

# **Analysis of competitive advantage in the Eastern Cape**

**Programme of Support to Local Economic  
Development in the Eastern Cape**

## **Eastern Cape Competitive Advantage Assessment and Training Support Project**

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# Executive Summary

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The aim of this project has been to produce a report on Eastern Cape competitive advantage and identify high priority Local Economic Development (LED) projects, partners, and priority activities as required in partial fulfilment of the, *Competitive Advantage Assessment and Training Support Project* commissioned by the Implementing Authority of the Eastern Cape Local Economic Development Support Programme. The study team's ability to identify priority partners outside of Government and within the private and the NGO sector was compromised by the low representation of the private sector and civil society at district workshops.

The project emerged in the context of the Eastern Cape Provincial Growth and Development Programme (PGDP), with its emphasis on competitiveness, sustainability and economic integration.

It was anticipated that the Project Management Unit would use the results of this study to compile a framework for the evaluation of Local Government Support Fund (LGSF) and Local Competitiveness Fund (LCF) projects and to inform the conditions attached to future calls for proposals.

The Terms of Reference for the study required a quantification of competitive advantage across a spatial scale. A proxy variable approach to this task was adopted.

In quantifying competitive advantage this study measured both the preconditions for, and the *ex post* evidence of, competitiveness. The preconditions for competitive advantage focused on:

- Infrastructure and services
- Institutional environment and the rules of the game
- Economy or economic indicators
- Capacity

It would have been desirable if the competitive index could have included a proxy for private sector expenditure in innovation.

Data for the attributes were assumed to reveal insight into competitive advantage for specific district and local municipalities. The manifestation or evidence of competitive advantage *ex post*, was measured in terms of its impact on the market share of specific sectors, contribution to GGP and productivity. The study relied on a desk-top analysis of existing data and on observations emerging in six district level workshops. It proved difficult to get reliable data. Workshop participants were often sceptical of the data presented to them. In spite of the data limitations, it was possible to provide a quantitative picture with regard to relative competitive advantage across municipalities in the Province.

The overarching impression of the Eastern Cape is of generally poor competitiveness largely due to inadequate basic location factors (infrastructure, services, and skills). The Province remains a net importer of goods and services and currently lags its neighbours in competing for a share of the nationally expanding tourism market.

The study highlights significant differences in competitiveness across municipalities. The Metro, as expected, emerges as the most competitive location in the Province with pockets of competitive advantage emerging, from a very low base, in Kouga, Buffalo City Municipality and King Sabata Dalindyebo. The most uncompetitive districts are Ukhahlamba, O R Thambo and Alfred Nzo, all of which comprise large tracts of the former Bantustans.

The basic infrastructure and basic services deficits are a key determinant of the absence of competitive advantage in the Eastern Cape. In addition to the infrastructure deficit, there is a massive reliance on government employment and community services throughout the Province. The concentration of activities around the public sector has had a negative impact on the emergence of competitiveness.

Agriculture remains an important sector in the Province, both in terms of commercial activity, livelihood support and economic growth potential. Some districts, notably those in the former Republic of South Africa, have successfully capitalised on their comparative advantage in agriculture. The majority of districts, however, have under-utilised opportunities for converting comparative advantage in agriculture into competitive enterprises

With a few discrete exceptions, the Eastern Capes tourism sector is uncompetitive relative to its Western Cape and KwaZulu-Natal neighbours. This is in spite of significant tourism potential

In some areas, there is notable activity in the construction industry. To some extent this is driven by the private sector – particularly in areas noted for coastal tourism. To a greater extent, however, activity in the construction sector is contingent on Government attempts to redress the infrastructure backlog.

The service sector is characterized by a growing demand for support.

In comparing this quantitative analysis of competitiveness with the perceptions of competitiveness obtained in the training workshops, it is clear that officials charged with supporting LED in the Province tend to be more positive about their local economies than the quantitative analysis suggest is justified. The reasons for this are that the data are poor and often dated. In the past three years the Eastern Cape appears to have made significant progress with regard to poverty alleviation, which has almost certainly had an impact on local businesses. This impact is in all likelihood not fully captured in the quantitative analysis of this study. There is also, however, a false sense of optimism among officials with regards to their locations' competitiveness. This manifests in a tendency to misrepresent the viability of emerging enterprises

and the ease and speed with which these enterprises are able to become financially sustainable. This perception is important because public sector officials tend to be the drivers of many business proposals, and their understanding of competitiveness forms a key element of the Provinces' competitive advantage. Public sector LED stakeholders struggle to convert their understanding of competitiveness into appropriate action.

Despite overly optimistic views and inhibiting factors, there are clear pockets of competitive enterprise within the Eastern Cape and indications that competitiveness is improving. These should be supported. Examples of appropriate interventions include:

- In most districts efforts to enhance competitiveness need to target the lack of basic location factors, which is a Government responsibility.
- There is clear scope for better integration of, and stronger links between, existing enterprises.
- Entrepreneurial activity is an indicator of business competitiveness. Where appropriate, entrepreneurial initiatives should be strengthened and encouraged to expand.
- Further opportunities to convert comparative advantage in agriculture into competitive enterprises do exist. Any activity that involves enhancing agricultural potential is likely to have broad impacts on poverty alleviation since most poor people are rural and include agricultural activities among their livelihood strategies.
- Given product supply side factors and consumer demand for processed agricultural products there is great potential for regional agri-processing enterprises.
- It is important to settle land claims and create more certainty around land tenure.
- Initiatives that assist local enterprises in converting the existing tourism comparative advantage into competitive advantage should be encouraged. There is scope for improved marketing of tourism opportunities and for correcting inaccurate perceptions about safety and security.
- Information and data problems should be addressed so as to enable credible assessments of poverty, business development and economic growth.
- There is potential to use the current period of investment in infrastructure to enhance the competitiveness of the local construction industry. Addressing the infrastructure backlog is a clear business opportunity.
- Initiatives that promote functional partnerships with a clear definition of roles and responsibilities will enhance competitiveness, assist in developing a functional and independent private sector and address local capacity constraints.
- A lot of work needs to be done to create the circumstances in which competitive enterprises are likely to emerge and to manage the transition from government sector dependent economies to more diverse economies characterised by a vibrant private sector.

# 1 Introduction

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The aim of this project has been to produce a report on Eastern Cape competitive advantage and identify high priority Local Economic Development (LED) projects and partners, as required in partial fulfilment of the, *Competitive Advantage Assessment and Training Support Project* commissioned by the Implementing Authority of the Eastern Cape Local Economic Development Support Programme.

This request has emerged in the context of the Eastern Cape Provincial Growth and Development Programme (PGDP), with its emphasis on competitiveness, sustainability and economic integration. The PGDP is itself founded in national and provincial shifts in LED thinking and approaches to delivering LED support. These shifts emphasise the need for systemic interventions that enhance competitiveness and economic sustainability as opposed to the piecemeal support of isolated projects which have little chance of becoming financially independent of Government support that has been a feature of past LED interventions.

Within this context, it is important that public resources are channelled in support of competitive initiatives and the creation of competitiveness. This is not possible unless understanding of competitive advantage, and the ability to identify competitive advantage is enhanced at the local level.

It was further anticipated that the Project Management Unit would use the results of this study to compile a framework for the evaluation of Local Government Support Fund (LGSF) and Local Competitiveness Fund (LCF) projects and to inform the conditions attached to future calls for proposals.

Finally, the Terms of Reference required the study to identify a list of potential partners and priority activities.

Section 2 of this report describes the approach adopted in quantifying competitive advantage, and describes the data used and its limitations with regard to what is available, and what inferences can be drawn from it.

Section 3 of the report summarises general conclusions that can be drawn with regard to competitive advantage in the Eastern Cape.

Section 4 provides a more detailed inference with regard to competitive advantage at the district level. The factors influencing competitive advantage at this level and priorities in enhancing competitive advantage are outlined. The section also lists potentially successful activities that were identified in the course of district training workshops, and which should be among those projects that are considered for European Union LED Support Programme funding.

The final section (5), comprises general observations as to the key constraints on competitive advantage and how this might be systematically improved across the Eastern Cape.

The appendices include a ranking of local municipalities in terms of their composite competitive advantage and the list of potential LED partners encountered in the course of the research and training.

## 2 Approach and Methodology

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The Terms of Reference for the study required a quantification of competitive advantage across a spatial scale. Competitive advantage, itself, cannot be accurately observed or measured. Assuming that competitive advantage arises from a confluence of circumstances (such as good infrastructure, adequate capacity and active markets), it is possible to quantify these circumstances and surmise about competitiveness. This, however, is a proxy variable approach and any inferences drawn should be accompanied by the appropriate disclaimers with regard to the reliability of the proxies. It should also be noted that trying to predict and anticipate the emergence of competitive advantage, in this manner, is inherently difficult. Public sector attempts to predict the emergence of competitive advantage are prone to many of the same difficulties as efforts to select successful projects.

It is possible, and easier, to measure the manifestation of competitiveness *ex post* in terms of sectoral expansion and contribution to GDP. Once again, the causality is not exclusive; markets do not always behave in a rational manner and sectoral expansion can shift for reasons other than changes in competitive advantage. Measuring competitive advantage via a quantification of the flux in market share and GGP requires time-series data that spans an adequate range. Such data was not always available to this study.

In quantifying competitive advantage this study measured both the preconditions for, and the *ex post* evidence of, competitiveness.

The preconditions for competitive advantage focused on:

- I. **Infrastructure and services** as measured by the extent of roads, surfaced roads, telephone access, cell phone coverage, water, electricity, sanitation, refuse services, housing, clinics, hospital beds, schools, incubators, industrial development zones, availability of finance, and business support.
- II. **Institutional environment and the rules of the game**, as measured by unsettled land claims, tenure and property ownership, crime rates, transaction costs, travel time to nearest economic centre, communication costs, access to commercial banks and financial intermediaries, access to support services and development agencies, and access to business support and consultants and services.
- III. **Economy or economic indicators** as measured by unemployment, the poverty gap, welfare dependence,

dependency ratio, economic growth, GDP, employment growth, exports, balance of trade, Tress Index, dependence on grants, skills of available workforce, disposable income, income-expenditure ratio, and formal- informal employment ratio.

IV. **Capacity** as measured by literacy, education levels, qualification rates, Human Development Indicator (HDI), HIV prevalence, access to health and education professionals, and number of LED officers, community liaison and development officials.

Data for these attributes were assumed to reveal insight into competitive advantage for specific district and local municipalities.

The manifestation or evidence of competitive advantage *ex post*, was measured in terms of its impact on the market share of specific sectors, contribution to GGP and productivity.

The study relied on a desk-top analysis of existing data and on observations emerging in six district level workshops, each of a duration of four days. As was anticipated in the Inception Report for this project, it proved difficult to get reliable data. Workshop participants were often critical of, or sceptical about, the data and this undermined the confidence with which inferences could be drawn. Commonly cited problems included:

- Dependence on national data where data at the local level was missing – this interpolation relies on a statistically crude process that is acknowledged to reduce the confidence with which inferences can be drawn.
- Dated data that did not reflect the current economic realities. There was a particular perception that the data did not adequately capture the range of informal activities (transport, undertaking, mobile phone services, and clothing retail), some of which appear to have experienced growth recently.
- Data that did not cover a sufficient time-span to enable inference about trends in competitive advantage. This is particularly critical in that competitive advantage is a dynamic concept that is best studied by observing time series data.

In spite of the data limitations, it was possible to provide a quantitative picture with regard to relative competitive advantage across municipalities in the Province (see Figure 1 and appendix A). The distribution of competitive advantage emerging from this picture concurs with expert opinion and with the experience of the training workshops, suggesting accuracy in, and the reliability of, the findings.

As such the study is able to provide:

- Tentative and original insights into the relative distribution of competitive advantage in the Eastern Cape,
- Insight into why certain municipalities are uncompetitive and how this might be altered

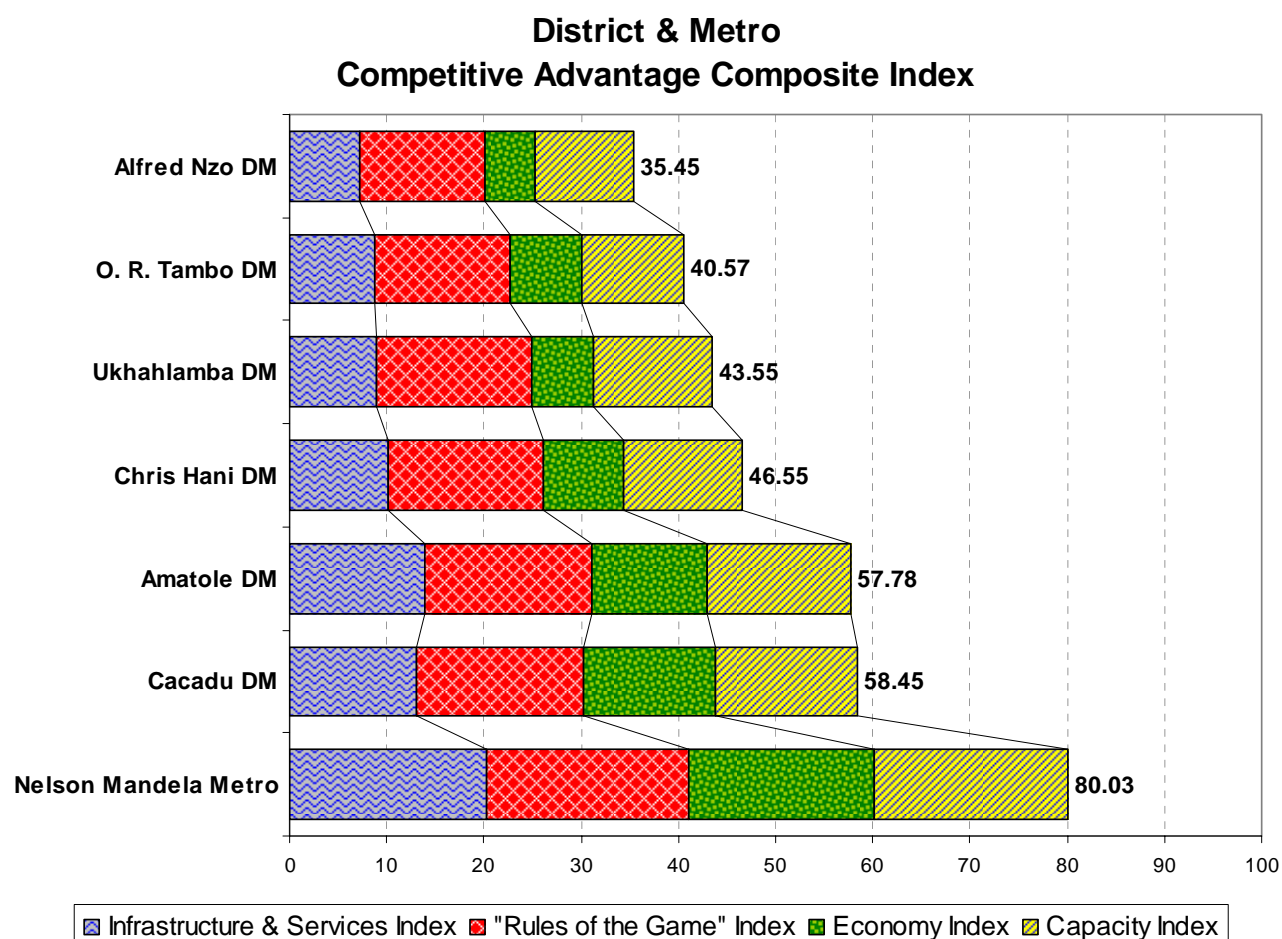
- Insight into the activities that are likely to prove successful in particular municipalities.

The Terms of Reference for the study required that the study team identify high priority projects and partners. Projects emerging from the district workshops are referenced within the competitive advantage analysis of each district, below.

The study team's ability to identify priority partners outside of Government and within the private and the NGO sector was compromised by the low representation of the private sector and civil society at district workshops. The lack of private sector attendees at district level workshops reflects a thinly spread private sector presence in many districts. It is also symptomatic of the failure of LED actors in local municipalities to engage with the private sector on LED. A list of private sector and civil society stakeholders who confirmed attendance at the workshops is attached below, as is the list of those who actually attended (Appendix B).

### 3 An overview of competitive advantage in the Eastern Cape.

The overarching impression of the Eastern Cape emerging from this study is of generally poor competitiveness largely due to inadequate basic location factors (infrastructure, services, and skills). Relative district measures of competitive advantage are reflected in Figure 1.



**Figure 1: The distribution of competitive advantage across districts as measured by a range of proxy variables depicting the preconditions for competitive advantage.**

The Province remains a net importer of goods (even agricultural produce) and services and currently lags its neighbours in competing for a share of the nationally expanding tourism market.

The study highlights significant differences in competitiveness across municipalities. The Metro, as expected, emerges as the most competitive location in the Province with pockets of competitive advantage emerging, from a very low base, in Kouga (both driven and manifested by rising real estate values), Buffalo City Municipality (BCM) and King Sabata Dalindyebo (KSD).

The most uncompetitive districts are Ukhahlamba, O R Thambo and Alfred Nzo, all of which comprise large tracts of the former Bantustans.

The ranking of local governments in terms of competitive advantage shows that prevailing competitive advantage reflects historical disparities in investment in infrastructure and capacity. The basic infrastructure and basic services deficits are a key determinant of the absence of competitive advantage in the Eastern Cape. Many municipalities have inadequate access to surfaced roads, reticulated (and clean) water, (Alfred Nzo), transport networks between potential tourist destinations, and telecom infrastructure.

In addition to the infrastructure deficit, there is a massive reliance on government employment and community services throughout the Province. The level of government employment is in some instances a result of the lack of alternatives and has ensured some revenue to remote and otherwise impoverished regions. At the same time, sectoral concentration around Government and community services has created economies that are vulnerable to change in terms of their skills profile and revenue sources. Perhaps more critically, the concentration of activities around the public sector has had a negative impact on the emergence of competitiveness. This can be attributed to the fact that:

- i. Existing approaches to LED put government officials and political leaders at the centre of local economic initiatives. This causes confusion between social and enterprise agendas.
- ii. Attempts to attract investment are driven by officials and focus on public sources. There is a tendency for LED officials in local governments to focus on securing an increased share of the national and Provincial fiscus. Much of this revenue is contingent upon juxtaposing one's own locality with neighbouring municipalities in terms of a composite index of poverty, prevailing weaknesses, infrastructure deficits and status as a former Bantustan (which is repeatedly emphasized). The focus on these issues has come at the expense of a mindset that focuses on private sector investment, prevailing opportunities and integration with neighbouring municipalities.
- iii. There is a tendency to see revenue streams as an entitlement rather than the product of effective LED support and sustainable enterprises.
- iv. There is a tendency to encumber emerging businesses with undue (in excess of policy requirements) responsibility for political imperatives such as employment.
- v. The proactive role played by Government in LED initiatives, particularly project initiation, diverts limited capacity from core functions of local government as envisaged in policy, such as creating an enabling environment for LED.
- vi. Government official's central role in creating economic activities has seen a bias towards the traditional strengths of public officials, particularly agriculture, in the creation of development projects. This has been at the expense of an approach based on market opportunities and the creation of sectoral diversity around emerging activity in the telecommunications and service sector.

Agriculture remains an important sector in the Province, both in terms of commercial activity, livelihood support and economic growth potential.

Some districts, notably those in the former Republic of South Africa, have successfully capitalised on their comparative advantage in agriculture (Cacadu). The majority of districts, however, have under-utilised opportunities for converting comparative advantage in agriculture into competitive enterprises (see Ukhahlamba and Alfred Nzo, for example). The ability to convert comparative advantage into competitive agricultural enterprises reflects historical investment in infrastructure and capacity.

Notably, those districts with a heavy reliance on the subsistence agricultural sector are also those districts with the most concentrated economies and weakest competitiveness. This observation suggests the need to create competitive enterprises in and related to the existing agricultural sector, through improved marketing, crop diversification, local value addition and the formation of local agricultural service enterprises.

With a few discrete exceptions such as the game reserves in Chris Hani District Municipality, the Eastern Capes tourism sector is uncompetitive relative to its Western Cape and KwaZulu-Natal (KZN) neighbours. This is in spite of significant tourism potential (cultural, heritage, and natural resource based). There is a shortage of well-defined tourist infrastructure (roads and accommodation) and an absence of a tourism network (routes, generic marketing, and tour operators).

Reasons for tourism's relative lack of competitiveness include:

- i. The lack of attention to innovative tourism product development, in spite of the potential for heritage based cultural and natural resource based tourism. Tourism assets have been packaged in isolation or not packaged at all (for example the "Kings Graves" sites).
- ii. The absence of information and Provincial level data. The paucity of information available to tourist clients limits the potential diversity of tourist experiences. Tourists from outside the Province find it difficult to conceptualise a complete holiday package in the Eastern Cape and instead visit discrete sites. Equally the absence of Provincial level statistics describing the tourism sector makes the coordinated planning of infrastructure and facilities difficult.
- iii. Corruption and institutional incompetence contributes to the lack of competitiveness in some instances (for example, Wild Coast initiatives). There is a tendency to encumber potential projects with bureaucratic processes and political agendas. Where these are not explained they create uncertainty and risk for private sector partners.
- iv. Despite the generally low and declining levels of crime, tourist perceptions about safety and security are negative. These perceptions,

although misconceived, undermine the competitiveness of the tourist sector.

In some areas, there is notable activity in the construction industry. To some extent this is driven by the private sector – particularly in areas noted for coastal tourism (Jeffrey’s Bay). To a greater extent, however, activity in the construction sector is contingent on Government attempts to redress the infrastructure backlog. This component of the construction sector is likely to remain important given Government’s focus on infrastructure delivery through Public Works. The local construction industry is often out-competed in major contracts by large construction companies domiciled outside of the Province. In some districts, local contractors rely on sub-contracts from larger, better established construction companies.

The service sector is characterized by a growing demand for support. This demand emanates from two very different sources:

- i. The slowly emerging private sector. In some areas, the lack of adequate business support undermines competitive advantage. There is a paucity in the Eastern Cape’s poorest municipalities of adequate private sector business and investment services and support services (financial intermediaries and development agencies).
- ii. The effort to mobilise, strengthen and capacitate government institutions in the Eastern Cape.

Attempts to ameliorate the problem of poor business services have involved the establishment of development agencies in some districts. These agencies are responsible for securing investment, identifying opportunities, conducting research, and capacity building. As a result of the establishment of these entities, services that might have been provided by private enterprise have been internalised to government institutions. The consequence of this is that business enterprise support capacity is not developed outside of Government. Because the government affiliated development agencies are often ineffective they fail to attract investment or address capacity shortages. A further difficulty with these agencies is that public and private sector roles and responsibilities become blurred and confused.

# 4 Competitive advantage at the district level – relative performance, projects, and stakeholders.

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## 4.1 Cacadu and the Metro

### 4.1.1 District/ Metro Competitiveness

The Nelson Mandela Metro (NMM) is the most competitive local government location in the Province, as measured by the composite index of competitiveness (80.03). The NMM and Kouga rank among the top three local municipalities in the Province in terms of their contribution to national GDP, suggesting the presence of competitive enterprises in these localities. This is supported by our analysis of competitiveness. Relative to the Province, Cacadu District Municipality reports high levels of competitiveness in the composite index - 58.45. This is in spite of the local municipalities of Ikwezi (52.27) and Bavians (52.01) reporting low competitiveness scores.

The poor quality of life data for the NMM is a product of the inward migration to informal settlements in this region. Whilst low quality of life undermines human capacity and will affect productivity and competitiveness, it is in this instance also a symptom of the competitiveness and associated employment prospects in the Metro relative to the other local municipalities in the District.

### 4.1.2 Factors contributing to competitiveness levels

One of the key reasons for the Metro's competitiveness is the relative access to infrastructure, particularly surfaced roads (79.88%) and telecommunications linking the harbour and adjacent industries with the hinterland and the associated agricultural activities.

The district further benefits from the fact that the municipal economies are relatively diverse by Provincial standards – although concentrated by national standards - reflecting an economic depth and resilience not found elsewhere in the Province. As a result, municipal economies in Cacadu are less dependent on public sector employment than other districts and less afflicted by the symptoms of high public sector dependence that are mentioned above.

In Cacadu, there is a relatively high proportion of economically active people and fewer people living in poverty than in any other Eastern Cape District. Accordingly, the District, and particularly the Metro, is characterised by increasing consumer demand and a high level of disposable income. The rate of economic growth in the Metro has been consistently above national and Provincial averages.

The Metro's competitiveness is further supported by the fact that it is home to the highest level of human capacity in the Province, as measured by the Human Development Index (HDI) (0.65) and literacy (82.85%), education levels and qualification rates. In addition, the District is the top performer in terms of municipal capacity. This combination suggests the continued potential for the development of secondary and tertiary (skill intensive) enterprises.

Similarly, Kouga's somewhat surprising competitiveness score, appears to be a testimony, in part, to the well balanced institutional environment in conjunction with the local capacity to effect property and business development.

#### 4.1.3 Opportunities to enhance local competitiveness

The Metro's manufacturing, transport and trade sectors manifest some signs of strength, and have established competitive advantage within the Province. There is scope for linking the emerging capacity in these sectors with Cacadu's traditional strength in agriculture (meat, wool, mohair, dairy, deciduous, fruit, flowers and essential oils).

There is further scope for the expansion of the tourism industry, which has been appropriately identified as an economic priority.

The above opportunities will support, and be supported by, the District's growing competitiveness in the construction sector. The budgeted public investment in infrastructure should seek to enhance the competitiveness of local contractors, further enabling them to compete for private sector contracts.

Further interventions to enhance the competitive advantage of the District should target the creation of advanced location factors, to a greater extent than is appropriate in other districts. Such factors include the formation of clusters, the setting up of business partnerships and networks, and the development of information portals and value-adding enterprises. These initiatives should seek to build on the relatively good infrastructure and services, with access to major national and international markets by road, sea and air.

#### 4.1.4 Projects and processes emerging from the District workshop

- Potentially viable opportunities for competitive activity exist in the Sundays River Valley, which has an established high value agricultural sector. Options mentioned in the course of the workshop included citrus processing, dairy processing and rose cultivation.

- Similarly, the District's coastline, six biospheres, sites of archaeological significance and political history create the potential for new tourism initiatives to match those in the Western Cape and KZN. Such initiatives are most likely to prove sustainable where they consider environmental constraints – and particularly water constraints – in the region.
- The District's rapidly expanding game-farming, hunting and wildlife reserve industry, which in the Eastern Cape enjoys the distinction of being located in a malaria and Bovine TB free zone, is a further source of District competitiveness.
- Underlying the District's strength is the regional real estate market, which has grown rapidly in the past five years. Property development in places such as St Francis Bay has driven, and is expected to continue to drive, viable activity in the construction sector.
- Further pockets of competitive activity identified in the District workshop and with the potential for expansion, include fibreglass manufacturing of boats and surfboards, surf apparel and adventure tourism (nature trails, adventure activities, and bungi jumping) within Kouga.

## 4.2 Amatole

### 4.2.1 District competitiveness

Amatole (57.78) ranks third after the Metro and Cacadu in terms of its composite competitiveness. The statistics are dominated by Buffalo City Municipality (BCM) which provides 78.62% of the District's Gross Geographic Product and 72.48% of employment. District level statistics do, however, conceal significant disparities across municipalities. Composite competitiveness scores ranges from a high at BCM (67.99) to a low at Mbashe (40.62). The range of competitive advantage within the District both reflects and underscores the dualistic nature of the District economy which is characterised by highly contrasting contexts. These include urbanised and deeply rural populations and corresponding industrial and subsistence agricultural activities.

The obvious distinction in terms of competitiveness is between Buffalo City Municipality (BCM) (67.98) and the municipalities in the District, none of which score above 58 on the composite competitive index ranking.

### 4.2.2 Factors contributing to competitiveness levels

Amatole's competitiveness, and patterns of competitiveness, are underpinned by its infrastructure. The District is second only to the Metro in terms of infrastructure and services. BCM has highest proportion of tarred roads (25.06%), with the other municipalities performing poorly on this indicator.

Basic services (access to clinics, and education facilities) are generally good, with the exception of inadequate levels of shelter in BCM driven by an influx of employment seekers and the creation of poorly serviced informal settlements. By virtue of its port, BCM is also home to one of only two significant export intensive locations in the Province.

The extent of poverty in Amatole is lower than the Provincial average, although BCM has the biggest poverty gap in the Eastern Cape. Differences in competitiveness across local municipalities are in part driven by disparities in buying power and disposable income, with significantly more consumer demand per capita in BCM.

For Amatole as a whole, there is a critical reliance on community services and Government for employment (38.91%) with associated implications for economic resilience and competitiveness. Agriculture, construction and trade are the other significant large contributors to GGP suggesting the existence of competitive activities within these sectors.

District level competitiveness is enhanced by business transaction costs, which are reportedly lower in Amatole than elsewhere in the Province – BCM is the second cheapest location in the Province after the Metro from which to work. This is driven by relatively low costs for transport, communications and finance, travel time to a major economic centre and access to a Telkom service branch. BCM also has good access to service providers and enterprise support. The majority of Amatole's municipalities report low levels of crime, but crime levels in BCM are reported as being high (but decreasing).

The District's competitiveness is further supported by its human capacity. Amatole has the second highest HDI in the Province and the highest rate of resident literacy 66.14%. BCM ranks third, among all local municipalities, in terms of resident capacity and has the second highest functional literacy rate (74.11%).

#### 4.2.3 Opportunities to enhance local competitiveness

After "Government and community services", the agriculture sector is the greatest contributor to the District economy. Agriculture is also the leading sector in six of the eight local municipality economies. The prevalence of agricultural activity suggests a measure of competitiveness – or at least capacity and potential competitiveness – in this sector. Certainly there is potential for improvement in the agricultural sector to contribute to broad-based poverty reduction. Such improvement could take the form of productivity gains or local value-addition through processing, and ideally would link the productive hinterland with the infrastructure and markets in BCM.

Equally there is potential for attracting business to BCM based on the relatively low transaction costs, export linkages and relative human capacity.

Diversification around the well established BCM automotive industry represents a viable strategy in this regard.

There is already evidence of pockets of competitive tourist activity along the coastline (at Cintsa for example), and certainly there is scope for additional tourism sector expansion capitalising on coastal scenery and mountain topography, provided the requisite infrastructure, particularly roads, accommodation and information networks, can be established.

#### 4.2.4 Projects and processes emerging from the District workshop

In the course of the District workshop, reference was made to initiatives with perceived potential and scope for expansion. These included:

- Well established tourism centres at Hogg's Back, Katberg and Cintsa
- Ikhala aloe processing and cosmetics
- Pineapple processing so as to add local value south of BCM
- Goat farming and product processing around King Williams Town.
- Mountain Meander – tourism route
- Cultural tourism linked to the “Kings Graves”
- Biofuel production from staple crops
- Local government LED network to facilitate learning

### 4.3 Chris Hani

#### 4.3.1 District competitiveness

The District ranks fourth in the Province (46.55) in terms of its composite competitiveness (see Figure 1). Of the “rural districts” in the Eastern Cape, Chris Hani has the highest score, but the aggregate figure disguises substantial differences in competitiveness scores across local municipalities – Lukanji scores 59.08 whereas Engcobo scores only 38.90.

GDP growth in all local municipalities is below the Provincial average, although employment growth in the District has been above the Provincial average. Employment growth can be attributed to the recent strength in construction and trade, as is reflected in the GDP contribution of these two sectors.

All local municipalities, except Inxuba Yethembe, are net importers of goods and services. None of Chris Hani's municipalities emerge as Provincial leaders in terms of their sectoral GDP contribution.

#### 4.3.2 Factors contributing to competitiveness levels

The level of district competitiveness is commensurate with, and influenced by, Chris Hani's human development score – the District has the third highest HDI in the Province (0.47). The status of development suggests a degree of competitiveness, although this is overshadowed by the Metro and BCM.

Similarly, the level of “infrastructure and services” both mirrors and determines the distribution of competitiveness, and generally decreases from west to east across the District. The extent of tarred roads is below the Provincial average, but the District is well served by major Provincial and national access routes such as the N6 and the N10, which also serve as tourist routes. The District is well linked to the two leading Provincial economic hubs locations in BCM and the NMM.

The District ranks as the third most economically diverse economy in the Province, but sectoral diversity at the municipal level is low, rendering these economies vulnerable to transition and with truncated growth options. With the exception of those areas where commercial agriculture provides a viable alternative, local economies within Chris Hani display are highly dependent on Government employment. Agriculture and community services are the leading sectors in terms of GGP and employment.

The District has comparative advantage - or at least proven potential - in agriculture due to good veld quality and fertile soils.

With the exception of the major towns, business transaction costs in Chris Hani are higher than elsewhere in the Province. Factors contributing to high transaction costs include the District's distance from national economic centres, a general absence of municipal regulatory capacity and below average access to water, sanitation and refuse removal services.

The District's reported crime rates is, however, significantly lower than the Provincial average and has decreased dramatically over the past 3 years.

The disproportionately large youthful and elderly population suggests the outward migration of economically active people from this area. Outward migration of the economically active is almost certainly in response to poor employment prospects, and could compound existing capacity constraints created by historically low levels of literacy, qualifications rates and residents with at least a matric. Where this is the case, it will undermine future competitiveness of the District and frustrate efforts to redress the high levels of unemployment (60.91%), poverty (76.81%) and dependency (3.41%).

### 4.3.3 Opportunities to enhance local competitiveness

The District has a high development profile in terms of its Integrated Sustainable Rural Development Programme (ISRDP) nodal status, and its inclusion in “development corridors”. Chris Hani district's relatively high infrastructure budget allocation in the Medium term Expenditure Framework will almost certainly present opportunities for the establishment of a local

construction (including housing) industry, and may enhance competitiveness by addressing critical shortcomings in economic infrastructure.

The region's emergence as a malaria-free game farming and nature reserve location has contributed to tourism revenue; a trend that looks set to continue. The growth of this sector may crowd in private sector investment and support the emergence of supporting industries (transport, catering, taxidermy and retail).

Potential exists for the expansion of the irrigated agriculture sector and value-added processing of primary agricultural products in regions with proven potential for agriculture.

#### 4.3.4 Projects and processes emerging from the District workshop

The district workshop identified potentially successful initiatives in:

- Tourism – especially game farms (in Lukhanji),
- Timber products (Lukhanji),
- Cotton, livestock, and wool (Inxuba Yethemba, Inkwanca),
- Fruit (Tsolwana, Inkwanca)
- Vegetables, carpets and blankets (Inxuba Yethemba)
- Dry confectionary and the renowned rusk brand, “Ouma”, which is produced at the Foodcorp factory at Molteno.

### 4.4 Ukhahlamba

#### 4.4.1 District competitiveness

The composite competitive index for competitive advantage in Ukhahlamba District is low (43.55%), and only better than OR Tambo, and Alfred Nzo in the Province. Within the District, Malethswai (52.45) and Gariep (55.44), display significantly more competitive capacity than Elundinini (39.97) and Senqu (47.33), and are less poor. Unemployment is high at 60.4% and 82.94% of District residents live in poverty. Forty three per cent of the population live on less than R 1,000 per month.

#### 4.4.2 Factors contributing to competitiveness levels

The main reason for the region's lack of competitive activity appears to be the dearth of basic services and economic infrastructure. Only 43.1% of the population has access to electricity and almost 60% of the population does not have access to reticulated water.

Further constraints on the District's competitiveness include prevailing tenure insecurity and ambiguous tenure arrangements, which act as a deterrent to

private sector investment and complicate public sector efforts to address the infrastructure backlog. There is a clear need for an approach to communal tenure that is conducive to attracting investment.

Easy communication is undermined by the District's distance from a major economic hub. As a result, transaction costs are high. This barrier to enterprise creation is exacerbated by the limited levels of finance and enterprise support in the District.

The municipal economies of Ukhahlamba District are highly concentrated. There is excessive reliance on two sectors - agriculture and government and community services. This renders these economies dependent on outside goods and services (sixty per cent of purchases are produced and manufactured outside of the region) and vulnerable to change. Gariep is the only municipality that does not rely on community services as the primary contributor to revenue and employment.

District competitiveness is further undermined by the extent of human underdevelopment and associated capacity constraints. Ukhahlamba has a HDI of 0.45, one of the lowest in the Province.

#### 4.4.3 Opportunities to enhance local competitiveness

The provision of economic infrastructure and services that enhance factor mobility, reduce transport costs, promote linkages with neighbouring regions and reduce time spent in survivalist activities such as collecting fuel and water is the salient need in terms of Ukhahlamba's economic competitiveness.

Comparative advantage and associated opportunities do exist in the agricultural sector as a result of labour surpluses, pockets of fertile land under-utilised irrigation potential. Wool processing (in Malethswai - which is advantaged by the N6 link to East London, and Gariep), livestock husbandry (Elundini and Gariep), maize (Elundini, and Senqu) and dry-land lucern (Senqu) have all shown signs of being suitable, but commercialising these activities and enhancing productivity remains a major challenge. The relative humidity (particularly in Senqu and Elundini) and abundance of water creates the potential for forestry (wattle) enterprises in Elundini and for an expansion of the irrigated agricultural sector, provided the supporting infrastructure is available.

The District's stark topography and unperturbed landscapes in conjunction with low reported crime levels, creates the potential for tourism. Currently inhibiting the realisation of this potential are perceptions about crime, the fact that tourist products are neither well packaged nor well marketed, and the lack of suitable road or rail access.

The district can reasonably anticipate investment in infrastructure as a result of its nodal status and infrastructure grant allocation. This should create opportunities for local contactors in the construction industry, provided they have the capacity to compete for tenders.

#### 4.4.4 Projects and processes emerging from the District workshop

The District workshop elicited reference to a number of activities which participants perceived to contain potential. These included:

- Southern Africa's only ski resort
- Thermal springs and business travel at Malethswai
- Game farming, hunting and pony trekking activities in the Gariep region
- Fly fishing at Elundini
- Diamond mining at Elundini
- Dairy and red meat initiatives at Malethswai
- Medicinal plants
- Sandstone mining at Senqu

### 4.5 OR Tambo

#### 4.5.1 District competitiveness

The District's composite competitive advantage score (40.47), is the second weakest in the Province. Within the district, KSD (52.46) scores best on competitiveness and contributes over half of the District's formal employment (52.4%) and GGP (59.3%). Other local municipalities display a distinct lack of competitiveness and are poor. Ntabankulu, which scores only 35.79 on the competitiveness index, is particularly poor. The majority of residents in OR Tambo live in poverty (82.2%).

#### 4.5.2 Factors contributing to competitiveness levels

A relatively high proportion of the District's income is derived from grants, but the concentration of the economy and the reliance on Government and community services for employment suggests an inability to retain and circulate this revenue locally. Exactly why local initiatives have not emerged to satisfy the consumer demand that is financed by grants must be attributed a suite of constraints.

The District has the least developed infrastructure and services network in the Province; a situation that has been compounded by delivery backlogs and which frustrates the flow of people and goods. Economic infrastructure is only adequate in KSD and Port St Johns, and surfaced roads are limited across the District.

Existing infrastructure, with the exception of the N2, does not unlock tourist potential or promote adequate linkages between enterprises. The impact of poorly maintained roads is exacerbated by the perceived dangers created by wandering livestock.

Remoteness and poor transport infrastructure inhibits cost effective communication and renders transaction costs generally high by Provincial standards – a phenomenon that undermines the competitiveness of local business and imposes disproportionately high costs on small businesses.

KSD is the most diverse economy in the District but the District economy is highly concentrated by Provincial standards with an exaggerated dependence on Government employment.

Business competitiveness is further undermined by reportedly high levels of crime, and particularly high (and increasing) levels of crime against business.

Underpinning the lack of economic diversity and low level of business start-up is the generally low level of capacity in all municipalities except KSD. Local municipalities in OR Tambo share the lowest rate of human development with Alfred Nzo (HDI ranges of 0.39-0.49) and District productivity is low by Provincial standards. There is also a limited access to service providers and finance and enterprise support.

The high proportion of the population under 20 suggests out-migration of the economically active population in response to poor employment prospects – a trend that will further undermine the competitiveness of the District in the future.

#### 4.5.3 Opportunities to enhance local competitiveness

There are pockets of economic activity but these are isolated and poorly integrated. Future potential could arise from the District's inclusion in the Wild Coast Spatial Development initiative, its status as an ISRDP node, and its inclusion in two potential PGDP economic corridors. Using this potential and attached budget allocations to establish local businesses and promote economic linkages between existing businesses could enhance the competitiveness of the region. Certainly, the significant budgeted expenditure for infrastructure could translate into opportunities for the local construction sector, some of which appear to have been seized already at Ntabankulu and Quakeni.

The N2 arterial road provides key economic links with the economic hubs in KZN and BCM and focuses existing business activity. The potential for improved access to the east and west of this transport route could be stimulated by improved road infrastructure.

The District's relatively high rainfall creates irrigation potential, particularly since only 30% of irrigable land is currently utilised. Small but emerging pockets of agricultural success do exist involving the livestock, forestry and bee keeping sub-sectors. All of these present untapped processing opportunities.

The District includes the Wild Coast with associated tourist potential. With a few notable exceptions (such as Umgazi), tourism assets are poorly packaged and marketed. Tourist options remain discrete with very little capacity to usher tourists through a diverse Eastern Cape holiday experience. The situation is compounded by the underdevelopment of roads and perceived transport hazards such as poorly sign-posted locations, dangerous travel, and inadequate transport services.

#### 4.5.4 Projects and initiatives emerging from the District workshop

A District level workshop yielded local proposals for support of competitive initiatives. These included:

- A chamber of enterprise aimed at linking emerging and existing businesses
- Regional timber clusters and local furniture projects
- Traditional dress manufacturing and retailing – particularly local shirt manufacturing
- Rural shell art
- Cultural tourism packages based on the history of the Pondo chiefs.
- Linking visitors to the coastal resorts with excursions and activities in the interior
- Livestock improvement programmes with linkages to commercial meat, wool and hide markets

## 4.6 Alfred Nzo

### 4.6.1 District competitiveness

Alfrd Nzo is the least competitive District in the Eastern Cape as reported by the composite figure of competitive advantage (35.45) (Figure 1). The District is also extremely poor with 84.4% of its population living in poverty, and is heavily reliant on social grants. The disproportionately large youthful population (under 20 years) suggests out-migration from the area by economically active people in pursuit of better economic prospects.

### 4.6.2 Factors contributing to competitiveness levels

The chief reason for poor competitiveness in Alfred Nzo is the dearth of infrastructure and services. The District scores lowest in the Province in terms of access to communications, transport and telecommunications networks and does not have access to air, rail or sea transport options. The impact of inadequate infrastructure is exacerbated by the Districts remoteness and the very low percentage (2.65%) of surfaced roads.

Remoteness and inadequate infrastructure further contribute to high transaction costs for business. The District does, however, have a reasonable

presence of economic support institutions such as post offices, a bank, and a farmer support centre and has recently recruited personnel to Mt Ayliff with the express mandate of advancing local enterprises. However, capacity for business is generally low, with limited access to finance and enterprise support. Matriculation and qualifications rates are below the provincial average and the state of human underdevelopment is acute (HDI 0.44). Attempts to redress the lack of capacity through training are frustrated by the fact that the District has the second highest proportion of child headed households and the highest HIV prevalence of all districts in the Province (30.1%).

The local economy is among the most concentrated in the Province with a critical, but unsurprising dependency on Government employment. Over half of the employees (56.7%) work for Government, and GGP contribution from Government employment is 61.3%. The sector represents a key source of income to the District, but this in turn undermines the competitive capacity of the area. Too many enterprise development initiatives are driven by Government officials. This is at the expense of private sector capacity and financial independence (the Umsimvubu Goat project, for example).

The District presented the lowest score on land security, with the highest number of unsettled land claims in the Province. Tenure insecurity inhibits private sector efforts to invest in economic infrastructure and public sector investment in basic infrastructure.

The N2 links the District to economic hubs in Mthatha and Kokstad and provides vital economic linkages with these centres.

#### 4.6.3 Opportunities to enhance local competitiveness

Forestry and logging (14.5%) retail (9.3%) and wholesale (7.3%) are the chief formal alternatives to the public sector in terms of their contribution to GGP. Agricultural potential is based on the availability of land and water and the District's relatively cool mist-belt. Forestry and logging opportunities are currently constrained by lack of infrastructure. The area is suitable for dairy and goat farming, with associated opportunities. Relatively high rainfall favours horticulture, maize and forestry. What local consumer demand exists, is linked to the demand for basic products.

The informal sector, relative to the formal sector, has a demonstrated and remarkable ability to generate economic opportunities. Although these initiatives are typically small-scale, insecure and driven by the lack of alternatives, they form a crucial component of the local economy and the emergence of local initiative. Where appropriate they should be formalised and expanded.

Alfred Nzo secured a significant proportion (9.37%) of the Provincial infrastructure allocation. Together with the District's status as an ISRDP node

this may enhance the delivery of infrastructure and services and present opportunities for construction and services enterprises.

Ecotourism has easily identifiable potential that is currently under-developed. Tourism opportunities are related to undeveloped landscapes, the Mehlodeng Mountains, sites with acknowledged biodiversity status, natural heritage and O'Connors Camp Nature Reserve on the Lesotho border. As is the case elsewhere in the Province, existing opportunities are poorly developed and poorly serviced. Efforts to promote tourism should include a correction of the perceptions of crime. The rate of reported crime is low – well below the Provincial average and has declined over the past three years.

#### 4.6.4 Projects and initiatives emerging from the District workshop

Initiatives and projects and existing activities identified as having potential in the District workshop included:

- Timber processing at a local sawmill and furniture manufacturing
- Water storage infrastructure and irrigation agriculture
- Ntsikeni Ecotourism
- Masakala and Madlangala Guest House and the Xesebi Conference Facility
- Development of a tourism master plan for the District highlighting cultural and natural attractions
- Mehlodeng Hiking Trail
- O'Connors Camp tourism spot on the Lesotho border.
- Improving tourism signage
- Local catering for Government and business functions
- Reconfiguration of Umsimvubu Goat project to create more farmer/ worker ownership and greater access to export markets
- Msukeni hydroponics project
- BaSotho fabrics, beading and cultural dress
- Tenure reform and tenure clarification initiatives so as to attract investment and facilitate public expenditure

# 5 Enhancing competitive advantage in the Eastern Cape

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In comparing this quantitative analysis of competitiveness with the perceptions of competitiveness obtained in the training workshops, it is clear that officials charged with supporting LED in the Province tend to be more positive about their local economies than the quantitative analysis suggest is justified. There are a number of reasons for this. The data are poor and often dated. In the past three years the Eastern Cape appears to have made significant progress with regard to poverty alleviation, which has almost certainly had an impact on local businesses. This impact is in all likelihood not fully captured in the quantitative analysis of this study.

There is also, however, a false sense of optimism among officials with regards to their locations' competitiveness. This manifests in a tendency to misrepresent the viability of emerging enterprises and the ease and speed with which these enterprises are able to become financially sustainable. This perception is critical, given that public sector officials tend to be the drivers of many business proposals, and their understanding of competitiveness forms a key element of the Provinces' competitive advantage.

Equally, public sector LED stakeholders struggle to convert their understanding of competitiveness into appropriate action. The prevailing situation is characterised by ambivalence; the majority of stakeholders were able to articulate the concept of competitiveness but when conceptualising their own responsibilities, they reverted to support for economically unsustainable and uncompetitive projects. There is a systematic weakness in understanding of and ability to identify competitive advantage. Existing understandings of competitive advantage can be traced back to received wisdoms, which over time have become entrenched in local folklore. This is in contrast to an approach founded on a common understanding and analysis.

Unsettled land claims hinder investment by both the public and the private sector – public and private investment in infrastructure, facilities and enterprises is curtailed due to the uncertainty created by unsettled land claims, tenure disputes and boundary disputes.

Despite overly optimistic views and inhibiting factors, there are clear pockets of competitive enterprise within the Eastern Cape and indications that competitiveness is improving. These should be supported in conjunction with broad, and more long-term initiatives aimed at improving capacity. Examples of appropriate interventions include:

- In most districts efforts to enhance competitiveness need to target – in a systemic manner – the lack of basic location factors, which is a Government responsibility. The current lack of economic infrastructure inhibits the flow of goods, services and other factors of production, most notably people. It also increases the transaction costs of doing business in

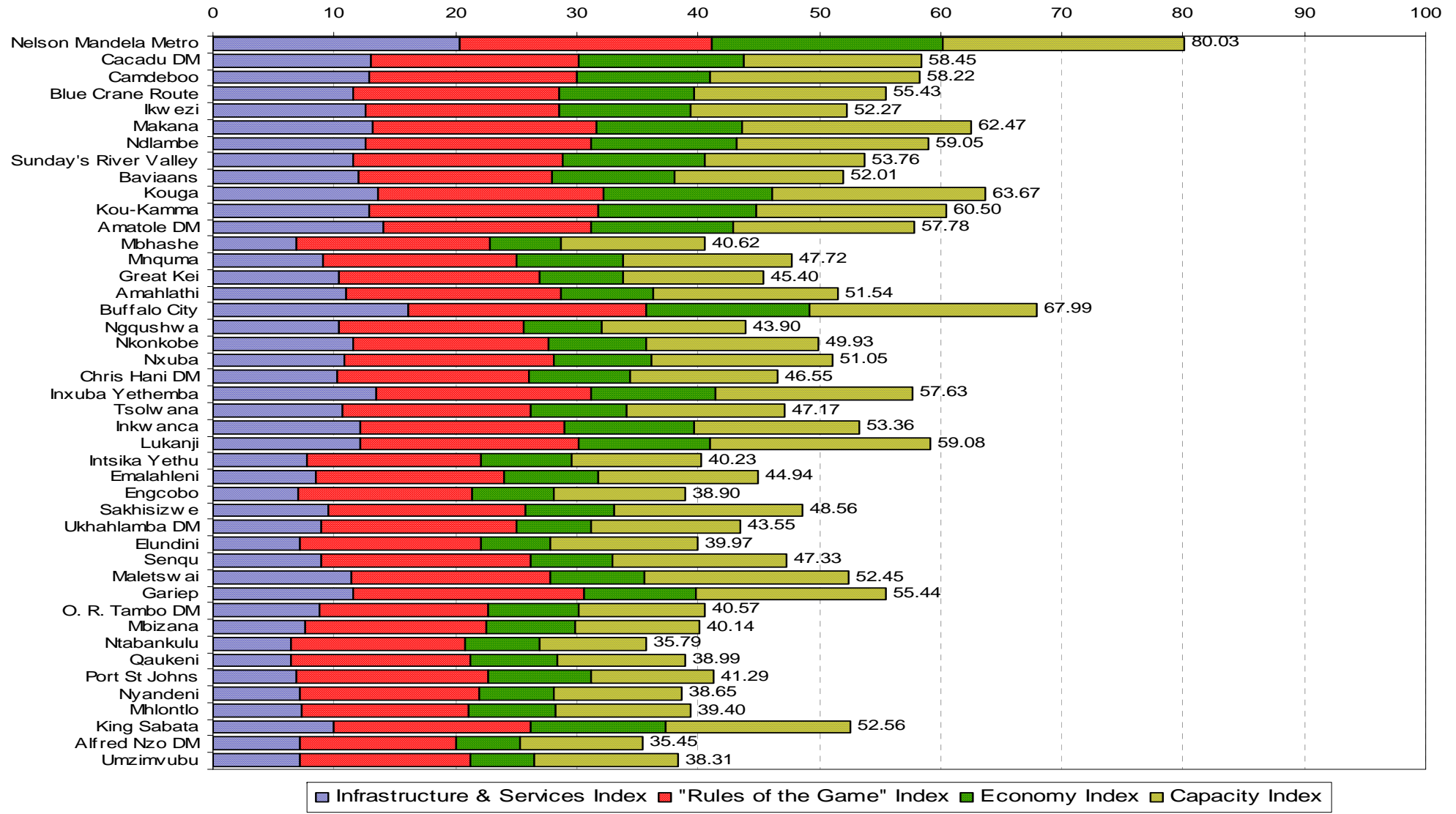
the Eastern Cape. The national and Provincial effort to redress the infrastructure and services backlog has key potential in this regard. Where economic infrastructure is delivered in consultation with business and local entrepreneurs it could unlock economic opportunities.

- There is clear scope for better integration of, and stronger links between, existing enterprises. The economy of the Eastern Cape remains fragmented within geographic and sectoral clusters. As a result, successful enterprises tend to remain discrete and have a limited impact on their neighbourhoods. There is a notion that successful businesses are those that have become competitive in spite of their economic environment and not because of it.
- Entrepreneurial activity is the “holy grail” of business competitiveness. Whilst the best indicators of entrepreneurial activity are all items on which the Eastern Cape scores poorly, education, exposure to successful business people, access to capital, proximity to economic centres, and majority of males in the population are signs that the lack of alternatives has generated a measure of entrepreneurial activity in the informal economy, particularly in places such as Alfred Nzo and O R Tambo. Where appropriate, these initiatives should be strengthened and encouraged to expand.
- Further opportunities to convert comparative advantage in agriculture into competitive enterprises, for example, through fencing, training and breeding to transform Bantustan agriculture do exist. The precedent created by the provincial wool sector in collaboration with the wool co-operative (BKB) and the National Wool Growers’ Association (NWGA) is noteworthy in this regard. Any activity that involves enhancing agricultural potential is likely to have broad impacts on poverty alleviation since most poor people are rural and include agricultural activities among their livelihood strategies.
- Given product supply side factors and consumer demand for processed agricultural products there is great potential for regional agri-processing enterprises. For example, maize is grown and wholesaled but not processed in the province. Citrus and pineapples are grown and wholesaled with very few value-adding activities. Aloe vera is harvested and processed very basically in Amatole at the iKhala factory, but the bulk of value-adding which occurs when the aloe is converted into a cosmetic takes place outside the Province.
- It is important to settle land claims and create more certainty around land tenure. Fora that can disseminate accurate information, address uncertainties and break the current impasse will greatly enhance the competitiveness of regions such as Alfred Nzo.
- Initiatives that assist local enterprises in converting the existing tourism comparative advantage into competitive advantage should be encouraged. This could include innovative product development (tourism routes),

tourism asset packaging and marketing, and efforts to develop tourism infrastructure and tourism networks.

- There is scope for improved marketing of tourism opportunities – attractions and products - and for correcting perceptions about safety and security, which are not borne out by the statistics.
- Initiatives to create a sense of security through community awareness campaigns should be supported.
- Information and data problems should be addressed so as to enable credible assessments of poverty, business development and economic growth.
- There is potential to use the current period of investment in infrastructure to enhance the competitiveness of the local construction industry. Within the construction sector, there are opportunities to enhance skills and build the capacity of local contactors and block makers. The creation of associations of builders that can facilitate bulk buying and transport provision could support emerging entrepreneurs. There is an associated need to address capacity constraints and provide technical skills training. The goal should be independent construction and consulting firms capable of delivering on local contracts and capturing Provincial infrastructure budgets. The current investment in infrastructure creates an environment in which local enterprises can develop capacity and become more competitive. Addressing the infrastructure backlog is a clear business opportunity.
- Initiatives that promote functional partnerships with a clear definition of roles and responsibilities will enhance competitiveness, assist in developing a functional and independent private sector and address local capacity constraints.
- A lot of work needs to be done to create the circumstances in which competitive enterprises are likely to emerge and to manage the transition from government sector dependent economies to more diverse economies characterised by a vibrant private sector. There is a need for further training and participatory appraisal to enable government officials to correctly identify competitive advantage.

# Appendix A: Figure 2: Local government competitive advantage as measured by the composite index of competitiveness



# Appendix B: Record of Attendance: Non-Government

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## Cacadu District and Nelson Mandela Metro

Those who told us they planned to attend, but did not attend:

NAME	ORGANISATION
Mr V. W. Gqeke	Balobi Fish Processor

Those who attended:

NAME	ORGANISATION	Full (4 days) or partial
Mr M.T. Dlamini	SRVM	Full
Mr S. Adams	UDDI	Full
Mr Jannie Kruger	Kouga Business Forum	Full
Ms Karlien De Klerk	L Braries	Partial
Angus Tanner	Baviaanskloof Megareserve Project	Partial
Dr J.S.V. Reddering	Council for Geoscience	Partial

## OR Tambo District

Those who told us they planned to attend, but did not attend:

NAME	ORGANISATION
Mr L. Luzito	United Independent Front
Mrs Majija	EC Appropriate Techn. Unit (ECATU)

Those who attended:

NAME	ORGANISATION	Full (4 days) or partial
Zama Poswayo	Emergent Bus. Consultants & Training	Full
Mr Mkokeli Bovungana	NAFCOC	Full
Mr Luxolo Manentsa	Mac & Sons Training and Education	Full
Rev M. Mashiye	Presbyterian Church- Minister	Full
Mr Navy Simukonda(20th)	Transkei Land Service Organisaton	Full
Ms N. Nomatyindyo	Transkei Land Service Organisaton	Full
Mr Moses Shasha	EC Appropriate Techn. Unit (ECATU)	Full
Ms Ntombesine Dingwa	EC Appropriate Techn. Unit (ECATU)	Full
Ms Notemba Tembela	Youth Representative	Full
Vukiye Tilaji	Chamber of Business	Full
Thobeka Mafmbatha		Full
Ms Pinky Ngqolosi	Transkei Land Service Organisaton	Partial

## Chris Hani District

Those who told us they planned to attend, but did not attend:

NAME	ORGANISATION
Mr Bavuma	Funda Educ. & Training Co-Op
Mr Mjamba	DOS
Ms Sokabo	Walter-Sisulu University

Those who attended:

NAME	ORGANISATION	Full (4 days) or partial
Ms M. Makiwane	Women in Construction	Full
Mr Mayekiso	Sokhasonke Emerging Contractors Dev Forum	Full
Michael Liwani	Walter-Sisulu University	Full
Nomazwe Mini	Walter-Sisulu University	Full
Thandi Matsiliza	Walter-Sisulu University	Full
Mr K. Bhovu	Kei Business Link	Partial
Pumza Sixishe	Mzantsi	Partial
Mr Tinie Terblanche	Border Kei Camber of Bus.	Partial
Linda Sixishe	Sokhasonke Emerging Contractors Dev Forum	Partial
Tracy Putzier	Border Kei Camber of Bus.	Partial

## Amatole District

Those who told us they planned to attend, but did not attend:

NAME	ORGANISATION	Full (4 days) or partial
Ms Nomadelo Sauli	MDACOC	No
Mr Miles	Border Kei Training	No
Mr Scott	MDACOC	No

Those who attended:

NAME	ORGANISATION	Full (4 days) or partial
	Palmer Development Group	
Mr Dlovu	Umvula Mvula Trust	Full
	Ruliv	
Ms Zukiswa Mandile	Triple Trust	Partial attendnace

## Alfred Nzo District

Those who told us they planned to attend, but did not attend:

NAME	ORGANISATION
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Mr Moshoeshoe(+2)	Umzimvubu Local Tourism Organisation
Mr Setlaba	Maluti Business Skills (Nafcoc)
Mr Mbalo	ANDM Construction Association

Those who attended:

NAME	ORGANISATION	Full (4 days) or partial
Mr Damoyi	Farmers Association	Partial
Mr Odwa Voyi	ANDM (Construction Association)	Full
Mr Robert Mnika	Methloding Tourism Trust	Full
Bulelani Letuka	Methloding Tourism Trust	Full
Ms Nomonde Voyi	East of Eden Trading	Full
Ms Lindiwe Mkula	LNM Construction	Full
Nonthuthuzelo Mateyisi	Maluti Skills Development	Full

## Ukhahlamba District

Those who told us they planned to attend, but did not attend:

NAME	ORGANISATION
Mr Z. Baduza	Business Ass - Sterkspruit
Mr Siyabulela Giyose	Unique Community Radio station
Mr Khotso Ramakatsa	AK Builders Company
Mr Vuyo Gaba	Maletswai NAFCOOC

Those who attended:

NAME	ORGANISATION	Full (4 days) or partial
Ms Noluthando Ngulube	Sinethemba Community Dev	Full
Ms Ntombi Mankayi	Phuhlisanani Emerging Farmers	Full
Ms Palesa Mehlomakulu	MK Group Service Provider	Full
Ms Nozuko Matiso	Gariiep -Radio Unique	Full
Manager	Lake Gariiep Resort	Full