The Garden Route and Cape Economy

Tim Harris
CEO
7 March 2018

Wesgro performance - the past five years

bids secured through Convention Bureau
Help attract 7 million foreign tourists

Attracted Investment of R11.6 billion
Faciliated 10,372 direct jobs

Assisted 2,987 companies with export
Published 577 Reports
New effort in challenging times

- 5 films worth R1.56 billion
- 11 new routes and 14 expansion routes
- R9 billion business agreements signed

Missions for 2017/18

The Cape economy in perspective, 2016

RELATIVE SIZE OF SOUTH AFRICA, WESTERN CAPE & CAPE TOWN TO AFRICAN MARKETS, 2016 (USD: ADJUSTED FOR GDP & EXCHANGE RATES)

Source: BMI, 2017
The Western Cape, strong relative performance

SOUTH AFRICA'S GDP AVERAGE ANNUAL GROWTH, 2011-2016

<table>
<thead>
<tr>
<th>Province</th>
<th>2011-2016 Growth</th>
</tr>
</thead>
<tbody>
<tr>
<td>Western Cape</td>
<td>2.5</td>
</tr>
<tr>
<td>Eastern Cape</td>
<td>1.8</td>
</tr>
<tr>
<td>Northern Cape</td>
<td>2.3</td>
</tr>
<tr>
<td>Free State</td>
<td>1.7</td>
</tr>
<tr>
<td>KwaZulu-Natal</td>
<td>2.4</td>
</tr>
<tr>
<td>North West</td>
<td>0.9</td>
</tr>
<tr>
<td>Gauteng</td>
<td>2.6</td>
</tr>
<tr>
<td>Mpumalanga</td>
<td>1.8</td>
</tr>
<tr>
<td>Limpopo</td>
<td>1.8</td>
</tr>
<tr>
<td>Provincial GDP growth</td>
<td></td>
</tr>
<tr>
<td>SA GDP Growth</td>
<td>2.2</td>
</tr>
</tbody>
</table>

Source: StatsSA, 2017

The Cape has the lowest unemployment rate

SOUTH AFRICA'S AVERAGE UNEMPLOYMENT RATE, 2009-2017

<table>
<thead>
<tr>
<th>Province</th>
<th>2009-2017 Rate (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Western Cape</td>
<td>2</td>
</tr>
<tr>
<td>Eastern Cape</td>
<td>14</td>
</tr>
<tr>
<td>Northern Cape</td>
<td>9</td>
</tr>
<tr>
<td>Free State</td>
<td>7</td>
</tr>
<tr>
<td>KZN</td>
<td>17</td>
</tr>
<tr>
<td>North West</td>
<td>16</td>
</tr>
<tr>
<td>Gauteng</td>
<td>5</td>
</tr>
<tr>
<td>Mpumalanga</td>
<td>14</td>
</tr>
<tr>
<td>Limpopo</td>
<td>20</td>
</tr>
<tr>
<td>South Africa</td>
<td>25</td>
</tr>
<tr>
<td>South Africa</td>
<td>25</td>
</tr>
</tbody>
</table>

Source: QLFS (StatsSA), 2018
Western Cape GDP by sector, 2004 - 2014

Regional Output and GVA at basic prices by industry

- George
- Mossel Bay
- Oudtshoorn
- Knysna
- Hesperina
- Bitou
- Kannaland

Source: Quantec, 2018

an inspiring place to do business
Western Cape regional trade

**WESTERN CAPE REGIONAL EXPORTS, 2016**

Growth of WC Exports, 2012-2016 (%)

<table>
<thead>
<tr>
<th>Region</th>
<th>Value 2016 (ZAR)</th>
<th>Share 2016 (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Americas</td>
<td>ZAR12,66bn</td>
<td>35</td>
</tr>
<tr>
<td>Asia</td>
<td>ZAR20,69bn</td>
<td>55</td>
</tr>
<tr>
<td>Europe</td>
<td>ZAR36,27bn</td>
<td>100</td>
</tr>
<tr>
<td>Rest of Africa</td>
<td>ZAR45,13bn</td>
<td>100</td>
</tr>
</tbody>
</table>

Top 10 import products, 2016

1. Crude Oil ZAR54,8bn
2. Refined Petroleum ZAR51,0bn
3. Generators and Electric Motors ZAR3,8bn
4. Alcohol ZAR2,9bn
5. Electronic ZAR1,8bn
6. Footwear ZAR1,9bn
7. T-shirts & Vests ZAR1,6bn
8. Men’s or Boys’ Suits ZAR1,6bn
9. Fish ZAR1,6bn
10. Women’s or Girls’ Suits ZAR1,4bn

Top 10 export products, 2016

1. Refined Petroleum ZAR13,9bn
2. Citrus fruit ZAR10,1bn
3. Wine ZAR9,2bn
4. Apples, Pears and Quinces ZAR7bn
5. Grapes ZAR6,2bn
6. Iron & Steel ZAR2,9bn
7. Fruit Juice ZAR2,2bn
8. Fruit & Nuts ZAR2,2bn
9. Tobacco ZAR1,8bn
10. Fish ZAR1,8bn

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South African export of agricultural products

South Africa’s exports of agriculture, forestry and fishing products, 2016

- Western Cape: 53.2%
- Gauteng: 14.2%
- Eastern Cape: 13.8%
- Limpopo: 6.3%
- KwaZulu-Natal: 4.1%
- Northern Cape: 3.0%
- Free State: 2.6%
- North West: 1.7%
- Eastern Cape: 1.4%

Source: Quantec, 2017

South African export of processed foods

South Africa’s exports of food, beverages and tobacco, 2016

- Western Cape: 42.52%
- Gauteng: 32.84%
- KwaZulu-Natal: 9.37%
- Eastern Cape: 3.47%
- Free State: 3.24%
- Limpopo: 2.98%
- Mpumalanga: 2.47%
- Northern Cape: 1.54%
- North West: 1.47%

Source: Quantec, 2017
Garden Route District trade balance

Garden Route District product analysis

TOP 10 EXPORTS 2017 (Rm)
- Edible fruit and nuts; peel of citrus fruit or melons: 1,035,4
- Raw hides and skins (other than fur skins) and leather: 480,6
- Oil seeds and oleaginous fruits: 334,7
- Prepared feathers and down and articles made of feathers or of down: 169,9
- Meat and edible meat offal: 101,2
- Preparations of meat, of fish or of crustaceans, molluscs or other aquatic invertebrates: 97,9
- Beverages, spirits and vinegar: 78,9
- Industrial energy equipment: 76,4
- Vehicles other than railway or tramway rolling stock: 72,1
- Footwear: 71,4

TOP 10 IMPORTS 2017 (Rm)
- Boilers and machinery and mechanical appliances: 217,7
- Plastics and articles thereof: 99,9
- Inorganic chemicals: 89,8
- Live animals: 84,1
- Fish and crustaceans, molluscs and other aquatic invertebrates: 79,1
- Articles of apparel and clothing accessories, knitted or crocheted: 60,8
- Raw hides and skins (other than fur skins) and leather: 55,2
- Oil seeds and oleaginous fruits: 55,2
- Articles of stone, plaster, cement, asbestos, mica or similar materials: 52,1
- TV’s, Sound systems and related devices: 48,8

Source: Quantec, 2018
Recent work in Garden Route

1. Katavi Botanicals is a South African all-natural, anti-aging skincare company
   Exhibition in USA drove exports
2. Meyer van Wetigh EDP 3 – SSAS outward missions to 100% Design and Giftex
3. Gribbons Trading Early engagement
4. Leather Rose Manufacturing – Mossel Bay Early engagement
5. Mungo Textiles, Old Nick village, Plett EDP 3 - Seminar
6. Zenzeleni Resources EDP 3 - Seminar
8. Lancewood Cheese CM IBM LOSI - Anuga & Sial Paris on National Pavilion
9. Mosstrich - Mossel Bay LOSI - Anuga & Sial Paris on National Pavilion

Companies supported

Western Cape - FDI breakdown

BREAKDOWN OF FDI BY SOURCE MARKETS, JAN 2003-SEP 2017

<table>
<thead>
<tr>
<th>Source</th>
<th>% Projects</th>
<th>% Capex</th>
</tr>
</thead>
<tbody>
<tr>
<td>UK</td>
<td>25.61%</td>
<td>12.94%</td>
</tr>
<tr>
<td>United States</td>
<td>22.58%</td>
<td>20.64%</td>
</tr>
<tr>
<td>Germany</td>
<td>17.53%</td>
<td>7.30%</td>
</tr>
<tr>
<td>Netherlands</td>
<td>5.39%</td>
<td>5.94%</td>
</tr>
<tr>
<td>France</td>
<td>4.63%</td>
<td>6.13%</td>
</tr>
<tr>
<td>China</td>
<td>3.67%</td>
<td>3.94%</td>
</tr>
<tr>
<td>Italy</td>
<td>3.12%</td>
<td>8.38%</td>
</tr>
<tr>
<td>Spain</td>
<td>2.27%</td>
<td>2.47%</td>
</tr>
<tr>
<td>Switzerland</td>
<td>2.27%</td>
<td>0.79%</td>
</tr>
<tr>
<td>Denmark</td>
<td>1.88%</td>
<td>0.52%</td>
</tr>
<tr>
<td>Switzerland</td>
<td>1.88%</td>
<td>0.52%</td>
</tr>
<tr>
<td>Denmark</td>
<td>1.88%</td>
<td>0.52%</td>
</tr>
<tr>
<td>% Share</td>
<td>25%</td>
<td>15%</td>
</tr>
</tbody>
</table>

BREAKDOWN OF FDI BY SECTOR, JAN 2003-SEP 2017

<table>
<thead>
<tr>
<th>Sector</th>
<th>% Projects</th>
<th>% Capex</th>
</tr>
</thead>
<tbody>
<tr>
<td>Business Services</td>
<td>19.13%</td>
<td>4.49%</td>
</tr>
<tr>
<td>Software &amp; IT services</td>
<td>19.13%</td>
<td>3.22%</td>
</tr>
<tr>
<td>Financial Services</td>
<td>7.89%</td>
<td>3.22%</td>
</tr>
<tr>
<td>Communications</td>
<td>7.89%</td>
<td>19.16%</td>
</tr>
<tr>
<td>Transportatio</td>
<td>4.51%</td>
<td>4.51%</td>
</tr>
<tr>
<td>Industrial Machinery, Equipment &amp; Tools</td>
<td>3.97%</td>
<td>10.06%</td>
</tr>
<tr>
<td>Electronic Components</td>
<td>3.89%</td>
<td>5.86%</td>
</tr>
<tr>
<td>Alternative/Renewable energy</td>
<td>3.12%</td>
<td>7.15%</td>
</tr>
<tr>
<td>Chemicals</td>
<td>3.12%</td>
<td>3.12%</td>
</tr>
<tr>
<td>Textiles</td>
<td>3.12%</td>
<td>3.12%</td>
</tr>
</tbody>
</table>

Source: Quantec, 2018
Recent international investment in Eden

<table>
<thead>
<tr>
<th>Headline figures</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>No of FDI projects</td>
<td>5</td>
</tr>
<tr>
<td>Total jobs created</td>
<td>600</td>
</tr>
<tr>
<td>Average project size (jobs)</td>
<td>120</td>
</tr>
<tr>
<td>Total capital investment</td>
<td>USD 1.7 bn</td>
</tr>
<tr>
<td>Average project size</td>
<td>USD 359 m</td>
</tr>
</tbody>
</table>

Investment Promotion: engagements 2017/18

Background:
The Wesgro IPU is working closely with a number of local municipalities to develop a support structure for enhancing investment and municipal investment readiness.

These include:
• Stellenbosch Municipality
• Drakenstein Municipality
• George Municipality
• Saldanha Bay Municipality
• Matzikamma Municipality
• Theewaterskloof Municipality

20% increase in non-metro engagements by Wesgro Agribusiness Investment Unit so far in 2017/18

120% increase in non-metro engagements by Wesgro Investment Promotion unit so far in 2017/18

Examples of Projects IPU is working on:

<table>
<thead>
<tr>
<th>Company</th>
<th>District</th>
<th>Sector</th>
</tr>
</thead>
<tbody>
<tr>
<td>APL Cartons</td>
<td>Cape Winelands</td>
<td>Agribusiness</td>
</tr>
<tr>
<td>QBS</td>
<td>Cape Winelands</td>
<td>Agribusiness</td>
</tr>
<tr>
<td>Rhodes Food Group</td>
<td>Cape Winelands</td>
<td>Agribusiness</td>
</tr>
<tr>
<td>Currense</td>
<td>Cape Winelands</td>
<td>ICT</td>
</tr>
<tr>
<td>Jordaan Group</td>
<td>Cape Winelands</td>
<td>Agribusiness</td>
</tr>
<tr>
<td>TechnoPark</td>
<td>Cape Winelands</td>
<td>Real Estate</td>
</tr>
<tr>
<td>Six Barr Construction</td>
<td>Eden District</td>
<td>Real Estate</td>
</tr>
<tr>
<td>Novelquip</td>
<td>Eden District</td>
<td>Manufacturing</td>
</tr>
<tr>
<td>EcoFar AB</td>
<td>Eden District</td>
<td>Green Economy</td>
</tr>
<tr>
<td>West Coast Power Solutions</td>
<td>West Coast</td>
<td>Manufacturing</td>
</tr>
<tr>
<td>Michael Wurbach</td>
<td>Cape Overberg</td>
<td>Agribusiness</td>
</tr>
</tbody>
</table>

Upcoming engagements:

<table>
<thead>
<tr>
<th>Engagement</th>
<th>Date</th>
</tr>
</thead>
<tbody>
<tr>
<td>Central Karoo Visit</td>
<td>4 – 5th March</td>
</tr>
<tr>
<td>Garden Route Investment Conference</td>
<td>7th – 8th March</td>
</tr>
<tr>
<td>West Coast Workshop</td>
<td>Awaiting Feedback</td>
</tr>
<tr>
<td>Western Cape Municipal Workshop</td>
<td>April 2018</td>
</tr>
</tbody>
</table>
Wesgro Agri and Investment units engagements

Investment Promotion 1 April 2016 to 28 February 2018

- Bitou Municipality: 1
- Breede Valley Municipality: 1
- Cape Winelands District Municipality: 1
- Cape Winelands Municipality: 2
- Drakenstein Municipality: 4
- Eden District Municipality: 14
- George Municipality: 10
- Knysna Municipality: 1
- Matzikama Municipality: 1
- Mossel Bay Municipality: 3
- Overberg District Municipality: 2
- Overstrand District Municipality: 2
- Saldanha Municipality: 2
- Steenberg Municipality: 3
- Theewaterskloof Municipality: 3
- West Coast Municipality: 1

Total: 51

Wesgro Agri and Investment units engagements

Agribusiness Investment Unit: 1 April 2016 to 28 February 2018

- Drakenstein Municipality: 2
- Eden District Municipality: 2
- Knysna Municipality: 1
- Matzikama: 3
- Stellenbosch Municipality: 2
- Theewaterskloof Municipality: 2
- West Coast Municipality: 5
- Winelands Municipality: 2
- Wellington Municipality: 2

Total: 21

Film & media economic contribution, 2016

- South Africa: • R4.35bn Film Production
- Western Cape: • R2.5bn Film Production • R3.9bn Film & Media Production
- Cape Town: • R2.18bn Film Production • R3.5bn Film & Media Production

64% of total dti film funding went to productions in the Western Cape
Film & media activities in Garden Route District

- Presented at Film Industry Engagement (2016)
- Participated in Eden Municipality focus groups (2017)
- Advisory services on Film Strategy & Film Office (2017/2018)
- GR&KK Presented at the Locations Pre-Season Briefing in CT (2016/2017)
- Promoting locations at markets via Creative Locations Publication (Digital on USBs)
- Wesgro Leisure Tourism sponsored Plett Film Food Festival (2016/2017)
- Facilitated Film Industry Catering Workshop at Plett Film Food Festival (2017)
- Linked Trainers/Assessors with Local Producer Ikasi Media – now running film training programmes in the region
- Assisting local Producers with film projects: Ikasi Media, Create 360 Media, Spark Life etc.
- Attended quarterly RTO meetings (Outshoorn 2017)
- Discussed SLA to formalise film and media promotional activities (eg. SBM SLA)

Cape Town International Airport route network 2017

<table>
<thead>
<tr>
<th>Year</th>
<th>Nr of passengers</th>
</tr>
</thead>
<tbody>
<tr>
<td>2014</td>
<td>9.6 million</td>
</tr>
<tr>
<td>2015</td>
<td>9.4 million</td>
</tr>
<tr>
<td>2016</td>
<td>10 million</td>
</tr>
</tbody>
</table>

CTIA is the 3rd largest airport in South Africa for 2016

Airport charges being dropped by 30% on average from the 1st April 2017

CTIA and CTA won the RouteAfrica award in 2016

UNited Arab Emirates: Dubai
Turkey: Istanbul
Ethiopia: Addis Ababa
Netherlands: Amsterdam
Germany: Frankfurt, Munich
Kenya: Nairobi
United Kingdom: London, Gatwick, Heathrow
Botswana: Maun, Gaborone

FRANCE: Paris
Switzerland: Zurich
Namibia: Walvis Bay, Windhoek
Singapore: Singapore
Zambia: Livingstone
Angola: Luanda
Mauritius: Mauritius Island
Qatar: Doha
Zimbabwe: Victoria Falls
International passenger growth 2017*

1. Europe 1,436,220 15%
2. Africa 774,473 4%
3. Asia 279,911 9%
4. North America 251,128 6%
5. Middle East 186,239 10%
6. Pacific 92,978 10%
7. South America 57,503 26%

Source: OAG

Top 10 country connections for CPT in 2017*

1. USA 213,322
2. France 108,532
3. Netherlands 113,487
4. Germany 110,706
5. UK 99,922
6. Namibia 174,998
7. Zimbabwe 76,816
8. Mauritius 82,041
9. South Africa 114,792
10. Australia 74,087

Source: OAG

* Origin Destination passengers both ways
## Focus on bespoke municipal contracting

<table>
<thead>
<tr>
<th>Municipality</th>
<th>Engagement</th>
<th>Contract</th>
<th>Signed</th>
<th>Actioned</th>
</tr>
</thead>
<tbody>
<tr>
<td>Saldanha</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
</tr>
<tr>
<td>Drakenstein</td>
<td>X</td>
<td>X</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Matjiesfontein</td>
<td>X</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Stellenbosch</td>
<td>X</td>
<td>Waiting for input from IP</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>X</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>George</td>
<td>March 2018</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
Thank you | Dankie | Enkosi