



By 2030 eThekweni will be Africa's most caring and liveable city



Economic Development and Investment Promotion Unit
Economic Sector Development Programmes

Economic Sector Development Programme Department

Vision

Africa's most liveable
southern gateway
destination to trade and
travel

Mission

To drive sector development
through partnerships and
catalytic growth initiatives
which address poverty,
income inequality and
unemployment

Objectives

- Initiate, resource and facilitate partnerships in prioritised industry sectors, in support of industrial capacity development and expansion;
- Establish catalytic initiatives through leveraging partnerships with private and public sector stakeholders; and
- Position the department as a leading authority on matters relating to industrial development.

Our Approach

- Utilising tools such as clustering, incubators, value chain development, competitiveness research and benchmarking, to analyse and develop priority sectors.
- The key mechanism for delivery is the use of **Special Purpose Vehicles (SPVs)**, that represent the partnerships between industry, academia, government, and labour.



Economic Development Unit Priority Sectors

Automotive	Chemicals	Furniture	Clothing and Textile
Electrical Machinery & Electronics	Metals	Food and Beverage	Finance & Professional services
Boat Building & Ship Repair	ICT	Tourism	Creative Industries
Green Industries	Agri-Business	BPO	Construction

Manufacturing

- KZN Clothing and Textile Cluster (KZN CTC)
- Durban Automotive Cluster (DAC)
- Durban Chemical Cluster (DCC)
- eThekweni Maritime Cluster (EMC)
- KZN Furniture Incubator
- **Agro-processing (Edamame Development Programme)**

Services

- Business Processing Outsourcing (BPO)
- ICT & E
- KZN Fashion Council

Green Economy

- Durban Green Corridor
- eThekweni Waste Materials Recovery Industry Development Cluster (USE-IT)

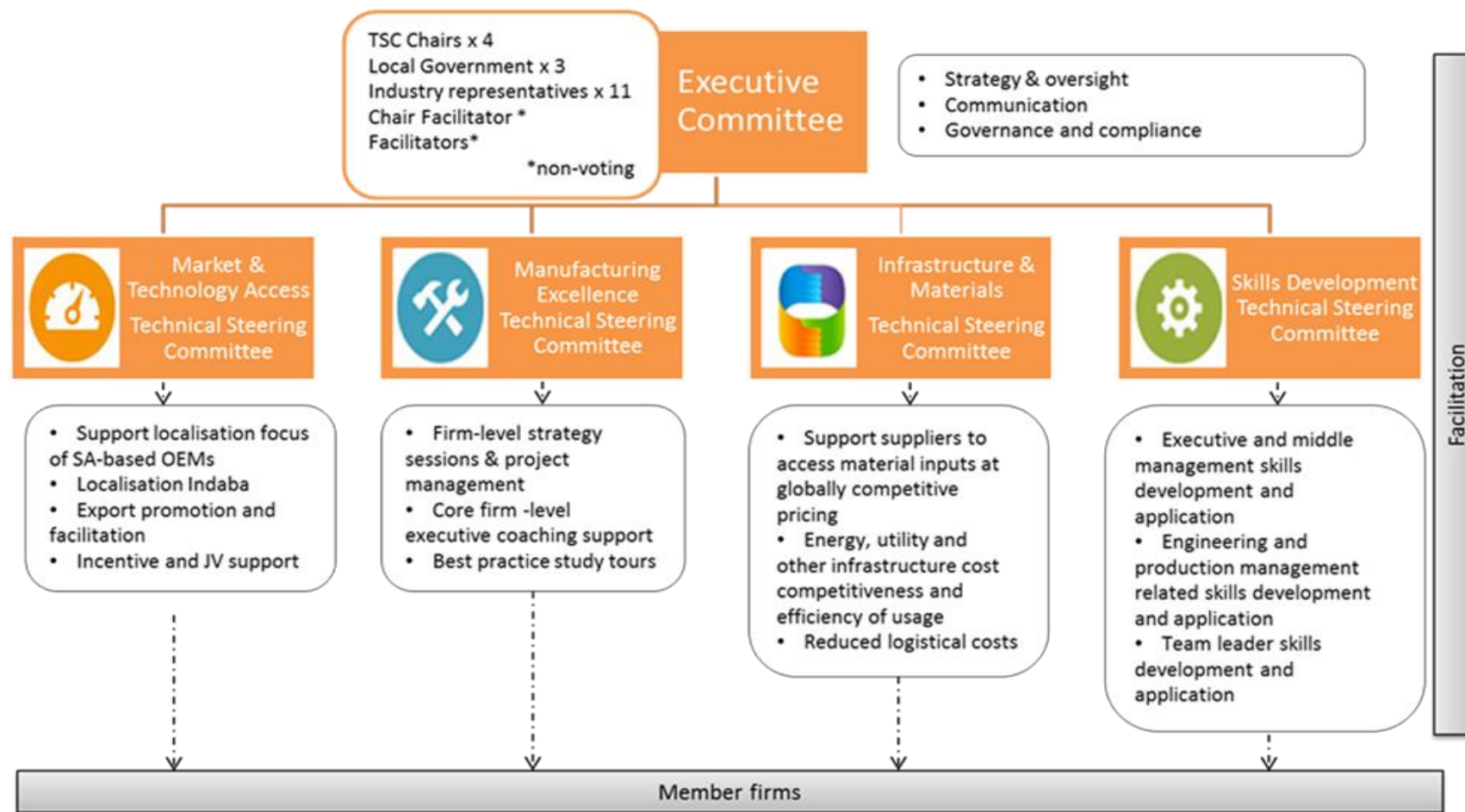
Durban Automotive Cluster (DAC)

Objective:

To grow the local manufacturing value addition by 100%, in real terms from 2012-2020.

Main Strengths

- Institutional credibility, track record of delivery;
- Participation of industry leaders at EXCO level, including Toyota;
- Real understanding of value chain upgrading opportunities;
- **50% of budget from private sources;**
- Solid delivery and exemplary member participation;
- Dealing successfully with employment & private sector growth.
- **The DAC played a meaningful role in the establishment of the Automotive Supply Chain Competitiveness Initiative (ASCCI)**
- In 2014, DAC hosted the National Localisation Indaba, bringing together over 200 of SA's leading automotive component manufacturers & stakeholder.



Durban Automotive Cluster

- The DAC is a membership-based Cluster that currently has **40 member firms**.
- Other associated Automotive Programmes:
 - NAACAM Show
 - National Localisation Indaba
 - Umlazi Auto Hub
 - Township Mechanics Enterprise Development Programme
 - City Fleet Incubation Project
 - Durban Automotive Supplier Park



Durban Chemicals Cluster

Priority Focus Areas in support of 2020 objectives

Value chain competitiveness	Enhance understanding of value chain linkages to enhance competitiveness
Investment attraction and expansion	By enabling access to incentives, improved shift optimisation, enable specific value chain linkages, focus on green technologies
Export growth	Focus on Africa
Competitive logistics	Major production cost: requires focus on port, rail, road and services. External focus: collaborate with stakeholders. Internal focus: better logistics management.
Competitive skills environment	Developing management skills and engineering skills through Management development programme and Graduate Development programme – a first for the industry
Compliance	Focus on safety, health and environment
Innovation and incubation	To facilitate moves into higher value adding market segments and emerging opportunities e.g. in green technology.
BBBEE	A priority focus area.

Objective:

To increase sales and value addition of the chemicals manufacturing sector by 53%, between 2011 and 2020.

Main Strengths

- Knowledge sharing that is different from any other source
- Credibility as a cluster facilitation institution.
- DCC provides a mechanism for the Municipality to learn the needs of industry
- DCC has conducted benchmarking programme which will enable deepened understanding of competitive challenges going forward

Opportunities

- DCC have accessed funds from CHIETA for SME development
- DCC needs to assist firms to tap into emerging Africa markets
- DCC industry Imbizo presents an opportunity for SMEs to develop potential exporting opportunities

Durban Chemicals Cluster

- The DCC is a membership-based Cluster that currently has **34 member firms**.
- Other associated Chemicals Programmes:
 - Durban Chemicals Imbizo
 - Chemicals Sector Development Support
 - Development of Plastics Cluster



KwaZulu-Natal Clothing and Textile Cluster (KZN CTC)

The quick response model

Quick Response is an apparel value chain model which aims to:

- Improve responsiveness to the market.
- Increase sales.
- Reduce markdowns

To achieve QR, local retailers need to develop strategic relationships with key suppliers. Manufacturers, in turn, need become more flexible and responsive. Many of the focus areas of the KZN CTC are aligned with these requirements.



Focus Areas

In firm lean process upgrading

Development of best practice knowledge

Deployment of the Quick Response model

Alignment and interaction of all value chain stakeholders

SME development

Cost saving joint actions

Executive function

The QR model is a different value proposition for retailers, and changes the competitive landscape in terms of competing against foreign suppliers. The model is thus reshaping the industry and the market, and has resulted in more government funding being released for what was previously deemed a dying industry. Largely as a result of these cluster processes, the DTI has released money for the industry for development. The funding is currently being managed by the Industrial Development Corporation (IDC). The KZN CTC cluster is currently focusing on assisting firms to adopt the QR model and working to improve relationships between retailers and suppliers in order to achieve the QR model.

KwaZulu-Natal Clothing and Textile Cluster (KZN CTC)

- The KZNCTC is a membership-based cluster with **32 member companies**.
- Associated Programme: Leather and Footwear



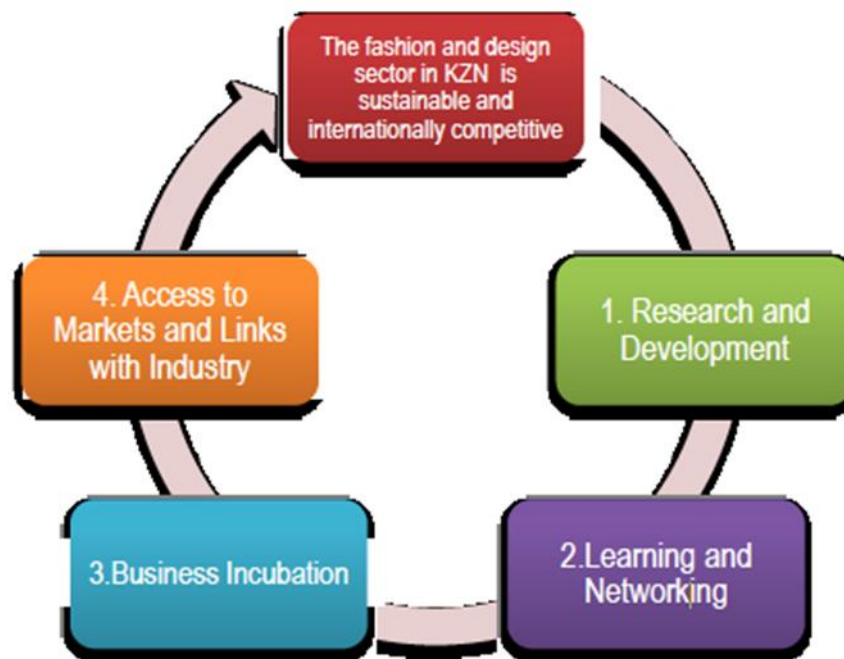
KwaZulu-Natal Fashion Council (KZNFC)

The KZN FC was launched in 2009, and forms part of the SA National Fashion Council. Initially, it faced institutional and funding challenges but hard work by the Board achieved results.

Main achievements

- Institutional establishment
- Branding and communication
- Stakeholder consultations
- Research and development
- SME support
- National Platform Successes
- Taking emerging designers into major retail chains

“The core mandate of the KZNFC remains to provide support to the fashion design sector in the province with a focus on emerging and youth designers. Through the delivery of strategic programmes for junior, emerging and established designers with a focus on previously disadvantaged individuals, the KZNFC continues to equip designers to become competitive on a national and global scale.”



Objectives

- To organise the Apparel and Clothing Fashion industry as an industry representative body and partnership to enable it to improve the competitiveness of the Clothing and Textiles Sector as a whole;
- To provide access to opportunities, education and exposure for young and established designers so as to provide an avenue for showcasing their talent;
- To link the formal and informal sector thereby improving employment opportunities in both of the sectors by leveraging each other's competitive advantage;
- To upgrade skills and linkages within the sector and between other sectors
- To develop strategic partnerships with institutions with synergy including retailers, manufacturers (CMT's), government at all levels and international collaborations

KwaZulu-Natal Fashion Council (KZNFC)

- The KZNFC is a programme that has **970 designer members and 630 industry members**.
- Other Programmes associated with initiative:
 - Fashion Hub
 - Fashion Sector Development
 - KZN Fashion Week Africa Exchange (AFX)

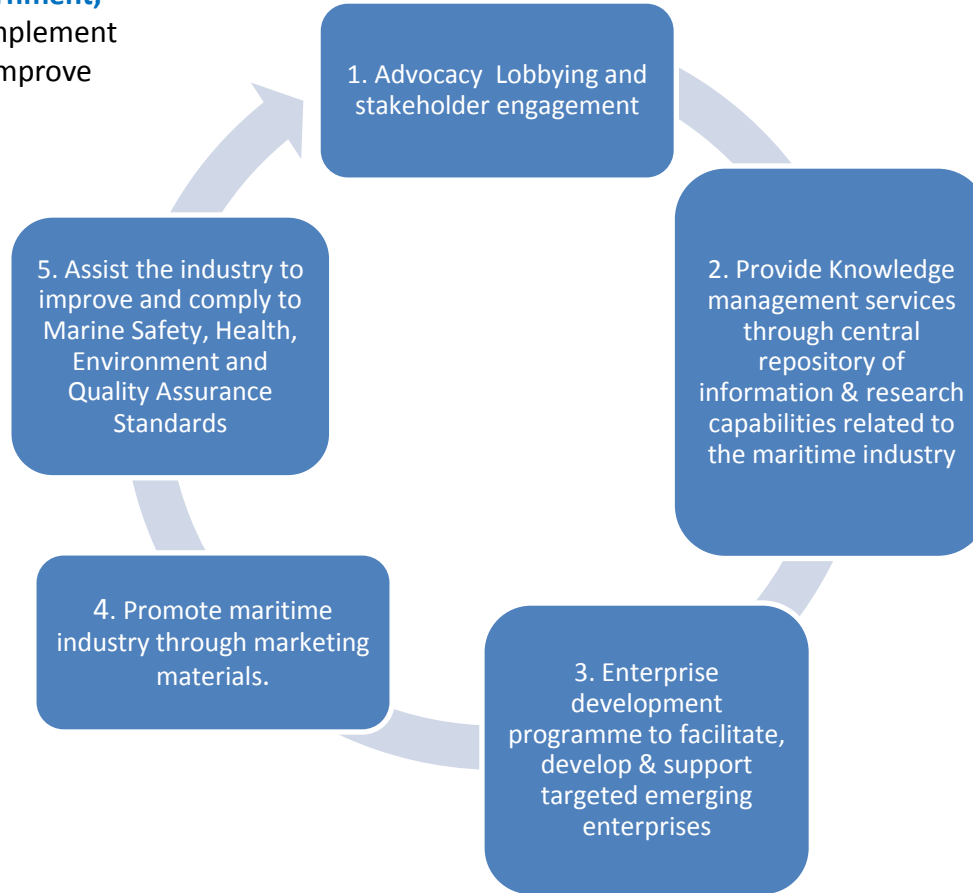


eThekweni Maritime Cluster (EMC)

The EMC was launched in 2009, and provides a platform for **collaborative engagement between different levels of government, state owned enterprises and the maritime community** to implement programs of common interest that support the growth and improve performance.

Objectives

- To improve industry growth, development and support.
- To ensure global competitiveness by providing a platform for engagement and collaborative working of government, private companies, maritime industry association and state-owned enterprise.
- Creating an enabling environment for industry, stakeholders and government to collaborate in identifying and addressing strategic issues of common interest:



Areas of Focus

- Port logistics and value chain benchmarking to improve efficiencies and competitiveness
- Facilitate for improved education and training for the maritime industry & to enable talented people to enter the industry
- Support participation and develop the growth of small and medium sized businesses as well as transformation of the industry in general.
- Improve maritime safety, health and environmental management
- Promote the development of ship repair & boat building sector
- Strategically position the eThekweni maritime industry locally, nationally and globally

eThekweni Maritime Cluster (EMC)

- The EMC is a programme which connects **50 stakeholders**.
- Other Programmes associated with initiative
 - Durban Maritime Summit
 - Cruise Industry Development and Support
 - Freight and Logistics Support (PCC)



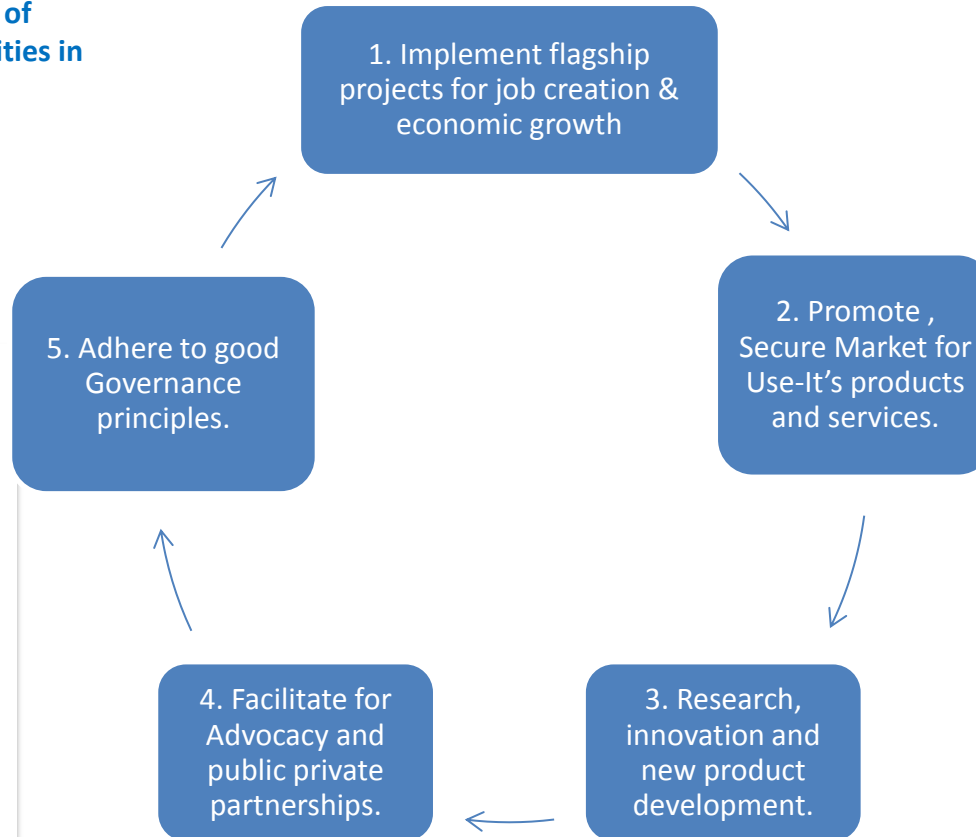
Deep constructor in dry dock Dormac Marine

Materials Recovery Cluster

USE-IT was established in partnership with eThekweni Municipality as a non-profit organisation to serve as a waste beneficiation initiative that will facilitate the development of this sector through the **diversion of waste from landfill and facilitating job opportunities in the green economy.**

Objectives

- The overarching objective is to develop, support and grow waste beneficiation profitable initiatives.
- The aim is to identify, support waste beneficiation opportunities that will increase waste diversion from landfill whilst creating opportunities for Green Economic Growth in eThekweni and maximizing job-creation opportunities.
- Focus is on innovation and R&D as this is still a growing sector

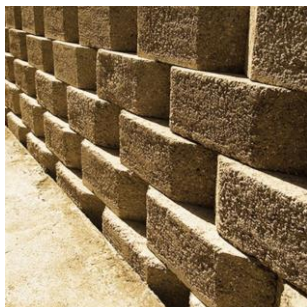


Areas of Focus

- Develop cheaper, environmentally friendly building materials from recycled waste.
- Create Bio Organic Fertilizers through use of waste & sludge beneficiation technologies.
- Use of Composite technologies to create thermally efficient building materials for outdoor applications.
- Facilitate for responsible recycling of old computers, cell phones, DVD machines, etc.
- Assessing waste such as paper, cardboard, plastic, tyre rubber, glass and metals for standardize recyclable materials.
- Create platform for information dissemination, networking, marketing and public private partnerships.

Materials Recovery Cluster

- Other Programmes associated with initiative:
 - Compressed Earth Block Project
 - Hammersdale Waste Beneficiation Centre
 - E-Waste Recycling & Refurbishment Centre and Organic Compost

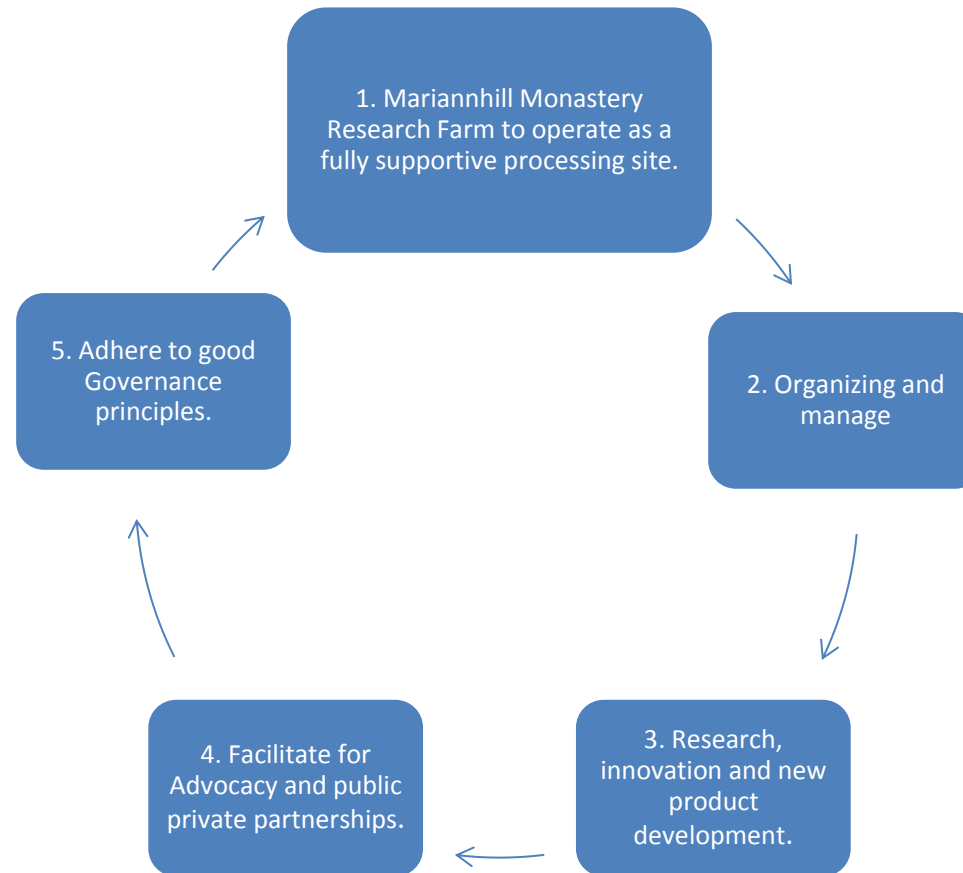


Edamame Development Programme

This initiative aims to facilitate the **establishment of sustainable Edamame business opportunities within the agriculture and agribusiness sectors.**

Objectives

- The overarching objective is to develop, support key objective is to establish partnerships in the agro-processing sector, find opportunities to grow and process Edamame various products.
- To generate job opportunities and further promote skills development in farmers to increase value of their produce through agro-processing and feed in their produce to well established markets.



Areas of Focus

- Enhance the presence and promote awareness of local products and services.
- Trade support programmes including marketing, promotional support and other market access initiatives.
- Workforce redevelopment programme.
- Enterprise development programmes.
- Product Research and Development assistance interventions .
- Secure industry buy-in and required funding partnerships necessary for project viability.
- Establish the necessary equipment, system and processes.

Edamame Development Programme

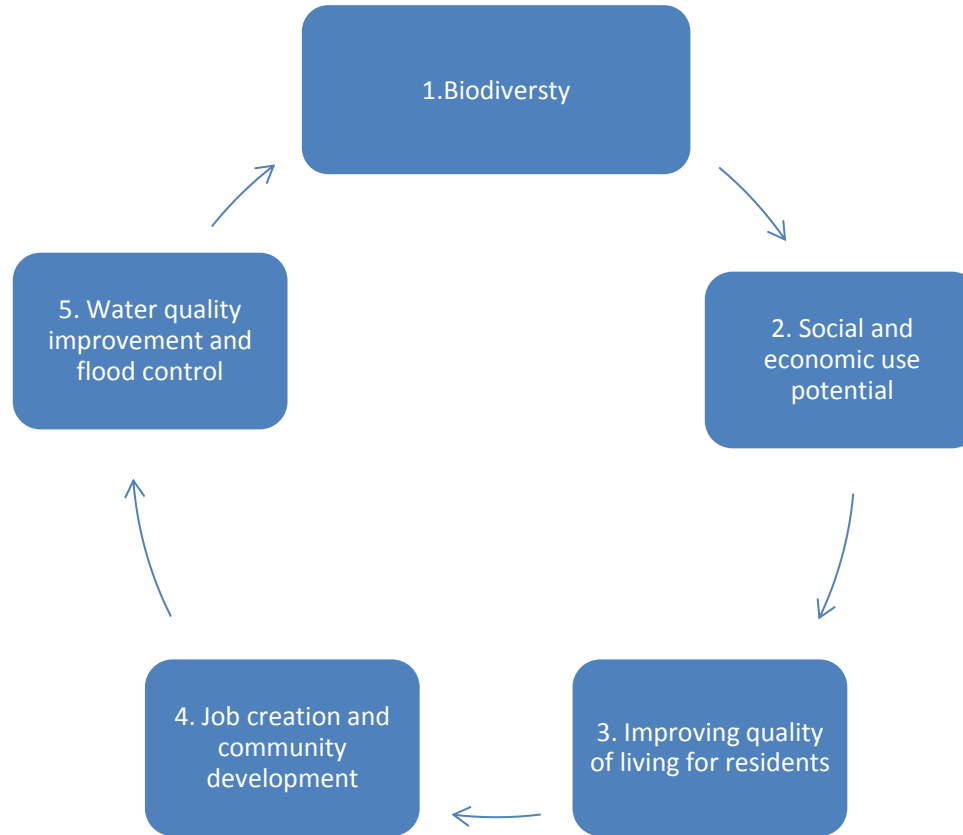
- The Edamame Development Program is a programme that has **85 emerging farmers**.
 - Other Programmes associated with initiative
 - Liv Moringa out-grower programme
 - Cottonlands Liv-Agri Programme (EPWP)
 - Agri-Business Farmers' Open Day/ symposium
 - Radical Agrarian Socio-Economic Transformation (RASET)
- Agri-Parks



Durban Green Corridor

Areas of Focus

- Eco-tourism, adventure sports and outdoor leisure.
- Rural and township accommodation.
- Nature trails, mountain biking, trail running, hiking and bird canoeing.
- Environmental management along rivers and streams.
- Alien plant control and reestablishment of indigenous vegetation.
- Litter clean ups and combatting illegal dumping.
- Responsible community food gardening on river banks
- Environmental education and excursion programme at DGC sites
- Youth Gardens with a development through play focus on young children
- Swimming, canoeing, running and mountain biking development programmes.
- Enterprise development and job creation, over 200 people employed.
- Development of sites as private/ community business partnerships.
- Creating momentum for market uptake in eco-tourism development areas.



Objectives

- The programme contributes to the vision of Durban of being the most livable and caring city in Africa.
- It seeks to improve the quality of Durban's natural open spaces by developing their social and economic use value, improving environmental awareness and management and developing resilience to the impacts of climate change and enhancing property values by improving stream corridors through Durban's townships.

This Durban Green Corridor is an initiative that is implemented throughout the uMgeni River Valley and its uMhlangane River sub-catchment which incorporates several industrial estates and much of Durban's northern townships.

Durban Green Corridor

- Other Programmes associated with initiative
 - Bridge City KwaMashu Green Spaces
 - Business Precinct Urban Management
 - Urban Precinct Management Initiative
 - KwaDabeka Agri-tourism project
 - Tourism Product Development

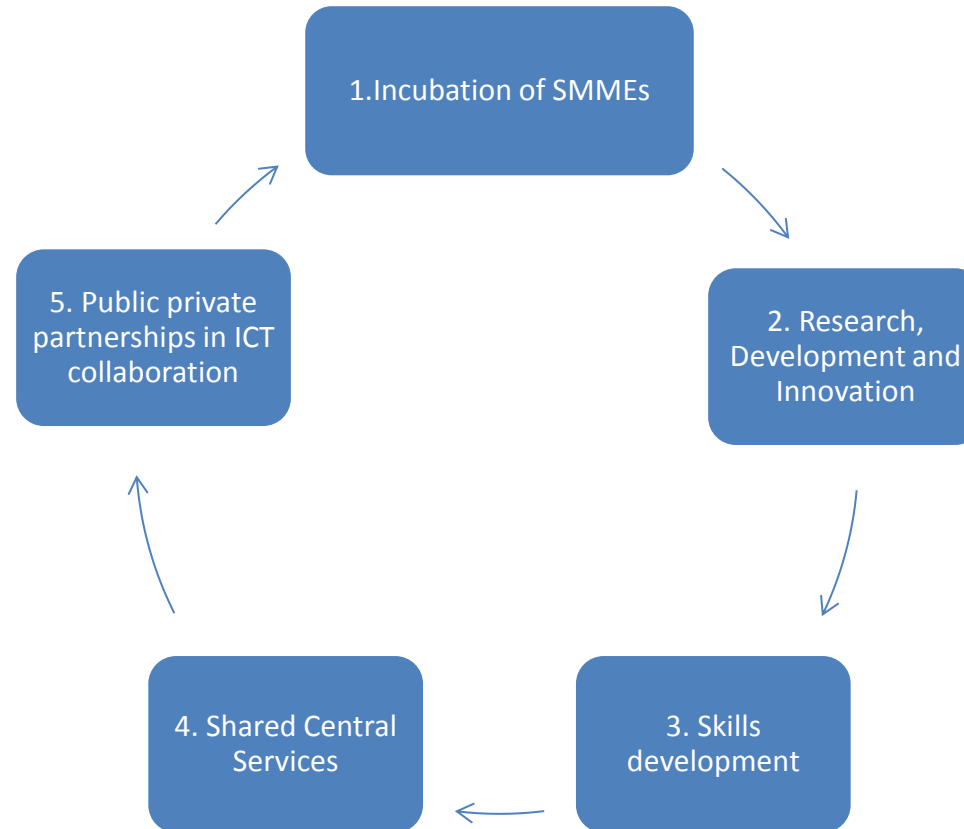


SMARTXCHANGE

Smartxchange is a **technology innovation node and business incubation centre** that was established in 2004 to promote and support business in the information communication and technology (ICT) Sector in the region

Objectives

- The objective of Smartxchange is to develop and transform a critical mass of local ICT businesses through skills development, providing incubation facility and promoting local small medium and macro-enterprises (SMME) in Durban and KN province.
- Smartxchange acts as a special purpose vehicle for public and private organizations to work through to realize the vision of becoming Africa's ICT Hub.



Areas of Focus

- To identify and assist in developing a quality ICT SMME based in KZN.
- To build a pool of skilled ICT workers that will enable Kwa Zulu- Natal ICT businesses to flourish; and Support initiatives that work to bridge the digital divide.

SMARTXCHANGE

- The SmartXchange has **48 SMMEs** currently under incubation



Business Processing Outsourcing (BPO)

Business Process Outsourcing (BPO) is the contracting out of processes or functions of a business to a 3rd party to save costs and/or improve efficiency. BPO sector has the potential to create large number of employment opportunities for the youth with relatively low skills.

Objectives

- To enhance industry competitiveness and growth potential
- To provide unemployed youth with skills and job opportunities
- To develop, grow and support BPO industry



Areas of Focus

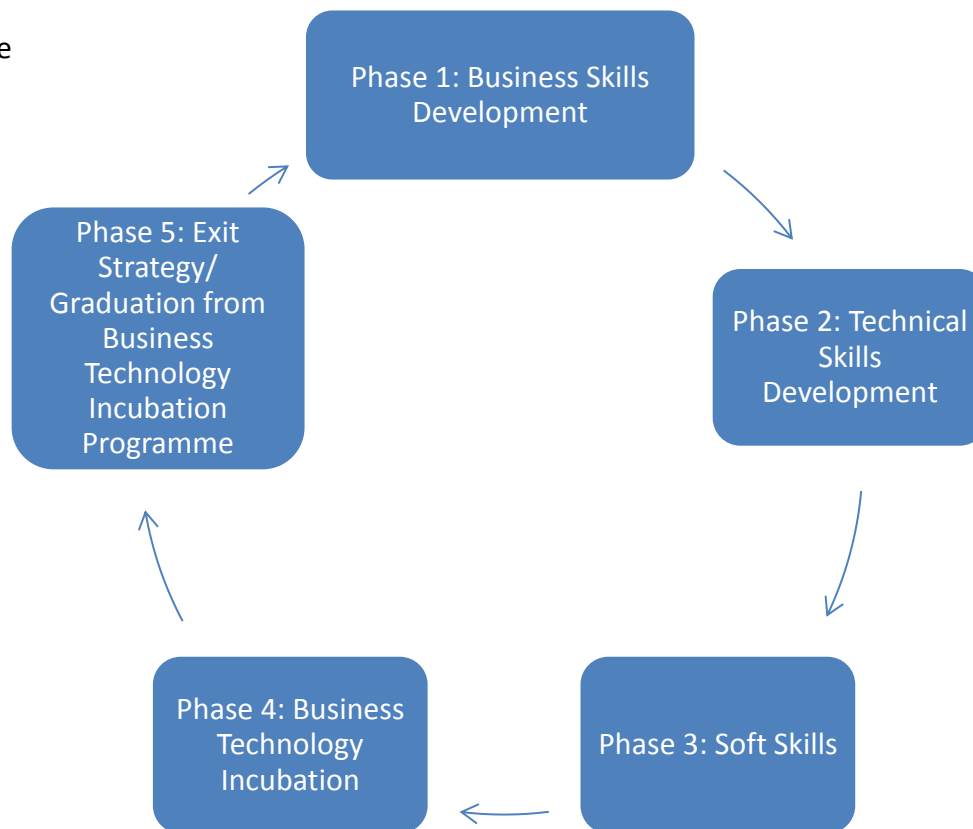
1. Skills development to enable sustainable job creation
2. Driving transformation to include previously disadvantaged individual to play a meaningful role in the sector
3. Market Durban as BPS location to stimulate investment that will create jobs
4. Subsidised infrastructure to address living expense challenges

PINK Furniture Incubator

The Phoenix, Inanda, Ntuzuma and Kwa Mashu (PINK) furniture incubator is in partnership with the Furniture Technology Centre Trust (Furntech) which is a national furniture incubation and training institution. This incubator has a large factory space that houses machinery, surrounded by small manufacturing cells.

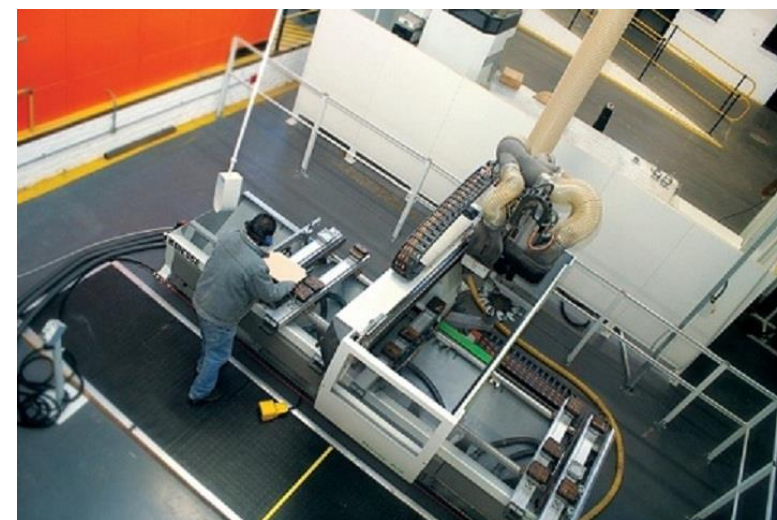
Objectives

- The primary objectives of the programme is to provide a comprehensive programme to train and support existing and potential entrepreneurs within the furniture manufacturing sector through:
 - Expanding the skills base
 - Identifying and mentoring new entrepreneurs
 - Job creation and business development



Areas of Focus

- Advanced Technology Training
- Business Incubation
- Market access



eThekweni Industrial Sector Support Desk

The Department has identified additional programmes that will stimulate and grow the priority sectors as per our mandate:

- Localisation
- Export development and promotion
- Promotion of development of Black Industrialists
- Development of a manufacturing/industrial database
- Industrial area/parks Census
- eConnect Portal
- eThekweni Industrial Development Policy Action Plan
- Metal Fabrication Sector Development





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Thank you!

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