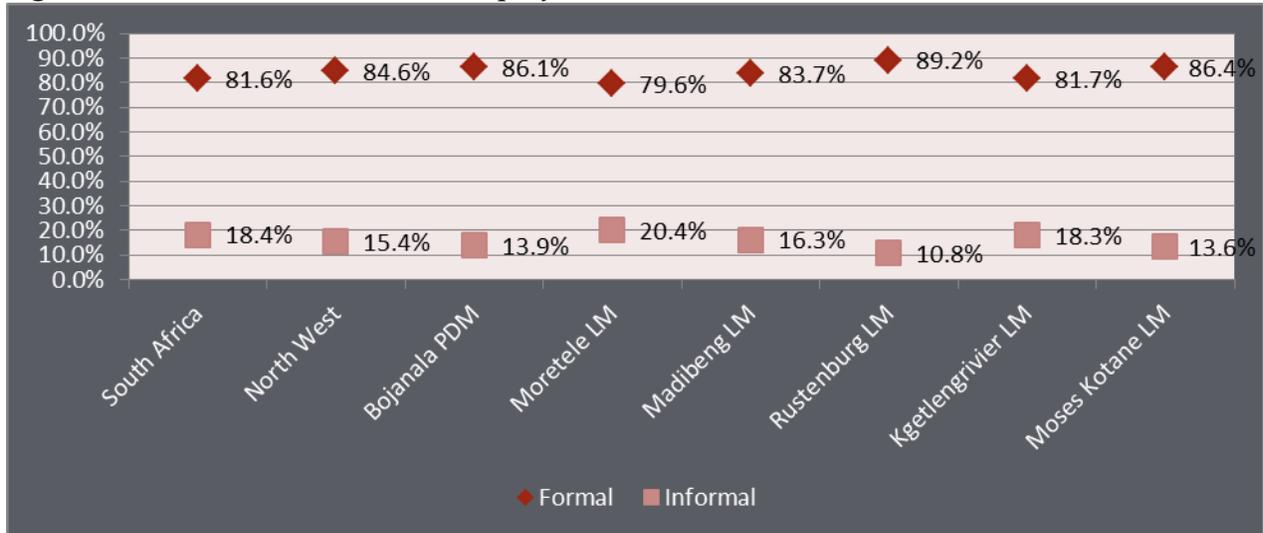
Source: Quantec, Standardised Regional Data, 2010

In addition, it is indicated that the other dominant occupation within the Rustenburg LM following the above mentioned category is the craft and related trade workers (19.2%).

### 3.3.4. Formal and Informal Employment

This section distinguishes between the two categories of employment, namely formal and informal employment. The latter being part of the economy that is not being taxed, monitored by government or included in the Gross Geographical Product (GGP).

**Figure 3.22: Formal and Informal Employment, 2009**



Source: Quantec, Standardised Regional Data, 2009

From Figure 3.22 above, it is shown that the Rustenburg LM had a relatively low level of informal employment (10.8%) compared to the other local municipalities.

#### Implication of the Labour Indicators

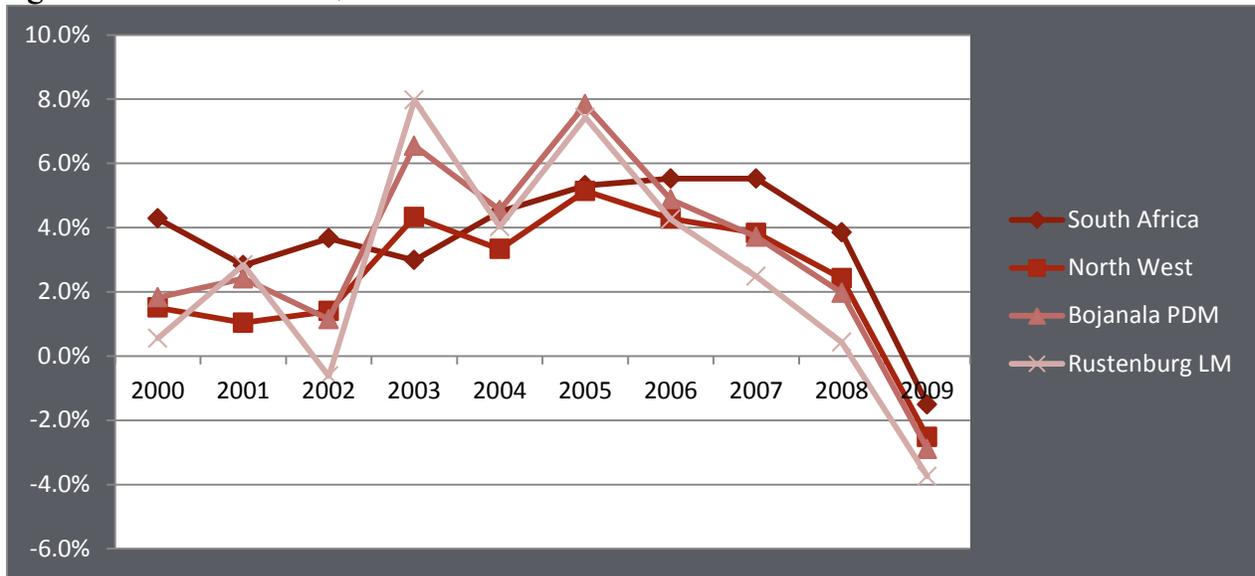
The Rustenburg LM compares relatively well to its co-municipalities in terms of the labour indicators examined. However, if the socio-economic characteristics of the area are to change, improvements in the employment rate, type of occupation of residents and the number of formal employees, amongst others, are required.

## 3.4. ECONOMIC INDICATORS

### 3.4.1. GGP Growth

The Gross Geographical Product (GGP) refers to the value of final goods and services produced within a specific geographical area (region) in a given year. It is evident from the graph below (Figure 3.23) that the Rustenburg LM experienced considerable growth rates in GGP during the 2003 and 2005 period. Unfortunately during 2006-2009 the Rustenburg LM has been experiencing a decline in their GGP; whilst a negative growth rate was experienced in 2009.

**Figure 3.23: GGP Growth, 2009**

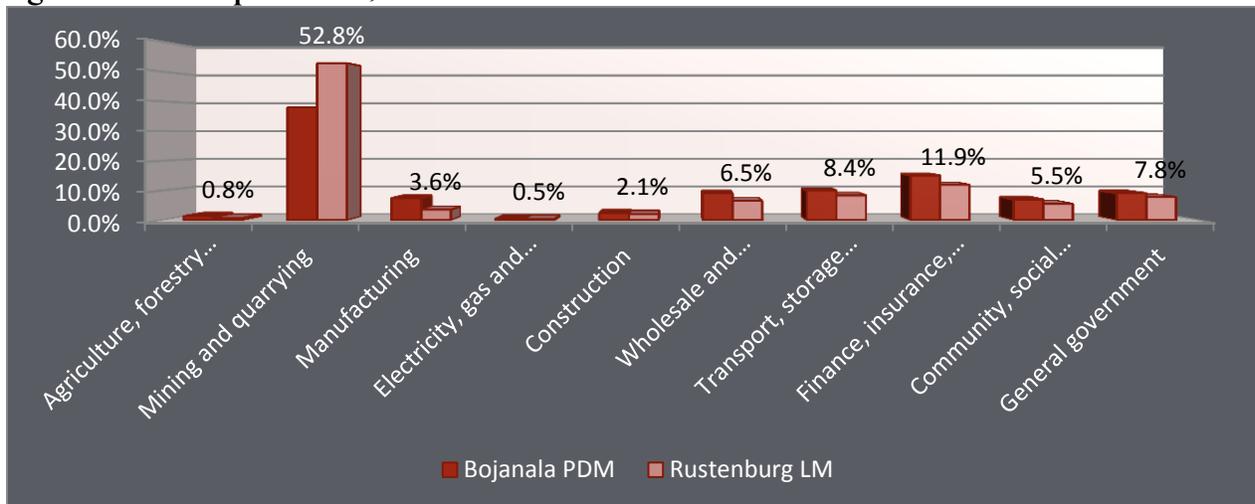


Source: Quantec, Standardised Regional Data, 2009

**3.4.2. GGP per sector**

This section outlines the sectoral GGP of the Rustenburg LM whereby the results will give an indication of the relative contribution that each sector makes towards the local economy.

**Figure 3.24: GGP per sector, 2009**



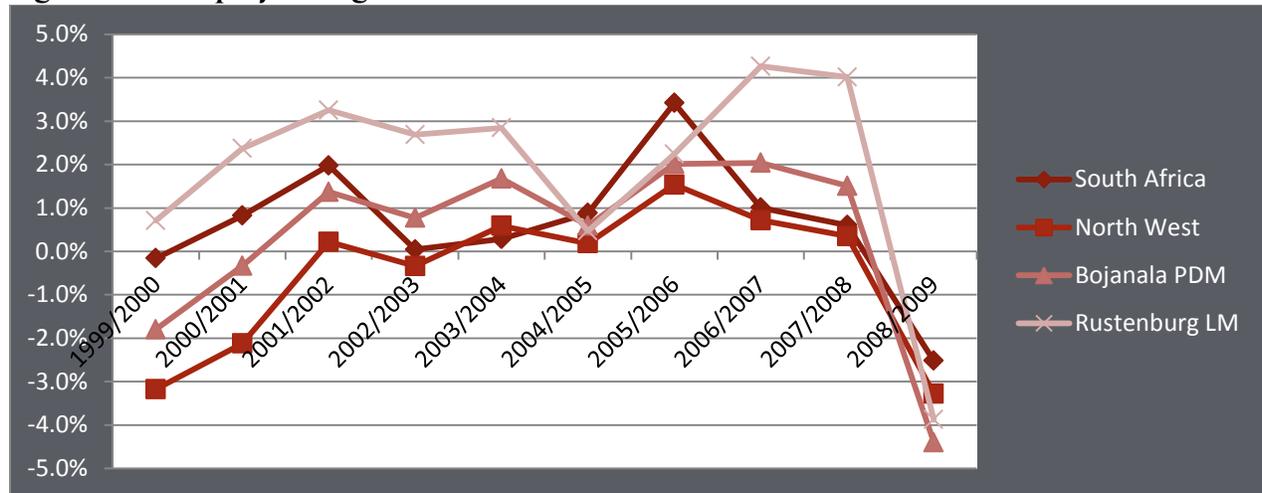
Source: Quantec, Standardised Regional Data, 2009

From Figure 3.24 it is evident that mining sector (52.8%) makes the largest contribution to total GGP. Other important sectors include the finance (11.8%), transport (8.4%) and general government services (7.8%).

### 3.4.3. Employment growth

In previous analysis it was indicated that the Rustenburg LM had a high rate of formal employment (89.2%) and a low rate of informal employment (10.8%). Looking at the graph below (Figure 3.25) it shows that the municipality has been experienced growth in employment during the 1999 – 2007 period.

**Figure 3.25: Employment growth, 2009**



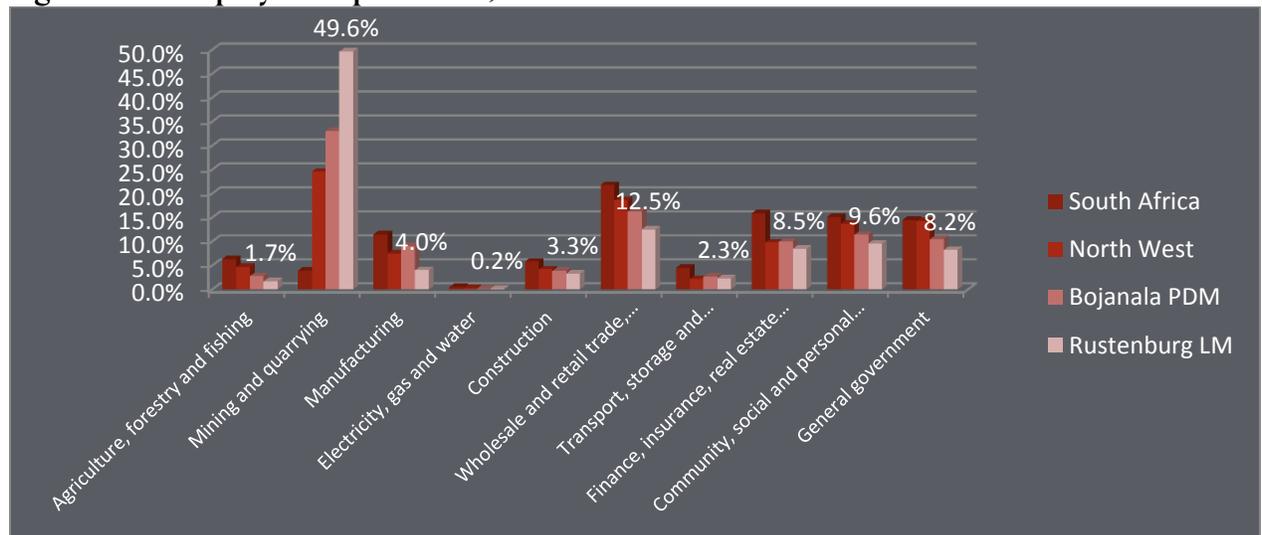
Source: Quantec, Standardised Regional Data, 2009

The graph only depicts a decline in employment within the Rustenburg LM during the 2008/2009 period. The declining results are mainly attributed to the global recession that was being experienced during this period.

### 3.4.4. Employment per sector

This section looks at the employment contribution made by each sector towards the local economy. Figure 3.26 below indicates that the mining sector (49.6%) contributed most significantly towards total employment.

**Figure 3.26: Employment per sector, 2009**



Source: Quantec, Standardised Regional Data, 2009

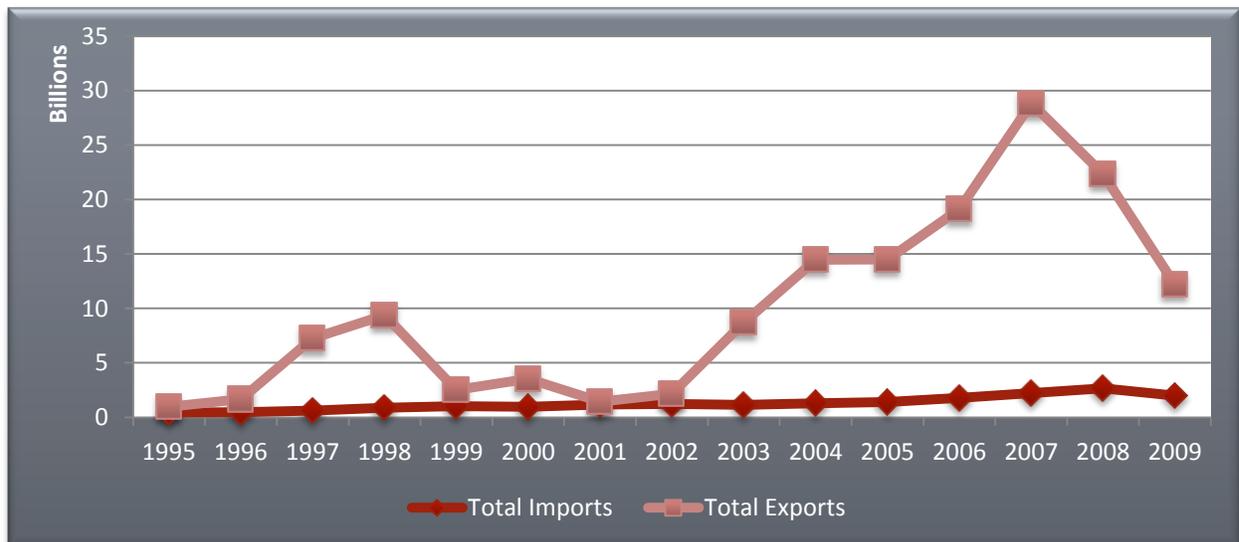
The other sector which made a significant contribution with regards to employment is the wholesale and retail sector (12.5%). It is interesting to note that the wholesale and retail trade sector contributes more towards employment than it does towards the total GGP. This implies that this sector is labour intensive.

### 3.4.1. Trade balance

In order to fully understand the economic performance for the Rustenburg LM, it is important to understand the international trade performance. As data is unavailable at the local municipality level, the trade performance for the Rustenburg LM will be determined by examining the trade data for the Bojanala PDM.

In order to understand the trade performance for the local municipality, the trade balance was examined. According to Figure 3.27, a positive trade balance has been experienced for the Rustenburg LM. The trade surplus had increased significantly during the 2002 to 2007 period. Unfortunately a decline in total exports was registered during the 2008 and 2009 period.

**Figure 3.27: Trade balance for the Bojanala PDM**



Source: Quantec Research 2011, RSA International Trade Indicators

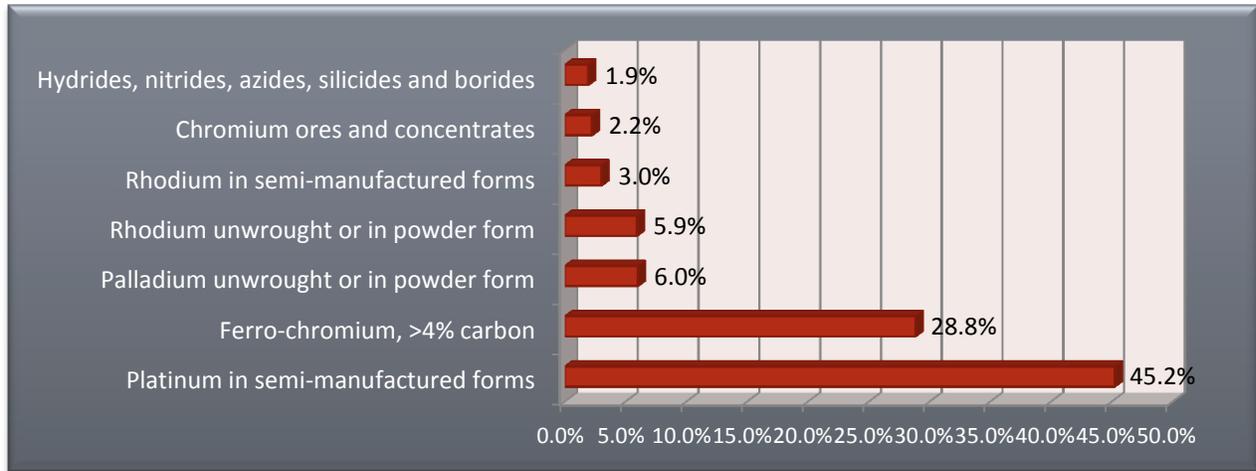
The next sub-sections further examine the main contributors to the trade surplus.

### 3.4.2. Main exports

According to Figure 3.28 the main contributor towards total exports from the district municipality is platinum in a semi-manufactured form. This product contributes 45.2% towards total exports from the Bojanala PDM. Besides platinum other significant contributors towards exports include ferro-chromium (28.8%), palladium (6.0%) and rhodium (8.9%)

Based on Figure 3.28, it can be assumed that the Rustenburg LM contributes most significantly towards the exports from the local municipality. This is because there is a high concentration of platinum mining within the Rustenburg LM.

**Figure 3.28: Top products exported by the Bojanala PDM**



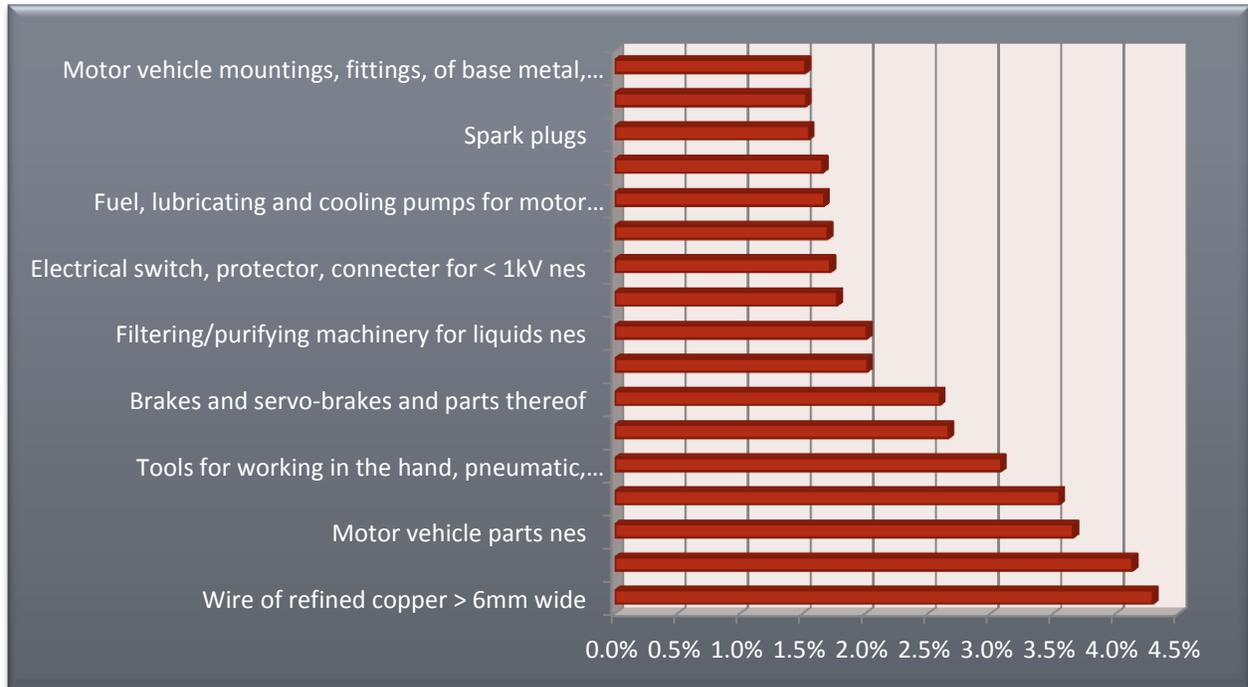
Source: Quantec Research 2011, RSA International Trade Indicators

The main countries which exports were destined to during 2009 were Switzerland (29.2%) and the United Kingdom (10.9%).

**3.4.3. Main imports**

The main imports into the Bojanala PDM include wire of refined copper, tools and part required for motor vehicles.

**Figure 3.29: Main products imported by the Bojanala PDM**



Source: Quantec Research 2011, RSA International Trade Indicators

Germany (24.2%) was the leading importer of goods to the district municipality during 2009 in terms of the value of imported goods into the district. China also contributed significantly towards the total imports received within the Bojanala PDM with an approximate contribution of 13.5% during 2009.

The analysis of trade data provided an overview of trade related to the local municipality. The main finding:

- The district municipality has a trade surplus
- Exports are dependent on the mining sector. This implies that a negative performance in the mining sector would negatively affect the trade balance in the district municipality. As a result a more diverse export portfolio is required to ensure that the trade surplus is sustained in the long-term.
- Secondary and tertiary related products are mainly imported into the district municipality.

A more detailed trade analysis for some economic sectors will be conducted under the opportunity analysis section of this report.

### **Implications of the Economic Indicators**

The local municipality had experienced a positive economic performance in the past years, however due to the economic recession the municipality had experienced a decline in terms of overall employment and GGP. The mining sector plays a vital role within the Rustenburg LM with regards to economic contributions; although the dependence on this sector is problematic as the municipality is more vulnerable to external changes. The Rustenburg LM has also contributed significantly towards the trade performance for the district municipality. Further efforts are however required to increase imports of other goods that are not mining related.

## 3.5 COMPARATIVE ANALYSIS

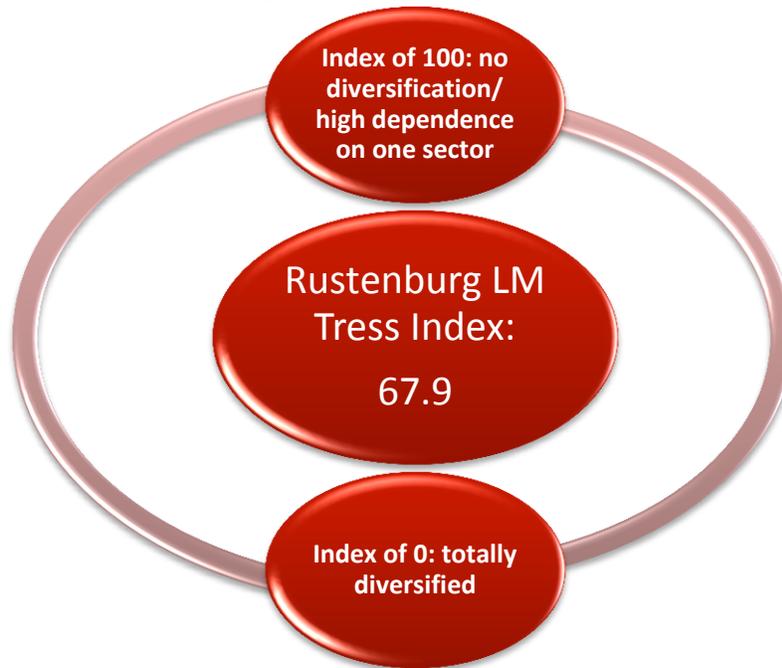
This sub-section further examines the economic sectors within the Rustenburg LM and determines the comparative advantages of the different sectors within the municipality. In order to determine the comparative advantages for the local municipality the following indicators will be examined:

- Tress Index
- Location Quotient
- Carvalho

### **Tress Index**

The Tress Index measures the level of diversification of an economy. A tress index with a value of 0 indicates that the local economy is totally diversified whereas a tress index with a value of 100 indicates that an economy is undiversified and is reliant one or a few sectors.

From Figure 3.30 it is noted that according to expectation the Tress Index for the Rustenburg LM indicates that the local municipality is not diversified and appears to be dependent on one or two sectors only. The implications of an economy being dependent on only one sector is that the economy would be extremely vulnerable to external changes. An economy that is too reliant on the mining sector, as the Rustenburg LM is, is of major concern. This is because it is a certainty that mines will eventually close down.

**Figure 3.30: Tress Index for Rustenburg Local Municipality**

Source: Urban-Econ calculations based on Standardised Regional Data

If an economy is too dependent on the mining sector it could face a number of challenges if the mines were to close down. The challenges it could face could be similar those experienced in the Free State with the downscaling of mines in those areas as indicated in the Mining Downscaling Case Studies, (Marais, L et al). Some of the impacts it could face include the following:

- declining economic contribution to Free State economy,
- reduction in the gold mine work force,
- rise in unemployment,
- declining economic growth rate,
- reduction in mining jobs – also reduction in other jobs,
- increase in poverty levels,
- lower per capita income,
- increasing poverty rate,
- decline in manufacturing activity,
- business closure,
- declining population,
- age structure,
- gender composition,
- a declining skills base, and
- declining sports base and sports infrastructure.

The Rustenburg LM would thus need to take steps to prevent the occurrences of the above-mentioned impacts.

### 3.5.1. Carvalho classification

The carvalho is a useful tool that further examines the performance of sectors within the local municipality. Its assists in indicating sectors that can assist in building the economy and those sectors that have been experiencing negative performances.

The carvalho classification utilises the location quotients presented previously and conducts a comparison of the growth of the local municipality compared to the relative to regional average and therefore classifies each of the sectors. The classification and the implication for each of the categories are presented in Table 3.1 below, whilst Table 3.2 indicates the resultant classification identified for the sectors within the Rustenburg LM.

**Table 3.1: Carvalho classification and implication**

Classification	Implication
Driving	Area is highly specialised in this sector, which is growing provincially and growing at an even higher rate locally.
Accelerating	Area is neither highly specialised nor under-specialised in this sector, which is growing provincially and growing at an even higher rate locally.
Rising	Relatively low proportion of local economy, but will likely increase due to growth in this sector, which is growing provincially and growing at an even higher rate locally.
Evolving	High local specialisation in a sector which grew provincially at a slower rate than overall growth; local growth exceeded provincial growth in this sector.
Transitional	Average specialisation in a sector which grew provincially at a slower rate than overall growth; local growth exceeded provincial growth in this sector.
Moderate	Relatively underrepresented in a sector which grew provincially at a slower rate than overall growth; local growth exceeded provincial growth in this sector.
Promising	Promising High local specialisation in a sector which grew provincially; local growth is slower than provincial growth in this sector.
Yielding	Average specialisation in a sector which grew provincially; local growth was slower than provincial growth in this sector.
Modest	Relatively low specialisation in a sector which grew provincially; local growth was slower than provincial growth in this sector.
Challenging	Industries have a relatively high concentration, which suggests that they plan a prominent role and should be monitored carefully.
Vulnerable	Industries have an average concentration of employment. This can also indicate that an important source of employment is declining.
Marginal	Industries are under-represented in the community.
Driving	Area is highly specialised in this sector, which is growing provincially and growing at an even higher rate locally.

From Figure 3.2 it can be observed that only the mining sector is classified as the current strength within the local municipality. All other sectors were classified as modest or marginal indicating that the prospects within that sector was limited by a weak base and declining competitiveness or that the prospects were limited overall.

**Table 3.2: Carvalho classification for the Rustenburg LM**

SECTOR	CARVALHO	INDUSTRY CLASSIFICATION
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SECTOR	CARVALHO	INDUSTRY CLASSIFICATION
Agriculture	Marginal	Prospects limited overall
Mining	Driving	Current strength
Manufacturing	Marginal	Prospects limited overall
Utilities	Modest	Prospects limited by weak base and declining competitiveness
Construction	Modest	Prospects limited by weak base and declining competitiveness
Trade	Marginal	Prospects limited overall
Transport	Modest	Prospects limited by weak base and declining competitiveness
Finance	Modest	Prospects limited by weak base and declining competitiveness
Community and personal services	Modest	Prospects limited by weak base and declining competitiveness

### 3.5.2. Locational Quotient

The Location Quotient identifies a sector within the local economy that has a comparative advantage relative to other areas. The location quotient compares the contribution a particular sector makes towards the Rustenburg relative to the contribution that same sector makes to areas in close proximity to the Rustenburg LM. For the purpose of this report the sectoral contribution made towards the local municipality is compared to the North West Province, Gauteng and Limpopo.

Table 3.3 is presented in order to interpret the results of the location quotient. From Table 3.3 it is noted that a location quotient of below 0.75 indicates that the sector does not have a comparative advantage and the location quotient is labeled as low. A location quotient of between 0.75 and 1.24 is classified as having a medium location quotient, whilst a location quotient of 1.24 – 5.00 is labeled as high and a value of greater than 5.00 is classified as very high. The higher the value of the location quotient, the greater the comparative advantage.

**Table 3.3: Location Quotient Interpretation**

Location quotient	Label	Interpretation
Less than 0.75	Low	Local needs are not being met by the resident sector. The region is importing goods and services in this particular sector.
0.75 – 1.24	Medium	Most of local needs are being met by the resident sector. The region is both importing and exporting goods and services in the sector.
1.24 – 5.00	High	The sector is serving needs beyond the resident sector, exporting goods and services from this sector.
More than 5.00	Very High	This is an indication of a very high level of local dependence on a sector, typically in a “single-industry” community.

Table 3.4 below indicates the location quotient calculated for the Rustenburg LM. According to Table 3.4 the Rustenburg LM only has a comparative advantage in the mining sector. All other sectors are classified as

low, indicating that local needs are not being met by the resident sector and that the region is importing goods and services to meet the needs of the local residents from the particular sector.

**Table 3.4: Location Quotient Results for Kgetlengrivier LM**

Sector	Location Quotient Result	Corresponding Label
Agriculture	0.65	Low
Mining	7.87	Very High
Manufacturing	0.35	Low
Utilities	0.31	Low
Construction	0.61	Low
Trade	0.58	Low
Transport	0.50	Low
Finance	0.45	Low
Community and personal services	0.65	Low

#### Implications of the Comparative Advantage Analysis

Based on the comparative advantage analysis it has been determined that the only sector within the local municipality that has a comparative advantage is the mining sector. Furthermore, the tress index indicates that the local municipality is highly susceptible to external shocks as it has a tress index closer to 100.

### 3.6 SITUATIONAL ANALYSIS ACCORDING TO STAKEHOLDERS

In addition to the socio-economic conditions identified through the analysis of various data sources, the local stakeholders also provided valuable input on the existing conditions facing the local municipality. This was provided during the stakeholder workshop that was conducted during the 16<sup>th</sup> of March 2011. During the workshop the local stakeholders were asked to indicate what they viewed as the local strengths, weaknesses and risks (SWOT) within the local municipality. The response given is indicated in Table 3.5 below. From Table 3.5 it can be observed that the strengths identified within the local municipality includes its locational advantage (relative proximity to Pretoria and Johannesburg), high concentration of mining activities and the level of skill of some residents within the local municipality. On the other hand, a number of weaknesses and risks were identified for the municipality. These include a lack of availability to land, insufficient quality and quantity of water and electricity, a declining agricultural sector, the general level of education of most of the locals and a lack of interest (in participating to further develop the local economy) from the private sector.

**Table 3.5: Analysis of the local municipality according to local stakeholders**

Strengths	Weakness and Risks
Labour availability	Availability of industrial land
Geographic position (in close proximity to cities)	Quantity and quality of water

Strengths	Weakness and Risks
Existing infrastructure provides other opportunities	Influx of people (uncontrolled, affects crime)
Mining	Vulnerable economy (dependent on the mining industry)
Road infrastructure (generally pretty good)	Declining agriculture (affected by the cost of labour and crime (farm attacks))
Existing schools and health facilities	Lack of development in retail sector
Relatively stable political climate	Individual/pressure groups obstructing development
A number of persons with skills	Land availability is a big challenge within the LM <ul style="list-style-type: none"> <li>• Land is concentrated in a few hands only</li> <li>• Mining rights on land prevents the development of other business activities on that particular land</li> </ul>
	Electricity supply not granted and thus prevents expansion of businesses
	Education levels of locals <ul style="list-style-type: none"> <li>• a lack of universities within the Local Municipality</li> <li>• a lack of English medium schools</li> </ul>
	A lack of markets <ul style="list-style-type: none"> <li>• this was elaborated by indicating that some people travel really far in order to obtain tomatoes</li> </ul>
	Lack of maximization opportunities from the mining activities
	Lack of rehabilitation of mining activities
	Corruption
	Lack of interest from participation from the private sector
	Political risks
	Environmental risks which specifically includes the quality of air due to mining activities.

**Implications of the Situational Analysis according to local stakeholders**

These inputs provided by the local stakeholders are of critical importance as they provide an overview of the local municipality from a local point of view. These inputs will be used to assist in the identification of opportunities that will further develop on the existing strengths and mitigate the identified weaknesses and risks.

### 3.7 CONCLUSION

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In analysing the situational analysis within the Rustenburg LM, the following are the main observations that were made:

- the Rustenburg LM has an unemployment rate of 20.3%,
- 14% of residents from the Rustenburg Local Municipality area have had no education,
- the Rustenburg LM is dependent on the mining sector and would be negatively impacted if mining activities within the area were stopped,
- a large proportion of residents (21.9%) earn around R 4 924 per month,
- the agricultural sector has steadily declined in its contribution towards the local municipality as it was identified that during 2009 this sector only contributed 0.8% towards the total GDP,
- most of the exports from the district municipality are mining related products, and
- land availability and the quantity and quality of basic services are some of the major hindrances to business and economic development within the local municipality.

These observations will serve to inform the opportunities and strategy that will be developed in the latter sections of this report.

## SECTION 4: STRATEGIC FRAMEWORK

The purpose of this section is to identify a framework that will assist in the development of this strategy. Through communication with local stakeholders the vision and objectives within the local municipality had been identified.

The vision for the local municipality is presented in the Box 4.1 below.

### Box 4.1: Vision for the Rustenburg LM

The vision for the Rustenburg LM is to have a **growing** and **diversified** local economy which results in **job creation**. This economy should also be characterised by **increased levels of service delivery, skills development** and **optimal and efficient utilisation** of its resources.

The identified vision creates a framework and guideline to inform the LED Strategy. Based on the above vision it can be noted that the key elements that has been identified as part of the vision for the Rustenburg LM is to diversify the local economy, create jobs, improve the level of skill, increase levels of service delivery and ensure optimal and efficient utilisation of resources.

In order to meet this vision a number of goals as well as some objectives had been identified. These are indicated in Figure 4.1 below:

**Figure 4.1: Goals and related objectives for the Rustenburg LM**

Goal 1: Increased employment
Goal 2: Increased investment
Goal 3: Increased skills Objective 1 - Increase the number of education facilities Objective 2 - Increased number of vocational institution
Goal 4: Increase the levels of health and safety
Goal 5: Increase service Objective 1 - Increase the number of local community forums to assist in the area
Goal 6: Responsible implementation of Coprate Socail Responsibility
Goal 7: Build a green economy
Goal 8: Increase local procurement

Eight goals have been identified to meet the stated vision. These goals are varied and include building a green economy, increasing the level of investment, and ensuring the implementation of responsible Corporate Social Responsibility.

The above vision and associated goals and objectives will therefore guide and influence the opportunities that should be examined within the local municipality. It will also be used to prioritise the identified projects and opportunities.

## SECTION 5: OPPORTUNITY ANALYSIS

The purpose of this section is to identify the opportunities that are present within the Rustenburg LM region. The reason for conducting the opportunity analysis is to identify opportunities that would have the ability to develop the economy for the local municipality and improve the socio-economic conditions of residents within the municipality. Consequently this section will be based upon the information gathered in the preceding sections of the report.

In identifying the opportunities a specific methodology has been followed and this methodology has been applied to each economic sector, therefore this section will cover the following:

- Methodology for opportunity analysis,
- Agriculture,
- Mining,
- Manufacturing,
- Utilities,
- Construction,
- Trade,
- Transport, Storage and Communication,
- Finance,
- Community and Personal services,
- General Government Services, and
- Tourism.

### 5.1.METHODOLOGY FOR OPPORTUNITY ANALYSIS

The identification of opportunities in the Rustenburg LM was conducted utilising the methodology indicated below in Figure 5.1. The main aim of applying this methodology in the opportunity identification process is to ensure that a detailed list of available opportunities is compiled. The methodology can be categorised into two groups namely, overview of the sector and techniques applied.

**Figure 5.1: Methodology for opportunity analysis**



To understand the process followed for opportunity identification, the main components for the opportunity analysis methodology namely, sectoral overview and techniques applied are further examined.

## Sectoral Overview

The provision of a sectoral overview for each sector is critical in the identification of opportunities as it provides useful information that can assist in identifying gaps and opportunities. The information provided within the sectoral analysis includes the identification of main products and/or businesses within the municipal area, areas in which sectoral economic activities occur and greater understanding of the sector in terms of a list of criteria. The following items criteria had been used to analyse each of the economic sectors within the Rustenburg LM:

- Land,
- Labour,
- Technology,
- Water,
- Linkages (backward and forward),
- Enabling environment.

## Techniques Applied

In addition to providing the sectoral overview of the respective sectors, the different techniques that have been applied to most of the economic sectors within the Rustenburg LM is discussed below.

- **Opportunities/guidelines identified through reviewing policies and plans:** section two of this report identified a number of documents which provide key guidelines for the development of a sector and it also assists in indicating opportunities that should be implemented. The motivation for examining the relevant documents is to ensure an aligned and synergised approach to economic development that occurs within the Rustenburg LM.
- **Opportunities identified through stakeholder consultation sessions:** This process relates to including the opportunities identified by local stakeholders for each sector. These opportunities have been identified during workshops with local stakeholders. It was determined that obtaining input from local stakeholders is important due to the fact that local stakeholders have unparalleled knowledge of the local area. Furthermore, ensuring that local stakeholders contribute towards the LED Strategy will ensure that they take ownership of the report.
- **Opportunities identified through Corporate Social Responsibility (CSR):** Corporate Social Responsibility generally refers to initiatives by the private sector which results in a social and economic impact. CSR is sometimes a mandatory act as with the mining sector (Social and Labour Plans that need to be compiled); whilst in other cases it is not. The purpose of this section is to examine the CSR plans and initiatives of the various companies in order for the local municipality to be aware of such initiatives and to enable the local municipality to further build on and establish partnerships with the existing companies.
- **Opportunities identified for import substitution and increasing exports:** according to the Economic Base Theory exports are one of the main sources of economic growth. It is therefore imperative to identify potential opportunities that can be exported from the Rustenburg Local

Municipality. Furthermore, imports represent a leakage of money from within a particular area and thus it is important to identify possible import substitution opportunities that would result in a decrease of money leaving the local economy. This section therefore examines possible import substitution and export opportunities.

- **Opportunities identified through value-chain analysis:** this approach aims to identify if there are any gaps within the value-chain of the various industries that operate within the local municipality of Rustenburg. Gaps within the local industries value-chains are potential opportunities that could be exploited.
- **Opportunities identified through analysis of other information, new trends and case studies:** the final approach that was followed for opportunity identification in the Rustenburg LM was through the identification of new trends along with examining case studies on successful initiatives that promoted Local Economic Development (LED) in other regions.

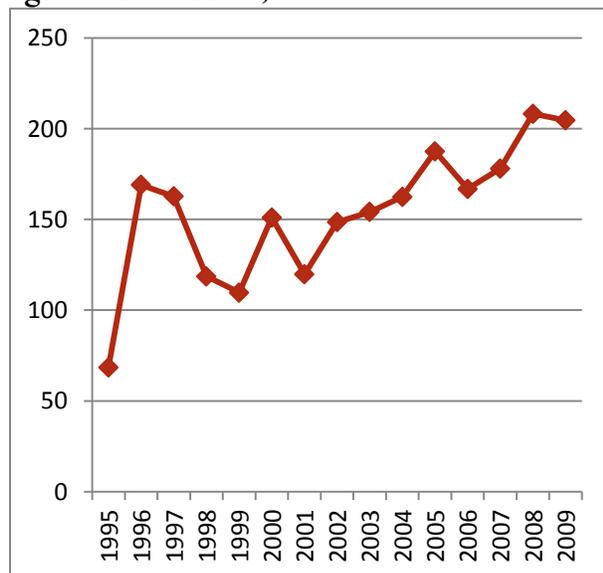
The next sub-section will now apply the above-mentioned methodology per each sector in order to identify opportunities within the Rustenburg LM.

## 5.2. AGRICULTURE

### 5.2.1. Sectoral overview

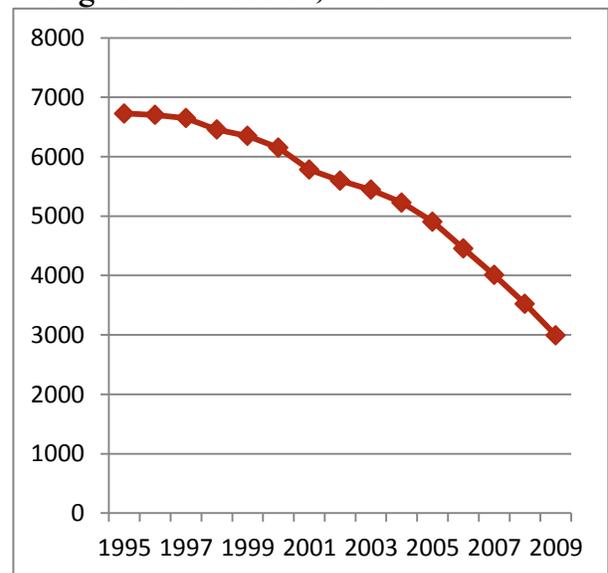
The agricultural sector in Rustenburg LM has previously formed the backbone of the local municipal economy. From Section 3 of the report it was evident that this sector has not contributed as significantly to the local economy as it was estimated to have contributed only 0.8% towards total GGP and 1.7% towards total employment. In addition to the sectoral contribution, the results depicting the performance of the agricultural sector during 1995 – 2009 periods are shown in Figure 5.2 and Figure 5.3 respectively.

**Figure 5.2: GDP performance within the agricultural sector, 1995 - 2009**



Source: Quantec Research Standardised Regional Data, 2011

**Figure 5.3: Employment performance within the agricultural sector, 1995 - 2009**



Source: Quantec Research Standardised Regional Data, 2011

It is evident from the above graphs that the agricultural sector had experienced erratic economic growth during the 1995 – 2009 period, whilst the employment within this sector has steadily declined. This clearly indicates that the agricultural sector within the local economy requires significant effort to improve the performance of the agricultural sector.

In addition to examining the historical performance of the agricultural sector, the conditions within the local municipality that affect agricultural activities have also been examined. This information has been obtained from the Bojanala PDM Agricultural and Rural Development Strategy. According to the strategy the following climatic conditions prevail within the local municipality:

- **Rainfall**

The average annual rainfall for the local municipality is 574.87 mm, which is higher than the national average precipitation. It appears that a much higher rainfall is experienced during the summer whilst limited rainfall is experienced in the winter. The implication of the existing rainfall means that crops can be grown during the summer months in Rustenburg. However irrigation is required for horticultural crops during the summer periods.

- **Temperature**

The average maximum temperature is 26.82 and the average minimum temperature for this area is 11.38°C. Therefore crops such as maize and sunflower cannot be grown in winter although some horticultural crops can be grown in winter.

- **Humidity**

The level of humidity also affects agriculture production. It was indicated that humidity levels in Bojanala PDM can range from 70.37% to 75.56% while the minimum humidity ranges from 33.84% to 40.42% (Table 3.5). High levels of humidity negatively affect horticultural crops and low humidity could require sufficient moisture for horticultural and agronomic crops.

- **Groundwater**

A number of aquifers (a layer of rock through which ground water flows) are found within Rustenburg LM.

- **Soil**

The immediate Rustenburg area consists mainly of Arcadia type soil which has a moderate potential for crop production. Other soils found within the area include Mispah soil, rocky soil and Bainsvlei soil. The Bainsvlei soil which is found in Mathopestad is highly suitable for crop production.

A number of agricultural produce can thus be produced within the local municipal area given the existing conditions within the local municipal area.

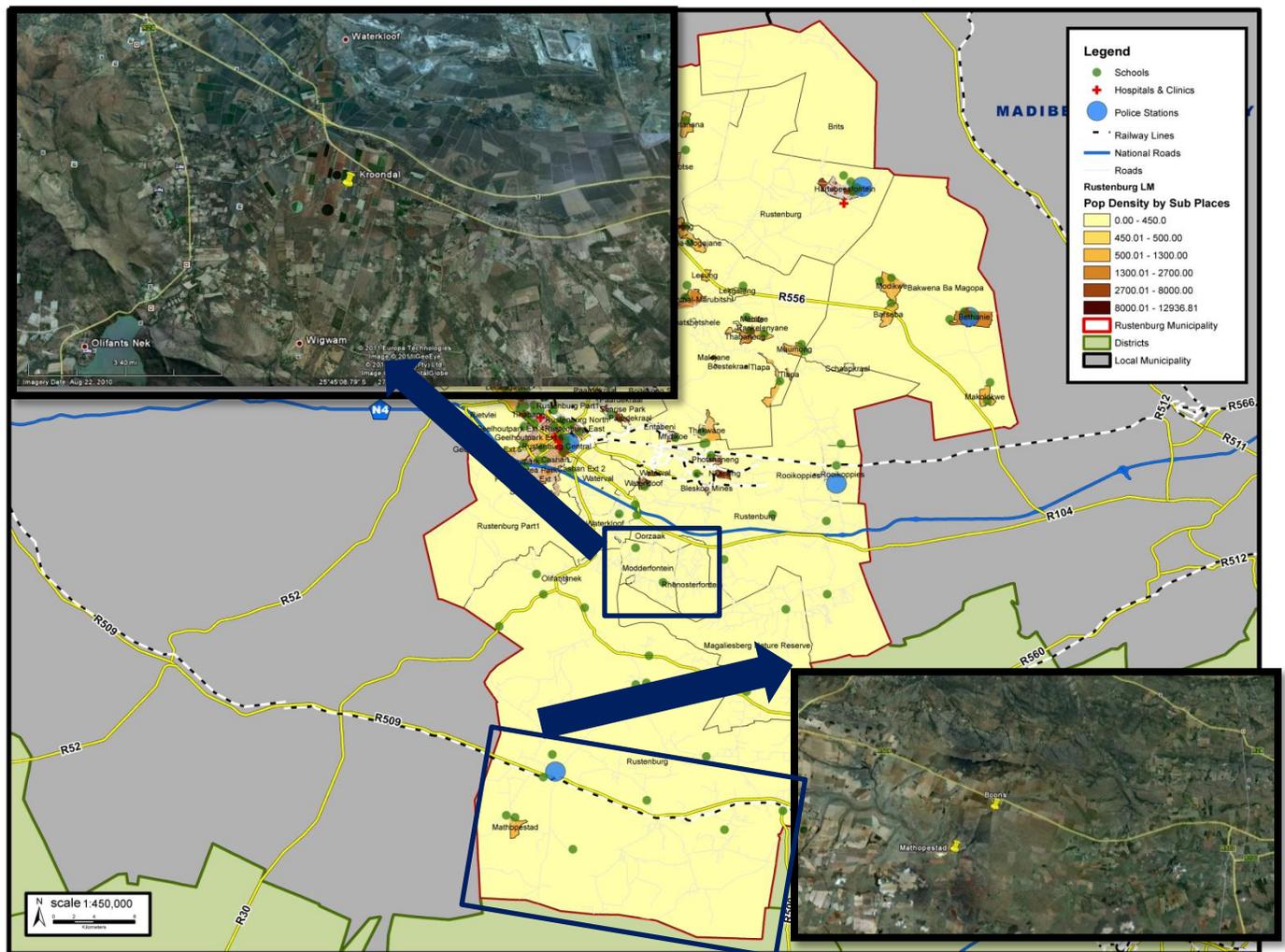
As mentioned previously, the agricultural sector used to play a more significant role within the local municipality. Some of the more common produce during that time included citrus, tobacco and vegetables. Agriculture is more limited within the local municipality and the main agricultural products currently produced are:

- Citrus
- Livestock

- Beef, cattle
- Chicken
- Game farming
- Pigs
- Goats
- Sheep
- Dairy cattle
- Field crops

Based on information obtained from the Rustenburg SDF, (2010) the main areas in which commercial agricultural activities exists is towards the southern end of the local municipality. The concentration of agricultural activities within these areas is illustrated in Map 5.1 below.

**Map 5.1: Main areas of agricultural activities within the Rustenburg LM**

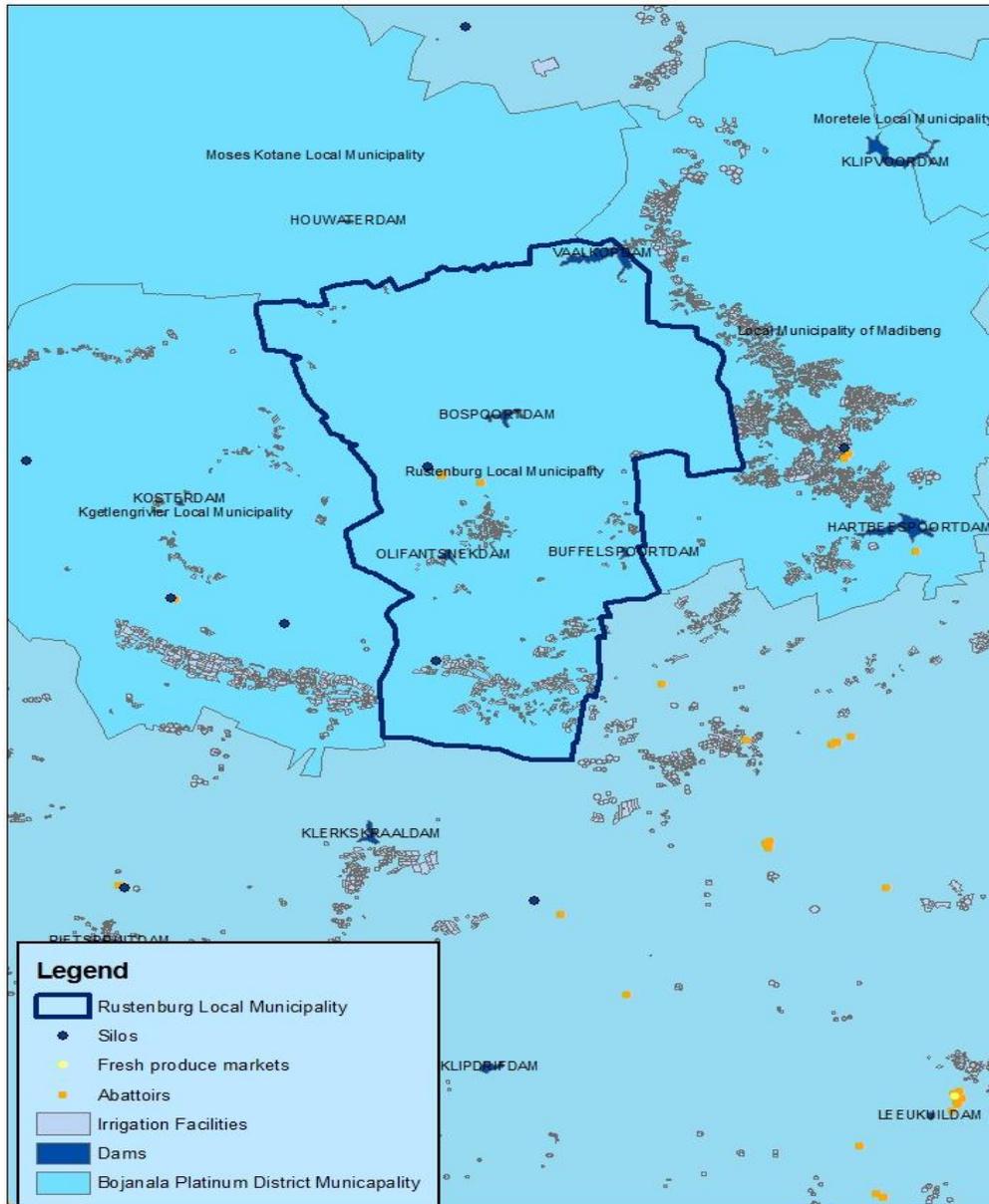


Source: Urban-Econ and Google Earth Images

In addition to the existing agricultural activities, the locality of the existing agricultural infrastructure within the local municipality has also been identified. From Map 5.2 it can clearly be observed that most

agricultural activities within the Rustenburg Local Municipality rely on irrigation facilities. Besides the irrigation facilities within the local municipality, the Rustenburg LM contains two abattoirs and silo according to the data obtained from AGIS.

**Map 5.2: Agricultural infrastructure within the Rustenburg LM**



Source: Urban-Econ

There is also an existing research institution i.e. Agricultural Research Council (ARC) located within the Rustenburg LM. Potential opportunities to create partnerships with such institutions should be examined.

In order to further understand the agricultural sector within the Rustenburg LM the sector will be examined in terms of a list of criteria. This analysis is presented in Table 5.1 below.

**Table 5.1: Review of the Agricultural sector within the Rustenburg LM per Criteria**

Criteria	Applicability to the agriculture sector per criteria
Land	<p>From the workshop held with the local stakeholders it was noted that most stakeholders believe that land for other economic purposes including agriculture is being threatened by mining activities. In addition, the 2009 Rustenburg LED Strategy had identified that the residential housing and agricultural sector are also competing for land. It appears that it has been noted by the local government due to the fact that the Rustenburg SDF indicates that urban intrusions need to be limited in order to develop the agricultural areas within the Rustenburg LM. In addition to the fact that different sectors are competing for land within the local municipality, it was also noted according to the 2009 Rustenburg LED Strategy that 65 % of the arable land within the local municipality is under tribal authority control. This makes agricultural development within the area more complex as tribal authorities need to approve any activities proposed within the municipality. As such land availability could potentially constrain agricultural activities within the local municipality.</p>
Labour	<p>Given the situational analysis there appears to be a large pool of labour that would be suitable to the agricultural sector. However the level of skill of labour within the local municipality appears to be lacking. This is particular true for those emerging farmers and persons who wish to establish their own farming enterprise. This challenge could be mitigated by setting the proposed agricultural tertiary institution within the Madibeng LM.</p>
Water	<p>According to the North West Environmental Outlook (2008), the North West province is deemed as a water scarce province and due to the high demand for water, it could negatively affect development. Water supply may negatively affect the agricultural sector within the Rustenburg LM in the future.</p>
Linkages	<p>Whilst it is understood that some value additions does exists, such as the production of wool, hides, skin, chicken, eggs, milk and cream, more needs to be done. During the workshop with the local stakeholders it had been indicated that there could be potential to utilise the citrus grown in the area for meditational purposes. It was indicated that the local municipality used to have a factory that processed tobacco, but it closed down. It was thus suggested that an agro-processing factory to process some of the other products (other than tobacco) grown within the local municipality could potentially be established within the local municipality. It was also mentioned during the workshops that people occasionally have to travel quite far in order to purchase agricultural products. This indicates that the linkages between the agricultural and other sectors within the local municipality need to be further strengthened.</p>
Enabling environment	<p>An enabling environment refers to all factors that affect a businesses or sector. This includes the policies, research institutions and basic services that are affect the agricultural sector and it development. Land reform is one particular policy believed to have negatively affected the agricultural sector.</p>

## 5.2.2. Opportunity analysis based on various policies and plans

Based on the review of various policies and plans (Section 2), the following opportunities have been identified as applicable to the Rustenburg LM:

- **North West Agricultural Master Plan, 2010**
  - **Diary outsourcing scheme:** the North West Agricultural Master Plan identified that the dairy market within SA is monopolistic and that it is hard for new businesses to enter the market. As such it has been recommended that farmers (emerging) lease their cattle to the milk parlours in order to reduce costs (for the milk parlours) and to enable new businesses (emerging farmers) to enter the market. This opportunity has been identified as a potential opportunity for the local municipality given the existence of Smiths Dairy within the local municipal area.
  - **Broiler outsourcing scheme:** As is the case for the dairy outsourcing project, the broiler outsourcing project has been identified as suitable for the Rustenburg LM due to the fact that one of the biggest broiler producers (Rainbow chicken) is located within the Rustenburg LM. Based on the Rainbow Chicken Sustainability Report, it has been indicated that contract farming is an initiative that is implemented by Rainbow Chicken. However, in 2009 the number of BEE contractors accounted for 14.2% of all contractors. Potential exists to further increase this number.
  
- **Bojanala PDM Agricultural and Rural Development Strategy, 2009**
  - **Livestock production (cattle, goats and poultry):** The strategy identified livestock as the key agricultural opportunity for areas within the Rustenburg LM in which groundwater is available.
  - **Aloe, rosemary and lavender production:** These niche market opportunities had been identified by the Agricultural and Rural Development Strategy as potential niche market opportunities for the district. This opportunity has in particular been identified for the Rustenburg LM as local stakeholders at the workshop indicated that essential oil production is one of the potential opportunities that they have identified for the local municipality.
  - **Small-scale production (livestock, vegetables, and dairy):** the strategy identified the production of various produce on a small-scale level for emerging farmers within the district. These opportunities are particularly relevant to the more rural areas within the local municipality in order to increase food security and self-sustainability within the local municipal area.
  - **Marula Production:** the Marula tree grows wild within the Bojanala PDM. This tree provides a number of opportunities for the various products which includes alcoholic beverages, jam, juice etc.
  - **Agricultural support centre:** the agricultural support centre is a key element required in order to effectively support the declining agricultural sector. These centres should be located within the more rural areas in the local municipality and should provide amongst others, technical support for farmers within the local municipality. It is believed that the Bojanala PDM is currently involved determining the feasibility of establishing these facilities.

- **Bojanala PDM LED Strategy, 2009**

- **Research and development:** In order to further develop the agricultural sector within the Rustenburg LM and produce new products within the local municipal area, greater research is required. To this end, it is noted that the Agricultural Research Council (ARC) is located within the Rustenburg LM and could thus be approached to assist with the development of such products within the local municipality. The ARC could also be approached to assist in ensuring that local farmers are able to meet the required standards demanded by consumers.
- **Information dissemination:** As many residents within the district municipality are located within rural areas, the Bojanala PDM LED Strategy had identified the use of radio as a potential medium to transmit information related to the agricultural potential and create virtual markets that will allow for residents within the rural areas to sell their products.
- **Bee-keeping:** The Bojanala PDM LED Strategy identified the potential opportunities for Bee-Keeping. This opportunity is relevant for the Rustenburg LM as there are a number of support institutions that promote bee-keeping such as SEDA. Furthermore, bee-keeping is also relatively easy and does not require a large number of inputs.

- **Industrial Policy Action plan, 2011/2012 – 2013/2014**

- **Soya bean production:** Potential substitution of the importing of soya as well as the increased processing of soya-beans has been recommended within the IPAP. This opportunity could potentially be implemented within the local municipal area given the fact that a few areas within the local municipality have been identified as having marginal to moderate potential for soya production.

- **Rustenburg LM SDF**

- **Urban Agriculture:** The SDF indicates that in order to diversify the local economy, urban agriculture has been identified for a number of areas which includes; Boitekong, Phatsima, Monakato, Hartebeesfontein, Modikwe and Bethanie.

- **Rustenburg LED Strategy, 2009**

Main opportunities identified from the Rustenburg LED Strategy that are still applicable and relevant to the local municipal area:

- **Agri Skills Succession Plan:** The promotion of agriculture to the youth and women
- **The recycling of mining land for agro processing:** Rehabilitate mining land and utilise it for agro-processing activities.

### 5.2.3. Opportunity analysis through local stakeholder consultation

Based on the workshop conducted on 16 March 2011, the following agricultural related opportunities have been identified for the Rustenburg LM:

- Support for the informal/emerging farmers
- Increase production of oranges
- Large-scale broiler production
- Large-scale dairy production

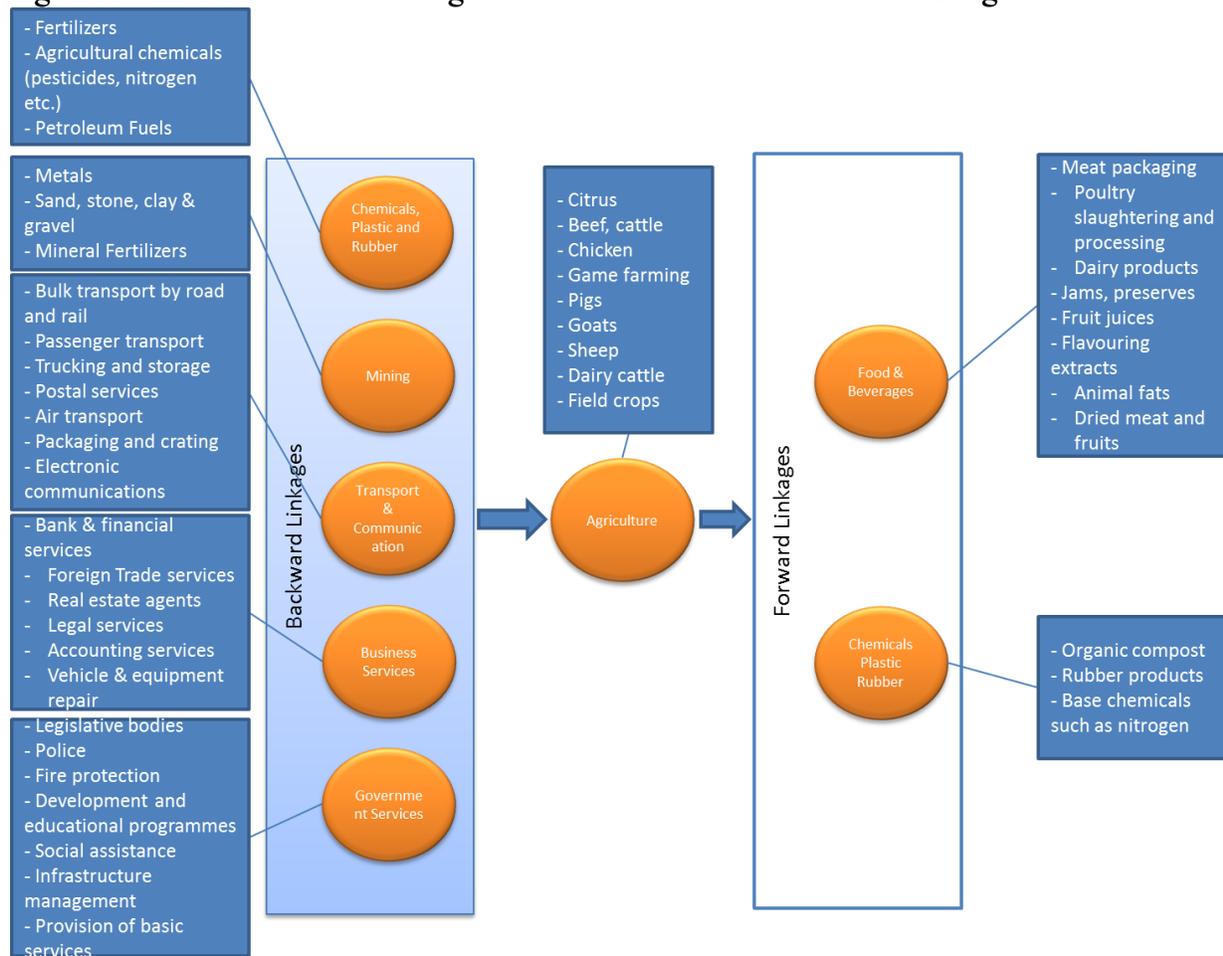
### 5.2.4. Opportunity analysis based on CSR

It is understood that Rainbow Chicken had launched the Stars School Programme in Rustenburg during 2010 which provides extra tuition in math's, science and English during school holidays. This initiative is viewed quite positively. Investigation on the potential opportunities to further expand the impact of this project needs to be investigated.

### 5.2.5. Opportunity identification through value-chain analysis

According to Figure 5.4 below it can be noted that a number of linkages exists between the agricultural sector and other sectors. The main sector that plays a role as a backward linkage to the agricultural sector is the chemical, plastic and rubber sector, mining sector, transport and communications sector, business services sector and the government services sector. The main sectors that act as forward linkages to the agricultural sector are the chemicals, plastics and rubber sector and the food and beverages sector.

**Figure 5.4: Value-chain for the agricultural sector within the Rustenburg LM**



Source: Urban-Econ

Given the location of the Rustenburg CBD and other urban areas within the Rustenburg LM, backward linkages such as business and government services appear to be sufficiently provided in most of the urban areas. However, these services are less accessible for individuals who wish to pursue agricultural activities within the more rural areas.

Whilst government and business services, are generally available within the local municipality, it is believed that a number of gaps within the agricultural value-chain may exist within the local municipality. These include the following:

- Agro-processing of agricultural products are not contained within the local municipalities. These activities may include the following:
  - Flavouring extracts
  - Animal fats
- The production of chemicals, plastics and rubber related products made from agricultural produce are also other opportunities that may exist within the local municipality.

### **5.2.6. Opportunity analysis through import and export analysis**

Opportunities can also be identified through examining import and export data. The analysis of data assists in indicating areas where increases in exports could occur as well as areas in which imports to the district municipality could be substituted.

Based on the analysis of exports from the Bojanala PDM (data at local municipality level is unavailable), it was determined that a number of products could potentially be exported from the Rustenburg LM. These products include the following:

- Further preparation of raw hide can be exported
- Most of the tobacco are exported in an unmanufactured form, thus the potential for exporting tobacco in a processed form should be investigated.
- Limited alcoholic liquors are exported. This could be increased given the marula trees that are found within the district
- Opportunities for maize production have been identified in specific areas within the local municipality. Given the oversupply of this product during 2010, opportunities exist to import maize and maize related products such as maize flour and maize starch.
- Limited number of citrus fruit, vegetables and oranges are exported. Efforts to increase the exporting of these products should be investigated.

On the other hand, analysis of imports to the Bojanala PDM revealed the following opportunities for import substitution:

- Whilst a significant number of fruit juices are exported from the district, there are still a large number of juices that are imported into the district. Further investigation into the type of juices imported into the district need to be examined in order to determine if there are potential opportunities to substitute those imports.
- Whilst tobacco in an unmanufactured form is exported (10.3 mil) there is still a large value of tobacco imported (7.0 million). Further investigation into the reason for such high levels of imports need to be determined and the possibility of substituting the imports need to be examined.

- Whilst all spices cannot be produced within South Africa, a number of these products can be produced in SA and potential to substitute these imports needs to be investigated.
- Investigation into the potential production of milk powder needs to be investigated as a significant value of milk powder (500 597) was imported during the 2009 period.
- Opportunities for the substitution of dried egg yolk also exists as during 2009, egg yolk to the value of 575 966 was imported.

Therefore, a number of possible export and import substitution opportunities exist for the Rustenburg LM. In addition to the above, a potential market that has been identified by the New Economic Growth Path is to increase exports to SADC members. In order to follow this directive, data related to the imports by some of the SADC member were sourced. Whilst this information was found, the most recent data was not available and instead information for the period 1999 – 2006 was provided. An average for the 1999 – 2006 period was calculated in order to indicate the main products that are imported by the SADC members from other countries besides South Africa. The imports for the SADC members that were examined are:

- Botswana
- Malawi
- Mauritius
- Mozambique
- Namibia
- Tanzania
- Lesotho
- Swaziland
- Zambia

Based on the analysis of historical data, the following potential export opportunities for the Rustenburg LM for the SADC countries have been identified:

- Soya-bean oil (Mauritius, Malawi, Mozambique, Zambia & Botswana)
- Tobacco (Malawi, Mozambique & Tanzania)
- Cheese (Mauritius)
- Concentrated/sweetened milk and cream in powder/solid form (Mauritius)
- Boneless bovine (cow) meat (Mauritius)
- Milk and cream powder (Mozambique, Botswana & Tanzania)
- Vegetable fats and oils (Zambia and Tanzania)
- Poultry (Lesotho)
- Sunflower seed and sunflower oil (Mauritius & Mozambique)
- Oranges (Zambia & Lesotho)
- Sausages (Mauritius)
- Milk in solid form (Malawi)
- Other spices (Botswana)
- Vegetable fats and oils (Tanzania)

In addition, it is important to assist farmers and agro-processing facilities to export the identified products. This can be done by ensuring that potential exporters are aware of the processes that need to be followed in order to export products. The Bojanala PDM LED Strategy provided guidelines to assist in export promotion. The guidelines that should be considered by the Rustenburg LM include the following:

- ensure easy access to various markets by providing the correct infrastructure and remove/decrease barriers such as high transport cost like toll fees,
- potentially set up an export zone,
- establish working relationships with the relevant quality assurance boards, and
- ensure that relevant information which includes information related to assistance available to exporters, trade shows, main exports demanded etc. are relayed to potential exporters through newsletters, workshops and other suitable mediums.

### 5.2.7. Opportunity identification through analysing other data, recent trends and case studies

#### i. AGIS Data

Data from the Agricultural Geo-Referenced Information System (AGIS) has also been examined to assist in the identification of potential agricultural opportunities that may exist within the Rustenburg LM. The data obtained is quite useful and detailed as it has been developed by the main regulatory and research agricultural bodies in South Africa.

The data obtained indicates specific locations within the Rustenburg LM area in which soya, maize and sunflower has the potential to grow. This data is presented in Table x below.

From Table 5.2, it can be observed that a number of areas within the Rustenburg LM may have potential to grow sunflower, maize and soya. In particular greater potential exists for the production of sunflower; however moderate to marginal levels of potential exist for the production of maize and soya within the local municipality.

**Table 5.1: Identified areas for agricultural production**

Sub-place	Sunflower	Maize	Soya
Bafokeng	High - suitable potential	Marginal - moderate - suitable potential	Marginal - Moderate potential
Bafokeng North Mines	Suitable potential	0	0
Bakwena Ba Magopa	Moderate - Suitable potential	Marginal potential	Marginal Potential
Bethanie	Suitable potential	0	0
Bobuampja	High potential	Suitable potential	Marginal Potential
Boitekong Ext 2	Suitable potential	0	Marginal Potential
Boitekong SP	0	0	Marginal Potential
Brits	Moderate potential	0	0
Brits NU	0	Marginal potential	0
Cashan	High potential	Suitable potential	Moderate Potential
Chaneng	Suitable potential	0	Marginal Potential

Sub-place	Sunflower	Maize	Soya
Ga-Luka	0	0	Marginal Potential
Geelhoutpark	High potential	Suitable potential	Moderate Potential
Geelhoutpark Ext 4	High potential	Suitable potential	Moderate Potential
Geelhoutpark Ext 6	High - suitable potential	Suitable potential	Marginal - Moderate potential
Hartebeesfontein	Moderate - Suitable potential	Marginal potential	Marginal potential
Kanana	Suitable potential	Marginal potential	Marginal potential
Kgale	High potential	Suitable potential	Marginal potential
Lefaragatlha	High potential	Suitable potential	Marginal potential
Magaliesberg Nature Reserve	High potential	Suitable potential	0
Meriting	Suitable potential	0	Marginal potential
Mfidikoe	Suitable potential	0	Marginal potential
Mosonthal-Marubitshi	Suitable potential	0	Marginal potential
Nkaneng	High potential	0	0
Phatsima	Moderate potential	Moderate potential	0
Protea Park	High potential	Suitable potential	Moderate potential
Protea Park Ext 1	High potential	Suitable potential	Moderate potential
Pudunong	0	Suitable potential	Moderate potential
Rietvlei	High potential	Suitable potential	Moderate potential
Rustenburg (Non-urban)	Suitable - high potential	Marginal - Suitable potential	0
Rustenburg Central	High potential	Suitable potential	Moderate potential
Rustenburg East	High potential	Suitable potential	Moderate potential
Rustenburg North	Suitable potential	0	Marginal potential
Rustenburg Part1	High - Suitable potential	Suitable potential	Marginal - moderate potential
Rustenburg Part 2	0	0	Marginal - Moderate Potential
Safari-Tuine	High potential	Suitable potential	Moderate potential
Saron	High potential	Suitable potential	Marginal potential
Sunrise Park	Suitable potential	0	Marginal potential
Thekwane	Suitable potential	0	Marginal potential
Tlhabane	High potential	Suitable potential	Moderate potential
Tshwara	High potential	Suitable potential	Marginal potential
Tsitsing	High potential	Suitable potential	Marginal potential
Waterkloof	Suitable - high potential	Suitable potential	Moderate - marginal potential
Waterval	Suitable - high potential	Suitable potential	Marginal - moderate potential
Zinniaville	High - suitable potential	Suitable potential	Marginal - moderate potential

## ii. Land availability

Given the fact that a large proportion of arable land is located in areas in which the tribal authorities have ownership of land, it is suggested that a memorandum of understanding be drawn up between these two parties in order to ensure that agricultural development is not impeded in any way.

### 5.2.8. Summary of potential agricultural opportunities

Table 5.2 presents the potential opportunities to develop the agricultural sector within the Rustenburg LM. The opportunities presented in Table 5.2 relate to the agricultural products and support required for agricultural development. Agro-processing opportunities are classified as manufacturing activities, thus whilst a number of agro-processing projects have been identified in this section it will be included under section 5.4 (i.e. Manufacturing sector).

**Table 5.2: Agricultural potential for the Rustenburg LM**

Products	
• Dairy outsourcing scheme	• Broiler outsourcing scheme
• Livestock production (cattle, goats and poultry)	• Aloe, rosemary and lavender production
• Small-scale production (livestock, vegetables, diary)	• Marula production
• Increased exports of citrus fruit and vegetables	• Bee-keeping
• Tobacco (Malawi, Mozambique & Tanzania)	• Spices (Botswana)
• Production of soya, maize & sunflower (specified areas)	• Poultry (Lesotho)
• Large scale diary production	• Oranges (Zambia & Lesotho)
• Large scale broiler production	•
Support for Agricultural Development	
• Support for the informal/emerging farmers	• Urban agriculture
• Agricultural support centre	• Research and development
• Information dissemination	• Export promotion
• Memorandum of understanding between tribal authorities and Rustenburg LM	• Agri-skills succession plan

## 5.3. MINING

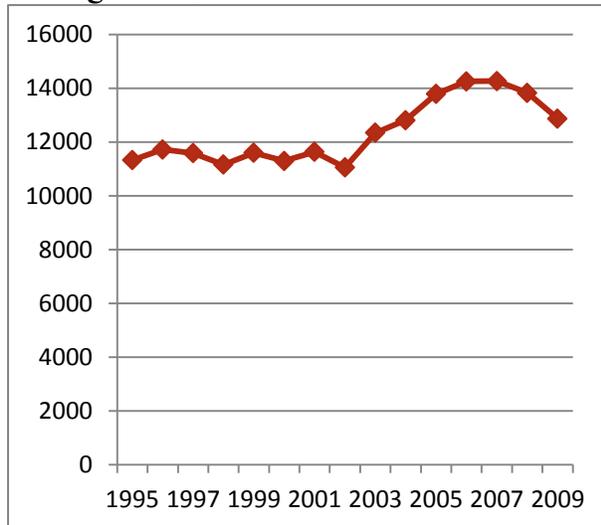
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### 5.3.1. Sectoral Analysis

The mining sector is the main economic sector within the Rustenburg LM as it contributed an estimated 52.8% towards the local municipalities GDP and 49.6% towards total employment within the local municipality during 2009. In section 3 of this report it was also identified that the mining sector has a comparative advantage within the local municipality and that the sector is classified as the current strength according to the Carvalho classification.

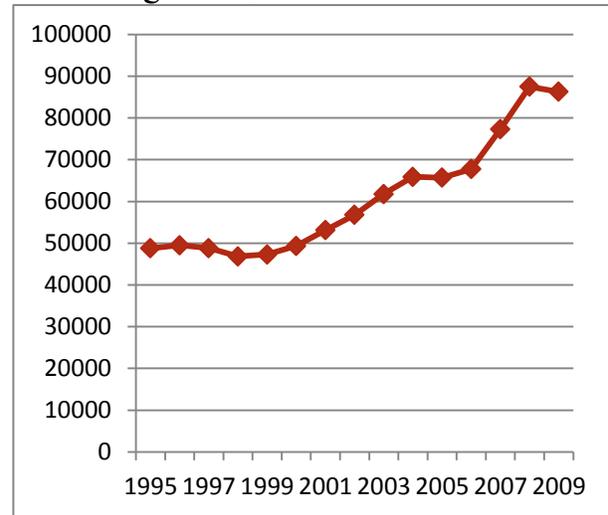
According to Figure 5.5, this sector had experienced a stable economic performance for the 1995 – 2001 period. After 2001 this sector had experienced positive economic growth per annum during the 2001 to 2007 period. However, in recent years (2008, 2009) the mining sector had experienced a decline in economic performance due the economic recession. Employment within the mining sector had been growing in general at a positive rate except for a few periods which include 2009.

**Figure 5.5: GDP performance within the mining sector, 1995 - 2009**



Source: Quantec Research Standardised Regional Data, 2011

**Figure 5.6: Employment performance within the mining sector, 1995 - 2009**



Source: Quantec Research Standardised Regional Data, 2011

The mining sector dominates the local economy and a number of minerals are mined within this industry. These minerals and chemicals mined include the following:

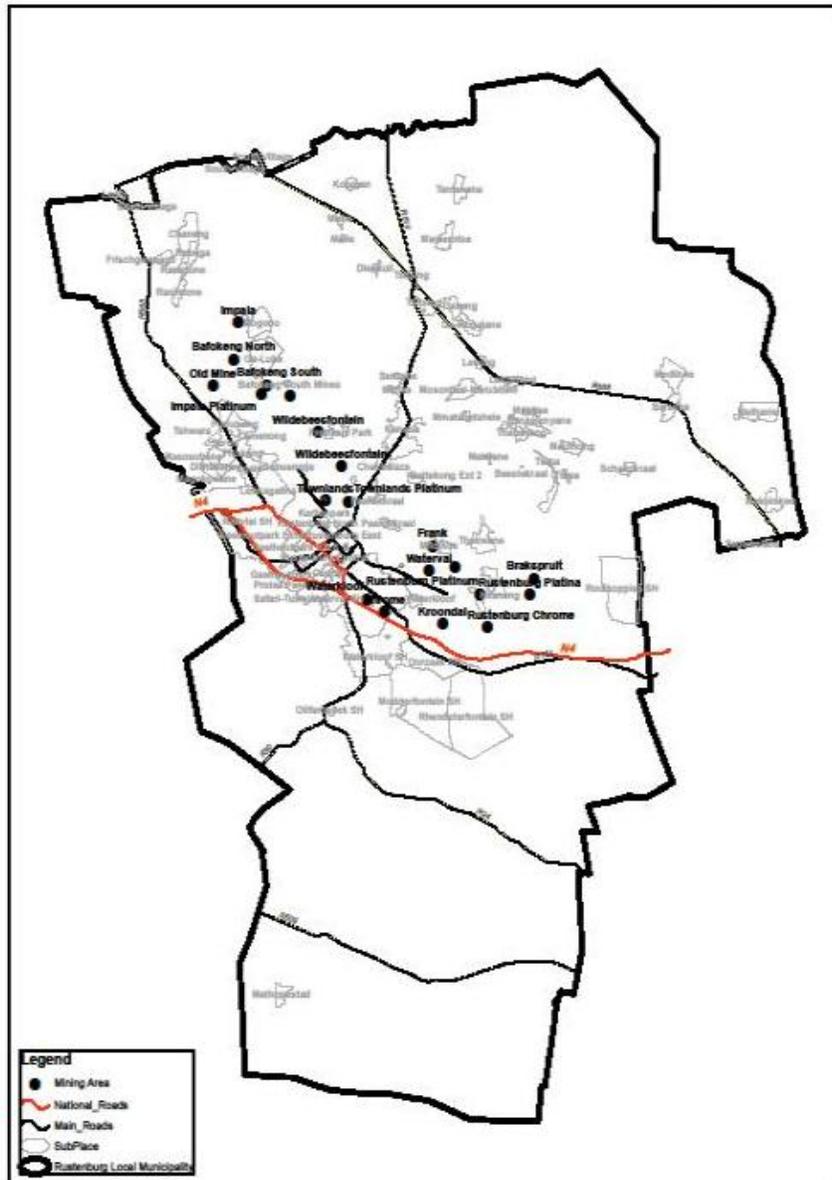
- Granite,
- Platinum Group Metals (PGM),
- Tin,
- Lead,
- Marble,
- Chrome,
- Cobalt,
- Copper,
- Gold,
- Iridium,
- Nickel,
- Osmium,
- Sodium sulphate (detergents),
- Sulphuric acid (used in fertilizers, detergents etc.),
- Phosphoric acid (used in fizzy drinks),
- Sand,

- Silica, and
- Aggregate sand.

Most of the mining activities occur underground although open cast mining (for example granite quarrying) also exists. The main areas in which mining activities (particularly platinum and chrome mining) occur within the local municipality are illustrated in Map 5.3.

It can be observed from Map 5.3 that the mining activities within the local municipality are located in the North Westerly section of the local municipality and it moves to an easterly direction towards the Madibeng LM as indicated in the Map 5.3 below.

**Map 5.3: Locality of mines within the Rustenburg LM**



Source: Adapted from Draft Environmental Framework, 2010

Some of the largest mines in the world are found within this local municipality. These mines are:

- Anglo Platinum
- Exaro
- Lonmin

Whilst the mining sector plays a significant role in the local economy and contributes the most towards the economic and socio-economic characteristics of the area, it has a negative impact on the local economy. These negative impacts include the following:

- Environmental degradation (Rustenburg LM SDF, 2010 Review)
- Development of informal settlements (Rustenburg LM, led Strategy 2009)
- Visual aesthetics
- Limits land use for other economic activities

In addition, limited value-addition to the minerals occurs within the local municipality. This is highlighted by the following:

- Refining of platinum occurs in Brakpan (outside the local municipality boundaries)
- Limited manufacturing of platinum for jewelry occurs within the Rustenburg LM

Table 5.3 below assists in understanding the characteristics that affect and define the mining sector within the Rustenburg LM.

**Table 5.3: Analysis of the mining sector per criteria**

<b>Factor</b>	<b>Applicability to the mining sector</b>
Resources	The Rustenburg LM has a number of mineral resources and these resources will last for approximately the next 50 years.
Trends	Platinum, along with most minerals was mainly affected by the economic recession. The platinum price had fallen dramatically from approximately \$ 2 000 in the second part of 2007 and the beginning of 2008. However, during the latter part of 2009 the platinum price decreased to around \$800. Since 2009 the platinum price has risen and was identified as \$1 780 on the 6 May 2011. As noted the changes in the platinum prices had negatively affected the mining sector. Therefore the trends in the performance of platinum are largely dependent on changes in prices. Also the demand for platinum had increased over the years as platinum is used in auto-catalyst and fit into approximately 85% (platinum today, 08 May 2011) of vehicles produced.
Labour	According to section 2 of this report the official unemployment rate is calculated 20.32%. This indicates that there is still an abundant labour force. However, the skills required within this sector are generally not at the levels required by the mines. As such the mines are generally required to train their staff in order to meet their needs.
Economic linkages	The mining sector has the potential to create linkages with a number of sectors such as the manufacturing sector. These linkages appear to be limited within

	the local municipality and need to be strengthened further.
Enabling environment	The mining sector is a highly regulated industry which is governed by the Department of Mineral Resources (DMR). This department has experienced a number of challenges, which includes long period of time it takes to process the application of prospecting and mining rights. The department had also imposed a seven month moratorium on the application for mining rights which began on 30 August 2010 but has been lifted since. Therefore this department has faced a number of challenges which have not assisted in creating an enabling environment. Whilst the local government cannot directly be involved in the application process, it should identify possible actions it could take to assist the mines. Furthermore, lobbying for the infrastructure required by the mines could also assist in providing an enabling environment for the mines within the local municipality.

### 5.3.2. Opportunity identification through the review policies and plans

A number of policies and plans have been compiled that relate to mining opportunities. Based on the review of the relevant document, the following opportunities have been identified as most applicable to the mining sector within the Rustenburg LM:

- **Bojanala PDM LED Strategy, 2009**
  - **Small-scale mining of construction related mineral:** Potential exists particularly for granite, sand and marble quarrying within the Rustenburg LM. In addition, support for small-scale mining exists within the Department of Mineral Resources as a small-scale mining directorate is located within the regional and head offices. These officers will assist with guiding prospective miners about the application for a mining license and the application for financial and technical assistance.
  - **Mining waste beneficiation:** Mining processes result in the creation of waste. This waste can however be used productively. Examples of products that can be made by beneficiation of mining waste include the manufacturing of tombstones using the mining waste (a feasibility study on this project has been completed for the Bojanala PDM, and a pilot site is likely to be established) and the manufacturing of bricks using mining waste (it is believed that this project has been implemented by the Pilanesberg Platinum mine). This create an opportunities for SMME's within the local municipality.
  - **Recycling/rehabilitation of mines:** Opportunities for SMME's to assist with the rehabilitation of mines are another potential project that can be implemented.
  
- **New Economic Growth Path, 2011**
  - The New Economic Growth Path indicated that enhancing of platinum groups and expanding mining activities are amongst the key job drivers for South Africa.
  - The New Economic Growth Path also identified the growing of the knowledge based economy as a potential driver for economic growth. It also indicates that this could include mining related technologies.

### 5.3.3. Opportunity identification based on CSR initiatives

Some of the social and labour plans for mines within the Rustenburg LM had been sourced and analysed. After reviewing these SLP's the following LED projects were identified in the respective SLP's.

- **Marikana Platinum Mine Social and Labour plan, Aquarius Platinum (South Africa) (Propriety) Limited:** This SLP indicated that the mine would assist in the provision of basic services and the formalisation of the town in the Lapologang Village, expansion of the Retief Primary School and the establishment of an agricultural project. A small budget was provided for these projects whilst the SLP indicated that remaining funds would be provided to other projects identified within the local municipalities IDP. The SLP also indicated a budget for the 2006 – 2011 period only. As such it is expected that the mine may currently be in the process of reviewing its SLP.
- **Impala Social and Labour Plan:** This SLP indicated that the mine implemented a Community Environmental Rehabilitation Programme, Tomato Production, Piggery and a Brick making Project within the Rustenburg LM. Funds for these projects were only allocated from 2008 to 2012. Therefore it is believed that this mine is also involved in review of its economic development projects. It was indicated by the Rustenburg LED Director that Impala is considering establishing a business support centre within the local municipality. This could be one of their new projects identified.
- **Lonmin:** The SLP indicates that the mine had identified a commercial agri-business, improving healthcare facilities, community skills development, sports and recreation and the provision of water and sanitation. The agri-commercial business is one of the projects that may have had a significant impact on the local municipality as this project is quite big. The mine had pledged to spend approximately R 35 million on this project and it was expected to have created 400 jobs over the 2007 – 2011 period. The implementation of this project is however not clear.

It should also be noted that the Rustenburg LM LED Director also indicated that Xstrata is also considering the establishment of a business support centre within the local municipal area. Whilst this initiative could have a significant impact on supporting and growing the local economy, the municipality could consider facilitating a partnership between Xstrata and Impala (as both mines are considering the establishment business support centres) in order to limit duplications and ensure more efficient uses of resources.

Based on the review of the SLP's the following should occur:

- Local municipalities should monitor the implementation of the identified projects indicated by the various mines
- The local municipalities should seek to get more involved with the mines as most of them are believed to be involved in reviewing their SLP's currently.
- The municipality should review other examples of projects implemented by the mines, such as the example indicated below, in order to identify projects that would have the greatest impact on the local economy.

The following is an example of an initiative to be implemented within the Limpopo province. This project relates to the contracting of the Lonrho projects Agri-Business by Xstrata SA to establish commercial farming and an agri-processing facility for the mine. The project is valued at R 45 million and is part of Xstrata's community enterprise development programme (Business Day, 2010).

The above project may be a useful guideline in order to shape the projects that the local mines are involved with. This project is viewed quite positively due to the following:

- Appears to be a large-scale project,
- Value-addition to primary product is a key component of the project,
- Xstrata makes use of an established company that has the technical knowledge, and
- Subsistence farmers are supported.

#### **5.3.4. Opportunity identification through value-chain analysis**

According to Figure 5.5 the mining sector is dependent on backward linkages that mainly consist of the chemicals, plastic and rubber sector, transport & communication sector, government services sector, business services sector and metals and products sector. Most of the backward linkages are located within the local municipality or surrounding areas, however there appears to be gap within the metals & products sector. Products from these sub-sectors are sourced from outside the local municipality boundaries. This gap had previously been identified as an opportunity for the Rustenburg LM, through the establishment of a mining supply park within the local municipality. The implementation of this project has not yet occurred due to a number of reasons. These include problems associated with the area which the mining supply park is to be established. However based on recent consultations with the local municipality it has been determined that these issues are to be resolved and that the mining supply park is likely to be established in the near future.

Whilst the mining supply park is envisioned to take on the form of a more retail facility, potential opportunities also exists to manufacture mining related products. These include the following:

- grinding balls,
- protective clothing and equipment,
- spares,
- office supplies, and
- reagents.

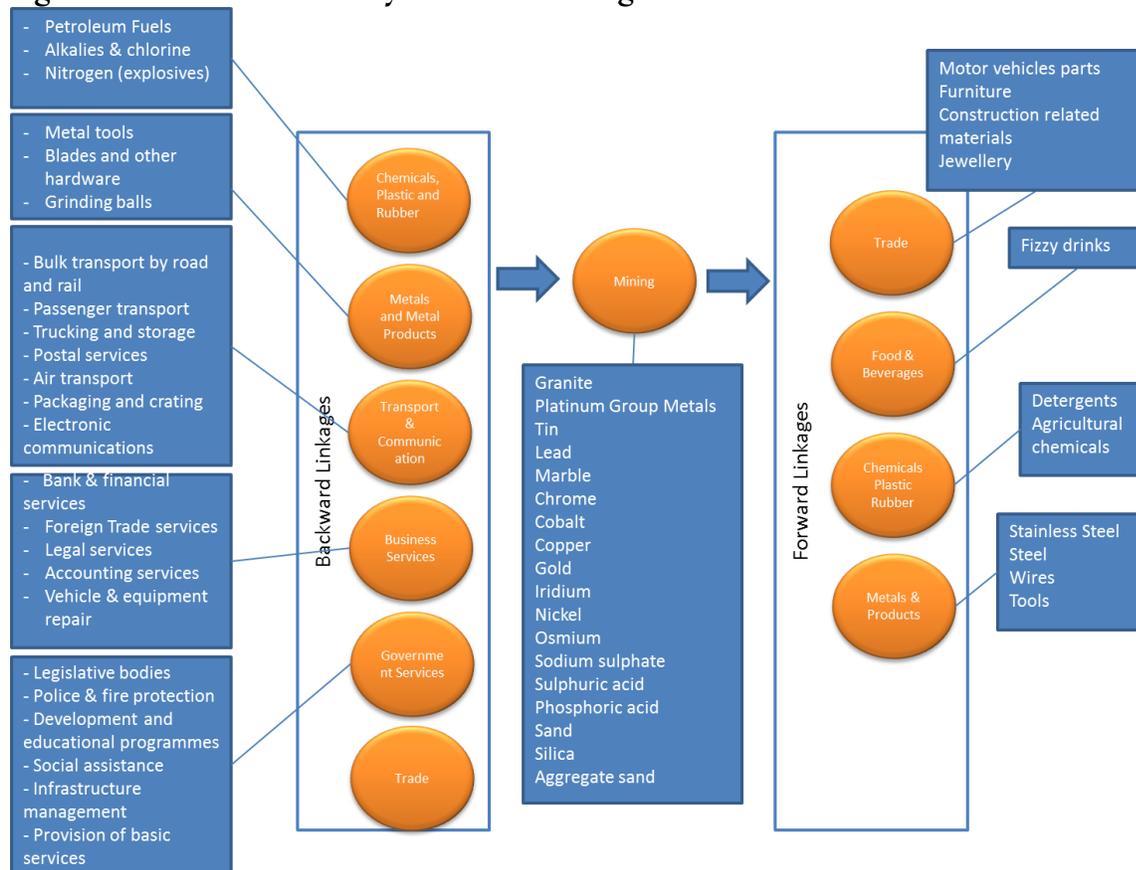
The forward linkages associated with the mining sector have been identified as the food & beverages sector and the metals & products sector. In general, throughout South Africa the forward linkages with the mining sector has been poor and this is no different for the Rustenburg LM. Opportunities for further value-addition within the Rustenburg LM include the following:

- auto-catalysts,
- LCD screens,
- fuel cells,
- granite/marble construction related goods,
- jewellery, and
- stainless steel.

It is anticipated that greater value-addition to mining related products would also assist in diversifying the local economy as this will enable the development of the manufacturing sector within the local municipality.

The above mentioned projects are either manufacturing or retail related opportunities which will be included as potential projects within each of the respective sectors.

**Figure 5.7: Value-chain analysis for the mining sector**



### 5.3.5. Opportunity identification and comments through analysis stakeholder consultation

The main opportunities identified by local stakeholders based on the workshop conducted on 16 March 2011 are as follows:

- Ensure that the mines support the local municipality with large projects in accordance with the mining charter
- Increase beneficiation of local minerals
- Ensure increased local procurement.

### 5.3.6. Opportunities identified from other data, recent trends and case studies

#### a. Improving the relationship between mines and municipalities

The relationship between mining houses and the local municipality is also an important element that needs to be examined. This is necessary as a more efficient and well-functioning relationship will enable the mining sector to function at an optimal level and it allows for optimal gains to be attained.

In order to understand the relationship between the mines and the local municipality a presentation by the University of the Free State 'Mining and Mine Closure, Lesson from Three Case Studies' was

consulted. According to the presentation, in general the following characterises the relationship between the mines and the local municipalities:

- no common vision between mines and municipalities
- there is also limited trust between these stakeholders,
- Social and Labour Plans (SLP's)/ Integrated Development Plans (IDP) are wish lists,
- lack of monitoring and evaluation,
- preference for infrastructural projects rather than economic development projects, and
- there has been little evidence of partnerships.

Whilst there are many challenges associated with the relationship between the mines and stakeholders, effort needs to be made to improve this relationship. This is important due to the following:

- decisions made by mines impact the planning process for local municipality,
- decision and supply of basic services by the municipality significantly impact the mines and the productivity of these businesses, and
- as mines and municipalities are both tasked with economic development these stakeholders need to work together in order to improve the impact of these services within the local municipality.

To establish a better relationship with the mining sector, some recommendations that could be implemented to support and further strengthen this relationship include:

- lobby on behalf of the mines to ensure efficient and prompt governance of this sector,
- maintenance of infrastructure, and
- establishment of infrastructure in order to enable efficient mine operations.

#### **b. Platinum Technological Research/Partnership with existing institutions**

An opportunity to optimise the benefits of platinum is to invest more heavily in researching this mineral. This particularly relates to investing in research to make fuel cells less expensive and commercially viable. Fuel cell had been viewed as a potential tool to reduce the reliance on fuel and electricity over the past years. However, recent reports suggest that efforts to reduce the costs of these cells have not proved fruitful. Other alternatives to fuel such as the electric car have instead begun to gain prominence.

If fuels cells were to gain prominence instead, the Bojanala PDM and in particular the Rustenburg LM would experience significant benefits due to the increase in demand for platinum. However, given the infant nature of this industry (fuel cells) South Africa has the potential to optimise from its comparative advantage (abundance of platinum) and should seek to invest in researching this industry. This provides an opportunity for SA to add value to its primary products which South Africa has been unable to do adequately previously. This initiative further builds on the initiative identified in the 2009 LED strategy in which it is stated that the local municipality should look to establish a Platinum Technological Research and Innovation Centre. It also builds on the opportunity identified within the Bojanala PDM LED Strategy and directive of the New Economic Growth Path which seeks the building of knowledge based economies. An existing institution currently exists which focus on research related to fuel cells. This institution is called HySA Systems which is a Centre of Competence for Technology Validation and Systems Integration on hydrogen and fuel cell technology (HFCT). A possible opportunity would be to establish a partnership with the existing institution in order to ensure that potential opportunities can accrue to the local communities. This could further support the initiative to attract fuel cell producers to the local municipal area (this is discussed further in section5.4.2)

**c. Establish a working relationship with Mintek and the SMME directorate within the DMR**

According to Mintek’s website, this institution is involved in ‘mineral processing and metallurgical engineering products and services’. In particular this institution is involved in supporting the SMME mining sector (extraction and value-addition) through the development of technologies and research in order to support this industry. In addition to Mintek the DMR also supports the development of the SMME sectors as discussed. The establishment of working relationships with this department and this institution are key actions to develop and support small-scale mining and small-scale value-addition within the local municipality.

**d. Marketing and support for smaller mines**

The establishment of a small-scale mining industry within the Rustenburg LM can only be realised if these small-scale miners have access markets. As such the local municipality should look to support and promote the smaller mines in the local municipality.

**5.3.7. Summary of opportunities for the mining sector**

Given the analysis of the mining sector, the following opportunities have been identified for the mining sector within the Rustenburg LM. The opportunities listed in Table 5.4, have not included every single project identified in the preceding sub-sections. This is due to the fact that whilst these projects are mining related, they are catergorised according to the specific economic sectors such as manufacturing and will thus be indicated under those economic sectors.

**Table 5.4: Summary of opportunities identified for the mining sector**

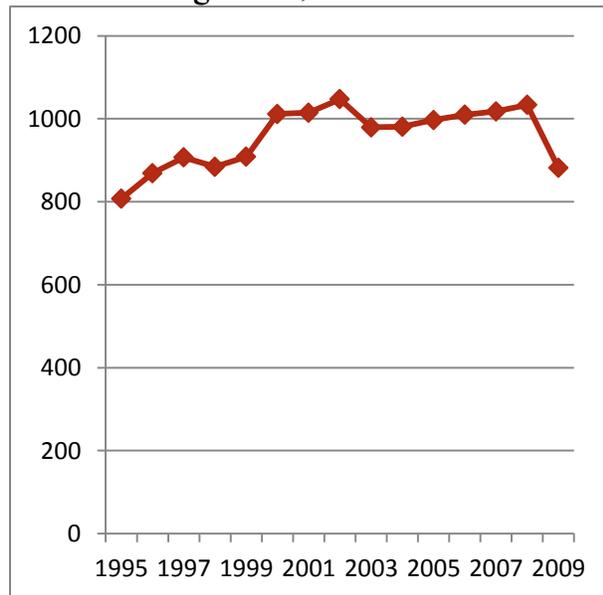
<b>Opportunities identified for the mining sector</b>
• Mining waste beneficiation (SMME’s)
• Marketing and support for smaller mines
• Small-scale mining of construction related minerals
• Opportunities for greater support from mines involved in the reviewing of SLP’s
• Establish partnership with Mintek to assist SMME’s with innovative uses of existing minerals
• Establish Platinum Excellence Centre/form partnerships with existing research institutions
• Recycling/Rehabilitation of mines
• Facilitate the potential partnership between Impala and Xstrata to establish business support centres that do not result in the duplication of services
• Improve relationships with the mines

**5.4.1. Sectoral Analysis**

The manufacturing sector within the Rustenburg LM is estimated to have contributed only 3.6% towards Rustenburg LM’s GDP and 4.0% towards total employment. Given the high level of mining within the local municipality and the number of products required by this sector, it is disappointing to note that the manufacturing sector contributes insignificantly towards the local economy. This clearly indicates that limited linkages occur within the local municipality.

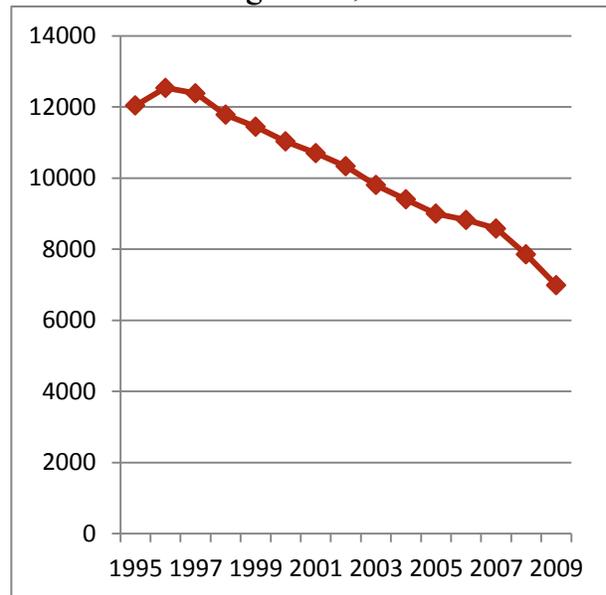
According to Figure 5.8 the manufacturing sector experienced erratic economic growth within the 1995 – 2009 period. The translated into an economic growth rate of 0.6% during the 1995 – 2009 period. Employment within the manufacturing sector was however very disappointing, as the growth rate for this sector was calculated at -3.8% for the same period. The statistics related to the manufacturing sectors’ poor employment performance is supported by anecdotal evidence as local government representatives indicated that manufacturing related businesses had closed down within the local municipality recently.

**Figure 5.8: GDP performance within the manufacturing sector, 1995 - 2009**



Source: Quantec Research Standardised Regional Data, 2011

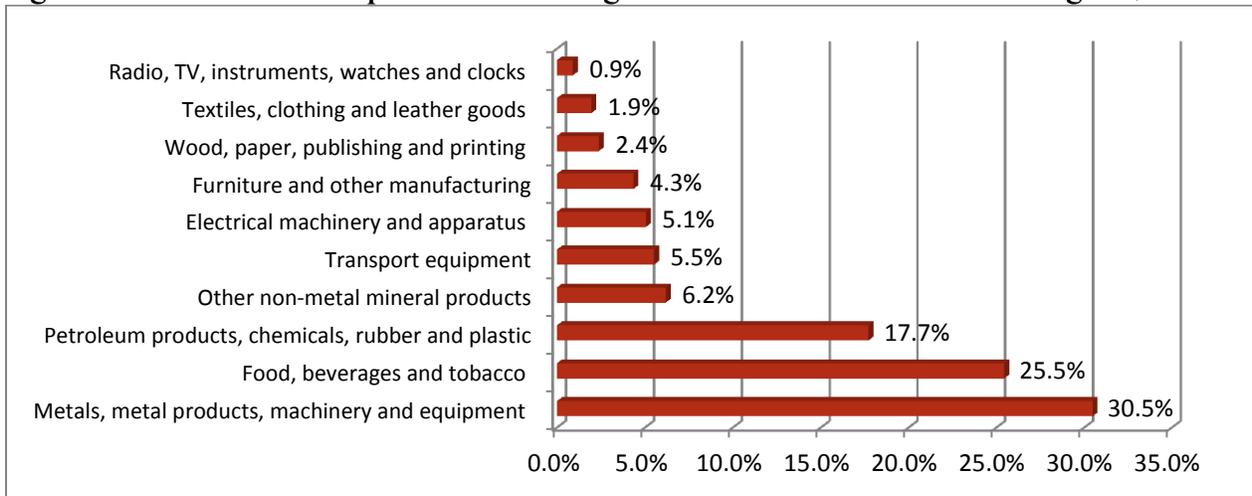
**Figure 5.9: Employment performance within the manufacturing sector, 1995 - 2009**



Source: Quantec Research Standardised Regional Data, 2011

According to Figure 5.10 below, it can be noted that the main contributors towards manufacturing were metals, metal products, machinery and equipment sub-sectors, food, beverages and tobacco sub-sector and the petroleum products, chemicals, rubber and plastic sub-sectors.

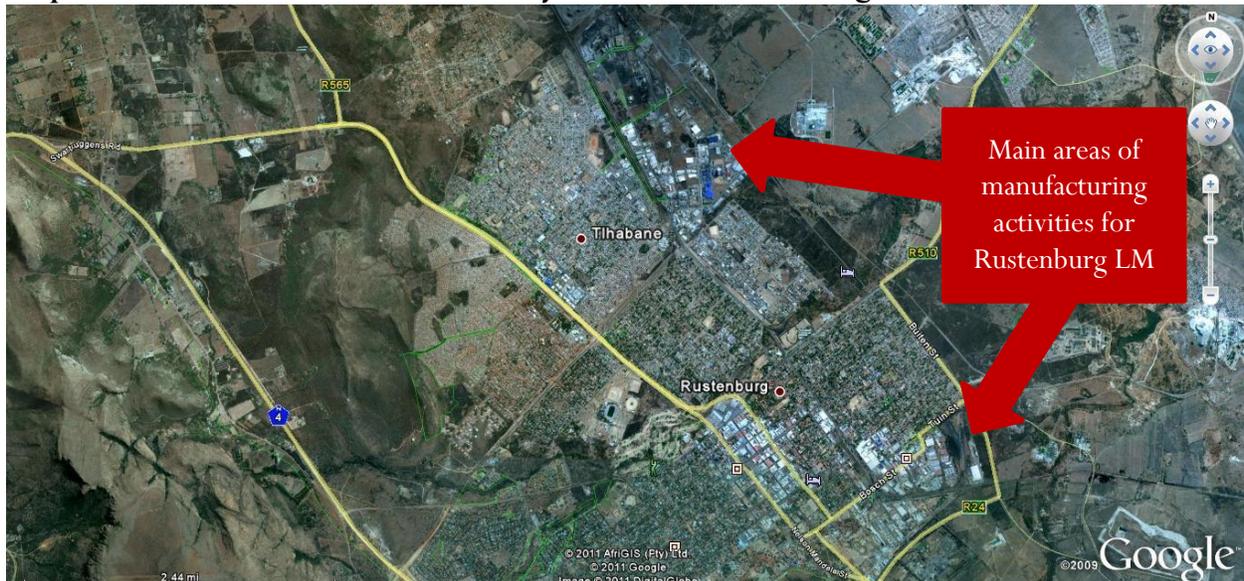
**Figure 5.10: Contributions per manufacturing sub-sector within the Rustenburg LM, 2009**



Source: Quantec Research Standardised Regional Data, 2011

The main locality in which manufacturing activities are prevalent within the local municipality is the Rustenburg CBD. From Map 5.4 below it can be noted that these areas are found towards the northern section of the Rustenburg CBD and towards the south easterly section of the local municipality.

**Map 5.4: Main areas of industrial activity within the Rustenburg LM**



Source: Adapted from Google Earth, 2011

To understand this sector further the resources that are available for this sector, market trends, the labour requirements and the enabling environment for the local municipality are examined in Table 5.6 below.

**Table 5.5: Analysis of the manufacturing sector per criteria**

Factor	Applicability to the mining sector
Land	During the workshop it was indicated that mining received the first priority and that land for other activities such as manufacturing is available within the

Factor	Applicability to the mining sector
	<p>local municipality. This is further supported by the 2010 Reviewed SDF in which it is stated that the ‘mining activities and infrastructure has a significant impact on the current and future spatial structure of the urban area through the physical constraints it poses.’ However, the 2010 SDF had identified a number of areas within the local municipality, which includes the Rustenburg CBD, in which land has been allocated for industrial development. These areas include Rustenburg East, (areas close to) Phokeng, (areas close to) Rasimone (close proximity to Tsitsing) and Haartbeesfontein. Most of these area identified are in close proximity to railway lines.</p>
Resources	<p>The existing primary (mining and agricultural products) products extracted/produced within the local municipality serve as potential inputs/resources that can be used to further develop the manufacturing sector within the Rustenburg LM.</p>
Trends	<p>According to the ‘trends in South African manufacturing production, employment and trade’ (IDC,4:2009) the manufacturing sector in South Africa has been declining since the early 1990’s which resulted in the finance and business sector taking over as the largest sector within the South African economy. The wearing apparel and textile industries within South Africa have in particular been negatively impacted. Efforts to combat and support the declining manufacturing sector are thus required.</p>
Labour	<p>It is believed that one of the challenges to improve/develop the manufacturing sector within the Rustenburg LM is the lack of skilled employees. Value-addition to particularly the primary mining raw materials requires higher level of skill than that which is currently found within the local municipality.</p>
Enabling environment	<p>One of the main factors affecting the manufacturing sector is the rand strength. This has a negative impact on the trade balance and reduces the exports from the country. Whilst some calls have been made to make the Rand weaker, this has not been heeded as this could negatively impact other sectors/interest groups within the country. A number of institutions and support mechanisms have been implemented to support the manufacturing sector within South Africa. These initiatives are further discussed in the latter sections of this report. It is however, important for manufacturers to be aware of these initiatives.</p>

#### 5.4.2. Opportunity identification through policy review

The following have been identified as potential opportunities for the Rustenburg LM based on the review of various policies and plans:

- **Mineral Beneficiation strategy June 2010 and draft Mineral Beneficiation Strategy**
  - This strategy identified a number of value-chains that would assist in increased value-addition within the local municipal area. The manufacture of auto-catalyst and diesel filters is one of the opportunities that are most applicable to the Rustenburg LM. Further investigation on the auto-catalyst industry is examined in the sub-sections to follow.
  - The draft mineral beneficiation strategy had identified the establishment of a stainless steel plant as potential opportunity. However it was indicated that this plant should be established at one of the coastal areas or at another IDZ. Whilst the Rustenburg LM is neither a coastal area nor is it classified as an IDZ, further investigation on this possible opportunity for the local municipality is examined in Section 5.3.5. The final mineral beneficiation strategy had not included the above statements although it had still indicated that investment should be encouraged within the steel industry in order to break the anti-competitive nature of this industry. It also indicated that increasing the competition within these areas could assist to break the anti-competitive nature of the industry.
  
- **Industrial Policy Action Plan, 2011**
  - According to the IPAP, the tooling industry has been declining and has thus negatively affected the manufacturing sector and the trade balance within South Africa.
  - The IPAP also indicated that increased white goods should be produced domestically

#### **5.4.3. Opportunity identification through case study analysis, recent trends and other information**

##### **a. Auto-catalyst manufacture and other products from PGM's**

The manufacturing of auto-catalyst has been discussed in countless policies and plans at different spheres of government. However, no detailed plan on the approach to establish these plants has been considered. It is believed that the establishment of such a facility in close proximity to the platinum mines would be beneficial to most companies and could be a potential draw-card to attract the required investment. Therefore potential options and further details on the possible auto-catalyst manufacturer are discussed in this section. The possibility is to attract existing auto-catalyst manufacturers to the area. These businesses are:

- Johnson Matthey (31%),
- BASF Catalysts (31%) and
- Umicore (25%)

However, focus should be placed upon other minerals within the PGM group. This includes the production of other products using iridium, ruthenium, rhodium, palladium and osmium. The products that can be manufactured could include spark plugs, electrodes, other medical equipment, and electronics.

##### **b. Attraction of fuel cell producers**

Based on an article obtained from Engineering News (Locally developed fuel-cell-powered bike launched in South Africa, 12 August 2010), it has been determined that the Anglo Platinum has signed an agreement with Altery Systems Corporation in order to establish a fuel cell manufacturing plant in South Africa. In

Order to ensure that the local municipality benefits from the Rustenburg LM should lobby for the manufacturing plant to be established within the local municipal area.

### c. **Establishing a stainless steel manufacturing plant**

As indicated, the mineral beneficiation strategy had identified the establishment of a stainless steel plant as a potential opportunity to add further value to ferrochrome. The key inputs for steel and stainless steel production are indicated in Figure 5.5 below.

**Figure 5.11: Inputs for steel and stainless steel production**



It is understood that at least three of these minerals are located in and around the Rustenburg LM (Chrome, Nickel and Vanadium). In addition, the stainless steel industry in South Africa is monopolistic in nature as one company supplies all primary stainless steel. This has been viewed as problematic to some of the companies involved in the beneficiation of stainless steel due to the perceived uncompetitive pricing practices. Potential opportunities to investigate the possibility of establishing a stainless steel manufacturing plant within the Rustenburg should be considered due to the following:

- The stainless steel industry in SA is dominated by one company only
- A number of stainless steel products are imported into the district municipality and could be substituted by locally produced stainless steel products
- Increased value-addition to the minerals produced within the local municipality
- Opportunities for SMME's
- Proximity to the large Gauteng markets

An investigation is thus required in order to determine if it would be feasible to establish a stainless steel plant within the Bojanala PDM that could create a more competitive stainless steel industry.

### d. **Manufacturing of households goods**

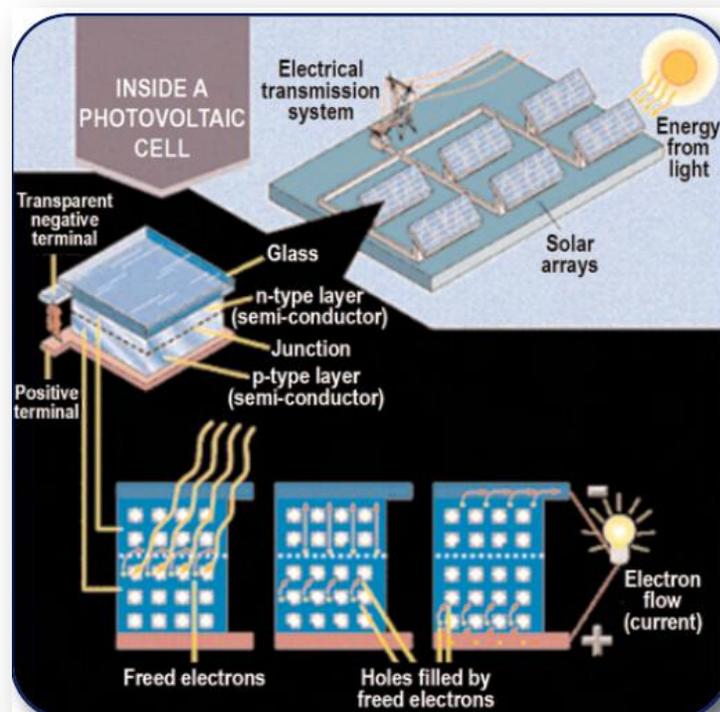
In order to increase local spend and ensure increased generation of income for local communities, it is proposed that local communities develop a cottage industry that produces products required by most households. This produced could include the following:

- Producing curtains
- Carpet making
- Dress making

The challenge would however be to ensure that these products are cost effective and meet the quality standards demanded by the local consumers. The local municipalities can thus play a support role to enable this.

Renewable energy generation is currently being promoted quite extensively within South Africa. A number of options have been identified for renewable energy generation. This includes the use of Photovoltaic Cells to generate solar electricity. Diagram 5.1 below illustrates the photovoltaic cell and the key elements that are used in the production of these cells.

**Diagram 5.1: Understanding the Photovoltaic cells**



Source: Environmental Impact Assessment, 80 MW Solar Electricity Generation at Grootvlei Mpumalanga

It has been determined that these cells are imported into South Africa and thus this represents a potential opportunity for the Rustenburg LM to substitute the imports into the municipal area. Whilst it is acknowledged that the production of these cells may require higher levels of skill, partnership with institutions such as the CSIR could assist in taking advantage of the identified opportunity.

### 5.3.8. Opportunities related to exports and import analysis

Opportunities can also be identified through the identification of potential markets for various products. These markets have been identified by analysing import data. These involved examining imports into the district and imports by SADC members.

### **a. Imports to Bojanala PDM**

After analysing the mining related products imported into the Bojanala PDM, it was noted that the main mining related products imported into the district are copper wires. Given the limited amount of copper deposits found within South Africa, little can be done to decrease these imports into the district. However, potential opportunities for import substitution within the Rustenburg LM:

- balls, iron/steel, forged/stamped and cast for grinding mills that are used by the mining industry in order to extract PGM's,
- tools for drilling, bolts, screws, washers, other articles of steel, screwdriver bits and other interchangeable tools,
- porcelain,
- cold rolled stainless steel, w >600mm, t 0.5-1.0 mm,
- table/kitchen articles, parts, stainless steel,
- flanges, stainless steel,
- pipe fittings of stainless steel except butt welding,
- threaded elbows, bends and sleeves of stainless steel, and
- stainless steel cutlery.

Other products also imported into the district:

- tools for working in the hand, pneumatic, hydraulic or with self- contained non-electric moto - with self-contained electric motor,
- optical fibres, except for telecommunications,
- television cameras, digital cameras and video camera recorders,
- products of synthetic textile material,
- rubber surgical gloves,
- parts of taps, cocks, valves or similar appliances,
- optical fibres and cables,
- gloves other than surgical, of rubber,
- vanadium oxides and hydroxides,
- injection-moulding machines for rubber or plastic, and
- metal sawing or cutting-off machines.

### **b. Imports of SADC members**

To further understand the potential opportunities for the Rustenburg LM, data related to imports from SADC member's countries were examined. In general data was only available for 1999 – 2006, and the average imports of these products were examined. Based on the analysis the following mining related products could potentially be manufactured within the Rustenburg LM:

- semi-product of iron/non-alloy steel, grinding balls for grinding mills, other articles of iron/steel, table kitchen articles off steel (Mauritius, Lesotho, Tanzania & Zambia)
- imitation jewellery (Mauritius)
- pipes, line, tubes from iron/steel (Mozambique & Botswana)
- iron & non-alloy steel primary forms or semi-products (Lesotho & Botswana)
- ceramic tableware, kitchen and bathroom sanitary ware (Lesotho)

- screws & bolts (Mauritius, Zambia & Mozambique)
- cooking appliances (Mauritius)
- locks (Mauritius)
- doors, windows & Frames (Botswana)
- hand tools (Mauritius)
- table and kitchen ware (Mauritius)

It is interesting to note that during the 1995 – 2009 period, the typical minerals products that were exported to other countries such as platinum, ferrochrome etc. were however not the most common products that the SADC members had imported from South Africa.

In addition to the above, agro-processing import and export opportunities were also identified under section 5.2 and will be included as potential manufacturing activities as well.

#### 5.4.4. Opportunity identification through local stakeholder consultation

During the workshop hosted during the 16 March 2011, the following opportunities had been identified:

- Recycling of waste products
- Citrus medication
- Agro-processing of cash crops and vegetables
- Essential oil production

#### 5.4.5. Summary of identified opportunities

The following opportunities have been identified for the manufacturing sector within the Rustenburg LM

**Table 5.6: Summary of identified opportunities for the manufacturing sector**

Opportunity	Description
Production of tools	Increased exports to SADC countries: <ul style="list-style-type: none"> <li>○ Agro-processing               <ul style="list-style-type: none"> <li>• Soya-bean oil (Mauritius, Malawi, Mozambique, Zambia &amp; Botswana)</li> <li>• Tobacco (Malawi, Mozambique &amp; Tanzania)</li> <li>• Cheese (Mauritius)</li> <li>• Meat (Mauritius)</li> <li>• Milk and cream powder (Mozambique, Botswana &amp; Tanzania)</li> <li>• Vegetable fats and oils (Zambia and Tanzania)</li> <li>• Poultry (Lesotho)</li> <li>• Sunflower seed and sunflower oil (Mauritius &amp; Mozambique)</li> <li>• Sausages (Mauritius)</li> <li>• Spices (Botswana)</li> </ul> </li> </ul>
Establish a stainless Steel Manufacturing Plant	
Recycling project	
Manufacturing of solar photovoltaic cells and solar water heaters	
Manufacturing of mining related inputs	
Manufacturing of white goods	
Auto-catalyst & diesel filter	
Attraction of fuel cell producers	

Opportunity	Description
	<ul style="list-style-type: none"> <li>○ Other manufactured products:               <ul style="list-style-type: none"> <li>● semi-product of iron/non-alloy steel, grinding balls for grinding mills, other articles of iron/steel, table kitchen articles off steel (Mauritius, Lesotho, Tanzania &amp; Zambia)</li> <li>● Imitation jewellery (Mauritius)</li> <li>● Pipes, line, tubes from iron/steel (Mozambique &amp; Botswana)</li> <li>● Iron &amp; non-alloy steel primary forms or semi-products (Lesotho &amp; Botswana)</li> <li>● Ceramic tableware, kitchen and bathroom sanitary ware (Lesotho, marituis)</li> <li>● Screws &amp; bolts (Mauritius, Zambia &amp; Mozambique)</li> <li>● Cooking appliances (Mauritius)</li> <li>● Locks (Mauritius)</li> <li>● Doors, windows &amp; Frames (Botswana)</li> <li>● Hand tools (Mauritius)</li> </ul> </li> </ul>
<p>Agro-processing</p> <ul style="list-style-type: none"> <li>● Flavouring extracts</li> <li>● Products within the chemicals, plastic and rubber industry</li> <li>● Animal fats</li> <li>● Cash crops</li> <li>● Essential oils</li> <li>● Citrus medication</li> </ul>	<p>Import substitution</p> <ul style="list-style-type: none"> <li>● Balls, iron/steel, forged/stamped and cast for grinding mills that are used by the mining industry in order to extract PGM's.</li> <li>● Buttons</li> <li>● Plastic ware</li> <li>● Optical fibres, except for telecommunications</li> <li>● Porcelain</li> <li>● Products of stainless steel (including stainless steel cutlery, pipe fittings, cold rolled stainless steel, flanges, threaded elbows, bends and sleeves, table/kitchen articles, parts, stainless steel)</li> <li>● Television cameras, digital cameras and video camera recorders</li> <li>● Tools for drilling, bolts, screws, washers, other articles of steel, screwdriver bits and other interchangeable tools</li> <li>● Tools for working in the hand, pneumatic, hydraulic or with self- contained non-electric moto - with self-contained electric motor</li> <li>● Products of synthetic textile material</li> <li>● Rubber surgical gloves &amp; syringes</li> <li>● Transmission apparatus for radio &amp; TV's</li> <li>● Parts of taps, cocks, valves or similar appliances</li> <li>● Gloves other than surgical, of rubber</li> </ul>
<p>General increase in exports</p> <ul style="list-style-type: none"> <li>● Further preparation of raw hide</li> <li>● tobacco in a processed form</li> <li>● Alcoholic liquors</li> <li>● Juices</li> <li>● Dried egg yolk</li> </ul>	

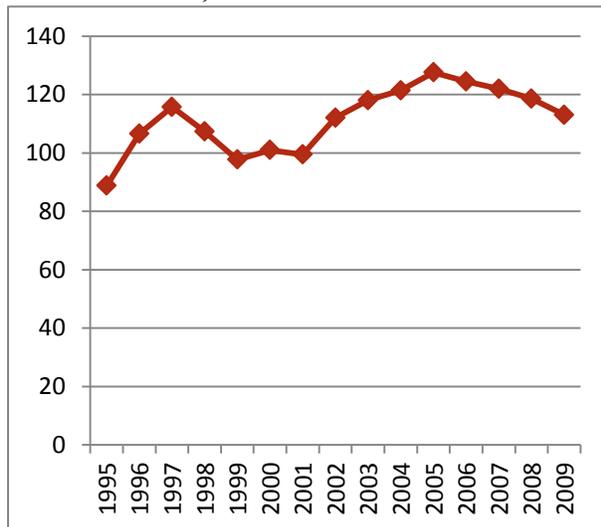
Opportunity	Description
	<ul style="list-style-type: none"> <li>• Vanadium oxides and hydroxides</li> <li>• Injection-moulding machines for rubber or plastic</li> <li>• Metal sawing or cutting-off machines</li> </ul>

## 5.5. UTILITIES

### 5.5.1. Sectoral Overview

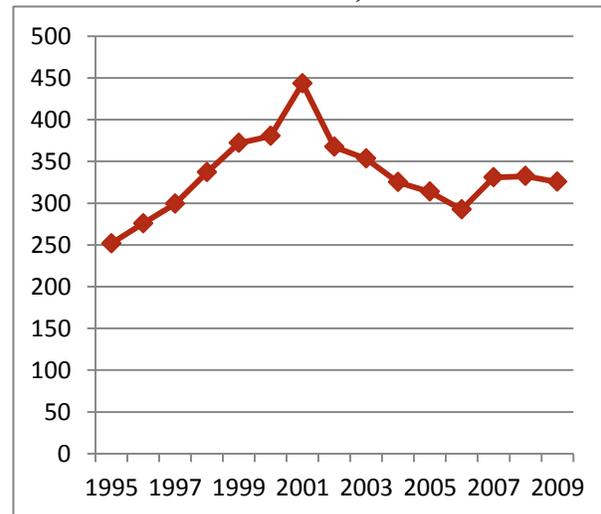
The utilities sector contributed approximately 0.5% towards the total GDP within the local municipality and 0.2% towards total employment. Over the last couple of years this sector has been in decline with regards to both GDP and employment.

**Figure 5.12: GDP performance within the utilities sector, 1995 - 2009**



Source: Quantec Research Standardised Regional Data, 2011

**Figure 5.13: Employment performance within the utilities sector, 1995 - 2009**



Source: Quantec Research Standardised Regional Data, 2011

Traditionally the utilities sector was mainly dominated by government participation and therefore limited opportunities were presented within this sector. However, with the advent of allowing of Independent Power Producers (IPP) and investigation of renewable energy a number of opportunities have been identified for this sector, particularly for electricity generation.

Before examining these opportunities, this sector is further analysed in terms of a number of factors and is presented in Table 5.8 below.

**Table 5.7: Analysis of the utilities sector**

Factor	Applicability to the mining sector
Resources	Some of the potential resources that could be used in the utilities sector include utilising waste for the production of electricity.

<b>Factor</b>	<b>Applicability to the mining sector</b>
Trends	As indicated previously, the recent trend is to examine renewable options in the generation of electricity. There are a number of renewable sources such as solar power and waste which can be utilised to generate electricity. A negative trend also affecting this sector is the general concern regarding the quality of water and the impact that it has on household consumption and other economic sectors.
Labour	The existing labour force does not have the necessary skills to take advantage of the opportunities that exists within the utilities sector. Thus efforts need to be in place to assist the municipality to take advantage of these opportunities.
Economic linkages	Previously electricity had backward linkages to mainly the mining sector (coal) whilst the forward linkages of this sector include businesses and households. Given the new trends in this sector new linkages are likely to be established with a number of other sectors.
Enabling environment	From the workshop it was indicated that a company wants to expand its operation but cannot due to Eskom's inability to increase the electricity access. It is understood that this is a national problem and does not only affect the Rustenburg LM. However, this represents a lost opportunity to create jobs for the local municipality. Innovative solutions to this problem need to be put in place, to further prevent loss in opportunity.

### 5.5.2. Opportunity Analysis through policy review and analysis of other information

Given the challenges associated with the supply of electricity, it is recommended that investigations be followed into the use of renewable energy generation for electricity. The potential opportunities that exists for the generation of renewable energy relates to the following options as indicated by the Integrated Resource Plan 2010 – 2030, Revision 2 (March 2011):

- Solar Photovoltaic
- Concentrated Solar Power
- Wind options

Furthermore according to Invest North West renewable energy supply opportunities for the North West Province includes the following:

- Municipal waste
- Solar energies (off-grid solar strategies for rural areas)
- Wind power

It is therefore suggested that the local municipality examine opportunities for utilising municipal waste and solar energy within the local municipal area. It should be noted that the Moses Kotane LM had already conducted a study determining the viability of establishing a waste to energy plant within its local municipal area. The Moses Kotane LM could thus be approach to determine if a possible partnership could be established between the two municipalities to implement this project.

### 5.5.3. Summary of identified opportunities for the utilities sector

Renewable energy generation (solar technologies and municipal waste) has been identified as a potential opportunity in the utilities sector for the local municipality.

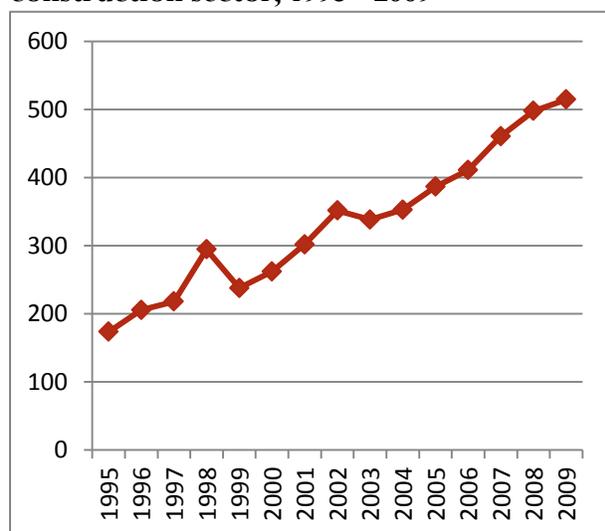
## 5.6. CONSTRUCTION

### 5.6.1. Sectoral Overview

The construction sector contributed approximately 2.1% towards the local economy and 3.3% towards the local employment within Rustenburg LM.

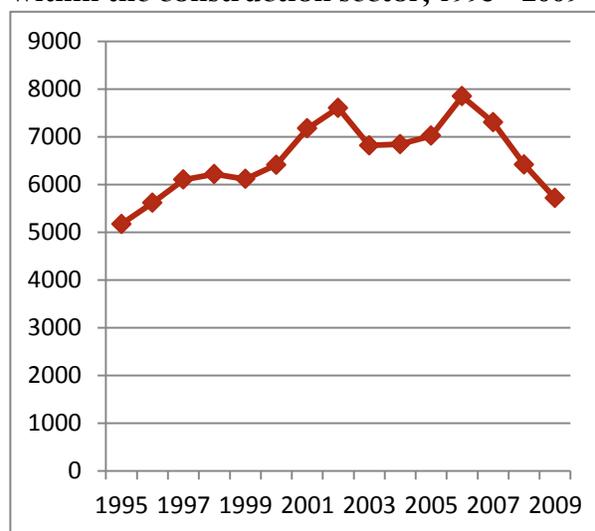
The construction sector experienced significant economic growth within the local municipality given the fact that the local municipality experienced significant infrastructural spending. This is mainly attributed to the fact that Rustenburg was one of the host cities for the FIFA Soccer World Cup and a number of construction related activities had occurred in preparation of this event. Unfortunately the economic growth was not matched by a growth in employment as indicated in Figure 5.15.

**Figure 5.14: GDP performance within the construction sector, 1995 - 2009**



Source: Quantec Research Standardised Regional Data, 2011

**Figure 5.15: Employment performance within the construction sector, 1995 - 2009**



Source: Quantec Research Standardised Regional Data, 2011

Table 5.8 will further examine the construction sector.

**Table 5.8: Analysis of the construction sector per criteria**

Factor	Applicability to the mining sector
Resources	It is believed that a number of products required by the construction sector is found within the local municipality. As a result this could act as a competitive advantage for the construction sector. The products that are found within the local municipality include granite, sand, marble etc.
Trends	The recent trends within the construction sector have been the construction of green buildings. According to the Green Building Council of South Africa, Green Buildings refer to 'a building which is energy efficient, resource efficient and environmentally responsible.' The council further reveals that this

Factor	Applicability to the mining sector
	'encompasses the use of design, materials and technologies that reduce energy and resource consumption and create improved human and natural environments.
Labour	The construction sector generally requires a large pool of fairly low skilled employees. However in order to increase the number of small-scale contractors and construction businesses, increased skills are required.
Economic linkages	This sector has backward linkages to the mining sector and forward linkages to most sectors which include the residential market, businesses etc.
Enabling environment	In order to enable small-scale contractors to establish businesses within the Rustenburg LM, effort needs to be made to ensure local procurement and to support local businesses within the municipality.

Based on a review of the Rustenburg IDP as well as the BPDMD IDP, it has been determined that a number of infrastructural projects are to be implemented by the respective municipality. The municipality should therefore assist local contractors to meet the requirement. This will be discussed further in section 5.11.

### 5.6.2. Opportunity analysis through stakeholder consultation

It was indicated that the current procurement process followed by the local municipality is viewed negatively by local stakeholders. The main reason for the less favorable view of the procurement policy is that not only is the current process riddled with corruption and inefficiencies, it also does not fully support and enable local procurement. The stakeholders thus requested that recommendation to improve the existing procurement policy thus be provided. Accordingly it is suggested that the local municipality consider adjusting the current procurement policy by allowing the local municipality to accept bids from big business on condition that a percentage of the project is outsourced to local contractors. This will likely mitigate the inefficiencies inherent within the current procurement process whilst also ensuring that local businesses benefit from existing opportunities.

### 5.6.3. Summary of opportunities

The main opportunity identified for the construction sector is to adjust the existing procurement policy in order to ensure increased procurement from local stakeholders.

## 5.7. TRADE

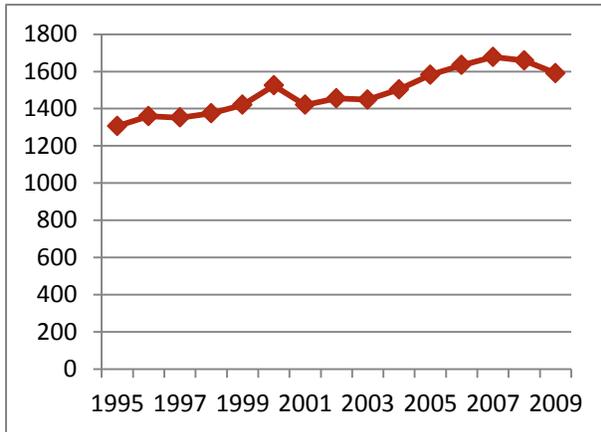
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### 5.7.1. Sectoral Overview

The trade sector for the Rustenburg LM contributed approximately 6.5% towards the local economy and 12.5% towards total employment within the local municipality. This sector has increased at a positive growth rate over the years as the level of GGP for the local municipality increased from approximately R 1 307 million in 1995 to R1 590 million in 2009. Whilst an increase in GDP was experienced within the

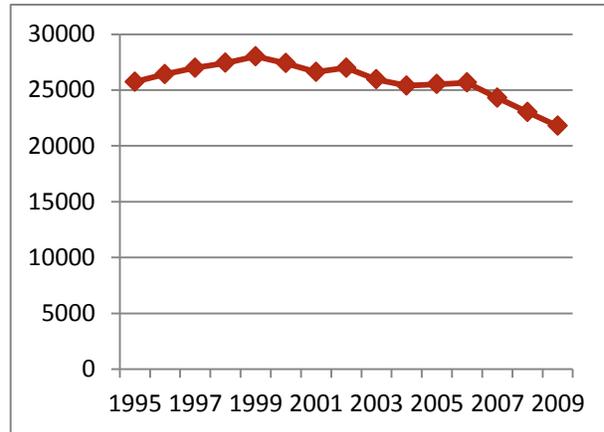
local municipality, the level of employment had declined. Employment within the trade sector declined from approximately 25 734 in 1995 to an estimated 21 786 in 2009.

**Figure 5.16: GDP performance within the trade sector (constant value, R million), 1995 - 2009**



Source: Quantec Research Standardised Regional Data, 2011

**Figure 5.17: Employment performance within the trade sector, 1995 - 2009**



Source: Quantec Research Standardised Regional Data, 2011

The main areas in which the trade sector is located in, is the Rustenburg CBD and surrounding areas. The trade sector is an important industry within the local municipality as it serves a number of areas and is a gateway to the Sun City/Pilanesberg area. The lack of retail and wholesale facilities in other less urban areas within the Rustenburg LM was identified as a challenge during the workshop.

It is also interesting to note that many businesses are moving away from the CBD and are instead moving towards other surrounding areas. The general impression is that many customers are less willing to go to the CBD due the high crime levels within these areas. In addition, the level of service within this sector was rated as very poor during the workshop that was conducted on the 16 March 2011.

The trade sector is a demand derived sector and is influenced mainly by the levels of income of households as well as the success of other economic sectors within the local economy. Given the fact that a number of large mining companies reside within the local municipal boundaries as well as the fact that the Rustenburg Local Municipal area was identified as having higher levels of income relative to the other areas within the Bojanala PDM, potential exists to further expand the trade sector.

**Table 5.9: Analysis of the trade sector per criteria**

Factor	Applicability to the mining sector
Land	Expansion of trade within the local municipality, particularly within the Rustenburg CBD is limited due to the number of mining activities that occur in close proximity to the CBD.
Resources	The number of locally produced goods is the potential resources that can be sold/traded within the local municipality.
Trends	The main trend within the Rustenburg LM has been the increasing number of shopping centers' that have arisen within the local municipality.

Labour	The trade sector is labour intensive and does not require very high levels of skill. However according to local stakeholders it is important to improve the level of service of employees within this sector.
Enabling environment	Some areas such as the more rural areas within the Rustenburg LM require assistance to create market facilities that will enable the local producers to sell their products and reach the desired markets.

### 5.7.2. Opportunity identification through policy review

- **Rustenburg LM LED Strategy, 2009:** According to the 2009 LED Strategy for the Rustenburg LM, Business Retention and Expansion (BR&E) and crime reduction are two of the opportunities identified within the 2009 LED Strategy that are still applicable to the local municipality. To further develop on the 2009 LED Strategy, the BR & E initiative should include:
  - Indicating trade leads to the sector
  - Assist in the provision of basic services
  
- **Draft Bojanala PDM Feasibility of Rural Nodes Strategy, 2010:** According to this draft strategy it was noted that many rural areas do not have sufficient retail facilities. The establishment of basic retail facilities within the local municipality should be developed. However the development of these facilities are proposed in a franchise orientated model in order to mitigate the challenges associated with the low levels of demand contained within rural areas. This relates to establishing partnerships between various retail facilities in rural areas that would purchase stock together thus ensuring cheaper rates, whilst also moving stock from one area to another depending on customer demands. This would ensure that retailers do not get stuck with stock and thus the cash flow of the business would not be negatively affected.

### 5.7.3. Opportunity identification through case study analysis, recent trends and other information

- **SMME Development**

There is increased potential for SMME development. These SMME opportunities include providing inputs to the mining sector (as discussed in the mining sector analysis). It is believed that the potential goods and services which SMME's could provide include the following:

- Security
- Catering
- Printing
- Repair and maintenance
- Panel beaters
- Waste removal
- Office supplies

It is also important to ensure that businesses are aware of the opportunities that are available to them.

- **Resolve challenges associated with the establishment of the mining supply park**

In addition, a key initiative that has been started and that is likely to be implemented soon is the establishment of a mining supply park within the local municipality. This supply park is expected to assist in increasing amount of products that are procured from within the local municipal area. As it could include a range of goods and services that includes capital goods, consumable goods and services.

#### 5.7.4. Summary of identified opportunities

Table 5.11 summarises the opportunities that have been identified for the trade sector within the Rustenburg LM.

**Table 5.10: Identified trade opportunities for the Rustenburg LM Project**

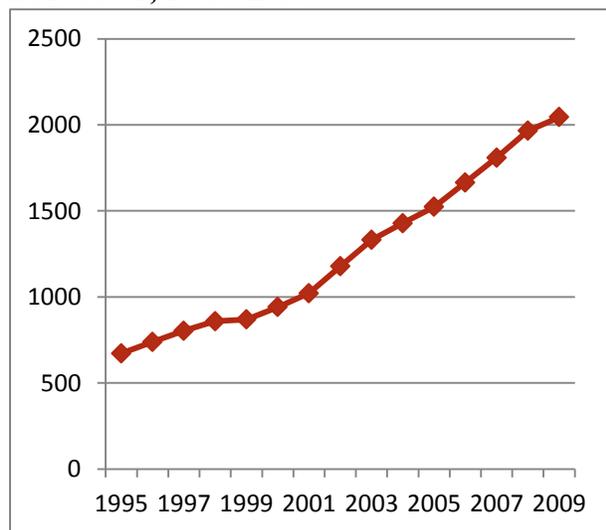
- Business Retention and Expansion & crime reduction
- Retail facilities in rural area (utilising a franchise type model)
- SMME Development
- Mitigate challenges associated with the mining supply park

### 5.8. TRANSPORT, STORAGE AND COMMUNICATION

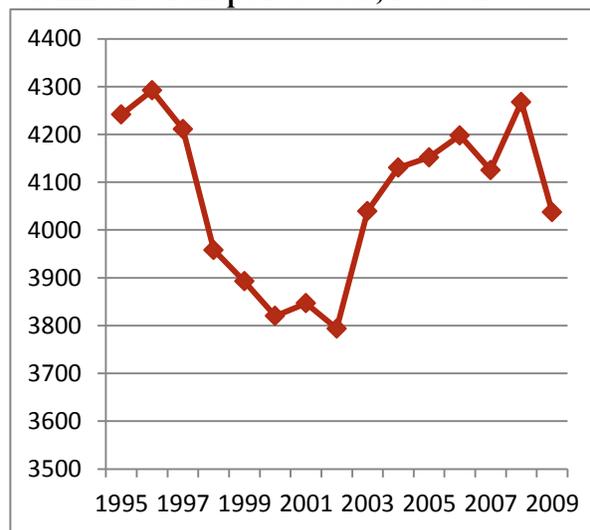
#### 5.8.1. Sectoral Overview

The transport sector contributed an estimated 8.4% towards the local economy whilst contributing only 2.3% towards total employment within the local municipality. This sector has seen significant increases within this sector over the 1995 – 2009 period. The level of employment within this sector has however experienced erratic changes as indicated in Figure 5.20 below.

**Figure 5.18: GDP performance within the ICT sector, 1995 - 2009**



**Figure 5.19: Employment performance within the transport sector, 1995 - 2009**



According to the IDP for the Rustenburg LM, the main mode of transport for commuters is:

- Busses
- Taxis

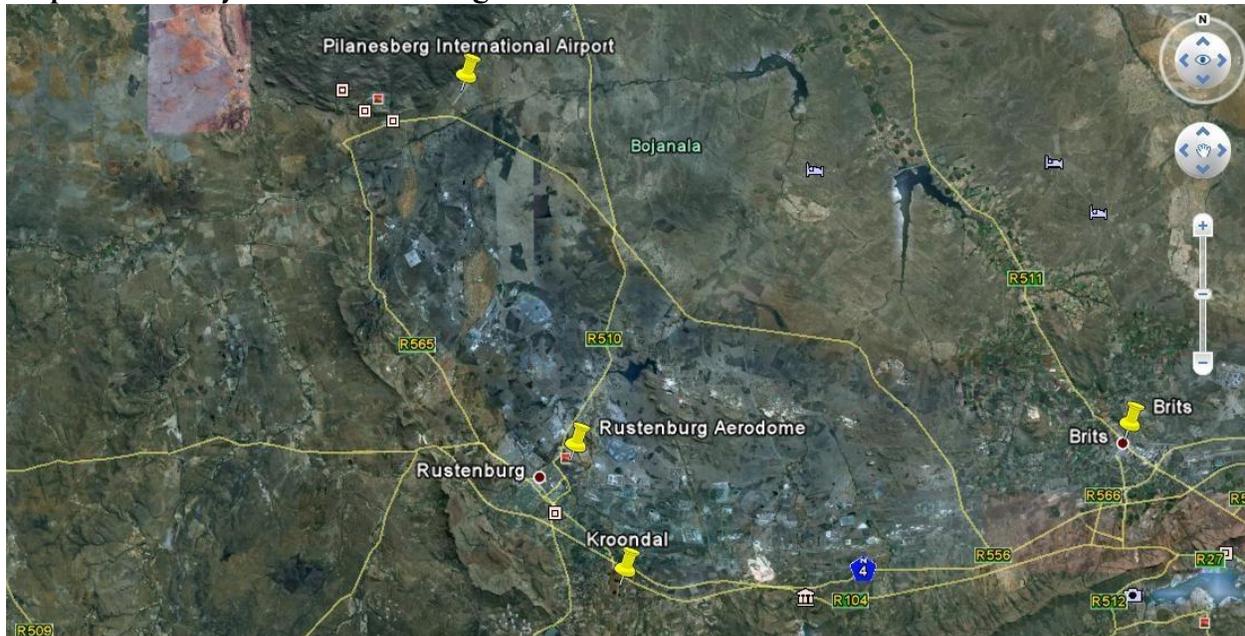
According to the Rustenburg LM 2007 – 2012 IDP, the Rustenburg LM had plans to implement rail transportation for commuters.

Whilst the transportation of freight is mainly conducted by the use of:

- Trains
- Road

There is also an airstrip within the local municipality. The location of the Rustenburg aerodrome and its proximity to the Pilesberg International Airport (found within the Moses Kotane LM) is indicated in map 5.5 below. According to 2007 – 2009 IDP, the local municipality was engaged at that stage with interested private people to develop the aerodrome into a world class airport. This has however not occurred. However the Pilesberg International Airport is in close proximity to the local municipality and according to the North West Province Freight transport databank, this airport has the capability to call on customs and immigration officials if required in order to allow for cross border movement of freight. Furthermore, the Lanseria airport is also in relative proximity to the local municipal area.

**Map 5.5: Locality of the Rustenburg Aerodrome**



Source: Google Earth

It should also be noted that the Bus Integrated Rapid Transit System is to be implemented within the Rustenburg LM. This project is likely to improve passenger transport system within the local municipal area significantly. There have however been some challenges with various stakeholders regarding this project such as with the taxi industry, which has stalled the project. Nevertheless, it is likely that this project is to

be implemented and thus efforts to ensure optimal benefits to local businesses and stakeholders should be ensured. This could occur by making stakeholders aware of the various things that would be required in order to implement this project.

Besides transportation, communication is also a very important component to enable economic development within the Rustenburg LM. It is believed that most areas have access to communication. The challenges with regards to communication however are the cost of these services along with the efficiency and speed of these services. The relatively high cost and inefficient communication services are problematic not only in the local municipality but also throughout South Africa. There are plans and projects in place to mitigate this problem, this includes the reduction in interconnection fees for cellphone users as well as the laying of high capacity cables to increase the internet capacity.

**Table 5.11: Analysis of the transport, storage and communication sector per criteria**

<b>Factor</b>	<b>Applicability to the transport, storage and communication sector</b>
Resources	A number of airports that have export capabilities are situated in close proximity to the Rustenburg LM.
Trends	The recent increases in the price of fuel, is a trend which could possibly have negative impacts on the local economy.
Labour	The ICT sector is an important sector that has and is still expected to significantly impact on the way businesses and daily life is conducted. Therefore it is important to invest in this sector.
Enabling environment	The ICT sector and good transportation system is amongst the key factors necessary to create an enabling environment for businesses. Furthermore, the local municipality should look at the potential opportunities from the ICT sector that it can use to further improve the level of communication and service it provides the businesses and residents it serves.

### 5.8.2. Opportunity identification through case study analysis, recent trends and case studies

- **Free wireless internet**

An interesting idea that has been used to attract businesses has been the provision of free wireless internet to businesses and residents in a particular area. This is innovative and could assist the municipality to attract other companies to the local municipal area. The feasibility of such an initiative would need to be explored; however it could provide the local municipal area with a distinctive advantage.

- **Recycle old computers**

Potential opportunity exists to recycle old computers from mines and other businesses within the municipality and donate it to local communities who can possibly fix these computers and use it in order to become computer literate. The recycled computers can also be sold thus providing increased income for local communities.

- **Facilitating increased exports and economic activities by improving transportation**

Based on the feedback session held with stakeholders it was indicated that a lack of transportation is a key hindrance to economic development within the local municipal area. It was indicated that airports such as the Pilanesberg airport and the Rustenburg aerodrome were not used sufficiently along with the fact that the rail transport should be used. A number of export and other opportunities have been identified in the preceding sections. However these opportunities can only be realized through improved transportation systems. Approaching the various organisations responsible for these modes of transport such as Transnet, ACSA and so forth to determine the potential approach that could be followed in order to improve transportation within the local municipal area would be key to ensuring this.

- **Create awareness regarding opportunities from the Bus Integrated Rapid Transit System**

Ensure that the local stakeholders are made aware of all potential opportunities that could occur from the implementation of the BRT System in order to optimize benefits to the local community.

### 5.8.3. Summary of identified opportunities

Table 5.12 summaries the key opportunities identified for the transport, storage and communication sector for the Rustenburg LM.

**Table 5.12: Summary of Transport, storage and communication opportunities**

Projects
○ Investigate the opportunity of free wireless internet in certain hotspots
○ Recycle old computers
○ Facilitating increased exports through partnerships with neighboring airports
○ Create awareness regarding opportunities from the Bus Integrated Rapid Transit System

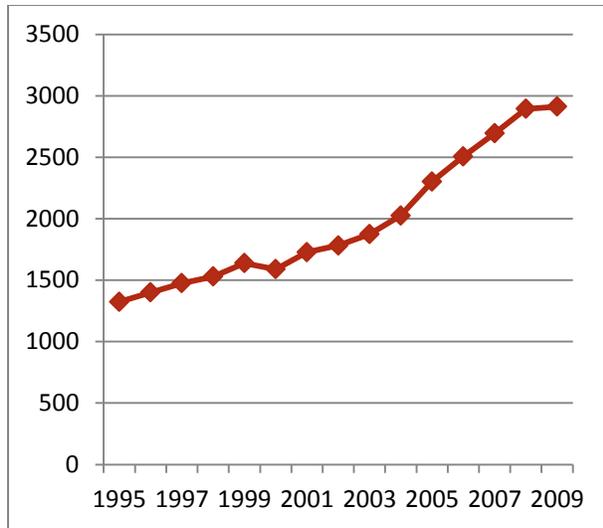
## 5.9.FINANCE

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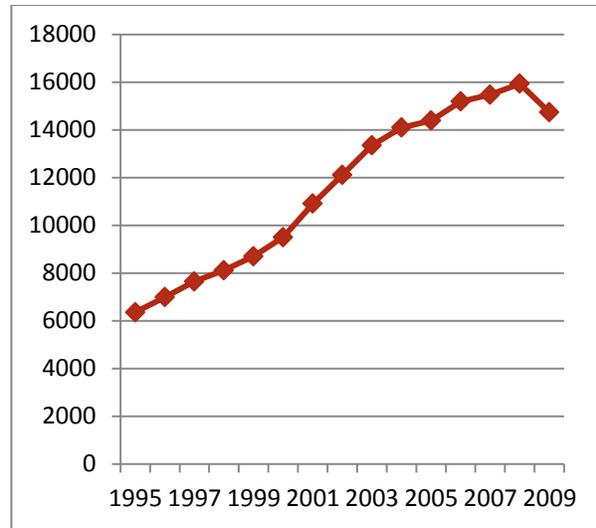
### 5.9.1. Sectoral Overview

The finance sector plays a significant role within the local municipality as it contributes an estimated 11.9% towards the local economy and 8.5% towards total employment within the local municipality. According to Figure 5.20 and Figure 5.21, this sector has performed well in terms of both employment and GDP contribution during the 1995 – 2009 period, except for the year 2009 in which the level of employment has decreased.

**Figure 5.20: GDP performance within the finance sector (R million, constant values), 1995 - 2009**      **Figure 5.21: Employment performance within the finance sector, 1995 - 2009**



Source: Quantec Research Standardised Regional Data, 2011



Source: Quantec Research Standardised Regional Data, 2011

Table 5.13 below further assist in analysing the finance sector by examining this sector based on a list of criteria.

**Table 5.13: Analysis of the finance sector per specific criteria**

Factor	Applicability to the mining sector
Resources	A number of financial institutions are available to various economic sectors and businesses within the local economy. However, the challenge is ensuring that these businesses and respective sectoral activities are aware of the existing institutions as well as enable access to these financial institutions.
Trends	Recent trends within the finance sector that have emerged include the advent of cell phone banking; micro-financing opportunities and so forth.
Economic linkages	The finance sector is one of the only economic sectors that have a large impact on all sectors of the economy. This sector is thus key to assisting in the development of the local economy.
Enabling environment	One of the main challenges facing businesses and local residents is access to finance. In many instances finance is available however, businesses are not aware of these opportunities. The municipality can thus play a key role in creating awareness regarding existing institutions.

### 5.9.2. Opportunity Identification through case studies, other information and recent trends

- a. Create awareness regarding existing financial support and criteria that needs to be met in order to access the financial support

The main role that the local municipality should play is to enable the local residents to gain access to finance. The approach the municipality could follow in order to ensure this includes ensuring that stakeholders are aware of all potential financial institutions they could approach as well as the main criteria that they would need to meet in order to access the required finance. This could occur through the compilation of a database as well as by facilitating workshops in which banks are able to present the criteria that needs to be met in order to obtain the required funds. Furthermore, this should also include ensuring that local residents become more financially literate. The municipality should approach the local banks and determine the key financial points that need to be conveyed to local residents. The municipality could thus formulate a programme informed by discussions with local banks.

**b. Encouraging banks to locate within the local municipal area**

**5.9.3. An interesting example that could be investigated within the local municipal boundary is to ensure that all banks within the local municipal boundaries also have branches within the Rustenburg LM and not just have ATM facilities within the local municipality. This is to ensure increase employment opportunities and local spend. This potential opportunity has been informed by an approach followed by the Midvaal Local Municipality, in which it requires banks to establish branches within the local municipality instead of just having an ATM within the local municipality. Summary of identified opportunities**

The opportunities identified for the finance sector in the Rustenburg LM is as follows:

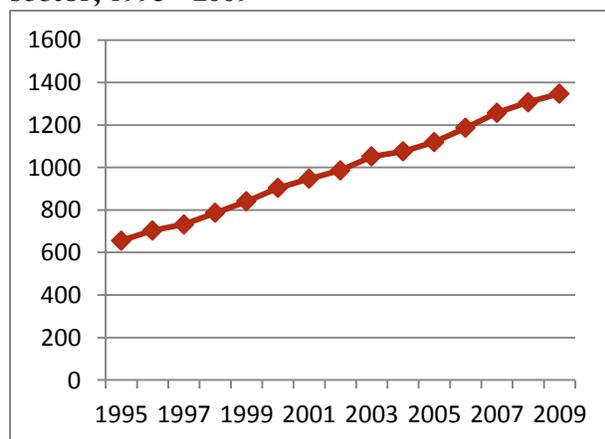
- Create awareness regarding existing financial support and criteria that needs to be met and increase financial literacy of local residents
- Encouraging banks to locate within the local municipal area

**5.10. COMMUNITY AND OTHER PERSONAL SERVICES SECTOR**

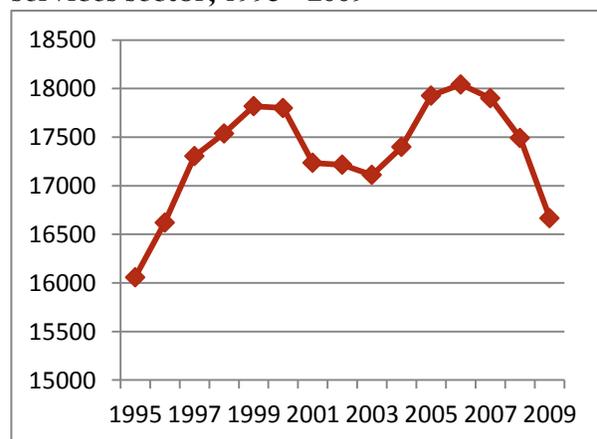
**5.10.1. Sectoral Overview**

The community and personal services sector contributed approximately 5.5% towards the GDP and contributed 9.6% towards total employment within the local municipality. A general increase in the GDP was registered in this sector whilst employment in this sector had experienced erratic growth.

**Figure 5.22: GDP performance within the community and other personal services sector, 1995 - 2009**



**Figure 5.23: Employment performance within the community and other personal services sector, 1995 - 2009**



**Table 5.14: Analysis of the Community and Personal Services per Criteria**

<b>Factor</b>	<b>Applicability to the Community and Personal Services Sector</b>
Resources	This sector has a distinct characteristic as it requires in general limited levels of resources, whilst the level of skill is most important. For example a hairdresser requires limited resources, whilst the level of skill is more significant.
Labour	The development of this sector requires personnel with varied skills.
Economic linkages	The services sector within the Rustenburg LM could increase linkage with the mining sector.

### 5.10.2. Opportunity identification through other case studies, recent trends and other information

- **Establishment of a tertiary institution**

The main project here is the establishment of a tertiary institution that would create a more knowledgeable and highly skilled local economy. According to the LED director, Ms. Kathleen Matshidiso, the Monash University is likely to be established within the local municipal area to fulfill this role. Furthermore, during the stakeholder consultation it was also indicated that a technical education facility should also be established within the local municipal boundaries.

- **Increased services to existing economic sectors**

A number of services such as services to the mines, services to households, services to the agricultural and manufacturing sector could potentially be developed within the local municipal boundaries.

- **Partner with existing CSR initiatives**

In section 5.2 it was identified that Rainbow Chickens has been sponsoring the Star School programme in Rustenburg. The local municipality should thus investigate if it can assist this company to ensure that a large number of students are able to access this programme.

### 5.10.3. Summary of identified opportunities

The main opportunities identified for the Community and Personal Services sector is:

- Establishment of tertiary institutions
- Provide services to the mines
- Partner with existing CSR initiatives

## 5.11. GENERAL GOVERNMENT SERVICES

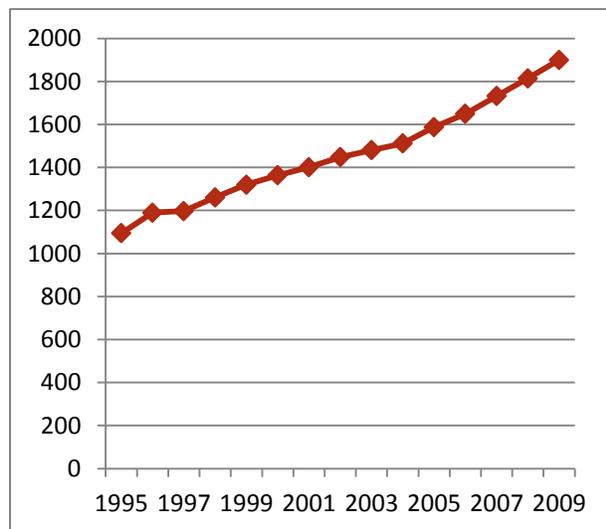
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### 5.11.1. Sectoral overview

General government services provided 8.2% towards total employment within the municipality and 7.8% towards the total GDP.

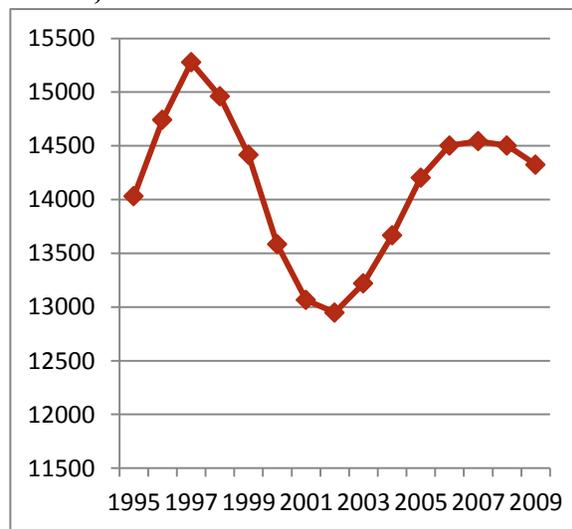
According to Figure 5.24 and Figure 5.25 the performance of the general government services sector has been positive in terms of economic growth whilst employment within this sector has been erratic.

**Figure 5.24: GDP performance within the general government services sector, 1995 - 2009**



Source: Quantec Research Standardised Regional Data, 2011

**Figure 5.25: Employment performance within the general government services sector, 1995 - 2009**



Source: Quantec Research Standardised Regional Data, 2011

Table 5.15 further assists to understand this sector by providing information per specific criteria.

**Table 5.15: Analysis of the General Government Services Sector per Identified Criteria**

Factor	Applicability to the General Government Services sector
Resources	The local government has access to various resources which need to be utilised more optimally. This includes ensuring that resources are used more efficiently as well as increasingly approaching structures that could assist to support government in fulfilling its specified mandate.
Trends	Trends within the general government services sector at large have not been viewed as quite positive. This relates to a general view that government has not been fulfilling its mandate.
Labour	The general government services sector may be viewed as a more labour intensive sector and supports employment within the local economy.
Economic linkages	The performance of this sector in terms of its policies, delivery of basic services, providing and maintaining infrastructure has a significant impact on the local economy.
Enabling environment	The main responsibility of the general government sector is to create an

	enabling environment for businesses to operate effectively within the local municipal area. In addition, the environment within government itself in general cannot be described as enabling as the key challenges relate to red tape and procedures that need to be followed which negatively hamper government to carry out its stated mandate.
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Given the above, the next sub-section indicates the opportunities that could be implemented within the general government services sector.

### **5.11.2. Opportunity identification through analysis of case studies, other information and recent trend**

#### **a. Improve public opinion on the government services**

One of the major challenges facing government in general is the perception of maladministration, unnecessary wastage and corruption. Efforts to improve this image can occur through a number of initiatives. This includes the following:

- Greater use of existing public infrastructure: a number of facilities such as the existing libraries, schools, community halls can potentially be utilised for bigger functions instead of attending workshops at conference centers and other facilities.
- Monitor and ensure short response times to queries: a system to monitor the response to stakeholder queries should be determined.
- Reduce red tape reduction: processes which stall development insinuate a lack of interest by government and make investors reconsider their investment decisions. The LED unit should thus assist in streamlining these processes and implement beset practices. These process including zoning approvals, provision of permits and so forth.
- Monitoring and evaluation: more effective monitoring and evaluation within government spheres is recommended to ensure that the stated goals and objectives for the local municipality are met.

Projects to assist in the creation of an enabling environment is required

#### **b. Improve stakeholder access to information**

One of the public sector projects that have been identified is to disseminate information in a clear way. This relates to a number of aspects and includes the type of assistance available to different sectors/ SMME, understand the different government functions, understanding varying roles and responsibilities of the different government spheres and so forth. An initiative to increase awareness that will assist in improving accountability and ensure clear understanding of processes and procedures is required. It is understood that an initiative similar to this has been implemented by the local municipality, however they had been limited attendance to those workshops. As such this initiative should be implemented on a more continuous basis and should provide greater detail on government and the support it provides. This information can be provided through using the social networking site and through the creation of an information desk (as recommended in the 2009 LED Strategy).

#### **c. Use of technology to improve communication between stakeholders**

Given the existing levels of technology, it is worrying to note that communication is still an issue between stakeholders and the municipality. Typically many stakeholders are unable to access information from government. The reason for this includes lack of knowledge of staff members, staff members are not in the

office and stakeholder do not communicate with the relevant department. On the other hand, participation from local stakeholders is generally limited and invitations to various workshops and meetings are not always met with high levels of participation. Whilst there are a number of reasons for these challenges, it is clear that communication channels are not effective or efficient. As such the use of social networking sites/or similar technology is one solution that could assist to mitigate this challenge. This will allow for instant communication and instant response. In addition, due to the fact that a number of persons will have been able to access the site, there is an increased likelihood of obtaining the relevant information. Furthermore, social networking sites allow for increased transparency and accountability by the various stakeholders (including the local municipality). Stakeholders that do not have access to internet can use the Thusong information centre while schools that have access to internet can also be utilised by stakeholders.

#### **d. Improve inefficient labour market**

The labour market within South Africa may sometimes act as a discouragement for investors. Challenges related to the South African labour market in general include the following:

- Low levels of productivity
- Low levels of skill
- Powerful labour unions: The power exuded by the labour unions within South Africa can be illustrated by recounting a recent news story. Lonmin had recently fired close to 9000 mine workers that were involved in an illegal strike. Workers had participated in the strike not because they were unhappy with their employer but because they were unhappy with a leadership dispute within the labour union. The implication of the illegal strike includes the following:
  - Some workers may lose their jobs (Lonmin will rehire some of the workers they had fired however it had indicated that there are no guarantees that the persons they had fired would be re-employed)
  - Production levels at the mine has been disrupted
  - Unnecessary costs and time has been wasted due to this illegal strike.

The local municipality is tasked with the responsibility of creating a conducive environment therefore it is necessary for the local municipality to create a workforce that is well aware of its rights but that is also aware of the impacts (intended and unintended) that their actions may create. In addition, the responsibility of the labour force, particularly the responsibility it has as a resident of the municipality and as a citizen of South Africa needs to be enforced and promoted.

#### **e. Mindset change**

One of the key issues facing South Africa at large is the negative mindset and lack of responsibility that seems to prevail for most citizens within the country. This was also highlighted as a challenge within the Rustenburg LM during the stakeholder workshop. Key elements relating to the prevailing mindset include the following:

- Most citizens in general have a negative outlook. This generally prevents the identification of solutions and instead further perpetuates the problem,
- Most citizens tend to blame each other and do not take responsibility for the common good. An example of such a problem is the issues relating to littering,
- The level of service within South Africa is generally quite low and people do not always strive to do their best,

- In general most citizens believe that because so many people do not do the right thing, they too can simply ignore rules and regulations, and
- Many citizens in South Africa have become too dependent on the state and expect to be provided with assistance rather than assisting themselves.

The general mindset that prevails in SA and the Rustenburg LM acts as an obstacle to obtain the vision for the country and local municipality. This has been recognized at a national level as the Department of Education has compiled the bill of responsibilities which have been derived from the bill of rights found within the constitution of South Africa. In addition, a campaign referred to as Lead SA, which is an initiative led by some of the independent media groups in SA, 'calls on every person to make a difference' the campaign seeks to change the mindset of residents by encouraging people to do the right thing, raising awareness regarding certain challenges and implementing and highlighting initiatives which aim to improve local communities. Similar initiatives can be implemented within the local municipality.

#### **f. Mentoring and volunteering by skilled personnel**

One of the strengths identified by the local stakeholders has been the existence of some highly skilled personnel within the local municipality. This is a strength which should be fully exploited. These residents within the local municipality should be approached in order to mentor and develop the local communities. An interesting example of such an initiative is the SSI (a firm of engineering & environmental consultants) Saturday School Initiative. The aim of this initiative is to provide academic support particularly in math's and science by employees of SSI. Similar initiatives can be implemented by some of the mining houses within the local municipality, if such initiatives are not already taking place.

#### **g. Skills development Programme**

Whilst a sufficient pool of labour exists within the local municipality, the level of skill required is in many instances not available. Therefore a skills development programme is a key project that needs to be implemented within the municipality.

Based on the analysis of the various economic sectors, it has been determined that, inter alia, the following skills need to be included within the skills development programme:

- Improving skills to take advantage of renewable energy opportunities
- Develop local contractors to ensure they are able to meet the tender requirements
- Increase computer literacy levels
- Provision of manufacturing skills

Institutions such as the different seta's, CSIR and Productivity SA, national skills fund are some of the potential institutions that could be approached in order to support the development of this industry.

### **5.11.3. Opportunity Analysis through stakeholder consultation**

#### **Workshop with various stakeholders involved in LED**

During the report back session with local stakeholders a key and consistent comment was made by local stakeholders that all different role players involved in LED do not work together. The stakeholders indicated that the different role-players in LED each have different plans and documents related to the

development of the local economy. The challenge with this uncoordinated approach to LED is that there is no synergy between the various stakeholders, thus preventing the effective and organized approach to LED. Stakeholders recommended that the local municipality should organize a workshop in order to ensure that all stakeholders discuss each of their plans and policies. During these workshops the various stakeholders can take responsibility for key elements of the various policies and plans.

#### 5.11.4. Summary of identified opportunities

Table 5.16 summarises the main opportunities identified for the general government services within the local municipality.

**Table 5.16: Summary of Projects Identified for the General Government Services Sector**

<b>Project</b>
• Improve public opinion on the government services
• Improve stakeholder access to information
• Use of technology to improve communication between stakeholders
• Improve inefficient labour market
• Mindset change
• Mentoring and volunteering by skilled personnel
• Skills development Programme
• Workshop with various stakeholders involved in LED

**5.12.1. Sectoral Overview**

Data is not easily available for the tourism sector. This is because tourism is not viewed as a standalone sector according to the Standardised Industrial Classification System (SIC). Although using the Tourism Satellite Account (TSA), which is an accounting framework adopted by the United Nations, the contribution tourism makes towards the national economy and towards employment had been determined. As the adoption of this framework is fairly recent the information is only available at the national level.

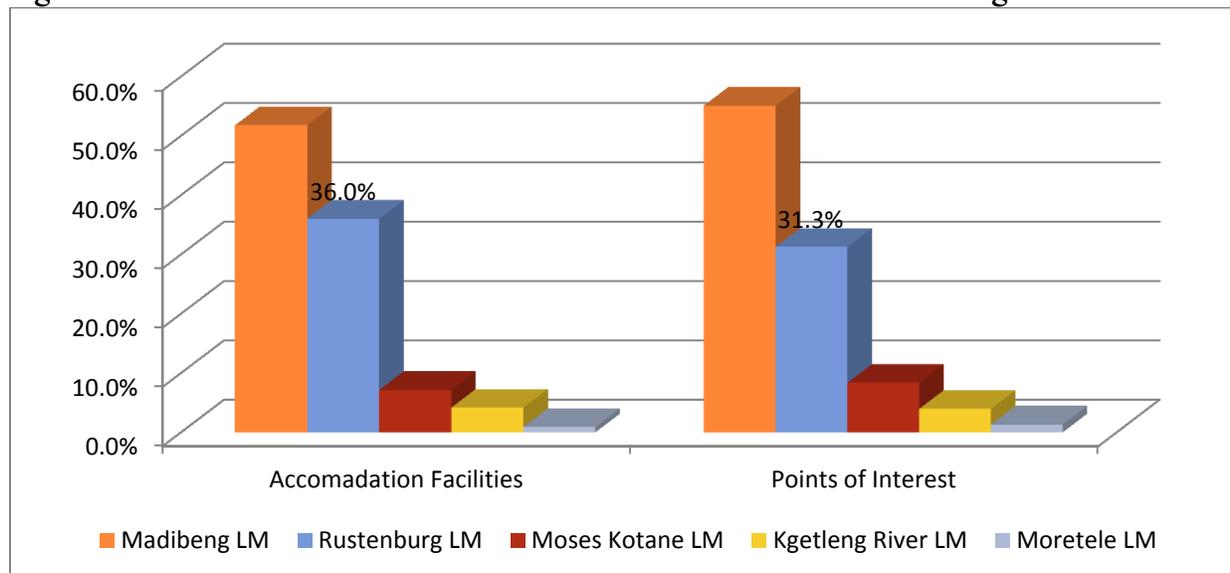
Whilst data on the tourism sectors contribution towards GDP and employment is unavailable at the local municipality level, the national data using the TSA is informative and is therefore examined below.

Utilising the TSA it was determined that the tourism sector contributes R 67 990 million towards the total GDP for South Africa during 2009. This means that the tourism sector contributed 2.8% towards the total GDP for SA and 4.1% (538 394) towards the total employment for the South Africa.

The above statistics indicates that the tourism sector contributes significantly towards the national economy and appears to be a labour intensive industry. As indicated however, the contribution made by the tourism sector at the provincial, district and local municipality levels are not indicated. However other information that further assists in understanding the tourism sector is available and is examined below.

According to the Bojanala PDM Tourism Master Plan 36.0% of the accommodation facilities within the Bojanala PDM are found in the Rustenburg LM. Also, 31.3% of all points of interest are located within the Rustenburg LM.

**Figure 5.26: Accommodation and Points of Interest within the Rustenburg LM**



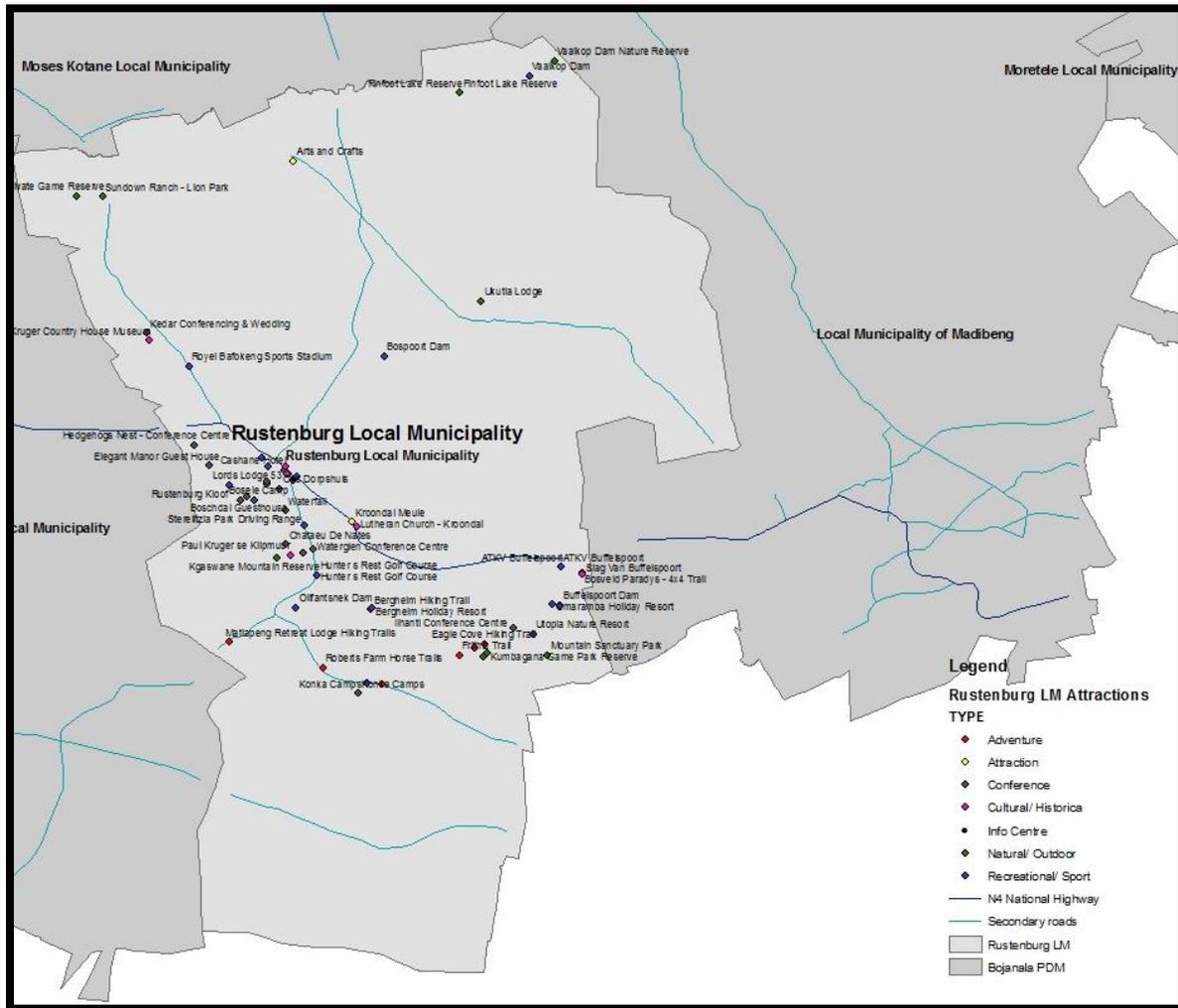
Source: Data obtained from the Bojanala PDM Tourism Master Plan, 2009

The main type of accommodation facilities located within the Rustenburg LM according to the Bojanala PDM Tourism Master Plans are guesthouses (33.6%), bed and breakfast facilities (22.3%) and self-catering facilities (19.8%). 65 of the accommodations facilities out of the total 121 accommodation facilities within the Rustenburg LM are not graded. Of the facilities graded, most of the accommodation have been graded as either 3 star or 4 star facilities.

The main facilities that have been identified as points of interest within the Rustenburg LM are conferencing facilities (35%), recreational/sports (21%) and adventures (17%).

The main area in which the tourism attractions are concentrated in are presented in Map 5.6 below.

**Map 5.6: Attractions within the Rustenburg LM**

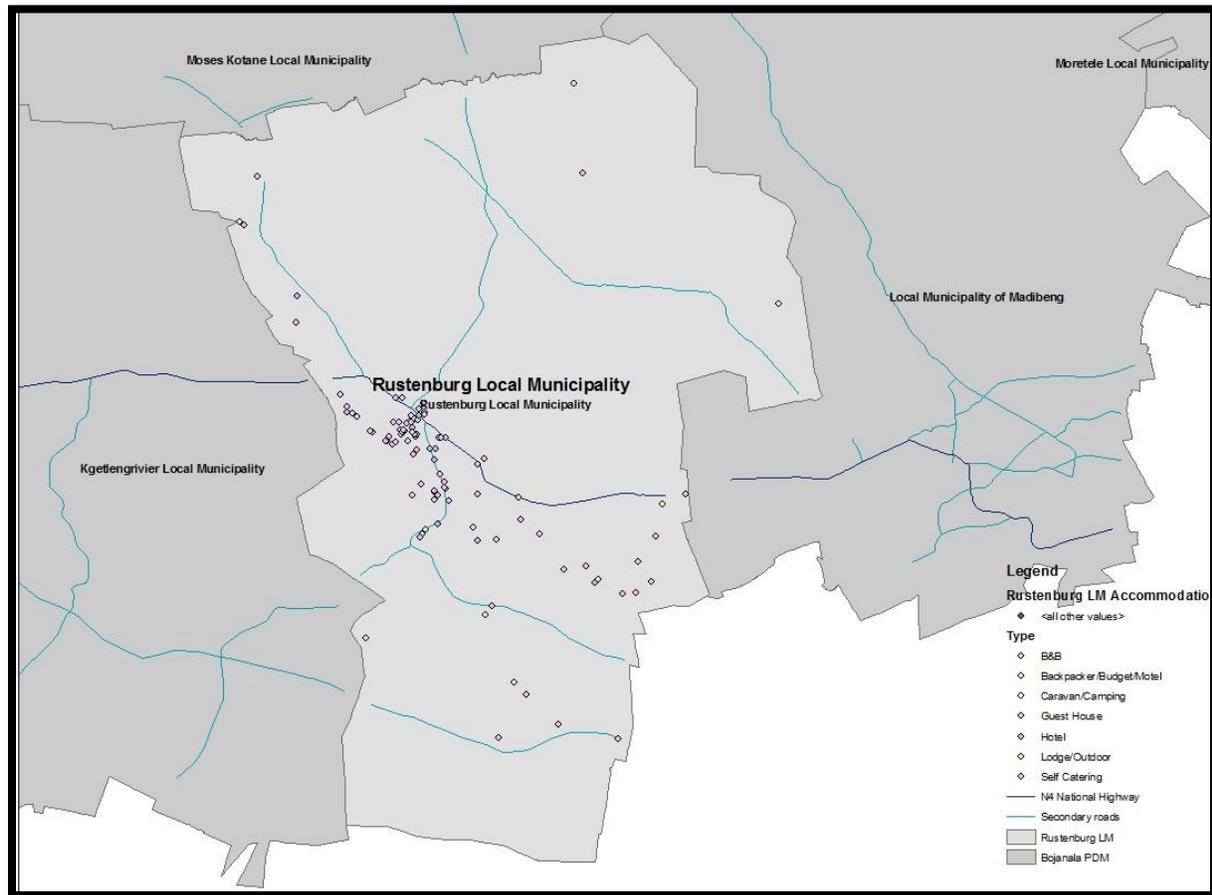


Source: Urban-Econ Maps, 2011

In addition to the location of tourism attractions, the following tourism accommodation facilities are also located within the Rustenburg LM as indicated in Map 5.7.

From both maps examined it can clearly be noted that most of the tourism attraction and accommodation facilities are located towards the southern end of the local municipal area, whilst there appears to be relatively limited tourism related facilities towards the northern end of the local municipal area. This could be due to the fact that most of the rural areas as well as the fact that a lot of the mining activities within the local municipal area are located in the northern section of the municipal area.

**Map 5.7: Accommodation within the Rustenburg LM**



Source: Urban-Econ Maps, 2011

The main tourism facilities/places of attractions that are located within the local municipality are:

- Magaliesberg protected area,
- Vaalkop Nature Reserve,
- Kgaswase Nature Reserve, and
- Buffelspoort Dam.

It is understood that there are no major attractions within the Rustenburg LM. It is assumed that the Rustenburg LM generally caters for business tourism, part of the Magaliesberg protected area falls within the local municipality and it plays an important role as a gateway to Sun City and Pilanesberg. As such it is important to further develop the gateway role and the business related tourism within the local municipality.

Besides the existing tourism facilities within the local municipality it is also understood that one of the events hosted in the local municipality is the Rustenburg Show. It is believed that this show is mostly visited by the locals. Potential opportunities to further expand this show and increase visitation from other areas should be investigated. This could be improved by hosting an event that promotes the existing strengths in Rustenburg namely, mining and agriculture.

In addition, the Rustenburg CBD is the third oldest area in the then Transvaal and the local municipality also contains rich cultural history which has not been fully exploited.

Information to tourism facilities are available on the internet to some extent. However, there does not appear to be just one website that acts as a one-stop shop for all tourism related information. Information is available from a number of sites. Thus potential opportunities to collate all information and relay it through one source is a potential opportunity that needs to be considered. Also, the creation of certain packages for different target markets should be created as it would make it easier for tourists to plan their holidays.

To further understand the tourism sector, this sector is analysed according to a number of factors as indicated in Table 5.17 below.

**Table 5.17: Analysis of the tourism sector per criteria**

<b>Criteria</b>	<b>Applicability to the agriculture sector per criteria</b>
Land	It was indicated during the workshop that land for other economic activities other than mining activities are limited. This could pose a problem for tourism development.
Labour	There is a relatively large pool of labour that could be used by the tourism sector. Some form of training that improves the level of skill of these employees would mostly be required.
Water	During the workshop, it was indicated the quality of water is not to the required standard. It is however not expected to impact tourism sector as there are a limited water related tourism facilities within the Rustenburg LM.
Linkages	The tourism sector has the potential to create linkages with a number of sectors which includes the transport sector sector and retail sector.
Enabling environment	According to the 2009 Rustenburg LED Strategy, policies of the Rustenburg LM act as a constraint to tourism facilities within the local municipality. these policies should be examined and amended if possible.

Given the existence of a number of well established tourism facilities in areas surrounding the Rustenburg LM , it is believed that the potential markets that the Rustenburg LM should focus upon are:

- Business tourism
- Gateway development
- Historical and cultural tourism
- Domestic tourism (middle to low income domestic tourists)

- Mining attractions

### 5.12.2. Opportunities identified through policy review

A number of potential opportunities have been identified through the analysis of the various policies and plans. Based on this analysis the following have been identified:

- **National Tourism Strategy, 2010**
  - Encourage and promote domestic tourism: The national strategy indicates that domestic tourism is the backbone of tourism in most countries. This includes providing tourism facilities within the area that caters for the low income tourists.
- **Bojanala PDM LED Strategy, 2009**
  - Tourism facilities/cultural village along the N4: Whilst there are a few cultural villages within the local municipality and surrounding areas, the lack of visibility of these facilities make the promotion and accessing of these areas more difficult.
- **Bojanala PDM Tourism Master, 2009**
  - The Bojanala PDM Tourism Master Plan indicates identified a number of projects that could assist with the development of the tourism industry within the Rustenburg LM. The initiatives that are most relevant to the local municipality have been identified. These are:
    - Implementation of previously identified routes
    - Revitalization of existing anchor projects
    - Branding
    - Breakaway packages
    - Tourism information centre
    - Route distribution guide
    - Franchising programme
- **Rustenburg Spatial Tourism Plan,**
  - The Rustenburg Spatial Tourism Plan had identified a number of initiatives that could assist to develop the tourism potential within the Rustenburg LM. The main routes identified by the strategy is the Rustenburg Ramble and the Scenic Route. Themed routes were also identified for the strategy and these are:
    - Mining routes,
    - Cultural and heritage route
    - Back to the outdoor routes
    - Eco-adventure route

The main anchor projects from this document are the following:

- Rustenburg Platinum Visitors Centre – establish a visitors center that allows visitors to experience the mining activities that occur within the local municipality
- Maikgantshoe Living Museum – establish a service centre, a cultural village and a living museum.

- Expansion of the Rustenburg Kloof which is owned by the Rustenburg LM.

The opportunities as identified by the Rustenburg Spatial Tourism Plan, are still relevant and provide opportunities to further develop the local tourism. However, these plans have not been implemented. Therefore, it is recommended that the local municipality meet up with tourism product owners to determine the challenges associated with the implementation of these opportunities.

- **Rustenburg LED Strategy, 2009**
  - Branding of Rustenburg LM as a tourism destination and the marketing of the local municipality were two of the initiatives identified for the Rustenburg LM.

### 5.12.3. Opportunities identified through other information, recent trends and case studies

The potential opportunities that exist, which could particularly be beneficial to local communities are to allow for mining tours that would be beneficial to SMME's. Furthermore, a number of tourism facilities within the area have not been graded. The municipality should thus assist to grade the identified facilities in order to improve the quality and the tourist confidence levels in the tourism facilities within the local municipality.

As indicated previously, the National Tourism Strategy had indicated that the development of the domestic tourism market would enable the growth of tourism within an area. Therefore the expansion and marketing of the Rustenburg Kloof may assist with the development of the tourism market within the local municipality. Furthermore, the privatization of this facility/establishment of a PPP may further assist in increasing the marketability of this facility.

It has also been determined that the marketing of the tourism facilities within the local municipality is quite haphazard. The municipality could thus assist to support and market the tourism facilities identified. This could occur through utilising the existing database compiled during the Bojanala PDM Tourism Master Plan and utilising and placing it on the local municipality's website.

It should also be noted that that the Bojanala PDM is also currently involved in compiling a study to development three priority tourism routes within and around the Bojanala PDM. The Rustenburg LM should thus seek to ensure that it contributes and support in the development of the identified route.

### 5.12.4. Opportunities identified through stakeholder consultation

During the workshop a number of tourism related opportunities were identified. These opportunities include the following:

- **Establish a recreational park in the Rustenburg (LM):** This opportunity was identified by the local stakeholders as it was mentioned that no recreational parks for the local community members exists and that local community members braai on the side of the roads instead. It is also suggested that such parks include a facility that allows for local community members to be involved in performing arts. Many South Africans have a passion for performing arts, however it is believed that this talent and potential is not harnessed. The establishment of the facility in the park will provide artists with a platform to presents their talents. This could also act to attract tourists to the area.
- **Venues for events:** establishment of venues in which events can be hosted.

- **Marketing and promoting real villages as tourism attractions:** It was indicated that the real history and culture of the local municipal area has not been optimized. This includes areas such as Olifansnek and Tlbane house.
- **Cities of the world:** a suggestion raised during the stakeholder consultation process was to establish a tourism attraction facility in which the various cities of the world and their landmarks could be created and displayed for tourists. Perhaps a more creative approach to developing these cities of the world and their landmarks, would be to develop it using recycled material and also developing local perspective/interpretation of the cities of the world.
- **African Disneyland:** it was suggested that an African Disneyland be established within the Rustenburg LM. The feasibility of such an initiative would need to however be further determined as other provinces are also examining the feasibility of establishing Disneyland in their provinces.
- **Museum (mining and natural science):** A potential opportunity that was also identified during the workshop was to establish a mining and natural science museum.
- **Old buildings (e.g. old police station) as monuments:** a number of old buildings within the local municipal area had been identified as potential monuments that could also support the tourism development within the municipality.
- **Optimise usage of stadiums:** make use of the stadiums. This includes attracting big teams to play in the local stadiums (particularly in the Rustenburg stadium).

#### 5.12.5. Summary of opportunities identified for the tourism sector

Table 5.18 summarizes the opportunities that have been identified based on the analysis of the tourism sector.

**Table 5.18: Summary of opportunities identified for the tourism sector**

<b>Project</b>
• Investigate the feasibility of routes and anchor projects identified previously
• Promote and support arts and culture
• Establish franchise programme
• Convention centre
• Improve information dissemination
• Recreational Park
• Tap into domestic market
• Develop breakaway packages
• Expand Rustenburg Show
• Establish tourism facilities along the N4
• Assist in grading tourism facilities
• Increase prominence of mining tours
• Decrease regulatory constraints on tourism development where possible
• Venues for events
• Marketing and promoting real villages as tourism attractions

- |  |
|--|
| • Cities of the world                                  |
| • Museum (mining and natural science                   |
| • Old buildings (e.g. old police station) as monuments |
| • Optimise usage of stadiums                           |

## SECTION 6: PROJECT PRIORITISATION AND SPATIAL ALLOCATION

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The purpose of this section is to provide the Rustenburg LM with greater detail regarding the identified opportunities. This relates to providing information on the location and priority of the identified opportunities.

### 6.1. PROJECT PRIORITISATION

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In order to assist with the implementation of the LED Strategy, the identified opportunities have been prioritised. This will thus enable the LED unit within the local municipality to start with the facilitation/implementation of projects that would have the greatest impact on the local economy. The projects have been prioritised through the use of a project prioritisation model. The process followed utilising the project prioritisation model as well as the main outcomes of the prioritisation process will be presented in this sub-section.

The project prioritisation model contains two main components. This relates to the identifying criteria that could assist in assessing projects in terms of their importance, whilst the second component relates to the allocation of a score that assess the level to which a particular project meet the set criteria.

As such the criteria that have been used to prioritise the identified projects were thus identified. The criteria identified had been informed by the strategic framework as well as the prioritisation criteria utilised within the Bojanala PDM LED Strategy. As such the following criteria had been utilised in the project prioritisation model for the Rustenburg LM:

- **Increased investment:** the first criteria assess projects in terms of their ability to increase investment within the local municipality area.
- **Responsible implementation of Corporate Social Responsibility:** this criteria relates to ensuring that benefits from the private sector are optimized.
- **Increased employment:** increasing the number of job opportunities created is a key criterion that has been identified in order to assess the identified projects.
- **Improve skills:** projects are also assessed on their ability to improve the levels of skill within the local municipal area.
- **Build a green economy:** this criterion assists with evaluating projects in terms of their ability to create a more environmentally friendly municipal area.
- **Strategic Importance:** projects are also assessed in terms of their alignment with various policies and plans.
- **Increase local procurement:** the ability of projects to increase spending within the local municipal area and decrease spending in outside areas has also been identified as one of the prioritisation criteria.
- **BEE / Capacity Building:** a project's ability to increase the capacity of local stakeholders and businesses as well as to ensure support and development of previously disadvantaged individuals is amongst the various criteria that have been identified for the project prioritisation model.
- **SMME Development:** projects are also assessed in terms of their ability to support and develop local SMME's

- **Potential Anchor:** this criterion relates to the projects ability to act as an anchor/catalyst for economic development.
- **Diversify Local Economy:** this criterion refers to the development of the economy by focusing on other economic activities other than mining. This criteria is of significant importance to the Rustenburg local municipal area given it dependence on the mining sector.
- **Increase service delivery (including health and safety):** a project’s ability to improve the delivery of basic services is also assessed by utilising these criteria.
- **Sustainability:** the ability of the project to be sustained over a long period of time is also a key criterion that has been used to assess the identified project. This criterion is an important element as ensuring the sustainability of LED initiatives in the past has not been successful.

Each of the identified projects was thus allocated a score based on the above-mentioned criteria. An extract of the model has been provided in order to assist in understanding the project prioritisation model. The entire model can be obtained from Annexure A

From Table 6.1 the following can be observed:

- Column one indicates the projects that are evaluated
- Column two consists of a number of sub-columns. The sub-columns lists the criteria described above. The way in which a value is allocated to the identified projects is if the project has a ‘low’ impact in terms of a specific criterion it is assigned a value of ‘1’, if the impact on the criterion is identified as ‘medium’ a weight value of ‘2’ is assigned and if the project is viewed as having a ‘high’ impact it is assigned a value of ‘3’.
- Column three which contains three sub-columns identifies the **total** ‘low’, ‘medium’ and ‘high’ impact for each project
- Column four contains two sub-columns. The first column calculates the total value of each project whilst the last sub-column indicates the priority given to each of the projects based on the total value. The total value is the sum of the values assigned multiplied by the weightings. For example the calculation of the beef cluster is indicated below:
  - Total value for the broiler outsourcing scheme –  $(4*2)+(7*6)+(0*10) = 50$

**Table 6.1: Extract of the Project Prioritisation model**

Project	Priritisation criteria												Project Evaluation			Total value	Priority	
	Increased investment	Responsible implementation of Corporate Social	Increased employment	Improve skills	Build a green economy	Strategic Importance	Increase local procurement	BEE / Capacity Building	SMME Development	Potential Anchor	Diversify Local Economy	Increase service delivery (including health and safety)	Sustainability	Total Low impact	Total Medium Impact			Total High Impact
Broiler outsourcing scheme	1	3	2	2	1	2	2	2	2	1	1	1	2	4	7	0	50	13
Aloe, rosemary and lavender production	2	1	2	2	1	1	1	2	2	1	2	1	2	5	6	0	46	26

Table 6.2 indicates the top ten priority projects that have been identified utilising the project prioritisation model for the Rustenburg LM. It can be observed that the establishment of a stainless steel plant was identified as one of the priority projects for the Rustenburg local municipal area. Other important projects that were also identified as high priority projects include the manufacturing of solar photovoltaic cells, skills development programs and so forth.

**Table 6.2: Top ten priority projects for the Rustenburg LM**

Priority	Project	Total Value	Timeframe
1	Establishing a stainless steel plant within the district	66	Medium – long term
2	Manufacture of Solar Photovoltaic Cells	62	Short – Medium Term
3	Auto-catalyst and diesel filters	58	Short – medium term
4	Skills Development Programme	58	Short – term
5	Waste to energy	58	Short – medium term
6	Attraction of fuel cell producers	54	Medium term
7	Develop breakaway packages	54	Short-term
8	Facilitate partnership between Impala & Xstrata (wrt business support centre)	54	Short-term
9	Grinding balls for grinding mills, other articles of iron/steel, table kitchen articles off steel (Mauritius, Lesotho, Tanzania & Zambia)	54	Short-medium term
10	Increase stakeholder participation	54	Short-term

\*short term refers to project that are implemented within a year, medium term refers to projects that are implemented between one and five years, whilst long term projects are those projects that are implemented after five years

It is important to note the timeframes that have been identified for the projects. Whilst establishing a stainless steel plant is of high priority it is important to note that this project is likely to take some time to be implemented given the nature of the project and given the fact that it may be described as a medium – long term project. On the other hand increasing stakeholder participation is likely to be implemented much sooner given the fact that this project may be described as a short-term project. Thus, whilst some projects have been identified as having a high level of priority, the project may only be implemented after some time due to the nature of the project.

In addition to prioritising the project, this sub-section also consolidates the identified projects under a thrust in order to categorise projects according to their key focus areas. As a result it can be noted according to Table 6.3 that there are seven thrust have been identified in this LED Strategy.

**Table 6.3: Identified Thrusts and Associated Projects for the Rustenburg LM**

Thrust	Associated Projects
Revitalisation and	Broiler outsourcing scheme
	Aloe, rosemary and lavender production:
	Marula production

<b>Thrust</b>	<b>Associated Projects</b>
	Bee-keeping
	Diary outsourcing scheme
	Livestock production (cattle, goats and poultry)
	Small-scale production (livestock, vegetables, diary)
	Production of soya, maize & sunflower
	Urban agriculture
	Research and development
	Agricultural support centre
	Information dissemination
	Large scale diary production
	Large scale broiler production
	Support for the informal/emerging farmers
<b>Ensure sustainable development</b>	Mining waste beneficiation (SMME's)
	recycling of waste
	Solar energy generation
	Waste to energy
<b>Optimise linkages and benefits from local businesses</b>	Small-scale mining of construction related minerals
	Opportunities for greater support from mines due to the review of SLP's
	Resolve challenges related to the mining supply park
	Establish Platinum Excellence Centre/establish partnership with existing institutions
	Expand the Rustenburg Show (attract more than locals)
<b>Tourism development</b>	Marketing and support for smaller mines
	Establish partnership with Mintek to assist SMME's with innovative uses of existing minerals
	Establish a franchise type retail facility
	Business Process Outsourcing
	Establishment of a tertiary institution/campus
	Create a more informed and educated public
	Improve stakeholder access to information
	Skills Development Programme
	Use of technology to improve communication between stakeholders
	Decrease inefficiency in the labour market
	Mindset change
	Sign a MoU between the RLM & Tribal Authorities
	Facilitate partnership between Impala & Xstrata (wrt business support centre)
	Improve relationship between RLM & mine
	Export promotion
	Increase stakeholder participation
Business Retention and Crime Reduction	

<b>Thrust</b>	<b>Associated Projects</b>
	Retail Facilities in rural areas
	SMME Development
	Investigate Opportunities for free wireless internet in certain hotspots
	Facilitate increased exports by partnering/establishing relationships with airports
	Create awareness regarding existing financial support and criteria that needs to be met
	Encouraging banks to locate within the local municipal area
	Provide services to the mines
	Partner with existing CSR initiatives
	Improve public opinion on the government services
<b>Explore new market opportunities</b>	Agricultural related products to new markets:
	Spices (Botswana)
	Poultry (Lesotho)
	Oranges (Zambia & Lesotho)
	Citrus fruit & vegetables
	Tobacco (Malawi, Mozambique & Tanzania)
	Soya-bean oil (Mauritius, Malawi, Mozambique, Zambia & Botswana)
	Cheese (Mauritius)
	Meat (Mauritius)
	Vegetable fats and oils (Zambia and Tanzania)
	Sunflower seed and sunflower oil (Mauritius & Mozambique)
	Sausages (Mauritius)
	Non-agricultural export opportunities:
	Pipes, line, tubes from iron/steel & stainless steel (Mozambique & Botswana)
	Hand tools (Mauritius)
	Iron & non-alloy steel primary forms or semi-products (Lesotho & Botswana)
	Grinding balls for grinding mills, other articles of iron/steel, table kitchen articles off steel (Mauritius, Lesotho, Tanzania & Zambia)
	Ceramic tableware, kitchen and bathroom sanitary ware (Lesotho, Mauritius)
	Cooking appliances (Mauritius)
	Locks (Mauritius)
	Screws & bolts (Mauritius, Zambia & Mozambique)
Doors, windows & frames (Botswana)	
Imitation jewellery (Mauritius)	
<b>Supporting and promoting economic development</b>	Cities of the world
	Promote arts and culture
	Museum (mining and natural science)
	Upgrade and promotion of historical buildings
	Expand Rustenburg Show
	Recreational Park (including a performing arts facility)
	Tourism related facilities along the N4
	Resort for middle to low income domestic tourists

Thrust	Associated Projects
	Convention centre development
	Optimise use of stadiums
	Platinum Visitors Centre
	Route Signage
	Develop breakaway packages
	Franchising Programme SMME tourism facilities
	Assist with grading of facilities
	Facilitate the establishment of the routes identified by the Rustenburg Spatial Tourism Route and the Bojanala PDM Tourism Master Plan
	Mining tours
<b>Develop the industrial sector</b>	Establish a stainless Steel Manufacturing Plant
	Manufacturing of solar photovoltaic cells and solar water heaters
	Manufacturing of mining related inputs
	Manufacturing of white goods
	Auto-catalyst & diesel filter
	Attraction of fuel cell producers
	Agro-processing
	· Flavouring extracts
	· Products within the chemicals, plastic and rubber industry
	· Animal fats
	· Cash crops
	· Essential oils
	· Citrus medication
	General increase in exports
	· Further preparation of raw hide
	· tobacco in a processed form
	· Alcoholic liquors
	· Juices
	· Dried egg yolk
	Import substitution
	· Balls, iron/steel, forged/stamped and cast for grinding mills that are used by the mining industry in order to extract PGM's.
	· Buttons
	· Plastic ware
	· Optical fibres, except for telecommunications
	· Porcelain
	· Products of stainless steel (including stainless steel cutlery, pipe fittings, cold rolled stainless steel, flanges, threaded elbows, bends and sleeves, table/kitchen articles, parts, stainless steel)

Thrust	Associated Projects
	· Television cameras, digital cameras and video camera recorders
	· Tools for drilling, bolts, screws, washers, other articles of steel, screwdriver bits and other interchangeable tools
	· Tools for working in the hand, pneumatic, hydraulic or with self- contained non-electric motor - with self-contained electric motor
	· Products of synthetic textile material
	· Rubber surgical gloves & syringes
	· Transmission apparatus for radio & TV's
	· Parts of taps, cocks, valves or similar appliances
	· Gloves other than surgical, of rubber
	· Vanadium oxides and hydroxides
	· Injection-moulding machines for rubber or plastic
	· Metal sawing or cutting-off machines

## 6.2. SPATIAL ALLOCATION

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This sub-section assists in providing an indication of the areas in which some of the identified opportunities could potentially be implemented. Before identifying the areas in which the identified opportunities should be implemented, it is important to examine the various initiatives related to spatial planning. The Rustenburg LM SDF has been consulted in order to obtain a greater understanding of the spatial patterns and spatial recommendations for the local municipal area. In addition, two key initiatives which need to be considered in the spatial development of the local economy were also identified. These initiatives are:

- **Mogale City - Rustenburg Development Corridor**

An important development that should also be considered in the identification of the area in which the identified projects are to be implemented is the Mogale City/Rustenburg Development Corridor that has been proposed. According to the Mogale City LED Strategy, 2010 this corridor is to be located along the R 24 route which connects the town of Rustenburg in the North West Province with Gauteng. The corridor is to begin from O R Tambo International Airport via Kempton Park, Johannesburg, Krugersdorp, Tarlton and Magalies. The envisioned corridor is expected to have four major economic nodes. These economic nodes relate to the following:

- Krugersdorp multi-economic activity node
- Tarlton agricultural node
- Magalies tourism node
- Rustenburg multi-economic activity node

As such this corridor is expected to include a number of economic activities which includes a concentration of tourism and agricultural activities. The multi-economic activities that have been identified for the Rustenburg multi-economic node includes mining activities, retail activities and refining of minerals. In addition the Lanseria Airport was also identified as a factor that could provide impetus for economic development within the local municipal area.

Based on the proposed corridor development along the R 24 the identified economic opportunities should potentially be developed around this development corridor.

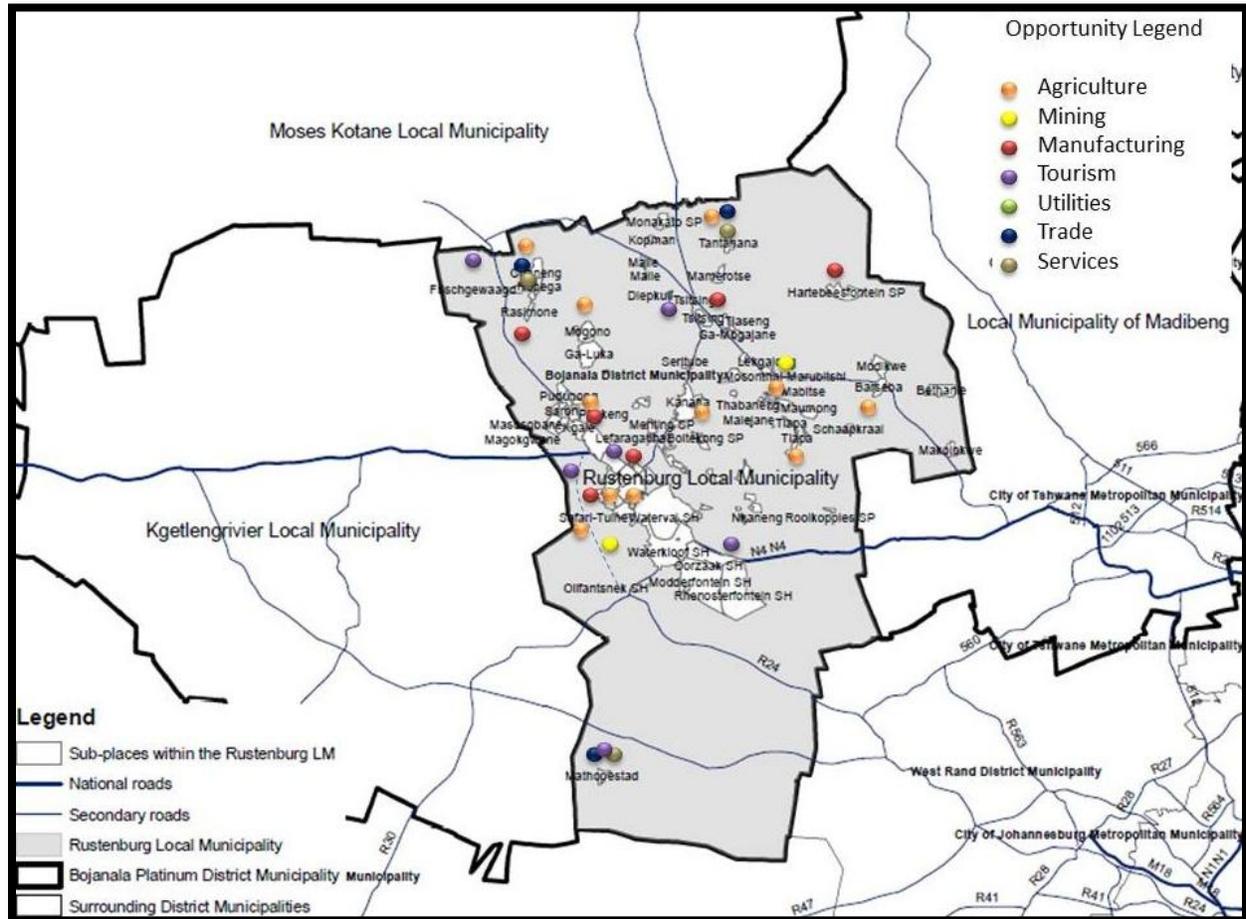
- **Platinum SDI**

The Platinum SDI refers to the transport route from the N1, just north of Pretoria, linking Rosslyn, Akasia, Mabopane, Ga-Rankuwa and the Brits industrial areas, to Rustenburg. From Rustenburg, the route links with the Trans-Kgalagadi Highway at Lobatse in Botswana through Swartruggens, Groot Marico and Zeerust.

This route had been initiated in 1996 and had previously been identified as having a strong potential to stimulate new industries as well as the economy. Whilst limited progress has been made along this route to date, the concept is still viewed positively and will influence the spatial allocation identified for the projects.

Given the above, Map 6.1 illustrates the areas in which various projects could be implemented by illustrating the sectoral activities that could be implemented within the municipal area.

**Map 6.1: Spatial Allocation of Identified Opportunities**



From Map 6.1 the following observations can be made:

- Agricultural activities are proposed in many of the more rural areas and areas dependent on mining activities. The main rationale behind increased agricultural activities within these areas is to decrease the leakages from the local municipal area and to diversify the areas dependent on mining activities. Agricultural activities are also proposed in areas which were identified after reviewing data obtained from AGIS.
- Broiler outsourcing and dairy outsourcing are proposed within the Rustenburg town given the location of larger dairy farms and broiler farms within the town.
- Small-scale mining opportunities have been identified for some of the smaller areas within the local municipality. This includes areas such as Mosonthal Marubitsi.
- Opportunities for increased use of mining waste is also proposed, particularly in areas which are close to mining activities these include Chaneng, Boitekong and similar areas. This has been represented as manufacturing opportunities
- In addition, a number of industrial activities had been proposed for the local municipal area. These include the establishment of a stainless steel manufacturing plant, manufacturing of products to substitute imports to the district municipality, increasing exports to various countries including SADC members. Most of the above-mentioned can be established within Rustenburg East, (close to) Phokeng, (close to) Rasimone, (close to) Tsitsing and the Haartbeesfontein area as indicated in the SDF.
- The mining supply park is also to be established within the local municipal area and is presented as a retail opportunity on the opportunity map. This is likely to be established in Rustenburg East.
- The establishment of a platinum excellence centre should potentially be established within the Rustenburg town
- Agro-processing activities such as juice production, packaging of meat and other similar light manufacturing activities are proposed in some of the peri-urban areas within the local municipal area
- The establishment of a tertiary facility is proposed within the Rustenburg town.
- Increased agricultural and tourism activities as well as the refining of minerals are also proposed along the development corridor between Rustenburg and Mogale City. This corridor is illustrated by the broken line on Map 6.1.
- Increased retail and services activities are also proposed for the less urban areas within the local municipal area in order to retain money within these municipal areas.
- It should also be noted that according to the Rustenburg LM 2009 LED Strategy, agro-processing activities are being promoted on recycled agricultural land.

### 6.3. CONCLUSION

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This section prioritised the identified opportunities and provided a spatial allocation for the opportunities identified. This will enable the implementation of the LED. The next section examines the institutional framework required in order to effectively implement the LED Strategy within the local municipal area.

## SECTION 7: INSTITUTIONAL STRUCTURE

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The purpose of this section is to identify all structures involved in the implementation of LED and to provide recommendations to enable these structures to effectively implement LED within the local municipality.

An analysis of the institutional structure is a key element to ensure effective LED implementation. The importance of strong institutional structures were highlighted after reviewing the 'Key Issues in Local Economic Development in South Africa and a Potential Role for SALGA,' a paper prepared for South African Local Government Association (SALGA). This study examined, inter alia, the key challenges facing LED within the North West province. These challenges include:

- Different understanding and expectations for LED,
- Challenges with capacity within the LED unit includes isolated LED Units without sufficient capacity to implement the LED projects,
- The placement of the LED Structures within the local government hierarchy is often not able to effectively carry out its mandate,
- Infrastructure generally obtains most of the budget whilst LED remain unfunded, and
- LED Forums needs to assist in the alignment of various initiatives and structures.

As such, it can clearly be noted that challenges associated with LED institutional structures are the key constraining factors to LED and improving these structures would enable effective LED Implementation.

As a result, this section will therefore cover the following:

- Status of LED,
- Relationships between the different LED role-players, and
- Recommendation to further strengthen LED.

### 7.1. STATUS OF LED

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The main body responsible for Local Economic Development within the Rustenburg local municipal area is the LED unit within the Rustenburg LM. As such the performance of this unit as well as the existing structure of this LED Unit will be examined, in order to clearly identify recommendations to improve the effectiveness of this unit. In addition, the establishment of a development agency will also be examined within this sub-section.

#### 7.1.1. Performance of the LED Unit

According to the five year IDP for the Rustenburg LM, the LED Unit identified a number of projects and allocated budgets to be implemented within the 2007 – 2012 period. These projects and their respective budgets are indicated in Table 7.1 below.

**Table 7.1: Project identified by the 5 year IDP Plan for the Rustenburg LM**

Project	Budget	Funding Source	Project Implemented
Economic and investment policy (2008)	R 1.4 mill	Rustenburg LM	No
Develop by-laws and update annually			Undetermined
Marketing tools (2008)			No
Events management			No
Economic development projects established in rural and peri-urban areas (developed SMME's (2011), factory shops (2010) and sunflower production plant (2010) Hawkers stalls upgraded (2008))	R 16 009 273	AFR ; MIG; DBSA; IDC; BPDM	
New business initiatives developed (innovation centre, IDZ developed, investment centre (2011) & visitors centre (2011))	R 381.4 mil	AFR ; NT; INDUSTRY; IDC; BPDM; NWPG; DBSA; MIG	No
New business initiatives developed 2 (Flea markets (2009), meander (2007), upgrade tourism information centre (2009), city bus (2011))	R 46.2 mil	AFR ; NT; INDUSTRY; IDC; BPDM;NWPG; DBSA; MIG; DEAT; NWPTB	The tourism information centre had been established
New business initiative (3) (fresh produce market (2011), marketing co-operative (2010), leisure and recreation park (2008), cultural village (2009))	R 20.15 mil	AFR ; NT; INDUSTRY; IDC; BPDM; NWPG; DBSA; MIG	No
New business initiative development (4) (Bospoort Jazz park (2008), F B Drive market (2009), convention centre (2011), upmarket hotel (2011))	R 1 597.5 mil	AFR ;NT; INDUSTRY; IDC; BPDM;NWPG; DBSA; MIG; DEAT; DAC;DST	No
New business initiative development (5) (hawker	R 27.1 mil	AFR; INDUSTRY; IDC; BPDM;NWPG; DBSA; MIG	No

Project	Budget	Funding Source	Project Implemented
stalls(2011), fashion hub (2010), youth car wash (2008), heritage site (2009))			
Twining agreement (2009)	R 676 449	AFR;INDUSTRY; BPDM; NWPG	Undetermined
MoU (2011)			Undetermined
MoA (2010)			Undetermined
12 meetings per annum			Undetermined

The IDP also indicated that the budget for the LED Unit for 5 years was budgeted at R 49 008 968. However from the above table it can be noted that the local municipality only allocated a small proportion of this budget for the identified projects, whilst most of the project funding was to be sourced from external funders.

From Table 7.1 it can be noted that many of the projects that were to be implemented during the 2007 – 2011 period did not materialize due to, inter alia, the inability to obtain external funds from the sources identified.

Whilst the analysis of the IDP indicated that the local municipality did not implement most of the projects it had intended to, a more qualitative approach was also followed in order to determine the projects that were implemented within the local municipal area. This involved obtaining input from the Rustenburg LED unit on the number of projects that had been implemented from the 2009 Rustenburg LED. The result of this discussion is presented in Annexure B. In line with the review of the 2007 – 2011 IDP, the representatives of the LED unit indicated that only few projects had been implemented from the 2009 LED Strategy, whilst there are still a number of projects that still need to be implemented.

Based on this analysis, it appears that the LED unit has not performed exceptionally well in terms of implementing the projects identified in the 2007 – 2011 IDP or the 2009 LED Strategy.

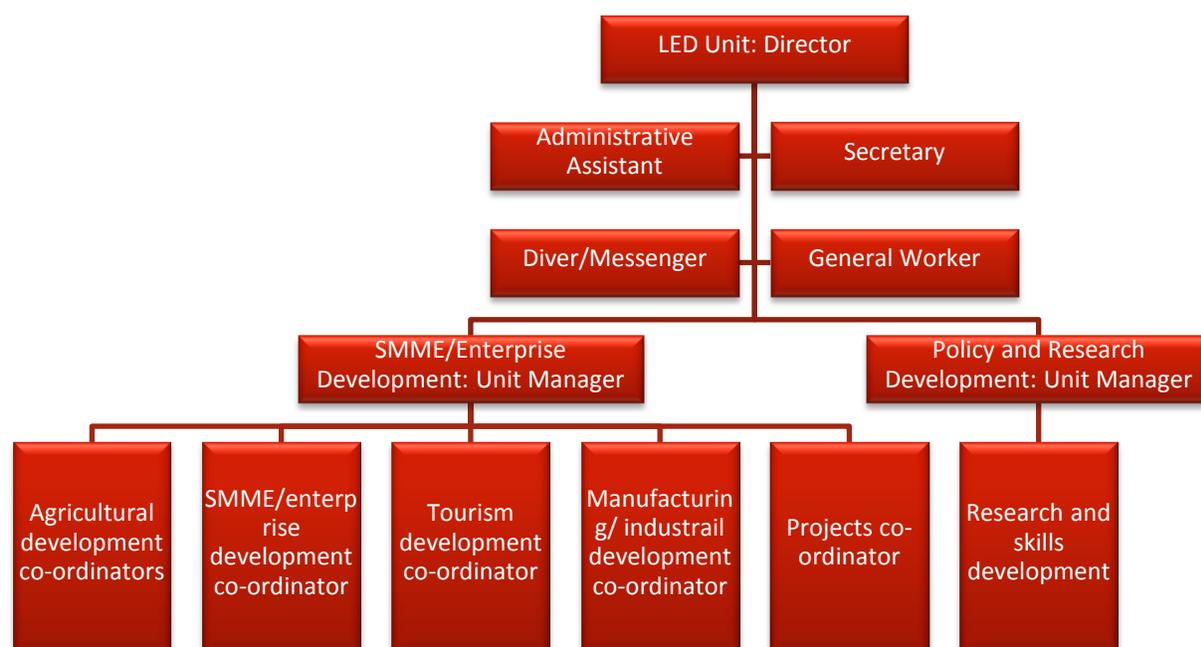
#### 7.1.2. Rustenburg LED Unit Structure

The LED unit within the Rustenburg LM consists of approximately 13 personnel. This unit is mainly divided into two components namely: policy and research development and SMME/Enterprise Development. The structure of this unit is presented in Figure 7.1.

The challenges facing the LED Unit include the following:

- A lack of knowledge of various stakeholders (municipal employees, political leadership and local communities) regarding LED,
- A lack of capacity within the LED directorate, and
- A lack of funding of projects.

**Figure 7.1: Current Structure within the LED Unit**



The following have been indicated as interventions that have been implemented to mitigate the above-mentioned challenges:

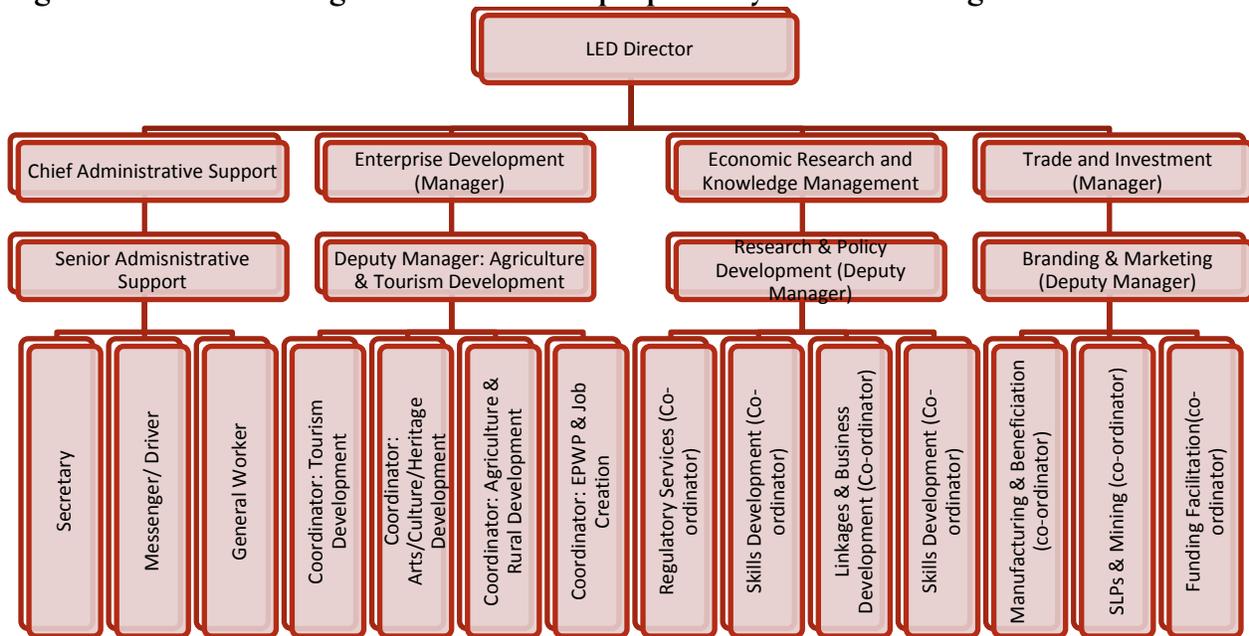
- To assist with increasing the understanding of LED, workshops were conducted to inform people regarding what LED entails. There was however a poor response and it was indicated that these workshops need to be conducted more regularly in order to reach all stakeholders.
- The following steps have been taken in order to increase funds to the LED Unit:
  - Registration of economic development projects in the IDP to attract external donor funding, and
  - Application for registration of infrastructural development project for MIG funding.
- In order to mitigate the challenge associated with the lack of capacity within the LED unit, it was indicated that the local municipality had submitted a report to relevant municipal committees on the restructuring of the LED.

Based on the above, it can thus be assumed that whilst a number of challenges affect the capacity of the LED unit, measures are in place/ to be put in place in order to mitigate these challenges. One of the measures of note is the proposed expansion of the LED unit as indicated in Figure 7.2.

The main changes proposed by the Rustenburg LM to the LED Unit (i.e. main difference between Figure 7.1 and Figure 7.2) are:

- Increase the number of personnel from 13 to 23,
- The addition of a separate department for marketing and investment attraction,
- Increase the number of staff within the Research and Policy Development Department, and
- Make changes to the administrative and enterprise development departments.

**Figure 7.2: Restructuring of the LED unit as proposed by the Rustenburg LM**



Whilst the restructuring of the LED unit may increase the capacity of the LED unit, it may also have the following impacts:

- **Duplication of functions** – the establishment of a trade and investment arm within the Rustenburg LM with five employees may duplicate the functions of some the existing marketing institutions within the local municipality such as Invest North West. A possible recommendation would be to have only two or three employees within this function who would liaise and work with institutions that are already established.
- **Increased costs** – one of the main challenges that have been identified for the LED unit has been the lack of funds available to implement projects. This challenge may be further exacerbated as an increase in the number of staff would decrease the amount of funds that would be available for project implementation.

Therefore, instead of expanding the existing LED unit, the local municipality could investigate the reshuffling of the existing unit in order to increase the scope of work/assistance which the LED unit provides. This could also include increasing the level of skill of existing employees within the LED unit in order to ensure that employees can effectively carry out their stated mandates.

In addition to the restructuring of the LED Unit another element that needs to be ensured is that persons who have the right level of skill and experience are approached. In order to ensure this, it is necessary to examine the existing recruitment policies and practices within the local municipal area. It is understood that the current recruitment practices may not be effective in ensuring that the most suitable candidate for a particular position. Some of the changes to the existing recruitment practices may include:

- Ensure that the director of the LED Unit or other senior staff assist in the recruitment process. This is necessary as these staff members would be able to assist in determining if a potential candidate is suitable for their department

- Ensure that the recruitment process is transparent and that there are no doubts regarding a candidates ability to perform his duties

Thus in order to strengthen the LED Unit for the Rustenburg LM, the municipality should restructure the existing LED Unit and change the existing recruitment policies and practices followed.

### 7.1.3. Establishment of a development agency

A development agency could be described as a specialised body that acts as a delivery vehicle for economic development in a specific geographical area and an extension of the developmental role of a local authority, where economic ideas are translated into feasible and bankable projects.

According to the Bojanala PDM LED Strategy the main benefits/advantages of a development agency are:

- allows for the establishment of a formal and legal partnership between different stakeholders thus enabling the integration of development efforts and overcoming problems of duplication and lack of co-ordination,
- assists with the strengthening of the capacity of current LED systems,
- uses a semi-external body,
- focused drivers of the economic development agenda within a local area,
- able to obtain donor and grant funding for project implementation
- able to support specific business sectors or specific geographical areas e.g. a development corridor
- provide an opportunity to alleviate bureaucratic processes within a municipality,
- promote a more private-sector type culture, and
- accelerate investment and public private partnerships.

Based on a questionnaire completed by the Rustenburg LM it was determined that the Rustenburg Local Municipality would like to establish a Rustenburg LM Development Agency in order to promote/accelerate economic development activities within the LM. This may be a potential avenue that could be followed to support economic development; however the feasibility of establishing a local development agency within the Rustenburg LM needs to be examined. The establishment of a development agency needs to be carefully considered given the negative sentiments that appear to be prevalent regarding such structures. These sentiments stem from a number of sources and include the following:

- According to the ‘Diversifying the Economy of a Mining Town – the Case of Rustenburg’, (Koopman L, 2010) the establishment of a development agency within the Rustenburg LM is concerning to some respondents due to the following:
  - The fear that this will just be another layer of bureaucracy and administrative red tape
  - The fear that an agency model focused on the designing and implementation of “sexy” projects will not move the notion of an economic diverse and inclusive town along
  - The fear that the continued lack of a clear developmental path for Rustenburg will perpetuate an inefficient investment framework for the area
  - The fear that an agency will not bring about better alignment and implementation between municipal planning documents (like the IDP and LED) and the Social and Labour Plans of the mines

- The fear that this will not create a platform for cooperation between all the mines, all government departments, regional and local government, private sector, NGOs and CBOs.
- The fear that a structure like the economic model of the IDC will duplicate what to a certain extent already exist in the form of the current Producers Forum.
- Failure of the two development agencies that had been established within the Bojanala PDM may also serve as a lesson on the potential challenges associated with development agencies. Both of these agencies had not implemented any projects and resolutions regarding the winding down or revitalisation of these agencies are to be passed. The main reason for the failure of the Moses Kotane LM is the mismanagement of funds at the municipality, whilst a lack of resources at the Moretele LM was viewed as the key reason for the closure of the development agency within the municipality.

It is also worth noting that the Bojanala PDM is currently in the process of establishing a district wide development agency. A Rustenburg Economic Development Agency could potentially duplicate the functions of the district development agency.

Therefore the Rustenburg LM should carefully consider if it would still like to pursue the establishment of a development agency, given the challenges experienced by other local municipalities in the sustaining of a development agency, the negative perceptions regarding a development agency by some stakeholders within the local municipality and the fact that the Bojanala PDM is involved in the establishment of a development agency

## 7.2. RELATIONSHIPS BETWEEN LED STAKEHOLDERS

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A number of role-players are directly or indirectly involved in local economic development within the Rustenburg LM. Private businesses are for example involved in the development of the local economies although their main objective is to create profitable businesses. On the other hand the LED unit within the local municipality is mandated with the task to enable and support LED within the local municipality.

An important element that needs to be strengthened is the relationships of the LM with the different agencies/supporting institutions and stakeholders within the local municipality.

Institutions such as Invest North West and the North West Development Co-operation are situated within the Rustenburg LM although limited to no cooperation exists between these structures. However these agencies can play a role in LED and thus a formal relationship needs to be established. This can possibly occur through the drafting of a Memorandum of Understanding (MOU) between the different parties.

Relationships with stakeholders would also need to be improved. The challenge to improving relationships with stakeholders, and particularly the private sector is to prove to stakeholders that the municipality is involved in LED support and implementation rather than just in planning and discussing issues related to LED. A possible solution to prove this is to implement the project indicated in section 5 which relates to the utilisation of social networking sites in order to easily transfer and obtain information to and from local stakeholders. This will increase transparency and accountability and also enable local stakeholders to partake and take ownership of LED initiatives within the local municipality.

It should also be noted that there is no formal LED Forum within the local municipality although other structures which the municipality could approach include various business associations, the Producer Forum, Hawkers Forum and so forth.

### 7.3. RECOMMENDATIONS TO STRENGTHEN THE LED STRUCTURES WITHIN THE RUSTENBURG LM

Given the analysis in the preceding sub-sections, the following recommendations are proposed to strengthen the LED institutions within the local municipality:

- Sign a memorandum of understanding between the local municipality and other support structures
- Implement the project by using social networking sites to communicate more frequently to local stakeholders
- Restructure the LED unit whilst trying to minimize potential costs in so far as possible
- Amend recruitment policies and practice in order to allow for the identification of the most suitable candidates for the job
- Ensure that the existing LED unit members have the required level and skill to enable them to effectively carry out their stated mandates

Given the analysis of the institutional structures involved in LED implementation, the next section examines the approach that should be followed in order to enable the attraction of investment to the local municipal area.

## SECTION 8: INVESTMENT ATTRACTION PLAN

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The purpose of this LED strategy was to identify all possible opportunities/projects/programmes that can potentially be implemented within the local municipal area that support and ensure economic development. As a result a varied range of opportunities had been identified for the local municipal area. In particular these projects can be classified as public and private sector projects. Whilst further information related to this distinct project category is presented in Section 9 of the report. It is important to note that the local municipality cannot implement private sector projects. However, many potential private investors are unlikely to be aware of all potential opportunities that have been identified for the local municipal area.

Accordingly a key action to implement this this LED Strategy would be to attract investors to the local municipal area. In order attract investors to the local municipality a number of approaches need to be followed. These include the following:

- Identify the target investor,
- Identify the key approach to reach investors,
- Identify the main message that would need to be conveyed, and
- Business retention and expansion.

### 8.1. IDENTIFY TARGET INVESTOR

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The first step to attract investors to the local municipal area is to identify the main investors that need to be targeted. Given the opportunities identified, it has been determined that the following investors, inter alia, would need to be approached:

- Auto-catalyst manufacturers
- Farmers
- Fuel cell manufacturers
- Investors in the agro-processing industry
- Manufacturers of solar energy technologies
- Mining suppliers and manufacturers
- Stainless steel manufacturing facilities
- Tourism and hospitality investors
- Manufacturers of products made from minerals

These investors can include local investors and foreign investors. The foreign countries that could potentially be targeted should be the main countries which import from the district municipality. As such, the investors from the following countries may be approached:

- Switzerland
- United Kingdom
- Netherlands
- Germany
- Belgium

## 8.2. MAIN MESSAGE TO CONVEY TO INVESTORS

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In order to attract investors to the local municipal area, the Rustenburg LM should be promoted as pro-business environment. The promotion of the municipal area as pro-business should be supported by effective government services that are willing to ensure that all business needs are catered to. In addition, general information regarding the local municipal area as well as information regarding the strengths and opportunities should be conveyed to potential investors.

The type of message that can be conveyed to local stakeholders includes the following:

- **General Information**

Most of the general information related to the local municipal area that needs to be conveyed to potential investors are already contained within this report and in particular is found in Section 2 of this report. The key components that should be covered are the following:

- Geographic location,
- Statistics related to the municipality (socio-economic and economic),
- Infrastructure,
- Available support institutions/structures, and
- General strengths within the area.

- **Key Strengths and opportunities**

Examples of the strengths within the local municipality could include the following:

- the local municipal area contains amongst the greatest concentration of PGM reserves,
- Rustenburg was the host city of the 2010 Soccer FIFA World Cup,
- the municipal area contains a number of tourism facilities,
- other mineral deposits are also located within the local municipal area,
- Rustenburg has been reported as the fastest growing city in Africa,
- the local municipal area has relatively good infrastructure,
- most amenities required are found within the Rustenburg town,
- a number of good schools and healthcare facilities are located within the urban areas of the local municipal area, and
- it is located in relatively close proximity to existing airports.

In addition, the identified opportunities that are classified as private sector projects would need to be conveyed to potential stakeholders. The key information that would need to be conveyed regarding the potential projects is indicated on the next page. This serves to provide the local municipality with examples on how opportunities within the local municipal area should be promoted. The establishment of a stainless steel manufacturing plant and the production and value-addition to soya has been utilised as examples.

# Business Opportunities



An opportunity exists for the establishment of a stainless steel manufacturing plant and within the Rustenburg Local Municipality in



1. Stainless Steel Cluster



1. Opportunity definition	Envisioned/ Product	Expected location
	Products to be manufactured include: <ul style="list-style-type: none"> <li>○ Primary stainless steel</li> <li>○ Auto-catalyst (made with stainless steel)</li> <li>○ Stainless steel cutlery</li> <li>○ Flanges</li> <li>○ Stainless steel pipe, lines, tubes</li> <li>○ Stainless steel threaded elbows, bends and sleeves</li> </ul>	Close proximity to the chrome furnaces located in the municipal area.

2. Nature of Project	Type of envisioned Opportunity	Opportunity focus	Marketing focus	Dominant Economic sectors
	The establishment of private sector businesses.	Increased value addition to mineral resources and development of the manufacturing capacity within the local municipality.	Foreign businesses Local businesses SMME's	Manufacturing sector Mining sector

**3. Rationale for this venture** The establishment of a stainless steel cluster has been proposed due to two main factors. The first of these factors is the fact that the stainless steel industry has only one primary produced within South Africa, thus making this industry monopolistic. Secondly most of the minerals required by the stainless steel manufacturing plant are found within the local municipality area and surrounding local municipalities.

4. Attractiveness assessment	Industry attractiveness	Perceived demand-supply gap	Long - Term Growth Prospects	Competitive Forces
	Stainless steel is increasingly being used and some of the products manufactured from primary stainless steel which includes industrial uses, cutlery, architecture, design etc.	Market gap exist to provide more competitively priced stainless steel with South Africa.	Given the favourable attributes of this material which includes the fact that it does not easily stain or rust may enable greater use and applications in future periods.	The existence of only one role-player within this industry makes this industry uncompetitive and thus increased competition within this area is recommended.

	Implementation time	Alignment with policies
5. Opportunity alignment	Long-term	Alignment with the mineral beneficiation strategy

6. Key competitive advantages	<ul style="list-style-type: none"> <li>• Potential to break a monopolistic market</li> <li>• Proximity to inputs required</li> <li>• Proximity to large markets in Gauteng</li> </ul>
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8. Investment Requirements	Anticipated total capital	Anticipated sources
	Needs to be determined.	Private investors, public and private financial institutions.

9. Linkages	Support Infrastructure
	<ul style="list-style-type: none"> <li>• Relatively good road network</li> <li>• Freight rail network</li> <li>• Energy, water and sewerage</li> <li>• Telecommunicate network</li> <li>• Mines</li> </ul>

**10. Contact Details**

Initiator	Promoter	Fax no.	Tel no.	E-mail address
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Contact details of LED Unit representative

**11. Opportunity Synopsis**

Venture status	Anticipated Capital Requirements	Anticipated Employment Creation	Rating
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<input checked="" type="checkbox"/>	Scoping	<input type="checkbox"/>	Less than R 1 mil	<input type="checkbox"/>	Less than 5	
<input type="checkbox"/>	Business Planning	<input type="checkbox"/>	R 1.001 – R 10 mil	<input type="checkbox"/>	5 – 100	
<input type="checkbox"/>	Raising of finance	<input checked="" type="checkbox"/>	R 10.001 mil – R 50 mil	<input checked="" type="checkbox"/>	101 – 500	
<input type="checkbox"/>	Implementation	<input type="checkbox"/>	Above R 50 mil	<input type="checkbox"/>	More than 500	

# Business Opportunities



Opportunities for soya farming and value-addition to this product.



**2. Soya Production and Value Addition**



1. Opportunity definition	Envisioned/ Product	Expected location
	Products to be manufactured include: <ul style="list-style-type: none"> <li>○ Soybeans</li> <li>○ Soybean oil</li> <li>○ Soybean meal</li> </ul>	Peri-urban – rural areas within the Rustenburg LM

2. Nature of Project	Type of envisioned Opportunity	Opportunity focus	Marketing focus	Dominant Economic sectors
	The establishment of farms and related agro-processing facilities within the local municipality.	Rural development and increased value-addition to local produce.	Local consumers and consumers from SADC.	Agricultural and manufacturing sectors.

<b>3. Rationale for this venture</b>	South Africa is an importer of soya. In addition many of the SADC countries import soya-bean oil from other countries. Therefore an opportunity exists for substitution of imports into South Africa and export opportunities into SADC countries.
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4. Attractiveness assessment	Perceived demand-supply gap	Long Term Growth Prospects
	There appears to be a gap in the local supply of soybeans as these products are imported in large quantities.	The health benefits of this product along with the variety of uses of soybeans may ensure that the long-term prospect for this product is quite positive.

	<b>Implementation time</b>	<b>Alignment with policies</b>		
<b>5. Opportunity alignment</b>	Medium-term	Alignment with the Industrial Policy Action Plan (2011/2012 – 2013/20)		

- 6. Key competitive advantages**
- Climatic conditions indicate that there is some potential for soya production within the local municipality
  - Domestic and foreign markets are available for this product

<b>12. Investment Requirements</b>	Anticipated total capital	Anticipated sources
	Needs to be determined	Private investors including small-scale investors, public financing institutions (IDC) and private sector finance institutions.

<b>13. Linkages</b>	Other Initiatives	Support Infrastructure
	Linked to identified export initiatives to SADC countries	<ul style="list-style-type: none"> <li>• Energy, water and sewerage</li> <li>• Telecommunicate network</li> </ul>

<b>14. Contact Details</b>	Initiator	Promoter	Fax no.	Tel no.	E-mail address
	LED unit representative contact details				

<b>15. Opportunity Synopsis</b>	Venture status		Anticipated Capital Requirements		Anticipated Employment Creation		Rating
	x	Scoping		Less than R 1 mil		Less than 5	
		Business Planning	X	R 1.001 – R 10 mil	x	5 – 100	
		Raising of finance		R 10.001 mil – R 50 mil	x	101 – 500	
		Implementation		Above R 50 mil		More than 500	

The promotional tools that can be used to convey the above messages include the following:

- **Introductory brochure:** An introductory brochure will contain the general message regarding the local municipal area. This will assist the potential investor in obtaining an overview of key characteristics of the local municipal area.
- **Business Opportunities portfolio:** The business opportunity profile should provide brief profiles of business opportunities within the Rustenburg LM area. This portfolio can be compiled utilising the ‘business opportunity’ sheets indicated in the preceding pages.

### 8.3. APPROACH TO ATTRACT INVESTOR

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This sub-section discusses the various mediums and tools that can be utilised in order to attract investment to the local municipal area. Accordingly, various mediums can be utilised to market the potential within the municipality. These mediums include but are not limited to the following:

- Brochures
- Conferences etc.
- Direct mail
- Electronic media,
- Internet
- Magazines
- Newsletters
- Newspapers
- Newspapers,
- Outdoor
- Radio
- Radio,
- Telephone
- Television
- Television,
- Trade missions,
- Yellow Pages

The following are however viewed as the key approaches that the local municipality should follow in order to attract investment to the area:

- Host sectoral investor workshops/summits
- Conduct trade mission
- Partnerships with relevant institutions and structures

**Sectoral investor workshops/summits** refer to workshops that are held with investors from a particular sector. For example, given the promotion of manufacturing activities within the local municipal area, a manufacturing investor workshop could be hosted. All identified manufacturing companies who would be willing to establish/relocate the Rustenburg LM would need to be approached. During the workshop, the following should be ensured:

- Allow investors the opportunity to discuss their investment requirements
- Listen to the opportunities and projects that the investors view as viable
- Indicate to the sectoral players the opportunities that have been identified by the local municipality and the areas in which investors can play a role. This can occur by providing them with there business opportunity brochure.

**Inward and outward missions** refer to the participation of the local municipality in various exhibitions, seminars, conferences both locally and abroad in order to attract businesses to the local municipal area and to establish contact with various businesses. This will require support from external marketing institutions such as Invest North West due to the fact that the municipality does not have the sufficient financial capacity to implement these missions on their own.

**Partnerships with various institutions** is another approach which can be considered in order to attract investment to the local municipal area. Partnerships could potentially be established with the following:

- Partnerships with investment structures such as Invest North West (as discussed above),
- Partnerships with municipalities from other countries, and
- Partnerships with foreign investment agencies.

The above approaches relate to marketing the area and making potential investors aware of the local municipality and the opportunities that are available within the municipal area. It could also be possible for the municipality to create a comparative advantage for the local municipality. Whilst the natural resources such as the vast mineral deposits, the scenic nature of the municipal area, the rich culture an history of the area could be described as some of the comparative advantages of the local municipal area, the municipality could also play a role in creating a comparative advantage for the local municipal area by utilising the following tools:

### **Incentives**

Another tool that can be used to attract investors to the local municipal area is the use of incentives. There is however some challenges associated with this type of tools. In particular, most municipalities do not have sufficient funds in order to ensure that the existing mandates are achieved. As such the municipality should consider providing non-financial incentives that could attract businesses towards the local municipal area. This could include regulatory reform as well as ensuring that the approval time for businesses are kept to a minimum. Whilst The municipality may not be directly involved in for example the approval of plans, it could lobby to ensure that the respective department within the municipality fulfills its role within the shortest timeframe possible.

Furthermore, supporting and lobbying for local businesses could also act as incentives for attraction of investment within the local municipal area.

In addition to the above, the following case study has been highlighted to illustrate the approach followed by the Midvaal to attract a large brewery company, Heineken to the Midvaal Local Municipality

The point highlighted by the case study, in that meeting investor needs and ensuring efficient services, is of significant importance and should form the key component of this investment attraction plan. Investors

should feel that any needs will be efficiency dealt with without experiencing any issues of red tape or general inefficiencies.

### **Box 7.1: Case Study on the attraction of investors to municipal areas**

A Business Day article published an article by the major and development analyst of the Midvaal municipality on the approach that needs to be followed for LED and investor attraction. According to the article, it was indicated that Gauteng is not doing the right things in order to allow the province to grow to its potential. It indicates that LED is failing and that the reasons for the failure is that a preference is given to quick win projects that only operate for just a few months. It indicates that real LED in SA only occurs when driven by the private sector.

The Midvaal Municipality works with three commandments. These are get the basics right and working; slash all unnecessary spending on “nice-to- haves”; and keep your town tidy and safe. In addition, its sees its function in LED as:

- Efficient service delivery, driven by capable employees;
- Recirculating the local rand locally, as far as is sensible, by requiring municipal contractors to buy from local suppliers and use local labour;
- Build into performance management targets for municipal staff requirements for the employment of low-skilled and unskilled local labour wherever feasible;
- Procure locally where possible;
- Require banks that wish to do business with the municipality to have at least a branch (not just an ATM) in that municipality, employing people who spend locally and making for business convenience;
- Outsource nonessential services to local small businesses and co-ops; and
- Keep the town a place in which people (and investors) want to live.

Furthermore, according to the article, the quality of local government services can make all the difference in attracting investment. It believes this was the main reason Heineken decided to establish a factory within the local municipal area which is creating 2500 construction jobs, 220 permanent direct jobs, and more than 200 local indirect jobs.

The article indicated that Heineken had the choice of locating next to a metropolitan area, or Midvaal and it chose Midvaal due to the following reasons:

- The Midvaal executive made itself available to the Heineken executive around the clock to deal with any problems. The metro did not.
- The (multiparty) Midvaal council was prepared to delegate to the mayoral committee to meet at 24 hours’ notice at any place convenient to Heineken to resolve urgent concerns. The metro was not.
- Midvaal made sure all the nitty-gritty issues, such as rezoning, were speedily addressed and resolved to deadline, working the system to achieve the outcomes needed. For Midvaal, the priority was the investment, not the convenience of municipal officials or the sanctity of the rule book.
- For Heineken, all it needed from Midvaal in terms of investment support (on which Gauteng spends millions) was accurate data suited to its business’s needs.
- Heineken now has a direct line to the mayor and the municipal manager.
- Midvaal was able to make decisions quickly. The metro demanded three months’ notice and could be overruled by the provincial African National Congress (ANC) leadership. Midvaal, admittedly a smaller municipality needs 24 hours. Midvaal deals with rezoning applications within six months. The metro takes up to three years.

The Midvaal Local Municipality believes that this was the key factors that assisted in ensuring that Heineken establish its factory within the local municipal area.

#### 8.4. CONCLUSION

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To conclude, the purpose of this section was to identify the key approach that should be followed by the local municipality to attract investment to the municipal area and to ensure the implementation of the opportunities that have been identified within this LED Strategy. Based on the preceding sub-sections it should be noted that a key factor to attracting and retaining investment within the local municipal area is to ensure that government provides effective and efficient services and ensures that investors feel like government is willing to meet their needs. In addition, the following are potential avenues that the municipality could consider to attract investment to the local municipal area:

- Compile an introductory brochure
- Compile an opportunity brochure
- Establish a working relationship with Invest North West and other investment promotion agencies
- Post opportunities identified on Invest North West's website
- Conduct sectoral workshops
- Go on trade missions

## SECTION 9: IMPLEMENTATION GUIDELINES

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The purpose of this section is to provide the LED Unit members with an implementation guide that could effectively assist with the implementation of the identified projects. This step is viewed as crucial due to the fact that many LED Strategies have failed during the implementation phase.

As a result this section will cover the following:

- Project categorisation,
- Guidelines to enable LED implementation,
- General guidelines, and
- Application of guidelines per project groupings.

### 9.1. PROJECT CATEGORISATION

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From the opportunity analysis section, the institutional framework section and the investment attraction plan section, a number of potential projects and initiatives have been identified. These projects however require different actions from the LED unit in order to enable the implementation of the identified projects. However, before providing guidelines on the implementation of this project, it is important to understand the nature of these projects. As a result the projects will be categorised into the following groups in order to enable the identification of general implementation guidelines:

- **Private sector projects:** projects that can only be implemented by the private sector. These are purely profit driven projects. Government will not be the ultimate beneficiary of this project but it should play a role in enabling the opportunity to be realised.
- **Public sector projects:** These projects are implemented by the public sector and are projects that will positively improve conditions/environment for all stakeholders.
- **Public Private Partnerships (PPP):** these relates to projects which will be owned by both the public and private sector.

Table 9.1 presents the categorisation of each of the projects identified based on the above guidelines.

**Table 9.1: Classification of identified opportunities for the Rustenburg LM**

Project Categorisation	Identified Projects
Public Private Partnership	Develop breakaway packages
	Expand the Rustenburg Show (attract more than locals)
	Facilitate the establishment of the routes identified by the Rustenburg Spatial Tourism Route and the Bojanala PDM Tourism Master Plan
	Franchising Programme SMME tourism facilities
	Museum (mining and natural science)
	Platinum Visitors Centre
	Resort for middle to low income domestic tourists
	Support for the informal/emerging farmers
	Establish a franchise type retail facility
	Sign a MoU between the RLM & Tribal Authorities
	Establish partnership with Mintek to assist SMME's with innovative uses of existing minerals

Project Categorisation	Identified Projects
Private Sector Projects	Agro-processing of cash crops and vegetables
	Alcoholic liquors
	Aloe, rosemary and lavender production
	Animal fats
	Auto-catalyst and diesel filters
	Bee-keeping
	Broiler outsourcing scheme
	Buttons
	Ceramic tableware, kitchen and bathroom sanitary ware (Lesotho)
	Cheese (Mauritius)
	Cities of the world
	Citrus medication
	Convention centre development
	Cooking appliances (Mauritius)
	Diary outsourcing scheme
	Dried egg yolk
	Essential oil production
	Explosives
	Export Oranges
	Export Poultry
	Export promotion
	Export Spices
	Exporting tobacco in a processed form
	Products of synthetic textile material
	Flavouring extracts
	Further preparation of raw hide can be exported
	Grinding balls for grinding mills, other articles of iron/steel, table kitchen articles off steel (Mauritius, Lesotho, Tanzania & Zambia)
	Hand tools (Mauritius)
	Iron & non-alloy steel primary forms or semi-products (Lesotho & Botswana)
	Juices
	Livestock production (cattle, goats and poultry)
	Locks (Mauritius)
	Manufacture of Solar Photovoltaic Cells
	Manufacture of white goods
	Marula production
Meat (Mauritius)	
Milk powder	
Mineral/chemical fertilisers	
Optical fibres	
Parts of taps, cocks, valves or similar appliances	
Plastic ware	
Production of soya, maize & sunflower	

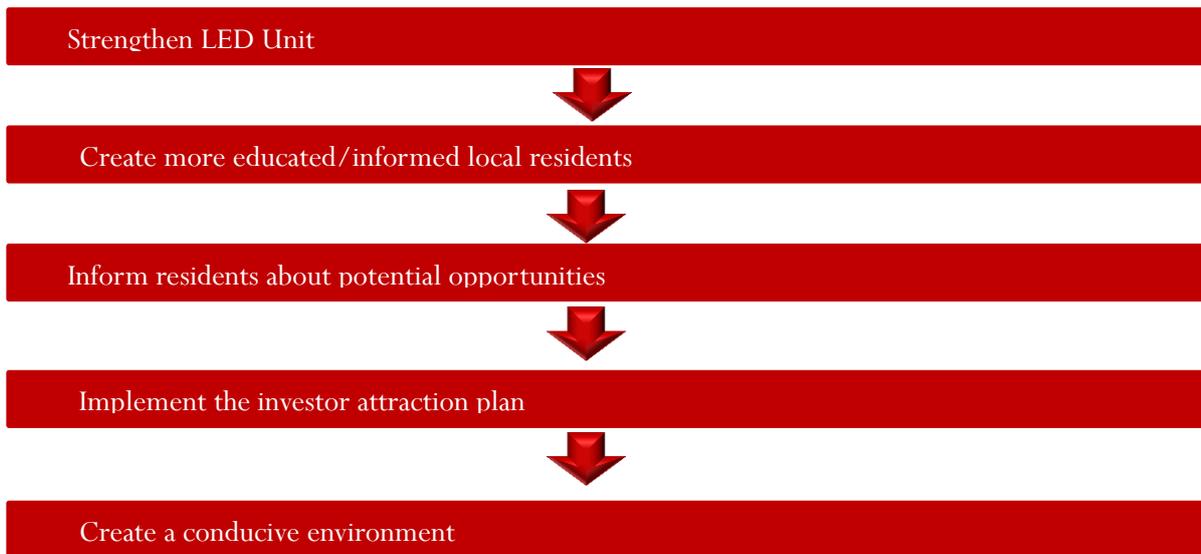
Project Categorisation	Identified Projects
	Rubber surgical gloves & syringes
	Sausages (Mauritius)
	Small-scale production (livestock, vegetables, diary)
	Soya-bean oil (Mauritius, Malawi, Mozambique, Zambia & Botswana)
	Sunflower seed and sunflower oil (Mauritius & Mozambique)
	Table and kitchen ware (Mauritius)
	Television cameras, digital cameras and video camera recorders
	Tobacco (Malawi, Mozambique & Tanzania)
	Tools for drilling, bolts, screws, washers, other articles of steel, screwdriver bits and other interchangeable tools
	Tourism related facilities along the N4
	Transmission apparatus for radio and tv's
	Upgrade and promotion of historical buildings
	Urban agriculture
	Vegetable fats and oils (Tanzania)
	Vegetable fats and oils (Zambia and Tanzania)
	Establishing a stainless steel plant within the district (Rustenburg LM/Madibeng LM)
	Establishment of a tertiary institution/campus
	Mining waste beneficiation (SMME's)
	recycling of waste
	Small-scale mining of construction related minerals
	Solar energy generation
	Establishment of fuel cell producers
	Provide services to the mines
	Balls, iron/steel, forged/stamped and cast for grinding mills that are used by the mining industry in order to extract PGM's.
	Gloves other than surgical, of rubber
	Injection-moulding machines for rubber or plastic
	Metal sawing or cutting-off machines
	Porcelain
	Products of stainless steel (including stainless steel cutlery, pipe fittings, cold rolled stainless steel, flanges, threaded elbows, bends and sleeves, table/kitchen articles, parts, stainless steel)
	Products within the chemicals, plastic and rubber industry
	Tobacco in a processed form
	Tools for working in the hand, pneumatic, hydraulic or with self- contained non-electric motor - with self-contained electric motor
	Vanadium oxides and hydroxides
	Attraction of fuel cell producers
	Imitation jewellery (Maurituis)
	Waste to energy
	Doors, windows & frames (Botswana)
	Large scale broiler production

Project Categorisation	Identified Projects
	Large scale diary production
	Mining tours
	Retail Facilities in rural areas
	Screws & bolts (Maruituis, Zambia & Mozambique)
Public sector	Agricultural support centre
	Assist with grading of facilities
	Information dissemination
	Recreational Park (including a performing arts facility)
	Research and development
	Route Signage
	Create a more informed and educated public
	Decease inefficiency in the labour market
	Establish Platinum Excellence Centre/partnership with existing institutions
	Improve stakeholder access to information
	Increase stakeholder participation
	Marketing and support for smaller mines
	Mind-set change
	Opportunities for greater support from mines due to the review of SLP's
	Resolve challenges related to the mining supply park
	Skills Development Programme
	Use of technology to improve communication between stakeholders
	Encouraging banks to locate within the local municipal area
	Expand Rustenburg Show
	Facilitate increased exports by partnering/establishing relationships with airports
	Facilitate partnership between Impala & Xstrata (wrt business support centre)
	Improve public opinion on the government services
	Improve relationship between RLM & mine
	Increase stakeholder participation
	Investigate Opportunities for free wireless internet in certain hotspots
	Optimise use of stadiums
	Partner with existing CSR initiatives
	Promote arts and culture
SMME Development	
Business Retention and Crime Reduction	
Create awareness regarding existing financial support and criteria that needs to be met and [provide financial education	
Workshop with various stakeholders involved in LED	

## 9.2. GUIDELINES TO ENABLE LED IMPLEMENTATION

In addition to providing guidelines to assist in the implementation of the identified opportunities, this section also provides guidelines on the steps that need to be taken in order to enable the implementation of the identified opportunities. These steps have been informed by the preceding sections and are presented in Figure 9.1 below.

**Diagram 9.1: Enabling LED Implementation**



These steps are the initial actions that would need to be taken. Each of the above mentioned steps are briefly discussed below:

- **Strengthen LED Unit**

This relates to creating a more efficient and effective LED institutional structure. The steps to improving this unit have been highlighted in section 7 of this report and therefore the following would need to be ensured:

- Sign a memorandum of understanding between the local municipality and other support structures
- Implement the project by using social networking sites to communicate more frequently to local stakeholders,
- Restructure the LED unit whilst trying to minimize potential costs in so far as possible
- Amend recruitment policies and practice in order to allow for the identification of the most suitable candidates for the job
- Ensure that the existing LED unit members have the required level and skill to enable them to effectively carry out their stated mandates

- **Create more informed/educated local residents**

Residents within local communities have varied and sometimes misinformed information regarding the functioning of government and particularly local governments' role in LED. It is understood that steps (workshops) had been previously being implemented in order to address this issue. Such steps should continue as it had been indicated that attendance at these workshops was not very high.

- **Inform residents about the potential opportunities**

One of the key factors to ensuring the implementation of the LED Strategy is to ensure that local stakeholders buy-in into the strategy and will look to implement the identified opportunities. As a result these stakeholders would need to be aware of the LED Strategy and the main opportunities identified within the strategy. Furthermore, the local municipality can also be made of the potential opportunities within the local municipality (as indicated by the LED Strategy and other sources) through the compilation of a trade leads brochure.

- **Implement the investor attraction plan**

In addition to informing local residents about the opportunities within the local municipal area, other potential investors from outside the local municipal area would also need to be approached. These investors should be approached in line with the recommendations provided in section 8 of this report.

- **Creation of an enabling environment**

A key requirement in the implementation of the LED Strategy would be to ensure that an enabling environment is created for business development. Many of the public sector projects seek to create this environment.

The provision of basic services is a key element to create an enabling environment. According to the 2010-2011 IDP, a number of challenges have been identified which relate to basic services, these include inter alia, the following:

- Backlogs in the provision of infrastructure, this relates to water and roads,
- Power supply and reliability, and
- Access to basic household and community services.

Whilst the LED unit cannot provide basic services within the local municipal area, as this is not its mandate, it could support and lobby for the provision of basic services. The support that the local municipality can provide would be to identify areas in need of the relevant services/infrastructure through consultations with stakeholders and approach the relevant institution/department to assist in mitigating the problem.

### 9.3. GENERAL GUIDELINES

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This sub-section indicates the general guidelines that are applicable to the opportunities identified. Seven general guidelines have been identified and are illustrated in Figure 9.1 below.

**Figure 9.1 – LED Project Implementation Process**



#### Step 1. Finalisation of project prioritisation and IDP integration

Projects have been prioritised using the project prioritisation model. These prioritised projects need to be confirmed as a high priority project by the local municipality and its stakeholders. Once this step has been conducted the next step would be to integrate the LED Strategy projects into the IDP. This is necessary due to the following:

- Municipal funds can therefore be allocated to some of the projects
- External stakeholders (for example mines) use the IDP to inform their SLP and corporate social responsibility initiatives. If the LED projects are included in the IDP all stakeholders will be working towards a common goal rather than working individually.

## **Step 2. Finalisation of location**

After examining the SDF for the local municipality a spatial allocation/component had been provided for the projects. This assists in indicating the potential location for the projects. This however, does not indicate the exact site in which the projects are to be located. The final identification of the location for the projects should occur by communicating with the spatial planning unit within the municipality and through communication with the local stakeholders.

## **Step 3. Pre-feasibility and feasibility study**

The LED projects have been identified through a number of processes which includes the identification of gaps within the value-chain, improving on existing strengths, working and supporting stakeholder initiatives and so forth. The processes assisted in partially examining the feasibility of the projects, however before the projects are implemented, an in depth analysis of the feasibility of the projects is required. As a result a pre-feasibility and/or a feasibility study will need to be conducted.

A pre-feasibility study is generally required for some of the larger projects identified. The purpose of this study will be to determine if there is a sufficient basis to conduct a feasibility study. A pre-feasibility study should be conducted if there is limited information regarding the projects and if conducting a feasibility study would be too expensive.

On the other hand a feasibility study relates to an in depth analysis of the proposed project. The key objective of a feasibility study is to provide investors with information regarding the viability of the project. It should indicate if the projects anticipated return. This return on investment should be informed by the market demand and supply. The key elements that should be contained within the feasibility study include the following:

- location analysis
- technical processes and requirements
- financial analysis
- ownership
- organisational structure
- risks and opportunities

In summary a feasibility study should provide a detailed analysis of the viability of the project and it should serve as a justification for moving forward with the implementation of the proposed project. This step assist in managing the risks associated with project implementation.

## **Step 4. Identification of partnerships**

This step relates to the identification of partners and beneficiaries who will eventually be solely responsible for the project if it is a private sector project. For example, the municipality may have been involved in conducting research on the viability/feasibility of establishing a stainless steel manufacturing plant within the local municipal area but it would need to identify partners/potential investors who would actually manage the business.

If the project is a public sector project the municipality will establish partnerships with various organisations that could support and enable the development of the project. An example of this would be the development of a skills programme within the local municipality, in which institutions involved in training programmes will be approached. Establishing partnerships for public sector projects will not only increase the resources available to the LED unit, but it would also assist in mitigating the challenges associated with the institutional structure.

### **Step 5. Development of business plans**

In order to enable a clear understanding of the steps that will be involved in the establishment and operation of the business, a business plan needs to be formulated. A business plan is also generally a key requirement for banks and funders and is thus a key document if external funding is required. The business plan should be informed by the feasibility study that may have been compiled. The key elements which should be included in the business plan are the following:

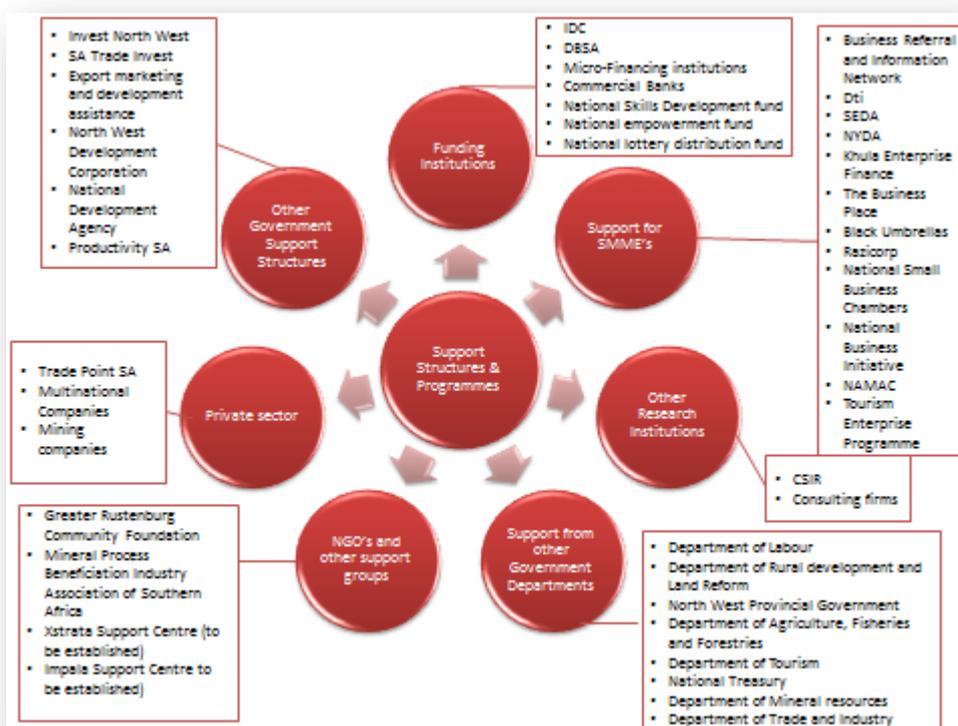
- Description of the Proposed Project
- Background Information about the Location and Beneficiaries
- Market Strategy
- Management and Human Resources
- Operation Plan
- Expected Effect of the Proposed Project
- Strategic Implementation Timeline
- Potential Risks
- Summary
- Monitoring and Evaluation Plan
- Financials

In summary the business plan should serve as the principal source of guidance regarding the implementation of a project and should assist in obtaining the relevant external funds for business development.

### **Step 6. Funding and other support**

One of the pitfalls of most projects is obtaining the necessary funding and support to implement the projects. There are however a number of institutions/structures that could assist with the implementation process. Awareness regarding these institutions is however limited. Figure 9.2 indicates the key institutions that have been identified to support the implementation of the strategy. The applicability of these institutions to each of the identified projects will be indicated in sub-section 9.4.

**Figure 9.2: Support and Funding Institutions for the LED Strategy**



From Figure 9.2 it can be noted that the type of assistance that can be obtained has been distinguished into seven sub-categories. These categories range from support from public institutions to private sector assistance.

Some of the key institutions indicated in Figure 9.3 include the following:

- Development Bank of Sothern Africa (DBSA):** according to the DBSA's website, the DBSA is a development finance institution whose purpose is to accelerate sustainable socio-economic development by funding physical, social and economic infrastructure. This institution can be approached to particularly support the rural development and tourism related development within the local municipal area. The DBSA is also implementing the JOBS FUND on behalf of the national treasury. Thus, this institution could also be approached for many of the other opportunities identified, as the key rationale for identifying many of the opportunities has been their ability to create employment opportunities.
- IDC: the IDC** is a self-financing, national Development Finance Institution (DFI) which seeks to promote economic growth and industrial development in South Africa. The IDC has recently restructured its programme in order to support and assist in ensuring that the New Economic Growth Path and the Industrial Policy Action Plan are implemented. Thus in addition to the usual IDC funding, the IDC is looking to support the particular sector as indicated in the policy section of this report. Given that this LED strategy has been informed by the IPAP and New Economic Growth Path, the municipality and the local businesses have an increased likelihood of obtaining the necessary funding.
- Invest North West:** According to its website, Invest North West is the official Investment Promotion Agency (IPA) for the North West Provincial Government. It is mandated to create employment for the people of the North West Province, through the attraction of new and

sustainable businesses and by the deployment of grant-in-aid funds from public sector and others. Invest North West had approached Urban-Econ during the process of compiling this LED Strategy as they would like to get more involved in supporting the catalytic projects within the various municipal area within the North West province. Thus, support from this institution is likely to be forthcoming.

- **Trade point SA:** According to the Trade Point website, trade point SA which is run by SEDA provides a gateway to global networking and it allows for inter alia, increased participation of small businesses in international trade. It has been determined that Trade Point SA, which assists is to be established within the Rustenburg town. Businesses in the area will be able to tap into new markets through Trade Point SA.

## Step 7. Project handover

During this step all private sector projects should be handed over. However the municipality should still monitor and evaluate the projects (utilising the matrix that will be presented in section 10).

### 9.4. APPLICATION GUIDELINES

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The objective of this sub-section is to provide project implementation guidelines for each project. The guidelines indicated for each project will include indicating the applicability of each of the seven general steps to each of the projects. These project specific guidelines will also indicate the main department within the LED unit who should take responsibility for the projects, the time-frame for which the projects should be implemented and the main stakeholders that should be involved in the implementation of the strategy. In addition, the table is presented according to the thrust to which each project belongs to. These project specific guidelines are presented in a matrix and are presented in Table 9.2.

Table 9.2: Application Matrix

Thrust	Project prioritisation and IDP integration	Location	Pre-feasibility	Feasibility Study	Partnerships	Business plans	Budgeting and funding	Project handover	Responsible Department within LED Unit	Project Categorisation	Time-frame	Financial and other support	
Tourism Development	•Assist with grading of facilities	x	x			x		x		Economic Research and Knowledge Management	Public sector	Short - term	RLM BPDM Tourism Grading Council of South Africa
	•Cities of the world	x	x		x	x	x	x		Enterprise Development	Private sector (with public sector support)	Medium - Long Term	RLM Private sector
	•Convention centre development	x						x	x	Enterprise Development	Private sector (with public sector support)	Short - medium Term	RLM Private sector
	•Develop breakaway packages	x	x			x		x		Economic Research and Knowledge Management	Public Private Partnership	Short – term	RLM Existing tourism facilities Rustenburg Accommodation and Tourism Association BPDM
	•Facilitate the establishment of the routes identified previously	x	x			x	x	x		Enterprise Development	PPP	Short - medium Term	RLM Existing tourism facilities Rustenburg Accommodation and Tourism Association BPDM DBSA IDC
	•Franchising Programme SMME tourism facilities	x	x		x	x	x	x	x	Economic Research and Knowledge Management	PPP	medium Term	RLM SEDA IDC DBSA Private Sector Local SMME's
	•Museum (mining and natural science)				x	x	x	x	x	Enterprise Development	PPP	medium Term	

Thrust	Project prioritisation and IDP integration	Location	Pre-feasibility	Feasibility Study	Partnerships	Business plans	Budgeting and funding	Project handover	Responsible Department within LED Unit	Project Categorisation	Time-frame	Financial and other support
•Platinum Visitors Centre	x	x			x	x	x	x	Enterprise Development	PPP	medium Term	BPDM RLM IDC DBSA Private sector
•Recreational Park (including a performing arts facility)	x	x		x	x	x	x	x	Enterprise Development	Public sector	medium Term	RLM
•Resort for middle to low income domestic tourists	x	x		x	x	x	x	x	Enterprise Development	PPP	Short - medium Term	Department of Tourism RLM Private sector
•Route Signage	x	x			x	X	X		Economic Research and Knowledge Management	Public sector	Short - term	RLM BPDM
•Tourism related facilities along the N4	x	x		x	x	x	x	x	Enterprise Development	Private sector (with public sector support)	medium Term	Private Sector
•Upgrade and promotion of historical buildings	x	x		x	x	x	x	x	Enterprise Development	Private sector (with public sector support)	Short - medium Term	RLM South African Heritage Resource Agency Private sector
Expand Rustenburg Show	x				x	x	x		Enterprise Development	Private sector (with public sector support)	Short - term	RLM BPDM Private sector
Mining tours	x	x		x	x	x	x	x	Enterprise Development	PPP	Short - medium Term	RLM Mining Houses Local communities
Optimise use of stadiums	x			x	x	x	x	x	Enterprise Development	Private sector (with public sector support)	Short - term	RLM Stadium Management Sports clubs (provincial rugby/soccer teams)
Promote arts and culture	x	x		x	x	x	x	x	Enterprise Development	Private sector (with public	Short - medium Term	Departments of Arts and Culture RLM

Thrust	Project prioritisation and IDP integration	Location	Pre-feasibility	Feasibility Study	Partnerships	Business plans	Budgeting and funding	Project handover	Responsible Department within LED Unit	Project Categorisation	Time-frame	Financial and other support	
										sector support)		Local Communities	
Development of the Industrial Sector	Establishing a stainless steel plant within the district	x	x		x	x	x	x	Trade and Investment	Private sector (with public sector support)	Medium - Long Term	IDC RLM DMR BPDM Mineral Process Beneficiation Industry Association of South Africa	
	Manufacture of white goods	x	x		x	x	x	x	Trade and Investment	Private sector (with public sector support)	Medium Term	IDC RLM	
	Manufacture of Solar Photovoltaic Cells	x	x		x	x	x	x	Trade and Investment	Private sector (with public sector support)	Short - Medium Term	RLM DTI IDC Sustainable Energy Society of Southern Africa	
	Auto-catalyst and diesel filters	x	x		x	x	x	x	Trade and Investment	Private sector (with public sector support)	Short - Medium Term	Dti IDC RLM BPDM Mineral Process Beneficiation Industry Association of South Africa Private sector	
	Establishment of fuel cell manufacturers	x	x			x	x	x	Trade and Investment	Private sector (with public sector support)	Short - Medium Term	INW HySA Mining houses RLM Private sector	
	<b>Agro-processing</b>	<b>x</b>	<b>x</b>		<b>x</b>	<b>x</b>	<b>x</b>	<b>x</b>	<b>x</b>				
	· Flavouring extracts								Trade and Investment	Private sector (with public	Short - term	North West Department of Agriculture Department of Agriculture, Fisheries and	

Thrust	Project prioritisation and IDP integration	Location	Pre-feasibility	Feasibility Study	Partnerships	Business plans	Budgeting and funding	Project handover	Responsible Department within LED Unit	Project Categorisation	Time-frame	Financial and other support	
<ul style="list-style-type: none"> <li>· Products within the chemicals, plastic and rubber industry</li> <li>· Animal fats</li> <li>· Cash crops</li> <li>· Essential oils</li> <li>· Citrus medication</li> <li><b>General increase in exports</b></li> <li>· Further preparation of raw hide</li> <li>· tobacco in a processed form</li> <li>· Alcoholic liquors</li> <li>· Juices</li> <li>· Dried egg yolk</li> </ul>										sector support)		Forestry's RLM BPDM Private sector	
	Trade and Investment	Private sector (with public sector support)	Medium - term										
	Trade and Investment	Private sector (with public sector support)	Short - term										
	Trade and Investment	Private sector (with public sector support)	Short – term										
	Trade and Investment	Private sector (with public sector support)	Short – term										
	Trade and Investment	Private sector (with public sector support)	Short – term										
													Trade Point SA DTI Export Marketing and Development Assistance RLM BPDM Private sector
	Trade and Investment	Private sector (with public sector support)	Short - term										
	Enterprise Development	Private sector (with public sector support)	Short - term										
	Trade and Investment	Private sector (with public sector support)	Short - term										
	Trade and Investment	Private sector (with public sector support)	Short - term										
	Trade and Investment	Private sector (with public sector support)	Short - term										
	Trade and Investment	Private sector (with public sector support)	Short - term										

Thrust	Project prioritisation and IDP integration	Location	Pre-feasibility	Feasibility Study	Partnerships	Business plans	Budgeting and funding	Project handover	Responsible Department within LED Unit	Project Categorisation	Time-frame	Financial and other support
									Investment	(with public sector support)		
<b>Import substitution</b>	X	x	x	x	x	x	X	x				IDC Commercial Banks Private sector RLM BPDM
· Balls, iron/steel, forged/stamped and cast for grinding mills that are used by the mining industry in order to extract PGM's.									Trade and Investment	Private sector (with public sector support)	Medium-term	
· Buttons									Trade and Investment	Private sector (with public sector support)	Short – term	
· Plastic ware									Trade and Investment	Private sector (with public sector support)	Short-term	
· Optical fibres, except for telecommunications									Trade and Investment	Private sector (with public sector support)	Long-term	
· Porcelain									Trade and Investment	Private sector (with public sector support)	Short-term	
· Products of stainless steel (including stainless steel cutlery, pipe fittings, cold rolled stainless steel, flanges, threaded elbows, bends and sleeves, table/kitchen articles, parts, stainless steel)									Trade and Investment	Private sector (with public sector support)	Medium Term	
· Television cameras, digital cameras and video camera recorders									Trade and Investment	Private sector (with public sector support)	Medium Term	
· Tools for drilling, bolts,									Trade and	Private sector	Short - Medium	

Thrust	Project prioritisation and IDP integration	Location	Pre-feasibility	Feasibility Study	Partnerships	Business plans	Budgeting and funding	Project handover	Responsible Department within LED Unit	Project Categorisation	Time-frame	Financial and other support
screws, washers, other articles of steel, screwdriver bits and other interchangeable tools									Investment	(with public sector support)	Term	
· Tools for working in the hand, pneumatic, hydraulic or with self- contained non-electric motor - with self-contained electric motor									Trade and Investment	Private sector (with public sector support)	Medium-term	
· Products of synthetic textile material									Trade and Investment	Private sector (with public sector support)	Short – term	
· Rubber surgical gloves & syringes									Trade and Investment	Private sector (with public sector support)	Short-term	
· Transmission apparatus for radio & TV's									Trade and Investment	Private sector (with public sector support)	Medium Term	
· Parts of taps, cocks, valves or similar appliances									Trade and Investment	Private sector (with public sector support)	Short - Medium Term	
· Gloves other than surgical, of rubber									Trade and Investment	Private sector (with public sector support)	Short - term	
· Vanadium oxides and hydroxides									Trade and Investment	Private sector (with public sector support)	Medium-long term	
· Injection-moulding machines for rubber or plastic									Trade and Investment	Private sector (with public sector support)	Medium-long term	
· Metal sawing or cutting-off machines									Trade and Investment	Private sector (with public sector support)	Medium-long term	

Thrust	Project prioritisation and IDP integration	Location	Pre-feasibility	Feasibility Study	Partnerships	Business plans	Budgeting and funding	Project handover	Responsible Department within LED Unit	Project Categorisation	Time-frame	Financial and other support
										sector support)		
Agricultural Revitalisation and Development	Agricultural support centre	x	x			x	x		Economic Research and Knowledge Management	Public sector	Short - Medium Term	RLM BPDM DBSA
	Aloe, rosemary and lavender production	x	x		X	X	X	X	Enterprise Development	Private sector (with public sector support)	Short - term	RLM BPDM
	Bee-keeping	x	x		x	x	x	x	Enterprise Development	Private sector (with public sector support)	Short - term	RLM SEDA
	Broiler outsourcing scheme	x				x	x	x	Trade and Investment	Private sector (with public sector support)	Short - term	RLM Rainbow Chickens North West Department of Agriculture
	Diary outsourcing scheme	x	x			x	x	x	Economic Research and Knowledge Management	Private sector (with public sector support)	Short - term	RLM North West Department of Agriculture Smiths Dairy
	Information dissemination	x	x			x		x	Economic Research and Knowledge Management	Public sector	Short - term	RLM Local radio stations
	Livestock production (cattle, goats and poultry)	x	x			x	x	x	Enterprise Development	Private sector (with public sector support)	Short - term	RLM BPDM
	Marula production	x	x			x	x	x	Enterprise Development	Private sector (with public sector support)	Short - term	
	Production of soya, maize & sunflower	x				x	x	x	Enterprise Development	Private sector (with public sector support)	Short - Medium Term	RLM AGIS

Thrust	Project prioritisation and IDP integration	Location	Pre-feasibility	Feasibility Study	Partnerships	Business plans	Budgeting and funding	Project handover	Responsible Department within LED Unit	Project Categorisation	Time-frame	Financial and other support
	Research and development	x	x		x				Economic Research and Knowledge Management	Public sector	Short - term	ARC AGIS North West Department of Agriculture North West University
	Small-scale production (livestock, vegetables, diary)	x	x				x	x	Enterprise Development	Private sector (with public sector support)	Short - term	RLM
	Urban agriculture	x	x		x	x	x	x	Enterprise Development	Private sector (with public sector support)	Short - term	RLM
	Large scale diary production	x	x		x	x	x	x	Enterprise Development	Private sector (with public sector support)	Medium-term	RLM North West Department of Agriculture BPDM
	Large scale broiler production	x	x		x	x	x	x	Enterprise Development	Private sector (with public sector support)	Medium-term	RLM North West Department of Agriculture BPDM
Explore New Market Opportunities	<b>Agricultural related products to new markets:</b>	x	x		x	x	x	x				IDC RLM Trade Point SA North West Department of Agriculture Dti Export Marketing and Development Assistance Private sector
	Spices (Botswana)								Enterprise Development	Private sector (with public sector support)	Short - term	
	Poultry (Lesotho)								Enterprise Development	Private sector (with public sector support)	Short - term	

Thrust		Project prioritisation and IDP integration	Location	Pre-feasibility	Feasibility Study	Partnerships	Business plans	Budgeting and funding	Project handover	Responsible Department within LED Unit	Project Categorisation	Time-frame	Financial and other support
	Oranges (Zambia & Lesotho)									Enterprise Development	Private sector (with public sector support)	Short - term	SMME's
	Citrus fruit & vegetables									Enterprise Development	Private sector (with public sector support)	Short - term	
	Tobacco (Malawi, Mozambique & Tanzania)									Enterprise Development	Private sector (with public sector support)	Short - term	
	Soya-bean oil (Mauritius, Malawi, Mozambique, Zambia & Botswana)									Trade and Investment	Private sector (with public sector support)	Short - term	
	Cheese (Mauritius)									Trade and Investment	Private sector (with public sector support)	Short - term	
	Meat (Mauritius)									Enterprise Development	Private sector (with public sector support)	Short - term	
	Vegetable fats and oils (Zambia and Tanzania)									Trade and Investment	Private sector (with public sector support)	Short - term	
	Sunflower seed and sunflower oil (Mauritius & Mozambique)									Trade and Investment	Private sector (with public sector support)	Short - term	
	Sausages (Mauritius)									Enterprise Development	Private sector (with public sector support)	Short - term	
	<b>Non-agricultural export opportunities:</b>	x	x		x	x	x	x	X				
	Hand tools (Mauritius)									Trade and Investment	Private sector (with public	Short - Medium Term	

Thrust		Project prioritisation and IDP integration	Location	Pre-feasibility	Feasibility Study	Partnerships	Business plans	Budgeting and funding	Project handover	Responsible Department within LED Unit	Project Categorisation	Time-frame	Financial and other support
											sector support)		Export Marketing and Development Assistance Private sector SMME's
	Iron & non-alloy steel primary forms or semi-products (Lesotho & Botswana)									Trade and Investment	Private sector (with public sector support)	Short - Medium Term	
	Grinding balls for grinding mills, other articles of iron/steel, table kitchen articles off steel (Mauritius, Lesotho, Tanzania & Zambia)									Trade and Investment	Private sector (with public sector support)	Short - Medium Term	
	Ceramic tableware, kitchen and bathroom sanitary ware (Lesotho, Mauritius)									Trade and Investment	Private sector (with public sector support)	Short - term	
	Cooking appliances (Mauritius)									Trade and Investment	Private sector (with public sector support)	Medium - Long Term	
	Locks (Mauritius)									Enterprise Development	Private sector (with public sector support)	Short - term	
	Screws & bolts (Mauritius, Zambia & Mozambique)									Trade and Investment	Private sector (with public sector support)	Short - term	
	Doors, windows & frames (Botswana)									Trade and Investment	Private sector (with public sector support)	Short - Medium Term	
	Imitation jewellery (Mauritius)									Trade and Investment	Private sector (with public sector support)	Short - term	
Opti	Establish Platinum Excellence Centre/Partnership with existing institutions	x				x		x		Economic Research and Knowledge	Public sector	Short - term	

Thrust	Project prioritisation and IDP integration	Location	Pre-feasibility	Feasibility Study	Partnerships	Business plans	Budgeting and funding	Project handover	Responsible Department within LED Unit	Project Categorisation	Time-frame	Financial and other support
									Management			RLM
	Opportunities for greater support from mines due to the review of SLP's	x			x				Trade and Investment	Public sector	Short - term	Mining houses RLM DMR
	Resolve challenges related to the mining supply park	x			x		x		Economic Research and Knowledge Management	Public sector	Short - term	Mining houses RLM
	Small-scale mining of construction related minerals	x		x	x	x	x	x	Enterprise Development	Private sector (with public sector support)	Short - Medium Term	DMR RLM
Ensure Sustainable development	Mining waste beneficiation (SMME's)	x	x	x	x	x	x	x	Enterprise Development	Private sector (with public sector support)	Short - term	RLM BPDM Private sector SMME's
	Recycling of waste	x		x	x	x	x		Enterprise Development	Private sector (with public sector support)	Short - term	RLM SMME's
	Solar energy generation	x		x	x	x	x		Enterprise Development	Private sector (with public sector support)	Short - Medium Term	Department of Energy Invest North West NERSA RLM
	Waste to energy generation				x				Enterprise Development	PPP	Short - Medium Term	Moses Kotane LM RLM Invest North West

Thrust	Project prioritisation and IDP integration	Location	Pre-feasibility	Feasibility Study	Partnerships	Business plans	Budgeting and funding	Project handover	Responsible Department within LED Unit	Project Categorisation	Time-frame	Financial and other support
												NERSA Department Of Energy
Supporting and promoting economic development	Create a more informed and educated public	x	x		x		x		Economic Research and Knowledge Management	Public sector	Short - term	RLM
	Decrease inefficiency in the labour market	x	x		x		x		Economic Research and Knowledge Management	Public sector	Short - term	RLM
	Establish a franchise type retail facility	x	x		x	x	x	x	Economic Research and Knowledge Management	PPP	Short - Medium Term	RLM SEDA
	Establish partnership with Mintek to assist SMME's with innovative uses of existing minerals	x	x		x		x		Economic Research and Knowledge Management	PPP	Short - term	Mintek RLM
	Establishment of a tertiary institution/campus	x			x				Economic Research and Knowledge Management	Private sector (with public sector support)	Short - Medium Term	RLM
	Improve stakeholder access to information	x	x		x	x			Economic Research and Knowledge Management	Public sector	Short - term	RLM
	Increase stakeholder participation	x			x		x		Economic Research and Knowledge Management	Public sector	Short - term	RLM
	Marketing and support for	x			x		x		Economic	Public sector	Short - term	RLM

Thrust	Project prioritisation and IDP integration	Location	Pre-feasibility	Feasibility Study	Partnerships	Business plans	Budgeting and funding	Project handover	Responsible Department within LED Unit	Project Categorisation	Time-frame	Financial and other support
smaller businesses, mines etc									Research and Knowledge Management			
Mindset change	x	x			x		x		Economic Research and Knowledge Management	Public sector	Short - term	RLM
Skills Development Programme	x			x	x	x	x	x	Economic Research and Knowledge Management	Public sector	Short - term	Skills Development Fund Respective Seta's RLM Productivity SA
Use of technology to improve communication between stakeholders	x				x				Economic Research and Knowledge Management	Public sector	Short - term	RLM Social Networking Sites Local stakeholders
Sign a MoU between the RLM & Tribal Authorities	x				x				Economic Research and Knowledge Management	Public sector	Short - term	Tribal authorities RLM
Facilitate partnership between Impala & Xstrata (wrt business support centre)	x				x				Economic Research and Knowledge Management	Public sector	Short - term	RLM Xstrata Impala
Improve relationship between RLM & mine	x				x				Economic Research and Knowledge Management	Public sector	Short - term	Mining houses RLM
Business Retention and Crime Reduction	x				x	x	x		Economic Research and Knowledge Management	Public sector	Short - term	RLM Local stakeholders

Thrust	Project prioritisation and IDP integration	Location	Pre-feasibility	Feasibility Study	Partnerships	Business plans	Budgeting and funding	Project handover	Responsible Department within LED Unit	Project Categorisation	Time-frame	Financial and other support
									Management			
Retail Facilities in rural areas	x	x							Enterprise Development	Private sector (with public sector support)	Short-term	
SMME Development	x	x			x				Enterprise Development	Private sector (with public sector support)	Short-term	Business support centres RLM
Investigate Opportunities for free wireless internet in certain hotspots	x			x	x	x	x		Economic Research and Knowledge Management	Public sector	Short – term	Internet service providers RLM
Facilitate increased exports by partnering/establishing relationships with airports	x				x				Economic Research and Knowledge Management	Public sector	Short – term	Pilanesberg Airport Lanseria Airport RLM
Create awareness regarding existing financial support and criteria that needs to be met	x				x		x		Economic Research and Knowledge Management	Public sector	Short – term	Local financial institutions RLM
Encouraging banks to locate within the local municipal area	x	x			x	x	x		Economic Research and Knowledge Management	Public sector	Short – term	Banks RLM
Provide services to the mines	x	x		x	x	x	x	x	Enterprise Development	Private sector	Short – medium term	RLM Private sector
Partner with existing CSR initiatives	x				x	x	x		Economic Research and Knowledge Management	Public sector	Short - term	Large businesses RLM

Thrust	Project prioritisation and IDP integration	Location	Pre-feasibility	Feasibility Study	Partnerships	Business plans	Budgeting and funding	Project handover	Responsible Department within LED Unit	Project Categorisation	Time-frame	Financial and other support
Improve public opinion on the government services	x				x	x	x		Economic Research and Knowledge Management	Public sector	Short - term	Partnerships with other departments within the RLM
Workshop with various stakeholders involved in LED	x				x		x		Economic Research and Knowledge Management	Public sector	Short - term	All stakeholders involved in LED. This includes: - private sector (including mining houses and other big companies) - public sector - local communities - business and other associations - tribal authorities etc
Amend current procurement policy	x						x		Economic Research and Knowledge Management	Public sector	Short - term	Local businesses
Create awareness regarding opportunities from the Bus Integrated Rapid Transit System	x				x				Economic Research and Knowledge Management	Public sector	Short - term	Local stakeholders (local businesses and communities)

Observations from Table 9.2:

- Limited number of steps have been identified for assisting with the grading of the tourism facilities project as the local municipality will need to facilitate the grading of the facilities by partnering with the Tourism Grading School of South Africa.
- Significant progress has been made in terms of the convention centre development within the LM.
- The municipality needs to support the development of a tourism breakaway package by facilitating partnerships between the different tourism businesses. This will assist in increasing the amount of money spent by tourists within the municipal and surrounding areas.
- The key to further developing the existing Rustenburg Show is to ensure that all stakeholders work together in order to create a larger and well attended show.
- An important step related to the implementation of a Franchising Programme for SMME tourism facilities is to investigate and design a franchise type model that can be used in order to increase the sustainability of businesses.
- A feasibility study has already been conducted for the Platinum Visitors Centre and thus the project matrix indicated in Table 9.2 has not identified the compilation of a feasibility study as one of the steps that need to be implemented in order to implement this project.
- For the establishment of the tourism signage project it is important to communicate to all relevant stakeholders in order to ensure that all necessary signage is placed. This would be done through step 4 (identification of partnerships step). The other steps also identified to implement this project also included the compilation of a business plan as it will assist in indicating the process to follow in implementing the road signage project.
- The manufacturing of Photovoltaic Cells is a potential opportunity which should be promoted and facilitated given the fact that solar energy generation is being promoted in the development of the renewable energy generation industry in South Africa.
- The Bojanala PDM has been proactive about the implementation of the LED Strategy as it has already begun the process to apply funding from the IDC to conduct a feasibility study on the establishment of a stainless steel within the Rustenburg LM.
- Various import substitution initiatives such as the production of buttons have been identified as a potential opportunity. According to the application matrix, it is indicated that the main role that the local municipality could play in these projects would be to support the development of this project. This is also the case for increasing exports in general and exports to SADC members. Given the fact that limited export activities occur for the products identified, it is recommended that the LM further investigate the identified potential (by conducting a feasibility study on all export opportunities identified) and determine the key approach that can be followed to promote exporting from the local municipal area.
- A possible initiative which the local municipality could consider is to conduct further research on the exports opportunities indicated within the LED Strategy and to also investigate further the import substitution initiatives. This is recommended as each of the identified projects requires further investigation.
- As a feasibility study for the agricultural support centre is already being conducted by the Bojanala PDM the main step that would need to be taken for this project would be to compile a business plan and obtaining funding to operate this centre.
- The key to broiler outsourcing initiative is to create linkages with the existing businesses within the local municipal area

- Only the establishment of partnerships and the provision of funding are required in order to implement the information dissemination project. The municipality would only need to source information and communicate this information to local stakeholders using easily accessible mediums such as radio.
- The implementation of livestock farming could involve the establishment of co-operatives as it will enable greater sharing of resources and information.
- Based on the review of the AGIS data, specific locations within the Rustenburg LM has been identified for the production of soya, maize and sunflower. Thus the finalisation of the location for this project has been omitted
- The main step involved in the agricultural research and development project is to establish partnerships with existing research institutions such as the ARC, North West University and so forth in order to obtain information that would assist in the development of the local economy.
- Similar to the concept of developing franchise related facilities for tourism development, the development of retail facilities utilising the franchise model is also suggested. Thus a feasibility study should be conducted examining franchise models and its applicability to various economic sectors.
- From the application matrix it can be determined that generally the public sector projects require a relative smaller number of actions/steps. This is due to the nature of the public sector projects identified.

#### 9.5. CONCLUSION

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The purpose of this section was to provide a detailed implementation guideline that will ensure the realisation of this LED Strategy. As such the type of action that would need to be followed, the institutions that would be approached, the anticipated timeframe for the identified opportunity, the main persons that should take responsibility within the LED unit were amongst the guidelines that have been provided in this section for each of the projects.

It is thus believed that this section provides key information that will allow for the implementation of the LED Strategy.

## SECTION 10: MONITORING AND EVALUATION

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The purpose of this section is to provide a monitoring and evaluation framework which will assist the local municipality to monitor the impact of the LED Strategy.

A monitoring and evaluation framework is an important tool as it assists in determining inter alia, the following:

- The degree to which the LED Strategy has met its intended goals and objectives,
- Enable the local municipality to make informed decisions in future through learning key lessons from the monitoring and evaluation framework,
- Assist the municipality to take the necessary actions (either to mitigate challenges or to increase impact of successful projects), and
- Increase transparency and accountability.

The monitoring and evaluation system compiled for the Rustenburg LM LED Strategy has been developed to provide a holistic view of the LED Strategy instead of providing a framework that assists with the monitoring and evaluation of each individual project. This is due to the fact that the monitoring and evaluation of each individual project would be too costly and time consuming.

The process followed in compiling the monitoring and evaluation framework will be discussed in the subsection to follow after which the monitoring and evaluation matrix will be examined.

### 10.1. IDENTIFICATION OF MONITORING AND EVALUATION INDICATORS

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In order to provide a holistic view of the LED Strategy, the monitoring and evaluation framework was developed utilising the thrust as identified in section 6 of the report. These thrusts are referred to as indices within the Monitoring and Evaluation Framework and are as follows:

- Agricultural Revitalization and Development Index
- Develop the Industrial Sector Index
- Ensure Sustainable Development Index
- Explore New Market Opportunities Index
- Optimise Linkages and Benefits From Local Businesses Index
- Supporting and Promoting Economic Development Index
- Tourism Development Index

In order to measure the impact on each index, a number of associated proxies needed to be identified. These are discussed below:

#### ○ **Agricultural Revitalisation and Development Index**

The purpose of this index is to ensure the revival of the agricultural sector within the Rustenburg Local Municipality and to potentially grow new products within the local municipal area. As such, the following proxies have been identified to measure the impact of the initiatives identified for this thrust:

- Agricultural GGP
- Agricultural employment
- Number of farmers
- Number of agricultural land within the municipality converted to other land use types

#### ○ **Explore New Market Opportunities Index**

The aim of this thrust is to develop the local economy by exploring new market potential. This particularly relates to increasing exports of some of the main products demanded by SADC members. In addition, it also explores opportunities for increased domestic production by substituting imports into the district. The following proxies have been identified to measure this thrust:

- Total value of exports (excluding mining related exports)
- Total value of imports into the district municipality

#### ○ **Develop the Industrial Sector Index**

The manufacturing sector within the Rustenburg LM has not been developed to its full potential. As a result a number of projects have been identified in order to support the development of this sector. The key proxies that can assist in the development of this thrust are:

- Manufacturing GGP for the local municipality
- Manufacturing Employment within the local municipality
- Number of factories/industrial activities within the local municipal area

#### ○ **Ensure Sustainable Development Index**

The key to this thrust is to ensure that the local economy develops in a sustainable manner. This relates to ensuring limited damage to the environment and improving the current processes followed in obtaining resources. Some of the projects identified which relates to this thrust include the use of solar power to generate electricity, the utilisation of mining waste to produce various products and so forth. The identified proxies for these thrusts are:

- Utilities sector GGP
- Utilities sector employment
- Number of recycling initiatives
- Number of jobs created through recycling initiatives

#### ○ **Optimise Linkages and Benefits from Local Businesses Index**

The purpose of this thrust is to ensure that local stakeholders take advantage of the fact that a number of large businesses are located within the local municipal area. This relates to provided services to the mines, manufacturing products by some of the larger businesses, retailing of the products required by the mines and so forth. As such the following proxies have been identified:

- Number of LED projects implemented by the mines
- Percentage procured from local businesses

#### ○ **Tourism Development Index**

The purpose of this thrust is to develop the tourism sector. This includes taking advantage of the rich cultural and historical aspects that relate to the local municipal area. The proxies identified to monitor this thrust are:

- Number of accommodation facilities
- Number of points of interest
- GGP for the catering and accommodation sector
- Employment for the catering and accommodation Sector

#### ○ **Supporting and Promoting Economic Development Index**

In order to increase efficiencies within the local municipal area, it is recommended that increased use of technology be promoted within the local municipal area. Key projects to increase the use of technology within the local municipal area include utilising social networking sites to communicate with internal and external stakeholders. The key proxies that can assist in examining the impact of this thrust are:

- GGP for the transport, communication and storage
- Employment for transport, communication and storage
- Number of stakeholders that participate within the social networking project

In addition to the indexes that have been identified for each thrust, an index has also been provided in order to review the entire LED Strategy. This index is indicated below:

#### **LED Implementation Index**

The key proxies for the **LED Implementation Index** are:

- Number of projects successfully implemented
- Number of permanent jobs created
- Number of indirect jobs created
- Number of persons with increased levels of skill

The next sub-section examines the matrix that will utilise the indices identified above.

### 10.2. MONITORING AND EVALUATION MATRIX

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Table 10.1 presents the Matrix that should be used in order to monitor and evaluate the LED Strategy.

This matrix lists all the indicators identified (indicators identified from the thrusts and the LED implementation indicators) and the respective proxies in the first two columns. The remaining columns are not filled and only indicate various time periods. These columns are left blank in order to allow the LED unit officials to populate the matrix with the respective data for each year. This will enable the LED Unit member to examine changes over time that may have occurred as a result of implementing the LED Strategy. It is important to remember that 'real' data should be included in the matrix and not 'nominal' data so that inflation does not misconstrue the real changes occurring within the municipality.

**Table 10.1: Monitoring and Evaluation Matrix**

INDEX	PROXY INDICATORS	BASELINE (2010)	2011/2012	2012/2013	2013/2014	2014/2015
Agricultural Revitalisation and Development Index	Agricultural GGP					
	Agricultural employment					
	Number of farmers					
	Number of agricultural land within the municipality converted to other land use types					
Explore New Market Opportunities Index	Total value of exports (excluding mining related exports)					
	Total value of imports into the district municipality					
Develop the Industrial Sector Index	Manufacturing GGP for the local municipality					
	Manufacturing Employment within the local municipality					
	Number of factories/industrial activities within the local municipal area					
Ensure Sustainable Development Index	Utilities sector GGP					
	Utilities sector employment					
	Number of recycling initiatives					
	Number of jobs created through recycling initiatives					
Benefits from Local Businesses Index	Number of LED projects implemented by the mines					
	% procured from local businesses					
Tourism Development Index	Number of accommodation facilities					
	Number of points of interest					

INDEX	PROXY INDICATORS	BASELINE (2010)	2011/2012	2012/2013	2013/2014	2014/2015
	GGP for the Catering and Accommodation sector					
	Employment for the Catering and Accommodation Sector					
Supporting and Promoting Economic Development Index	GGP for the transport, communication and storage					
	Employment for transport, communication and storage					
	Number stakeholders that participate within the social networking project					
LED Implementation Index	Number of projects successfully implemented					
	Number of permanent jobs created					
	Number of indirect jobs created					
	Number of persons classified as skilled or highly skilled					

### 10.3. CONCLUSION

This section provided a monitoring and evaluation framework that can easily be utilised by the LED official within the local municipality in order to ensure that the intended outcomes are achieved in implementing the LED Strategy. The framework compiled can easily be populated, thus making it an inexpensive approach to monitor the LED Strategy. Furthermore, the framework has been informed by the opportunities identified thus ensuring monitoring and evaluation framework specifically focuses on LED initiatives implemented through the strategy.

This section thus provided the local municipality with the relevant tools which can enhance the accountability and transparency of the LED unit but most importantly it provides the municipality with key information to enable informed decision making.

In concluding this LED Strategy, the Rustenburg LM has been described as one of the fastest growing cities in Africa. This local municipal area has grown rapidly due to the high volumes of mineral deposits found

within the local municipal area. The urban areas within the municipal area also contain a number of trade and other activities to support the mining operations and the high population levels. The local municipality does however face a number of challenges. This includes the national challenge of high levels of unemployment and the associated poor socio-economic characteristics. The undiversified economy is also a potentially significant challenge that could negatively affect the local municipal residents in future periods.

The Rustenburg LM however has the potential to grow from just a mining town. This strategy aimed to identify the approach that can be followed in order to do this. The strategy acknowledges the importance of the mining sector and has thus identified a number of opportunities to optimize the benefits from this sector, this includes providing services to the mines, establishing a stainless steel manufacturing plant and increasing the support obtained from the mines. Besides optimizing on the mining strength, the LED strategy also aimed to take advantage of new opportunities within South Africa which included manufacturing of solar technology products. The strategy was also informed by various policy these included the production of white goods and soya bean production. In addition, the new economic growth path also recommends increased trade with SADC countries and thus the main imports by these countries were identified as potential opportunities for the local municipal area.

As a result a number of opportunities from a variety of sectors have been identified which could ensure the growth of the local economy. These opportunities will only be realised through effective support from the Rustenburg LM LED unit. The municipality would thus need to play a supportive role by increasing access to markets, increasing access to information, assisting businesses to access finance, providing a conducive environment, attracting investment to the local municipality and so forth. A number of projects such as increasing the use of technology to communicate with local stakeholders are amongst the projects that have been identified which could enable the LED unit to play the supportive role it requires.

Lastly, there are a number of supporting institutions which the municipality can partner with in order to effectively implement the LED Strategy.

## ANNEXURE A – PROJECT PRIORITISATION MODEL

Project	Prioritisation criteria												Project Evaluation			Total value	
	Increased investment	Responsible implementation or Corporate Social Responsibility	Increased employment	Improve skills	Build a green economy	Strategic Importance	Increase local procurement	BEE / Capacity Building	SMME Development	Potential Anchor	Diversify Local Economy	Increase service delivery (including health and safety)	Sustainability	Total Low impact	Total Medium Impact		Total High Impact
Agricultural support centre	1	1	1	2	1	2	1	2	2	1	1	1	1	7	4	0	38
Agro-processing of cash crops and vegetables	1	1	2	2	1	1	1	2	2	1	2	1	1	6	5	0	42
Alcoholic liquors	1	1	2	2	1	1	1	2	2	1	2	1	1	6	5	0	42
Aloe, rosemary and lavender production	2	1	2	2	1	1	1	2	2	1	2	1	2	5	6	0	46
Animal fats	1	1	2	2	1	1	1	2	2	1	2	1	1	6	5	0	42
Assist with grading of facilities	1	1	1	1	1	1	2	1	2	1	1	1	1	9	2	0	30
Attraction of fuel cell producers	2	2	2	2	2	2	1	2	1	2	2	1	2	3	8	0	54
Auto-catalyst and diesel filters	2	2	2	2	2	2	2	2	2	2	2	1	1	2	9	0	58
Balls, iron/steel, forged/stamped and cast for grinding mills that are used by the mining industry in order to extract PGM's.	1	1	2	2	1	1	2	2	1	1	2	1	1	6	5	0	42
Bee-keeping	1	1	2	2	1	1	1	2	2	1	2	1	2	5	6	0	46
Broiler outsourcing scheme	1	3	2	2	1	2	2	2	2	1	1	1	2	4	7	0	50
Business Process Outsourcing	2	1	2	2	1	2	1	2	1	1	2	1	1	6	5	0	42
Business Retention and Crime Reduction	2	1	2	1	1	2	2	1	1	1	1	1	2	7	4	0	38
Buttons	1	1	2	2	1	1	2	1	1	1	2	1	1	7	4	0	38
Ceramic tableware, kitchen and bathroom sanitary ware (Lesotho & Marituis)	2	1	2	2	1	1	2	2	2	1	2	1	1	5	6	0	46

Project	Prioritisation criteria													Project Evaluation			Total value
	Increased investment	Responsible implementation or Corporate Social Responsibility	Increased employment	Improve skills	Build a green economy	Strategic Importance	Increase local procurement	BEE / Capacity Building	SMME Development	Potential Anchor	Diversify Local Economy	Increase service delivery (including health and safety)	Sustainability	Total Low impact	Total Medium Impact	Total High Impact	
Cheese (Mauritius)	1	1	2	2	1	1	1	2	2	1	2	1	1	6	5	0	42
Cities of the world	2	1	2	1	1	1	1	2	2	1	2	1	1	7	4	0	38
Citrus medication	1	1	2	2	1	1	1	2	2	1	2	1	1	6	5	0	42
Convention centre development	2	1	2	2	1	1	1	2	1	2	2	1	1	6	5	0	42
Cooking appliances (Mauritius)	1	1	2	2	1	1	1	2	2	1	2	1	1	6	5	0	42
Create a more informed and educated public	1	1	1	1	1	2	1	2	2	1	1	1	1	8	3	0	34
Create awareness regarding existing financial support and criteria that needs to be met	1	2	1	1	1	1	1	1	1	1	1	1	2	10	1	0	26
Decease inefficiency in the labour market	2	1	2	1	1	1	1	1	1	1	1	1	1	10	1	0	26
Develop breakaway packages	2	1	2	2	1	2	2	2	2	1	2	1	2	3	8	0	54
Diary outsourcing scheme	1	3	2	2	1	2	2	2	2	1	1	1	2	4	7	0	50
Doors, windows & frames (Botswana)	1	1	2	1	1	1	1	1	2	1	2	1	1	8	3	0	34
Dried egg yolk	1	1	2	2	1	1	1	2	2	1	2	1	1	6	5	0	42
Encouraging banks to locate within the local municipal area	2	2	2	1	1	1	2	1	1	1	2	1	2	7	4	0	38
Essential oil production	1	1	2	2	1	1	1	2	2	1	2	1	1	6	5	0	42
Establish a cultural village	2	1	1	1	1	1	2	1	1	1	2	1	2	8	3	0	34
Establish a franchise type retail facility	1	1	2	1	1	2	2	2	2	1	1	1	2	5	6	0	46
Establish partnership with Mintek to assist SMME's with innovative uses of existing minerals	1	2	2	2	1	2	2	2	2	1	1	1	2	4	7	0	50
Establish Platinum Excellence Centre/Establish partnerships with existing institutions	2	1	1	2	1	2	2	2	2	1	2	1	1	5	6	0	46

Project	Prioritisation criteria													Project Evaluation			Total value
	Increased investment	Responsible implementation or Corporate Social Responsibility	Increased employment	Improve skills	Build a green economy	Strategic Importance	Increase local procurement	BEE / Capacity Building	SMME Development	Potential Anchor	Diversify Local Economy	Increase service delivery (including health and safety)	Sustainability	Total Low impact	Total Medium Impact	Total High Impact	
Establishing a stainless steel plant within the district (Rustenburg LM/Madibeng LM)	1	1	3	3	1	2	2	2	2	2	2	1	2	2	7	2	66
Establishment of a tertiary institution/campus	2	1	1	3	1	1	1	2	2	1	2	1	2	6	4	1	46
Expand Rustenburg Show	2	1	2	1	1	1	2	1	1	1	1	1	2	8	3	0	34
Expand the Rustenburg Show (attract more than locals)	2	1	2	1	1	1	1	1	1	2	1	2	1	8	3	0	34
Export Oranges	1	1	1	1	1	2	1	2	2	1	1	1	1	8	3	0	34
Export Poultry	1	1	1	1	1	2	1	2	2	1	1	1	1	8	3	0	34
Export promotion	1	1	2	2	1	2	1	2	2	1	2	1	1	5	6	0	46
Export Spices	1	1	2	1	1	2	1	2	2	1	2	1	1	6	5	0	42
Exporting tobacco in a processed form	1	1	2	2	1	1	1	2	2	1	2	1	1	6	5	0	42
Facilitate increased exports by partnering/establishing relationships with airports	2	1	2	2	1	2	1	2	2	1	2	2	1	4	7	0	50
Facilitate partnership between Impala & Xstrata (wrt business support centre)	1	2	2	2	1	2	2	2	2	1	2	1	2	3	8	0	54
Facilitate the establishment of the routes identified by the Rustenburg Spatial Tourism Route and the Bojanala PDM Tourism Master Plan	2	1	2	2	1	2	2	2	2	1	1	1	1	5	6	0	46
Flavouring extracts	1	1	2	2	1	1	1	2	2	1	2	1	1	6	5	0	42
Franchising Programme SMME tourism facilities	2	1	2	2	1	2	2	2	2	1	1	1	2	4	7	0	50
Further preparation of raw hide can be exported	1	1	2	2	1	1	1	2	2	1	2	1	1	6	5	0	42
Gloves other than surgical, of rubber	1	1	2	2	1	1	2	2	2	1	2	1	1	5	6	0	46
Greater use of stadiums	1	1	2	2	1	2	1	2	2	1	1	1	1	6	5	0	42

Project	Prioritisation criteria													Project Evaluation			Total value
	Increased investment	Responsible implementation or Corporate Social Responsibility	Increased employment	Improve skills	Build a green economy	Strategic Importance	Increase local procurement	BEE / Capacity Building	SMME Development	Potential Anchor	Diversify Local Economy	Increase service delivery (including health and safety)	Sustainability	Total Low impact	Total Medium Impact	Total High Impact	
Grinding balls for grinding mills, other articles of iron/steel, table kitchen articles off steel (Mauritius, Lesotho, Tanzania & Zambia)	2	2	2	2	2	2	2	2	2	1	2	1	1	3	8	0	54
Hand tools (Mauritius)	2	1	2	2	1	2	2	2	2	1	2	1	1	4	7	0	50
Imitation jewellery (Mauritius)	1	1	2	1	1	1	1	1	1	1	2	1	1	9	2	0	30
Improve public opinion on the government services	2	1	2	1	1	2	2	1	1	1	1	2	2	6	5	0	42
Improve relationship between RLM & mines	2	2	1	1	1	2	1	2	2	1	1	2	2	6	5	0	42
Improve stakeholder access to information	1	1	1	2	1	1	1	2	2	1	2	1	1	7	4	0	38
Increase stakeholder participation	1	2	2	2	2	1	2	2	2	1	1	2	2	3	8	0	54
Increase stakeholder participation	2	2	1	2	1	2	2	2	2	1	2	1	2	4	7	0	50
Information dissemination	1	1	1	2	1	2	2	2	2	1	1	1	2	5	6	0	46
Injection-moulding machines for rubber or plastic	1	1	2	2	1	1	2	2	2	1	2	1	1	5	6	0	46
Investigate Opportunities for free wireless internet in certain hotspots	2	1	1	1	1	1	1	2	2	1	2	1	1	8	3	0	34
Iron & non-alloy steel primary forms or semi-products (Lesotho & Botswana)	1	1	2	2	1	1	1	2	2	1	2	1	1	6	5	0	42
Juices	1	1	2	2	1	1	1	2	2	1	2	1	1	6	5	0	42
Large scale broiler production	2	1	2	2	1	1	2	2	2	1	1	1	1	6	5	0	42
Large scale dairy production	2	1	2	2	1	1	2	2	2	1	1	1	1	6	5	0	42
Livestock production (cattle, goats and poultry)	1	1	2	1	1	2	1	2	2	1	1	1	1	7	4	0	38
Locks (Mauritius)	1	1	2	2	1	1	1	2	2	1	2	1	1	6	5	0	42
Manufacture of Solar Photovoltaic Cells	2	1	2	2	2	2	2	2	2	2	2	1	2	1	10	0	62

Project	Prioritisation criteria													Project Evaluation			Total value
	Increased investment	Responsible implementation or Corporate Social Responsibility	Increased employment	Improve skills	Build a green economy	Strategic Importance	Increase local procurement	BEE / Capacity Building	SMME Development	Potential Anchor	Diversify Local Economy	Increase service delivery (including health and safety)	Sustainability	Total Low impact	Total Medium Impact	Total High Impact	
Manufacture of white goods	2	1	2	2	1	2	2	2	2	1	2	1	1	4	7	0	50
Marketing and support for smaller mines	1	1	2	1	1	1	2	1	2	1	1	1	2	7	4	0	38
Marula production	2	1	2	2	1	1	1	2	2	1	2	1	2	5	6	0	46
Meat (Mauritius)	1	1	2	2	1	1	1	2	2	1	2	1	1	6	5	0	42
Metal sawing or cutting-off machines	1	1	2	2	1	1	2	2	1	1	2	1	1	6	5	0	42
Milk powder	1	1	2	2	1	1	1	2	2	1	2	1	1	6	5	0	42
Mindset change	2	1	2	1	2	1	1	2	2	2	2	1	1	5	6	0	46
Mining tours	1	2	2	2	1	1	1	2	2	1	1	1	1	7	4	0	38
Mining waste beneficiation (SMME's)	1	2	2	2	2	1	1	2	2	1	1	1	2	5	6	0	46
Museum (mining and natural science)	2	1	2	1	1	1	1	1	1	1	2	1	1	9	2	0	30
Opportunities for greater support from mines due to the review of SLP's	1	3	2	2	1	2	2	2	2	2	1	1	1	4	7	0	50
Optical fibres, except for telecommunications	2	1	2	2	1	1	2	2	2	1	2	1	1	5	6	0	46
Optimise use of stadiums	1	1	1	1	1	2	2	1	1	1	2	1	2	7	4	0	38
Partner with existing CSR initiatives	1	2	1	2	1	1	1	2	1	1	1	1	1	9	2	0	30
Parts of taps, cocks, valves or similar appliances	2	1	2	2	1	1	2	1	1	1	2			5	4	0	34
Plastic ware	2	1	2	2	1	1	2	2	1	1	2	1	1	6	5	0	42
Platinum Visitors Centre	2	2	2	2	1	2	2	2	1	2	2	1	1	4	7	0	50
Porcelain	1	1	2	2	1	1	2	2	2	1	2	1	1	5	6	0	46
Production of soya, maize & sunflower	1	1	2	1	1	1	1	2	2	1	1	1	1	8	3	0	34
Products of stainless steel (including stainless steel cutlery, pipe fittings, cold rolled stainless steel, flanges, threaded elbows, bends and	2	1	2	2	1	1	2	2	2	1	2	1	1	5	6	0	46

Project	Prioritisation criteria												Project Evaluation			Total value	
	Increased investment	Responsible implementation or Corporate Social Responsibility	Increased employment	Improve skills	Build a green economy	Strategic Importance	Increase local procurement	BEE / Capacity Building	SMME Development	Potential Anchor	Diversify Local Economy	Increase service delivery (including health and safety)	Sustainability	Total Low impact	Total Medium Impact		Total High Impact
sleeves, table/kitchen articles, parts, stainless steel)																	
Products of synthetic textile material	1	1	2	2	1	1	1	2	2	1	2	1	1	6	5	0	42
Products within the chemicals, plastic and rubber industry	1	1	2	2	1	1	2	2	2	1	2	1	1	5	6	0	46
Promote arts and culture	1	1	2	1	1	2	1	1	2	1	2	1	1	7	4	0	38
Provide services to the mines	1	1	2	2	1	1	2	2	2	1	2	1	1	5	6	0	46
Recreational Park (including a performing arts facility)	2	1	1	1	1	1	1	2	2	1	2	1	1	8	3	0	34
recycling of waste	1	2	1	1	2	2	1	2	2	1	1	1	2	6	5	0	42
Research and development	2	1	1	2	1	1	1	2	2	1	1	1	1	8	3	0	34
Resolve challenges related to the mining supply park	2	2	2	2	1	2	2	2	2	2	2	1	1	3	8	0	54
Resort for middle to low income domestic tourists	2	1	2	2	1	2	2	2	2	1	2	1	1	4	7	0	50
Retail Facilities in rural areas	1	1	2	1	1	1	2	2	2	1	2	1	1	6	5	0	42
Route Signage	2	1	1	1	1	2	1	1	1	1	1	2	2	8	3	0	34
Rubber surgical gloves	1	1	1	1	1	1	2	2	2	1	2	1	1	7	4	0	38
Sausages (Mauritius)	1	1	2	2	1	1	1	2	2	1	2	1	1	6	5	0	42
Screws & bolts (Mauritius, Zambia & Mozambique)	1	1	2	2	1	2	2	2	2	1	2	1	1	4	7	0	50
Sign a MoU between the RLM & Tribal Authorities	1	1	2	2	1	2	1	2	2	1	1	1	2	5	6	0	46
Skills Development Programme	1	2	2	3	1	2	2	2	2	1	2	1	2	3	7	1	58
Small-scale mining of construction related minerals	1	1	2	2	1	2	1	2	2	1	1	1	1	6	5	0	42
Small-scale production (livestock, vegetables, diary)	1	1	1	1	1	2	2	1	1	1	1	1	1	9	2	0	30
SMME Development	1	1	2	1	1	1	2	2	2	1	1	1	2	6	5	0	42
Solar energy generation	2	1	1	2	3	2	1	2	2	1	2	1	2	4	6	1	54
Soya-bean oil (Mauritius, Malawi, Mozambique, Zambia & Botswana)	1	2	2	2	1	2	2	2	2	1	2	1	1	4	7	0	50

Project	Prioritisation criteria													Project Evaluation			Total value
	Increased investment	Responsible implementation or Corporate Social Responsibility	Increased employment	Improve skills	Build a green economy	Strategic Importance	Increase local procurement	BEE / Capacity Building	SMME Development	Potential Anchor	Diversify Local Economy	Increase service delivery (including health and safety)	Sustainability	Total Low impact	Total Medium Impact	Total High Impact	
Sunflower seed and sunflower oil (Mauritius & Mozambique)	1	1	2	2	1	1	1	2	2	1	2	1	1	6	5	0	42
Support for the informal/emerging farmers	1	1	1	2	1	2	1	2	2	1	1	1	2	6	5	0	42
Syringes	1	1	2	2	1	1	2	2	1	1	2	1	1	6	5	0	42
Table and kitchen ware (Mauritius)	1	1	2	2	1	1	1	2	2	1	2	1	1	6	5	0	42
Television cameras, digital cameras and video camera recorders	2	1	2	2	1	1	2	2	2	1	2	1	1	5	6	0	46
Tobacco (Malawi, Mozambique & Tanzania)	1	1	1	1	1	1	1	1	1	1	1	1	1	11	0	0	22
tobacco in a processed form	1	1	2	2	1	2	2	2	2	1	2	1	1	4	7	0	50
Tools for drilling, bolts, screws, washers, other articles of steel, screwdriver bits and other interchangeable tools	2	1	2	2	1	2	2	2	2	1	2	1	1	4	7	0	50
Tools for working in the hand, pneumatic, hydraulic or with self-contained non-electric moto - with self-contained electric motor	1	1	2	1	1	1	2	2	2	1	2	1	1	6	5	0	42
Tourism related facilities along the N4	2	1	2	2	1	2	1	2	2	1	2	1	1	5	6	0	46
Transmission apparatus for radio and tv's	2	1	2	2	1	1	2	2	2	1	2	1	1	5	6	0	46
Upgrade and promotion of historical buildings	2	1	2	1	1	1	1	1	2	1	2	1	1	8	3	0	34
Urban agriculture	2	1	1	1	1	2	1	1	1	1	1	1	1	10	1	0	26
Use of technology to improve communication between stakeholders	1	2	1	1	1	1	1	2	2	2	1	2	2	6	5	0	42
Vanadium oxides and hydroxides	1	1	1	2	1	1	2	2	1	1	2	1	1	7	4	0	38
Vegetable fats and oils (Tanzania)	1	1	2	2	1	1	1	2	2	1	2	1	1	6	5	0	42
Vegetable fats and oils (Zambia)	1	1	2	2	1	1	1	2	2	1	2	1	1	6	5	0	42

Project	Prioritisation criteria													Project Evaluation			Total value
	Increased investment	Responsible implementation or Corporate Social Responsibility	Increased employment	Improve skills	Build a green economy	Strategic Importance	Increase local procurement	BEE / Capacity Building	SMME Development	Potential Anchor	Diversify Local Economy	Increase service delivery (including health and safety)	Sustainability	Total Low impact	Total Medium Impact	Total High Impact	
and Tanzania)																	
Waste to energy	2	1	2	2	2	2	1	2	2	1	2	2	2	2	9	0	58
Workshop with various stakeholders involved in LED	1	2	1	1	1	2	2	2	2	1	1	2	1	6	5	0	42
Amend current procurement policy	1	2	2	2	1	1	2	2	2	1	2	1	1	5	6	0	46
Create awareness regarding opportunities from the Bus Integrated Rapid Transit System	2	1	2	2	1	1	2	2	2	1	1	2	1	5	6	0	46

## ANNEXURE B – IMPLEMENTATION OF THE 2009 LED STRATEGY PROJECTS

	<b>Projects</b>	<b>Implemented Yes/No</b>	<b>Challenges</b>
Thrust 1: Develop an effective LED system to improve the local economy through four major initiatives	1. Leadership Seminars	Yes <ul style="list-style-type: none"> <li>• Fin management workshop</li> <li>• Tourism facilitation</li> <li>• Training in procurement</li> </ul>	<ul style="list-style-type: none"> <li>• Language issue (presentations were in English)</li> <li>• No business plans (were told to link up with SEDA &amp; other institutions.</li> <li>• Limited fund from LG to procure accredited funds</li> <li>• Generally have to utilise government facilities</li> <li>• Lack of monitoring and evaluation of the impact of training</li> </ul>
	2. Facilitation & implementation of LED Systemic Approach to develop and enhance highly effective LED in RLM	No	
	3. Formalise LED Governance	No But to achieve this wants to have a business forum	
	4. Redirect Skills Development and Education to meet economic needs	No. Rustenburg does not have a school of technology. Skills are not meeting the needs of economic sectors. SDF has identified an area for a university.	
Thrust 2: Establish effective partnerships to pursue pro-poor growth	1. Become an internationally recognised Centre of Excellence for platinum mining and innovation	No. But some aspects are likely to be addressed by the proposed mining summit.	

	<b>Projects</b>	<b>Implemented Yes/No</b>	<b>Challenges</b>
	2. Develop the mining supply chain – Swiss Contact approach		
	3. Formalise the relationship between RLM and the Mining Sector		
AGRICULTURE AND AGRO-PROCESSING SECTOR Strategic Thrust:	1. Improve competitiveness of small scale farmers through a pro-poor approach	Yes. Providing land for small-scale farming for agricultural purposes.	
	2. Develop the agricultural value chain	No.	
	3. Agro-processing sector and suppliers to pursue clustering concept to improve competitiveness	Fresh produce markets Sunflower processing plants The SDF accommodates agriculture & urban agriculture Essential oils are still being looked at.	
	4. Agri Skills Succession Plan	No.	Agriculture hindered by mining (departments not talking to each, whilst land was identified for agricultural other departments allocated the area for other purposes)
	5. The recycling of mining land for agro-processing	No	
TOURISM SECTOR Strategic Thrust: Develop RLM as a tourism destination linked to mining, agriculture & cultural heritage	1. Branding Rustenburg as a tourism destination	Yes. Currently busy with marketing the area	
	2. Tourism Information and Marketing	-	
	3. Develop the MICE market (Meetings, Incentives, Conference, Exhibitions)	In process. A convention centre is likely to be developed.	
MANUFACTURING	1. Beneficiation of	No	

	<b>Projects</b>	<b>Implemented Yes/No</b>	<b>Challenges</b>
SECTOR Strategic Thrust: Focus on mining cluster establishment to enable growth in the beneficiation of local resources	Local Resources		
	2. Increase Manufacturing skills	No	
	3. Improve ICT Encourage cell phone networks to expand network coverage (subsidise from their corporate social responsibility funds)	Undetermined.	
RETAIL SECTOR Strategic Thrust: Develop the retail sector to meet needs of mining, agriculture and tourism sectors	1. Business Investment, Retention and Expansion Project	Yes. Clean up campaigns are going on	
	2. Crime: Support SAPS to be more effective in policing	Undetermined	
SERVICES SECTOR Strategic Thrust: Develop the services sector to meet the needs of mining, agriculture and tourism sectors	1. Cluster Development	No	
	2. Spatial Development	-	
TRANSPORTATION SECTOR Strategic Thrust: Develop a highly effective and diversified transport hub for the region	1. Improved communication within the sector	Undetermined	
	2. Establishment of a Transport Logistics Hub	No	
	3. Identify business opportunities that will serve the Transport and Tourism sector along the regional and national transport routes.	Plans to redevelop the taxi rank, also looking to set up the BRT system.	