



North West Province
Porofense ya Bokone Bophirima
Die Provinsie van die Noord-Wes

DEPARTMENT OF ECONOMIC DEVELOPMENT AND TOURISM



ANNUAL REPORT
FINANCIAL YEAR 2005 / 2006

FOREWORD BY THE MEC: HON. DE AFRICA	pg 2
--	-------------

SECTION 1:

CORPORATE OVERVIEW OF THE DEPARTMENT	pg 3
---	-------------

1. An overview by the Acting Head of the Department	pg 5
2. An overview of Economic Growth in the North-West Province	pg 7
3. An overview of the High Value High Impact Projects Aligned with the AS-GISA Programme.....	pg 12
4. Aims and Objectives of the Department	pg 14

SECTION 2:

DEPARTMENTAL PROGRAMME OVERVIEW	pg 17
--	--------------

Programme 1: Corporate Services	pg 18
Programme 2: Small Business Development	pg 49
Programme 3: Economic Development, Planning, Research, Monitoring & Evaluation.....	pg 53
Programme 4: Regulatory Services	pg 57
Programme 5: Tourism Development	pg 61

SECTION 3:

ANNUAL FINANCIAL STATEMENTS.....	pg 65
---	--------------

1. Report by the Accounting Authority to the Executive Authority and Legislature	pg 66
2. Report of the Auditor General	pg 74
3. Report of the Audit Committee	pg 76
2. Presentation of the Annual Financial Statements	pg 77
3. Statements of Financial Performance.....	pg 83
4. Annexes	pg 102



Foreword by the MEC

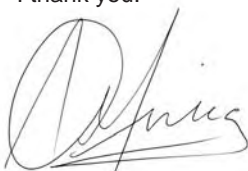
This report heralds the first financial year of the Department of Economic Development and Tourism since the alignment of departments in August 2005. Whilst these reconfiguration processes are never without challenges normally associated with the establishment of a new department, for me, it was indicative of the level of expectations associated with a department of this nature in accordance with the given mandate. It thus suffices for me also to indicate that, in order to successfully deliver on the mandate in pursuit of the objectives and goals of the Provincial Growth and Development Strategy, (PGDS) and the Accelerated Shared and Growth Initiative for South Africa, (ASGI-SA), we will need to grow the requisite intellect capacity and critical mass in the Department.

I would also humbly accept the observed weaknesses pointed out by the Office of the Auditor General in terms of the accounting practices that have resulted in my Department receiving a qualified audit opinion by the A-G including issues reflected therein under the "emphasis of matter". I thus hereby give an undertaking that these issues will be attended to towards avoiding a recurrence of such. In the recent report commissioned by the Department entitled "Investment And Policy Implications of an Accelerated Growth Scenario In The North-West Province" as compiled by Conningarth Economists, which postulates that although the ASGI-SA Programme has been established as a national strategy, the challenge for the North West is to adapt its own growth and development strategy to reflect the six initiatives identified in ASGI-SA towards fighting poverty, unemployment and improving the low level of expertise and skills, both as immediate and long term challenges. For the Department, this statement reflects the realities of the situation in the Province towards elevating itself from the unrelenting quandary of poverty and unemployment.

Whilst I would not want to pre-empt the contents of this report, it is significant for me reflect on some of the critical projections made by the above quoted Report as commissioned by the Department. It indicates that the Province needs to grow skilled employees at an annual average rate of over 5% if it needs to meet the targets set by both the PGDS and ASGI-SA policies. The report submits that there is a real term need to train 200,000 people across sectors between 2004 and 2014, which should translate into approximately 22,000 trained people per annum. Notwithstanding the fact that this is almost 50% less from our previous targets by the PGDS, it still conscientizes this Province on the need to invest, educate and train the requisite human capital across all sectors.

I would therefore lastly give my commitment here that, all programmes and projects conceived and adopted by my Department and our agencies will be aligned to the aspirations of the PGDS and ASGI-SA initiatives and will be seen to be addressing the challenges confronting our Province, particularly in relation to economic growth and social development. They will also strive for maximum efficiency and effectiveness in the use of scarce resources of the Province. This I however also realise, can only be attained if we strive to grow, nurture and retain our dedicated and skilled pool of employees in the Province.

I thank you.



DARKEY E. AFRICA

MEC: ECONOMIC DEVELOPMENT & TOURISM



North West Province

Corporate Overview of the Department



Departmental Management Committee



Mr Kgosietsile Sehularo
Acting Head of
Department



Mr Mojalefa Nale
Chief Director (Small
Business Development)



Ms Sizile Mpolokeng
Director Human
Resources Management



Mr Abram Tlaetsi
Chief Director
(Economic
Development, Planning
& Research)



Mr Thabo Thulare
Acting Director (Special
Projects Development)



Ms Dumisa Seshabela
Director (Communications
Services & Information
Management)



Mr Ishmael Kgokong
Director (Tourism
Development & Capacity
Building)



Mr Poka Lekhu
Acting Director (MEC
Support)



Mr Barry Morkel
Director (Policy
Research, Monitoring &
Evaluation)



Mr Solly Moutlana
Director (SMME
Support Services)



Ms Nono Dince
Director (Financial
Manager)



Mr Mooketsi Senqhi
Acting Director
(Consumer & Liquor
Regulatory Services)



An Overview by the Acting Head of the Department

1. An Overview by the Acting Head of the Department

1.1 Institutional Matters

Although this Department has in many ways, during this financial year under review been affected by the reconfiguration process, it has remained on track in attaining the targets set. These mergers have however triggered internal capacity problems which got exacerbated by the delays in the approval of the departmental structure, coupled with the exit movement of staff from the Department owing to attractive benefits elsewhere. Subsequent to the approval of the Departmental structure, all funded posts have since been advertised and efforts are currently being made to fill them.

The Department continues to maintain a close working relationship with its agencies, stakeholders, other Departments and governing structures locally, provincially and nationally in its quest to meet the Provincial Government objectives. One of the areas that continue to receive a relentless and active attention is the registration of the Mafikeng Industrial Development Zone with the Manufacturing Licensing Board at DTI. Meetings are being pursued both at Ministerial and technical levels with positive results in this regard. Another ongoing area of focus by the Department is the rehabilitation of the North West Development Corporation which would serve as a Development Agency for the Province, particularly towards delivering on major projects for the Province.

Although the process of appointing governing Boards of Directors for all agencies under the Department has not as yet been completed, it is an area that the Department has during the past financial year been focusing on to ensure that these institutions are effective.

1.2 Internal Governance Issues

With regards to governance issues, the Department has managed to ensure that most of the prescribed governance policies required to render the Department functional and efficient are compiled. These are policies that are based on the Public Finance Management Act as promulgated, as well as on the Public Service Administration Act, amongst others. The policies are there to ensure that the Department operates efficiently and effectively in the application of the allocated resources whilst maintaining high staff morale amongst members of the staff and in complying with the Batho Pele principles. Amongst the Departmental policies compiled are the following:

- a) The Internal Safety and Security Policy,
- b) The Risk Management Strategy,
- c) The Fraud Prevention Plan,
- d) The Asset Management Policy,
- e) The Procurement Policy and Procedures,
- f) The Transfer Payment Policy and Procedures,

The Department however seriously notes the issues raised by the Office of the Auditor General that have led to a Qualified Audit Opinion on the report including those under the "emphasis of matter". The Department will make sure that all internal accounting practices will be brought to a level where these issues will be avoided in the future. We also sincerely want to thank and appreciate the cooperation and assistance by the A-G's Office during the audit period.

1.3 Intergovernmental Relations

The Department has maintained an active role towards the implementation of the adopted Growth and Development



Strategy for the Province, in particular within the PGDS Working Groups. In this regard, the Department has ensured that it continues to conceive and scope projects which are aligned with the AS-GISA objectives. Another area of focus in line with the PGDS implementation process during this year was the sealing of partnerships with organizations such as the Small Enterprise Development Agency, (SEDA), the ABSA Bank, the Automotive Industry Development Centre, and the South African Broadcasting Corporation, (SABC). The major objective in the signing of these partnerships was to create a working relationship that would assist the Department in pursuing its strategic objectives. In signing the Memorandum of Agreement with SEDA, we have also ensured that this relationship would be beneficial to the many aspiring SMMEs in the Province. This development has also required the streamlining of operations in the Province whereby the previously established Entrepreneurial Support Centres have now been integrated into SEDA.

1.4 Industry Promotional Activities

The Department has remained very active with a number of promotional activities undertaken both locally and internationally. The quest in this regard is to promote the development of value adding industries in the Province, as well as to assist the Small Micro and Medium Entrepreneurs in the Province. In pursuing this objective, the following exhibitions were supported by the Department during the financial year under review:

- a) "One of a Kind" held at Gallagher Estates in August 2005 where 17 SMME exhibitors from the Province were given support by the Department.
- b) The Botswana International Trade Fair held at Gaborone showground in August 2005 where 18 exhibitors and Invest North West participated. Some of our SMME participants made successful deals at this particular exhibition such as Diana Dee who sold products for P 7 370 and orders for P 35 700 for three weddings and the Pampierstad Traditional Arts sold for P 2 280. M E Jewellery also made P 7000 from polishing and the sale of Jewellery. One of the SMMEs dealers, Afro Fist, now only exports the products to Botswana on a regular basis as a result.
- c) ASEAN Expo held at NASREC Show Grounds in August 2005 where the Department received a 1st Prize for its stall and where 8 SMME exhibitors and Invest North West attended.
- d) One of the highlights of the Department was the North West Mega Expo held at Convention Centre Parking area in November / December of 2005 where 291 SMME Exhibitors attended. This is an annual event.
- e) The last promotional event staged during this financial year under review was the Africa International Investment Expo held at the Sandton Convention Centre in March 2006 where the Department also received a prize. Participating from the Province were 4 SMME Exhibitors, Invest North West and the Parks and Tourism.

In Conclusion

Notwithstanding the many challenges experienced by the Department, especially issues relating to the lack of critical skills and expertise to drive the many projects and programmes in the Department including the lack of other resources necessary, the Department will continue to pursue the identified projects and programmes that will contribute to both the PGDS and AS-GISA targets set.



Mr Kgosietsile Sehularo
Acting Head of Department



North West Province

An Overview of Economic Growth in the North West Province

2. An Overview of Economic Growth in the North West Province

The Department had in March 2006 commissioned Conningarth Economists to do a scan of the provincial economy, including an analysis of the investment and ASGI-SA programme implications for the Province and to produce a brief report in this regard. The following are subsequently excerpts of the findings from the report as compiled.

2.1 North-West Provincial Growth and Development Strategy (North-West Strategy)

As previously indicated by the MEC, Mr Darkey Africa, the report indicates that although the ASGI-SA programme has been established as a national strategy, the challenge for the Province is to adapt its own growth and development strategy to reflect the six initiatives identified in ASGI-SA, towards fighting poverty and unemployment and improving the low level of expertise and skills, both as immediate and long term challenges. It further quotes the Global Insight data which says that the contribution of the Province to the GDP of the South African economy amounted to 7% in both 2003 and 2004. This contribution placed the Province on a 5th position amongst the nine provinces, compared to its previous 6th position during the preceding years.

Table 1: GDP Per Sectoral Contribution at Current Prices

GDP PER SECTORAL CONTRIBUTION AT CURRENT PRICES - PERCENTAGE CONTRIBUTIONS					
INDUSTRY	2000	2001	2002	2003	2004
Primary Industries	29.60%	32.30%	32.50%	28.00%	27.50%
Agriculture, forestry & fishing	3.40%	3.80%	6.30%	2.90%	2.60%
Mining & Quarrying	26.20%	28.50%	26.20%	25.10%	24.90%
Secondary Industries	9.70%	9.20%	9.80%	10.00%	9.60%
Manufacturing	6.80%	6.60%	7.00%	7.20%	7.00%
Electricity, gas & water	1.00%	0.90%	1.00%	1.10%	1.00%
Construction	1.80%	1.80%	1.80%	1.80%	1.60%
Tertiary Industries	51.60%	49.40%	48.70%	52.70%	52.50%
Wholesale & retail trade; hotels & restaurants	12.10%	10.50%	10.30%	10.90%	11.00%
Transport, storage & communication	7.80%	8.00%	7.80%	8.50%	8.10%
Finance, real estate & business services	11.30%	11.40%	11.40%	12.90%	13.60%
Personal Services	7.70%	7.50%	7.30%	7.80%	7.70%
General government services	12.70%	12.00%	11.80%	12.50%	12.10%
All industries at basic prices	90.80%	90.90%	91.00%	90.70%	89.60%
Taxes less subsidies on products	9.20%	9.10%	9.00%	9.30%	10.40%

Source: StatsSA (GDP Annual Estimates), November 2005

In reflecting on Table 1 above, the report confirms that the Province is heavily dependent on the mining sector for its economic performance and this sector currently contributes 25% to the total GDP-R for the Province. The report further indicates that currently people employed in the provincial mining sector constitute around 30% of total employment in the mining sector in South Africa (Global Insights Economists, 2005).

Further to this, the Manufacturing Sector is to a large extent dominated by mining-related industries that consist predominantly of Metal Products and Machinery, Non-Metallic Mineral Products and Chemical and Chemical Products. It contributes 7% to the GDP-R of the Province and in this regard, the economic structure of the Province differs quite markedly from that of the rest of the country, where the dominance of the mining sector is not so strong.

With regard to Agriculture, forestry and the fishing sector in the Province, it has continued a steady decline from its 2002 high of 6, 30%, to 2, 60% in 2004. It is mentioned that the dominant factors influencing this decline can be attributed to declining producer prices, along with the increasing strength of the Rand in recent years.

The report indicates lastly that the Finance, Real Estate and Business Services sectors in the Province have also shown an increase in growth of around 2,2% since 2002, and currently contribute 13,6% to the GDP-R of the Province. Given



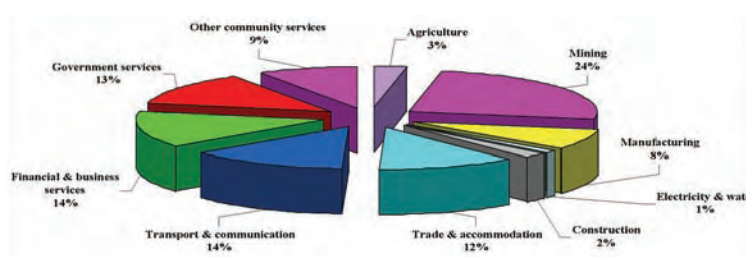
2.2 Employment and Unemployment in the North West Province

Quoting from the "The Labour Force Survey (LFS) 2005", which was released by Statistics South Africa in September last year, Conningarth says that the latest unemployment figure stood at 27,4% during September 2005, indicating a slight decrease from the 28,8% recorded in March of the same year. The perspective given by the survey as per the report is that women are consistently worse off in respect of the problem of unemployment. Other observations made are that in September 2005, the labour absorption rate within the Province had risen from 34, 8% in 2004 to 38, 4% in 2005, an increase of some four percentage points, indicating that more people were employed within the Provincial economy than in 2004.

2.3 Economic Aggregates used in the North West SAM

The pie-chart given below shows the relative importance of the various sectors of the provincial economy according to their contribution to the GDP-R as per the Conningarth Report.

Chart 1: Sectoral Composition of the PROVINCE Economy – Contributions to GDP-R



It says that at 24%, the major economic sector is seen to be mining. Manufacturing, whilst representing only 8% of the GDP-R, is strongly driven by the mining sector, with the metal products, non-metallic mineral products and chemical sectors accounting for some 71% of manufacturing, as demonstrated in Chart 2.2. Mining is thus a key player in the Province's economy, not only in terms of its contribution to GDP-R, but also because of its influence on the other sectors. However, in mining activities related to the extractive process most of the jobs are dependent on non-transferable skills. This has a negative impact on the ability for employees in the sector to move into other sectors.

Chart 2: Composition of Demand for Commodities

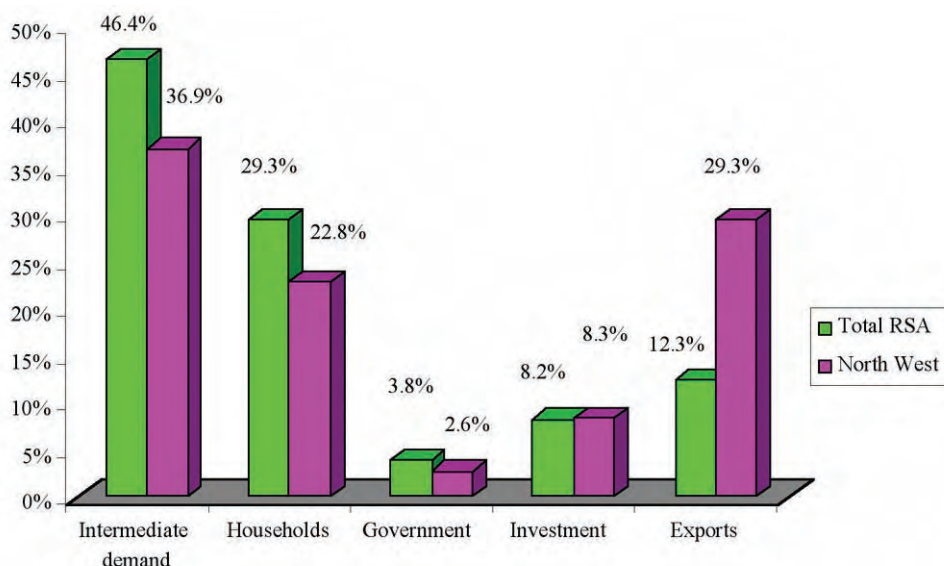
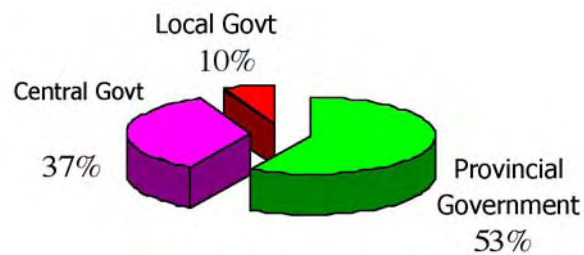


Chart 2 illustrates the composition of demand for commodities in the Province compared with the RSA totals. The issues that stand out clearly in this chart is that the intermediate demand in the Province (at 37%) is lower than that of the RSA (at 46%). This therefore suggests possibilities to enhance local production through the local beneficiation of raw materials. It also highlights the important role of exports in the Provincial economy, with exports providing 29% of the demand for commodities, as compared with 12% for RSA. Exports are dominated by gold and platinum and this again underlines the importance of mining to the Province economy.

Chart 3 shows the composition of government expenditure in the Province, which indicates that the Provincial and Local Government are responsible for 63% of spending, with 37% coming from Central Government. This underlines the important role which Provincial government plays in this area.

Chart 3: Composition of Government Expenditure in the N-W



2.4 Envisaged Growth and Development

In this regard Conningarth says that South Africa, as a whole, has achieved an average annual growth rate of 3.1% per annum during the 10-year period from 1995 to 2005, whilst the Province has achieved an average annual growth of 2.4% during this same period. Even though these growth rates represent a commendable achievement, they are well below the target of 6% identified in ASGISA and the 6.6% of the Province Strategy. Given that the historic growth in the Province was below the national average, one can argue that a total paradigm shift will have to take place for Province to aspire to the target growth rate of 6.6% p.a.

Chart 4: Average Annual GDP Growth, RSA and PROVINCE, 1995 to 2005

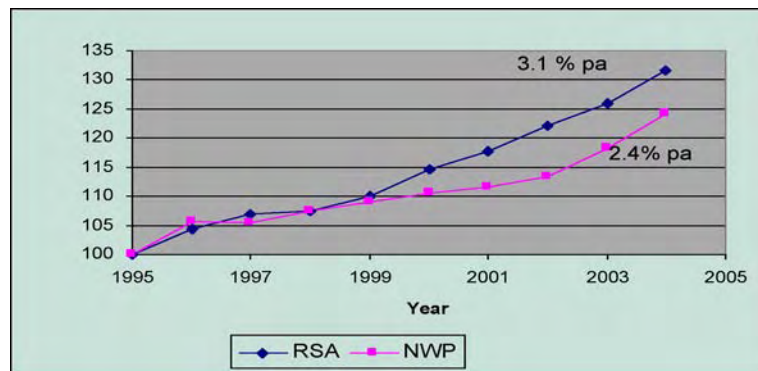


Chart 4 therefore gives a broad indication of how the growth will have to accelerate over time to reach a target of about 6.6% growth at the end of the period with an average growth rate over the period of 5.3%. In summarizing the situation, Conningarth says that to understand the practicality of the impact, achieving a 6.6% growth rate means that the total economy very nearly doubles in ten years and that every town and every industry in the Province will effectively have to double in size.



2.5 Policy Implications

To attain the economic growth targets arrived at above, appropriate policies, programmes and projects need to be put in place in the Province in the following areas:

Education and Training
Investment
Public Works Programmes
Alleviation of Poverty
Tourism

2.5.1 Education and Training

The table below reflects the estimated number of people employed in the various occupational categories in 2004, and the projected number that will be required to support the target level of GDP growth in the Provincial economy in 2014.

Table 2: Projected Employment Requirements, 2004 to 2014

Employment Categories	Estimated Employment Numbers: 2004	Projected Employment Numbers: 2014
Legislators, Senior Officials and Managers	16,008	26,671
Professionals	85,989	143,852
Technical and Associate Professionals	36,903	61,831
Clerks	50,098	83,890
Service Workers, Shop & Market Sales Workers	58,708	97,466
Skilled Agricultural and Fishery Workers	21,963	34,812
Craft and Related Traders Workers	182,517	315,800
Plant and Machine Operators, and Assemblers	148,259	247,089
Elementary Occupations	136,188	228,027
Domestic Workers	51,038	83,931
Occupation Unspecified	-	-
Total	787,672	1,323,370

The most important occupation categories that underpin economic growth are probably the skilled categories as depicted in Table 3.

Table 3: Projected Skilled Employment Requirements, 2004 to 2014

Skilled Employment Categories	2004	Growth pa	2014	Additional Requirements
Legislators, Senior Officials and Managers	16,008		26,671	10,662
Professionals	85,989		143,852	57,862
Technical & Associate Professionals	36,903		61,831	24,928
Clerks	50,098		83,890	33,793
Total	188,998	5.3	316,244	127,246



The above table indicates that skilled employment needs to grow at an annual average of over 5%. In addition to the 127,246 new people that will be required, it is necessary to take account of the fact that approximately 90,000 skilled people will retire during this ten year period. The table below indicates that taken together, there will be a need for just over 200,000 skilled people across the period from 2004 to 2014, which translates into almost 22,000 new people per year.

Table 4: Total Number of Skilled People Required, 2004 to 2014

Requirement for Skilled People	Number
Additional Posts	127,246
Retirements	90,834
Total over Period	218,080
Average per year	21,808

The above figures indicate that a major effort needs to be invested in the education and training of skilled people. It is unlikely that existing facilities will be able to cope with these requirements.

2.5.2 Investment

The Conningarth Report states that with regard to capital formation investment by the private sector needs to grow at an annual average of 12.8%, and government investment by 7% across the ten year period from 2004 to 2014. However, in order to attract this level of investment, particularly from the private sector, an attractive, stable environment needs to be created. As such, attention needs to be given to aspects such as crime prevention, provision of infrastructure services, including roads, water, electricity, etc; as well as a supportive regulatory system.

It indicates further that it will also be necessary for government to proactively identify development projects, and to provide encouragement to the private sector for them to invest, (some of which are indicated below as the "high value, high impact projects" in the Province. Furthermore, it is of cardinal importance that comprehensive project appraisal procedures form an integral element of the approval process to ensure that scarce resources are efficiently allocated.

2.5.3 Second Economy Interventions

Achieving the targeted annual growth rate of 6% in the latter part of the projection period will result in a significant increase in employment in the Province. The table below indicates that employment will increase by 3.7% from 787,581 in 2004 to 1,323,270 in 2014. However, if one assumes that the labour force increases by 1% over the period, it seems that the target of halving unemployment will not materialise. This is true in the case of both the absolute number of unemployed people (which declines from 791,905 in 2004 to 605,191 in 2014), and the unemployment rate (which declines from 50% to 35% across this period).

Table 5: Impact on Unemployment

	2004	Annual Growth Rate	2014
Total Labour force	1,579,486	1.0%	1,744,735
Employed	787,581	3.7%	1,139,543
Unemployed	791,905	-2.5%	605,191
Unemployment Rate	50%		35%



In order to achieve the target of halving unemployment by 2014, an additional effort to create jobs is required. The most obvious solution will be the introduction of a Public Sector Employment Program. A good example of this is the Working for Water programme that proves that, if the programme is well managed, a double dividend can be obtained in that a greater supply of water has been secured, and more jobs have been created.

2.5.4 Poverty Reduction

In view of the inequitable distribution of wealth and income in South Africa, any economic development strategy should incorporate specific programmes for benefiting the poor in South Africa. These include programmes to enhance small business, educating illiterate people, empowerment of women and the youth, etc. The Province SAM incorporates the informal sector, which will enable government to evaluate programmes in terms of their direct and indirect impact on poverty reduction through the involvement of the informal sector.

2.5.5. Tourism

ASGISA identifies tourism as a key industry for the future. The Province already has a significant tourism industry, and this should be further expanded as it has positive impacts on employment creation, poverty reduction and GDP growth.

3. An Overview of the High Value High Impact Projects Aligned with the AS-GISA Programme

In the Province, the following are some of the “high value, high impact” projects being pursued as part of the strategy to expand the manufacturing base and thereby create a value adding chain. The implementation of this process should result in a high GVA for the Province with a significant reduction of unemployment and poverty. Also required in this regard is to ensure that where necessary, labour intensive methods of production are encouraged as opposed to capital intensive methods which invariably result in jobless growth. This also says that a cluster approach strategy is essential as this will lead to the outsourcing of non-core business to emerging entrepreneurs within the cluster operations and this in itself will significantly contribute to the implementation of the Black Economic Empowerment policy imperatives. The projects referred to are the following:

3.1 Mafikeng Bio-Diesel Project

This involves the growing of various species of trees on marginal soil for the production of bio-fuel and other by-products from their oil bearing seeds. An oil refinery is also planned at the Mafikeng Industrial Development Zone. This project will amongst others be used to address the challenge of access to upstream economic activities by the historically disadvantaged community members, by affording them an opportunity to participate in Agro-processing and beneficiation in the economy



Historically disadvantaged community member are set to benefit from the Bio-diesel project



North West Province

3.2 Mafikeng Minerals Cluster Project

The project consists of the building of a R 60 million 10 000 sq m Complex at the Mafikeng International Airport to facilitate and house minerals beneficiation activities such as Diamond cutting. The project seeks to address the challenge of access to upstream economic activities by the historically disadvantaged community members and will include an SMME focus, included within a beneficiation cluster.

3.3 Cattle Beneficiation Project

In this regard, the proposed project seeks to establish a cluster like industrial park where cattle will be beneficiated in the Bophirima part of the North West Province, within the Western Frontier SDI. It will be leveraging on the livestock potential in the surrounding areas with the logistical support to be offered by the Mafikeng Industrial Development Zone (MIDZ). It has also generated a lot of interest from potential investors internationally and in particular, India. It seeks to address the challenge of diversification and the promotion of an up-stream economic activity within the Agricultural Sector.

3.4 North West Granite Industries Project

The proposed project is a dimensional stone manufacturing factory, cutting raw blocks into a variety of finished products including amongst others slabs, cladding, tiles, monuments, bricks, cobble stone kitchen tops, flooring, etc. The project seeks to address the introduction of world class technology and expertise in the granite beneficiation sector, which is currently non-existent in the country. Currently raw blocks of 40 tons @ are being exported with finished goods being imported back into the country. This projects requires approximately R 155 million of financial input.

3.5 The Platinum Jewellery Project

This project consists of the production of Platinum Jewellery under the Djadji Label in an industrial park that includes a mining suppliers' park, training facility and a visitors' centre. Major achievements in this regard will be the beneficiation of platinum in the Province and the participation of SMMEs in the industry.

3.6 Madibeng Automotive And Industrial Cluster (AIDC)

The Madibeng Cluster and Dry Port is Logistics Activity Precinct (LAP) i.e. a designated area in which all logistics related activities are brought together to promote a seamless supply chain. It would serve as direct import-export transshipment, multi-cargo container and loading link between Brits/Madibeng and the Maputo Port. The project seeks to maximize the utilization of existing infrastructure by the streamlining freight logistic systems. It would contribute to economic efficiency of exports by accelerating the movement of cargo via the Province.



Aims and Objectives of the Department

4. AIMS AND OBJECTIVES OF THE DEPARTMENT

4.1 Vision

The Departmental vision is “a growing, diversified and prosperous economy in the North West Province”.

4.2 Mission

Our mission is “to achieve the development and growth of a well coordinated, vibrant, diversified and sustainable economy that will create jobs and eradicate unemployment in the North West Province.

4.3 Values and Operating Principles

4.3.1. Values

The following values, which are derived from the constitution, underpin activities of the Department of Economic Development and Tourism, viz.:

- a) **Fairness**
The Department will at all times act in a fair manner towards executing its responsibilities. This means that the Managers and officials will not be biased when dealing with business issues relating to their work.
- b) **Equity**
The Department is committed to treating all clients and employees equitably in all respects.
- c) **Accessibility**
The Department remains accessible to stakeholders and role players in the course of executing its responsibilities.
- d) **Transparency**
The Department undertakes to be transparent in the conduct of its core business.
- e) **Accountability**
The Department will at all times take full accountability for its business actions and decisions.
- f) **Participation**
The Department will participate fully in all areas of its responsibility to satisfy the needs of our clients and stakeholders.

4.4 SERVICE DELIVERY ENVIRONMENT AND CHALLENGES

As detailed in the Departmental Strategic Plan, the Department of Economic Development and Tourism provides economic development services to the people of the North West Province. The main challenges faced by the Department in this environment are:

- a) Capacity building and skills development is an area that remains crucial to job creation and economic empowerment efforts in the Province.



- b) The turnaround of the North West Development Corporation into a single effective institution that will address issues of job creation, economic development and skills development.
- c) The successful implementation of the North West Provincial Growth and Development Strategy,
- d) Establishing strong linkages with key stakeholders in the implementation of the PGDS plan.
- e) The integration and linkages of all Local Economic Development (LEDs) and Integrated Development Plans (IDPs) of local government spheres into the Provincial macro-economic development plan
- f) Ensuring that public entities comply with the prescripts of PFMA, Act 1 of 1999 as amended and do achieve the objectives established.

4.5 LEGISLATIVE MANDATE

The mandate of the Department, which is essentially derived from the existing legislative framework, remains that of leading economic development and growth in the North West Province, inclusive of tourism development and promotion. Whilst the list is not exhaustive, the Departmental mandate is informed by a myriad of pieces of legislation and development policies, some of which are:

- The RDP White Paper;
- The Constitution of South Africa, 1996;
- The Rural Development Strategy (Poverty alleviation);
- The National GEAR Strategy;
- The Consumer Affairs Practices (Harmful Business Practices) Act 4 of 1996;
- Sale and Services Matters Act 25 of 1996, Credit Agreement Act 75 of 1980, Usury Act 73 of 1968;
- Trade Metrology Act 77 of 1973;
- Liquor Act, 1989;
- Credit Agreement Act;
- Sales and Services Matters Act;
- The North West Gambling Act of 2002;
- The Public Service Act, 1994;
- The Public Finance Management Act, 2000;
- The Public Service Regulations, 2001;
- The White Paper on transformation of the Public Service Delivery (Batho Pele) 1997;
- The Promotion of Access to Information Act 2 of 2000;
- The Cooperatives Act (2005)
- The National Spatial Development Perspectives (NSDP)
- Small Business Act, 1995 (currently under review)
- Provincial SMME strategy
- North West Provincial Growth and Development Strategy (2004-2014),
- North West Spatial Development Initiatives Strategy,
- Broad Based Black Economic Empowerment Act,
- Rural Development Strategy including Integrated Sustainable Rural Development Strategy,
- Urban Renewal Strategy,
- Macro-Economic Reform Strategy,
- Integrated Manufacturing Strategy,
- Cooperatives Development Bill,



4.6 Broad policies, Priorities and Strategic Goals

The strategic goals identified to give effect to the legislative and other mandates, as well as to address the challenges outlined under sectoral analysis are as follows:

- a) Lead the implementation of the North West Provincial Growth and Development Strategy in as far as economic development issues are concerned.
- b) Implement economic sector development initiatives and the BBBEE policy requirements,
- c) Promote the development and growth of small business enterprises,
- d) Promote trade and investment for the Province,
- e) Promote and facilitate industrial and business development,
- f) Facilitate the development, promotion and coordination of sustainable and responsible tourism,
- g) Facilitate the development, regulation, promotion and growth of a sustainable and responsible gambling industry,
- h) Administer, regulate and grow a sustainable and responsible liquor industry,
- i) Facilitate fair trade and responsible business practices,
- j) Implement and where necessary promulgate policies intended to create wealth and improve the well being of the people in the North West.
- k) Create competitive advantages for the Province.

