

PROGRAMME PERFORMANCE ENTERPRISE PROMOTION

The ECDC, in collaboration with AsgiSA and Eastern Cape Tourism Board, developed an emotive television commercial aimed at creating awareness of the Eastern Cape as a lifestyle destination.

It was flighted on various DSTV and SABC channels from April to June 09.



INVESTMENT AND TRADE PROMOTION

AIM

The aim of the Investment and Trade Promotion Unit is to facilitate investment and trade in priority sectors in line with the PDGP and DTI's macro economic strategy so as to increase developmental impact in the Eastern Cape.

The programme is composed of the following sub-programmes:

- Investment Promotion
- Trade Promotion



PROGRAMME PERFORMANCE

ENTERPRISE PROMOTION

1. INVESTMENT PROMOTION

1.1 Outputs and service delivery trends

Strategic goals for the sub-programme are:

- To attract foreign and local direct investment into the Eastern Cape through improving value propositions and promoting incentives developed by the DTI, increased missions and marketing municipal incentives.
- To maintain and support existing investments.
- Cross leverage opportunities for ECDC loans and improve occupancy of ECDC properties.

Based on the objectives of the PGDP, the unit focuses on the following sectors:

- Manufacturing-based potential, which sub-divides into general manufacturing and automotive.
- Agro-processing, Medicinal and Aromatic plant production, greenhouse Horticulture.
- Tourism infrastructure investment promotion/ property development.
- BPO – Business Process Outsourcing with a focus on call centres and film.
- ICT.
- Mari- and aquaculture (fish and abalone).

These are driven through the following approaches:

- Image building activities (pro-active).
- Investment generation activities (pro-active).
- Investor servicing activities also referred to as after-care (re-active).
- Policy advocacy.
- Support and collaboration with the East London and Coega Industrial Development Zones.
- Support function to municipalities (demand driven).
- Outward missions including but not limited to:
 - Germany and Switzerland (agro-processing: medicinal and aromatic plants).
 - Japan (mari- and aquaculture).
 - China and South Korea (manufacturing, auto and ICT).
 - Brazil (manufacturing).
 - US (BPO).
 - Germany and Switzerland (tourism).

1.2 Performance in 2008/09

Measurable objectives	Performance measure	Planned performance	Actual performance	Deviation %	Reason for deviation
Facilitate investments	Number of new prospects	110	93	-15	Investments have been postponed or cancelled due to global economic slowdown.
	Number of new investments	20	20	0	Target met.
	Value of investments facilitated R'million	1,042	731,4	-30	Projects' expansion delayed due to EIA approval and Record of Decision. Project development slower than anticipated in some projects. Some projects started, but ECDC is awaiting confirmation before it is recorded as an ECDC achievement.
	Number of jobs created or saved	1,521	1,214	-20	Investments have been cancelled or postponed due to global economic slowdown.

PROGRAMME PERFORMANCE: ENTERPRISE PROMOTION

1.3 Trends in performance from 2005/06 to 2008/09

Measurable objectives	Performance measure	2005/06 (actual)	2006/07 (actual)	2007/08 (actual)	2008/09 (actual)	Compound annual growth %	Reason for deviation
Facilitate investments	Number of new prospects	New measure	91	101	93	-1	Global economic slowdown.
	Number of new investments	New measure	24	29	20	-9	Global economic slowdown, and the possibility of recession in SA economy.
	Value of Investments facilitated R'million	1,416,5	766	738,3	731,4	-20	Global economic slowdown and the possibility of recession in SA economy. Decisions postponed and current investors taking a conservative approach with respect to expansion.
	Number of jobs created or saved	3,467	3,522	2,177	1,214	-29	Global economic slowdown, and the possibility of recession in SA economy.

1.4 Challenges in 2008/09

Agriculture and Agro-processing:

- The restrictive regulatory environment relating to the Management of Biodiversity has negatively affected the Medicinal and Aromatic Plants Programme (MAPs).
- Unlocking the potential of land in the North Eastern part of the province continues to be a challenge.
- No sector policy at provincial level.

Manufacturing, Auto and Renewable Energy:

- Global economic slowdown, especially in the auto and components sector.
- Limited research and slow roll-out in the Renewable Energy sector.
- No sector policy at provincial level.

Tourism:

- Lack of infrastructure development, more especially within the former homelands and rural areas.
- No clear coordination of activities within the tourism sector in the province.
- Global economic slowdown.

Aquaculture, Fisheries and Environmental Management and Mari-culture:

- Restrictive regulatory framework, specifically National Environmental Management of Biodiversity Act (NEMBA).
- No sector policy at provincial level.

Business Process Outsourcing and Off-shoring (BPO&O), ICT and Film:

- No provincial value proposition, incentive package and sector policy at provincial level.
- Limited understanding of the sector and therefore no broader stakeholder buy-in and support.
- Poor telecommunications infrastructure and high costs associated therewith.
- High risks associated with film development due to high levels of piracy and lack of provincial incentives to complement national ones.

1.5 Achievements in 2008/2009

Agriculture and Agro-processing:

- Analytical laboratory survey was finalised and work has now begun towards development of the Business Plan.
- Eastern Cape has become known in the global Medicinal and Aromatic Plants (MAPs) industry, resulting in a number of plant cultivation trials underway in the province.

Tourism:

- Instrumental in developing the Tourism Master Plan for the province.
- Have identified and packaged key tourism investment projects such as "Eastern Cape from Above" photographic exhibition aimed at Middle Europe.

Aquaculture, Fisheries and Environmental Management and Mariculture:

- Two new marine fin fish operations have started in the Eastern Cape, making the province the main fin fish operation source in the country.

Business Process Outsourcing and Off-shoring (BPO&O), ICT and Film:

- Interest has been developing in film shooting in the province; this has been driven by the beauty of the country side and landscape.
- Developing a framework for a single call centre for the Eastern Cape Government which will see to optimum utilisation of State resources.
- Collaboration with the BPO industry Association in the province namely (BPeSA) to strengthen the sector and market the province as a premier destination for BPO&O.

2. TRADE PROMOTION**2.1 Outputs and service delivery trends****Strategic goals for the sub-programme are:**

- Increase the value of trade.
- Increase the number of exporters.
- To focus on and explore new markets.
- Maximise the opportunities offered by various trade policies.
- Broaden trade within Africa.

Focus sectors, or sectors with the highest production capacity and manufacturing capability, are:

- Automotive.
- Agro-processing.
- Manufacturing.

Focus target countries and markets:

- United Arab Emirates - Middle East.
- Scandinavian - Sweden and Denmark.
- Ghana.
- Hanover Fair - Germany.
- SIAL France.
- China Expo and Celebrations.
- IETF - India.

Individual participation at International Trade Platforms

- Agri Food - Japan.
- JEC Composites - France.
- Gulf Expo - Dubai.

These are driven by the following initiatives:

- Use of an E-Platform to link buyers with exporters.
- Strategic alliances.
- Matchmaking.
- Capacity building.
- Market intelligence.
- Promotional activities
 - Exporters Networking Forum
 - Eastern Cape Exporters Club Annual Awards
 - dti Road show
 - Coega, dti, ECDC & Investors' Workshop.
- Inward mission - Czech Republic.

PROGRAMME PERFORMANCE: ENTERPRISE PROMOTION

2.1 Performance in 2008/09

Measurable objectives	Performance measure	Planned performance	Actual performance	Deviation %	Reason for deviation
Increase the value of exports	Value of exports generated R'million	28	202,2	622	The E-Platform performed well beyond expectations. The exchange rate performance was better than anticipated.
Increase the number of exporters	Generation of new exporters	18	21	17	Exporters Networking Forum, EMIA workshop, general information sessions.
	Number of existing exporters assisted	33	44	33	Trade mission, international trade Initiatives and participation in the National Pavilions. E-Platform and Internal collaboration with EDS focusing on the creative industry sector.
Increase the value of trade within the province	Number of businesses benefiting from dti incentive	28	47	68	Proactive marketing of EMIA, dti incentives by the Trade Promotion unit, coupled with a more efficient processing of applications by dti.

2.2 Trends in performance from 2005/06 to 2008/09

Measurable objectives	Performance measure	2005/06 (actual)	2006/07 (actual)	2007/08 (actual)	2008/09 (actual)	Compound annual growth %	Reason for deviation
Increase the value of exports	Value of exports generated R'million	New measure	17,8	46,1	202,2	237	Exchange rate favourable to exporters.
Increase the number of exporters	Generation of new exporters	New measure	6	16	21	87	Many information sessions, workshops and training facilitated.
	Number of existing exporters assisted	New measure	21	31	44	45	E-Platform and trade missions have started to show results this year.
Increase the value of trade within the province	Number of businesses benefiting from dti incentive	New measure	29	16	47	25	More understanding of EMIA incentive, and more proactive marketing of the incentive.

2.3 Challenges in 2008/09

- Global economic slowdown impacting negatively on exports, particularly in the manufacturing sector, especially automotives.
- Current gains are skewed and are based primarily on the demand for agro-processing and general manufacturing products and the exchange rate.
- After-care service requires attention.
- Fragmentation in Business Chambers poses a challenge in terms of co-ordination and recording of export sales.

2.4 Achievements in 2008/09

- Further roll-out of the E-Platform had a major impact on exports.
- Improvement in the number of networking forums and information sessions also assisted in empowering exporters.
- New export orders in manufacturing, especially from China.
- Russian trade mission bearing investment possibilities.
- Economic stakeholders' relationships have seen improvement.

3. BUDGET 2008/09

Programme	Budget R 'million	Actual R 'million	Deviation %	Reason for deviation
Sub-programme 2.1: Investment Promotion				
- Overheads	7,3	5,6	-23	Overhead underspend is basically due to vacancies within the unit/sub-units.
- Projects	3,2	11,7	266	The Provincial Branding project was implemented with the production of the Eastern Cape television commercial together with the roll-out of the "Eastern Cape from Above" photographic exhibition.
Sub-programme 2.2: Trade Promotion				
- Overheads	1,8	1,2	-31	A vacancy exists for the Manager: Trade Promotion position.
- Projects	2,1	2,9	38	The E-Platform project was extended in this financial year and additional capacity solicited.
Total Overhead expenditure	9,1	6,8	-25	
Total Project expenditure	5,4	14,6	170	