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## ECDC's Interventions in Economic Recovery & Growth in the Eastern Cape

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Presentation to the Select Committee  
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# TABLE OF CONTENT

- About the ECDC
- ECDC Post COVID-19 Trade and Investment Promotion Interventions
- Investment Promotion through Films
- Trade Promotion through Trade Missions
- Creative Industry Interventions
- InvestSA One Stop Shop – Eastern Cape (EC OSS)
- Support for Enterprise Development
- Support for Co-operative Development



# ABOUT THE ECDC

The ECDC draws its mandate from the Eastern Cape Development Corporation Act (Act 2 of 1997). Its focus is informed by;

- Economic development priorities of the Provincial Government, as detailed in the Provincial Growth & Development Plan (PGDP)
- Eastern Cape Provincial Industrial Development Strategy (PIDS)
- The Annual Policy Statement and Budget Speech of the Member of the Executive Council (MEC) of Economic Development, Environmental Affairs & Tourism (DEDEAT).

The ECDC contributes to the economic growth of the Eastern Cape through trade and investment promotion, economic development coordination, enterprise development and support, and SMME and Cooperatives access to finance.



# Core Service Delivery Units

The ECDC's Head Office is in **East London** and it implements its work through regional offices in the following regions: **East London** (satellite offices in **King William's Town** and **Mdantsane**), **Butterworth**, **Mthatha**, **Queenstown** (satellite office in **Aliwal North**), **Gqeberha**.

## DF&BS

## Investment, Trade & Promotion

## Property & Infrastructure Development

## InvestSA One Stop Shop

### SMME's

- Financial Support
- Non-Financial Support (Incentives, Marketing, Financial Management, Market Access)
- Enterprise Development
- Government Incentives

### TRADE & INVESTMENT

- Promotion of EC Investment Opportunities
- Trade Promotion
- Innovation (*Film Investments, etc.*)

### INDUSTRIAL PARKS

- Retail
- Industrial Parks
- Commercial
- Residential
- Strategic Projects

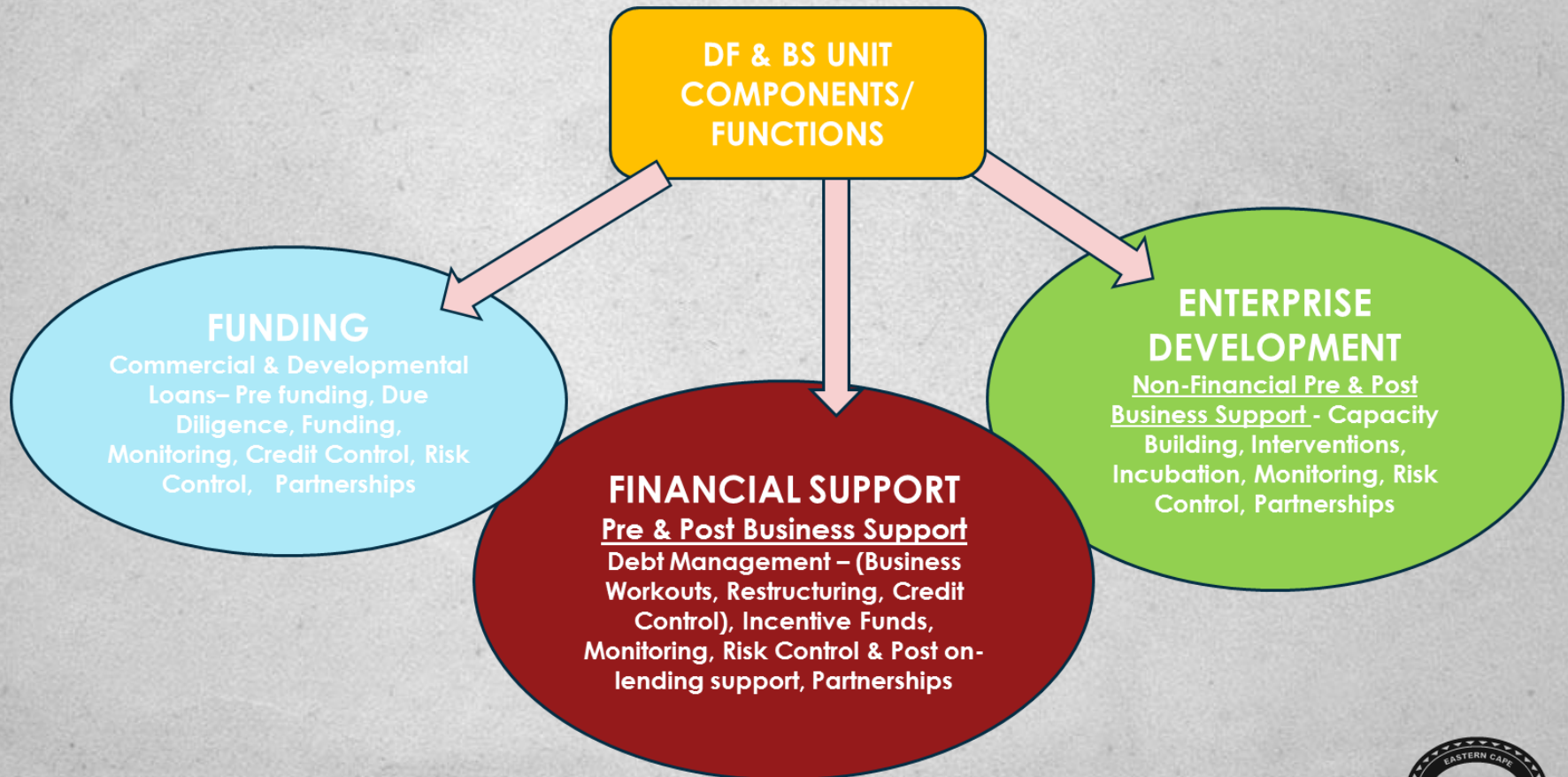
### EASTERN CAPE

- One point of entry for doing business in the EC
- Reduces market entry red tape
- Promote the Provincial Investment Portfolio
- Provincial Initiative



# DEVELOPMENT FINANCE & BUSINESS SUPPORT

DF&BS is one of the core functions of ECDC tasked with Enterprises Development, Finance and Supports



# PROPERTY PORTFOLIO & STRATEGIC PROJECTS

Responsible for Overseeing and administering ECDC's property portfolio. ECDC's Property Management Unit provides industrial and commercial premises for business letting. Residential portfolio currently being disposed off.

## PROJECT MANAGEMENT

*The ECDC manages civil, roads, building, housing and property development projects, which are delivered in partnerships with public and private businesses.*

## ASSET MANAGEMENT

*We provide and facilitate the provision of accommodation and integrated property management services, optimal utilisation of immovable assets, land valuation, maintenance of fixed asset register, payment of property rates and integrated service delivery.*

## FACILITIES MANAGEMENT

*Our journey with our clients is one of constant improvement that is focused on service delivery excellence and innovation that can deliver intelligent savings for our customers through maintenance of our residential and commercial building structure interior and exterior.*

## LEASEHOLD

*We optimise rental income by reducing vacancy rates, streamlined internal collection processes, outsourcing of debt collection recoveries, strict eviction protocols, strict tenant verification, and recoveries of utilities*

# ECDC Post Covid-19 Investment Promotion Interventions

- International Investment Promotion trends show that FDI and LDI have fallen dramatically across the world since the pandemic in 2020
- In this new global environment, it is more important than ever to retain existing investment and to assist our existing Investment Promotion (IP) clients to survive and expand
- The best rand invested is one that is retained, and the best job is one that is saved



Latest wind farm commissioned in the Eastern Cape - Wesley

# ECDC Post Covid-19 Investment Promotion Interventions Post - continued

- The TII unit adapted rapidly to the new normal and has been servicing clients as follows:
  - Marketing the provincial jobs fund Covid-19 intervention administered by ECDC. The extension of the fund to the tourism sector, in particular has had a very positive impact
  - Marketing other national relief instruments to our clients and industry associations
  - Contributing to provincial economic recovery planning via the DEDEAT headed Economic Cluster team
  - Engaging in aftercare services with clients both virtually and physically to assess their needs and assist accordingly
  - Supporting new suppliers of components to the Automotive Industry to increase localization & import substitution (facilitate access to incentives & testing facilities)
  - Driving new investments through Trade Promotion activities such as the Al Mawashi Investment

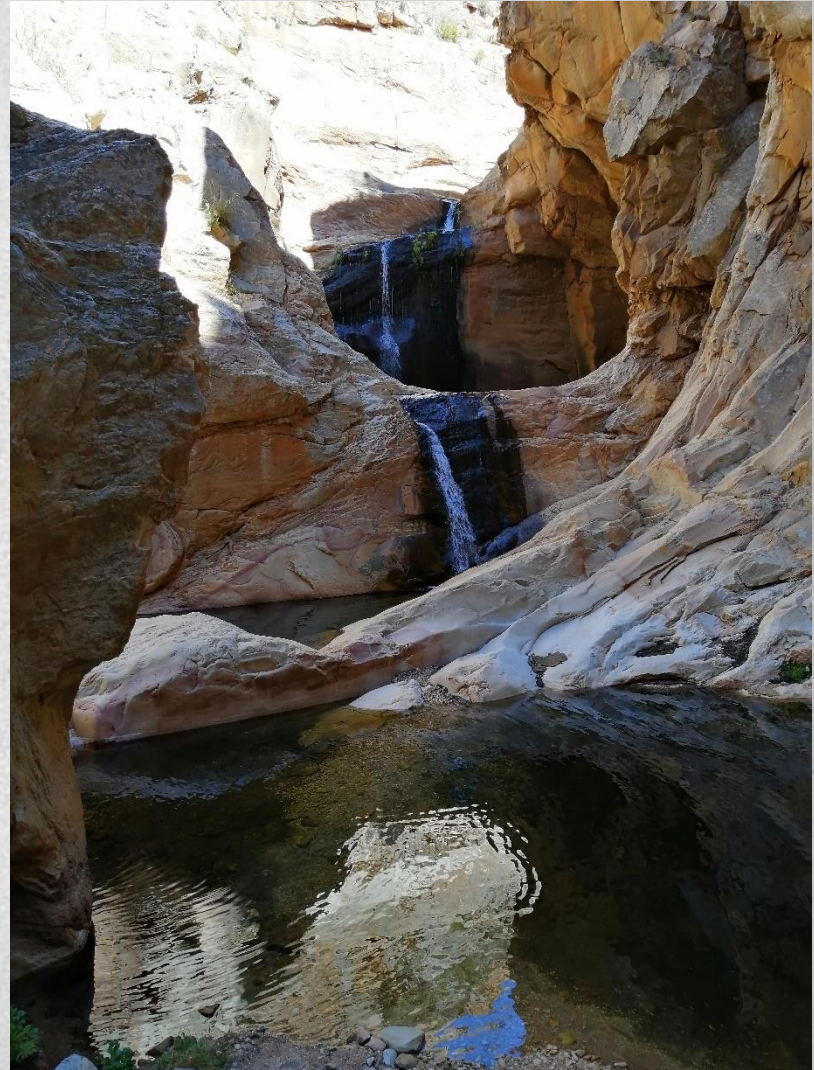




# Investment Promotion through Film

The ECDC Film Investment Fund intervention aims to boost provincial economic growth through Film Industry Development:

- ✓ Local jobs created through people employed in various aspects of film production
- ✓ Tourism sector benefits through accommodation & location promotion
- ✓ Skills development for local emerging film makers & actors



# Investment Promotion through Film - continued

- ✓ Local SMME's benefit through support services like catering, security services, car & equipment hiring, creative art etc
- ✓ The province is marketed as a preferred film destination and the province's tourism potential is likewise marketed through film
- ✓ Plans are in place for the establishment of film post-production infrastructure to capture the 30% of the film value chain which is done outside the Eastern during each production that is film in the EC



# Trade Promotion through Trade Missions

- The pandemic has impacted supply chains across all sectors across the globe since 2020
- This has been accompanied by massive increases in shipping and logistic prices at the same time
- The ECDC has assisted its clients in these turbulent times as follows
  - ✓ Taking the lead in 2020 in putting together virtual trade missions with other countries
  - ✓ Trade missions have provided market access to countries who had limited trade with the Eastern Cape (Australia, Greece, Finland)
  - ✓ Building on this in 2021, TII staff have boldly begun travelling on outward missions again and taking clients with them as well as connecting businesses to markets virtually at the same time



# Trade Promotion through Trade Missions - continued

- ✓ Increased exports lead to new enterprise formations, expansion of existing enterprises and more jobs created
- ✓ ECDC has continued the very successful exporter development programme in 2021 providing training & mentorship to new and aspiring exporters
- ✓ New exporters are entering and new markets are obtained and that leads to expansion in sizes of production facilities and more people employed
- ✓ Lobbying for tariffs and better port services to stimulate trade, economic development and exports
- ✓ New export channels to the Middle East have opened new opportunities for Eastern Cape Agriculture



# Creative Industries Interventions

- The creative industries sector has been severely affected by the Covid-19 pandemic and further aggravated by intermittent lockdowns.
- ECDC's interventions to assist SMME's in this sector are as follows:
  - Administering of Covid-19 relief fund in collaboration with the Dept. of Sports Arts and Culture and Dept. of Small Business Development.
  - Provision of market access platform through the Eastern Cape Craft Collection shop as most of the exhibitions and expos had closed down
  - Assisting creatives who are branching out into becoming competent training providers through provision of Facilitation and Assessor – Train the Trainer courses
- A number of markets are slowly opening up and enterprises are encouraged to participate in trade missions and ECDC is marketing these opportunities
- Establishment of Incubators for Creative Enterprises such as the ECDC/Black Umbrellas Incubator in East London
- Establishment of the Textile Infrastructure for Small and Medium textile enterprises who lack capacity to build own production facilities



# INVESTSA ONE STOP SHOP – EASTERN CAPE



**investSA**  
ONE STOP SHOP



# InvestSA One Stop Shop – Eastern Cape (EC OSS)

## EXISTING INFRASTRUCTURE

- The OSS is operating at number 12 Esplanade Street, East London where the Eastern Cape Development Corporation Trade, Investment and Innovation Unit has taken occupation.
- The building has been recently refurbished to suit the required specification by the InvestSA within **the dtic**.
- The building floor plan consists of **15 offices**, with a **20 seater boardroom**, **8 seater meeting room**, **1 storeroom** and a **60 seater cinema style** conference room with a receiving area – for trade and investment briefings
- Of the 15 offices, seven offices and the open plan are occupied on a permanent basis by ECDC and permanent tenants, meanwhile a Memorandum of Understanding will be signed by those who will be using the eight shared offices. The identified permanent tenants are InvestSA, South African Revenue Services, Automotive Industry Development Centre, Department of Home Affairs, and the two metro municipalities (Nelson Mandela Bay and Buffalo City).
- The other offices will remain unoccupied and not branded as they will be used as meeting rooms by all the entities not taking permanent tenure.



# EC One Stop Shop - continued

## ACTIVITY FLOW OF OPERATIONS

- The operations commenced with a secondment arrangement of personnel from ECDC to the OSS as an initial measure to operationalize the facility while the recruitment process is underway. The EC OSS Centre Manager will be appointed by November 2021, whilst the receptionist will be appointed by December 2021.
- By design, the premises are shared between the ECDC – Trade, Investment, and Innovation, which will allow the cross pollination and a useful overlap necessary for the smooth operations in servicing the clients / investors in the province.
- The premises also allow for the letting out of some of the facilities when not utilized. That will contribute to financial sustainability of the facility, e.g., letting out the boardroom, conference facility and the catering facility to certain stakeholders, without compromise to the main purpose of the InvestSA Eastern Cape OSS, which is to provide the service to its clients within the Eastern Cape province.





# EC One Stop Shop - continued

- The One Stop Shop provides strategic guidance, reduce regulatory inefficiencies, set up norms and standards including turnaround times, and coordinate, fast-track, unblock, and reduce red tape for investors looking to invest in South Africa.
- It is a concept set to coordinate One Stop Shop Investment Centres at the provincial investment agencies, local authorities, special economic zones, and/or relevant government departments involved in regulatory, registration, permits and licensing matters.
- InvestSA One Stop Shop concept falls under the Nine-Point Plan to grow the economy and create jobs, under “Crowding in Private Sector Investment”.
- **The One Stop Shop facility further enables:**
  - market entry of investments
  - the promotion and development of investment in South Africa
  - awareness about the offerings of Invest SA
  - the promotion of the Invest SA Brand - value proposition of the One Stop Shop
  - the facilitation of the necessary investments in South Africa



# EC OSS CONT...

## Operational Contribution to Investment Mobilisation

### The One Stop Shop serves as:

- An accessible entry point for investors
- Source of information on regulatory compliance with laws and/or regulations
- Streamlining regulator decision process (registration, licencing, permitting, land allocation or property registration)
- Improving the quality and timeframes for the delivery of service
- Pre and post-investment screening for investors and investments (project-based)
- Allocating various incentives (tax, land, training, free zones)
- Provision of pre-approval services (market data, costs, incentives, project approval, visits, local partners, etc.) to investors
- Provide post approval services (permits, approvals, import equipment & raw materials, central bank profit repatriation, work permits, etc.) to the investor

The Department of Trade, Industry and Competition is the custodian for promotion and facilitation of OSS in South Africa – assigned by the Presidency to lead and coordinate the development of the InvestSA One Stop Shop. Over 18 National Departments and Agencies are involved in policy regulation, licensing, and registration of businesses.



# Invaba Co-operatives Fund

- The ECDC has been administering the Co-operatives Fund since 2009.
- The ECDC developed policies and systems of assessing, approving and disbursing funds to the approved primary and secondary co-operatives.
- In order to improve the sustainability of the co-operatives and to assist them to compete in the open market, the ECDC also created training programmes and engaged services providers to train on governance, technical skills, business / farm management, OHS, First AID and other skills
- The first 3 years of funding were 70:30 – Loan:Grant, with the maximum of R1.4m
- Since 2012 the funding model was changed to 100% incentive, maximum being R500,000
- To date, funding has been approved to 253 primary co-operatives, with a total amount of R 135,718,152.17



# Business Support Interventions

- Facilitating access to market through the following
  - Supporting businesses to participate in virtual exhibitions
  - Providing marketing material to businesses for virtual presence
  - Supporting business through interactive e-commerce websites
- Providing enterprise development support and capacity building through the following:
  - Virtual business management training programmes
  - Virtual Business Accelerator Programme (training and mentorship)
- Financial and non-financial support to informal businesses



# Business Support Interventions

- **Informal Business Support Programme**
  - Financial assistance provided to informal businesses
  - R 30 000 worth of equipment, machinery, tools and inputs
  - Non-financial support (training and support for business compliance)
- **Business compliance support programme**
  - Supporting enterprises to apply for Covid-19 relief funding
  - Support businesses to comply with relevant regulatory requirements such as UIF, Tax and financial records
- **Business Incubation**
  - Establishment of Innovation Hub
  - Support to chemical incubator – manufacturing of sanitisers



**THANK YOU**

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